



Results 2021

Media and Investor Presentation, March 9, 2022

Dr. Norbert Klapper, CEO

Kurt Ledermann, CFO

Agenda



01 **Key Messages**

02 Financial Results

03 Strategy Implementation

04 Outlook

Key Messages

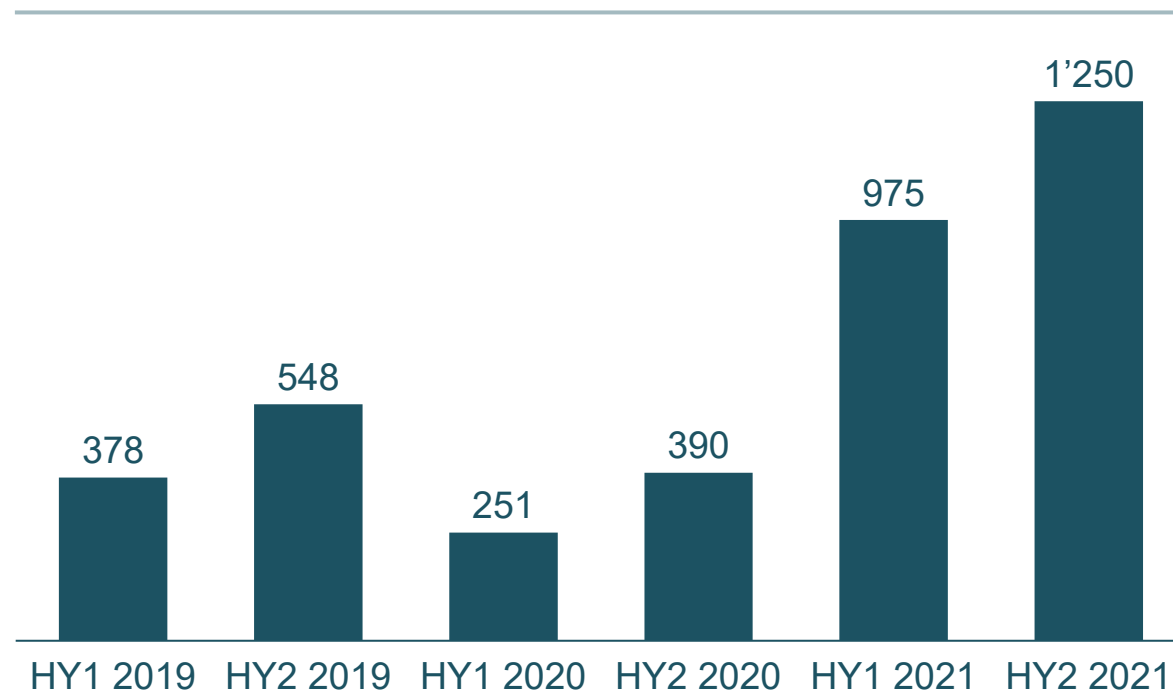
Financial Year 2021

- Order intake of CHF 2 225.7 million at record level
- Sales of CHF 969.2 million despite bottlenecks in the supply chains
- EBIT margin of 4.9% of sales
- Net profit of 3.3% of sales
- Milestones achieved in strategy implementation
- Proposed dividend of CHF 4.00 per share
- Outlook

Order Intake by Half-Year

Rieter achieved a total order intake of CHF 2 225.7 million in the 2021 financial year.

CHF million



- Exceptionally high order intake is broadly supported at the global level.
- Orders came primarily from Turkey, India, Latin America, Uzbekistan, China and Pakistan.
- Order intake is based on a catch-up effect from the two prior years and a regional shift in demand.

Rieter Group – Order Intake 2021

Record level for Rieter – Market (1)

Market

Technology

System

- Staple fiber mill consumption China 2018: ~ 23 million tons
- Domestic demand: ~ 50%
- Production of one million ton of yarn triggers investments in spinning equipment of CHF 1 billion
- 2021 investments into spinning capacity outside China around 1.5-2 million tons p.a. (Rieter estimate)
- Rieter expects this development to continue

Rieter Group – Order Intake 2021

Record level for Rieter – Market (2)

Average 2011-2020

1. China
2. Turkey
3. India
4. Uzbekistan
5. USA

Total: CHF 939.7 million¹

Financial Year 2021

1. Turkey
2. India
3. Uzbekistan
4. China
5. Pakistan

Total: CHF 2 225.7 million

¹ Average of the published annual order intake of the Rieter Group

Rieter Group – Order Intake 2021

Record level for Rieter – Technology

Market

Technology

System

- Yarn is a commodity (> 90%)
- Target: minimum cost per kg yarn at a given quality
- Cost elements: raw material, energy, labor, depreciation
- Rieter technology provides lowest cost per kg yarn
- Rieter value proposition of increasing importance in current situation

