

## Media Release

Ad hoc announcement pursuant to Art. 53 LR

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## Successful Financial Year 2023

- **Sales of CHF 1 418.6 million in the 2023 financial year**
- **Order intake of CHF 541.8 million in the 2023 financial year; order backlog of around CHF 650 million as of December 31, 2023**
- **EBIT margin of 7.2%**
- **“Next Level” performance program on track**
- **Proposed dividend of CHF 3.00 per share**
- **Outlook 2024 with sales of around CHF 1 billion**

The Rieter Group closed the 2023 financial year with slightly lower sales of CHF 1 418.6 million (2022: CHF 1 510.9 million), down 6% on the previous year. In line with expectations, the order intake of CHF 541.8 million was considerably below the prior year period (2022: CHF 1 157.3 million). In a challenging business environment, Rieter generated an EBIT margin of 7.2%. Implementation of the “Next Level” performance program to increase profitability is proceeding according to plan.

### Sales by business group

The Business Group Machines & Systems recorded sales of CHF 965.0 million, a decrease of 7% compared to the previous year (2022: CHF 1 034.7 million). In the Business Group Components, sales fell to CHF 266.2 million, down 12% from the prior year period (2022: CHF 303.5 million). The Business Group After Sales recorded sales of CHF 187.4 million, 9% higher than the previous year (2022: CHF 172.7 million).

### Order intake

In line with expectations, the order intake of CHF 541.8 million in 2023 was considerably below the previous year (2022: CHF 1 157.3 million). As already reported, the market situation is characterized by investment restraint due to geopolitical uncertainties, higher financing costs and consumer reticence in important markets. Rieter recorded higher demand in the second half of 2023. However, project commitments have not yet materialized.

### Order backlog

At the end of 2023, the company had an order backlog of about CHF 650 million (December 31, 2022: CHF 1 540 million).

### EBIT, net profit and free cash flow

Profit at the **EBIT** level in the year under review was CHF 101.7 million (2022: CHF 32.2 million), which represents an EBIT margin of 7.2%. This significant improvement was mainly due to falling logistics costs, higher margins on the order backlog and

lower production costs. EBIT also includes the non-recurring profit of CHF 72.5 million from the sale of land in Winterthur, as well as restructuring costs and impairment losses of CHF -54.6 million, primarily attributable to the “Next Level” performance program.

Rieter closed the 2023 financial year with a **net profit** of CHF 74.0 million (2022: CHF 12.1 million). This represents an increase of 512% compared to the previous year.

**Free cash flow** amounted to CHF 118.7 million (2022: CHF -98.6 million), mainly due to proceeds from the sale of land in Winterthur (CHF 89.1 million) and operating performance. Thanks to this positive free cash flow, net debt was significantly reduced to CHF 191.2 million (2022: CHF 285.6 million). As of December 31, 2023, Rieter had liquid funds of CHF 135.9 million (2022: CHF 176.1 million).

The **equity ratio** as of December 31, 2023, was 28.8%, mainly due to the reduced working capital and lower financial debt (previous year’s reporting date 23.4%).

#### **“Next Level” performance program on track**

Rieter is working diligently to implement the measures set out in the “Next Level” performance program. This includes strengthening sales excellence, sharpening customer focus, and improving efficiency and quality in production. Rieter is also pursuing growth in the after sales and components business in order to achieve a more balanced mix between the business groups. At the same time, the transfer of resources and responsibilities to India and China is intended to enable the key markets to be more agile in responding to customer needs and cycles in the machinery business.

Overhead structures were optimized, and production capacities were adjusted substantially in the 2023 financial year. The closure of the Ingolstadt site was almost complete by the end of the reporting year.

#### **Innovation program**

At ITMA 2023 in Milan (Italy) and in Shanghai (China), Rieter presented solutions in the areas of digitization, automation and the circular economy. The new air-jet spinning machine J 70 made its debut at ITMA and met with great interest from customers. In the 2023 financial year, Rieter invested around CHF 76.8 million or around 5.4% of Group sales in research and development.

#### **New Campus in Winterthur**

The sale process for the Rieter site in Winterthur (Switzerland) was successfully completed. The land, with a total area of approximately 75 000 m<sup>2</sup>, was sold to Allreal Group for CHF 96 million.

Rieter will move into the Campus as its new corporate headquarters in Winterthur in summer 2024. The company is concentrating its expertise in this innovation hub, which houses the most modern Spin Center of its kind. The focus of development is on automation, digitization and artificial intelligence, in order to allow Rieter customers to fully exploit the potential of their spinning mills.

### **Dividend**

The Board of Directors proposes to the shareholders the distribution of a dividend of CHF 3.00 per share for 2023. This corresponds to a payout ratio of 18.2%. In view of the net debt of CHF 191.2 million and the equity ratio of 28.8%, the motion of the Board of Directors for the appropriation of retained earnings is in line with Rieter's responsible dividend policy, which is based on a solid balance sheet structure.

