



# Half-Year Results 2024

Media and Investor Presentation, July 18, 2024

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# Agenda

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**03 “Next Level” Performance Program**

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**04 Financials**

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**05 Outlook**

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# 1 Key Messages

# Rieter Group – Key Messages



## Order Intake

CHF 403.4 million (+24%)

## Performance Program “Next level”

significant cost reduction

## Sales

CHF 421.0 million (-44%)

## EBIT

CHF 8.9 million (-65%)

## Market Situation

challenging

## Free Cash Flow

CHF -1.1 million  
(2023: CHF 10.0 million)

## Net Profit

CHF 1.7 million (-87%)

## Campus

State-of-the-art innovation hub

## Order Backlog

CHF ~640 million  
(2023: CHF ~1 100 million)

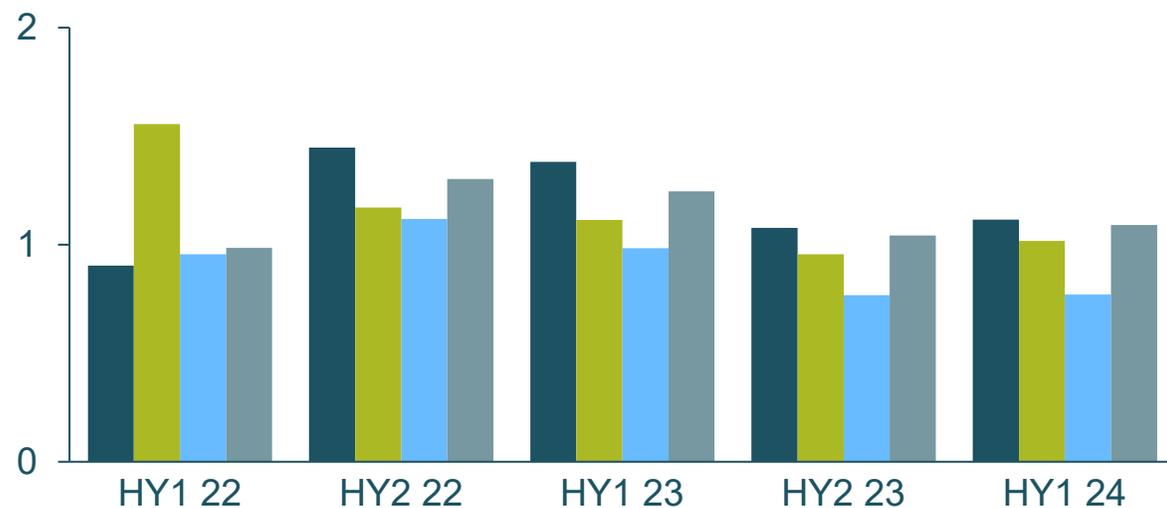


## **2** Market

# Spinners Margin vs. Cotton Price

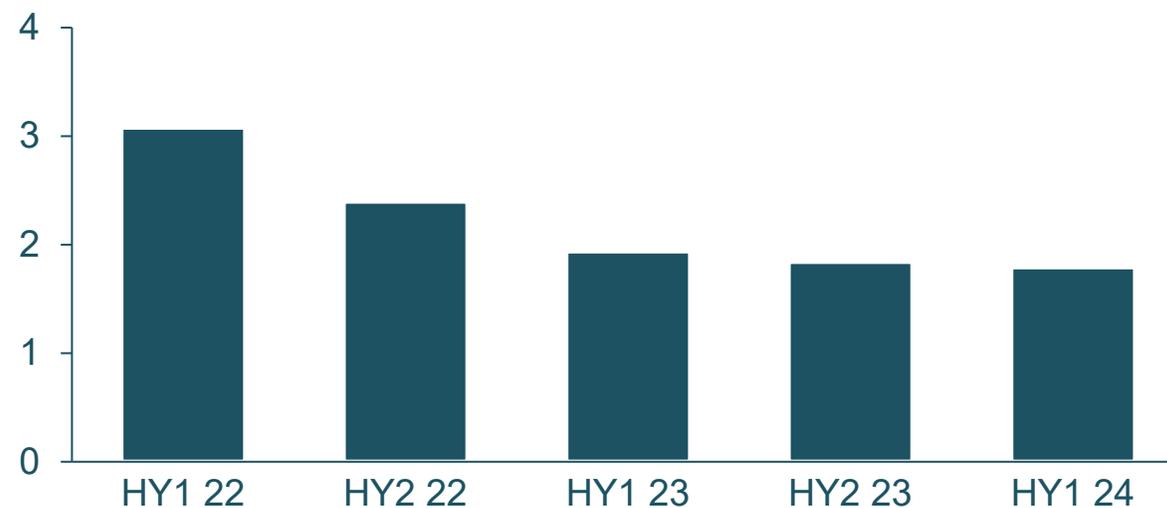
## CHF/KG

Average Spinners Margin Ne 30<sup>1</sup>



## CHF/KG

Average Cotton Price<sup>2</sup>



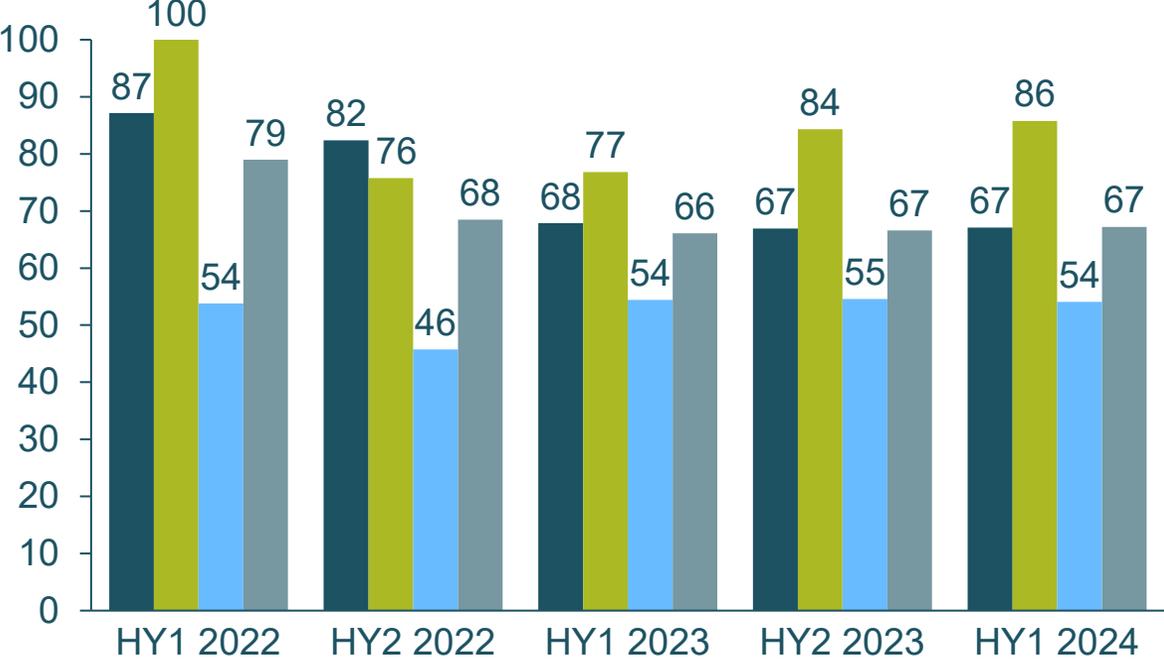
RoW India China World

<sup>1</sup>Equals yarn price minus fiber price; <sup>2</sup>Cotlook A

