



Half-Year Results 2020

Media and Investor Presentation, July 16, 2020

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Key Messages

First half of 2020 severely impacted by COVID-19

- Order intake of CHF 250.7 million down 34% on previous year
- Sales of CHF 254.9 million 39% below first half of 2019
- EBIT of CHF -55.0 million, before restructuring charges of CHF -46.9 million
- Implementation of COVID crisis management and restructuring according to plan
- Stronger second half of 2020 expected
- Continuous implementation of the strategy
- Change in the Group Executive Committee

Financial Highlights Half-Year 2020

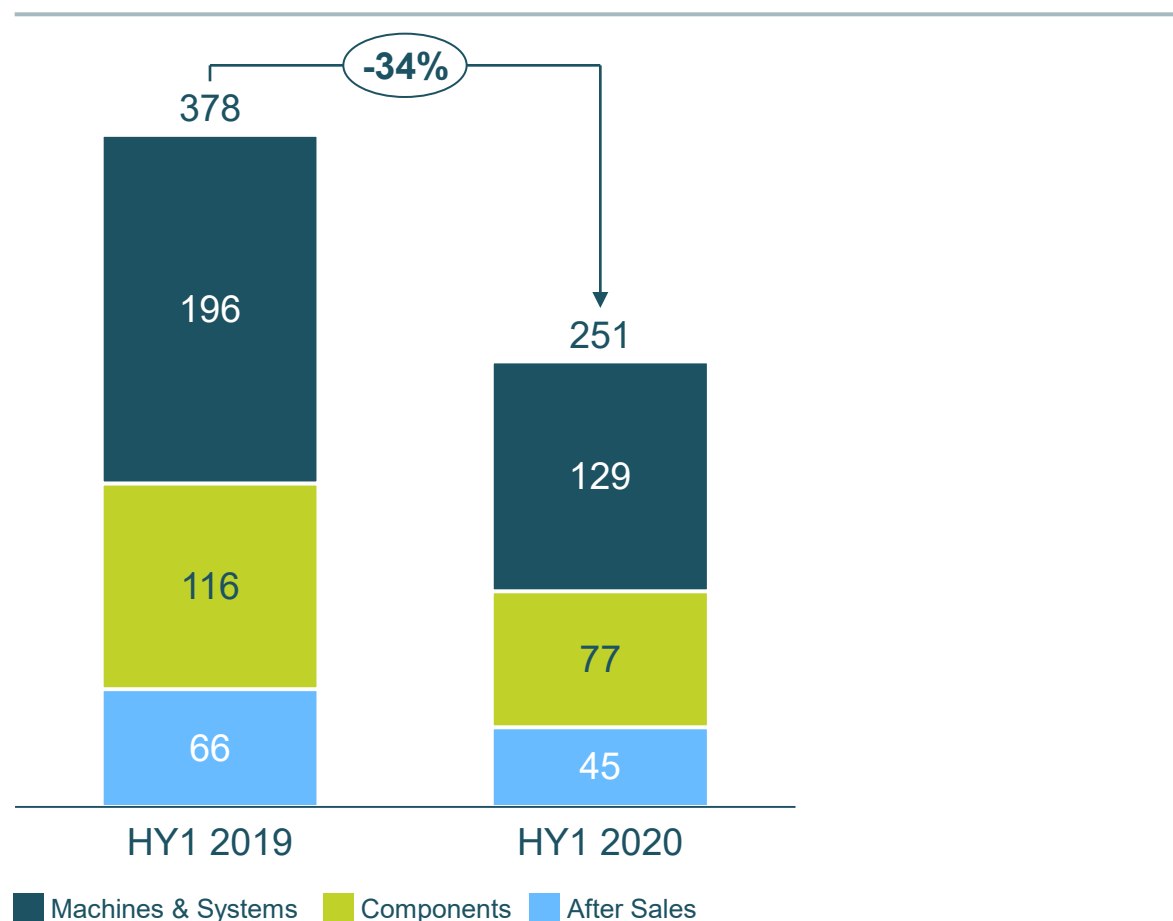


CHF million	HY1 2020	HY1 2019	Comments
Order intake	250.7	378.3	- Deferral by customers of investments and scheduled deliveries, sharp decline in demand for wear & tear and spare parts
Sales	254.9	416.1	- Low order intake in the first three quarters of 2019, refer to order intake above
EBITDA	-36.1	18.3	- Lower sales in all business groups
EBIT before restructuring charges	-46.9	-1.6	- Cost reduction measures implemented
Net profit	-54.4	-3.8	- Continued innovation program
Free cash flow	-95.4	-23.4	- Due to buildup of inventories for deliveries in the second half of 2020 and loss of the period
Net liquidity	36.0	97.6	- Term-loans drawn (CHF 100 million)

