



Investor Update 2017

- Investor presentation, October 27, 2017
- Dr. Norbert Klapper, Group CEO
- Joris Gröflin, Group CFO

Rieter Group – Key Messages



- Order intake up on previous year
- Third quarter with order growth in all business groups
- Rieter confirms outlook for the financial year 2017:
Sales of around 980 million CHF, EBIT margin (before restructuring charges)
between 4.5% to 5.5% expected

1. Market trends and order intake 2017

Dr. Norbert Klapper/
Joris Gröflin

2. Strategic focus

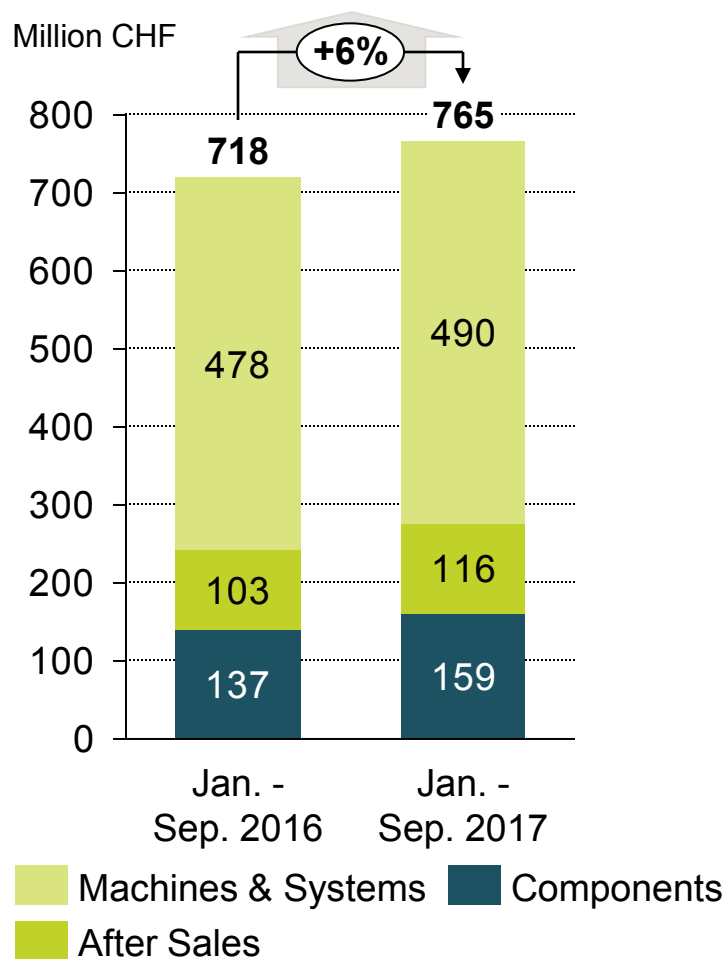
Dr. Norbert Klapper

3. Outlook 2017

Dr. Norbert Klapper

Orders by Business Group – Nine Months

Orders received grown by 6% compared to previous year



- Positive development of order intake in all business groups
- +6% vs. previous year, +7% in local currencies, +4% w/o acquisitions
- Market success in several Asian countries, increased demand in China as well as second quarter in a row with increase in Turkey
- Strong demand for classical ring spinning systems

