



## 9-MONTH REPORT **2024**

Premium quality transport solutions for  
people, material and equipment

## SUMMARY OF KEY DATA

		2022	2023	9M/2023	9M/2024
Revenue	EUR thousand	93,714	73,172	54,106	47,890
Total operating revenue	EUR thousand	95,859	81,100	61,720	57,895
EBIT	EUR thousand	14,321	3,952	4,066	-1,270
EBIT margin on total operating revenue	%	14.9	4.9	6.6	-2.2
Consolidated net profit/loss	EUR thousand	14,803	5,228	4,755	-1,064
Equity	EUR thousand	86,984	86,712	86,030	85,655
Equity ratio	%	66	68.5	67.9	67.2
FTEs (full-time employees)	on the reporting date	421	411	415	397

## FINANCIAL CALENDAR

13 November 2024

31 December 2024

Presentation to investors and analysts at the  
Munich Capital Market Conference (MKK)

Fiscal year-end

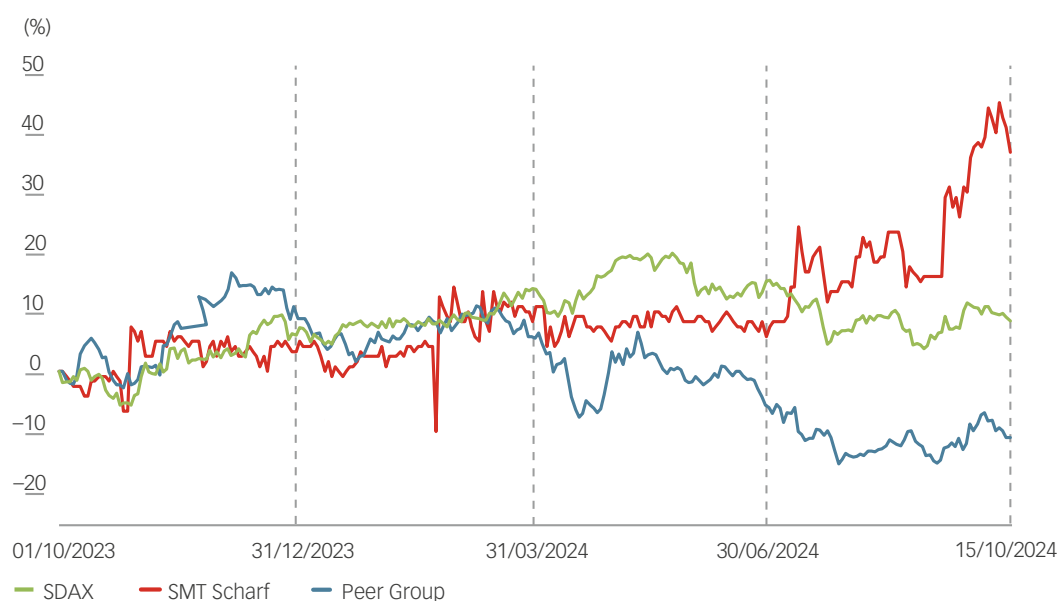
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## SHARE INFORMATION

### Share price chart



### Key share data 9M 2024

Ticker/ISIN	S188 / DE000A3DRAE2
Number of shares incl. 49,477 treasury shares	5,521,456
Closing price (30/09/2024)*	EUR 8.30
High/low* in Q3/2024	EUR 8.30 / EUR 6.50
Share price performance (LTM on 30/09/2024)	37.2 %
Share price performance SDAX (LTM on 30/09/2024)	10.0 %
Peer group portfolio performance (LTM on 30/09/2024)	-2.2 %
Market capitalization excl. treasury shares (30/09/2024)	EUR 45.4 million

\* Closing prices on Xetra trading system of Deutsche Börse AG

## LETTER TO THE SHAREHOLDERS

Dear Sir or Madam,  
Dear Shareholders,

In the third quarter of 2024, crucial decisions were taken to pave the way for the continued successful development of the SMT Scharf Group's business. Yankuang Energy Group Company Limited, headquartered in the province of Shandong, China, acquired a majority interest in SMT Scharf AG as a strategic investor. Yankuang is not only firmly established in China as a leading manufacturer of high-quality equipment, but also enjoys broad positioning in underground coal mining through its various activities. In this regard, we see an opportunity to leverage extensive synergies in coal mining which will enable us to target additional potential business in the Chinese market. In the first nine months of 2024, China contributed revenue of EUR 14.0 million, making it SMT Scharf's largest core market. We intend to further expand our market position in this significant mining market.

