

Media Release

Ad-hoc announcement pursuant to Art. 53 LR

Rieter Holding Ltd.

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Winterthur – October 21, 2022

Rieter Investor Update 2022

- **Sales of CHF 366.8 million in the third quarter, CHF 987.4 million after nine months**
- **Order intake of CHF 226.4 million in the third quarter, CHF 1 095.8 million after nine months**
- **Order backlog of around CHF 2 000 million as of September 30, 2022**
- **Precautionary measures taken against potential energy crisis in Europe**
- **Financing of a Professorship for Artificial Intelligence**
- **Rieter site sales process on schedule**
- **Outlook 2022**

Rieter recorded a significant increase in sales in the third quarter of 2022, reaching a level of CHF 366.8 million (2021: CHF 257.3 million). The measures introduced to increase sales and profitability in the second half of 2022 are taking effect and will continue to be implemented in a systematic manner. These include a close cooperation with key suppliers, the development of alternative solutions to eliminate material shortages, the enforcement of price increases, and the improvement of the margin quality of the order backlog.

The order intake of CHF 226.4 million in the third quarter of 2022 reflects the expected normalization of demand for new equipment compared to the record year of 2021, which was characterized by catch-up effects and the regional shift in demand. In addition, the well-known uncertainties and risks and the continuing extremely long delivery times at key manufacturers had a dampening effect on demand. Due to the slowdown in capacity utilization in the spinning mills, demand for consumables, wear & tear and spare parts also declined in the third quarter of 2022. Major orders continued to be recorded from Turkey, Uzbekistan, and China.

Rieter has an exceptionally high order backlog of around CHF 2 000 million as of September 30, 2022 (September 30, 2021: CHF 1 562 million), which will guarantee capacity utilization in all three business groups until well into 2023 or rather 2024. The cancellation rate in the reporting period was around 5% of the order backlog.

Sales by Business Group

| CHF million | January – September 2022 | January – September 2021 | Difference |
|--------------------|-----------------------------|-----------------------------|------------|
| Rieter | 987.4 | 657.8 | 50% |
| Machines & Systems | 634.3 | 382.8 | 66% |
| Components | 232.6 | 169.5 | 37% |
| After Sales | 120.5 | 105.5 | 14% |

The Business Group **Machines & Systems** achieved total sales of CHF 634.3 million in the first nine months of 2022 (+66%). The Business Group **Components** recorded an increase of 37% to CHF 232.6 million in the first nine months of 2022, while the Business Group **After Sales** posted sales of CHF 120.5 million, 14% higher compared to the prior-year period. In all three business groups, the measures introduced to eliminate material bottlenecks and safeguard supplies are having a positive impact.

Order Intake by Business Group

| CHF million | January – September 2022 | January – September 2021 | Difference |
|--------------------|-----------------------------|-----------------------------|-------------|
| Rieter | 1 095.8 | 1 673.9 | -35% |
| Machines & Systems | 696.2 | 1 281.6 | -46% |
| Components | 248.1 | 227.0 | 9% |
| After Sales | 151.5 | 165.3 | -8% |

Following the record year of 2021, the Rieter Group received an order intake totaling CHF 1 095.8 million in the first nine months of 2022 (-35%).

In the Business Group **Machines & Systems**, compared to the record year in 2021, the expected normalization of demand was clearly reflected in an order intake of CHF 696.2 million.

Order intake in the Business Group **Components** rose to CHF 248.1 million, an increase of 9% compared to the first nine months of the previous year, mainly as a result of the acquisition of the Accotex and Temco components businesses. In the Business Group **After Sales**, order intake decreased to CHF 151.5 million, a fall of 8% compared to the first nine months of the previous year. The evolution of order intake in both business groups is attributable to the drop in demand for consumables, wear & tear and spare parts.

Precautionary Measures Taken Against Potential Energy Crisis in Europe

Rieter has largely completed preparations in connection with a potential energy crisis in Europe. All European locations have drawn up and already implemented suitable plans.

