



2016 Orders Received & Sales

Analysts Presentation, February 1, 2017

Dr. Norbert Klapper, Group CEO
Joris Gröflin, Group CFO

Financial year 2016

- **Order intake grows by 13% thanks to a good first half year**
- **Sales of CHF 945 million following a stronger second half year – full year below previous year as expected**
- **EBIT margin of 6% and net profit of 4.5% of sales expected for 2016**
- **Reorganization of the Ingolstadt site**

1. Orders received & sales 2016

Joris Gröflin

2. Profit outlook 2016

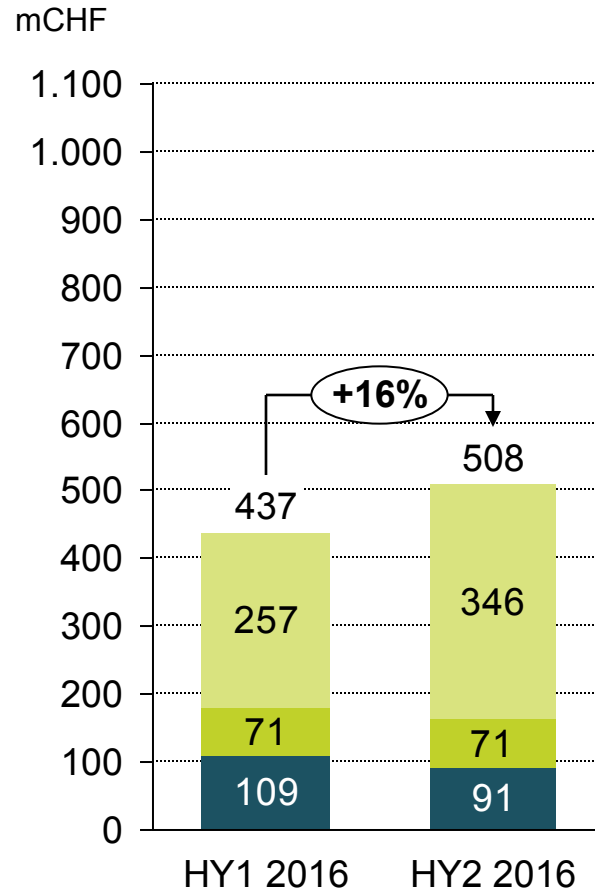
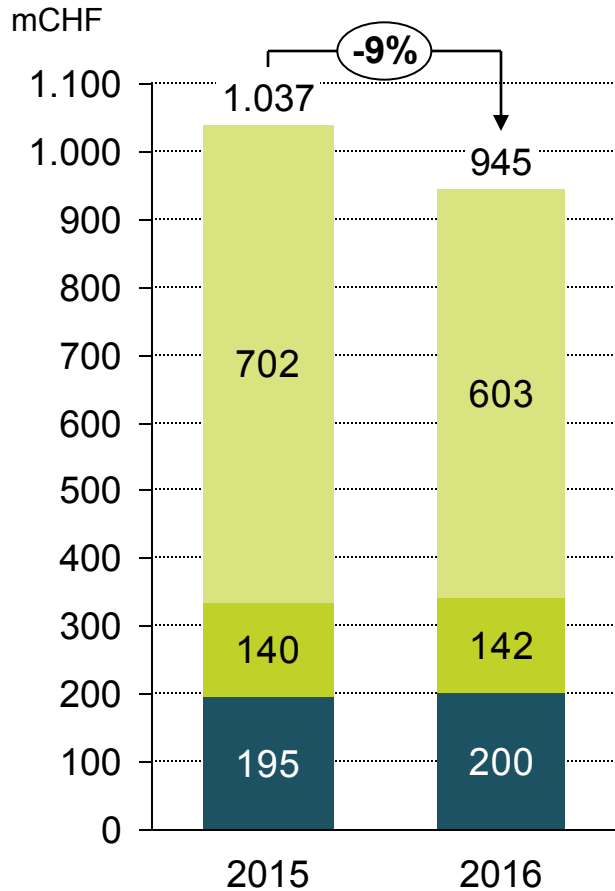
Dr. Norbert Klapper

