



# **2019 Publication of Sales**

**Media and Investor Presentation, January 29, 2020**

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## Rieter Group – Key Messages

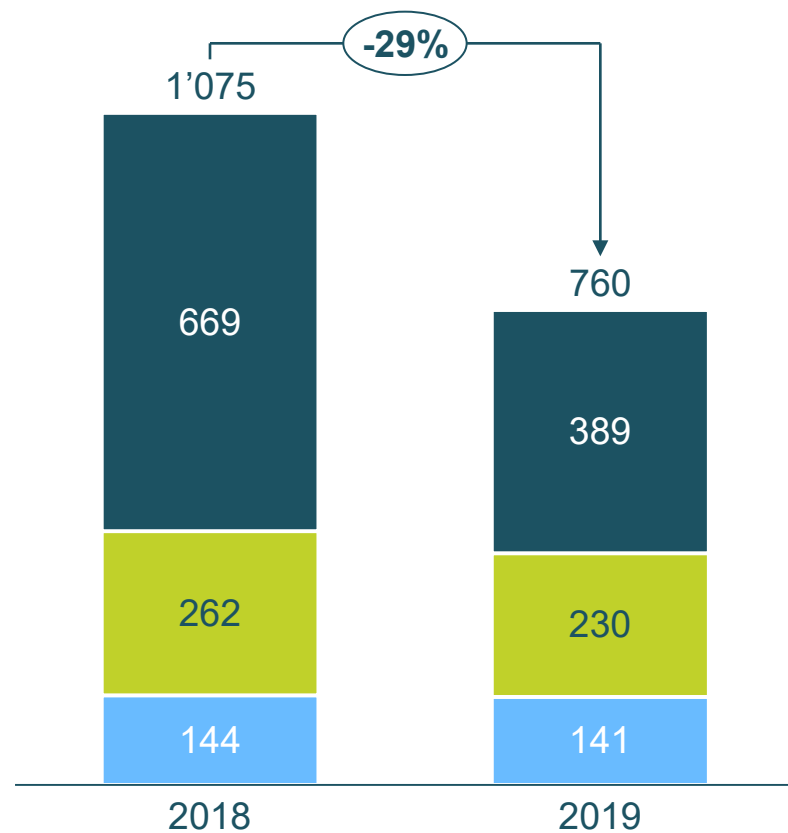
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- As expected, sales were significantly down on the previous year, falling by 29% to CHF 760 million
- EBIT margin of around 11% and net profit of around 7% of sales anticipated, non-recurring profit contribution from sale of real estate in Ingolstadt (Germany)
- Order intake up 7% on previous year; order intake amounting to CHF 401.6 million booked in fourth quarter 2019 (4th quarter 2018: CHF 119.0 million)
- First half of 2020 expected to be significantly lower than previous year in terms of sales and earnings
- Further capacity adjustment measures introduced
- Start of construction of Rieter CAMPUS expected during 2020, subject to granting of building permit

# Sales by Business Group

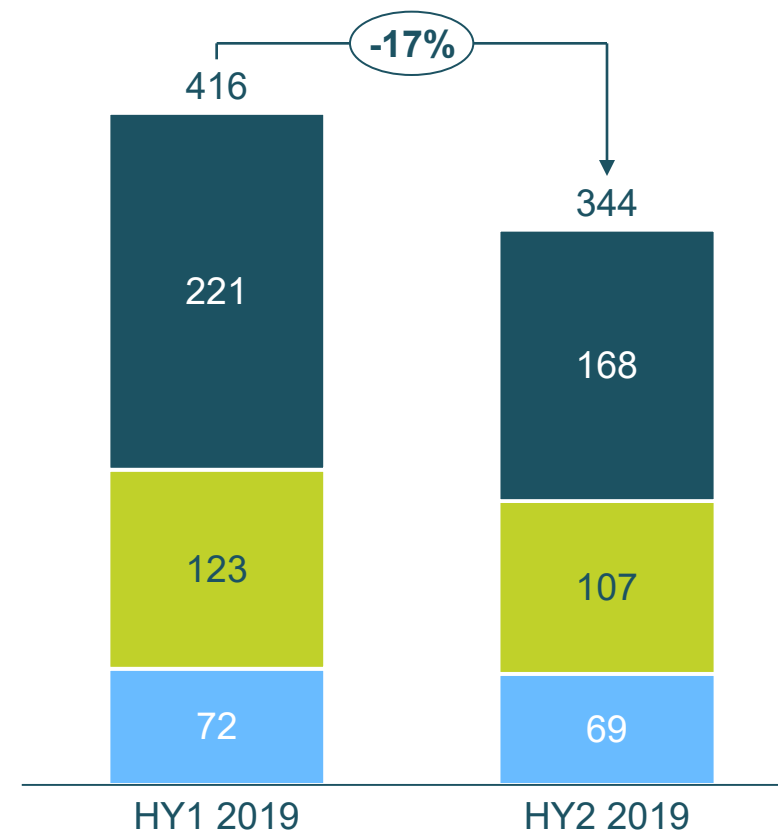
Sales at CHF 760 million due to lower order intake since the fourth quarter of 2018

