



Investor Update 2023

Media and Investor Presentation, October 20, 2023

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Key Messages

- “Next Level” performance program on track
- Order intake of CHF 127.2 million in the third quarter, CHF 452.2 million after nine months
- Sales of CHF 334.7 million in the third quarter, CHF 1 092.9 million after nine months
- Order backlog of around CHF 900 million as of September 30, 2023, extends into the year 2024
- Sale process for Rieter site in Winterthur successfully completed
- Outlook for the full year 2023 confirmed

Performance Program “Next Level” on Track

Next Level is focusing on key performance potentials

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

Reduction of Positions

- Net reduction of around 300 positions in overhead functions.
 - Negotiations with works council in Ingolstadt (Germany) concluded, closing of office by the end of December 2023 agreed
 - Negotiations with employee representatives in Winterthur (Switzerland) concluded, reduction of positions by end of December 2023 agreed
- Due to the current market situation, further market- and volume-related adjustments in the range of 400 to 600 positions will be necessary, mainly in production.

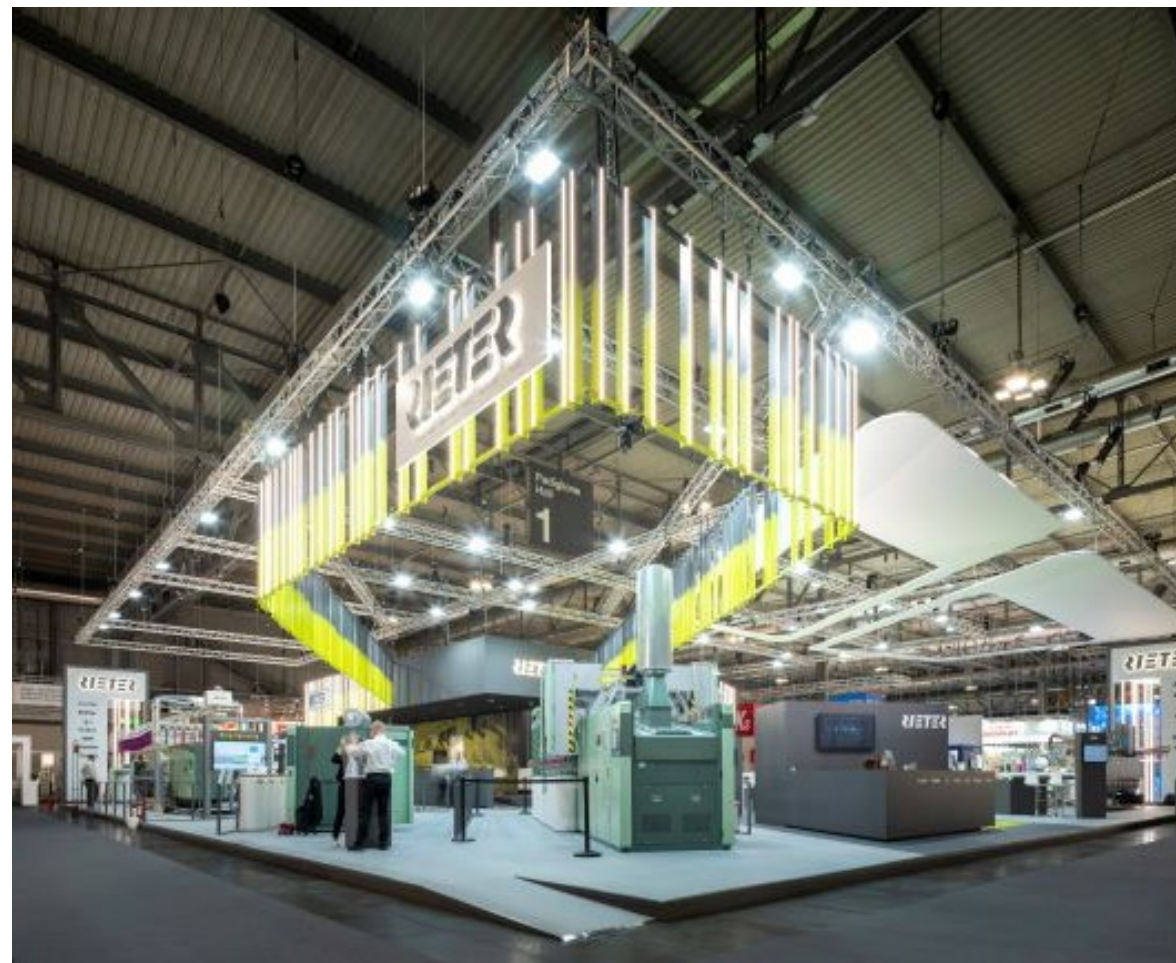
Next Level Cost and Impact

Next Level performance program is focusing on key performance potentials

Topic	Estimated impact
Costs	<ul style="list-style-type: none">- One-time costs of CHF 45 to 50 million expected in 2023
Timing	<ul style="list-style-type: none">- Most of the program initiatives shall be implemented in 2023
Return	<ul style="list-style-type: none">- Expected benefit of around CHF 80 million per year