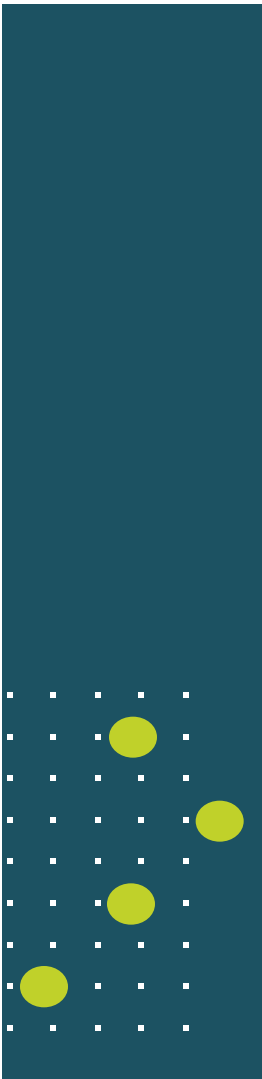
Rieter Group – Orders Received in Q3



Growth in Q3 driven by all Business Groups

Million CHF

Orders received	Q3 2017 (Q3 2016)	Q3 2017 vs. 2016	
Machines & Systems	164.9 (134.2)	+30.7	<ul style="list-style-type: none"> • Strong order intake from several Asian countries • China and India with restrained demand • Increasing demand from Turkey
After Sales	38.0 (32.0)	+6.0	<ul style="list-style-type: none"> • Higher order intake for after sales services • Installation services with increase • Continued momentum with demand for parts
Components	66.8 (41.5)	+25.3	<ul style="list-style-type: none"> • Regionally broad-based order intake with increase in China and other Asian countries • SSM Textile Machinery contributing 19.2 million CHF orders received in Q3
Rieter Group	269.7 (207.7)	+62.0	

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Rieter is the world's leading supplier of short staple spinning systems offering the full range of machines, parts and components

- Creating customer value through
 - system expertise
 - **innovative solutions**
 - **after sales excellence**
 - global presence
- Generating **profitable growth** and value for shareholders over the cycle
- Enabling employees to achieve superior results and to enjoy work

Update on Strategic Milestones

Significant milestones realized in third quarter of 2017

Acquisition of SSM



- Integration on track
- Innovation and technology synergies in precision winding

Restructuring of Ingolstadt



- Focusing on the development of machines
- Relocation of production to Rieter Usti, Czech Republic
- Expected cost reductions of over 15 million CHF from 2019
- Restructuring cost and impairment charges of 36 million CHF in 2017

Redesign of Winterthur location



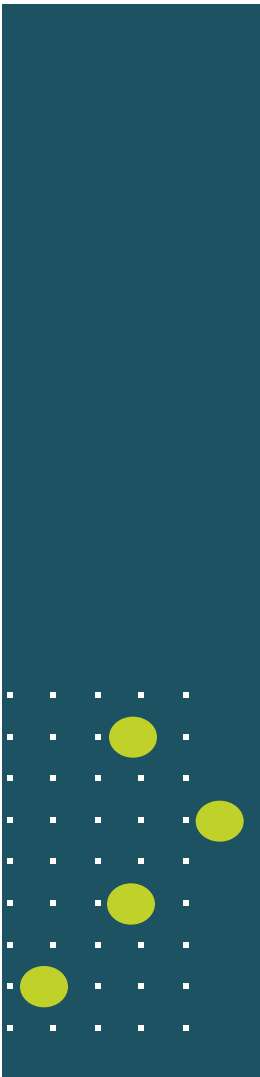
- Concentration on 30 000 m² (of 100 000 m²)
- Study competition started, results expected in March 2018
- Final decision by Rieter Board of Directors during 2018

Strategic Focus – Mid-Term Targets

Sales	Sales growth above market
EBIT margin¹⁾	~10%
RONA²⁾	~14%
Dividend policy	Target pay-out ratio of at least 40% of net profits

1) At sales of ~1.3 CHF bn

2) RONA is calculated as net result before interest costs and write-off of financial assets divided by net assets excl. financial debt

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- As communicated in July, in 2017 Rieter expects slightly higher sales than in the previous year and an EBIT slightly below the prior year level (before restructuring charges), due to the product and country mix. For the whole of 2017, Rieter anticipates sales in the region of CHF 980 million and operating profitability (EBIT margin) of 4.5% to 5.5% before restructuring charges. The restructuring charges amount to CHF 36 million. As a result, Rieter expects a net profit of around 1% to 2% of sales for the 2017 financial year.
- Rieter anticipates that demand will continue at the good level of recent months.

Financial Calendar



Publication of sales 2017:	January 31, 2018
Deadline for proposals regarding the agenda of the Annual General Meeting:	February 22, 2018
Results press conference 2018:	March 13, 2018
Annual General Meeting 2018:	April 5, 2018
Semi-annual report 2018:	July 19, 2018