Rieter Group – Order Intake 2021

Record level for Rieter – System

Market

Technology

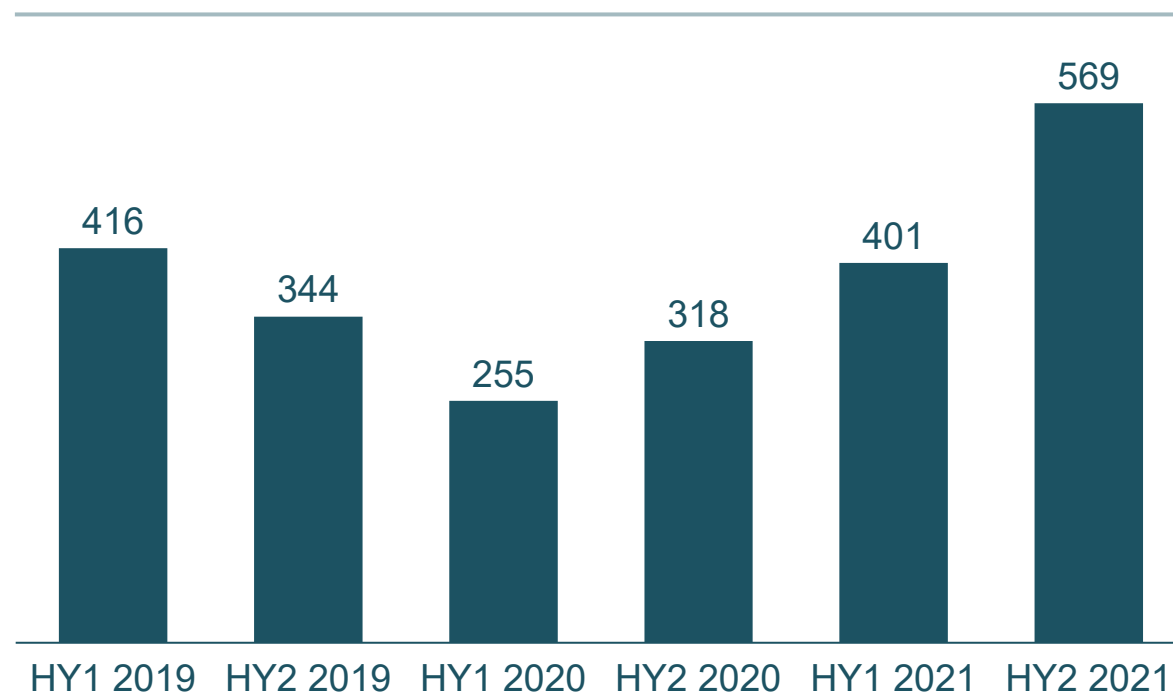
System

- Ring- and compact-spinning technology > 80% of global capacity
- Recent Rieter innovations improved system attractiveness:
 - Machine performance: Card C 80 and comber E 90
 - Automation: ROBOspin
 - Digitization: ESSENTIAL – Rieter Digital Spinning Suite
 - Flexibility: Compacting devices
- Recent acquisition completed Rieter’s system offering (automatic winder)

Sales by Half-Year

Rieter achieved a total sales of CHF 969.2 million in the 2021 financial year.

CHF million



- CHF 569 million sales in HY2 2021
- Despite bottlenecks in material supplies and freight capacities

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Financial Highlights 2021

CHF million (except dividend)	2021	2020	Comments
Order intake	2 225.7	640.2	- Material catch-up effect and major regional shift in demand
Sales	969.2	573.0	- Sales recovered despite bottlenecks in material supplies and freight capacities
Gross profit	276.5	133.8	- Gross margin increased to 28.5% due to better capacity utilization
EBIT	47.6	-84.4	- EBIT margin of 4.9%
Net profit	31.7	-89.8	- Income tax rate of 23.2%
Free cash flow	128.1	-74.8	- Operating recovery and positive net working capital changes
Net liquidity	-161.9	41.3	- Acquisition from Saurer (CHF -315.3 million)
Dividend (proposal) ¹	CHF 4.00 per share	CHF 0.00 per share	- Payout ratio of 57%

¹ Motion of the Board of Directors

EBIT



CHF million



Balance Sheet – Key Figures

Strong balance sheet

CHF million	31/12/2021	31/12/2020
Cash and cash equivalents	248.7	282.3
Net working capital	-80.3	-4.4
Non-current assets	717.4	407.8
Total assets	1 436.3	963.5
Current financial debt	209.7	151.4
Non-current financial debt	201.6	90.5
Shareholders' equity	396.1	350.9
Equity ratio in %	27.6%	36.4%

- Negative net working capital due to customer down payments from high order intake
- Non-current assets impacted by acquisition from Saurer (CHF -315.3 million)
- Second bond issued in August 2021 (CHF 100.0 million, 2021 to 2027, 1.4%) included in non-current financial debt
- Due to acquisition, equity ratio decreased by 8.8 percentage points to 27.6%

Free Cash Flow

Free cash flow amounted to CHF 128.1 million in 2021.