### **Sustainability**

For the first time, the topic of sustainability is an integral part of the 2023 Annual Report. The report on non-financial matters highlights the progress Rieter has made in addressing environmental, social and corporate governance issues.

Further significant progress was made, especially in relation to the environmental goals in the "Planet" area, including greenhouse gas emissions, waste and recycling. In the "People" area, Rieter recorded improvements in social sustainability by increasing the proportion of women in management and in occupational safety.

### **Board of Directors and Annual General Meeting**

At the 132nd Annual General Meeting held on April 20, 2023, the shareholders approved all motions proposed by the Board of Directors. The Chairman of the Board, Bernhard Jucker, and the Directors, Hans-Peter Schwald, Peter Spuhler, Roger Baillod, Carl Illi, Sarah Kreienbühl and Daniel Grieder were confirmed for a further one-year term of office. Thomas Oetterli was newly elected to the Board of Directors for a term of office. The members of the Remuneration Committee who were standing for election – Hans-Peter Schwald, Bernhard Jucker and Sarah Kreienbühl – were likewise re-elected for a one-year term of office.

### **Outlook 2024 with sales of around CHF 1 billion**

Markets remain under pressure from the economic slowdown, high inflation rates and noticeably dampened consumer sentiment. Customers are reluctant to place orders due to financing challenges. The first signs of a recovery in the 2024 financial year have emerged in the key markets of China and India. Rieter expects demand to increase in the coming months.

For the full year 2024, Rieter anticipates sales in the region of CHF 1 billion and a positive EBIT margin of up to 4%.

### **Telephone Conference for Media and Investors**

The telephone conference for media and investors will take place **today, March 13, 2024, at 9.00 am (CET)**.

### **Webcast**

<https://media.choruscall.eu/mediaframe/webcast.html?webcastid=DLJmRGTd>

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### Presentation Material

The Annual Report 2023, media release as well as media- and investor presentation can be found at: [www.rieter.com/media/media-kit/](http://www.rieter.com/media/media-kit/)

### Forthcoming Dates

• Annual General Meeting 2024	April 17, 2024
• Semi-Annual Report 2024	July 18, 2024
• Investor Update 2024	October 23, 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 5 100, about 16% 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)

## Key Figures

CHF million	2022	2023	Difference
<b>Rieter</b>			
Order intake	1 157.3	541.8	-53%
Sales	1 510.9	1 418.6	-6%
EBIT before restructuring and impairment	32.1	156.3	387%
- in % of sales	2.1	11.0	
EBIT	32.2	101.7	216%
- in % of sales	2.1	7.2	
Net profit	12.1	74.0	512%
- in % of sales	0.8	5.2	
Purchase of property, plant, equipment and intangible assets	46.7	41.2	-12%
Total assets at December 31	1 540.9	1 310.0	-15%
Shareholders' equity before appropriation of retained earnings at December 31	360.0	376.7	5%
Number of employees (excl. temporaries) at December 31	5 629	5 081	-10%
<b>Business Group Machines &amp; Systems</b>			
Order intake	663.9	159.4	-76%
Sales	1 034.7	965.0	-7%
EBIT before restructuring and impairment	-18.6	23.5	226%
EBIT	-18.7	-3.1	83%
- in % of sales	-1.8	-0.3	
<b>Business Group Components</b>			
Order intake	310.1	229.0	-26%
Sales	303.5	266.2	-12%
Total segment sales	427.9	383.6	-10%
EBIT before restructuring and impairment	26.9	23.7	-12%
EBIT	26.8	19.2	-28%
- in % of segment sales	6.3	5.0	
<b>Business Group After Sales</b>			
Order intake	183.3	153.4	-16%
Sales	172.7	187.4	9%
EBIT before restructuring and impairment	25.0	35.1	40%
EBIT	25.0	29.0	16%
- in % of sales	14.5	15.5	
<b>Rieter Holding Ltd.</b>			
Share capital at December 31	23.4	23.4	
Net profit	6.2	6.4	3%
Dividend	6.7	14.0	<sup>1</sup>
Number of shares, paid-in at December 31	4 672 363	4 672 363	
Average number of shares outstanding (undiluted)	4 491 246	4 489 283	
Share price (high/low) in CHF	205/81	118/75	
Market capitalization at December 31	470.4	404.7	-14%
<b>Data per share</b>			
Basic earnings per share in CHF	2.70	16.48	510%
Equity (Group) in CHF <sup>2</sup>	80.34	83.83	4%
Dividend (Rieter Holding Ltd.) per share in CHF	1.50	3.00	<sup>1</sup> 100%

1. According to motion of the Board of Directors.

2. Shareholders' equity (Group) attributable to shareholders of Rieter Holding Ltd. per share outstanding at December 31.

### Alternative Performance Measures (APM)

The definitions of the APM used are contained in the 2023 Annual Report.

### 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.