3. Strategic focus

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Sales by business group

Sales at 945 million CHF following a stronger second half year



Machines & Systems
 After Sales
 Components

Change in sales and currency impact

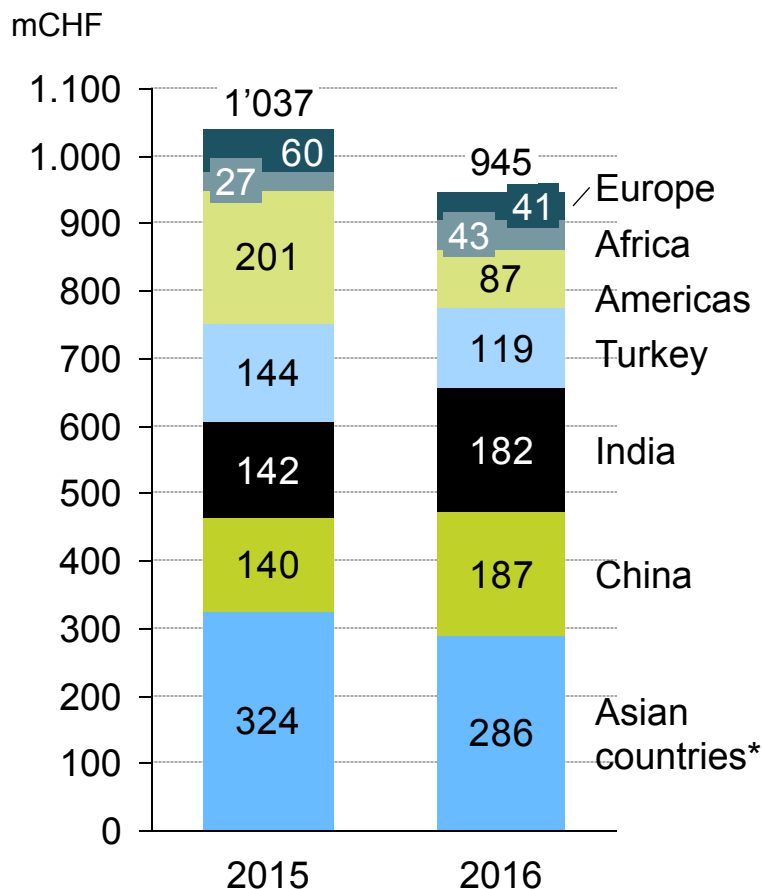


Sales impacted mostly by volume and price

mCHF	Machines & Systems	After Sales	Components	Rieter Group
Sales 2015	702.3	139.8	194.7	1'036.8
Volume and price	-75.2	1.2	2.9	-71.1
Currency translation	-6.2	0.6	2.4	-3.2
Divestments	-17.5			-17.5
Sales 2016	603.4	141.6	200.0	945.0