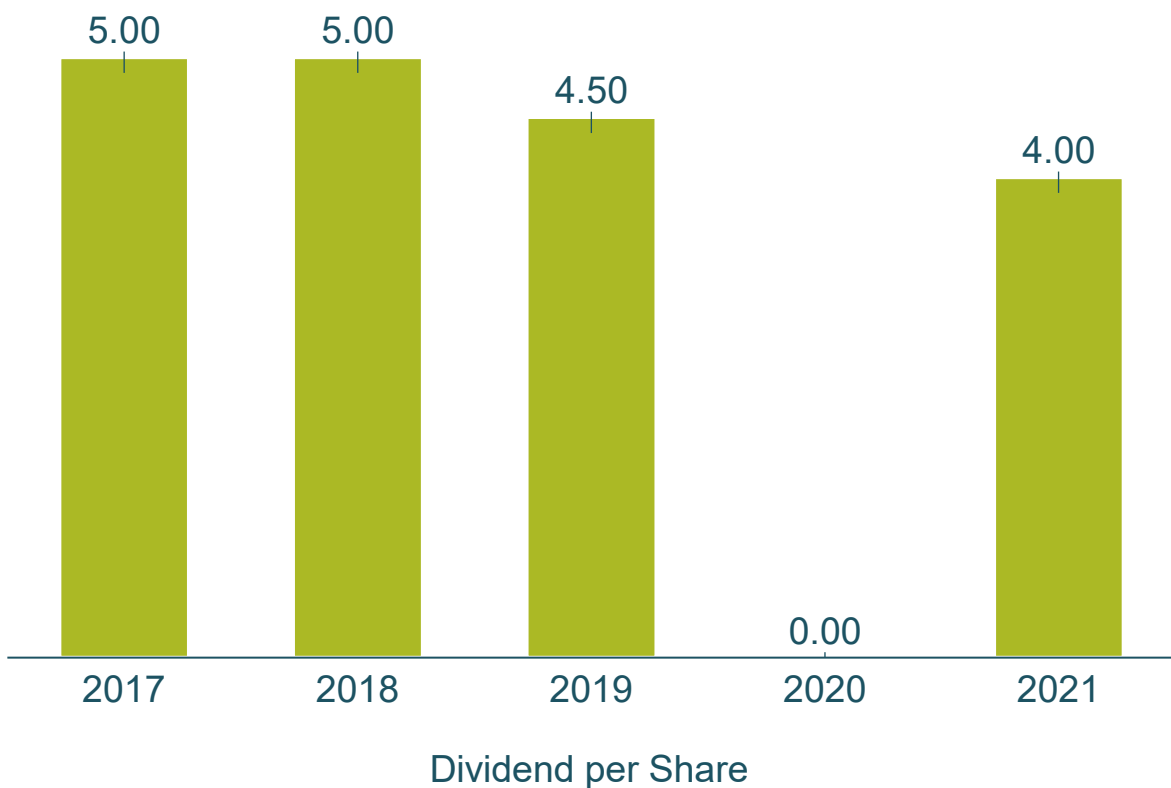
CHF million	2021	2020
Net profit	31.7	-89.8
Depreciation and amortization	37.4	37.7
+/- Change in net working capital	86.4	12.9
+/- Change in provisions	-4.3	-0.5
- Capital expenditure	-38.6	-28.6
+/- Others	15.5	-6.5
Free cash flow	128.1	-74.8

Free cash flow was mainly driven by the following effects:

- Sales volume
- Increase in advance payments from customers
- Active management of net working capital

Net Profit and Dividend Proposal

CHF



- Board of Directors proposal: dividend of CHF 4.00 per share
- Payout ratio of 57%

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Strategy Implementation

Rieter strategy – cornerstones

- Market leader in short-staple fiber spinning systems
- Number 1 in premium, number 2 or 3 in middle segment, market share $\geq 30\%$
- Premium segment:
 - Lowest cost per kg yarn
 - Combination of best machines, components, digitization and service
 - Maximum revenues from installed base
 - Enabler – technology leadership
- Adjacent businesses selectively: nonwoven, filaments, precision winding
- Financial targets to be reviewed post Saurer acquisition

Implementation of the Acquisition of the Three Saurer Businesses

Automatic Winder

- Acquisition of Saurer's third business (automatic winder) leads to a significant increase in the attractiveness of Rieter's ring and compact-spinning systems and is expected to be completed in the first half of 2022.
- Accordingly, order intake and sales are not included in the figures for the 2021 financial year.



