



Results 2023

Media and Investor Presentation, March 13, 2024

Thomas Oetterli, Group CEO

Oliver Streuli, Group CFO

Agenda



01 Key Messages

02 Market

03 Next Level

04 Innovations

05 Financials

06 Sustainability

07 Outlook 2024



1 Key Messages

Rieter Group – Key Messages



Sales

CHF 1 418.6 million (-6%)

Performance Program “Next level”

in progress

Order Intake

CHF 541.8 million (-53%)

EBIT

CHF 101.7 million (+216%)

Market Situation

challenging

Order Backlog

CHF 650 million (-58%)

Net Profit

CHF 74.0 million (+512%)

Campus/Innovation

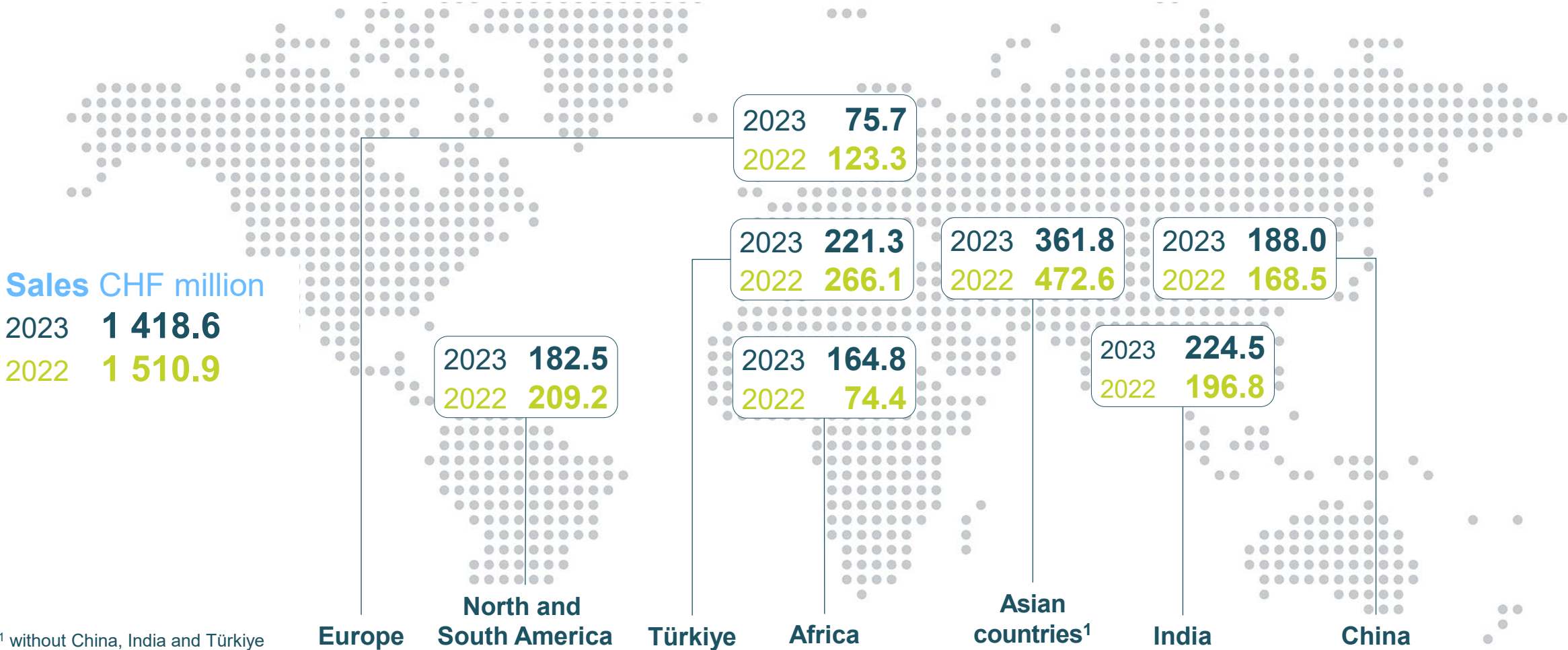
on track

Dividend Proposal

CHF 3.00 per share (+100%)