CHF million



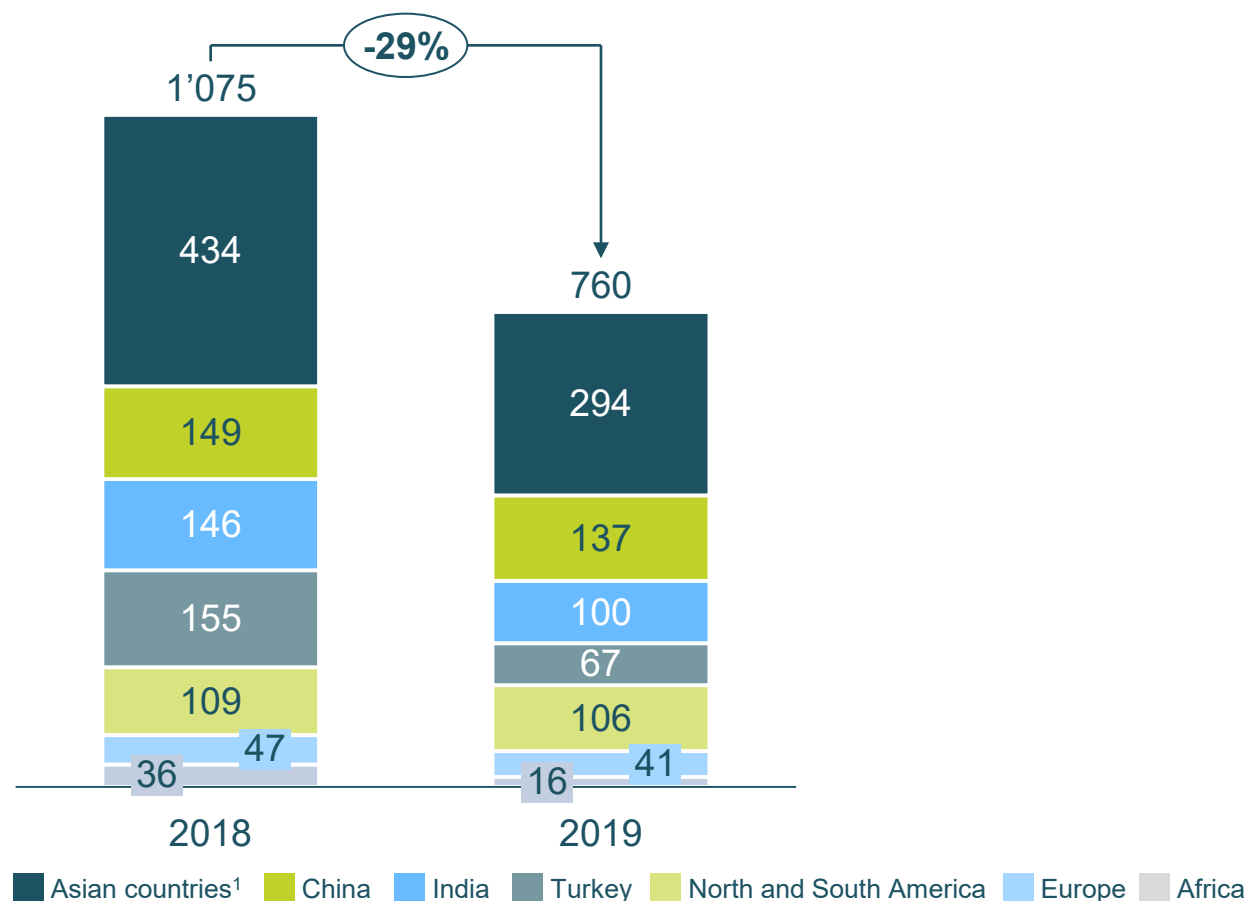
■ Machines & Systems 
 ■ Components 
 ■ After Sales