Implementation of the Acquisition of the Three Saurer Businesses

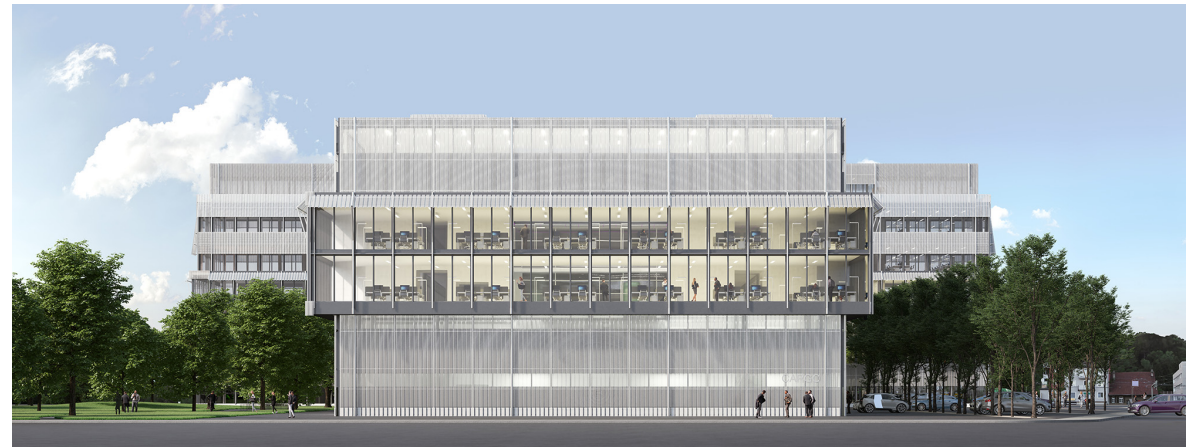
Accotex and Temco

- Consolidation effective from December 1, 2021
- With the acquisition of Accotex (elastomer components for spinning machines) and Temco (bearing solutions for filament machines), Rieter is strengthening its market position in the components business.
- Incorporated into the results for the 2021 financial year: order intake includes CHF 2.1 million and sales include CHF 3.3 million.
- The two businesses contributed a total of around CHF 27 million to the order backlog at the end of 2021.



Strategy Implementation

- On September 8, 2021 the foundation stone was laid for the Rieter CAMPUS in Winterthur, which includes a customer and technology center as well as an administration building.
- Thus, Rieter is creating a state-of-the-art and creative working environment, ensuring access to cutting-edge European technology and enhancing its ability to attract young talent.
- The CAMPUS will make an important contribution to the implementation of the innovation strategy and to the enhancement of the company's technology leadership position.



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Outlook

- Rieter anticipates a gradual normalization of the demand for new systems in the coming months. The company expects demand for wear and spare parts to remain at a good level due to high capacity utilization at spinning mills.
- For the full year 2022, due to the high order backlog and the consolidation of the businesses acquired from Saurer, Rieter anticipates sales of around CHF 1 500 million. Sales in the second half of 2022 are expected to be higher than in the first half of the year.
- The realization of sales from the order backlog continues to be associated with risks in relation to the well-known bottlenecks in the supply chains, the ongoing pandemic and the geopolitical uncertainties. Despite the price increases already implemented, the rise in global costs poses a risk to the development of profitability.

Margin Protection

- **Components and After Sales** ✓
- **Machines & Systems** – backlog going into 2023/2024
 - Price increases so far >15%
 - Efficiency improvements
 - Price adjustment clause

