

RIETER

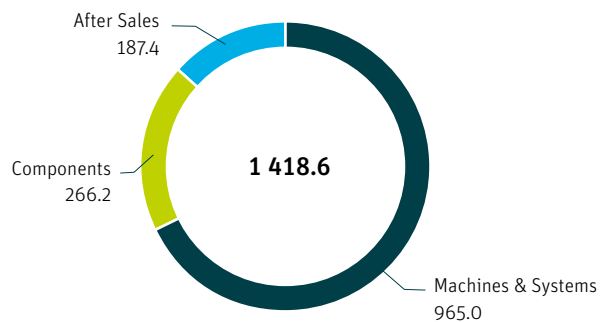
Summary Report

23

RIETER AT A GLANCE

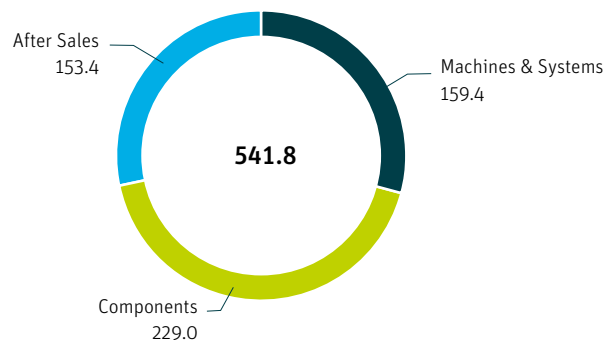
Sales by Business Group

CHF million



Order Intake by Business Group

CHF million



CHF million	2022	2023	Difference
Order intake¹	1 157.3	541.8	-53%
Sales	1 510.9	1 418.6	-6%
EBITDA¹	85.0	160.4	89%
- in % of sales	5.6	11.3	
EBIT before restructuring and impairment¹	32.1	156.3	387%
- in % of sales	2.1	11.0	
EBIT¹	32.2	101.7	216%
- in % of sales	2.1	7.2	
Net profit	12.1	74.0	512%
- in % of sales	0.8	5.2	
Capital expenditure¹	46.7	41.2	-12%
Net debt¹	-285.6	-191.2	33%
Dividend per share (in CHF)²	1.50	3.00	100%
Equity ratio in %¹	23.4	28.8	23%
Number of employees (excluding temporaries)¹	5 629	5 081	-10%

¹ Definition in Alternative Performance Measures on page 74/75

² Motion of the Board of Directors on page 137

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



Bernhard Jucker
Chairman of the Board of Directors

Thomas Oetterli
Chief Executive Officer

DEAR SHAREHOLDER

The Rieter Group closed the 2023 financial year with slightly lower sales of CHF 1 418.6 million (2022: CHF 1 510.9 million), down 6% on the previous year. In line with expectations, the order intake of CHF 541.8 million was considerably below the prior year period (2022: CHF 1 157.3 million). In a challenging business environment, Rieter generated an EBIT margin of 7.2%. Implementation of the “Next Level” performance program to increase profitability is proceeding according to plan.

SALES BY BUSINESS GROUP

The Business Group Machines & Systems recorded sales of CHF 965.0 million, a decrease of 7% compared to the previous year (2022: CHF 1 034.7 million). In the Business Group Components, sales fell to CHF 266.2 million, down 12% from the prior year period (2022: CHF 303.5 million). The Business Group After Sales recorded sales of CHF 187.4 million, 9% higher than the previous year (2022: CHF 172.7 million).

ORDER INTAKE

In line with expectations, the order intake of CHF 541.8 million in 2023 was considerably below the previous year (2022: CHF 1 157.3 million). As already reported, the market situation is char-

acterized by investment restraint due to geopolitical uncertainties, higher financing costs and consumer reticence in important markets. Rieter recorded higher demand in the second half of 2023. However, project commitments have not yet materialized.

ORDER BACKLOG

At the end of 2023, the company had an order backlog of about CHF 650 million (December 31, 2022: CHF 1 540 million).

