

**Media Release**

Ad hoc announcement pursuant to Art. 53 LR

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Winterthur – July 18, 2024

**Rieter: Strong Growth in Order Intake in the First Half of 2024**

- **Order intake of CHF 403.4 million in the first half of 2024, up 24% on the previous year period**
- **Sales of CHF 421.0 million 44% below first half of 2023**
- **Order backlog of around CHF 640 million at June 30, 2024**
- **EBIT of CHF 8.9 million and net result of CHF 1.7 million**
- **Significant cost reductions as a result of the “Next Level” performance program**
- **Outlook for the full year 2024 specified**

In the first half of 2024, the Rieter Group posted an order intake of CHF 403.4 million (first half of 2023: CHF 325.0 million), which represents a significant increase of 24% compared with the same period of the previous year. Sales were CHF 421.0 million (first half of 2023: CHF 758.2 million). As expected, this was 44% lower than the previous year.

In a challenging business environment, Rieter achieved an EBIT margin of 2.1% thanks to strict cost management. The systematic implementation of the “Next Level” performance program led to a strengthening of profitability. Rieter recorded a profit at the EBIT level of CHF 8.9 million in the first half of 2024 (first half of 2023: CHF 25.2 million). The reduction of the cost base particularly in research and development as well as selling and administrative expenses contributed to this positive result.

**Order intake**

In line with expectations, the order intake of CHF 403.4 million in the first half of 2024 was significantly higher than in the same period of the previous year (first half of 2023: CHF 325.0 million). The increase in demand for new machines in the Business Group Machines & Systems contributed to this positive development. Orders came mainly from China, India, and Türkiye. At the same time, demand for consumables, wear & tear and spare parts declined slightly due to continued weak demand for textiles.

**Sales by business group**

Sales in the Business Group Machines & Systems decreased by 62% to CHF 198.7 million and in the Business Group Components by 12% to CHF 126.5 million. The decline in sales in both business groups is a consequence of the low order intake in 2023. In contrast, sales in the Business Group After Sales increased by 4% year-on-year to CHF 95.8 million. Growth was achieved through an increase in installation

services and sales of engineered solutions. Demand for consumables, wear & tear and spare parts will depend on spinning mill capacity utilization in the months ahead. Rieter expects the global increase in spinning mill capacity to have a positive impact on volumes in the second half of 2024.

#### **Order backlog**

On June 30, 2024, the company had an order backlog of around CHF 640 million (first half of 2023: around CHF 1 100 million). This corresponds to a similar level at the end of 2023.

#### **EBIT, net result and free cash flow**

In the first half of 2024, Rieter posted a profit of CHF 8.9 million at the EBIT level, with an EBIT margin of 2.1% (first half of 2023: CHF 25.2 million) and a net result of CHF 1.7 million (first half of 2023: CHF 13.3 million). The decrease is due to the lower sales volume in the 2024 financial year.

In the first half of 2024, free cash flow was CHF -1.1 million (first half of 2023: CHF 10.0 million). The negative free cash flow was mainly due to cash outflows related to the settlement of provisions for the “Next Level” performance program.

#### **Significant cost reductions as a result of the “Next Level” performance program**

Rieter is working intensively on the implementation of the measures set out in the “Next Level” performance program. The optimization of overhead structures and the adjustment of production capacities were successfully implemented according to plan. Thanks to strict cost management, EBIT was positive despite the fact that sales were lower than forecast in the “low” scenario.

The transfer of resources and responsibilities to India and China is on track, enabling the key markets to respond more effectively to customer needs and cycles in the machinery business.

Rieter continues to pursue growth in the after sales and components business in order to achieve a more balanced mix between the business groups in the medium term.

#### **Outlook for the full year 2024 specified**

The markets remained 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%.

### Telephone Conference for Media and Investors

The telephone conference for media and investors will take place **today, July 18, 2024, at 9.00 am (CEST)**.

### Webcast

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=Hx29Aj9L>

### Dial-in Details

Europe	+41 58 310 50 00
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### Presentation Material

The Semi-Annual Report 2024, the media- and investor presentation as well as the media release can be found at: [www.rieter.com/media/media-kit](http://www.rieter.com/media/media-kit)

### Forthcoming Dates

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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  |

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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 manmade 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 4 800, about 16.4% of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under ticker symbol RIEN.  
[www.rieter.com](http://www.rieter.com)

### Order Intake by Business Group

Order Intake 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

Sales 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

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

CHF million	January – June 2023	January – June 2024	Difference
<b>Rieter</b>			
Order intake	325.0	403.4	24%
Sales	758.2	421.0	-44%
Operating result before interest, taxes, depreciation, and amortization (EBITDA)	52.2	35.7	-32%
Operating result before interest, taxes, and restructuring (EBIT before restructuring)	28.2	9.1	-68%
- in % of sales	3.7%	2.2%	
Operating result before interest and taxes (EBIT)	25.2	8.9	-65%
- in % of sales	3.3%	2.1%	
Net result	13.3	1.7	-87%
Basic earnings per share (CHF)	2.97	0.39	-87%
Free cash flow	10.0	-1.1	-111%
Net debt at the end of the reporting period	-298.9	-243.9	-18%
Equity in % of total assets at the end of the reporting period	23.0%	31.9%	
Number of employees (excluding temporaries) at the end of the reporting period	5 555	4 831	-13%
<b>Business Group Machines &amp; Systems</b>			
Order intake	111.4	211.5	90%
Sales	521.9	198.7	-62%
Operating result before interest, taxes, and restructuring (EBIT before restructuring)	2.2	-9.8	-545%
- in % of sales	0.4%	-4.9%	
Operating result before interest and taxes (EBIT)	1.6	-9.9	-719%
- in % of sales	0.3%	-5.0%	
<b>Business Group Components</b>			
Order intake	131.0	117.6	-10%
Sales	143.9	126.5	-12%
Total segment sales	211.3	151.4	-28%
Operating result before interest, taxes, and restructuring (EBIT before restructuring)	16.0	5.1	-68%
- in % of segment sales	7.6%	3.4%	
Operating result before interest and taxes (EBIT)	16.0	5.1	-68%
- in % of segment sales	7.6%	3.4%	
<b>Business Group After Sales</b>			
Order intake	82.6	74.3	-10%
Sales	92.4	95.8	4%
Operating result before interest, taxes, and restructuring (EBIT before restructuring)	16.0	20.9	31%
- in % of sales	17.3%	21.8%	
Operating result before interest and taxes (EBIT)	16.0	20.9	31%
- in % of sales	17.3%	21.8%	

### Alternative Performance Measures (APM)

The definitions of the APM used are contained in the 2023 Annual Report and Semi-Annual Report 2024.

### 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.