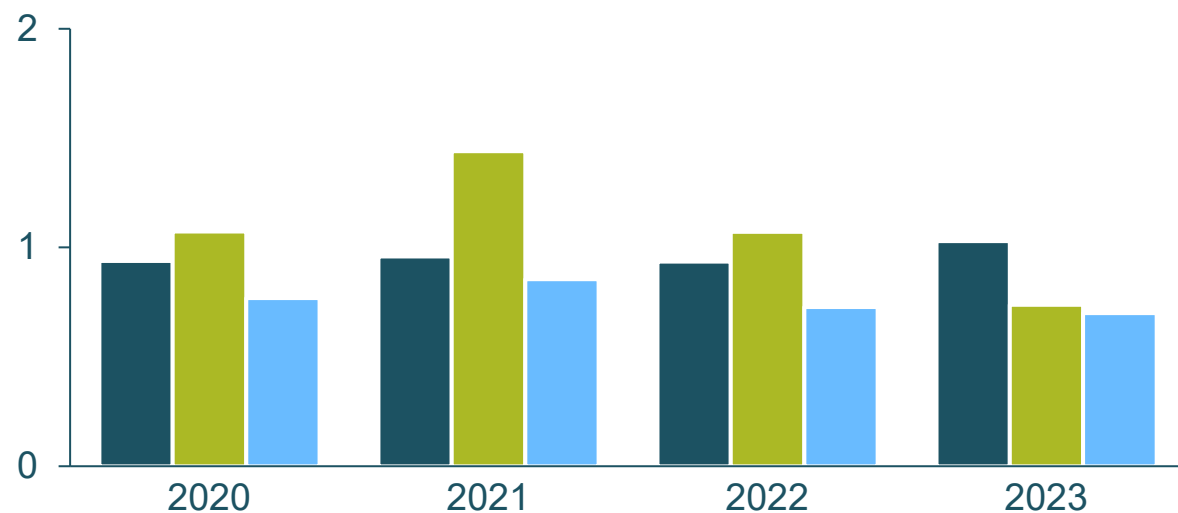
2 Market



Spinners Margin vs. Cotton Price

CHF/KG

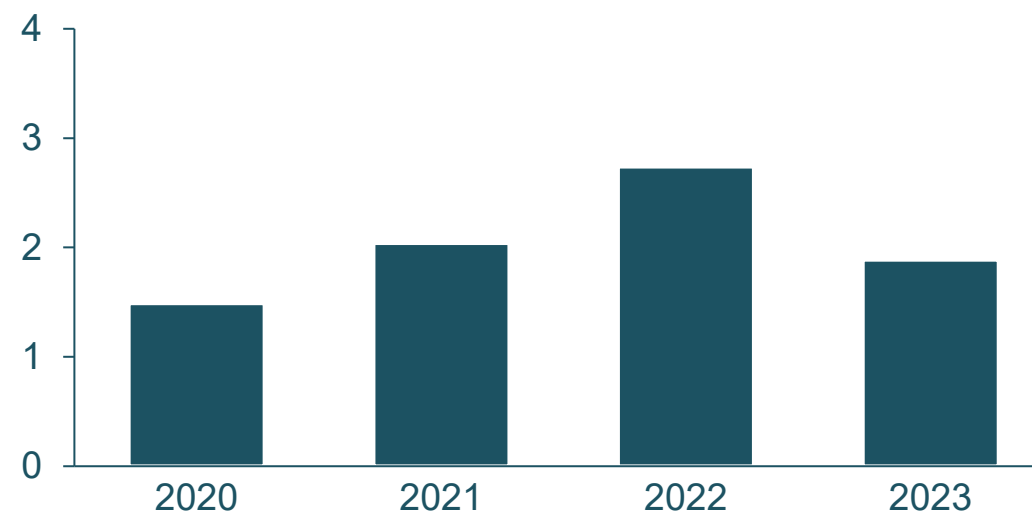
Average Spinners Margin Cotton



■ RoW
 ■ India
 ■ China

CHF/KG

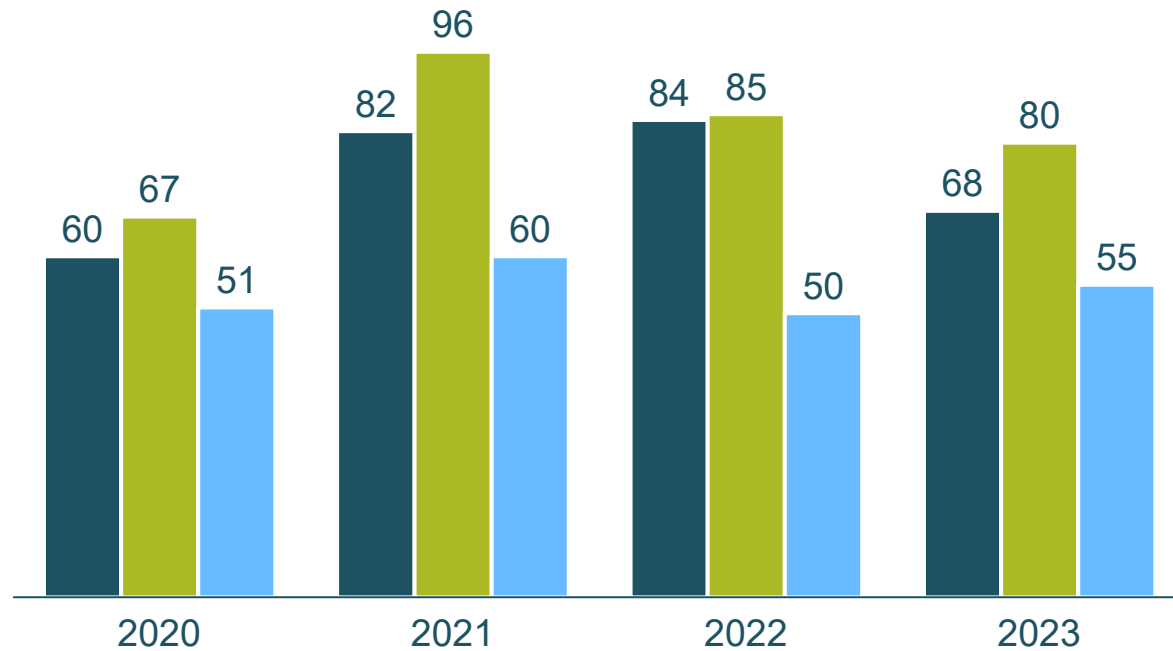
Average Cotton Price



Spinning Mills – Capacity Utilization



Average in %



— Slowdown in 2023 with initial signs of recovery in China

■ RoW ■ India ■ China

Market Situation – China

- Growth rate in China indicates a positive investment sentiment for the local market
- Negative currency effect on sales in financial year 2023 of nine percentage points
- Very good customer response during ITMA Asia 2023 in Shanghai
- Opportunities to expand market share