EBIT, NET PROFIT AND FREE CASH FLOW

Profit at the EBIT level in the year under review was CHF 101.7 million (2022: CHF 32.2 million), which represents an EBIT margin of 7.2%. This significant improvement was mainly due to falling logistics costs, higher margins on the order backlog and lower production costs. EBIT also includes the non-recurring profit of CHF 72.5 million from the sale of land in Winterthur, as well as restructuring costs and impairment losses of CHF -54.6 million, primarily attributable to the “Next Level” performance program.

Rieter closed the 2023 financial year with a net profit of CHF 74.0 million (2022: CHF 12.1 million). This represents an increase of 512% compared to the previous year.

Free cash flow amounted to CHF 118.7 million (2022: CHF -98.6 million), mainly due to proceeds from the sale of land in Winterthur (CHF 89.1 million) and operating performance. Thanks to this positive free cash flow, net debt was significantly reduced to CHF 191.2 million (2022: CHF 285.6 million). As of December 31, 2023, Rieter had liquid funds of CHF 135.9 million (2022: CHF 176.1 million).

The equity ratio as of December 31, 2023, was 28.8%, mainly due to the reduced working capital and lower financial debt (previous year's reporting date 23.4%).

“NEXT LEVEL” PERFORMANCE PROGRAM ON TRACK

Rieter is working diligently to implement the measures set out in the “Next Level” performance program. This includes strengthening sales excellence, sharpening customer focus, and improving efficiency and quality in production.

Rieter is also pursuing growth in the after sales and components business in order to achieve a more balanced mix between the business groups. At the same time, the transfer of resources and responsibilities to India and China is intended to enable the key markets to be more agile in responding to customer needs and cycles in the machinery business.

Overhead structures were optimized, and production capacities were adjusted substantially in the 2023 financial year. The closure of the Ingolstadt site was almost complete by the end of the reporting year.

INNOVATION PROGRAM

At ITMA 2023 in Milan (Italy) and in Shanghai (China), Rieter presented solutions in the areas of digitization, automation and the circular economy. The new air-jet spinning machine J 70 made its debut at ITMA and met with great interest from customers. In the 2023 financial year, Rieter invested around CHF 76.8 million or around 5.4% of Group sales in research and development.

NEW CAMPUS IN WINTERTHUR

The sale process for the Rieter site in Winterthur (Switzerland) was successfully completed. The land, with a total area of approximately 75 000 m², was sold to Allreal Group for CHF 96 million.

Rieter will move into the Campus as its new corporate headquarters in Winterthur in summer 2024. The company is concentrating its expertise in this innovation hub, which houses the most modern Spin Center of its kind. The focus of development is on automation, digitization and artificial intelligence, in order to allow

Rieter customers to fully exploit the potential of their spinning mills.

DIVIDEND

The Board of Directors proposes to the shareholders the distribution of a dividend of CHF 3.00 per share for 2023. This corresponds to a payout ratio of 18.2%. In view of the net debt of CHF 191.2 million and the equity ratio of 28.8%, the motion of the Board of Directors for the appropriation of retained earnings is in line with Rieter's responsible dividend policy, which is based on a solid balance sheet structure.

SUSTAINABILITY

For the first time, the topic of sustainability is an integral part of the 2023 Annual Report. The report on non-financial matters highlights the progress Rieter has made in addressing environmental, social and corporate governance issues.

Further significant progress was made, especially in relation to the environmental goals in the “Planet” area, including greenhouse gas emissions, waste and recycling. In the “People” area, Rieter recorded improvements in social sustainability by increasing the proportion of women in management and in occupational safety.

BOARD OF DIRECTORS AND ANNUAL GENERAL MEETING

At the 132nd Annual General Meeting held on April 20, 2023, the shareholders approved all motions proposed by the Board of Directors. The Chairman of the Board, Bernhard Jucker, and the Directors, Hans-Peter Schwald, Peter Spuhler, Roger Baillod, Carl Illi, Sarah Kreienbühl and Daniel Grieder were confirmed for a further one-year term of office. Thomas Oetterli was newly elected to the Board of Directors for a term of office. The members of the Remuneration Committee who were standing for election – Hans-Peter Schwald, Bernhard Jucker and Sarah Kreienbühl – were likewise re-elected for a one-year term of office.