To this end, we will also continue to drive our activities forward, first and foremost in product development, with our joint venture partner Shandong Xinsha Monorail Co., Ltd., which will be fully consolidated for the first time as from 1 November 2024. This will already have a positive impact on revenue and EBIT for the months of November and December 2024 which has led us to significantly raise our revenue and earnings outlook for the 2024 financial year. We are now expecting consolidated revenue of between EUR 87 million and EUR 97 million for the whole of 2024 and operating earnings (EBIT) of between EUR 2.8 million and EUR 4.6 million.

Furthermore, we continue to focus on our targeted transformation towards tunnel logistics as well as further business areas beyond coal, and perceive further improvements in the underlying conditions for SMT Scharf to take advantage of these opportunities. The major orders won in the Tunnel Logistics segment had a positive impact in the reporting period which was reflected in a significant increase in revenue and earnings in this segment.

The switch to the Frankfurt Stock Exchange's Prime Standard segment was also successfully completed. We are convinced that this move to the Prime Standard will help to make the SMT Scharf stock more visible and tradable. At the same time, SMT Scharf AG undertakes to meet the highest transparency standards. With this in mind, the present report provides information on the latest business developments in the third quarter of 2024.



Jun Liu, CEO



Volker Weiss, CFO



Reinhard Reinartz, COO

The acquisition of a majority interest in SMT Scharf AG by Yankuang and readmission to the Regulated Market represented important successes for the company – and in this regard we would like to take this opportunity to extend our special thanks to our employees and all stakeholders for their great commitment. We also thank all investors, business partners and customers for the confidence they have shown in us. Let us together shape the future of SMT Scharf.

Kind regards

Jun Liu

Volker Weiss

Reinhard Reinartz

# MANAGEMENT REPORT (UNAUDITED)

## Business trends

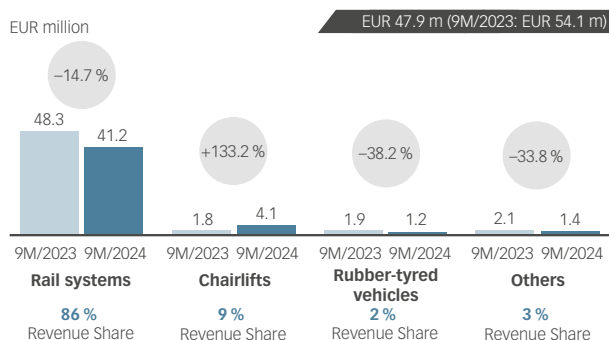
In the first nine months of the current fiscal year of 2024, SMT Scharf AG continued to face challenging conditions in the market for mining equipment. Consolidated revenue reached EUR 47.9 million (9M/2023: EUR 54.1 million) in the reporting period, equating to a year-on-year decline of -11.5%. In the third quarter of 2024, the SMT Scharf Group posted revenue of EUR 19.5 million (Q3/2023: EUR 22.4 million).

SMT Scharf registered modest investment propensity overall in its core markets in the reporting period, both in new equipment business and after sales. As a consequence, revenue in new equipment business dropped marginally by 2.8% to EUR 21.1 million (9M/2023: EUR 21.7 million). Its share of total revenue stood at 44.1% and thus remained more or less at the same level as the previous year (9M/2023: 44.0%) as a result of the simultaneous revenue decline in the spare parts and service business. With regard to the servicing and maintenance of fleets, mine operators also exhibited lower demand. Accordingly, sales revenues from spare parts and service were recorded at EUR 26.7 million following EUR 32.4 million in the prior year period.

