

Media Release

Rieter Holding Ltd.
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Winterthur – January 30, 2019

First Information on the Financial Year 2018

- Weak market environment leads to decline in order intake of 17%
- Sales increase by 11% to CHF 1 075 million
- Order backlog on December 31, 2018, of CHF 325 million
- EBIT margin of around 4% and net profit of around 3% of sales expected
- Net liquidity increases to CHF 150 million

Kurt Ledermann new Chief Financial Officer of Rieter Group

The Rieter Group achieved an order intake of CHF 868.8 million in the 2018 financial year, 17% down on the previous year period (2017: CHF 1 051.5 million). At CHF 1 075.2 million, total sales were 11% higher than the previous year (2017: CHF 965.6 million). Net liquidity increased to CHF 150.3 million (December 31, 2017: CHF 130.5 million). The full annual financial statements and the 2018 Annual Report will be published by Rieter on March 13, 2019.

Order Intake by Business Group

CHF million (unaudited)	2018	2017	Difference	Difference in local currency	Difference without acquisition
Rieter	868.8	1 051.5	-17%	-17%	-22%
Machines & Systems	468.3	668.2	-30%	-29%	-29%
After Sales	140.4	154.8	-9%	-9%	-9%
Components	260.1	228.5	14%	13%	-6%

The **Business Group Machines & Systems** posted an order intake of CHF 468.3 million, a reduction of 30% compared to the previous year. Demand in the new machinery business was characterized by uncertainties in Asia and Turkey as well as the tense financing situation for emerging market customers. Both factors had a negative impact on the investment sentiment in the spinning industry. This was especially evident in the fourth quarter of 2018, which with an order intake of CHF 34.9 million was very weak in all regions.

In the **Business Group Components**, order intake was CHF 260.1 million, around 14% above the previous year (excluding acquisition -6%). Due to weaker macro-economic conditions, order intake in the fourth quarter of 2018 amounted to

CHF 55.0 million which was lower than in the previous quarters. This decline can be attributed to a low propensity for investments by customers.

With an order intake of CHF 140.4 million, the **Business Group After Sales** recorded a year-on-year decline of 9%. Order intake of CHF 29.1 million in the fourth quarter of 2018 was lower than in the previous quarters. This is due in particular to the lower order intake for installation services for new Rieter machines.

Sales by Business Group

CHF million (unaudited)	2018	2017	Difference	Difference in local currency	Difference without acquisition
Rieter	1 075.2	965.6	11%	11%	8%
Machines & Systems	669.3	589.5	14%	14%	14%
After Sales	143.6	146.3	-2%	-2%	-2%
Components	262.3	229.8	14%	13%	-3%

Group sales in 2018 amounted to CHF 1 075.2 million (2017: CHF 965.6 million), an increase of 11% over the previous year. Rieter achieved increased sales thanks to organic growth in the Business Group Machines & Systems. In addition, the acquisition of SSM Textile Machinery in the Business Group Components supported this positive development. The Business Groups After Sales and Components were able to maintain the previous year's levels of sales despite weaker market dynamics during the second semester of 2018.

Regions

CHF million (unaudited)	2018	2017	Difference	Difference in local currency	Difference without acquisition
Rieter	1 075.2	965.6	11%	11%	8%
Asian countries ¹	433.9	319.1	36%	36%	35%
China	148.6	184.0	-19%	-20%	-26%
India	146.2	173.8	-16%	-14%	-16%
Turkey	154.8	100.1	55%	55%	55%
North and South America	108.6	114.7	-5%	-5%	-11%
Europe	47.3	46.2	3%	0%	-9%
Africa	35.8	27.7	29%	29%	31%

¹ excluding China, India, Turkey

In the Asian countries (excluding China, India and Turkey), Rieter increased sales in the reporting year by 36% to CHF 433.9 million, of which Uzbekistan contributed CHF 144.1 million. In 2018, sales in China fell by 19% to CHF 148.6 million. With the phasing out of the subsidy program in the western province of Xinjiang, the demand for machinery declined. Sales in India fell by 16% to CHF 146.2 million. In Turkey, Rieter achieved sales of CHF 154.8 million (+55%) in a difficult market environment, thanks to the introduction of the new ring and compact spinning machines. Sales in North and South America amounted to CHF 108.6 million (-5%). In the Europe region, Rieter increased sales by 3% to CHF 47.3 million. Sales in the Africa region amounted to CHF 35.8 million (+29%).

At the end of 2018, Rieter's order backlog amounted to about CHF 325 million (December 31, 2017: about CHF 540 million). Due to the development of the business as described above, Rieter is planning capacity adjustment and cost reduction measures.

Kurt Ledermann new Chief Financial Officer of Rieter Group

The Board of Directors of Rieter Holding Ltd. has appointed Kurt Ledermann to the Group Executive Committee of Rieter Group as Chief Financial Officer, effective June 1, 2019.

Kurt Ledermann started his career with SIKA AG in the area of finances after having graduated from ETH Zurich with a degree in electrical engineering and from St. Gallen University with a degree in business administration. He has been working at Schaffner Holding AG in Luterbach (Switzerland) as Chief Financial Officer since 2008. Kurt Ledermann was born in 1968 and is a Swiss citizen.

Annual General Meeting of April 4, 2019

The 2019 Annual General Meeting of Rieter Holding Ltd. will take place on April 4 at the Eulach-Hallen in Winterthur, Switzerland. Any proposals regarding the agenda are to be submitted in writing to Rieter Holding Ltd., Office of the Company Secretary, Klosterstrasse 32, CH-8406 Winterthur, Switzerland by February 22, 2019 at the latest, accompanied by information concerning the relevant motions and evidence of the necessary shareholdings (with a par value of CHF 0.5 million as stipulated by Article 699 of the Swiss Code of Obligations and §9 of the Articles of Association).

Telephone Conference for Media and Investors

The telephone conference for media and investors will take place **today, January 30, 2019, at 9.00 am (CET)**.

Dial-in details:

Europe	+41 58 310 50 00
UK	+44 207 107 0613
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Presentation Material

The media- and investor presentation can be found at:

<https://www.rieter.com/media/media-kit/>

Forthcoming Dates

- Deadline for proposals regarding the agenda of the Annual General Meeting February 22, 2019
- Results press conference 2019 March 13, 2019
- Annual General Meeting 2019 April 4, 2019
- Semi-Annual Report 2019 July 18, 2019

For further information please contact:

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About Rieter

Rieter is the world's leading supplier of systems for short-staple fiber spinning. Based in Winterthur (Switzerland), the company develops and manufactures machinery, systems and components used to convert natural and manmade fibers and their blends into yarns. Rieter is the only supplier worldwide to cover both spinning preparation processes and all four end spinning processes currently established on the market. Furthermore, Rieter is a leader in the field of precision winding machines. With 17 manufacturing locations in ten countries, the company employs a global workforce of some 5 150, about 20% of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under ticker symbol RIEN. www.rieter.com

Disclaimer

All statements in this report which do not refer to historical facts are forecasts which offer no guarantee whatsoever with respect to future performance; they embody risks and uncertainties which include – but are not confined to – future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors which are outside the company's control. All figures are unaudited.