# Spinning Mills – Capacity Utilization



## Average in %



- Signs of slow recovery in India in the first half of 2024
- China and RoW at an unchanged level

RoW India China World

# Market Situation

Market recovery continues to be spearheaded by Asia

	RoW	India	China
<b>Market</b>	<ul style="list-style-type: none"> <li> Africa</li> <li> Asian countries<sup>1</sup></li> <li> Europe</li> <li> North and South America</li> <li> Türkiye</li> </ul>	<ul style="list-style-type: none"> <li> Increasing volumes</li> <li> Still rather low margins</li> </ul>	<ul style="list-style-type: none"> <li> Continued positive investment sentiment</li> <li> Remains strongest market</li> </ul>
<b>Rieter</b>	<ul style="list-style-type: none"> <li> Order of Egyptian Holding Company to be completed in 2024</li> <li> Increased ROBOspin demand in Türkiye</li> <li> Good new orders in South America for new machines</li> </ul>	<ul style="list-style-type: none"> <li> Offer pipeline increasing</li> <li> Local R&amp;D set-up strengthened</li> </ul>	<ul style="list-style-type: none"> <li> Large orders for Machines &amp; Systems</li> <li> Large orders for Components</li> <li> Local R&amp;D set up strengthened</li> <li> Opportunities to expand market share</li> </ul>