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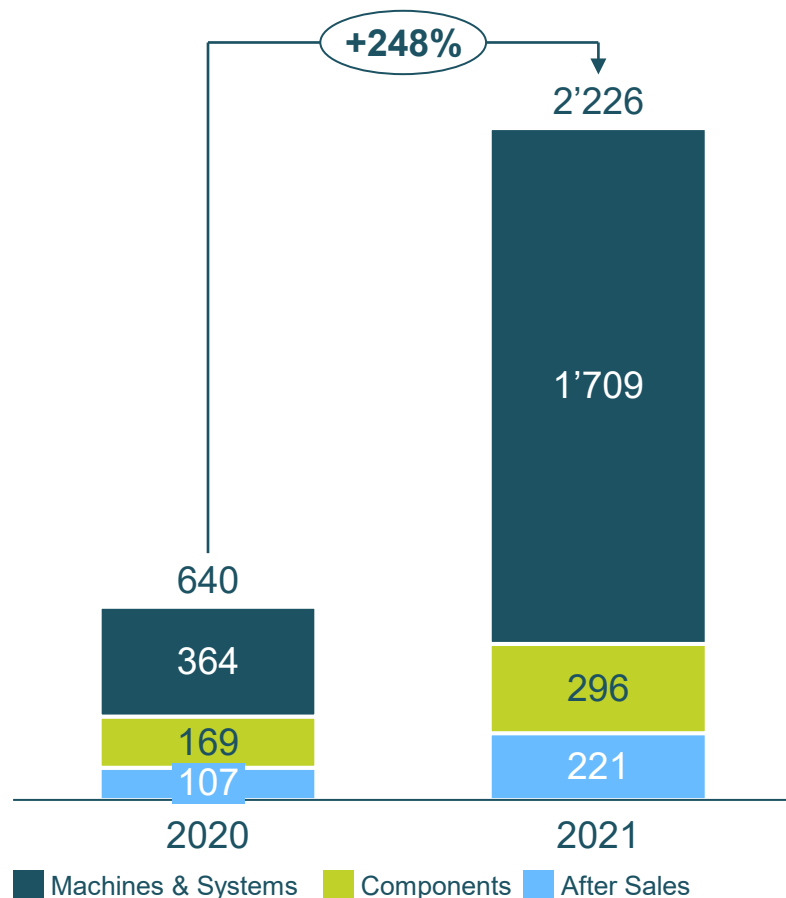
All statements in this report which do not reflect historical facts are forecasts for the future which offer no guarantee whatsoever with respect to future performance; they embody risks and uncertainties which include – but are not confined to – future global economic conditions, exchange rates, legal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

Appendix

Order Intake by Business Group

All three Business Groups benefited from the high level of demand thanks to their innovative product portfolios.

CHF million

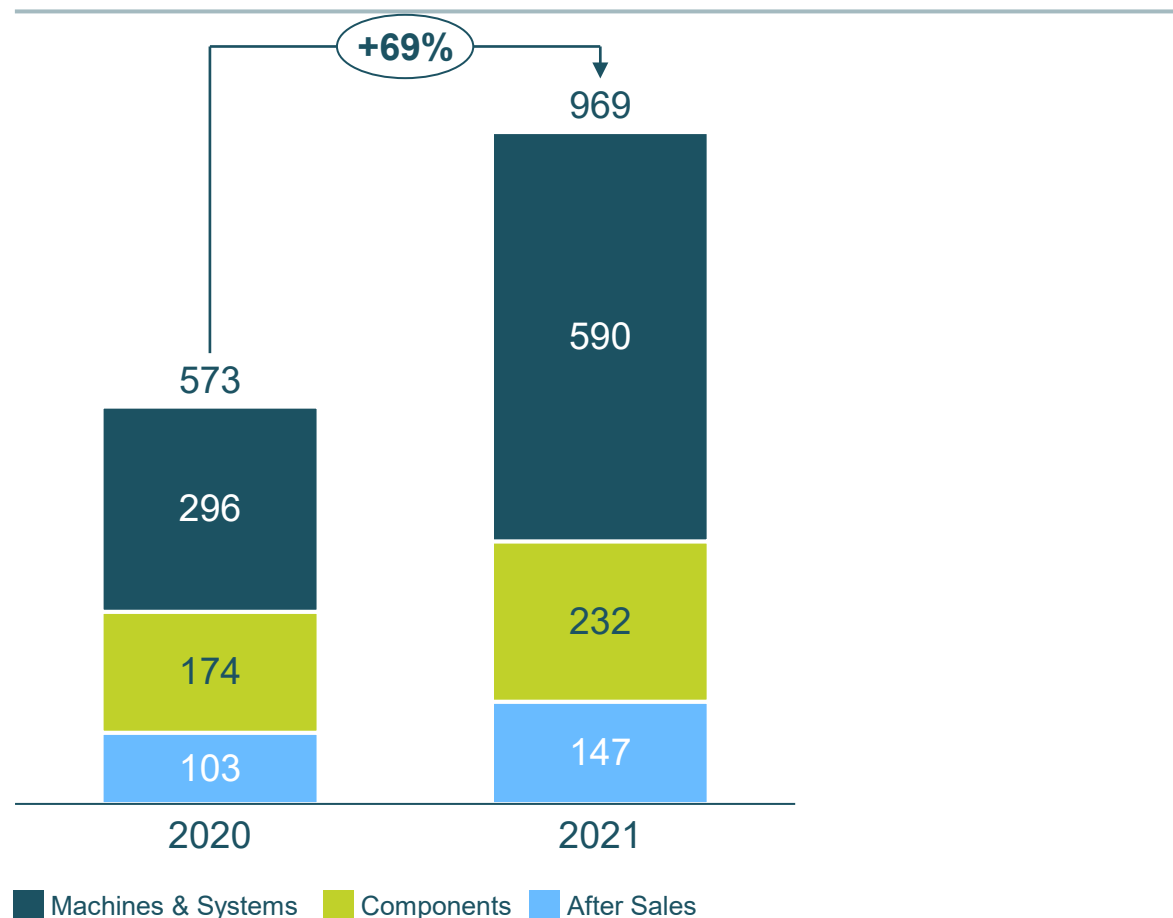


- Business Group **Machines & Systems**
Focus of demand was on ring and compact-spinning systems.
- Business Groups **Components** and **After Sales**
Main reason for the positive order intake in both business groups is the continuing increased demand for spare and wear parts in spinning mills.
- At the end of 2021, the company had an order backlog of around CHF 1 840 million (December 31, 2020: around CHF 560 million).

