Semi-Annual Report

25

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Key figures

CHF million	January – June 2024	January – June 2025
Rieter		
Order intake	403.4	355.4
Sales	421.0	336.2
Operating EBIT	10.2	– 2.7
EBIT[1]	10.0	– 17.3
- in % of sales	2.4%	– 5.1%
Net result	1.7	– 20.0
- in % of sales	0.4%	– 5.9%
Purchase of property, plant, equipment, and intangible assets	12.4	5.6
Total assets at June 30	1 244.0	1 158.9
Shareholders' equity at June 30	397.1	355.5
Number of employees (excl. temporaries) at June 30	4 831	4 565
Machines & Systems Division		
Order intake	211.5	166.9
Sales	198.7	144.0
Operating EBIT	– 9.8	– 31.6
EBIT	– 9.9	– 38.4
- in % of sales	– 5.0%	– 26.7%
Components Division		
Order intake	117.6	95.7
Sales	126.5	113.9
Total segment sales	151.4	134.5
Operating EBIT	5.1	0.2
EBIT	5.1	– 2.4
- in % of segment sales	3.4%	– 1.8%
After Sales Division		
Order intake	74.3	92.8
Sales	95.8	78.3
Operating EBIT	20.9	6.3
EBIT	20.9	5.6
- in % of sales	21.8%	7.2%

[1] The comparative period (January - June 2024) has been adjusted retrospectively as a result of the reclassification of the share in profit of associated companies from financial result to the operating result (see note 1.4).

Alternative Performance Measures (APM)

The definitions of the APM used are published on the Rieter website.

Letter to shareholders

Thomas Oetterli, Chairman of the Board of Directors and Chief Executive Officer

Rieter demonstrates resilience in the challenging first half of 2025

Dear shareholder

In the first half of 2025, Rieter recorded an order intake of CHF 355.4 million (first half of 2024: CHF 403.4 million). This corresponds to a decline of around 12% compared to the same period last year. The expected broader market recovery has led to shifts in investment decisions on the part of customers due to the global trade disputes (particularly US punitive tariffs) and the geopolitical uncertainty.

As already announced in March 2025, the first half of 2025 presented a challenge in terms of revenue volume, but still largely met expectations due to the low order backlog. Revenue amounted to CHF 336.2 million, down 20% on the previous year’s period (first half of 2024: CHF 421.0 million).

Order intake

The **Machines & Systems** Division posted an order intake of CHF 166.9 million (first half of 2024: CHF 211.5 million). Although Machines & Systems recorded an increase in demand, the closing of orders was significantly impaired by uncertainty surrounding customs tariffs and the geopolitical and economic situation.

The **Components** Division generated an order intake of CHF 95.7 million (first half of 2024: CHF 117.6 million) and is suffering under lower demand for components for new machines, primarily as a result of the cautious investment activity in the market.

The **After Sales** Division recorded a gratifying 25% increase in its order intake to CHF 92.8 million (first half of 2024: CHF 74.3 million). This positive development confirms the strategic growth initiatives that have been initiated. Incoming orders are benefiting from increased sales activities in the target markets, such as Central Asia and China, as well as from the ongoing expansion of the service and repair network.

Sales

The **Machines & Systems** Division posted sales of CHF 144.0 million (first half of 2024: CHF 198.7 million), which corresponds to a decline of around 28%. At the same time, uncertainties surrounding market developments led to project delays for individual customers, which had a negative impact on the order intake and sales.

In the **Components** Division, revenue fell by 10% year on year to CHF 113.9 million (first half of 2024: CHF 126.5 million). Sales in the business units focusing on new machines remained below the previous year's period, while the business areas focusing on consumables or man-made fibers were more stable.

The **After Sales** Division posted sales of CHF 78.3 million (first half of 2024: CHF 95.8 million). While business involving upgrades and repairs (Engineered Solutions) developed in a positive manner, the weaker sales performance of Machines & Systems led to lower revenue generated through the installation of new systems.

Order backlog

As at June 30, 2025, the company had an order backlog of around CHF 510 million (first half of 2024: CHF 640 million).

Non-recurring items, EBIT, net profit, free cash flow

The reporting period was affected by **non-recurring effects** from the planned acquisition of Barmag and restructuring costs in the amount of CHF 14.6 million.

Despite the decline in sales, Rieter achieved an operating result (before restructuring and transaction costs) of CHF -2.7 million.

Due to existing capacities and the fixed cost structure, revenue in the first half of 2025 was below the operational break-even point. Rieter continues to assume that sales will be significantly higher than the current level in a normalized market environment.