CHF million



# Sales Development by Region

CHF million

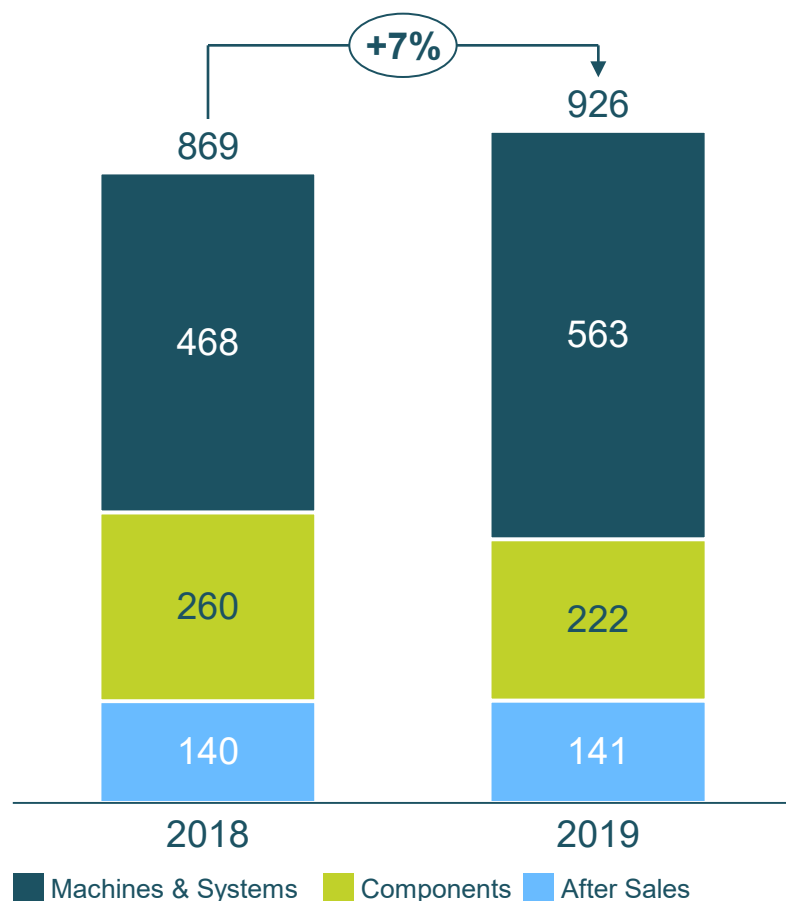


- 2019 as a whole was characterized by the trade conflict between the USA and China, excess capacity in the spinning mills as well as political and economic uncertainties in regions of importance to Rieter.
- The market situation described above is also reflected in sales in the Asian countries, in India and Turkey.
- Sales in China as well as North and South America remained at the prior year level.

<sup>1</sup> Excluding China, India, Turkey

# Order Intake by Business Group

CHF million



- Business Group Machines & Systems booked CHF 562.8 million (+20% vs 2018), including orders from Cotton & Textile Industries Holding Company, Cairo (Egypt)
- Business Group Components with CHF 222.0 million (-15% vs 2018) mainly due to low level of investments by customers in the Business Units SSM and Suessen
- Business Group After Sales received CHF 141.3 million (+1% vs 2018)

## **Further Capacity Adjustment Measures Introduced**

The Rieter Group is planning further measures to adjust capacities due to structural changes in the market situation. This concerns the following locations:

### **Business Group Machines & Systems – 87 jobs**

Winterthur (Switzerland) assembly of machines is to be discontinued

### **Business Group Components – 90 jobs**

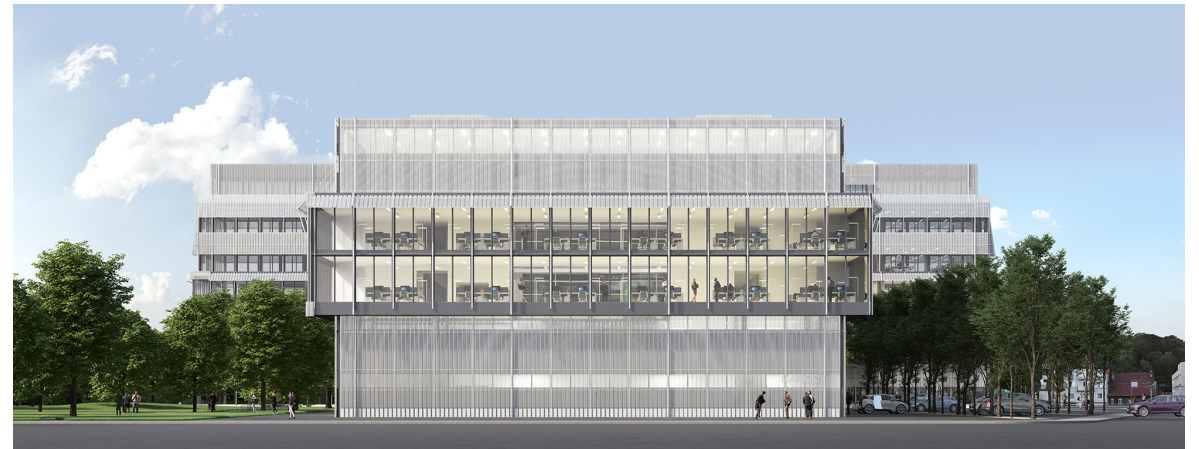
A total of 90 jobs are likely to be lost at the locations Suessen (Germany), Gersthofen (Germany), Boskovice (Czech Republic) and Enschede (Netherlands)

The consultation processes with employee representatives begin today, on January 29, 2020.