Sales by Business Group

Despite bottlenecks in material supplies and freight capacities, sales performance was better than expected.

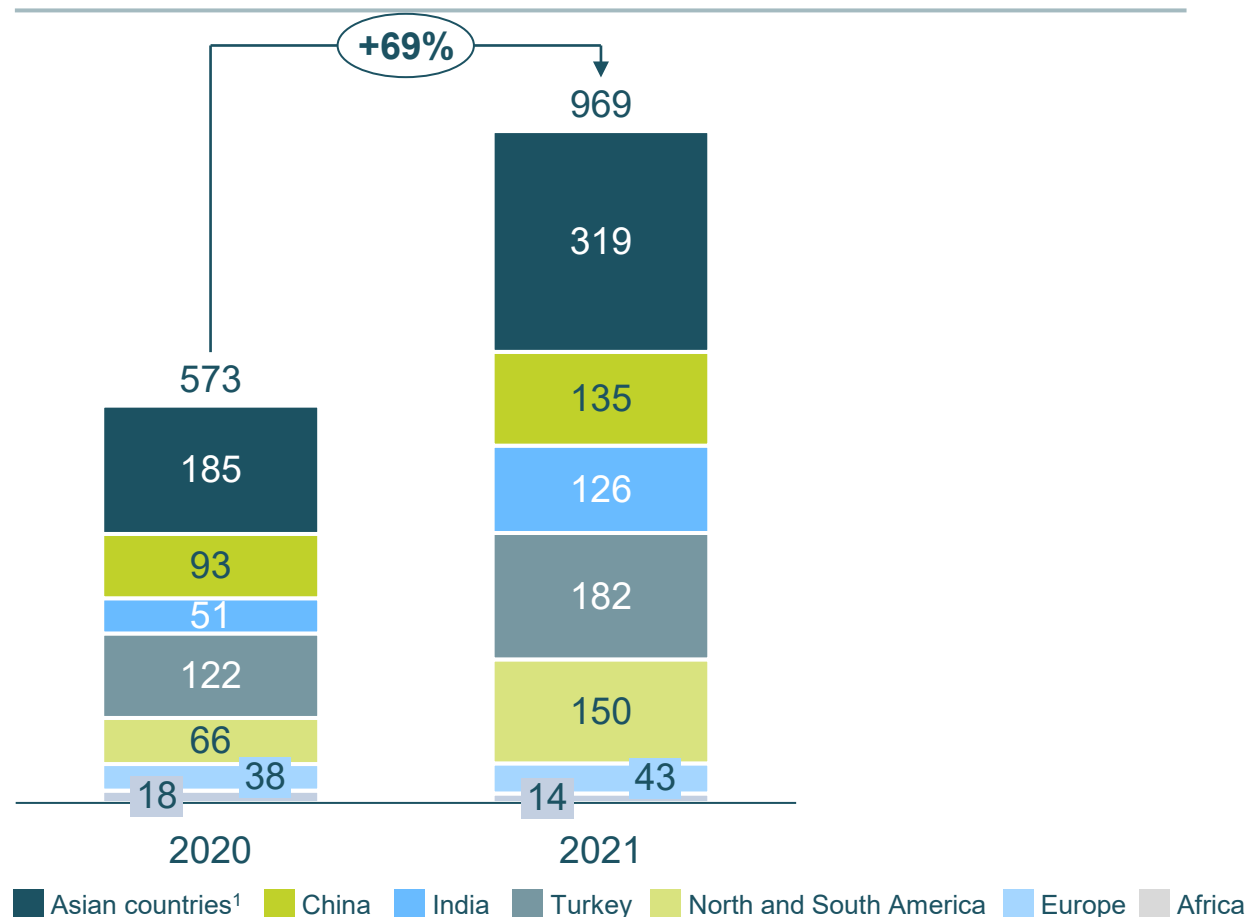
CHF million



- Despite the challenges in the supply chain, the Business Group **Machines & Systems** achieved sales of CHF 590.3 million, double the previous year's figure (2020: CHF 295.8 million).
- Sales of the Business Group **Components** increased to CHF 231.5 million (2020: CHF 174.3 million).
- The Business Group **After Sales** achieved sales of CHF 147.4 million (2020: CHF 102.9 million).