Sales development by region

Growth in China and India – solid demand from Asian countries

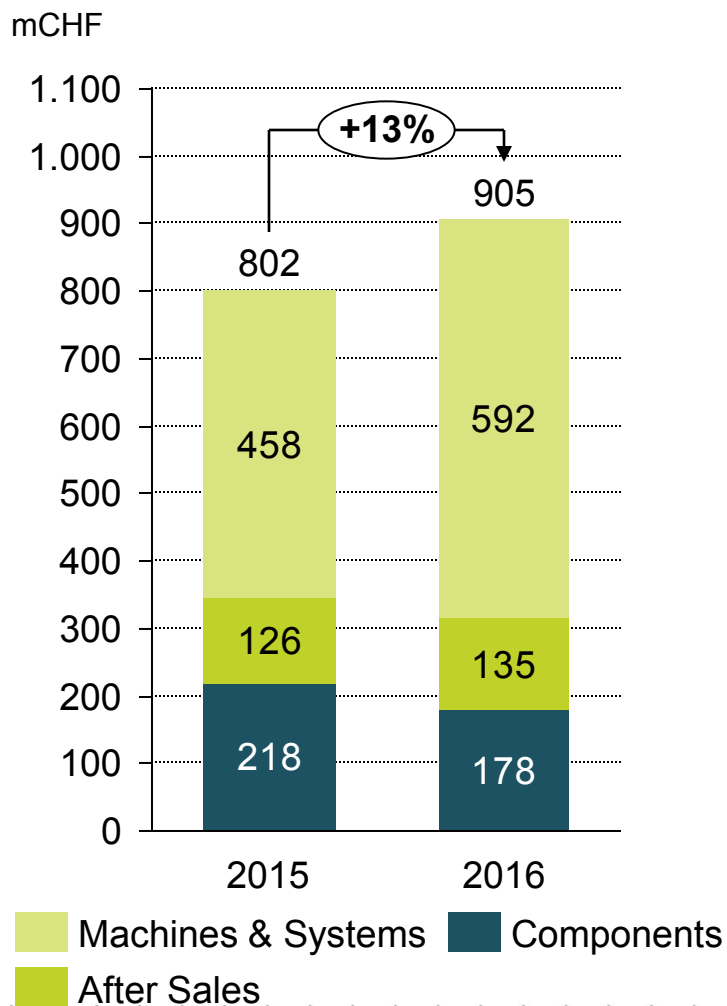


- Asian countries with sales of 286.3 million CHF (-12% against 2015)
- China sales of 186.5 million CHF (+33% against 2015) of which 53% to Xinjiang province
- Indian sales of 182.1 million CHF (+28% over previous year's level)
- Turkey with 119.4 million CHF sales (-17% against 2015)
- Americas at 86.6 million CHF (-57% against 2015 after delivery of large orders booked in 2014)
- Africa with 43.2 million CHF (+62% against 2015)
- Europe with 40.9 million CHF sales (-32% lower than 2015 mainly due to divestment of Schaltag)
- Share of sales to Asia at 82% (2015: 72%)

*) Not including China, India and Turkey

Orders by business group

Increase of orders in 2016 by 13%



- Order intake amounted to 905.2 million CHF (2015: 801.6 million CHF)
- Strong demand in the first half year (510.7 million CHF) and mixed dynamics in the individual countries and product categories in the second half year (394.5 million CHF)
- Business Group Machines & Systems received 591.6 million CHF orders (+29% vs. 2015). Lower demand in the second half year driven by political uncertainties in main markets Turkey and India
- Business Group After Sales with 135.2 million CHF orders (+7% vs. 2015). Growth achieved in spare parts, services and installation of new machines
- Business Group Components with 178.4 million CHF orders (-18% vs. 2015). Compared to exceptionally strong 2015, lower demand recorded from customers in China and India
- Order backlog at year-end at around 440 million CHF

1. Orders received and sales 2016

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2. Profit outlook 2016

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Profit outlook 2016



- Rieter expects to achieve an EBIT margin of 6% and net profit of 4.5% of sales in the 2016 financial year.
- Rieter's full annual financial statements for 2016 and the annual report will be published on March 14, 2017, at the results press conference and presentation to analysts in Winterthur.
- The Annual General Meeting will be held on April 5, 2017.

1. Orders received and sales 2016

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2. Profit outlook 2016

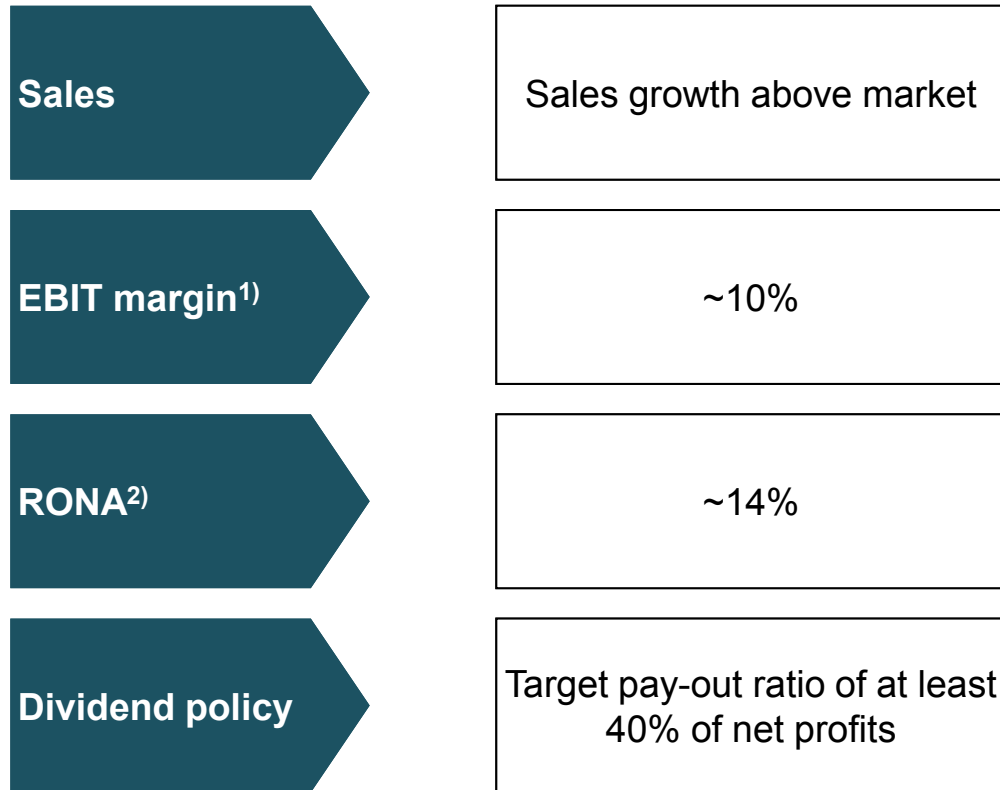
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3. Strategic focus