Rieter was again able to save a substantial amount of overhead costs. These amounted to around CHF 104.9 million in the first half of 2025 (first half of 2024: CHF 119.8 million). The figures demonstrate that the defined cost-saving measures were consistently implemented.

In the first half of 2025, the aforementioned effects resulted in a loss of CHF 17.3 million at **EBIT** level (first half of 2024: CHF 10.0 million).

Rieter closed the first half of 2025 with a **net loss** of CHF 20.0 million (first half of 2024: CHF 1.7 million). This decline is attributable to the lower sales volume achieved in the first half of 2025.

The **free cash flow** in the first half of 2025 amounted to CHF -36.7 million (first half of 2024: CHF -1.1 million). This was attributable to the losses at net profit level and the increase in inventories of finished goods that have not yet been retrieved by customers due to the overall macroeconomic situation.

Extraordinary General Meeting of Rieter Holding Ltd.

On Thursday, September 18, 2025, an Extraordinary General Meeting of Rieter Holding Ltd. is taking place to vote on the planned capital increases as part of the rights issue and the private placement to finance the acquisition of the Barmag Division, as well as on the reintroduction of the capital band that lapses by law as a result of the planned capital increases. Rieter's largest shareholders, Peter Spuhler (around 33% shareholding) and Martin Haefner (around 10% shareholding) continue to support the planned capital increases and committed to participating in the rights issue pro-rata by exercising their subscription rights as well as investing additional capital through private placement. In addition, a capital reduction by means of a nominal value reduction is to be voted on, whereby the relevant reduction amount is to be allocated to the legal reserves from capital contributions and will therefore not result in any outflow of funds. Subject to regulatory approval, the acquisition of the Barmag Division is expected to be completed by the end of the 2025 financial year.

The invitation to the Extraordinary General Meeting, including the agenda and the Board of Directors' proposals, is expected to be sent to the shareholders on Monday, August 25, 2025, and will be published in the Swiss Official Gazette of Commerce as well as on the Rieter website.

Outlook for the full year 2025 adjusted

The Rieter Group expects a stronger second half of the year for the 2025 fiscal year, though this depends on a continued market recovery. As the market recovery has slowed due to macroeconomic uncertainties, Rieter is adjusting its sales forecast for 2025 as a whole. The company (without consideration of the Barmag Division) now expects sales of around CHF 750 to 800 million (previously: at the prior year's level of around CHF 860 million).

Excluding restructuring costs and costs associated with the acquisition of Barmag, Rieter expects an operating EBIT margin at the lower end of the range of 0% to 4% for 2025 as a whole.

Best regards

Thomas Oetterli
Chairman of the Board of Directors and Chief Executive Officer

Winterthur, July 17, 2025

Condensed consolidated income statement

CHF million	Notes	January – June 2024	January – June 2025
Sales	(3, 4)	**421.0**	**336.2**
Cost of sales		– 298.8	– 253.1
Gross profit		**122.2**	**83.1**
Research and development expenses		– 25.3	– 24.6
Selling, general, and administrative expenses		– 94.5	– 80.3
Other income	(5)	14.9	24.6
Share in profit of associated companies[1]		1.1	0.1
Other expenses	(5)	– 8.4	– 20.2
Operating result before interest and taxes (EBIT)[1]	(3)	**10.0**	**– 17.3**
Financial result[1]		– 5.1	– 7.0
Result before taxes	(3)	**4.9**	**– 24.3**
Income taxes		– 3.2	4.3
Net result		**1.7**	**– 20.0**
Attributable to shareholders of Rieter Holding Ltd.		1.8	– 20.0
Attributable to non-controlling interests		– 0.1	0.0
Basic earnings per share (CHF)		**0.39**	**– 4.41**
Diluted earnings per share (CHF)		**0.37**	**– 4.41**

1 The comparative period (January – June 2024) has been adjusted retrospectively as a result of the reclassification of the share in profit of associated companies from the financial result to the operating result (see note 1.4).