The Board of Directors of Rieter Holding AG proposes to the shareholders the election of Thomas Oetterli as the new Chairman of the Board. He will continue in his role as CEO of the Rieter Group. The dual mandate is an interim measure to ensure the sustainable implementation of the “Next Level” performance program. Roger Baillod, member of the Board of Directors since 2016 and Vice Chairman since 2022, is to be named as Lead Independent Director from the 2024 Annual General Meeting. Together with the Board of Directors, Roger Baillod will continue to use his many years of experience to ensure good corporate governance.

Having reached retirement age, Bernhard Jucker will not stand for re-election at the 2024 Annual General Meeting. Bernhard Jucker has been a member of the Board of Directors since 2016 and Chairman of the Board of Rieter Holding AG since 2017. With his valuable expertise and great commitment, he has been highly instrumental in shaping the fortunes of the company. The Rieter Board of Directors expresses its heartfelt thanks to Bernhard Jucker for his outstanding achievements in the strategic management and development of the company.

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%.

THANK YOU

Once again, we would like to thank our customers for the trust they have placed in us and for their constructive cooperation. We owe the excellent results achieved in the year under review to the high level of motivation, commitment and flexibility of our employees. Our special thanks and appreciation go out to them. Last but not least, we would like to thank you, our valued shareholders, for the high level of confidence you continue to place in our company.

Winterthur, March 12, 2024



Bernhard Jucker
Chairman of the
Board of Directors



Thomas Oetterli
Chief Executive Officer

RIETER GROUP



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 18 production locations in ten countries and employs a global workforce of around 5 100, about 16 percent of whom are based in Switzerland.

Rieter is a strong brand with a long tradition. For more than 225 years, Rieter's innovative momentum has been a powerful driving force for progress in the spinning mill industry. The main focus is the efficiency of the customer's yarn production, that means spin-

ning efficiently with a minimum use of resources. Therefore, Rieter makes an important contribution to the sustainable production of textiles.

With a global sales and service organization, Rieter is well positioned as market leader in the global competitive environment.

For the benefit of shareholders, customers and employees, Rieter aspires to achieve sustained growth in enterprise value. With this in mind, Rieter seeks to maintain continuous growth in sales and profitability throughout the investment cycle in the textile industry.

The company comprises three business groups: Machines & Systems, Components and After Sales.

RIETER GROUP

SALES CHF MILLION

2023 **1 418.6**

2022 **1 510.9**

2023 **182.5**

2022 **209.2**

Europe



Switzerland

Winterthur (HQ)