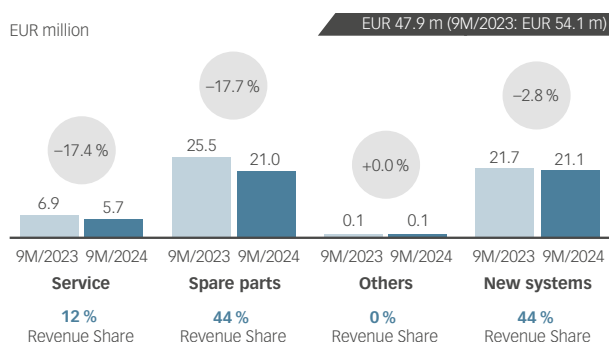
Broken down by products, SMT Scharf generated revenue of EUR 41.2 million in rail systems, thereby suffering a decline of 14.7% by comparison with the first nine months of 2023 (9M/2023: EUR 48.3 million). Sales revenues from rubber-tired vehicles totaled EUR 1.2 million, thereby falling short of the previous year's figure (9M/2023: EUR 1.9 million). The chairlift business posted a significant gain of 133.2% in the first nine months of 2024, rising to EUR 4.1 million (9M/2023: EUR 1.8 million). This increase was due to a rise in demand over the course of the year to date.

Viewed by region, China ranked as SMT Scharf's most important export market in the first nine months of 2024 with revenue of EUR 14.0 million (9M/2023: EUR 21.5 million) and a 29.2% share of total revenue. Revenue in the Russian region suffered a significant decline of 16.5% in the reporting period, dropping to EUR 8.9 million (9M/2023: EUR 10.7 million). Revenue in the Polish market reached EUR 8.9 million following EUR 11.2 million in the prior year period. In addition, SMT Scharf succeeded in significantly boosting revenue in the Africa region with a 23.9% increase to EUR 5.9 million (9M/2023: EUR 4.8 million). Higher demand for chairlifts featured as a major contributory factor to this development. In Germany, revenues were below the level for the previous year at EUR 2.2 million (9M/2023: EUR 2.6 million), as they were in the America region which registered revenue of EUR 1.1 million (9M/2023: EUR 1.9 million). In other markets, SMT Scharf was able to boost revenue significantly from EUR 1.5 million to EUR 6.9 million. The major order in the Middle East in the Tunnel Logistics segment, in particular, made a considerable contribution to this result.

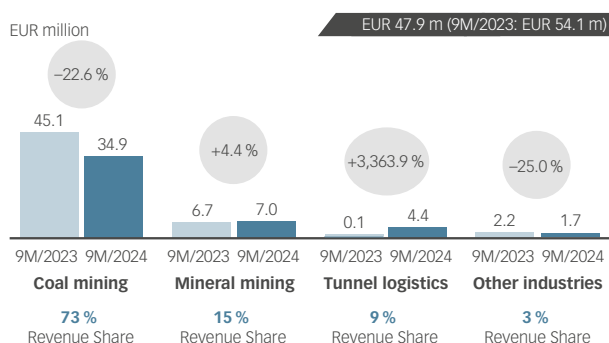
### Revenue share by product



### Revenue share by type of business



### Revenue share by segment



Total operating revenue (defined as the sum of revenues and changes in inventories) fell by 6.2% to EUR 57.9 million (9M/2023: EUR 61.7 million) in the first nine months of 2024 due to the year-on-year in revenue decline. Other operating income fell appreciably by 29.4% in the reporting period, dropping to EUR 2.4 million as currency gains were EUR 1.2 million lower by comparison with the previous year. At the same time, other operating expenses of EUR 11.2 million increased slightly in the first nine months of 2024 by comparison with the previous year's figure of EUR 11.1 million. Although currency losses were lower year on year, expenses related to the change of shareholders and the uplisting to the Regulated Market made their presence felt.