Consolidated statement of comprehensive income

CHF million	January – June 2024	January – June 2025
Net result	**1.7**	**– 20.0**
Remeasurement of defined benefit plans	0.0	– 8.0
Income taxes on remeasurement of defined benefit plans	0.0	1.6
Changes in fair values of financial assets	0.1	0.0
Items that will not be reclassified to the income statement, net of taxes	**0.1**	**– 6.4**
Currency translation differences	25.9	– 19.0
Cash flow hedges	5.8	– 1.0
Income taxes on cash flow hedges	– 1.2	0.2
Items that may be reclassified to the income statement, net of taxes	**30.5**	**– 19.8**
Total other comprehensive income	**30.6**	**– 26.2**
Total comprehensive income	**32.3**	**– 46.2**
Attributable to shareholders of Rieter Holding Ltd.	32.4	– 46.3
Attributable to non-controlling interests	– 0.1	0.1

Consolidated balance sheet

CHF million	December 31, 2024	June 30, 2025
Assets		
Cash and cash equivalents	103.2	107.9
Marketable securities and time deposits	0.2	0.3
Trade receivables	106.4	86.7
Other current receivables	41.1	42.9
Current income tax receivables	3.6	4.1
Inventories	259.0	250.5
Current assets	**513.5**	**492.4**
Property, plant, and equipment	258.7	240.7
Intangible assets	108.7	101.5
Goodwill	192.0	190.1
Investments in associated companies	14.3	14.2
Defined benefit plan assets	75.2	65.7
Deferred income tax assets	46.0	46.6
Other non-current assets	9.4	7.7
Non-current assets	**704.3**	**666.5**
Assets	**1 217.8**	**1 158.9**

Liabilities and shareholders' equity		
Current financial debt	104.9	166.8
Trade payables	102.4	78.5
Other current liabilities	134.6	112.8
Advance payments from customers	60.8	63.9
Current income tax liabilities	43.0	35.7
Current provisions	46.0	36.5
Current liabilities	**491.7**	**494.2**
Non-current financial debt	228.8	227.2
Defined benefit plan liabilities	25.9	25.3
Deferred income tax liabilities	39.9	37.9
Non-current provisions	21.1	18.8
Non-current liabilities	**315.7**	**309.2**
Liabilities	**807.4**	**803.4**
Equity attributable to shareholders of Rieter Holding Ltd.	410.9	355.9
Equity attributable to non-controlling interests	– 0.5	– 0.4
Shareholders' equity	**410.4**	**355.5**
Liabilities and shareholders' equity	**1 217.8**	**1 158.9**

Consolidated statement of changes in equity

CHF million	Share capital	Treasury shares	Hedge reserve	Currency translation differences	Retained earnings	Total attributable to Rieter shareholders	Attributable to non-controlling interests	Total consolidated equity
At January 1, 2024	**23.4**	**– 23.2**	**– 6.4**	**– 199.1**	**581.9**	**376.6**	**0.1**	**376.7**
Net result	0.0	0.0	0.0	0.0	1.8	1.8	– 0.1	1.7
Total other comprehensive income	0.0	0.0	4.6	25.9	0.1	30.6	0.0	30.6
Total comprehensive income	**0.0**	**0.0**	**4.6**	**25.9**	**1.9**	**32.4**	**– 0.1**	**32.3**
Distribution of a dividend	0.0	0.0	0.0	0.0	– 13.5	– 13.5	0.0	– 13.5
Changes in non-controlling interests	0.0	0.0	0.0	5.8	– 5.2	0.6	– 0.4	0.2
Share-based compensation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in treasury shares	0.0	1.8	0.0	0.0	– 0.4	1.4	0.0	1.4
Total contributions by and distributions to owners of the company	**0.0**	**1.8**	**0.0**	**5.8**	**– 19.1**	**– 11.5**	**– 0.4**	**– 11.9**
At June 30, 2024	**23.4**	**– 21.4**	**– 1.8**	**– 167.4**	**564.7**	**397.5**	**– 0.4**	**397.1**
At January 1, 2025	**23.4**	**– 19.6**	**– 1.3**	**– 178.2**	**586.6**	**410.9**	**– 0.5**	**410.4**
Net result	0.0	0.0	0.0	0.0	– 20.0	– 20.0	0.0	– 20.0
Total other comprehensive income	0.0	0.0	– 0.8	– 19.1	– 6.4	– 26.3	0.1	– 26.2
Total comprehensive income	**0.0**	**0.0**	**– 0.8**	**– 19.1**	**– 26.4**	**– 46.3**	**0.1**	**– 46.2**
Distribution of a dividend	0.0	0.0	0.0	0.0	– 9.1	– 9.1	0.0	– 9.1
Share-based compensation	0.0	0.0	0.0	0.0	0.3	0.3	0.0	0.3
Changes in treasury shares	0.0	4.2	0.0	0.0	– 4.1	0.1	0.0	0.1
Total contributions by and distributions to owners of the company	**0.0**	**4.2**	**0.0**	**0.0**	**– 12.9**	**– 8.7**	**0.0**	**– 8.7**
At June 30, 2025	**23.4**	**– 15.4**	**– 2.1**	**– 197.3**	**547.3**	**355.9**	**– 0.4**	**355.5**