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Strategic focus – mid-term targets



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

Reorganization of Ingolstadt site, Germany



- At the Ingolstadt site, Rieter intends to focus on the development of machines and the provision of technical support for the after-sales business. Production shall be transferred to Rieter's Usti site in the Czech Republic. By this means, Rieter intends to increase its competitiveness and conclude the reorganization of production, which is a consequence of the capacity build-up in China and India.
- Spare parts logistics shall be awarded to a service provider within the framework of a European solution. With this step, Rieter aims to achieve a significant reduction in delivery times and create the conditions for further growth. Order processing for spare parts shall be concentrated at the Winterthur site.
- The development of machines and technical support for the after-sales business, which remain in Ingolstadt, are to be housed in a new building, which will provide optimal support for the development work and cooperation between the two areas.
- The concept envisages the reduction of around 220 jobs at the Ingolstadt site. At the end of December 2016, Rieter had 360 employees in Ingolstadt.
- Once the measures are complete at all affected sites, a cost reduction of CHF 15-20 million is expected from 2019. Rieter anticipates that one-off expenditure in the mid-double-digit million range will be required for implementation purposes over the next two years.
- The consultation process with the employees' representatives will begin shortly. Rieter will provide information about the outcome at the appropriate time.

Disclaimer



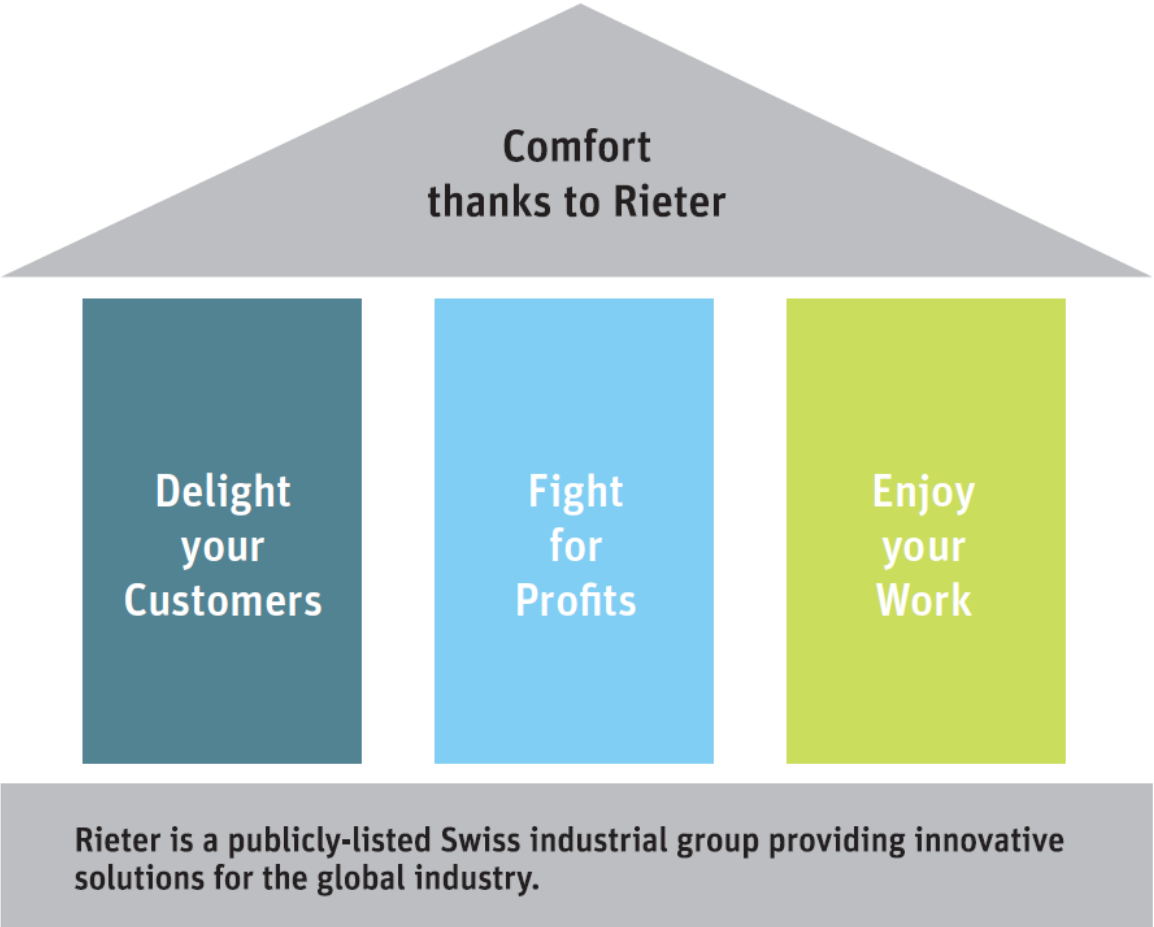
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The 2016 figures have not yet been audited.