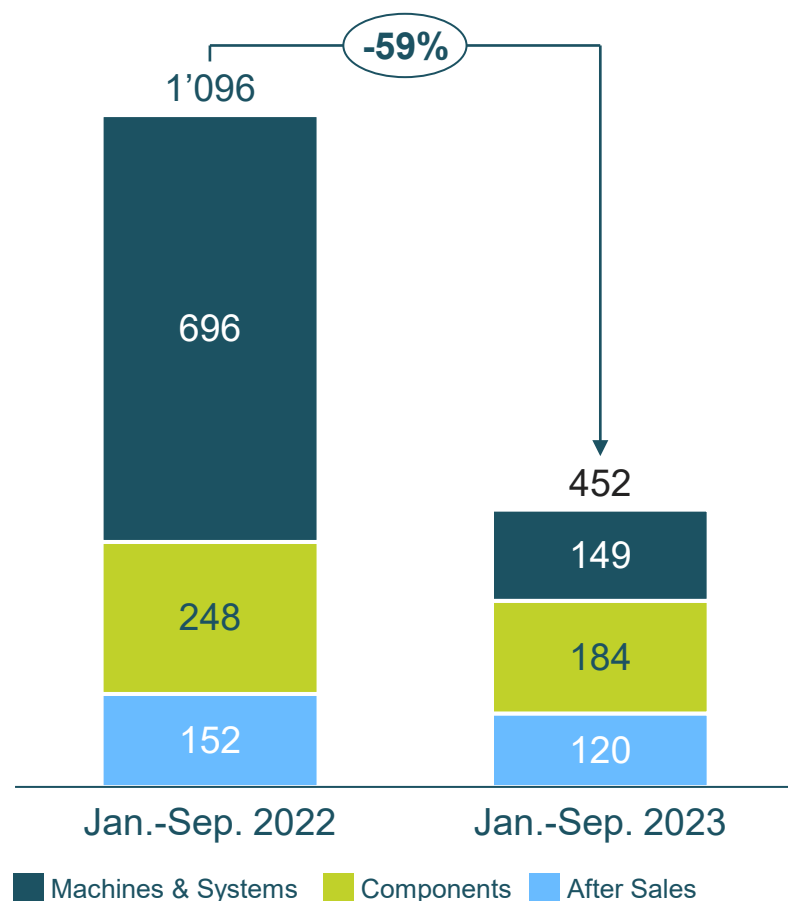
ITMA 2023 in Milano

- High interest in the products presented at ITMA (e.g. digitization and automation)
- Average capacity utilization rate of spinning mills at around 70 percent as brands and retailers are reluctant to increase orders
- Customers hesitate to purchase new machines due to increased interest rates and financing costs
- Several projects are in the pipeline but final order contracts still pending