Order Intake by Business Group

Order intake at CHF 250.7 million due to significant decrease in demand associated with the COVID-19 pandemic

CHF million

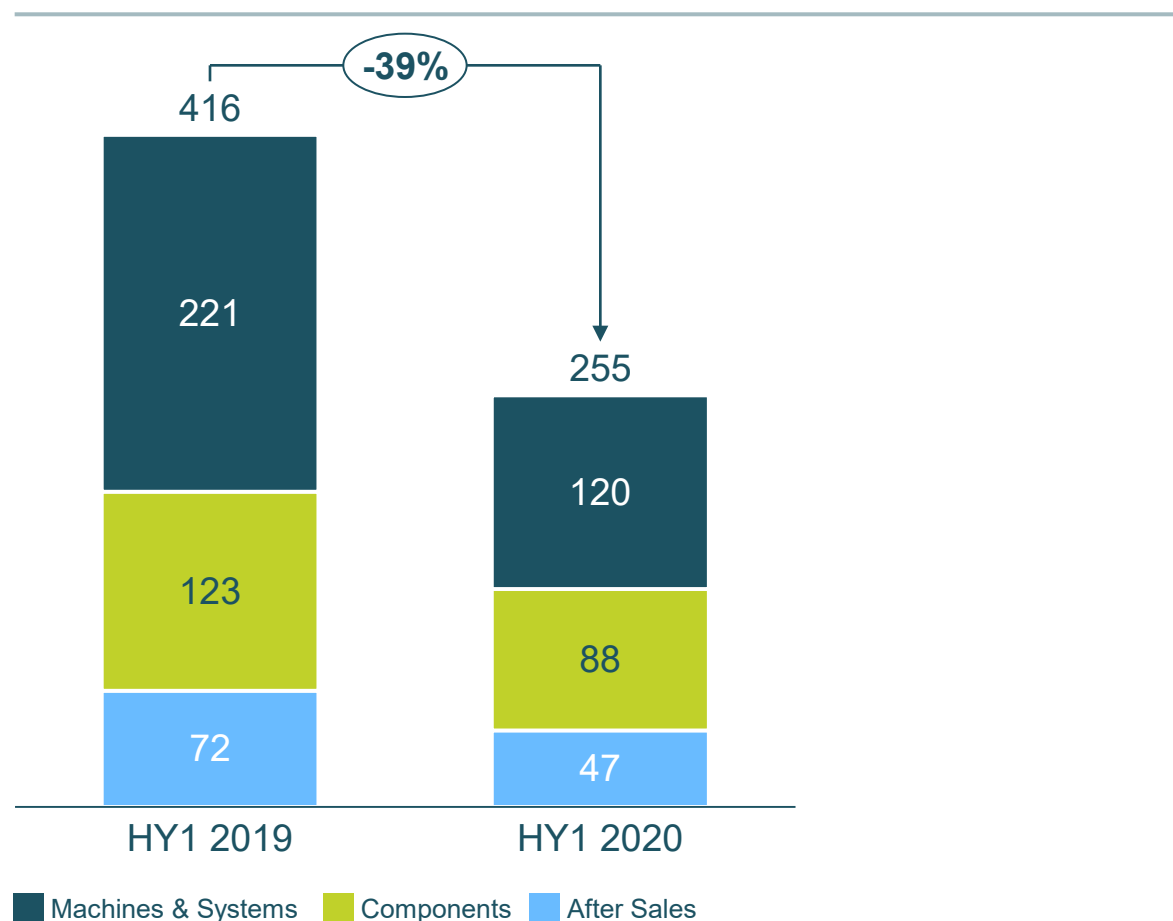


- Business Group Machines & Systems booked CHF 129.2 million (-34% vs 2019); deferral by customers of investments and scheduled deliveries
- Business Group Components with CHF 76.7 million (-34% vs 2019) and Business Group After Sales with CHF 44.8 million (-32% vs 2019); decrease due to the suspension of production in many spinning mills around the world
- As of June 30, 2020, the company had an order backlog of around CHF 490 million (June 30, 2019: around CHF 295 million)