Disclaimer



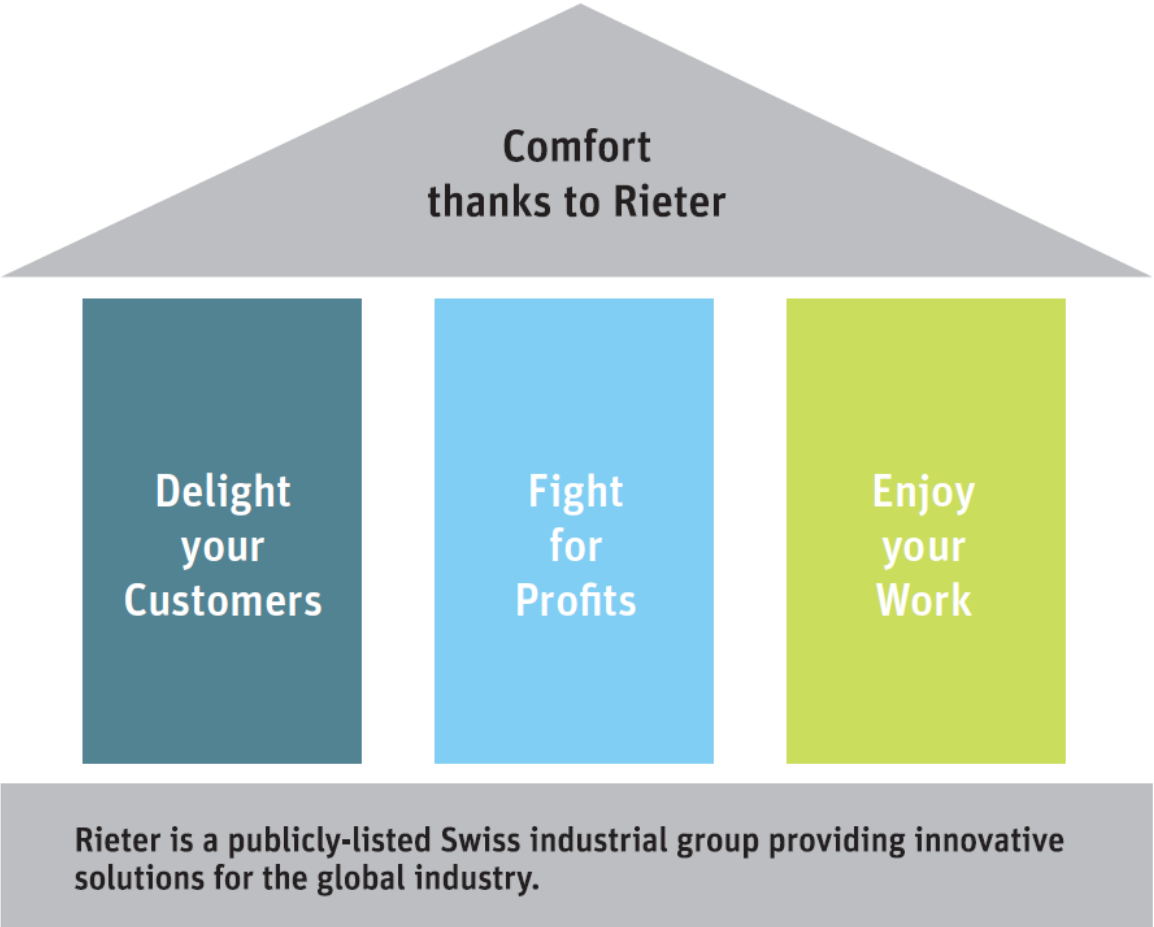
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Values and Principles



Order Intake per Business Group



CHF million	Jan. – Sept. 2017	Jan. – Sept. 2016	Difference	Difference in local currency	Difference without acquisitions
Rieter	765.0	718.4	6%	7%	4%
Machines & Systems	490.1	477.6	3%	3%	3%
After Sales	115.8	103.3	12%	12%	12%
Components	159.1	137.5	16%	15%	1%

Rieter – Financial Key Figures



EBITDA margin at 8.4% of sales

Million CHF	HY1 2017	HY2 2016	HY1 2016	FY 2016
Order Intake	495.2	394.5	510.7	905.2
Sales	415.2	508.1	436.9	945.0
EBITDA	34.8	61.4	34.4	95.8
EBITDA margin (of sales)	8.4%	12.1%	7.9%	10.1%
EBIT	16.0	40.8	15.7	56.5
EBIT margin (of sales)	3.9%	8.0%	3.6%	6.0%
Net profit	10.9	31.7	11.0	42.7
R&D expenditures	22.8	23.6	24.4	48.0
Capex	7.7	20.2	10.7	30.9
Free cash flow	-125.6¹	71.8	4.5	76.3

- Cumulated Q3 2017 order intake at 765.0 million CHF (Q3 2016: 718.4 million CHF)

¹ Acquisition of SSM Textile Machinery as of June 30, 2017