Sales Development by Region

CHF million



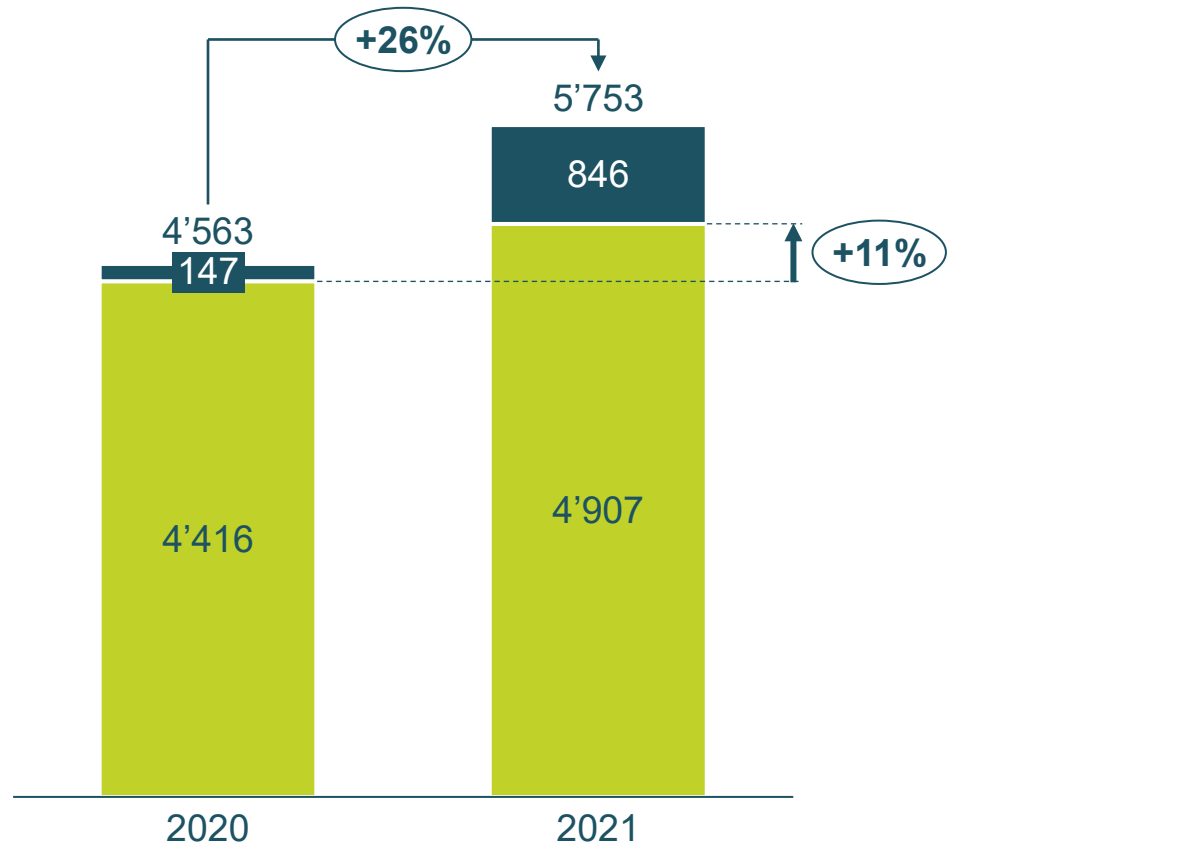
- Sales increased in all regions, with the exception of the region Africa.
- The highest year-on-year growth of 148% was achieved in India, followed by North and South America (+126%) and the Asian countries (+72%), excluding China, India and Turkey.

¹ Excluding China, India, Turkey

Workforce Development



FTE¹



- Increase due to Accotex and Temco acquisition
- Capacities increase due to the ramp-up of the business

■ Temporaries ■ Permanent

¹ FTE = Full time equivalent, excluding apprentices, including temporary employees

Operating Result Before Restructuring Charges by Business Group



CHF million	2021	2020	Comments
Machines & Systems	-3.7	-71.3	<ul style="list-style-type: none"> - Higher sales 3rd at CHF 590.3 million vs. CHF 295.8 million in 2021 - Better margins, innovation program continued
Components	28.7	1.4	<ul style="list-style-type: none"> - Higher sales 3rd at CHF 231.5 million vs. CHF 174.3 million in 2020 - Better margins
After Sales	23.1	1.4	<ul style="list-style-type: none"> - Higher sales 3rd at CHF 147.4 million vs. CHF 102.9 million in 2020 - Better margins
Corporate/Others	-2.1	-8.2	<ul style="list-style-type: none"> - Transaction costs related directly to the acquisition CHF 4.4 million was included in 2021
Rieter Group	46.0	-76.7	
In % of sales	4.7%	-13.4%	