Condensed consolidated cash flow statement

CHF million	Notes	January – June 2024	January – June 2025
Net result		**1.7**	**– 20.0**
Depreciation, amortization, and impairment		26.8	27.5
Interest income/expenses		3.8	5.9
Income taxes		3.2	– 4.3
Gain on disposal of property, plant, and equipment		–	– 13.8
Other non-cash income and expenses		0.3	3.2
Change in net working capital, other		– 18.2	– 32.7
Interest paid/received		– 2.3	– 5.5
Income taxes paid		– 4.5	– 6.4
Cash flow from operating activities		**10.8**	**– 46.1**
Acquisition of subsidiaries	(2.1)	– 1.4	–
Purchase of property, plant, and equipment, and intangible assets		– 12.4	– 5.6
Proceeds from disposals of property, plant, and equipment		0.4	14.8
Sale/purchase of marketable securities and time deposits		0.1	0.2
Cash flow from investing activities		**– 13.3**	**9.4**
Dividend paid to shareholders of Rieter Holding Ltd.		– 13.5	– 9.1
Sale of treasury shares		–	0.1
Proceeds from financial debt		0.1	66.5
Repayments of financial debt		– 24.1	– 6.4
Cash flow from financing activities		**– 37.5**	**51.1**
Currency effects on cash and cash equivalents		3.5	– 9.7
Change in cash and cash equivalents		**– 36.5**	**4.7**
Cash and cash equivalents at January 1		**135.6**	**103.2**
Cash and cash equivalents at June 30		**99.1**	**107.9**

Notes to the consolidated semi-annual financial statements

1 General Information

1.1 Basis for presentation and material accounting policies

The consolidated semi-annual financial statements of Rieter Holding Ltd. and its subsidiaries (“Rieter” or “Rieter Group”) have been prepared in accordance with IAS 34 Interim Financial Reporting. They are based on the financial statements of the individual group companies prepared in accordance with Rieter’s uniform accounting policies as of June 30, 2025. The material accounting policies summarized in the Annual Report 2024 were amended in the first half of 2025 in accordance with the new and revised IFRS Standards and Interpretations. The implementation of these changes in IFRS had no significant impact on the consolidated semi-annual financial statements.

The consolidated semi-annual financial statements have not been audited by the statutory auditor. The consolidated income statement and the consolidated cash flow statement are presented in a condensed form.

1.2 Significant accounting estimates and judgments

Rieter has reviewed the areas involving relevant significant accounting estimates and key judgments (see note 1.2 in the consolidated financial statements 2024), particularly the assumptions and financial plans underlying the goodwill impairment test and the intangible assets allocated to Accotex. The review did not indicate any impairment.

1.3 Foreign exchange rates

The following foreign exchange rates of importance for Rieter were used in the preparation of the consolidated semi-annual financial statements, as well as for the financial statements of group companies:

		Average period CHF rates		Period-end CHF rates	
Country/region	**Currency (unit)**	**January – June 2024**	**January – June 2025**	**December 31, 2024**	**June 30, 2025**
China	CNY 100	12.32	11.89	12.40	11.11
Czech Republic	CZK 100	3.84	3.76	3.74	3.78
Euro countries	EUR 1	0.96	0.94	0.94	0.94
India	INR 100	1.07	1.00	1.06	0.93
USA	USD 1	0.89	0.86	0.91	0.80

1.4 Adjustment of the comparative period

Developments in recent years, particularly the increased operational significance and integration, have made Electro-Jet S.L. (Gurb, Spain) and Prosino S.r.l. (Borgosesia, Italy) – both suppliers of Rieter – an integral part of Rieter’s business. Consequently, the recognized share in profit or loss of associated companies had been reclassified from the financial result to the operating result in the second half of 2024. Therefore, the comparative period of 2024 has been restated. The EBIT impact in the first half of 2025 amounted to CHF 0.1 million (first half of 2024: CHF 1.1 million). With the interest in voting rights in Prosino S.r.l. increasing from 49 to 60 percent on November 1, 2024, Rieter changed the entity from equity accounting to full consolidation. On January 1, 2025, Rieter acquired further 10% of Prosino S.r.l. (Borgosesia, Italy) as part of its purchase obligation at the same valuation as the initial transaction.

2 Significant Events

2.1 Acquisitions

Significant pending transactions

On May 5, 2025, Rieter Holding Ltd. (Winterthur, Switzerland) signed a definitive agreement to acquire Barmag from OC Oerlikon at an upfront equity purchase price of CHF 713.4 million.

