

Media Release

Rieter Holding Ltd.
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Winterthur – October 20, 2023

Rieter Investor Update 2023

- Sales of CHF 334.7 million in the third quarter, CHF 1 092.9 million after nine months
- Order intake of CHF 127.2 million in the third quarter, CHF 452.2 million after nine months
- Order backlog of around CHF 900 million as of September 30, 2023
- “Next Level” performance program on track
- Sale process for Rieter site in Winterthur successfully completed
- Outlook for the full year 2023 confirmed

Rieter’s cumulative sales in the first nine months of 2023 amounted to CHF 1 092.9 million (2022: CHF 987.4 million), an increase of 11% compared to the prior-year period. In particular, supply bottlenecks eased slightly, which allowed more machines to be delivered than in the same period last year. Sales in the third quarter of 2023 were CHF 334.7 million (Q3 2022: CHF 366.8 million).

The Business Group **Machines & Systems** generated total sales of CHF 749.6 million in the first nine months of 2023 (+18%). The Business Group **Components** posted sales of CHF 206.8 million, 11% lower than in the corresponding period of the previous year, while the Business Group **After Sales** recorded growth of 13% to CHF 136.5 million in the first nine months of 2023.

Order intake

Order intake in the reporting period was characterized by restrained investment in new machinery in almost all regions except China. Demand for consumables, wear & tear and spare parts continued to weaken due to the slowdown in spinning mill capacity utilization. Rising interest rates and high energy and raw material prices also had a dampening effect.

In this market environment, the Rieter Group received orders totaling CHF 452.2 million in the first nine months of 2023 (2022: CHF 1 095.8 million). In the third quarter of 2023, orders decreased by 44% year-on-year to CHF 127.2 million (2022: CHF 226.4 million).

Rieter expects the market to have bottomed out in the year 2023 and anticipates a gradual market recovery in the course of the 2024 financial year.

Order backlog

As of September 30, 2023, Rieter has an order backlog of around CHF 900 million (September 30, 2022: CHF 2 000 million). The current order backlog will allow good capacity utilization at the production facilities into the coming year. The cancellation rate in the reporting period was within the usual range, averaging around 5% of the order backlog, with a slight downward trend.

“Next Level” performance program on track

In July 2023, the Group launched the “Next Level” performance program aimed at strengthening sales excellence, sharpening customer focus, improving cost efficiency in production and optimizing fixed cost structures. By taking these measures, Rieter intends to create the basis for providing an even more agile response to the cyclical nature of the machinery business. The objective of the planned initiatives is to ensure the profitable and sustainable development of the group.

The performance program includes provisions for the net reduction of approximately 300 positions in overhead functions across the group, primarily in Germany and Switzerland. The consultation processes initiated with the employee representatives in Ingolstadt (Germany) and Winterthur (Switzerland) were completed in the third quarter of 2023. The majority of these workforce reductions are expected to be implemented by the end of December 2023.

Due to the current market situation, further market- and volume-related adjustments in the range of 400 to 600 positions will be necessary, mainly in production. However, the actual number of positions to be reduced depends on the order intake in the coming months.

Rieter continues to expect that the strategic and operational measures initiated will result in one-off restructuring costs of around CHF 45 to 50 million, which will impact earnings in the 2023 financial year.

Rieter site, Winterthur

The sale of the site at Klosterstrasse in Winterthur (Switzerland) to Allreal, Glattpark (Switzerland) for CHF 96.0 million was successfully completed on September 26, 2023. Rieter anticipates a positive EBIT contribution of around CHF 70 to 75 million. The proceeds from the sale permitted a further reduction in net debt and an improvement in the equity ratio in the third quarter of 2023.

Outlook for the full year 2023 confirmed

As announced on July 20, 2023, in view of the economic situation and the ongoing cyclical market weakness, Rieter continues to expect below-average demand for new equipment in the coming months. A revival is not anticipated until the end of 2023 at the earliest. Likewise, Rieter believes that demand for consumables, wear & tear and spare parts will not recover until towards the end of 2023.

For the full year 2023, Rieter expects an EBIT margin of around 5 to 7% (including positive special effects of less than 2%) and sales at the previous year's level of around CHF 1.5 billion.

Telephone Conference for Media and Investors

The media and investor conference call will be held **today, October 20, 2023, at 9:00 am (CEST)**.

Webcast

<https://media.choruscall.eu/mediaframe/webcast.html?webcastid=XiCNiELx>

Dial-in details

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Presentation Material

The media- and investor presentation as well as the media release can be found at: www.rieter.com/media/media-kit/

Forthcoming Dates

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| • Publication of sales 2023 | January 24, 2024 |
| • Deadline for proposals regarding the agenda of the Annual General Meeting | February 23, 2024 |
| • Results press conference 2024 | March 13, 2024 |
| • Annual General Meeting 2024 | April 17, 2024 |
| • Semi-Annual Report 2024 | July 18, 2024 |
| • Investor Update 2024 | October 23, 2024 |

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About Rieter

Rieter is the world's leading supplier of systems for manufacturing yarn from staple fibers in spinning mills. Based in Winterthur (Switzerland), the company develops and manufactures machinery, systems and components used to convert natural and man-made fibers and their blends into yarns in the most cost-efficient manner. Cutting-edge spinning technology from Rieter contributes to sustainability in the textile value chain by minimizing the use of resources. Rieter has been in business for more than 225 years, has 18 production locations in ten countries and employs a global workforce of around 5 400, about 16% of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under ticker symbol RIEN.
www.rieter.com

Sales by Business Group

Sales CHF million	January – September 2022	January – September 2023	Difference	Difference in local currency
Rieter	987.4	1 092.9	11%	13%
Machines & Systems	634.3	749.6	18%	21%
Components	232.6	206.8	-11%	-9%
After Sales	120.5	136.5	13%	18%

Order Intake by Business Group

Order Intake CHF million	January – September 2022	January – September 2023	Difference	Difference in local currency
Rieter	1 095.8	452.2	-59%	-57%
Machines & Systems	696.2	148.8	-79%	-77%
Components	248.1	183.6	-26%	-25%
After Sales	151.5	119.8	-21%	-17%

Disclaimer

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. This text is a translation of the original German text.