Pfäffikon
Rapperswil
Wädenswil

Belgium

Stembert

Germany

Hammelburg

Heinsberg
Ingolstadt
Münster
Süssen

France

Wintzenheim

Italy

Galbiate

Netherlands

Enschede

Czech Republic

Boskovice
Ústí nad Orlicí

North and South America

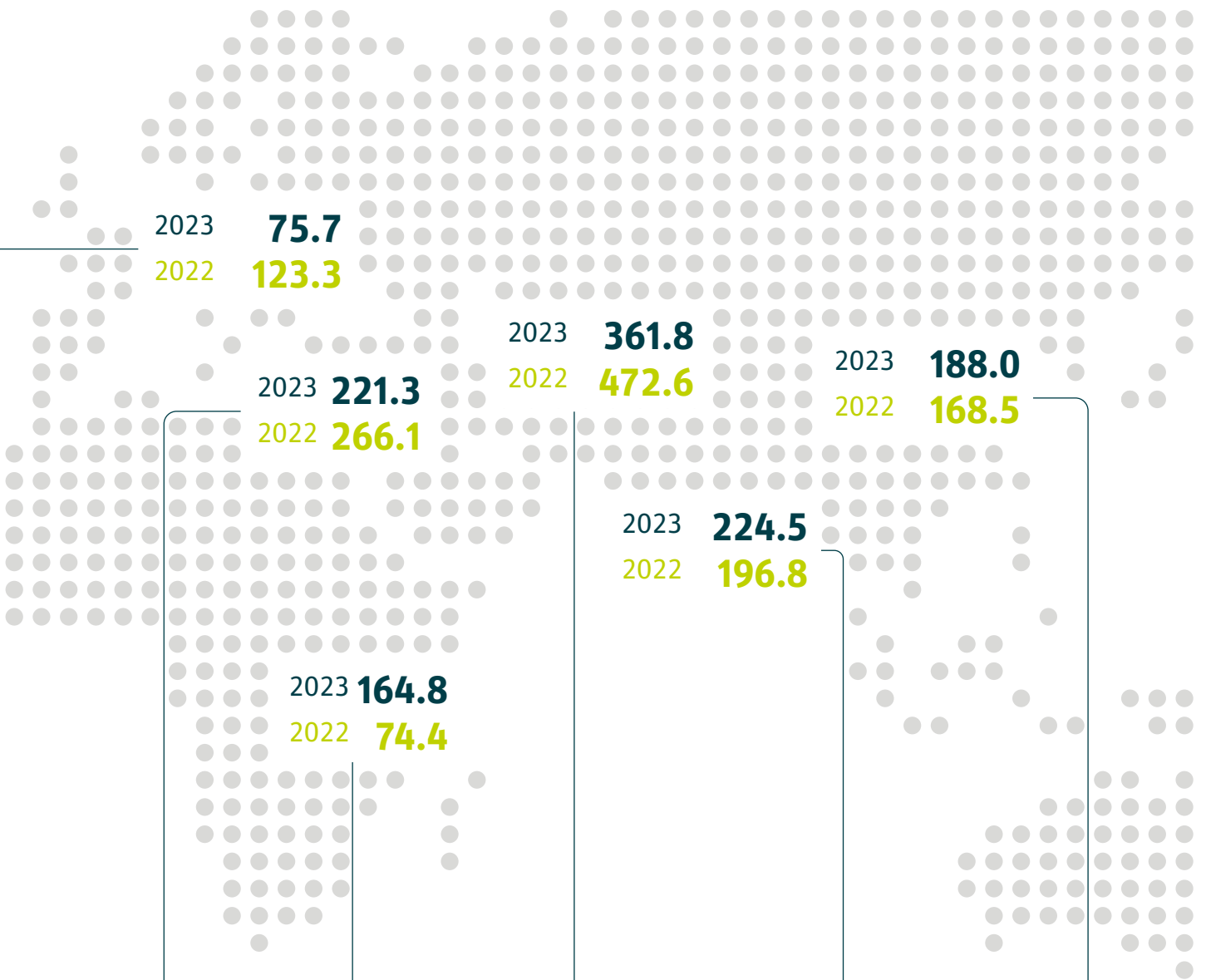


Brazil

São Paulo

USA

Spartanburg



Türkiye



Istanbul

Africa



Asian countries¹



Taiwan, China
Taipei

Uzbekistan
Tashkent

India



Wing

China



Changzhou
Hong Kong
Zhongshan

¹ without China, India and Türkiye

REVIEW 2019 TO 2023

		2019	2020	2021	2022	2023
Consolidated income statement						
Sales	CHF million	760.0	573.0	969.2	1 510.9	1 418.6
• Asian countries (without China/India/Türkiye)	CHF million	293	185	319	473	362
• China	CHF million	137	93	135	169	188
• India	CHF million	100	51	126	197	225
• Türkiye	CHF million	67	122	182	266	221
• North and South America	CHF million	106	66	150	209	183
• Europe	CHF million	41	38	43	123	76
• Africa	CHF million	16	18	14	74	165
EBITDA ¹	CHF million	123.1 ²	- 46.7	85.0	85.0	160.4 ³
• in % of sales		16.2	- 8.2	8.8	5.6	11.3
EBIT before restructuring and impairment ¹	CHF million	84.6 ²	- 76.7	46.0	32.1	156.3 ³
• in % of sales		11.1	- 13.4	4.7	2.1	11.0
EBIT ¹	CHF million	84.9 ²	- 84.4	47.6	32.2	101.7 ³
• in % of sales		11.2	- 14.7	4.9	2.1	7.2
Net profit	CHF million	52.4	- 89.8	31.7	12.1	74.0
• in % of sales		6.9	- 15.7	3.3	0.8	5.2
RONA ¹	in %	10.0	- 14.3	5.6	2.8	11.5
Consolidated cash flow statement						
Cash flow from operating activities	CHF million	- 45.7	- 49.8	165.7	- 76.2	69.3