Financing of a Professorship for Artificial Intelligence

With the aim of further expanding its technology leadership, Rieter is financing together with the Johann Jakob Rieter Foundation a Professorship for Artificial Intelligence at the Zurich University of Applied Sciences (ZHAW) in Winterthur (Switzerland). Rieter will use this technology in the context of the further development of ESSENTIAL, the platform for the digitalization of Rieter spinning systems.

Rieter Site Sales Process on Schedule

The process for the sale of the remaining Rieter site in Winterthur (Switzerland) is proceeding according to plan. In total, around 75 000 m² of land will be sold. The Rieter CAMPUS is not part of this transaction.

Outlook 2022

Rieter anticipates weakened demand for new systems in the coming months. The demand for consumables, wear & tear and spare parts will depend on the capacity utilization of spinning mills in the months ahead.

For the full year 2022, Rieter expects sales of around CHF 1 400 million. The realization of sales revenue from the order backlog continues to be associated with risks in relation to the well-known uncertainties.

Despite significantly higher sales compared to the prior-year period, Rieter expects EBIT and net result for 2022 to be below the previous year's level. This is due to the considerable increases in the cost of materials and logistics, additional costs for compensation of material shortages as well as expenses in connection with the acquisition in the years 2021/2022.

As market and technology leader, Rieter will benefit from the continuing exceptionally high order backlog of around CHF 2 000 million, the significantly improved market position, and the continuation of the regional shift in demand.

Telephone Conference for Media and Investors

The media and investor conference call will be held **today, October 21, 2022, at 9:00 am (CEST)**.

Dial-in details:

| | |
|--------|-------------------|
| Europe | +41 58 310 50 00 |
| UK | +44 207 107 06 13 |
| USA | +1 631 570 56 13 |
| China | +86 400 120 23 19 |
| India | +91 446 688 60 46 |

Presentation Material

The media- and investor presentation as well as the media release can be found at:
www.rieter.com/media/media-kit/

Forthcoming Dates

- | | |
|---|-------------------|
| • Publication of sales 2022 | January 25, 2023 |
| • Deadline for proposals regarding the agenda of the Annual General Meeting | February 17, 2023 |
| • Results press conference 2023 | March 9, 2023 |
| • Annual General Meeting 2023 | April 20, 2023 |
| • Semi-Annual Report 2023 | July 20, 2023 |
| • Investor Update 2023 | October 20, 2023 |

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About Rieter

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 been in business for more than 225 years, has 18 production locations in ten countries and employs a global workforce of around 5 590, about 16.4% of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under ticker symbol RIEN.
www.rieter.com.

Disclaimer

All statements in this report which do not refer to historical facts are forecasts which offer no guarantee whatsoever with respect to future performance; they embody risks and uncertainties which include – but are not confined to – future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors which are outside the company's control. This text is a translation of the original German text.

Sales by Business Group

| Sales CHF million | January – September 2022 | January – September 2022 w/o acquisition | January – September 2021 | Difference | Difference adjusted ¹ |
|----------------------|--------------------------------|---|--------------------------------|------------|-------------------------------------|
| Rieter | 987.4 | 873.2 | 657.8 | 50% | 34% |
| Machines & Systems | 634.3 | 587.6 | 382.8 | 66% | 54% |
| Components | 232.6 | 178.8 | 169.5 | 37% | 7% |
| After Sales | 120.5 | 106.8 | 105.5 | 14% | 3% |

¹ Adjusted for currency and acquisition effects

Order Intake by Business Group

| Order Intake CHF million | January – September 2022 | January – September 2022 w/o acquisition | January – September 2021 | Difference | Difference adjusted ¹ |
|-----------------------------|--------------------------------|---|--------------------------------|-------------|-------------------------------------|
| Rieter | 1 095.8 | 860.7 | 1 673.9 | -35% | -48% |
| Machines & Systems | 696.2 | 540.7 | 1 281.6 | -46% | -58% |
| Components | 248.1 | 194.4 | 227.0 | 9% | -13% |
| After Sales | 151.5 | 125.6 | 165.3 | -8% | -23% |

¹ Adjusted for currency and acquisition effects