Order Intake by Business Group – Nine Months

CHF million

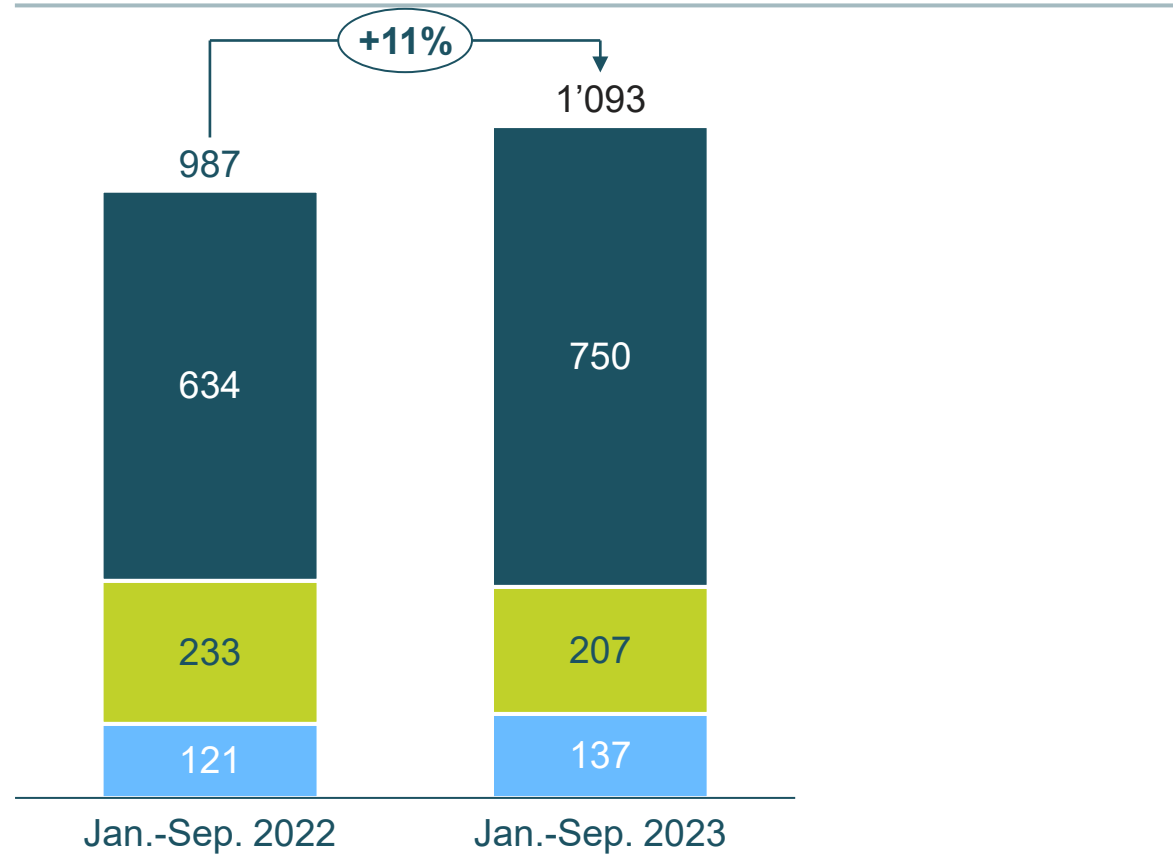


- Weak demand for new equipment due to high inflation rate, investment sentiment impacted by risks/uncertainties (financing costs, rising energy and raw material prices)
- Lower capacity utilization of spinning mills resulting in lower demand for consumables, wear & tear and spare parts

Sales by Business Group – Nine Months



CHF million



- Business Group Machines & Systems +18%
- Business Group Components -11%
- Business Group After Sales +13%

■ Machines & Systems ■ Components ■ After Sales

Order Backlog Extends into the Year 2024

- Order backlog of around CHF 900 million as of September 30, 2023 extends into the year 2024
- As in the previous year, cancellations in the reporting period were around 5% of the order backlog
- Rieter anticipates the order intake in the fourth quarter 2023 to be higher than in the preceding third quarter



Rieter Site Sales Process Successfully Completed

- Sale of site in Winterthur successfully completed on September 26, 2023
 - Sales price of CHF 96 million received
 - Extraordinary profit contribution on EBIT of CHF 70-75 million expected
- ➔ Net debt substantially reduced and equity ratio increased versus half-year 2023



Outlook for the Full Year 2023 Confirmed

- As announced on July 20, 2023, in view of the economic situation and the ongoing cyclical market weakness, Rieter continues to expect below-average demand for new equipment in the coming months. A revival is not anticipated until the end of 2023 at the earliest.
- Likewise, Rieter believes that demand for consumables, wear & tear and spare parts will not recover until towards the end of 2023.
- For the full year 2023, Rieter expects an EBIT margin of around 5 to 7% (including positive special effects of less than 2%) and sales at the previous year's level of around CHF 1.5 billion.

Financial Calendar



Publication of sales 2023

January 24, 2024

Deadline for proposals regarding the agenda of the Annual General Meeting

February 23, 2024

Results press conference 2024

March 13, 2024

Annual General Meeting 2024

April 17, 2024

Semi-Annual Report 2024

July 18, 2024

Investor Update 2024

October 23, 2024

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Appendix

Sales by Business Group

CHF million	January – September 2022	January – September 2023	Difference	Difference adjusted ¹
Rieter	987.4	1 092.9	11%	13%
Machines & Systems	634.3	749.6	18%	21%
Components	232.6	206.8	-11%	-9%
After Sales	120.5	136.5	13%	18%

¹ Adjusted for currency effects

Order Intake by Business Group

CHF million	January – September 2022	January – September 2023	Difference	Difference adjusted ¹
Rieter	1 095.8	452.2	-59%	-57%
Machines & Systems	696.2	148.8	-79%	-77%
Components	248.1	183.6	-26%	-25%
After Sales	151.5	119.8	-21%	-17%

¹ Adjusted for currency effects

Next Level Shall Create Long-Term Value for Stakeholders



Next Level EBIT margin ambition after full implementation

CHF million