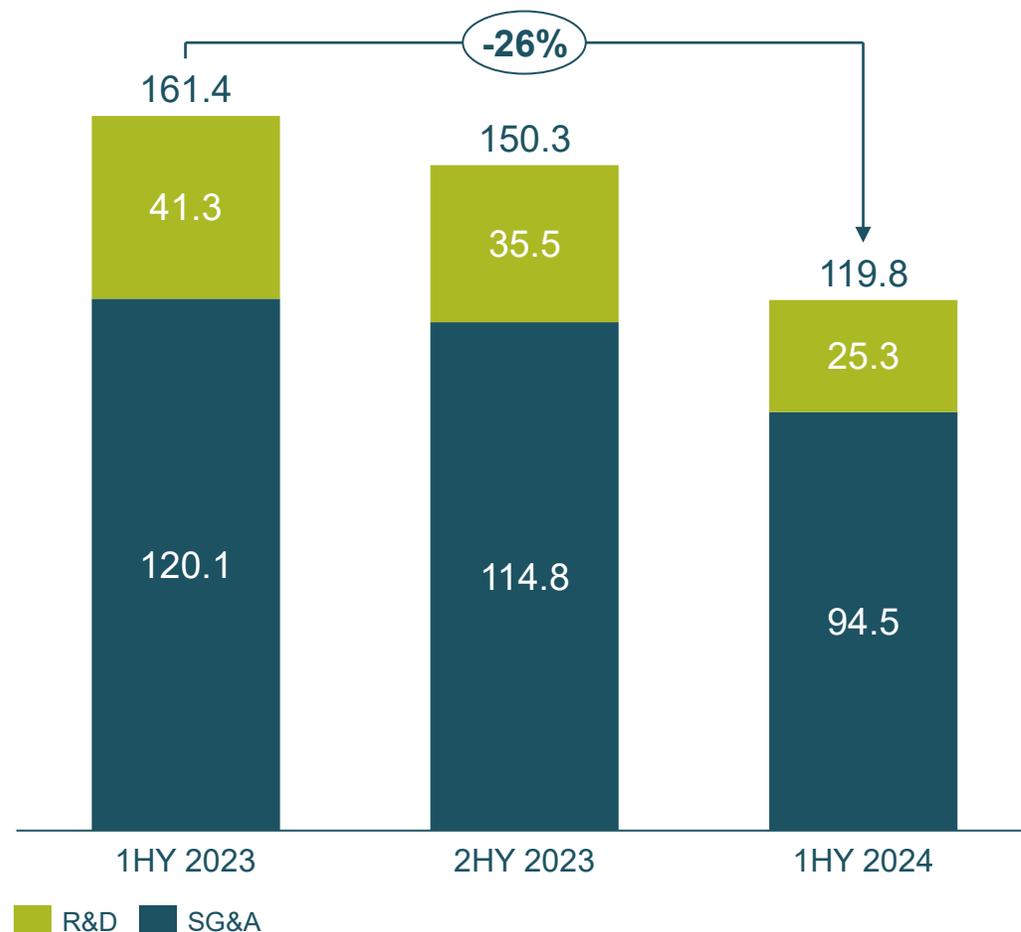
<sup>1</sup> Excluding China, India, and Türkiye



# 3 “Next Level”

# “Next Level” Performance Program

Significant overhead cost reductions as a result of the program



- Significant decrease in R&D and SG&A cost due to performance program “Next Level”
- Additional measures to reduce operating expenses implemented in 1HY 2024 given the lower than “low” scenario sales level
- Slight normalization effect anticipated for 2HY 2024



# 4 Financials

## Financials – Key Messages

### Order Intake

CHF 403.4 million (+24%)

### Sales

CHF 421.0 million (-44%)

### EBIT

CHF 8.9 million (-65%)

### Gross Profit

CHF 122.2 million (-33%)

### Net Debt

CHF -243.9 million  
(2023: CHF -298.9 million)