Sales by Business Group

Sales at CHF 254.9 million in the first half of 2020 (-39% vs 2019)

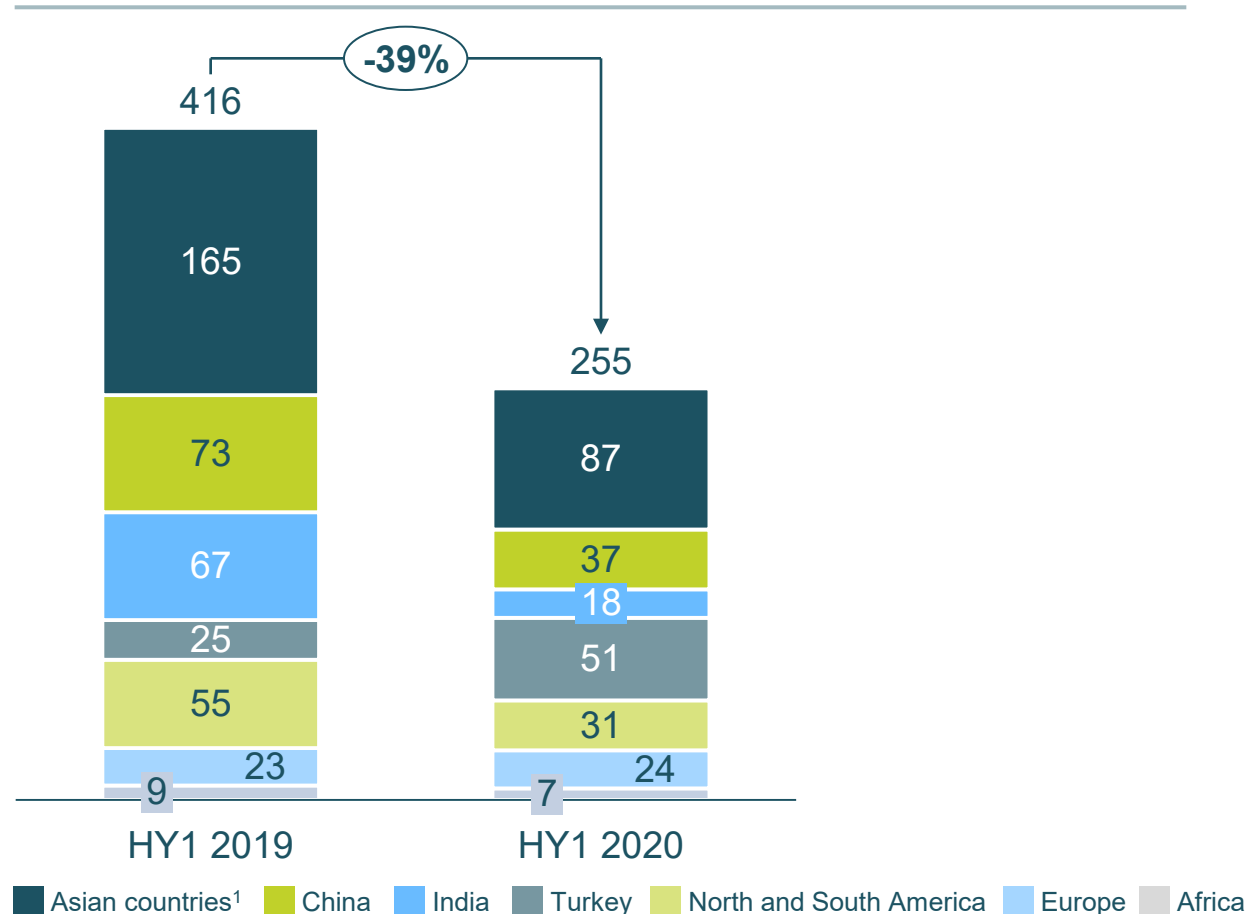
CHF million



- Business Group Machines & Systems booked CHF 119.9 million (-46% vs 2019); decrease due to the low order intake in the first three quarters of the previous year and deferred deliveries
- Business Group Components with CHF 87.7 million (-29% vs 2019) and Business Group After Sales with CHF 47.3 million (-34% vs 2019); decrease due to the suspension of production in many spinning mills around the world