Cash flow from investing activities	CHF million	88.0	- 25.0	- 352.9	- 30.2	49.4
Cash flow from financing activities	CHF million	- 9.8	78.0	151.4	34.9	- 151.6
Free cash flow ¹	CHF million	42.3	- 74.8	128.1	- 98.6	118.7
Number of employees at December 31¹						
		4 591	4 416	4 907	5 629	5 081
Consolidated balance sheet at December 31						
Current assets	CHF million	567.2	555.7	718.3	843.9	641.5
Non-current assets	CHF million	415.8	407.8	718.0	697.0	668.5
Current liabilities	CHF million	410.7	428.3	744.8	890.5	717.2
Non-current liabilities	CHF million	102.7	184.3	295.4	290.4	216.1
Equity attributable to shareholders of Rieter Holding Ltd.	CHF million	468.8	350.6	395.8	359.9	376.6
Equity attributable to non-controlling interests	CHF million	0.8	0.3	0.3	0.1	0.1
Total assets	CHF million	983.0	963.5	1 436.3	1 540.9	1 310.0
Equity ratio ¹	in %	47.8	36.4	27.6	23.4	28.8
Cash and cash equivalents	CHF million	284.1	282.3	248.7	175.7	135.6
Marketable securities and time deposits	CHF million	0.9	0.9	0.7	0.4	0.3
Current financial debt	CHF million	- 121.0	- 151.4	- 209.7	- 262.5	- 198.1
Non-current financial debt	CHF million	- 1.9	- 90.5	- 201.6	- 199.2	- 129.0
Net liquidity/debt¹	CHF million	162.1	41.3	- 161.9	- 285.6	- 191.2

1. Definition in Alternative Performance Measures on pages 74 and 75.

2. Including the gain on disposal of land and buildings in Ingolstadt (Germany) amounting to CHF 94.5 million.

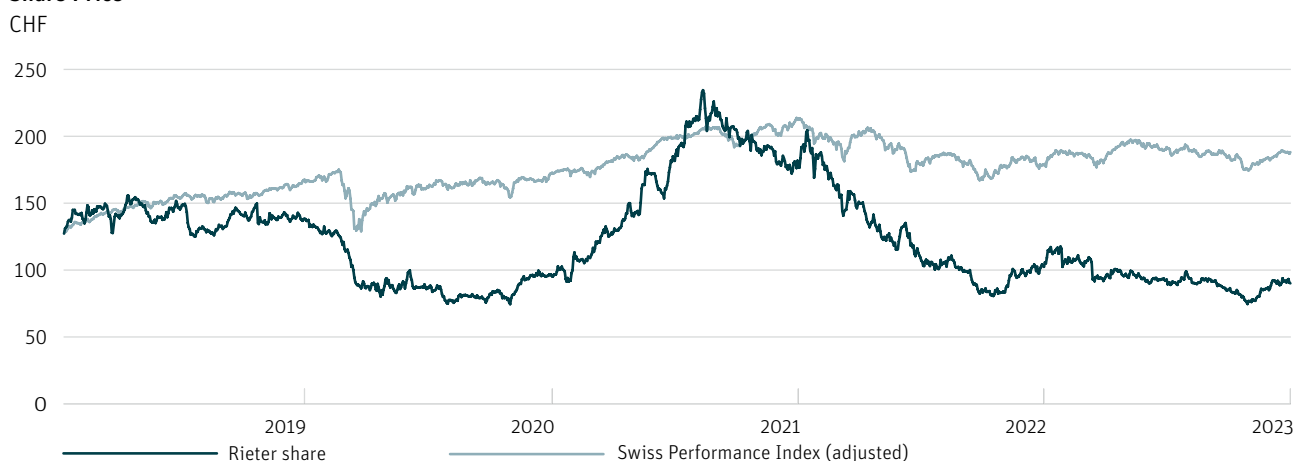
3. Including the gain on disposal of land and buildings in Winterthur (Switzerland) amounting to CHF 72.5 million.