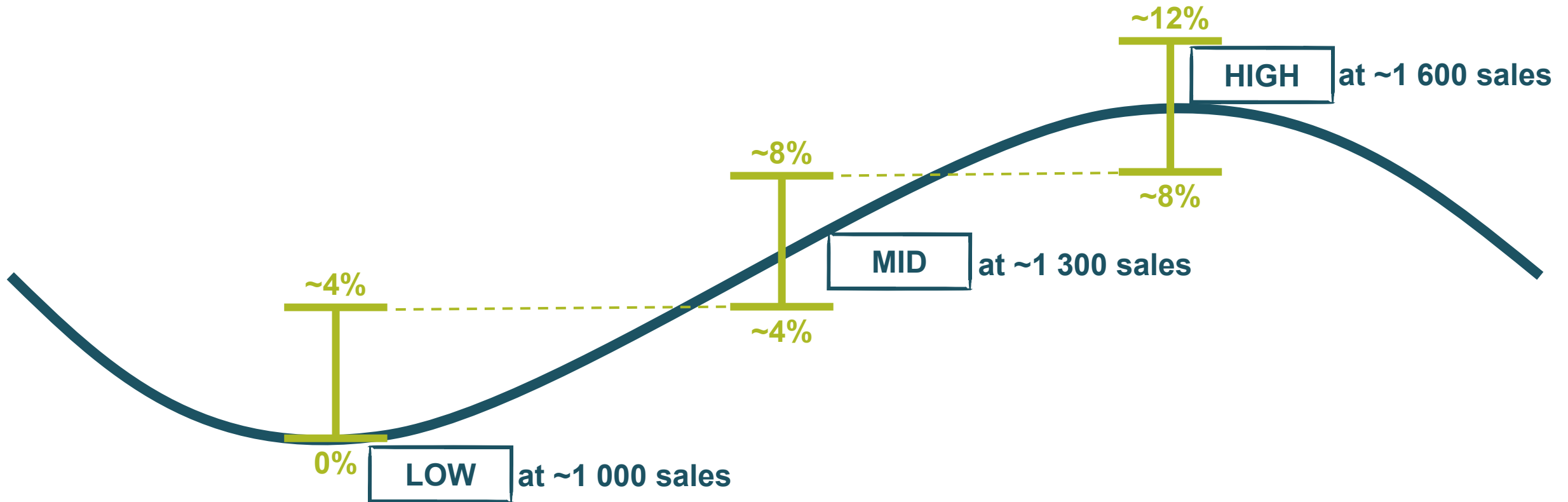
3 Next Level

Next Level Shall Create Long-Term Value for Stakeholders



Next Level EBIT margin ambition

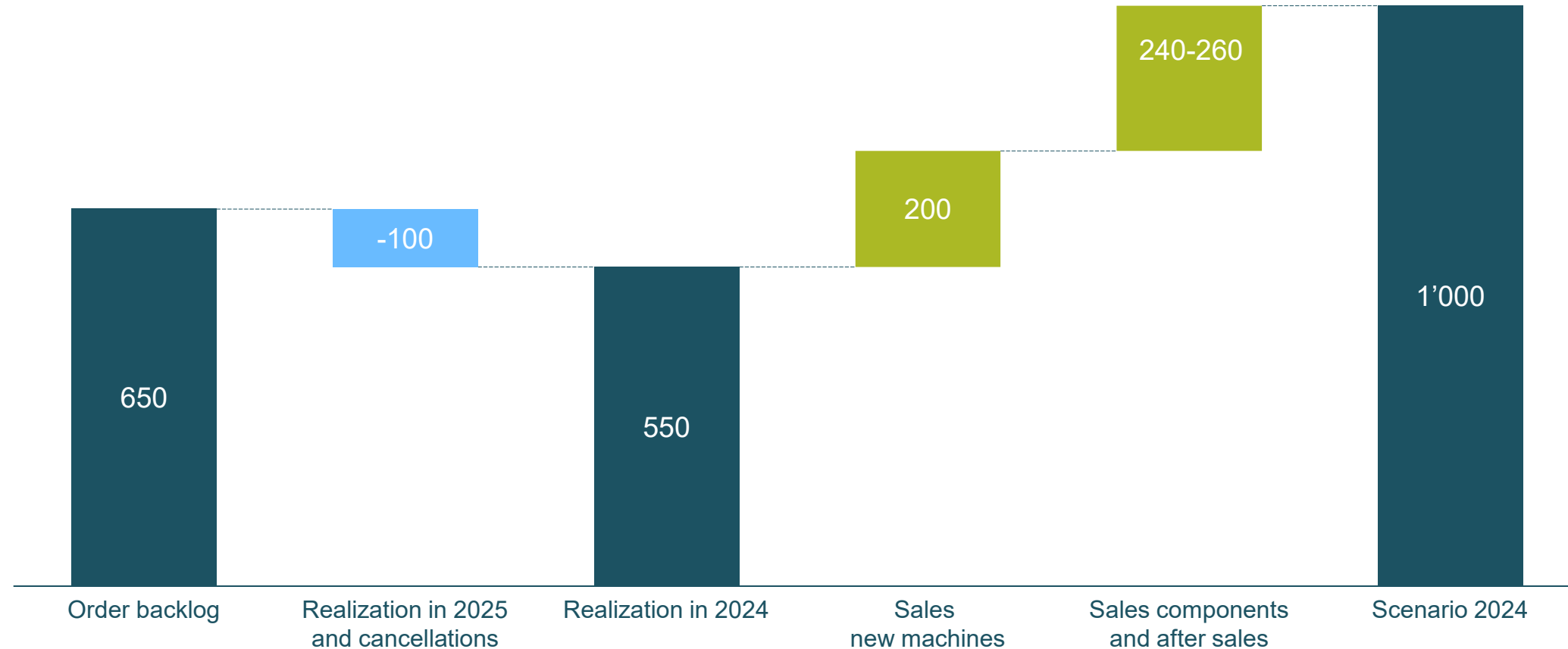
CHF million



Anticipated Low Scenario in 2024



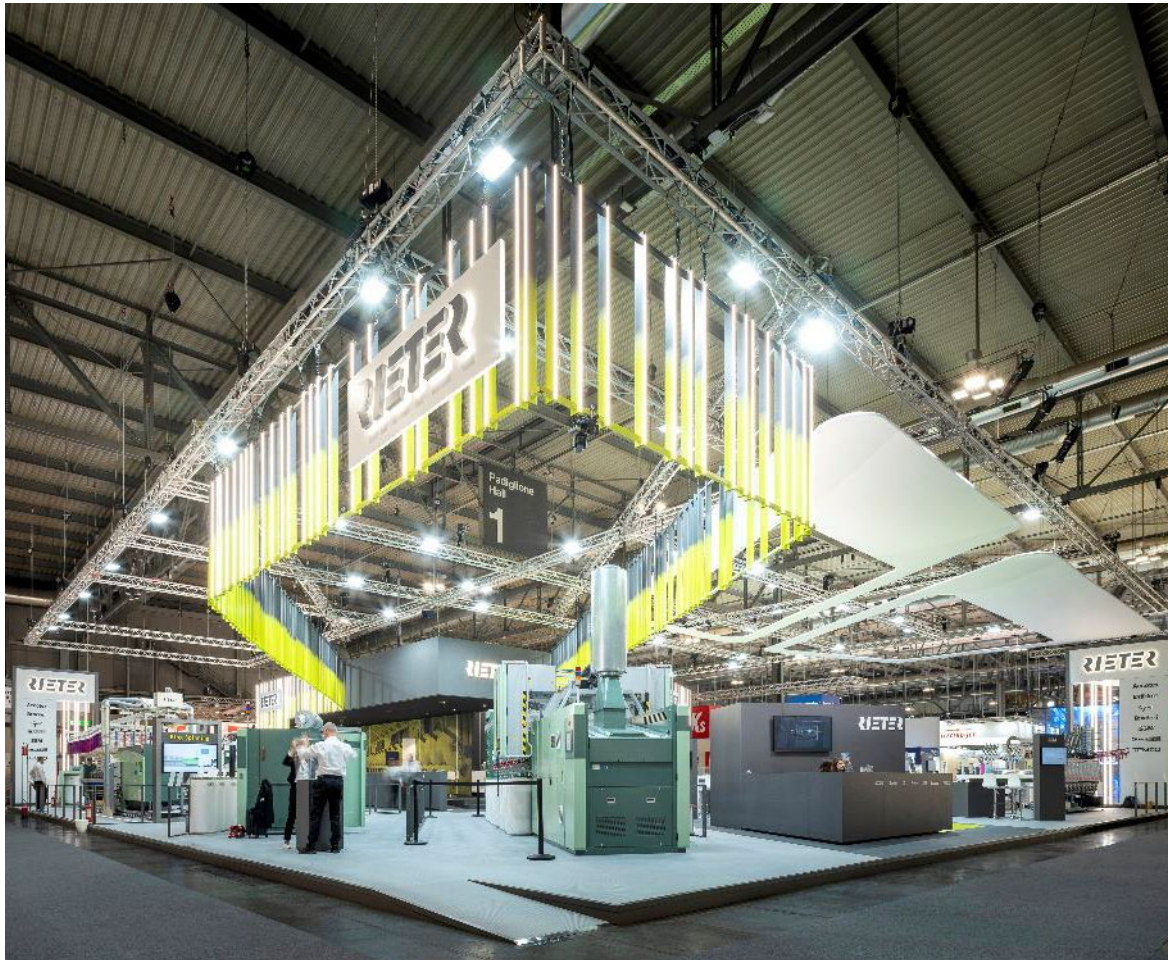
CHF million



Performance Program Next Level – Update



1	2	3	4
Sales Excellence	Competitive Products	Effective Supply Management	Agile Structures
<ul style="list-style-type: none"> - Increase After Sales and Components sales - Adapt sales process to capture market opportunities ✓ - Push Net Promoter Score ✓ 	<ul style="list-style-type: none"> - Implement continuous cost leadership organization ✓ - Simplification and standardization along the value chain - Digitization and automation 	<ul style="list-style-type: none"> - Resolve supply chain disruption effects ✓ - Secure second source for critical components ✓ - Ensure high quality product performance ✓ 	<ul style="list-style-type: none"> - Empowerment of key markets ✓ - Overhead reduction ✓ - Closure of Ingolstadt location ✓



4 Innovations

ITMA 2023 Innovations

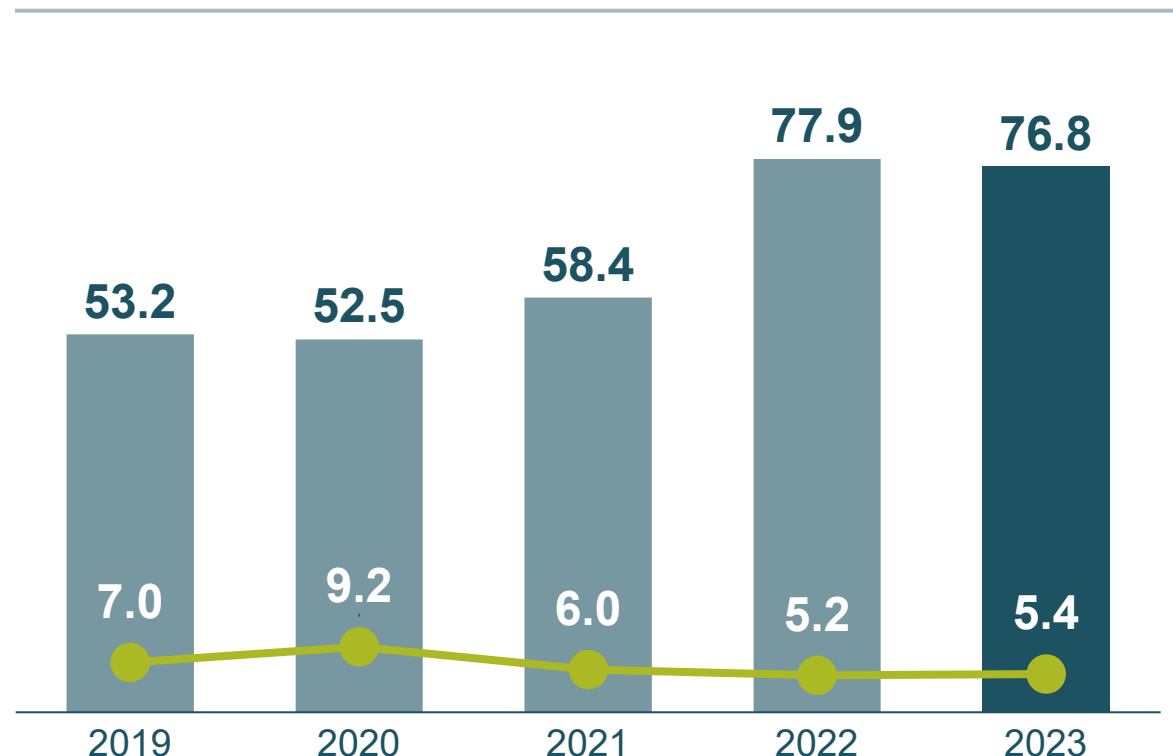


Innovation leap – moving forward

1	2	3	4	5
Air-Jet Spinning Machine J 70	Card C 81	Automatic Piecing Robot ROBOspin	Recycling	Automation and Digitization
