

Saurer announces strong 2017 annual growth

Shanghai/Wattwil, 23 April 2018

The Board of Directors of Saurer Intelligent Technology Co Ltd. is pleased to announce that Saurer has delivered strong results for the full year ended 31 December 2017, with double digit growth across key metrics.

Group highlights

- **Excellent growth in revenue by 37% to CNY 8'713 million**
- **Strong earnings generation with profits before tax of CNY 996 million**
- **Outstanding performance in key markets China and Turkey with growth of 70%**
- **Successful listing in Q3 2017 on the Shanghai Stock Exchange**

Mr. Clement Woon, Chief Executive Officer, says:

“2017 was a year of substantial growth for Saurer as the Group continued to benefit from strong demand for all textile solutions and components.

With growth in sales revenue by 37% to CNY 8'713 million, an excellent earnings generation with profits before tax of CNY 996 million and a profit margin of 11.4%, Saurer has successfully strengthened its position as the globally leading integrated textile equipment supplier, offering a suite of solutions from bale to yarn.

The strong performance is a result of the disciplined execution of our strategic priorities and our successful listing at the Shanghai Stock Exchange in Q3 2017, which enabled both our newly created segments – Saurer Spinning Solutions and Saurer Technologies – to contribute to last year’s profitable and high quality growth.

In its rich 165-year history, time and again, Saurer has proven that it is able to drive innovation and perform very successfully in changing market conditions. By taking advantage of favourable economic circumstances and our outstanding businesses capabilities, the Saurer Group has been able to post the best results of the last five years. We were particularly successful in China and Turkey, with growth rates of 70% in both countries. In addition, within three years, Uzbekistan has become the fourth-largest market for Saurer, posting over CNY 500 million in sales.

2017 was a year of profound change for the company, and we have made remarkable progress in further aligning our business to the needs of our customers, advancing technologically and developing our management. Backed by our industry-leading global sales and after-sales service system, we will continue to leverage the advantage of operating in some of the most dynamic and attractive markets in the world. As a listed subsidiary of the Jinsheng Group, Saurer is in a very favourable position to profit from unprecedented economic opportunities across these markets, including in China with its vision of the textile industry as well as the ‘One Belt, One Road’, ‘Industry 4.0’ and ‘Made in China’ initiatives.

As we continue to execute on our strategic priorities and build on our competitive advantage, I am confident that our teams have the determination and passion to deliver continuous growth and stable margins throughout the cycle and create even greater long-term value for investors and society.”

Financial summary

The full annual financial statement in Chinese is published on Saurer's website and the Shanghai Stock Exchange. An English version will be available in mid-May.

Revenue by segment

Saurer has organised its operating units according to its strategic goals. The Saurer Spinning Solutions and Saurer Technologies business segments both aim to better serve customers' needs, to enhance operational efficiency and to integrate and anticipate technological innovations. Saurer Spinning Solutions provides customers with services along the entire bale-to-yarn production process. Saurer Technologies concentrates on ennobling solutions, on line monitoring and sensor technology, as well as components contributing to various stages within the textile manufacturing process.

in CNY 000	2016	2017	Change YoY
Saurer Spinning Solutions	4'897'647	6'977'092	42%
Saurer Technologies	1'477'864	1'809'697	22%

Revenues by region

China and Turkey experienced the highest growth rates in 2017, +71% and +70% YoY respectively. Within three years, Uzbekistan has become the fourth-largest market for Saurer, posting over CNY 500 million in sales revenue. In July 2017, India introduced a new sales tax regime (GST), which has impacted the investment and sales environment.

in CNY 000	2016	2017	Change YoY
China	2'150'570	3'674'611	71%
India	1'001'445	973'602	-3%
Turkey	532'366	904'084	70%
Asia (excl. China/India)	1'212'421	1'744'952	44%
Americas	671'280	740'555	10%
Europe/Africa/others (excl. Turkey)	784'672	675'608	-14%

Key financial data

The Group achieved a strong performance by focusing intensively on providing our customers with integrated, fit-for-purpose solutions that delivered added value at different stages of the textile manufacturing process, tight cost control and efficient internal processes.

in CNY 000	2016	2017	Change YoY
Sales revenue	6'352'754	8'713'412	37%
Profit before tax	670'518	996'385	49%
Margin	10.6%	11.4%	+0.8pts
Net profit/(loss)	502'985	749'517	49%

Attributable to equity holders in the company	474'917	658'327	39%
Cash and cash equivalents at the end of the year	2'125'438	2'057'716	-3%
Weighted average return on equity	20.95%	23.67%	+2.72pts
Basic EPS (in yuan/share)	0.3894	0.4556	
Dilutes EPS (in yuan/share)	0.3894	0.4556	
Weighted average number of shares 2017	1'219'627'217	1'444'889'143	

Balance sheet

in CNY 000	2016	2017
Total current assets	10'151'378	11'193'464
Total non-current assets	3'073'865	3'338'308
Total assets	13'225'243	14'531'772
Total current liabilities	3'559'626	4'722'948
Total non-current liabilities	2'877'659	3'303'460
Total liabilities	6'437'285	8'026'408
Total equity attributable to equity holders of the company	2'530'033	2'207'034
Total equity	6'787'958	6'505'364
Total liabilities and equity	13'225'243	14'531'772

Annual General Meeting (AGM)

The date for the Annual General Meeting of Saurer Intelligent Technology Co Ltd. will be published in due course. Shareholders individually or jointly holding more than 3% of shares may submit proposals regarding the agenda in writing ten (10) days prior to the date of the AGM to Saurer Intelligent Technology Co Ltd., Office of the Board of Directors, Floor 36, Tower B, THE PLACE, 100 Zunyi Road, Shanghai 200051, China.

Dividend payment

Saurer's Board of Directors is proposing a dividend for shareholders of CNY 0.1 per 10 shares for 2017 (before tax), the total payout ratio therefore amounting to 31%. Subject to approval at the Annual General Meeting, the payment date will be communicated after the AGM.

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About Saurer Group

The Saurer Group is a leading globally operating technology group focusing on machinery and components for yarn processing. As a company with a long tradition, Saurer has always been a leader in innovation. Today, Saurer comprises the two segments Saurer Spinning Solutions and Saurer Technologies. Saurer Spinning Solutions offers high quality, technologically advanced and customer-specific automation solutions for processing staple fibre from bale to yarn. Saurer Technologies specialises in twisting and embroidery as well as engineered and polymer solutions. With annual sales revenues of EUR 1.1 bn, 4300 employees, and locations in Switzerland, Germany, Turkey, Brazil, Mexico, the USA, China, India and Singapore, the strongly growing group is well positioned to serve the world's textile industry centres. Saurer is listed on the Shanghai Stock Exchange (securities code: 600545). www.saurer.com.

Disclaimer

This document may contain forward-looking statements. Forward-looking statements reflect the views of the management of Saurer Intelligent Technology Co Ltd. as of the date of publication. The forward-looking statements may involve risks and uncertainties, including – but not confined to – technological advances, product demand and market acceptance, the effect of economic conditions, the impact of competitive products and pricing, foreign currency exchange rates, changes in legal requirements, political measures and other risks. All of these forward-looking statements are based on estimates and assumptions made by the Saurer management and are believed to be reasonable, but are inherently uncertain and difficult to predict. Actual results or experience could differ materially from the forward-looking statements. Saurer disclaims any intention or obligation to update these forward-looking statements. It should also be noted that past performance is not a guide to future performance. Investors must not rely on this information for investment decisions and are solely responsible for forming their own investment decisions.