With this acquisition, Rieter strengthens and expands its technology position in the textile industry and positions itself in the growing market for man-made fibers. The transaction is fully in-line with Rieter's strategy and follows previous acquisitions, where Rieter complemented its portfolio in short-staple fiber machinery and expanded its footprint in components and machinery for man-made fiber production. The combined platform allows to leverage the recovery of global filament and short-staple fiber spinning markets and to reduce cyclicality due to diversification of end-markets. The acquisition will further enhance Rieter's position in the important Asia-Pacific region and provide access to Barmag's filament expertise, which will help to further scale Rieter's own capabilities and improve digitization solutions and product sustainability.

Barmag comprises the established product brands Oerlikon Barmag, Oerlikon Neumag, and Oerlikon Nonwoven, which are providers of filament spinning systems used in the manufacturing of man-made fibers, texturing machines, Bulked Continuous Filament systems, staple fiber spinning, and nonwoven solutions and – as an engineering services provider – offers solutions along the textile value chain. In the financial year 2024, the company generated sales of CHF 734.0 million with around 2 600 employees.

The transaction values Barmag at an enterprise value of CHF 850.0 million. The enterprise value of CHF 850.0 million represents a through-the-cycle EV/EBITDA[1] of 6.3x (excluding synergies). If certain financial criteria are achieved by 2028, an earn-out component of up to CHF 100.0 million will be paid to the seller. A maximum of CHF 36.8 million will be paid to the seller with respect to the future cash savings generated from the utilization of existing tax loss carry–forwards during a limited period (of five years).

The acquisition financing is secured by a bridge loan facility of CHF 852.4 million from UBS. Refinancing the bridge facility will happen through a fully underwritten CHF 400.0 million rights issue with tradable subscription rights, a CHF 77.4 million non-preemptive private placement, which is fully committed and subscribed by Rieter's two largest shareholders and bank financing. The fully secured financing ensures the balance sheet stability of Rieter.

The acquisition of Barmag is expected to close in the fourth quarter of 2025, subject to customary closing conditions, including regulatory approvals.

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[1] Based on adjusted EBITDA for the financial years 2017-2024.

Significant transactions

On January 5, 2024, Rieter Holding Ltd. (Winterthur, Switzerland) acquired 100% of the shares of Petit Spare Parts SAS (Aubenas, France). This entity is active in the business of spare parts for textile machines and employs ten full-time employees. The purchase price amounted to CHF 1.4 million. The acquired net assets primarily consist of inventories. No goodwill resulted from the acquisition.

On November 1, 2024, Rieter Holding Ltd. (Winterthur, Switzerland) acquired 11 percent of the shares of Prosino S.r.l. (Borgosesia, Italy), thereby increasing its investment to 60 percent. This company manufactures rings for spinning machines and had been a previous supplier of Rieter. Prosino S.r.l. employs 90 full-time employees. With the acquisition of Prosino S.r.l., Rieter has strengthened its portfolio of high-quality ring components, particularly spinning and twisting rings, which will be allocated to the Components segment.

A further 10 percent of the shares were bought on January 1, 2025 and an additional 10 percent will be bought on January 1, 2026, at the same valuation as the initial transaction in 2024. For the remaining 20 percent of the shares, Rieter Holding Ltd. has a call option effective from January 1, 2027, while the seller is granted a put option effective from January 1, 2028. The exercise prices for the call and put options are based on an EBITDA multiple including a cap and a floor. The redemption amount for this part of financial liability has been determined considering these clauses. The maximum amount to be paid is EUR 4.4 million (CHF 4.1 million).

Under the anticipated acquisition method, the contract was accounted for as if the forwards (purchase obligations of 10 percent on January 1, 2025, and 10 percent on January 1, 2026) had been satisfied by the non-controlling shareholders and the put option (effective from January 1, 2028) had been exercised already. Accordingly, Rieter did not recognize a non-controlling interest in the consolidated financial statements and accounted for the business combination as if it had acquired a 100 percent stake. The respective forward and put liabilities for the remaining shareholding of 40 percent were recognized as financial liabilities in the consolidated balance sheet.