<ul style="list-style-type: none"> - 200 individually automated spinning positions - Delivery speed of 600 m/min - Significant energy savings thanks to the individual drive concept - Best-in-class raw material utilization for high quality cotton applications 	<ul style="list-style-type: none"> - Cutting edge sensor technology - Up to 40% more sliver – the most productive card - Unmatched sliver quality thanks to unique technology - Up to 2% higher yield 	<ul style="list-style-type: none"> - Significantly reduced personnel requirements - Consistently high machine performance - Rapid repair of ends down - Boosting productivity 	<ul style="list-style-type: none"> - Pushing the boundaries with Com4recycling - Recycling systems for high-quality ring and compact yarns - Proven rotor recycling system to maximize the share of recycled material 	<ul style="list-style-type: none"> - System integration through digitization - ESSENTIAL: - Improvement based on the analysis of past events to boost efficiency - Strengthening expertise of mill staff with digital learning platform - Ensuring highest profitability and protecting investment - Introduce additional automation concepts

Research & Development – Expenses

CHF million



■ in % of sales

- Ongoing investments in financial year 2023 of around CHF 76.8 million (5.4% of Group sales)
- Drive trends in the field of digitization, artificial intelligence, automation, and the circular economy



5 Financials

Financials – Key Messages

Sales

CHF 1 418.6 million (-6%)

Order Intake

CHF 541.8 million (-53%)

EBIT

CHF 101.7 million (+216%)

Gross Profit

CHF 380.3 million (+16%)