### Free Cash Flow

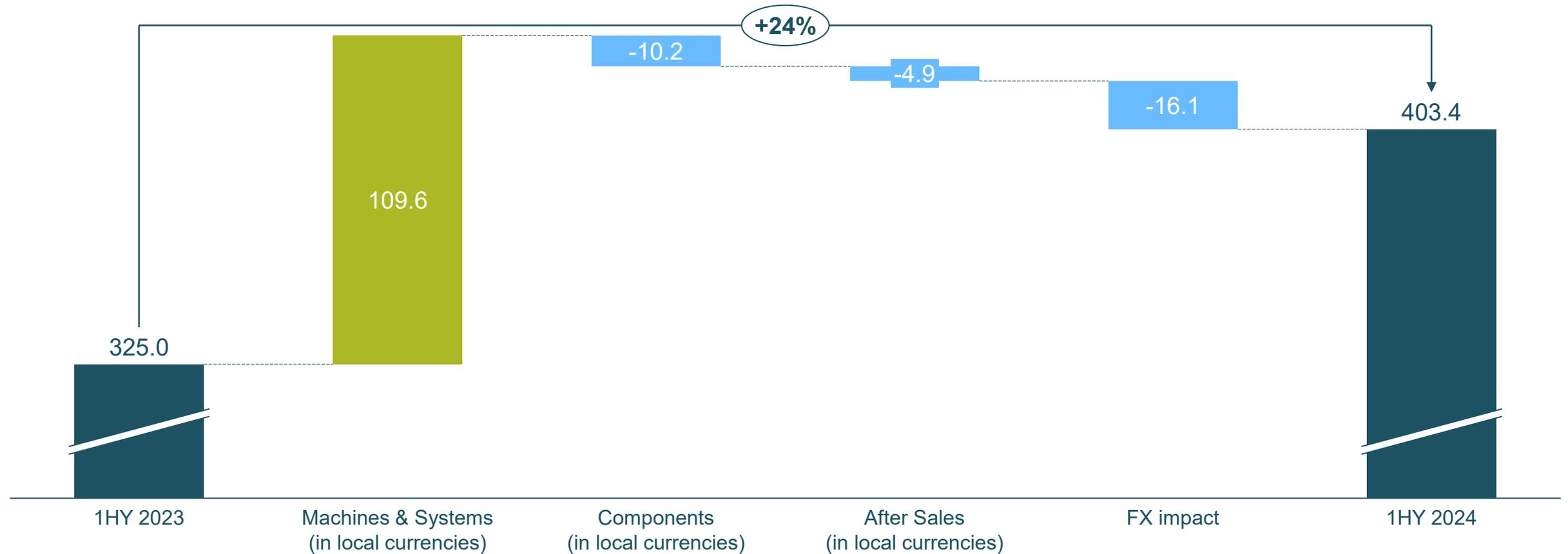
CHF -1.1 million  
(2023: CHF 10.0 million)

# Order Intake



Increase in order intake driven by strong rebound in order momentum in Business Group Machines & Systems