The purchase price of the shares amounted to EUR 2.2 million (CHF 2.1 million) and was settled against cash. The transaction resulted in goodwill of CHF 5.0 million. The goodwill is attributable to the acquired workforce and the complementary nature of the acquired business. It is not deductable for tax purposes. The acquired business contributed sales of CHF 1.4 million and a net result of CHF -0.1 million to the Group for the period from November 1 to December 31, 2024. If the acquisition had occurred on January 1, 2024, the consolidated pro-forma sales and the net result for the year ended December 31, 2024 would have been CHF 866.3 million and CHF 12.1 million, respectively. These amounts were calculated based on the business results, adjusted by the differences in the accounting policies between Rieter and Prosino S.r.l. and by the additional depreciation and amortization that would have been charged assuming the fair value adjustments to inventories, property, plant, and equipment, and intangible assets applied from January 1, 2024, together with the consequential tax effects.

The following table presents a breakdown of assets acquired and liabilities assumed as at November 1, 2024:

CHF million	**Prosino S.r.l.**
Cash and cash equivalents	4.6
Trade receivables	0.9
Other current receivables	1.1
Inventories	4.4
Property, plant, and equipment	8.6
Intangible assets	2.2
Other non-current assets	1.4
Assets	**23.2**
Trade payables	2.0
Other current liabilities	3.5
Advance payments from customers	0.1
Non-current financial debt	2.8
Deferred income tax liabilities	0.6
Other non-current liabilities	0.3
Non-current provisions	0.5
Liabilities	**9.8**
Fair value of pre-existing interest in voting rights (49%)	**9.2**
Consideration paid in cash (11%)	2.1
Forward and put liabilities (40%)	7.1
Total consideration (51%)	**9.2**
Fair value of net identifiable assets acquired	13.4
Goodwill	**5.0**

There have been no adjustments to the purchase price allocation presented in the Annual Report 2024.

The identified intangible assets comprise the value of customer relationships (CHF 1.3 million) and the related brands and trademarks (CHF 0.9 million). The fair value of the acquired trade receivables amounted to CHF 0.9 million. The gross contractual amount of invoiced trade receivables was CHF 1.0 million, with a respective allowance of CHF 0.1 million recognized at the acquisition date.

Transaction costs of CHF 0.1 million relating directly to the acquisition were recognized as other expenses in the consolidated income statement 2024 as incurred in the second half of 2024.

2.2 Disposal of land and buildings in Winterthur

On May 27, 2025, Rieter sold the land and buildings no longer required for operations at Klosterstrasse in Winterthur (Switzerland) to Töss Campus AG (Winterthur, Switzerland), an entity controlled by a foundation related to Rieter. The transaction was conducted at a market value of CHF 15.7 million.

At June 30, 2025, Rieter has an outstanding receivable balance of CHF 1.0 million from Töss Campus AG, which is unsecured and interest-free.

The following table summarizes the effects of the disposal on the consolidated semi-annual income statement 2025:

		CHF million
Disposal consideration (gross)[1]		15.7
Carrying amount of land and buildings		– 2.1
Costs directly attributable to the disposal		– 0.0
Gain on disposal of property, plant, and equipment[2]	**EBIT**	**13.6**
Income taxes related to the gain on disposal	Income taxes	– 0.7
Impact of disposal of land and buildings in Winterthur on net profit	**Net profit**	**12.9**

1 Included in the line item "Proceeds from disposals of property, plant, and equipment" in the condensed consolidated cash flow statement, excluding the outstanding receivable balance in the amount of CHF 1.0 million.

2 Included in the line item "Gain on disposal of property, plant, and equipment" in other income (see note 5).

2.3 Restructuring and impairment

As a result of the persistently difficult market conditions and economic environment in various key markets, Rieter recorded a low order intake. In response to this development, Rieter initiated further restructuring measures. Rieter intends to relocate customer-focused functions to its sales markets, combine resources and simplify processes. The implementation of the respective measures started in the second half of 2024, continued in the first half of 2025, and will be concluded within the next twelve months. In the first half of 2025, restructuring expenses in the amount of CHF 9.9 million include mainly severance payments and outplacement costs. In addition, impairment losses on property, plant, and equipment were recognized in the amount of CHF 0.5 million.

3 Segment information

Segment information is based on the Group's organization and management structure and internal financial reporting to the Chief Operating Decision Maker up to the level of EBIT. The Chief Operating Decision Maker at Rieter is the Chief Executive Officer. Segment reporting is based on the same accounting policies as those used for the preparation of the consolidated financial statements. The Group consists of three reportable segments: Machines & Systems, Components, and After Sales. There is no aggregation of operating segments. Rieter Machines & Systems develops and manufactures machinery and systems used to convert natural and man-made fibers and their blends into yarns. Rieter Components supplies technology components to spinning mills and textile machinery manufacturers as well as precision winding machines. Rieter After Sales serves Rieter customers with spare parts, value-adding after-sales services, and solutions over the entire product life cycle.