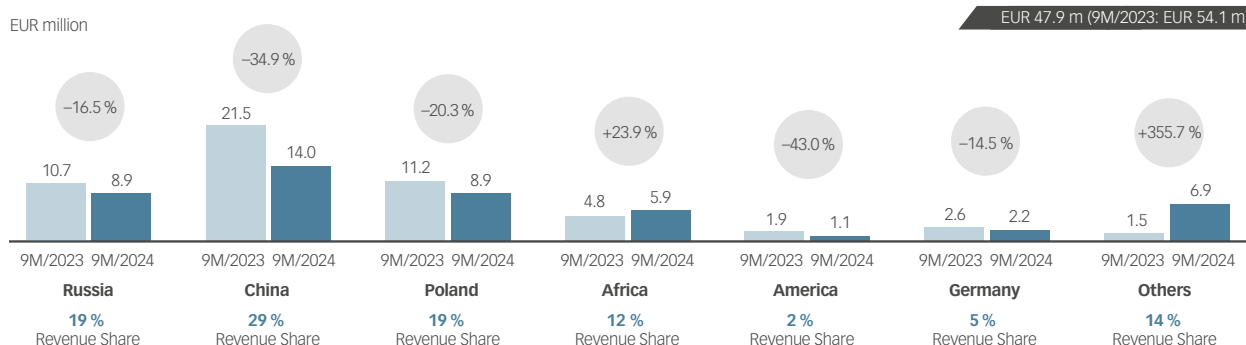
The cost of materials in the first nine months of 2024 amounted to EUR 32.7 million by comparison with EUR 33.0 million in the first nine months of 2023. In particular, this reflects the major orders received in the Tunnel Logistics segment. Accordingly, the cost of materials ratio (relative to total operating revenue)

increased to 56.5% in the reporting period (9M/2023: 53.5%). At the same time, personnel expenses in the first nine months of the current financial year climbed 5.3% to EUR 15.8 million (9M/2023: EUR 15.0 million). In view of the decline in total operating revenue, the personnel expenses ratio (relative to total operating revenue) advanced from 24.3% in the first nine months of 2023 to 27.3% in the reporting period.

Earnings from operating activities (EBIT) came in negative in the first nine months of the current fiscal year at EUR -1.3 million (9M/2023: EUR 4.1 million). External services and higher personnel costs were the main contributory factors to this result. In addition, orders on which work has already started will only be reflected in profit or loss in the fourth quarter of 2024.

As of the reporting date of 30 September 2024, the number of employees dropped to 397 employees (prior year period: 415 employees).

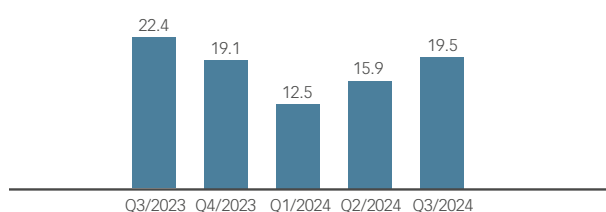
### Revenue share by region



## Economic and business report

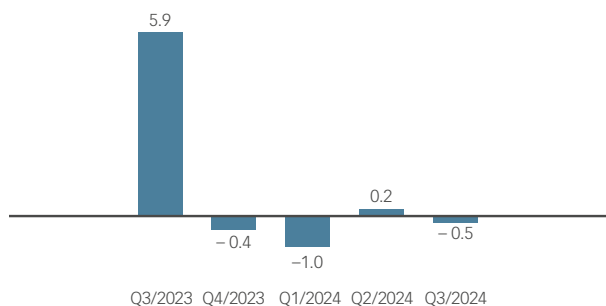
### Consolidated revenue

EUR million



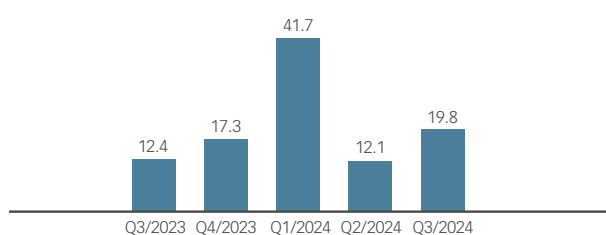
### Earnings from operating activities (EBIT)