CHF million

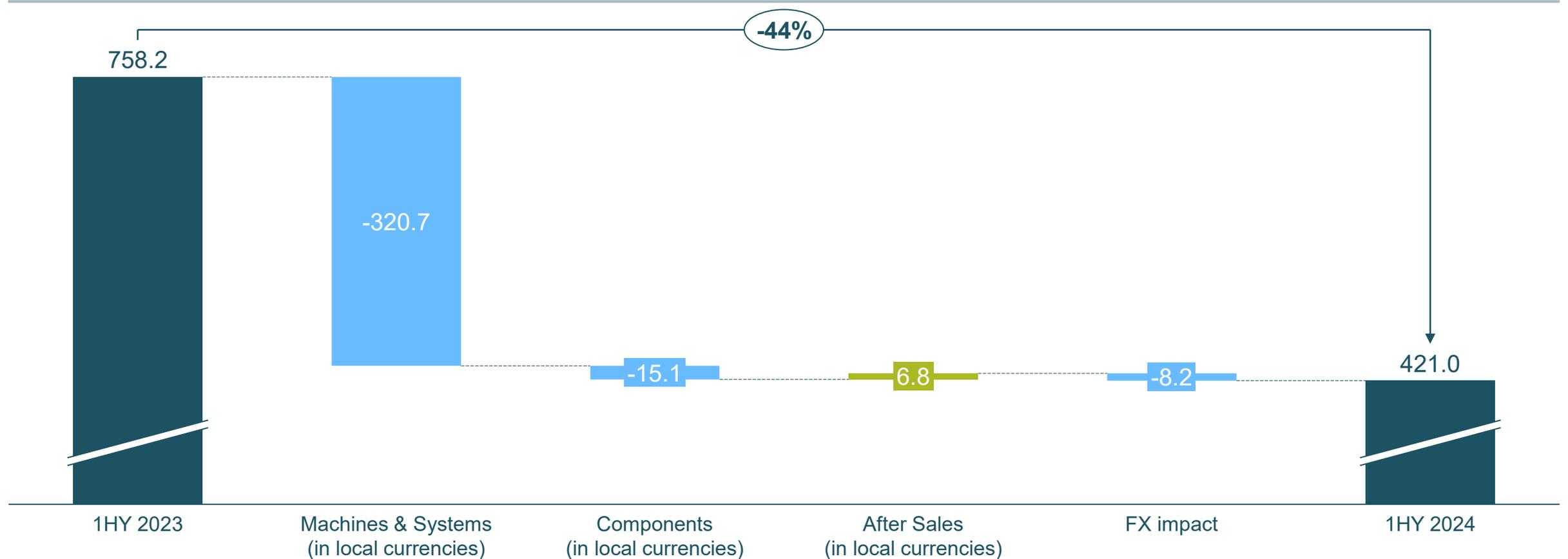


# Sales



Decline in sales due to lower volumes in Business Group Machines & Systems

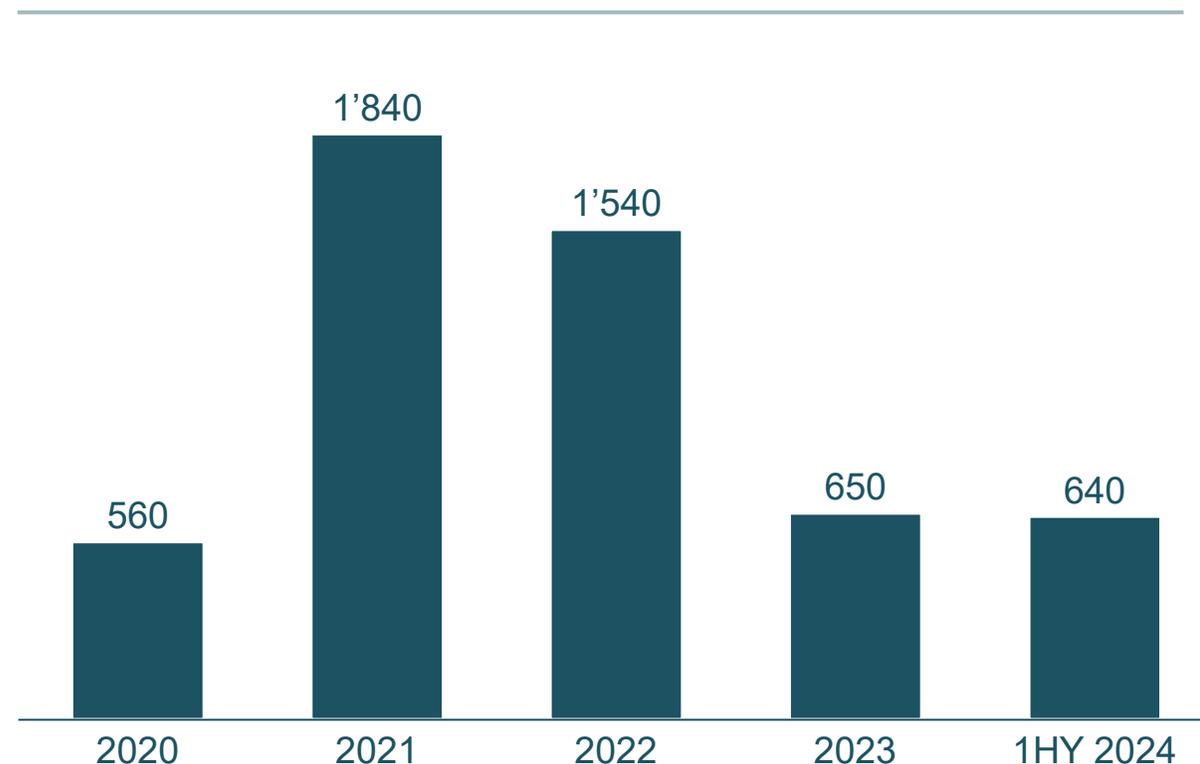
CHF million



# Order Backlog

Order backlog remained stable over the past six months

CHF million



- Order cancellations first half 2024 on a normal level
- Order backlog by the end of 1HY 2024 amounts to more than half of a “low” scenario sales volume

# EBIT Margin

Remains positive despite low sales level in 1HY 2024

CHF million



- Lower than “low” scenario sales volume level in 1HY 2024
- Realization of price increases and mix changes between business groups supported higher gross margin (29.0%; vs. 23.9% in 1HY 2023)
- Significant cost decreases in R&D and SG&A as a result of performance program “Next Level”