Net Debt

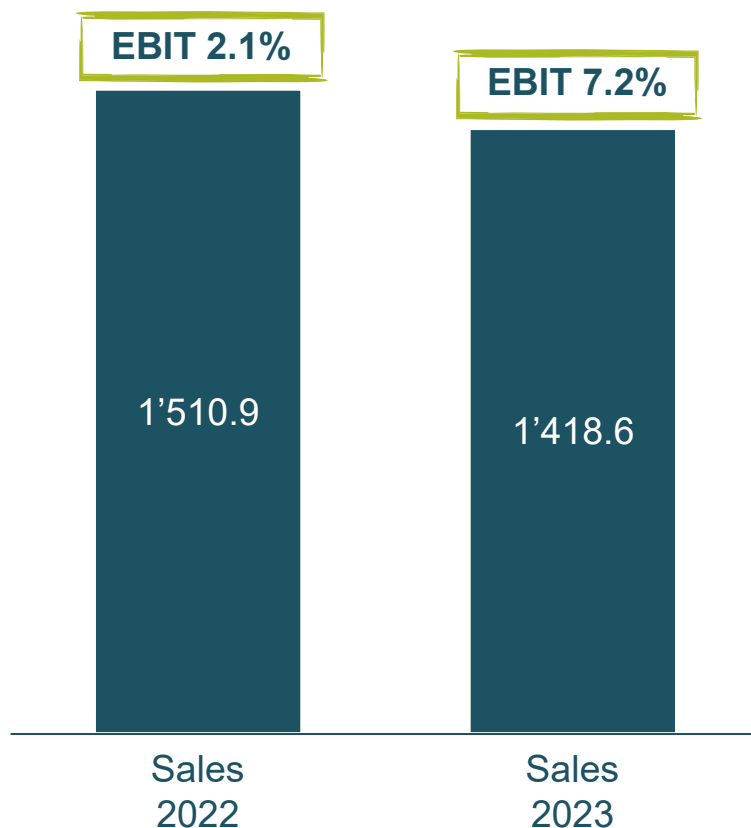
CHF -191.2 million
(2022: CHF -285.6 million)

Free Cash Flow

CHF 118.7 million
(2022: CHF -98.6 million)

EBIT Margin Significantly Improved

CHF million

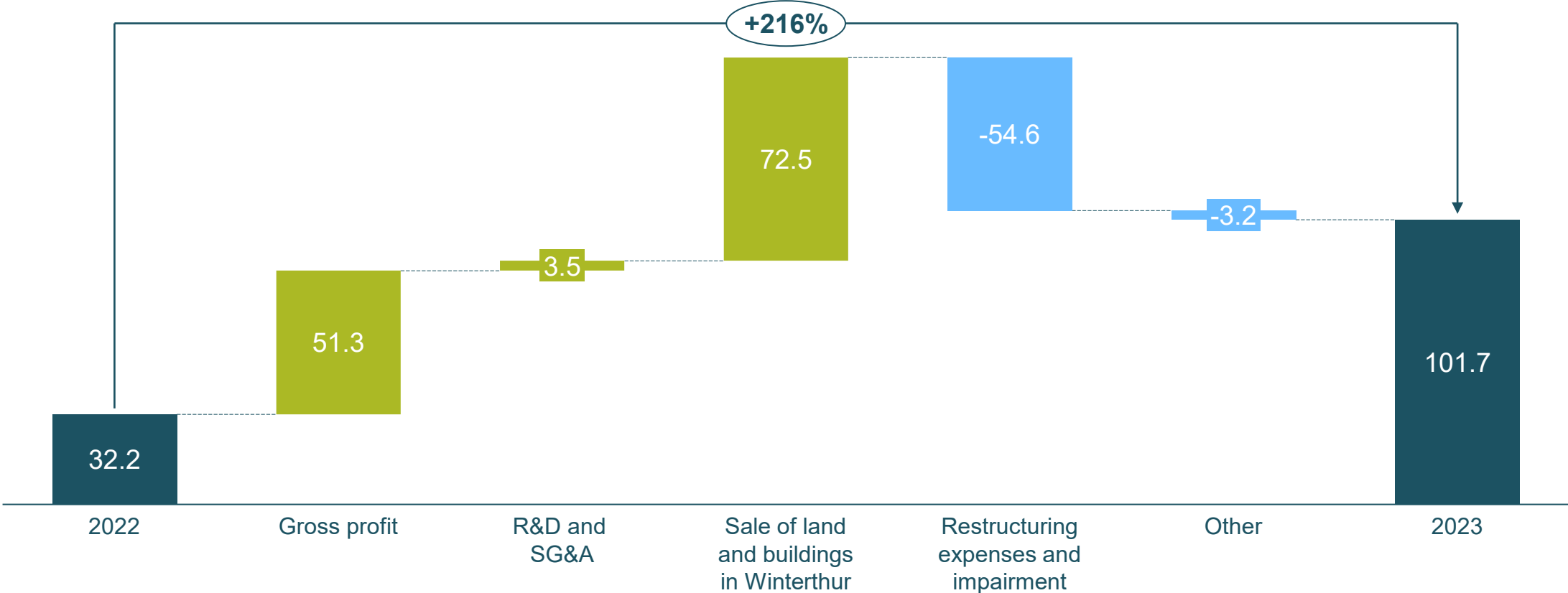


- High sales level due to order backlog execution
- Realization of price increases
- Cost decreases for material and logistics
- EBIT impacted by sale of land and buildings in Winterthur (CHF 72.5 million) and restructuring expenses (CHF -54.6 million)