Rieter Holding Ltd. share (RIEN)

			2019	2020	2021	2022	2023	
Market capitalization ¹	December 31	CHF million	623	432	795	470	405	
Market capitalization/EBITDA ratio			5.1	-9.3	9.4	5.5	2.5	
Share price at SIX Swiss Exchange	December 31	CHF	138.1	96.7	177.0	105.0	90.1	
		high	CHF	157.0	137.5	234.5	204.5	117.6
		low	CHF	122.2	74.5	91.3	80.6	74.6
Equity attributable to shareholders of Rieter Holding Ltd. per share	December 31	CHF	103.84	78.50	88.08	80.34	83.83	
Basic earnings per share			CHF	11.65	-20.05	7.04	2.70	16.48
Price/earnings ratio ¹				11.9	-4.8	25.1	38.9	5.5
Dividend per share			CHF	4.50	0.00	4.00	1.50	3.00 ²
Dividend payout ratio ¹			in %	38.6	0.0	56.8	55.6	18.2
Dividend yield ¹			in %	3.3	0.0	2.3	1.4	3.3

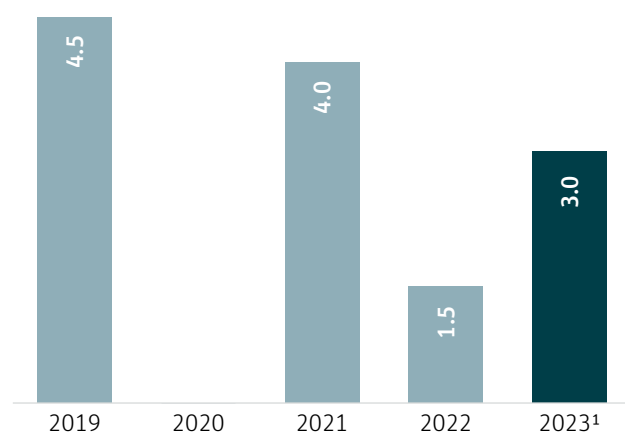
1. Definition in Alternative Performance Measures on pages 74 and 75.
 2. Motion of the Board of Directors on page 137.

Share Price



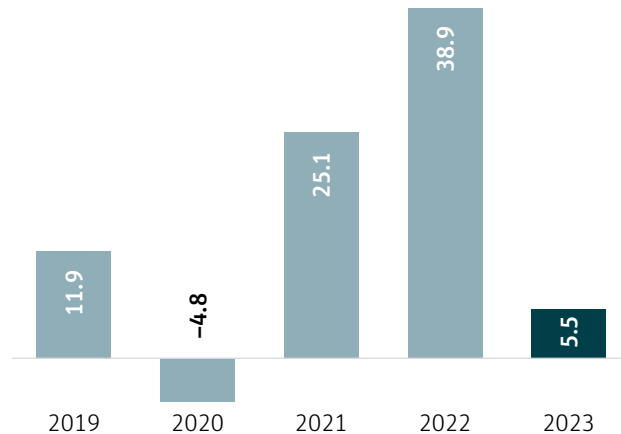
Dividend

CHF (per share)



1. Motion of the Board of Directors on page 137.

Price/Earnings Ratio



Rieter Holding Ltd.
CH-8406 Winterthur
T +41 52 208 71 71
F +41 52 208 70 60

Group Communication
T +41 52 208 70 45
F +41 52 208 70 60
media@rieter.com

Investor Relations
T +41 52 208 70 15
F +41 52 208 70 60
investor@rieter.com

www.rieter.com