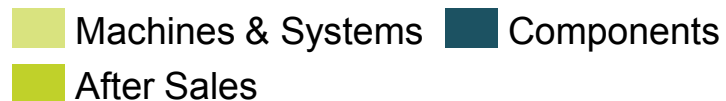
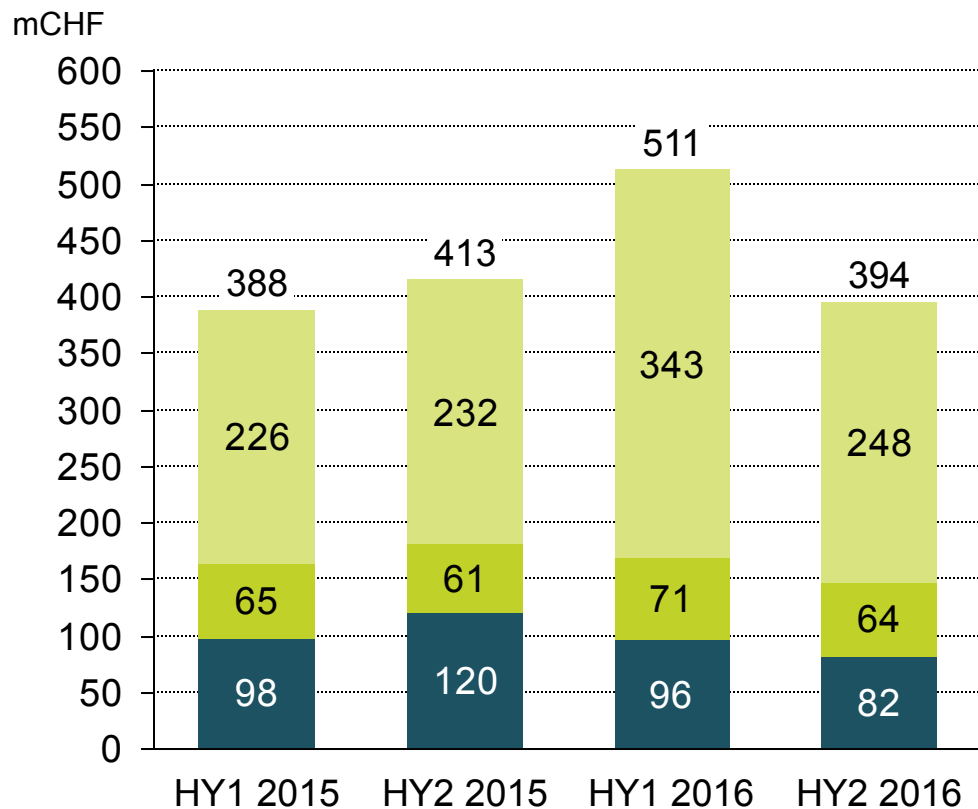
Key data per share