EBIT



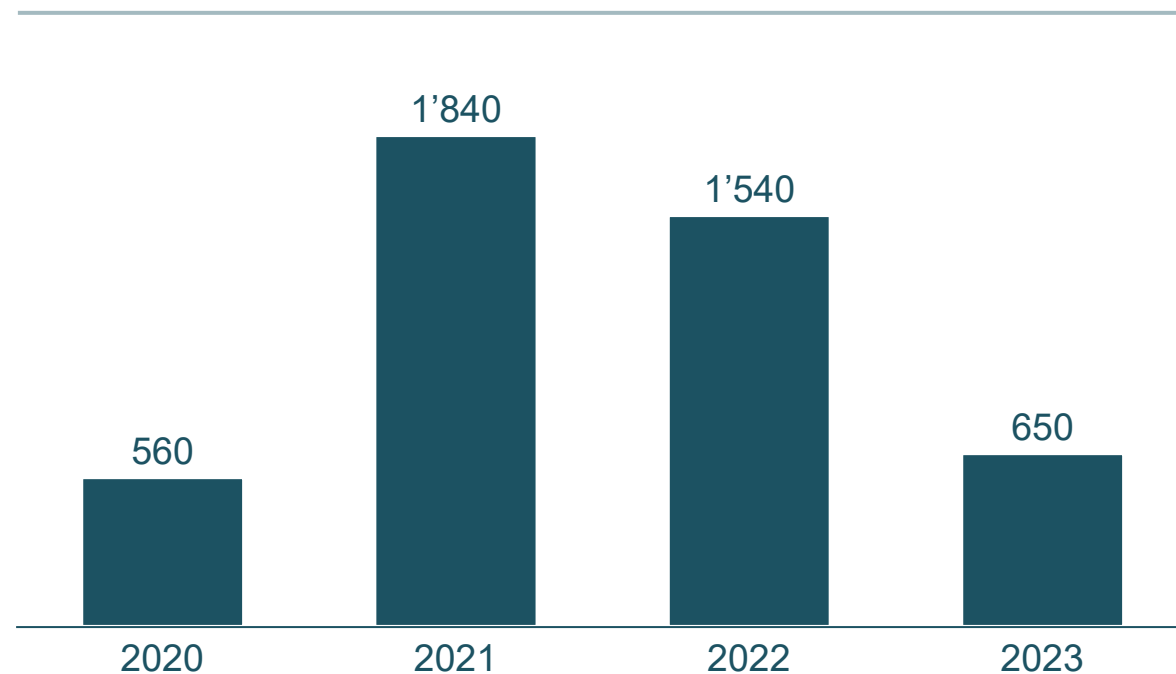
CHF million



Order Backlog at Year-End

Order backlog still extends well into 2024

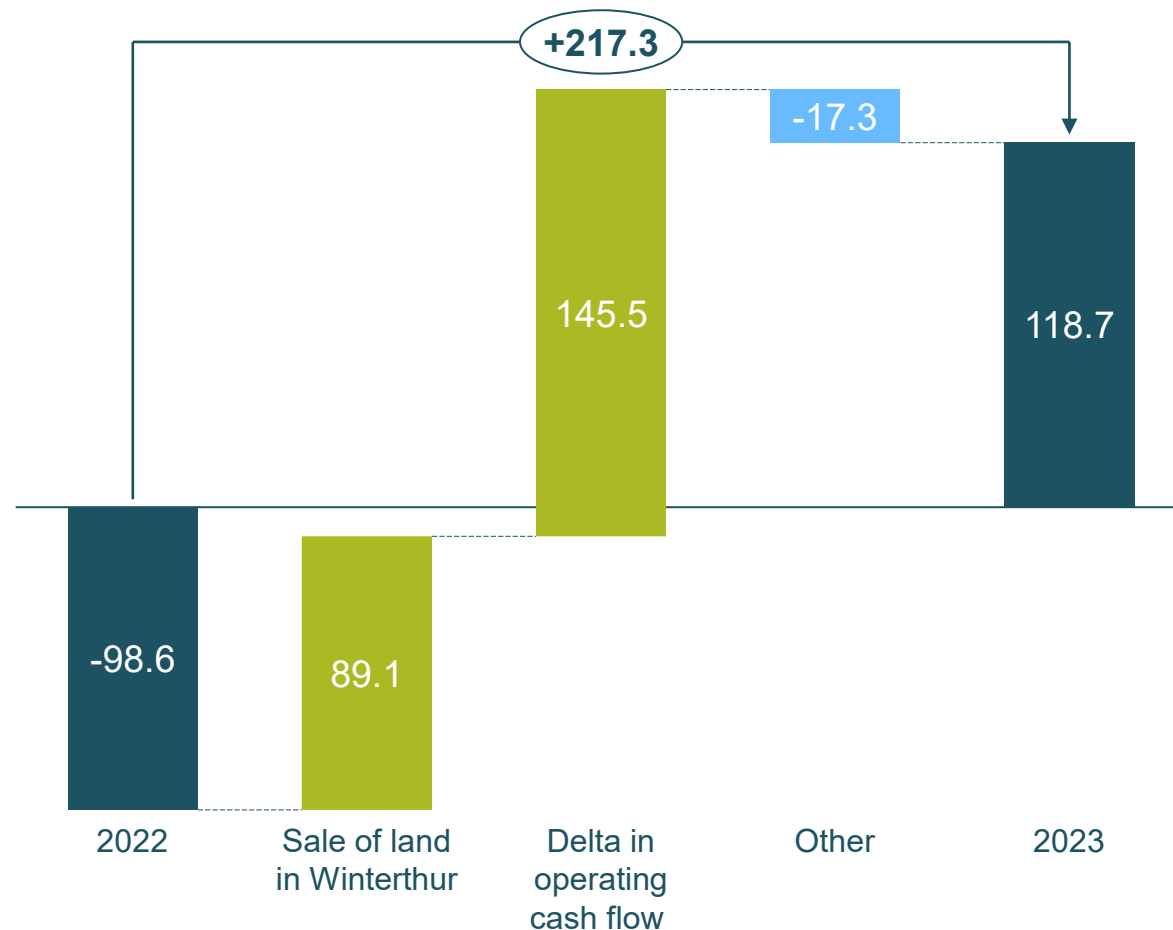
CHF million



- Order cancellations 2023 on a normal level
- Backlog margins improved (price increases and cost reductions)
- Order backlog by the end of 2023 amounts to more than half of a low scenario sales volume

Free Cash Flow

Free cash flow driven by sale of land and net working capital reduction

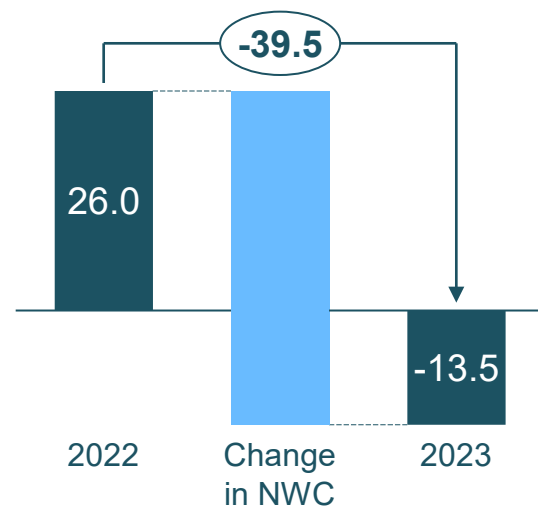


- Driven by operating result, sale of land and overall improvement in net working capital
- Cash flow from operating activities of CHF 69.3 million (2022: CHF -76.2 million)
- Cash flow from investing activities of CHF 49.4 million (2022: CHF -30.2 million) including sale of land

Balance Sheet

CHF million

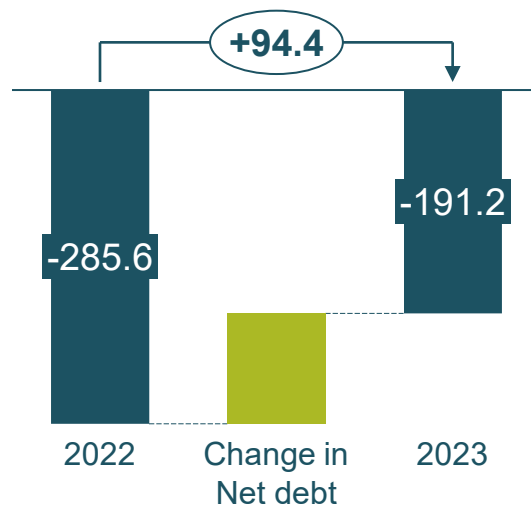
Net Working Capital (NWC)