Rieter aims to cut running costs by around CHF 15 million from 2021. For the implementation of the adjustment measures, Rieter anticipates non-recurring expenses of approximately the same amount in 2020. The goal remains to successfully implement the ongoing innovation program and to be able to respond quickly to increasing demand.

# Rieter CAMPUS Winterthur – Start of Construction

- Rieter applied for a building permit for the Rieter CAMPUS at the end of 2019.
- The Rieter CAMPUS comprises a new Customer and Technology Center as well as an administration building.
- The Board of Directors of Rieter Holding Ltd. has decided to start construction work on the Rieter CAMPUS most probably during 2020, provided that the legally building permit is issued in good time.



## Profit Outlook for 2019

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- In financial year 2019, Rieter anticipates an EBIT margin of around 11% (2018: 4.0%) and a net profit of around 7% of sales (2018: 3.0%). This includes the non-recurring profit contribution from the sale of real estate in Ingolstadt in the amount of around EUR 60 million at the net profit level.



# Disclaimer

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# Appendix

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## Change in Sales

CHF million (unaudited)	Machines & Systems	Components	After Sales	Rieter
<b>Sales 2018</b>	<b>669.3</b>	<b>262.3</b>	<b>143.6</b>	<b>1 075.2</b>
Volume and price	-278.2	-29.3	-2.5	-310.0
Currency translation	-2.1	-2.8	-0.3	-5.2
<b>Sales 2019</b>	<b>389.0</b>	<b>230.2</b>	<b>140.8</b>	<b>760.0</b>

## Order Intake by Business Group

<b>CHF million</b> (unaudited)	<b>2019</b>	<b>2018</b>	<b>Difference</b>	<b>Difference in local currency</b>
<b>Rieter</b>	<b>926.1</b>	<b>868.8</b>	<b>7%</b>	<b>7%</b>
Machines & Systems	562.8	468.3	20%	21%
Components	222.0	260.1	-15%	-14%
After Sales	141.3	140.4	1%	1%

<b>CHF million</b> (unaudited)	<b>HY2 2019</b>	<b>HY1 2019</b>	<b>Difference</b>	<b>Difference in local currency</b>
<b>Rieter</b>	<b>547.8</b>	<b>378.3</b>	<b>45%</b>	<b>46%</b>
Machines & Systems	366.6	196.2	87%	88%
Components	106.2	115.8	-8%	-7%
After Sales	75.0	66.3	13%	14%

## Sales by Business Group

CHF million (unaudited)	2019	2018	Difference	Difference in local currency
<b>Rieter</b>	<b>760.0</b>	<b>1 075.2</b>	<b>-29%</b>	<b>-29%</b>
Machines & Systems	389.0	669.3	-42%	-42%
Components	230.2	262.3	-12%	-11%
After Sales	140.8	143.6	-2%	-2%
CHF million (unaudited)	HY2 2019	HY1 2019	Difference	Difference in local currency
<b>Rieter</b>	<b>343.9</b>	<b>416.1</b>	<b>-17%</b>	<b>-16%</b>
Machines & Systems	168.2	220.8	-24%	-23%
Components	106.9	123.3	-13%	-12%
After Sales	68.8	72.0	-4%	-3%

## Sales by Regions

CHF million (unaudited)	2019	2018	Difference	Difference in local currency
<b>Rieter</b>	<b>760.0</b>	<b>1 075.2</b>	<b>-29%</b>	<b>-29%</b>
Asian countries <sup>1</sup>	293.5	433.9	-32%	-32%
China	136.7	148.6	-8%	-6%
India	99.9	146.2	-32%	-31%
Turkey	66.8	154.8	-57%	-57%
North and South America	105.8	108.6	-3%	-3%
Europe	41.2	47.3	-13%	-12%
Africa	16.1	35.8	-55%	-55%

<sup>1</sup> Excluding China, India, Turkey

## Key Data by Share

Rieter registered shares of CHF 5 nominal value Bloomberg: RIEN SW, Thompson Reuters: RIEN.S	31/12/2019	30/06/2019	31/12/2018
Shares outstanding excluding own shares (end of period)	4 514 331	4 496 338	4 480 956
Average shares (of period)	4 496 460	4 489 378	4 514 846
Share price (end of period)	CHF 138.1	148.6	128.8
Market capitalization (end of period)	CHF million 623	668	577

# Financial Calendar

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Deadline for proposals regarding the agenda of the Annual General Meeting

February 22, 2020

Results press conference 2020

March 10, 2020

Annual General Meeting 2020

April 16, 2020

Semi-Annual Report 2020

July 16, 2020