

## Media Release

Ad hoc announcement pursuant to Art. 53 LR

### Rieter Holding Ltd.

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Winterthur – July 15, 2021

## First half of 2021

- **Order intake of CHF 975.3 million**
- **Sales of CHF 400.5 million**
- **EBIT of CHF 9.0 million and net profit of CHF 5.3 million**
- **Strategy implementation and crisis management**
- **Outlook**

Rieter posted an order intake of CHF 975.3 million, which corresponds to an increase of 289% compared to the previous year period (first half of 2020: CHF 250.7 million). The recovery is broadly supported globally and is based on a catch-up effect relating to the years 2019 and 2020 and a regional shift in demand. Rieter is benefitting from its innovative product portfolio and the company's global positioning. The highest order intake was recorded in Turkey.

On June 30, 2021, the company had an **order backlog** of about CHF 1 135 million (June 30, 2020: about CHF 490 million).

### Order Intake by Business Group

In the Business Group **Machines & Systems**, order intake amounted to CHF 714.8 million (first half of 2020: CHF 129.2 million). In the Business Group **Components**, order intake rose to CHF 154.9 million (first half of 2020: CHF 76.7 million), and in the Business Group **After Sales** it increased to CHF 105.6 million (first half of 2020: CHF 44.8 million).

A key driver of growth in the machinery business has been the demand for innovative complete systems in the areas of ring and compact spinning. The successful commercialization of the compacting devices and the piecing robot ROBOSpin, launched in 2019, contributed to the increase in the Business Groups Components and After Sales.

Order Intake CHF million	January – June 2021	January – June 2020	Change	Change in local currency
<b>Rieter</b>	<b>975.3</b>	<b>250.7</b>	<b>289%</b>	<b>290%</b>
Machines & Systems	714.8	129.2	453%	454%
Components	154.9	76.7	102%	101%
After Sales	105.6	44.8	136%	140%

### Sales by Business Group

The Rieter Group recorded sales of CHF 400.5 million (first half of 2020: CHF 254.9 million). Sales significantly increased compared to the previous year period; however, as expected, they were still impacted by the low order intake of the financial year 2020.

In the first half of 2021, the Business Group **Machines & Systems** realized sales in the amount of CHF 218.9 million, which corresponds to an increase of about 83% compared to the previous year period.

Spinning mills are working at good capacity levels with an increased demand for components as well as spare and wear parts, which is the reason for the positive development in the Business Groups After Sales and Components. In the Business Group **Components**, sales rose to CHF 112.4 million (+28%), and in the Business Group **After Sales** to CHF 69.2 million (+46%).

Sales CHF million	January – June 2021	January – June 2020	Change	Change in local currency
<b>Rieter</b>	<b>400.5</b>	<b>254.9</b>	<b>57%</b>	<b>58%</b>
Machines & Systems	218.9	119.9	83%	83%
Components	112.4	87.7	28%	28%
After Sales	69.2	47.3	46%	50%

### Sales by Region

In the Asian countries, Rieter recorded sales of CHF 137.0 million (+57%) for the first half of the financial year 2021. In China, sales rose by 85% to CHF 68.5 million due to spinning mills investing in the improvement of their competitiveness. The recovery of the market in India resulted in a significant increase of 188% to CHF 51.0 million. In Turkey, sales improved slightly to CHF 59.8 million (+17%). Sales increased by 94% to CHF 59.8 million in the region North and South America, driven by a considerable increase in demand in Latin America.

Sales by Region CHF million	January – June 2021	January – June 2020	Change	Change in local currency
<b>Rieter</b>	<b>400.5</b>	<b>254.9</b>	<b>57%</b>	<b>58%</b>
Asian countries <sup>1</sup>	137.0	87.4	57%	57%
China	68.5	37.0	85%	81%
India	51.0	17.7	188%	197%
Turkey	59.8	51.1	17%	17%
North and South America	59.8	30.9	94%	99%
Europe	18.0	23.6	-24%	-25%
Africa	6.4	7.2	-11%	-10%

<sup>1</sup> Excluding China, India, and Turkey

### **EBIT, Net Profit and Free Cash Flow**

In terms of EBIT, Rieter posted a profit of CHF 9.0 million for the first half of 2021 and a net profit of CHF 5.3 million. A one-off effect associated with the reversal of allowances for machinery that was delivered in the first half of 2021 contributed to this development. Free cash flow amounted to CHF 53.2 million, which was considerably influenced by the advance payments received from customers in conjunction with the significantly increased order intake.