Sales Development by Region

CHF million



- Sales in all regions were marked by the COVID-19 pandemic, exception Turkey
- Lockdown in India resulted in a decline of sales to CHF 17.7 million (-73% vs 2019)
- In the Asian countries, in China and in North and South America sales decreased by between 44% and 49% compared to the first half of 2019
- Turkey showed a significant improvement on the previous year's very low level (+109% vs 2019); the upswing was also associated with the innovations that Rieter presented at ITMA in Barcelona in June 2019

¹ Excluding China, India, Turkey

EBIT Before Restructuring Charges

Decrease in operating profit before restructuring mainly due to decline in sales

CHF million



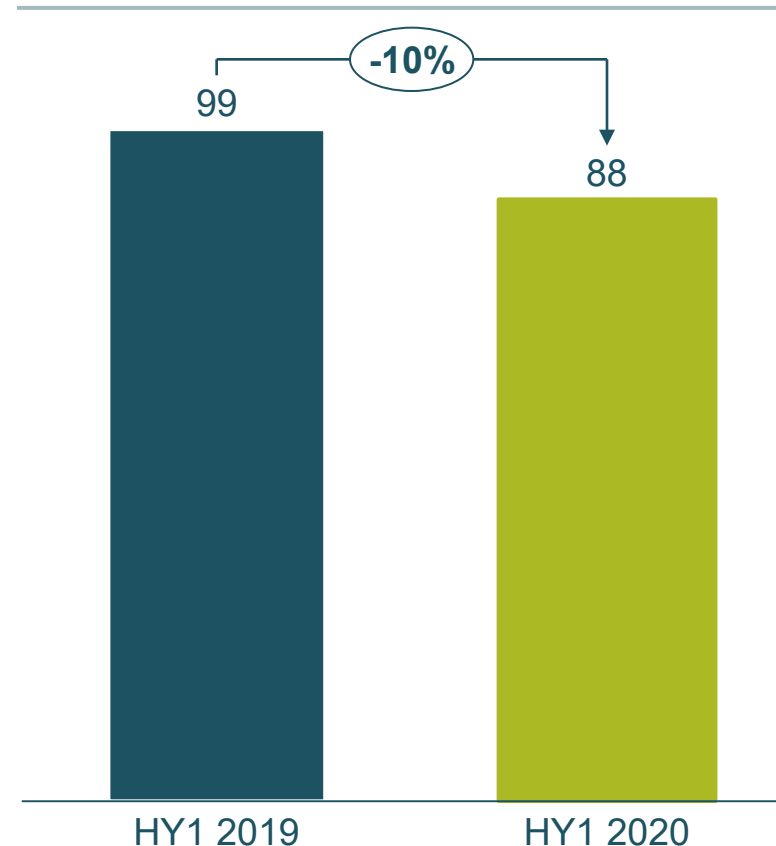
EBIT Before Restructuring Charges by Business Groups

CHF million	HY1 2020	HY1 2019	Comments
Machines & Systems	-39.9	-22.7	- Due to the low volume combined with the ongoing innovation program
Components	-1.6	6.5	- Lower sales of wear & tear parts due to the suspension of production in many spinning mills around the world
After Sales	-5.2	12.4	- Lower sales of spare parts and services due to the suspension of production in many spinning mills
Corporate/Others	-0.2	2.2	- One-off effects in previous year
Rieter Group	-46.9	-1.6	
In % of sales	-18.4%	-0.4%	

COVID Crisis Management and Restructuring

- Comprehensive COVID crisis management implemented
- Measures to protect employees in place
- Order backlog largely processed according to plan
- Cost and cash saving measures led to a reduction in Selling, General & Administrative (SG&A) expenses of around CHF 10 million
- Structural changes in Switzerland, Germany, the Czech Republic and the Netherlands implemented as planned
- Short-time work of 40% in Switzerland and Germany for the third quarter of 2020 introduced, similar measures will be implemented worldwide, decision to apply for an extension will be taken in September 2020