- Improvement of inventory management

CHF million

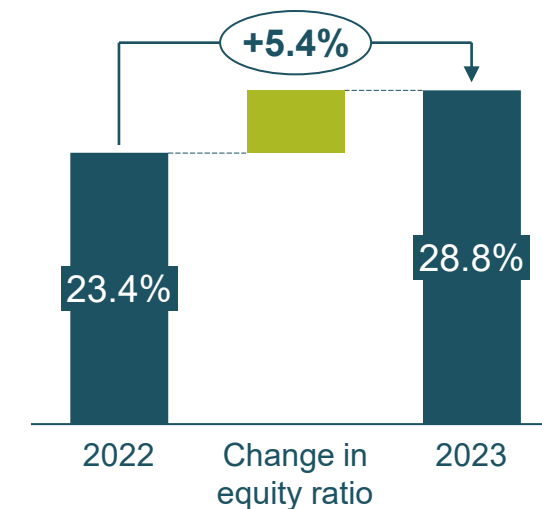
Net debt



- Cash flow from operating activities of CHF 69.3 million in 2023
- Cash flow from investing activities of CHF 49.4 million in 2023

In %

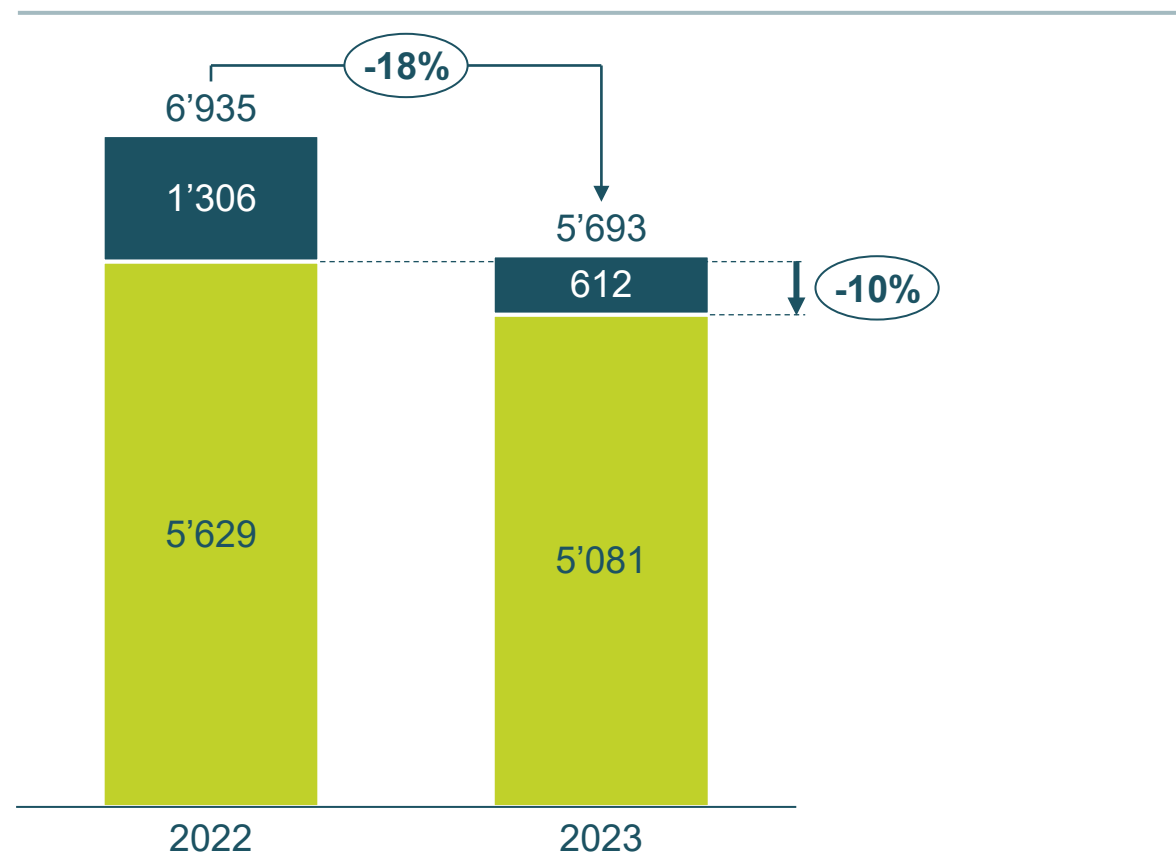
Equity ratio



- Decrease in total assets
- Net profit partially offset by dividend and negative currency translation effects