Segment information January – June 2025

CHF million	Machines & Systems	Components	After Sales	Total reportable segments
Total segment sales	144.0	134.5	78.3	356.8
Inter-segment sales	0.0	20.6	0.0	20.6
Sales	**144.0**	**113.9**	**78.3**	**336.2**
Operating EBIT[1]	– 31.6	0.2	6.3	– 25.1
Operating result before interest and taxes (EBIT)	– 38.4	– 2.4	5.6	– 35.2
Purchase of property, plant, and equipment, and intangible assets	1.3	1.7	0.1	3.1
Depreciation, amortization, and impairment	6.4	13.0	1.5	20.9

Segment information January – June 2024

CHF million	Machines & Systems	Components	After Sales	Total reportable segments
Total segment sales	198.7	151.4	95.8	445.9
Inter-segment sales	0.0	24.9	0.0	24.9
Sales	**198.7**	**126.5**	**95.8**	**421.0**
Operating EBIT[1]	– 9.8	5.1	20.9	16.2
Operating result before interest and taxes (EBIT)	– 9.9	5.1	20.9	16.1
Purchase of property, plant, and equipment, and intangible assets	1.8	3.3	0.7	5.8
Depreciation, amortization, and impairment	6.5	12.7	1.6	20.8

[1] The definitions of the APM used are published on the Rieter website.

Reconciliation of segment results

CHF million	January – June 2024	January – June 2025
Operating result before interest and taxes (EBIT) of reportable segments	16.1	– 35.2
Gain on disposal of land and buildings in Winterthur[1]	–	13.6
Restructuring costs and impairment losses which are not allocated to reportable segments[2]	– 0.1	– 0.3
Share in profit of associated companies[3]	1.1	0.1
Transaction costs directly related to the acquisition of Barmag	–	– 4.2
Other result that is not allocated to reportable segments	– 7.1	8.7
Operating result before interest and taxes (EBIT), Group[3]	**10.0**	**– 17.3**
Financial result[3]	– 5.1	– 7.0
Profit before taxes	**4.9**	**– 24.3**

1 See note 2.2.
2 See note 2.3.
3 See note 1.4.

The result that is not allocated to reportable segments includes all those elements of income and expenses that are not allocated on a reasonable basis to the other segments, such as certain costs of central functions and infrastructure (internally reported as “Corporate”).

4 Sales

Sales are divided into the following categories:

CHF million	January – June 2024	January – June 2025
Sales of products	393.4	314.9
Sales of services	27.6	21.3
Sales	**421.0**	**336.2**

Sales of services are mainly incurred at Rieter After Sales.

5 Other income and expenses

CHF million	January – June 2024	January – June 2025
Rental income	0.4	0.5
Gain on disposals of property, plant, and equipment[1]	0.2	13.8
Disposals of materials for recycling purposes	0.4	0.8
Miscellaneous other income	13.9	9.5
Other income	**14.9**	**24.6**
Restructuring expenses[2]	0.0	– 9.9
Impairment losses on property, plant, and equipment[2]	– 0.2	– 0.5
Transaction costs directly related to the acquisition of Barmag	0.0	– 4.2
Losses from accounts receivable	– 0.9	0.0
Foreign exchange differences (net)	– 0.2	– 2.7
Miscellaneous other expenses	– 7.1	– 2.9
Other expenses	**– 8.4**	**– 20.2**

1 See note 2.2.
2 See note 2.3.

Miscellaneous other income includes income that is not presented as sales, such as income from export incentive schemes or from government grants.

Miscellaneous other expenses include expenses that are not directly linked to the cost of sales or which cannot be allocated to research and development expenses or selling, general, and administrative expenses.

6 Operating result before interest, taxes, depreciation, amortization, and impairment (EBITDA)

The operating result before interest, taxes, depreciation, amortization, and impairment (EBITDA) is used by Rieter as an alternative performance measure. The table below contains a reconciliation of EBITDA:

CHF million	January – June 2024	January – June 2025
Operating result before interest and taxes (EBIT)[1]	10.0	– 17.3
Depreciation, amortization, and impairment	26.8	27.5
Operating result before interest, taxes, depreciation, amortization, and impairment (EBITDA)[1]	**36.8**	**10.2**

1 See note 1.4.

7 Changes in Group structure

In the first half of 2025, the subsidiary SSM Vertriebs AG (Steinhausen, Switzerland) was merged into SSM Schärer Schweiter Mettler AG (Wädenswil, Switzerland). Furthermore, the subsidiary Wilhelm Stahlecker GmbH (Suessen, Germany) was merged into Spindelfabrik Suessen GmbH (Suessen, Germany) and Rieter Deutschland GmbH & Co OHG (Ingoldstadt, Germany) into Rieter Vertriebs GmbH (Ingoldstadt, Germany). The changes in Group structure had an insignificant impact on the consolidated semi-annual financial statements 2025.

