

Media Release

Rieter Holding Ltd.
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Winterthur – October 29, 2019

Rieter Investor Update 2019

- **Order intake of CHF 524.5 million after nine months**
- **Order intake for a major project from Egypt booked in October 2019**
- **Market situation remains challenging**
- **Real estate sale in Ingolstadt successfully completed**
- **Outlook 2019**

The cumulative order intake recorded by Rieter Group in the first nine months of 2019 of CHF 524.5 million (2018: CHF 749.8 million) was down by 30% compared to the prior-year period. In the third quarter of 2019, order intake was CHF 146.2 million (Q3 2018: CHF 238.0 million).

Order Intake for a Major Project from Egypt Booked

On October 7, 2019, Rieter booked the order intake for the first six projects with Cotton & Textile Industries Holding Company, Cairo (Egypt) of around CHF 165 million. This amount is thus not included in the figures for the third quarter of 2019 and will positively affect the fourth quarter. The sales are anticipated to be realized in the 2020/2021 financial years. The order includes deliveries of compact and ring spinning systems and it is part of a comprehensive modernization program for the Egyptian textile industry.

Market Situation Remains Challenging

The demand for new machinery remained at a low level in the third quarter of 2019. The primary reasons are existing overcapacity in the spinning mills, the trade conflict between the USA and China, as well as political and economic uncertainties in other regions of importance to Rieter. Rieter's market share continues to be at the level of around 30%.

Real Estate Sale in Ingolstadt Successfully Completed

Rieter completed the real estate sale in Ingolstadt (Germany) to GERCHGROUP of Düsseldorf (Germany) on September 13, 2019. Rieter expects a non-recurring profit contribution from this transaction on a net profit level of around EUR 60 million.

Order Intake by Business Group

CHF million	January – September 2019	January – September 2018	Change	Change in local currency
Rieter	524.5	749.8	-30%	-30%
Machines & Systems	255.8	433.4	-41%	-41%
Components	172.9	205.1	-16%	-15%
After Sales	95.8	111.3	-14%	-14%

The drop in order intake in the Business Group **Machines & Systems** compared to the first nine months of the prior year by around 41% to CHF 255.8 million is affecting all regions, except for Pakistan and Latin America.

The Business Group **Components** recorded a drop in order intake of 16% to CHF 172.9 million compared to the prior-year period for all regions, except for Turkey. This primarily concerns the business activities of SSM and Suessen as a consequence of the above-mentioned market situation. The wear and tear parts business continues at a normal level.

The Business Group **After Sales** recorded with CHF 95.8 million a decline in order intake by 14% compared to the first nine months of the previous year. This affects all regions except for Turkey, North and South America. Primary reason is the lower volume in the machinery business (lower demand for installation services).

Outlook 2019

Rieter estimates significantly lower sales for the year 2019 as a whole compared to 2018, and expects a significant drop in the result from the ongoing business. EBIT and net profit are anticipated to be significantly above the levels of the previous year due to the non-recurring profit contribution from the sale of real estate in Ingolstadt (Germany). The cost-cutting measures introduced have been implemented to a great extent.

Telephone Conference for Media and Investors

As part of the investor update, a telephone conference for media and investors will take place **today, October 29, 2019, at 9 a.m. (CET)**.

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Presentation Material

The media and investor presentation and the media release can be found at:

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

Forthcoming Dates

- Publication of sales 2019 January 29, 2020
- 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

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 16 manufacturing locations in ten countries, the company employs a global workforce of some 4 620, about 20% of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under ticker symbol RIEN. www.rieter.com

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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.