EUR million



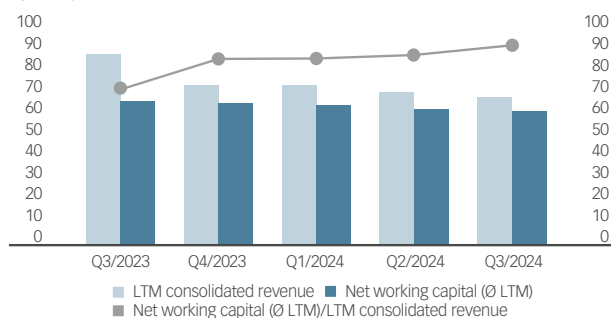
### Orders received

EUR million



### Net working capital

EUR million



- By comparison with the third quarter of the prior year, consolidated revenue was down by 14.9 % to EUR 19.5 million in the third quarter of 2024, while over the nine-month period, the SMT Scharf Group generated revenue of EUR 47.9 million. This represented a decline of 11.5 % against the figure for the previous year.

- Rolling consolidated revenues for the past twelve months up to the reporting date of 30 September 2024 (LTM) amounted to EUR 67.0 million.

- EBIT contracted to EUR -0.5 million (Q3/2023: EUR 5.9 million) in the third quarter of 2024, while after nine months the figure stood at EUR -1.3 million (9M/2023: EUR 4.1 million).

- The EBIT margin (in relation to total operating revenue) came in -2.6 % in the third quarter of 2024 (Q3/2023: 28.5 %), while after nine months of 2024 margin came in at -2.2 % (9M/2023: 6.6 %).

- Rolling EBIT for the past twelve months up to the reporting date of 30 September 2024 (LTM) amounted to EUR -1.7 million.

- The order intake in the third quarter of 2024 was recorded at EUR 19.8 million, significantly higher than for the prior year period (Q3/2023: EUR 12.4 million), and over the nine-month period it has recorded an appreciable year-on-year increase of 32.4 % to EUR 73.6 million (9M/2023: EUR 55.6 million).

- As of 30 September 2024, the order book stood at EUR 48.3 million, nearly doubling the figure for the previous year (30 September 2023: EUR 24.3 million).

- Net working capital is defined as the sum of inventories, trade receivables and other assets less current provisions, trade payables, current liabilities to banks as well as other liabilities and advance payments as of the relevant reporting date.

- The average net working capital of the last twelve months up to the reporting date of 30 September 2024 of EUR 61.0 million (LTM calculated from quarterly figures) as a ratio of rolling consolidated revenues for the last twelve months up to the reporting date (LTM) of EUR 67.0 million shows a net working capital intensity of 91.2 %.



## Outlook

In its outlook for the global economy in October 2024, the International Monetary Fund (IMF) writes that the worldwide containment of inflation has largely been achieved, and that core inflation will fall to 3.5 % at the end of 2025. Although monetary policy was tightened in numerous countries in response to high inflation, the global economy proved resilient in the IMF's view and recession was avoided. According to the IMF's current estimates, global economic growth will come in at 3.2 % in 2024 and 2025.

The outlook for further trends in the global economy is dominated by risks of a downturn. For the IMF, these risks include a further escalation of regional conflicts, the easing of monetary policy being too slow, volatility in financial markets or the increasing implementation of protectionist measures.

Furthermore, the IMF revised its forecasts for economic growth in the Middle East, Central Asia and sub-Saharan Africa downwards in its October outlook as a result of regional conflicts, extreme weather phenomena and interruptions to supply chains for raw materials. On the other hand, higher growth is expected for emerging countries in Asia, driven by high investment in Artificial Intelligence.

The IMF sees three central spheres of action to counter the increased risks of a downturn in the global economy. Firstly, central banks should maintain the interest rate cuts already commenced. Secondly, countries should pay closer attention to consolidating their budgets. And thirdly, the IMF states that structural reforms are required to improve productivity and growth prospects.