Rieter registered shares of 5 CHF nominal value Bloomberg: RIEN SW; Thompson Reuters: RIEN.S		31.12.2016	30.06.2016	31.12.2015
Shares outstanding excl. own shares (end of period)		4'515'015	4'518'063	4'511'075
Average shares (of period)		4'515'861	4'515'519	4'550'650
Share price (end of period)	CHF	177.10	199.40	188.00
Market capitalization (end of period)	mCHF	800	901	848

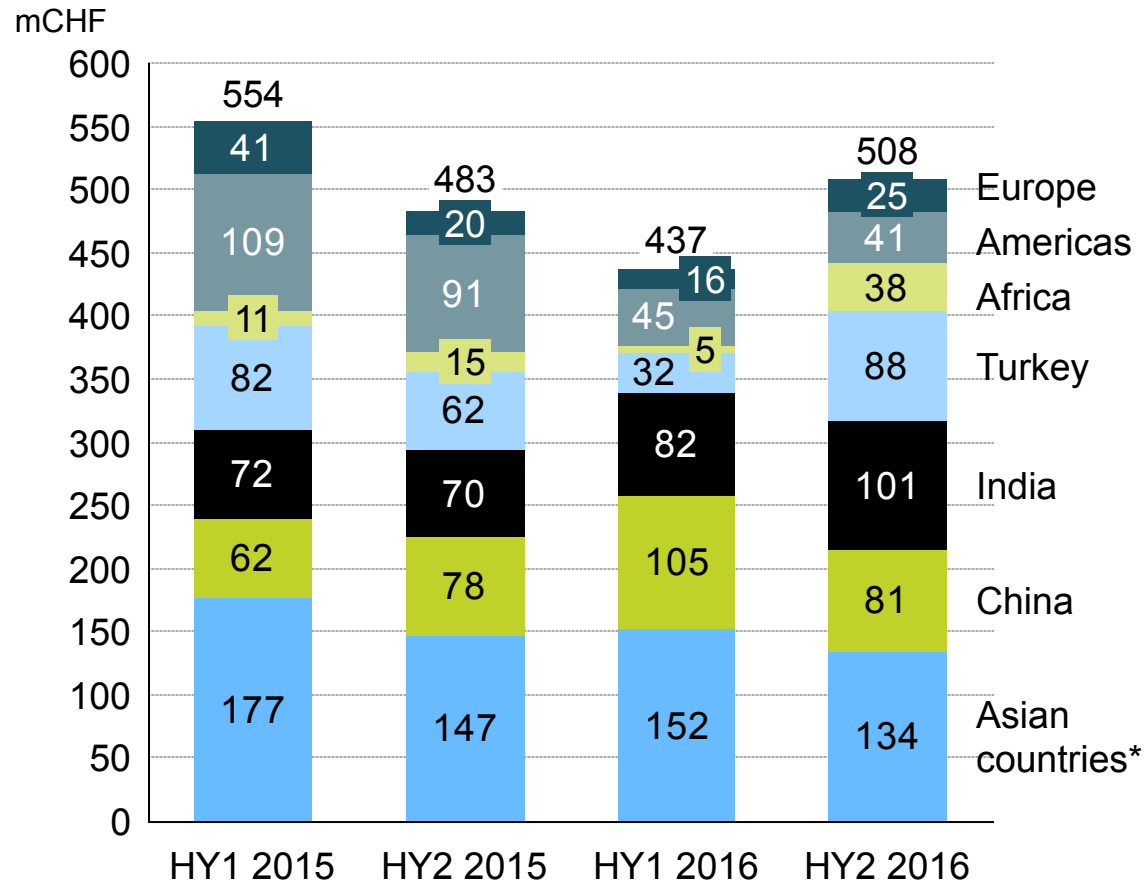
Orders by business group and half-year

Strong first half year in 2016



Sales development by region and half-year

Growth in India and Turkey in second half year 2016



*) Not including China, India and Turkey