Order Intake by Business Group

CHF million	2021	2020	Difference	Difference in local currency
Rieter	2 225.7	640.2	248%	247%
Machines & Systems	1 708.6	363.9	370%	369%
Components	296.0	169.1	75%	74%
After Sales	221.1	107.2	106%	108%

CHF million (unaudited)	HY2 2021	HY1 2021	Difference	Difference in local currency
Rieter	1 250.4	975.3	28%	28%
Machines & Systems	993.8	714.8	39%	39%
Components	141.1	154.9	-9%	-9%
After Sales	115.5	105.6	9%	10%

Sales by Business Group

CHF million	2021	2020	Difference	Difference in local currency
Rieter	969.2	573.0	69%	69%
Machines & Systems	590.3	295.8	100%	99%
Components	231.5	174.3	33%	32%
After Sales	147.4	102.9	43%	45%

CHF million (unaudited)	HY2 2021	HY1 2021	Difference	Difference in local currency
Rieter	568.7	400.5	42%	42%
Machines & Systems	371.4	218.9	70%	69%
Components	119.1	112.4	6%	6%
After Sales	78.2	69.2	13%	13%

Sales by Regions

CHF million	2021	2020	Difference	Difference in local currency
Rieter	969.2	573.0	69%	69%
Asian countries ¹	318.7	184.8	72%	72%
China	135.3	92.8	46%	41%
India	126.0	50.8	148%	151%
Turkey	182.3	122.0	49%	50%
North and South America	149.9	66.4	126%	128%
Europe	43.3	38.4	13%	13%
Africa	13.7	17.8	-23%	-23%

¹ Excluding China, India, Turkey

Financial Key Figures

CHF million	FY 2021	HY2 2021	HY1 2021	FY 2020
Order Intake	2 225.7	1 250.4	975.3	640.2
Sales	969.2	568.7	400.5	573.0
EBITDA	85.0	57.9	27.1	-46.7
EBITDA margin (of sales)	8.8%	10.2%	6.8%	-8.2%
EBIT	47.6	38.6	9.0	-84.4
EBIT margin (of sales)	4.9%	6.8%	2.2%	-14.7%
Net profit	31.7	26.4	5.3	-89.8
R&D expenditure	58.4	30.2	28.2	52.5
Capital expenditure	38.6	28.5	10.1	28.6
Free cash flow	128.1	74.9	53.2	-74.8

Net Working Capital

CHF million	31/12/2021	31/12/2020
Inventories	249.6	192.5
Trade receivables	122.0	50.4
Other current receivables	83.2	29.6
Trade payables	-117.2	-47.7
Advance payments	-211.4	-95.5
Other current liabilities	-206.5	-133.7
Net working capital	-80.3	-4.4

Return on Net Assets (RONA)



CHF million	31/12/2021	31/12/2020	2021	Difference
Liquid funds	249.4	283.2		-33.8
Inventories and receivables	454.9	272.5		+182.4
Assets classified as held for sale	14.7	0.0		+14.7
Non-current assets	717.4	407.8		+309.6
Total assets	1 436.4	963.5		+472.9
Current liabilities (excluding debt)	-535.1	-276.9		-258.2
Non-current liabilities (excluding debt)	-93.8	-93.8		+0.0
Net assets (excluding debt)	807.5	592.8	668.1¹	+214.7
Net profit 2021			31.7	
Interest cost 2021			5.8	
Net profit before interest cost 2021			37.5	
RONA 2021 in %			5.6%	

¹ 12 month average

Key Data by Share

Rieter registered shares of CHF 5 nominal value Bloomberg: RIEN SW, Thompson Reuters: RIEN.S	31/12/2021	30/06/2021	31/12/2020
Shares outstanding excluding own shares (end of period)	4 494 024	4 504 419	4 466 303
Average shares (of period)	4 496 214	4 491 418	4 479 637
Share price (end of period)	CHF 177.0	180.8	96.7
Market capitalization (end of period)	CHF million 795	814	432

Change to the Group Executive Committee and Board of Directors



Change to the Group Executive Committee

With effect from March 1, 2021, the Board of Directors of Rieter Holding AG appointed Roger Albrecht as Head of the Business Group Machines & Systems and a member of the Group Executive Committee.

Changes to the Board of Directors

The two members of the Board of Directors, Luc Tack and Stefaan Haspeslagh, resigned from Rieter's Board of Directors with effect from August 30, 2021.

Financial Calendar



Annual General Meeting 2022	April 7, 2022
Semi-Annual Report 2022	July 19, 2022
Investor Update 2022	October 21, 2022
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