# EBIT

Volume impact almost compensated by cost measures

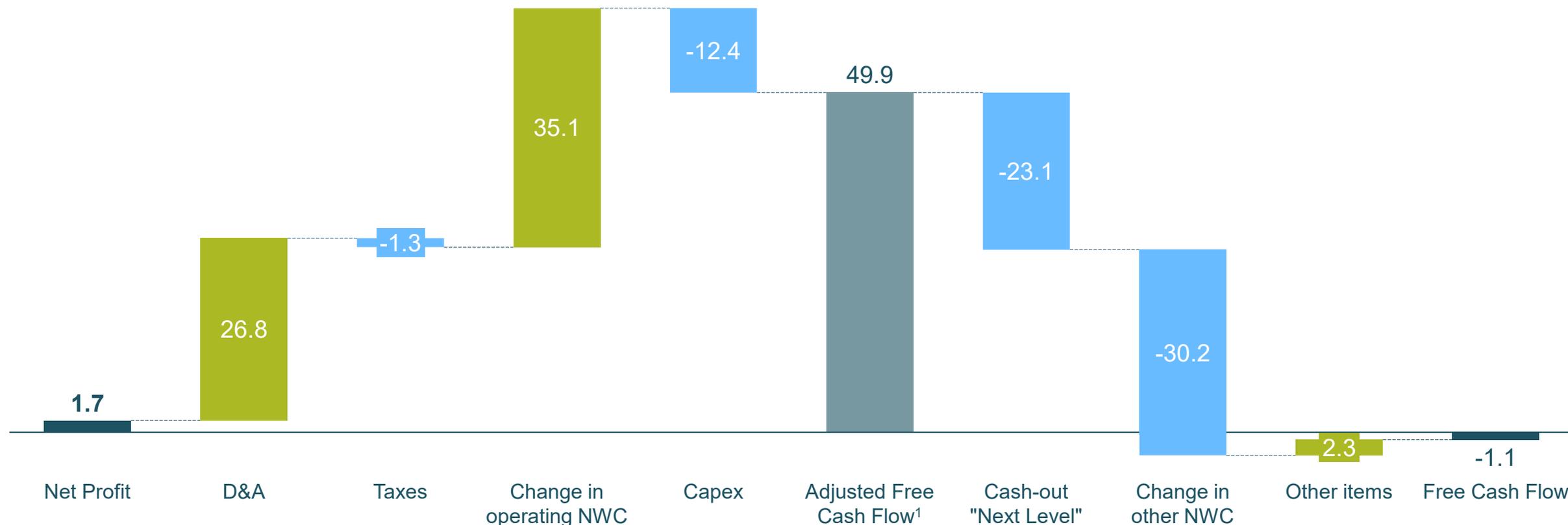
CHF million



# Free Cash Flow

Strong operating Free Cash Flow generation before cash-outs related to the “Next Level” performance program

CHF million



<sup>1</sup> Adjusted Free Cash Flow before “Next Level” and change in other NWC/items

# Balance Sheet

## CHF million

Net Working Capital (NWC)



- Settlement of short-term provisions, particularly utilization of restructuring provisions

## CHF million

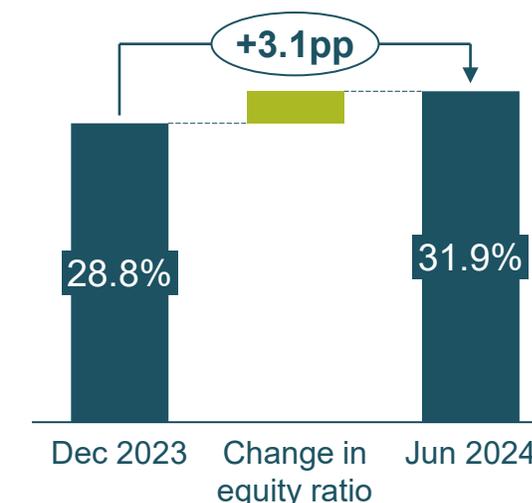
Net debt



- Lease liability for Rieter Campus of CHF 35.9 million
- Dividend payment of CHF 13.5 million to shareholders