In October 2024, the IMF forecast the following GDP growth rates in SMT Scharf's following target markets:

### *GDP growth in the most important sales markets\**

in %	2024	2023
World	3.2	3.3
China	4.8	5.2
Poland	3.0	0.2
Russia	3.6	3.6
South Africa	1.1	0.7

\* Source: IMF World Economic Outlook, October 2024

With regard to 2024, the IMF is expecting positive growth in the markets of crucial importance to SMT Scharf. Poland and South Africa are forecast to increase their pace of growth in 2025 by comparison with the previous year. With a look to China, the IMF is forecasting that growth will slow down, harboring risks of a downturn in the global economy.

Due to the first-time consolidation of the joint venture partner Shandong Xinsha Monorail Co., Ltd. ("Xinsha") as from 1 November 2024, SMT Scharf AG is raising its forecast for revenue and earnings for the 2024 financial year by a substantial margin. Accordingly, the Management Board is now expecting consolidated revenue for FY 2024 of between EUR 87 million and EUR 97 million. In addition, the outlook calls for operating earnings (EBIT) of between million EUR 2.8 million and million EUR 4.6 million. Previously, SMT Scharf AG had been assuming consolidated revenue of between EUR 74 million and EUR 79 million and operating earnings (EBIT) of between EUR 1.5 million and EUR 2.5 million.

The forecast growth will be due to Xinsha's revenue and operating earnings (EBIT) for November and December 2024, with revenue expected to come in between EUR 13 million and EUR 18 million and operating earnings (EBIT) between EUR 1.3 million and EUR 2.1 million.

The effects of Xinsha's consolidation may be even higher in financial year 2025, as Xinsha will then be consolidated for the entire year.

## IFRS 9-MONTH FINANCIAL STATEMENTS (UNAUDITED)

### CONSOLIDATED BALANCE SHEET

In EUR thousand	30/09/2024	30/09/2023	31/12/2023
<b>Assets</b>			
Intangible assets	6,520	7,547	6,878
Property, plant and equipment	6,571	6,727	6,771
Loans	629	736	649
Equity accounted investments	22,285	17,864	20,217
Other investments	7	7	7
Deferred tax assets	5,185	3,406	4,015
Non-current lease receivables	0	25	0
Other non-current non-financial assets	32	2	1
<b>Non-current assets</b>	<b>41,229</b>	<b>36,314</b>	<b>38,538</b>
Inventories	45,304	40,160	38,193
Trade receivables	26,357	34,168	35,691
Contract assets	3,555	0	442
Current lease receivables	27	681	570
Other current non-financial assets	3,358	3,193	3,827
Other current non-financial assets in connection with employee benefit entitlements	1,800	1,000	1,006
Cash and cash equivalents	5,871	11,150	8,241
<b>Current assets</b>	<b>86,272</b>	<b>90,352</b>	<b>87,970</b>
<b>Total assets</b>	<b>127,501</b>	<b>126,666</b>	<b>126,508</b>