SG&A, CHF million



Balance Sheet – Key Figures

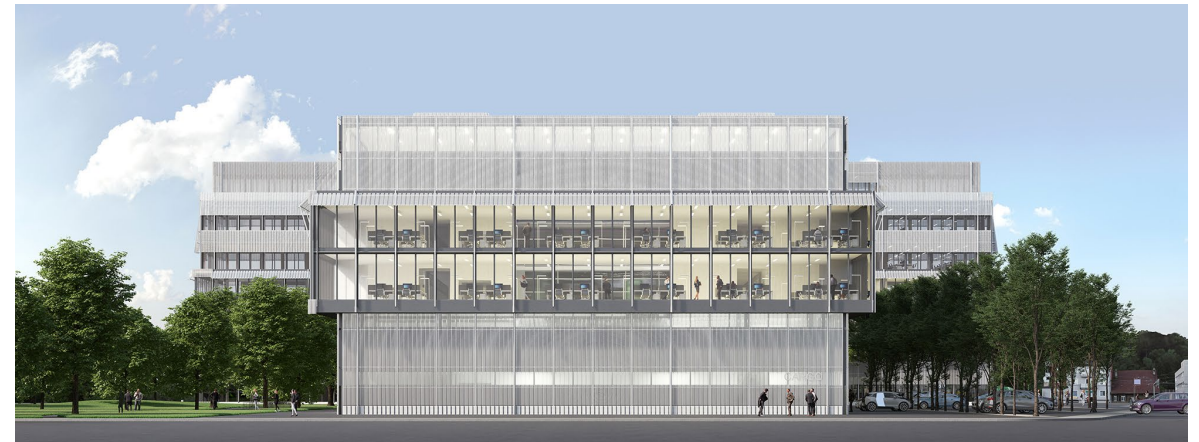
Solid balance sheet – repayment of bond prepared

CHF million	30/6/2020	31/12/2019
Liquid funds	253.5	285.0
Net liquidity	36.0	162.1
Net working capital	39.6	-7.5
Non-current assets	398.8	415.8
Total assets	994.4	983.0
Current financial debt	212.1	121.0
Non-current financial debt	5.4	1.9
Shareholders' equity	377.0	469.6
in % of total assets	37.9%	47.8%

- Liquid funds on a high level
- Net liquidity position of CHF 36.0 million
- Increased current financial debt to ensure repayment of bond (CHF 100.0 million, 2014 to 2020, 1.5%) due in September 2020
- Net working capital increased due to higher expected volumes in second half 2020
- Shareholders' equity ratio decreased to 37.9% (42.2% excl. increase of financial debt)

Continued Implementation of Strategy

- In recent years, Rieter has consistently implemented the strategy based on the cornerstones of innovation leadership, strengthening the components, spare parts and services businesses, and adjusting cost structures.
- Rieter will forge ahead with the strategy in the coming months, with a view to strengthening its market position for the time after the COVID-19 pandemic.
- In June 2020, company has received the building permit for the project Rieter CAMPUS; depending on the market situation construction work will begin in the first half year of 2021.
- CAMPUS comprises a new Customer and Technology Center as well as an administration building on 30 000 square meters at the current site in Winterthur. The project is a key element of Rieter's innovation strategy.



Second Half Year of 2020 Expected to Be Stronger

Rieter expects a stronger second half of 2020 in comparison to the first half of 2020 in terms of sales and profitability based on:

- An order backlog of around CHF 490 million
- An improved cost base
- Signs of market recovery

In this context, Rieter monitors capacity utilization at more than 600 spinning mills around the world:

- At the beginning of April 2020, the proportion of producing spinning mills was around 40%
- By the end June 2020, this proportion had improved to around 80%

Rieter refrains from providing specific information for the full year 2020 due to the ongoing uncertainty and the still low level of visibility.

Change in the Group Executive Committee

Carsten Liske, Head of the Business Group Machines & Systems and member of the Group Executive Committee since 2015, is to leave the Group Executive Committee in July 2021 to pursue a career opportunity outside the Rieter Group. The Board of Directors wishes to express its gratitude to Carsten Liske in advance for his many years of valuable service and his major contribution to the further development of Rieter. Details about succession arrangements shall be provided in due course.

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Appendix

Key Data by Share

Rieter registered shares of CHF 5 nominal value Bloomberg: RIEN SW, Thompson Reuters: RIEN.S		30/06/2020	31/12/2019	30/06/2019
Shares outstanding excluding own shares (end of period)		4 472 514	4 514 331	4 496 338
Average shares (of period)		4 487 622	4 496 460	4 489 378
Share price (end of period)	CHF	87.3	138.1	148.6
Market capitalization (end of period)	CHF million	390	623	668

Financial Calendar



Trading Update 2020

October 23, 2020

Publication of sales 2020

January 27, 2021

Deadline for proposals regarding the agenda of the Annual General Meeting

February 19, 2021

Results press conference 2021

March 9, 2021

Annual General Meeting 2021

April 15, 2021