## In %

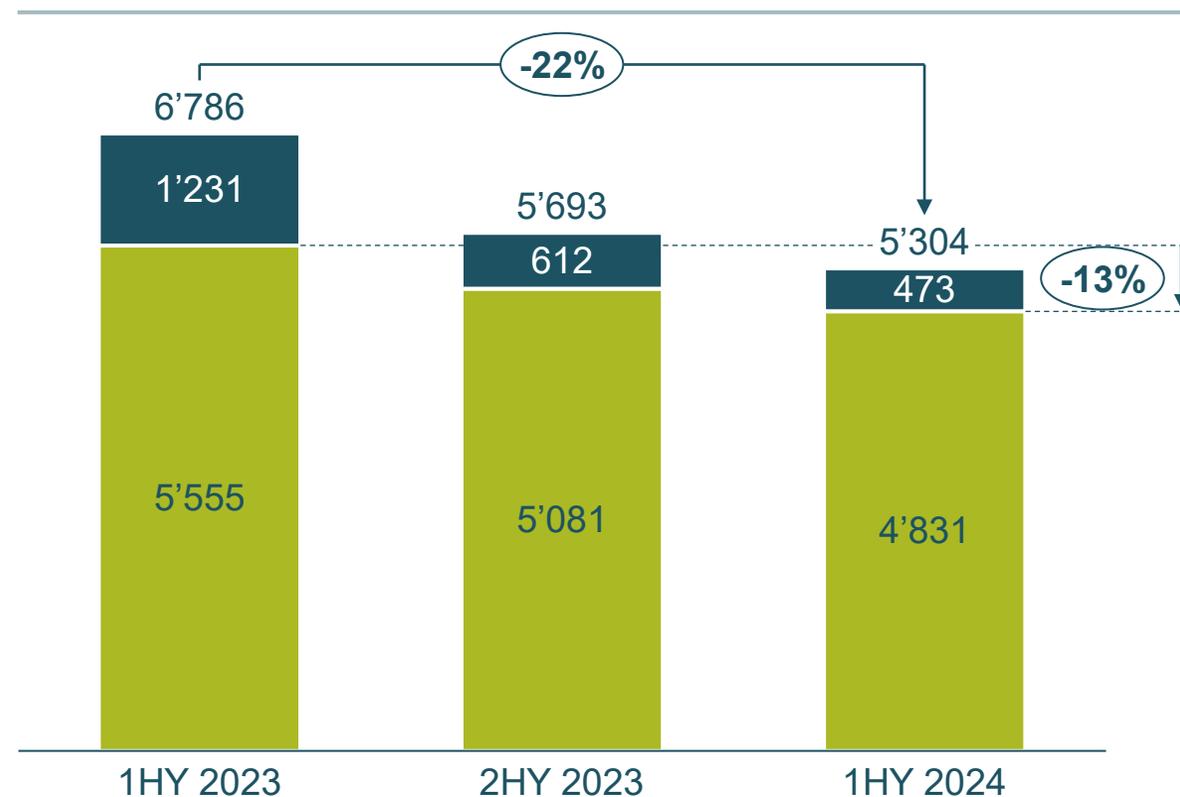
Equity ratio



- Decrease in total assets
- Positive currency impacts in 1HY 2024

# Workforce Development

FTE<sup>1</sup>



- Performance program “Next Level” results in significant decrease compared to 1HY 2023:
  - Temporary employees (-758 FTE) and
  - Permanent employees (-724 FTE)

■ Temporaries 
 ■ Permanent 
 <sup>1</sup> FTE = Full time equivalent



# 5 Outlook

## Outlook for the Full Year 2024 Specified

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- The markets remain under pressure from the economic slowdown, high inflation rates and noticeably dampened consumer sentiment. The first signs of a recovery in financial year 2024 have emerged in the key markets of China and India. Rieter expects demand to pick up further in the coming months.
- For the full year 2024, Rieter anticipates sales in the range of CHF 900 million to CHF 1 billion and a positive EBIT margin of 2% to 4%.



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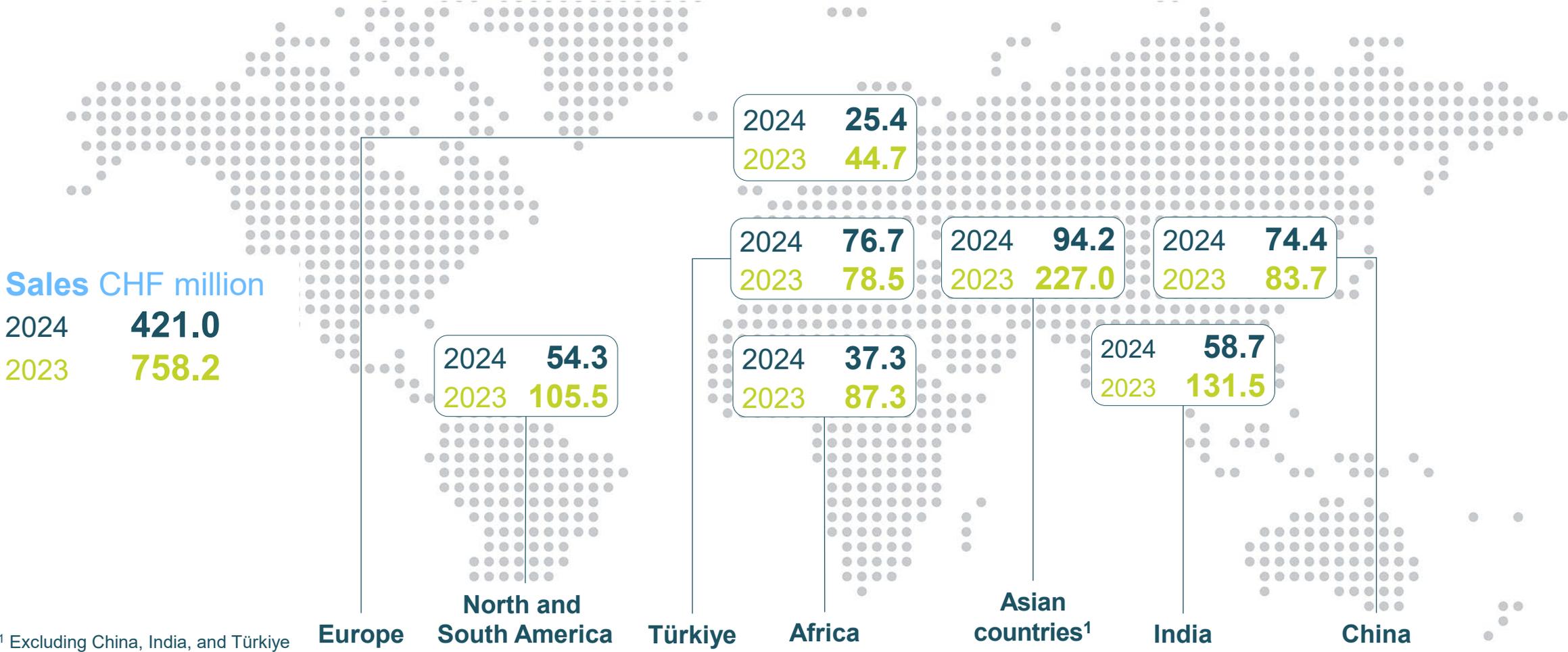
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# Appendix