Workforce Development

FTE¹

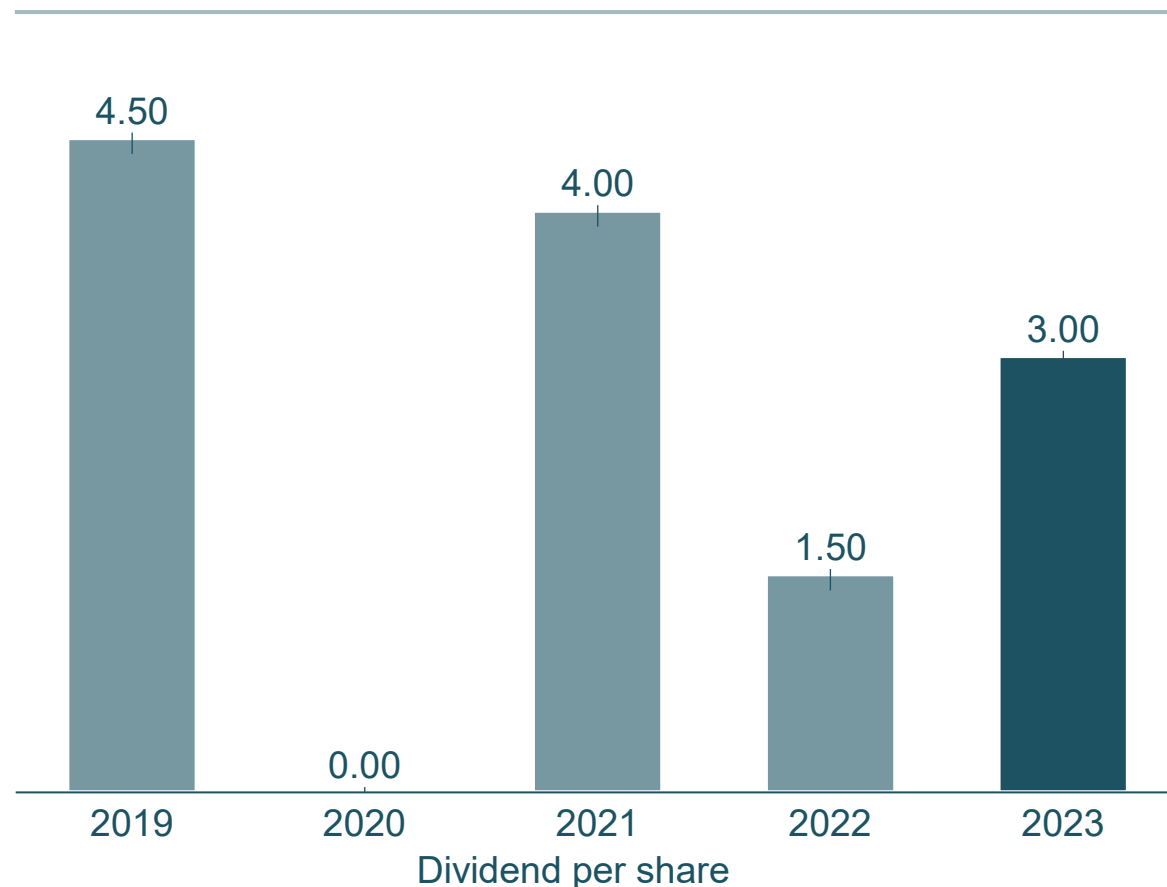


■ Temporaries ■ Permanent ¹ FTE = Full time equivalent

- Significant decrease of
 - Temporary employees (-694 FTE) and
 - Permanent employees (-548 FTE)
 related to performance program Next Level

Dividend Proposal

CHF



- Board of Directors' proposal: dividend of CHF 3.00 per share
- Payout ratio of 18.2%
- Rieter aims to achieve an equity ratio of >35%



6 Sustainability

Sustainability – Report on Non-financial Matters



- Report about non-financial matters integrated into the 2023 Annual Report
- Materiality Assessment conducted with various internal and external stakeholders
- Goals on “People” and “Planet” for 2025 on track
- Rieter is revising its sustainability strategy and goals



7 Outlook

Outlook 2024 with Sales of around CHF 1 billion

- Markets remain under pressure from the economic slowdown, high inflation rates and noticeably dampened consumer sentiment. Customers are reluctant to place orders due to financing challenges. The first signs of a recovery in the 2024 financial year have emerged in the key markets of China and India. Rieter expects demand to increase in the coming months.
- For the full year 2024, Rieter anticipates sales in the region of CHF 1 billion and a positive EBIT margin of up to 4%.



Disclaimer



Rieter is making great efforts to include accurate and up-to-date information in this document, however we make no representations or warranties, expressed or implied, as to the accuracy or completeness of the information provided in this document and we disclaim any liability whatsoever for the use of it.

The information provided in this document is not intended nor may be construed as an offer or solicitation for the purchase or disposal, trading or any transaction in any Rieter securities. Investors must not rely on this information for investment decisions.

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 outside the company's control.

Appendix

Order Intake by Business Group

CHF million	2022	2023	Difference	Difference in local currency
Rieter	1 157.3	541.8	-53%	-51%
Machines & Systems	663.9	159.4	-76%	-74%
Components	310.1	229.0	-26%	-25%
After Sales	183.3	153.4	-16%	-12%

CHF million	HY1 2023	HY2 2023	Difference	Difference in local currency
Rieter	325.0	216.8	-33%	-31%
Machines & Systems	111.4	48.0	-57%	-55%
Components	131.0	98.0	-25%	-24%
After Sales	82.6	70.8	-14%	-11%

Sales by Business Group



CHF million	2022	2023	Difference	Difference in local currency
Rieter	1 510.9	1 418.6	-6%	-4%
Machines & Systems	1 034.7	965.0	-7%	-5%
Components	303.5	266.2	-12%	-11%
After Sales	172.7	187.4	9%	13%

CHF million	HY1 2023	HY2 2023	Difference	Difference in local currency
Rieter	758.2	660.4	-13%	-12%
Machines & Systems	521.9	443.1	-15%	-14%
Components	143.9	122.3	-15%	-14%
After Sales	92.4	95.0	3%	5%

Sales by Region



CHF million	2022	2023	Difference	Difference in local currency
Rieter	1 510.9	1 418.6	-6%	-4%
Asian countries ¹	472.6	361.8	-23%	-23%
China	168.5	188.0	12%	21%
India	196.8	224.5	14%	20%
Türkiye	266.1	221.3	-17%	-16%
North and South America	209.2	182.5	-13%	-12%
Europe	123.3	75.7	-39%	-37%
Africa	74.4	164.8	122%	122%

¹ Excluding China, India, Türkiye

Financial Key Figures



CHF million	FY 2022	HY1 2023	HY2 2023	FY 2023
Order Intake	1 157.3	325.0	216.8	541.8
Sales	1 510.9	758.2	660.4	1 418.6
EBITDA	85.0	52.2	108.2	160.4
EBIT	32.2	25.2	76.5	101.7
EBIT margin (of sales)	2.1%	3.3%	11.6%	7.2%
Net profit	12.1	13.3	60.7	74.0
R&D expenditure	77.9	41.3	35.5	76.8
Capital expenditure	46.7	19.7	21.5	41.2
Free cash flow	-98.6	10.0	108.7	118.7

Key Data by Share

Rieter registered shares of CHF 5 nominal value Bloomberg: RIEN SW, Thompson Reuters: RIEN.S	31/12/2022	30/06/2023	31/12/2023
Shares outstanding excluding own shares (end of period)	4 479 635	4 491 814	4 491 814
Average shares (of period)	4 491 246	4 487 113	4 489 283
Share price (end of period)	CHF 105.0	92.9	90.1
Market capitalization (end of period)	CHF million 470	417	405

Financial Calendar



Annual General Meeting 2024	April 17, 2024
Semi-Annual Report 2024	July 18, 2024
Investor Update 2024	October 23, 2024
Publication of sales 2024	January 29, 2025
Deadline for proposals regarding the agenda of the Annual General Meeting	February 28, 2025
Results press conference 2025	March 13, 2025
Annual General Meeting 2025	April 24, 2025
Semi-Annual Report 2025	July 18, 2025
Investor Update 2025	October 22, 2025