In EUR thousand	30/09/2024	30/09/2023	31/12/2023
<b>Equity and liabilities</b>			
Subscribed capital	5,472	5,472	5,472
Share premium	23,623	24,263	23,623
Retained earnings	64,223	64,654	65,049
Other reserves	-9,254	-10,027	-9,206
Non-controlling interests	1,591	1,668	1,773
<b>Equity</b>	<b>85,655</b>	<b>86,030</b>	<b>86,712</b>
Provisions for pensions	2,403	2,585	2,520
Other non-current provisions	195	173	200
Deferred tax liabilities	684	513	659
Lease liabilities	2,147	1,891	2,234
Non-current financial liabilities	34	473	256
Other non-current financial liabilities	1,872	2,682	2,464
<b>Non-current provisions and liabilities</b>	<b>7,335</b>	<b>8,317</b>	<b>8,333</b>
Current income tax	1,282	1,733	3,465
Other current provisions	6,480	4,798	5,770
Contract liabilities	6,783	2,462	901
Trade payables	4,636	4,529	3,820
Leasing liabilities	768	1,142	768
Current financial liabilities (cash and cash equivalents)	8,772	14,672	10,847
Current financial liabilities (not cash and cash equivalents)	5,179	1,829	4,842
Other current non-financial liabilities	611	1,121	1,050
<b>Current provisions and liabilities</b>	<b>34,511</b>	<b>32,319</b>	<b>31,463</b>
<b>Total assets</b>	<b>127,501</b>	<b>126,666</b>	<b>126,508</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Q3/2024	Q3/2023	9M/2024	9M/2023
Revenue	19,534	22,418	47,890	54,106
Changes in inventories	60	-1,743	10,005	7,614
<b>Total operating revenue (100 %)</b>	<b>19,594</b>	<b>20,675</b>	<b>57,895</b>	<b>61,720</b>
Other operating income	352	1,310	2,360	3,441
Cost of materials	10,273	7,575	32,697	32,954
Personnel expenses	5,074	4,561	15,800	14,977
Depreciation, amortization and impairment losses	598	670	1,798	2,036
Other operating expenses	4,518	2,365	11,230	11,128
<b>Profit / loss from operating activities (EBIT)</b>	<b>-517</b>	<b>5,900</b>	<b>-1,270</b>	<b>4,066</b>
Result from equity accounted investments	0	576	1,868	1,831
Interest income	131	190	479	405
Interest expenses	312	375	1,083	969
<b>Financial result</b>	<b>-181</b>	<b>391</b>	<b>1,264</b>	<b>1,267</b>
<b>Profit before tax</b>	<b>-698</b>	<b>6,291</b>	<b>-6</b>	<b>5,333</b>
Income taxes	1,222	1,347	1,058	578
<b>Consolidated net profit</b>	<b>-1,920</b>	<b>4,944</b>	<b>-1,064</b>	<b>4,755</b>
of which, share of consolidated net profit attributable to non-controlling interests	-1,643	94	-826	192
of which, share of consolidated net profit attributable to shareholders	-277	4,850	-238	4,563
<b>Other comprehensive income items recycled later to profit or loss:</b>				
Currency differences from translation of foreign financial statements	-1,579	-2,246	-194	-4,939
Share of other comprehensive income attributable to equity accounted investments	0	392	201	-871
<b>Other comprehensive income</b>	<b>-1,579</b>	<b>-1,852</b>	<b>7</b>	<b>-5,810</b>
of which, share of other comprehensive income attributable to shareholders of SMT Scharf AG	-1,587	-1,894	-48	-5,738
of which, share of other comprehensive income attributable to non-controlling interests	8	42	55	-72
<b>Total comprehensive income</b>	<b>-3,499</b>	<b>3,092</b>	<b>-1,057</b>	<b>-1,055</b>
of which, share of total comprehensive income attributable to shareholders of SMT Scharf AG	-3,231	2,955	-875	-1,176
of which, share of total comprehensive income attributable to non-controlling interests	-268	137	-182	121
<b>Earnings per share (in EUR)</b>				
Undiluted (basic)	-0.30	0.89	-0.15	0.83
Diluted	-0.30	0.88	-0.15	0.83
Average number of shares, undiluted	5,471,979	5,471,979	5,471,979	5,471,979
Average number of shares, diluted	5,471,979	5,510,475	5,471,979	5,510,475

## CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	9M/2024	9M/2023
Consolidated net profit/loss	-1,064	4,755
-/+ Income/expense from equity accounted investments	-1,868	-1,831
+ Depreciation and amortization of non-current assets	1,798	2,036
-/+ Gain/loss on disposal of non-current assets	243	201
+/- Increase/decrease in provisions	547	-987
-/+ Increase/decrease in inventories, trade receivables and other assets not allocable to investing or financing activities	-1,870	3,802
+/- Increase/decrease in trade payables and other liabilities not allocable to investing or financing activities	5,994	-1,169
+/- Other non-cash expenses/income	0	101
+/- Income taxes	1,058	578
+/- Financial expenses	604	563
-/+ Income taxes paid	-3,348	-2,608
<b>Cash flow from operating activities</b>	<b>2,094</b>	<b>5,441</b>
+ Cash inflow from disposals of property, plant and equipment	0	5
- Capital expenditure on property, plant and equipment	-689	-851
- Capital expenditure on intangible assets	-364	-170
+ Interest received	479	378
<b>Cash flow from investing activities</b>	<b>-574</b>	<b>-638</b>
- Cash outflow for the repayment of lease liabilities	-545	-530
+ Cash inflow from loans taken out	2,798	109
+ Cash inflow from sale and leaseback contracts	157	
- Cash outflow for the repayment of loans	-3,432	-1,703
- Interest paid	-888	-841
<b>Cash flow from financing activities</b>	<b>-1,910</b>	<b>-2,965</b>
<b>Net change in cash and cash equivalents</b>	<b>-390</b>	<b>1,838</b>
Changes in cash and cash equivalents due to effects from exchange rates and consolidated Group	96	-1,298
Cash and cash equivalents at start of period	-2,606	-4,062
<b>Cash and cash equivalents at end of period</b>	<b>-2,900</b>	<b>-3,522</b>

## SELECTED DISCLOSURES IN THE NOTES

### Segment report

The business of the SMT Scharf Group is divided into four operating segments. Revenues and advance payments between segments are of subordinate importance and are not reported separately.

*Segment reporting as of 30 September 2024*

EUR thousand	Coal mining		Mineral mining		Tunnel logistics		Other industries		Not allocated		SMT Scharf Group	
	9M/ 2024	9M/ 2023	9M/ 2024	9M/ 2023	9M/ 2024	9M/ 2023	9M/ 2024	9M/ 2023	9M/ 2024	9M/ 2023	9M/ 2024	9M/ 2023
Revenue	34,847	45,053	6,988	6,690	4,378	127	1,677	2,236	-	-	47,890	54,106
of which new equipment	12,410	17,193	2,943	2,434	4,271	51	1,407	2,008	-	-	21,031	21,686
of which spare parts	16,917	21,190	3,747	3,974	107	76	270	228	-	-	21,041	25,468
of which service	5,425	6,563	298	282	-	-	-	-	-	-	5,723	6,845
of which others	95	107	-	-	-	-	-	-	-	-	95	107
Operating result (EBIT)	(1,372)	3,498	(153)	108	611	11	(356)	449	-	-	(1,270)	4,066
Earnings from equity accounted companies	1,868	1,831	-	-	-	-	-	-	-	-	1,868	1,831
Segment assets	98,422	110,537	8,796	9,952	12,421	299	2,677	2,472	5,185	3,405	127,501	126,665
Segment liabilities	34,549	35,904	2,797	3,216	2,705	94	1,111	910	684	513	41,846	40,638
Segment investments	510	1,114	183	15	-	-	54	13	-	-	747	1,142
of which IFRS 16	130	248	182	-	-	-	32	-	-	-	344	248
Interests in equity accounted companies	22,285	17,864	-	-	-	-	-	-	-	-	22,285	17,864
Scheduled amortization	1,409	1,686	198	247	87	2	104	101	-	-	1,798	2,036
FTE	319	335	51	54	5	5	22	21	-	-	397	415

# IMPRINT

## Publisher

SMT Scharf AG  
Römerstr. 104  
59075 Hamm  
Germany

Tel.: +49 (0) 2381 – 960-210

Fax: +49 (0) 2381 – 960-311

E-Mail: [ir@smtscharf.com](mailto:ir@smtscharf.com)

[www.smtscharf.com](http://www.smtscharf.com)

## Investor relations contact

cometis AG  
Thorben Burbach  
Unter den Eichen 7  
65195 Wiesbaden  
Germany

Tel.: +49 (0) 611 – 205855-23

Fax: +49 (0) 611 – 205855-66

E-Mail: [burbach@cometis.de](mailto:burbach@cometis.de)

[www.cometis.de](http://www.cometis.de)

## Concept, editing, layout & typesetting

cometis AG

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