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# Rieter Group – First Half 2024



<sup>1</sup> Excluding China, India, and Türkiye

## Order Intake by Business Group

CHF million	January – June 2023	January – June 2024	Difference	Difference in local currency
<b>Rieter</b>	<b>325.0</b>	<b>403.4</b>	<b>24%</b>	<b>29%</b>
Machines & Systems	111.4	211.5	90%	98%
Components	131.0	117.6	-10%	-8%
After Sales	82.6	74.3	-10%	-6%

## Sales by Business Group

CHF million	January – June 2023	January – June 2024	Difference	Difference in local currency
<b>Rieter</b>	<b>758.2</b>	<b>421.0</b>	<b>-44%</b>	<b>-43%</b>
Machines & Systems	521.9	198.7	-62%	-61%
Components	143.9	126.5	-12%	-11%
After Sales	92.4	95.8	4%	7%

## Sales by Region

CHF million	January – June 2023	January – June 2024	Difference	Difference in local currency
<b>Rieter</b>	<b>758.2</b>	<b>421.0</b>	<b>-44%</b>	<b>-43%</b>
Asian countries <sup>1</sup>	227.0	94.2	-59%	-58%
China	83.7	74.4	-11%	-7%
India	131.5	58.7	-55%	-54%
Türkiye	78.5	76.7	-2%	0%
North and South America	105.5	54.3	-49%	-48%
Europe	44.7	25.4	-43%	-42%
Africa	87.3	37.3	-57%	-57%

<sup>1</sup> Excluding China, India, and Türkiye

## Key Figures – First Half of 2024

CHF million	HY1 2023	HY1 2024	Comments
Order intake	325.0	403.4	– Market activities improved against 2023 half year, particularly in the Machines & Systems business
Sales	758.2	421.0	– Decline in sales (-44%) driven by the Machines & Systems business following the weak order intake in 2023
Gross profit	181.3	122.2	– Gross margin of 29.0% significantly improved against 1HY 2023 (23.9%) in the range of 2HY 2023 gross margin
EBITDA	52.2	35.7	– Significant reduction of R&D and SG&A cost in 1HY 2024 against 1HY 2023 supporting a positive operating result
EBIT	25.2	8.9	
Net result	13.3	1.7	
Free cash flow	10.0	-1.1	– Free cash flow slightly negative, particularly impacted by the payments of restructuring provisions
Net debt	-298.9	-243.9	– Liquid funds of CHF 99.5 million on June 30, 2024 (June 30, 2023: CHF 155.1 million)

## Key Data by Share

Rieter registered shares of CHF 5.00 nominal value Bloomberg: RIEN SW, Thompson Reuters: RIEN.S	30/06/2023	31/12/2023	30/06/2024
Shares outstanding excluding own shares (end of period)	4 491 814	4 491 814	4 505 401
Average shares undiluted (of period)	4 487 113	4 489 283	4 501 014
Share price (end of period)	CHF 92.9	90.1	115.0
Market capitalization (end of period)	CHF million 417	405	518

# Financial Calendar

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Investor Update 2024	October 23, 2024
Capital Market Day 2024	October 28, 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