In the first half of 2024, the subsidiary Rieter Management AG (Winterthur, Switzerland) was merged into Maschinenfabrik Rieter AG (Winterthur, Switzerland), which in turn changed its name to Rieter Ltd. (Winterthur, Switzerland). Moreover, the subsidiary Hogra Holding AG (Freienbach, Switzerland) was merged into Tefina Holding-Gesellschaft AG (Zug, Switzerland) and Rieter Ingolstadt GmbH (Ingolstadt, Germany) was merged into Spindelfabrik Suessen GmbH (Suessen, Germany). Additionally, Rieter acquired Petit Spare Parts SAS (Aubenas, France, see note 2.1). As part of a reorganization, Changzhou Rieter Textile Machinery Trading Co., Ltd. (Changzhou, China) was incorporated as a subsidiary of Rieter China Textile Instruments Co. Ltd. (Changzhou, China). The changes in Group structure had an insignificant impact on the consolidated semi-annual financial statements for 2024.

8 Financial instruments

The following table shows the financial instruments that are measured at fair value, grouped according to the categories defined in the accounting policies:

CHF million		December 31, 2024	June 30, 2025
Marketable securities	Assets, level 1	0.1	0.1
Other financial assets	Assets, level 2	1.3	1.2
Other financial assets	Assets, level 3	0.5	0.5
Derivative financial instruments (positive fair values)	Assets, level 2	3.5	3.7
Derivative financial instruments (negative fair values)	Liabilities, level 2	2.4	4.3

There were no transfers among the categories and the valuation techniques have been applied consistently. Financial instruments measured at level 2 consist mainly of derivatives held for hedging purposes entered into with reputable financial institutions. The fair value of these instruments is determined with the help of valuation techniques that use foreign exchange rates and interest rates as observable input parameters.

On June 30, 2025, the financial debt measured at amortized cost includes two fixed-rate bonds: one with a carrying amount of CHF 99.7 million (December 31, 2024: CHF 99.7 million) and a fair value of CHF 98.9 million (December 31, 2024: CHF 98.0 million) and a second with a carrying amount of CHF 69.8 million (December 31, 2024: CHF 69.8 million) and a fair value of CHF 71.2 million (December 31, 2024: CHF 71.5 million). Both bonds are listed on the SIX Swiss Exchange and are included in the balance sheet line item “Non-current financial debt”.

The carrying amounts of the financial instruments measured at amortized cost approximate fair values due to their mainly short-term nature (except for non-current lease liabilities).

9 Changes in material accounting policies

The new or amended standards and interpretations listed below have been issued by the International Accounting Standards Board (IASB), but are not yet in effect:

New or amended standards and interpretations	Effective date	Planned application by Rieter
Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7[1]	January 1, 2026	Financial year 2026
Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 and IFRS 7[1]	January 1, 2026	Financial year 2026
Annual Improvements to IFRS Accounting Standards—Volume 11[1]	January 1, 2026	Financial year 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures[1]	January 1, 2027	Financial year 2027
IFRS 18 Presentation and Disclosure in Financial Statements	January 1, 2027	Financial year 2027

[1] No impact or no significant impact is expected on the consolidated financial statements.

IFRS 18 will have a significant impact on the presentation and disclosure of the consolidated financial statements in 2027 and the comparative period in 2026. The impact relates to the structure of the consolidated income statement and the consolidated cash flow statement as well as the disclosure of management performance measures in the consolidated financial statements.

10 Events after balance sheet date

The Semi-Annual Report 2025 was approved for publication by the Board of Directors on July 17, 2025. No events have occurred up to July 17, 2025 which would necessitate adjustments to the carrying amounts of the Group’s assets or liabilities or which would require disclosure.

Financial calendar

Date	Event
August 8, 2025	Deadline for Proposals Regarding the Agenda of the Extraordinary General Meeting
September 18, 2025	Extraordinary General Meeting 2025
October 22, 2025	Investor Update 2025
February 26, 2026	Results Press Conference 2026
March 3, 2026	Deadline for Proposals Regarding the Agenda of the Annual General Meeting
April 16, 2026	Annual General Meeting 2026
July 17, 2026	Semi-Annual Report 2026
October 28, 2026	Investor Update 2026

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