### **Strategy Implementation and Crisis Management**

In recent years, Rieter has consistently implemented its strategy based on the cornerstones of innovation leadership, strengthening the components, spare parts and services businesses, and adjusting cost structures.

Crisis management in the pandemic year of 2020 was aimed at protecting employees, fulfilling customer commitments, ensuring liquidity, and also strengthening the market position for the time after the pandemic as well as retaining the ability to benefit from the incipient market recovery.

The focus for 2021 remains on the implementation of this strategy. The measures for crisis management relating to the protection of employees and fulfilling customer commitments are still in effect in countries that continue to be affected by the pandemic.

The Rieter Board of Directors has approved the implementation of the CAMPUS project. The Rieter CAMPUS comprises a customer and technology center as well as an administration building at the Winterthur location. It will make an important contribution to the implementation of the innovation strategy and to the enhancement of Rieter's technology leadership position.

### **Outlook**

As already announced, the first half of 2021 has been characterized by a strong market recovery in combination with a regional shift in demand for new machinery and systems. Rieter anticipates a normalization of the demand for new systems in the coming months. The company assumes that spinning mills will continue to work at high-capacity levels.

For the full year, Rieter expects sales to be above CHF 900 million.

The realization of sales from the order backlog continues to be associated with risks in light of bottlenecks in material deliveries and freight capacities as well as the ongoing pandemic in key markets for Rieter.

### Telephone Conference for Media and Investors

The media and investor conference call will be held **today, July 15, 2021, 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
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India	+91 446 688 60 46

### Presentation Material

The Semi-Annual Report 2021, media release as well as media- and investor presentation can be found at: <https://www.rieter.com/media/media-kit/>

### Forthcoming Dates

- |   |                   |
|---|-------------------|
| • Trading Update 2021   | October 22, 2021  |
| • Publication of sales 2021   | January 26, 2022  |
| • Deadline for proposals regarding the agenda of the Annual General Meeting | February 18, 2022 |
| • Results press conference 2022   | March 9, 2022     |
| • Annual General Meeting 2022   | April 7, 2022     |

For further information please contact:

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### About Rieter

Rieter is the world's leading supplier of systems for short-staple fiber spinning. 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. Rieter is the only supplier worldwide to cover both spinning preparation processes and all four end spinning processes currently established on the market. Furthermore, Rieter is a leader in the field of precision winding machines. With 15 manufacturing locations in ten countries, the company employs a global workforce of some 4 390, about 20% 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	January – June 2021	January – June 2020	Change
<b>Rieter</b>			
Order intake	975.3	250.7	289%
Sales	400.5	254.9	57%
Operating result before interest, taxes, depreciation and amortization (EBITDA)	27.1	-36.1	
- in % of sales	6.8%	-14.2%	
EBIT before restructuring charges	9.7	-46.9	
- in % of sales	2.4%	-18.4%	
EBIT	9.0	-55.0	
- in % of sales	2.2%	-21.6%	
Net profit	5.3	-54.4	
- in % of sales	1.3%	-21.3%	
Basic earnings per share (CHF)	1.19	-12.11	
Purchase of property, plant and equipment, and intangible assets	10.1	13.7	
Free cash flow	53.2	-95.4	
Net liquidity at the end of the reporting period	98.8	36.0	
Equity in % of total assets at the end of the reporting period	35.3%	37.9%	
Number of employees (excluding temporaries) at the end of the reporting period	4 385	4 573	
<b>Business Group Machines &amp; Systems</b>			
Order intake	714.8	129.2	453%
Sales	218.9	119.9	83%
EBIT before restructuring charges	-12.2	-39.9	
- in % of sales	-5.6%	-33.3%	
EBIT	-12.2	-40.8	
- in % of sales	-5.6%	-34.0%	
<b>Business Group Components</b>			
Order intake	154.9	76.7	102%
Sales	112.4	87.7	28%
Total segment sales	154.1	113.1	36%
EBIT before restructuring charges	13.4	-1.6	
- in % of segment sales	8.7%	-1.4%	
EBIT	13.4	-8.7	
- in % of segment sales	8.7%	-7.7%	
<b>Business Group After Sales</b>			
Order intake	105.6	44.8	136%
Sales	69.2	47.3	46%
EBIT before restructuring charges	9.8	-5.2	
- in % of sales	14.2%	-11.0%	
EBIT	9.1	-5.1	
- in % of sales	13.2%	-10.8%	

### Alternative Performance Measures (APM)

The definitions of the APM used are contained in the Annual Report 2020.

### 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.