

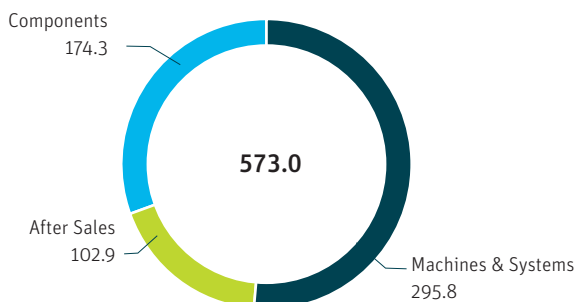
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Summary Report

RIETER AT A GLANCE

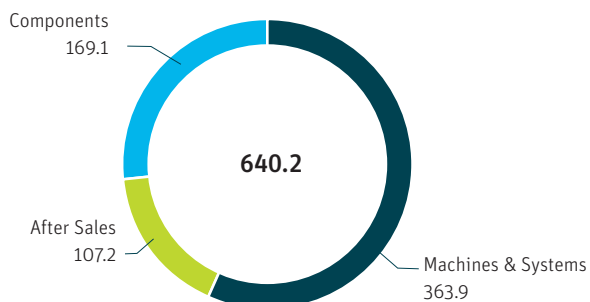
Sales by Business Group

CHF million



Order Intake by Business Group

CHF million



CHF million	2020	2019	Difference
Order intake¹	640.2	926.1	- 31%
Sales	573.0	760.0	- 25%
EBITDA¹	- 46.7	123.1	
- in % of sales	- 8.2	16.2	
EBIT before restructuring charges¹	- 76.7	84.6	
- in % of sales	- 13.4	11.1	
EBIT¹	- 84.4	84.9	
- in % of sales	- 14.7	11.2	
Net profit	- 89.8	52.4	
- in % of sales	- 15.7	6.9	
Capital expenditure¹	28.6	31.6	- 9%
Net liquidity¹	41.3	162.1	- 75%
Dividend per share (in CHF)²	0.00	4.50	
Equity ratio in %¹	36.4	47.8	
Number of employees (excluding temporaries)	4 416	4 591	- 4%

¹ Definition in Alternative Performance Measures on page 43/44 in the 2020 Annual Report.

² Motion of the Board of Directors on page 103 in the 2020 Annual Report.



Bernhard Jucker
Chairman of the Board of Directors

Dr. Norbert Klapper
Chief Executive Officer

DEAR SHAREHOLDER

The 2020 financial year was marked by the COVID-19 pandemic, which led to a considerable decline in demand for new machines, but also for spare and wear parts. In the second and third quarters of 2020, many spinning mills around the world were shut down, investments were halted and deliveries were deferred at the request of customers. For Rieter, the effects on sales and profitability were significant. The company reacted quickly and implemented a comprehensive crisis management program. In this way, Rieter succeeded in protecting employees, keeping promises to customers, ensuring the company's liquidity and maintaining the ability to benefit from the initiating market recovery. The strategy was implemented consistently despite the pandemic. Demand picked up significantly in the fourth quarter of 2020, so that Rieter enters the 2021 financial year with optimism.

As a consequence of the COVID-19 pandemic, Rieter closed the 2020 financial year with sales of CHF 573.0 million, which corresponds to a decrease of 25% compared to the previous year (2019: CHF 760.0 million). Due to the low sales volume, a loss of CHF 84.4 million was recorded at the EBIT level while at the net profit level the loss was CHF 89.8 million. In view of the loss in the 2020 financial year, the Board of Directors proposes that shareholders waive the payment of a dividend for 2020.

Order intake of CHF 640.2 million in the 2020 financial year was 31% down on the previous year (2019: CHF 926.1 million). Following the significant slump in demand in the second quarter of 2020 (CHF 45.7 million), order intake recovered in the third quarter (CHF 174.4 million) and improved further in the fourth quarter (CHF 215.1 million).

At the end of 2020, the company had an order backlog of about CHF 560 million (December 31, 2019: about CHF 500 million).

EBIT, NET PROFIT AND FREE CASH FLOW

The loss at the EBIT level in the 2020 financial year was CHF 84.4 million, which corresponds to 14.7% of sales. At the net profit level, a loss of CHF 89.8 million was reported, i.e. 15.7% in relation to sales. The loss is a consequence of the reduced sales of CHF 573.0 million. Through short-time working compensation, reduced vacation and time credits and salary waivers, Rieter saved around CHF 12 million in costs in 2020. However, this was far from sufficient to compensate for the missing sales volume.

Free cash flow in 2020 was CHF -74.8 million (2019: CHF 42.3 million). Net liquidity declined to CHF 41.3 million (December 31, 2019: CHF 162.1 million). The equity ratio as of December 31, 2020, was 36.4% (previous year's reporting date: 47.8%).

SALES BY REGIONS

With the exception of Turkey and Africa, all regions were affected by the low demand as a consequence of the COVID-19 pandemic. In Turkey, thanks to the innovative range of products and services, Rieter benefited from customers' willingness to invest in the year under review, increasing sales by 83% to CHF 122.0 million. In the Asian countries (excluding China, India and Turkey), compared to the previous year sales fell by 37% to CHF 184.8 million, in China by 32% to CHF 92.8 million, in India by 49% to CHF 50.8 million, in North and South America by 37% to CHF 66.4 million and in Europe by 7% to CHF 38.4 million. In Africa, with sales of CHF 17.8 million a year-on-year increase of 11% was recorded.

BUSINESS GROUPS

Sales of the Business Group Machines & Systems amounted to CHF 295.8 million in 2020, which corresponds to a decrease of 24% compared to the previous year. Due to the low volume and taking into

account the expenditure on the ongoing innovation program, the business group recorded a loss of CHF 72.4 million at the EBIT level. Order intake in the reporting year was CHF 363.9 million (-35% compared to the previous year).

The Business Group Components with sales of CHF 174.3 million (-24% compared to the previous year) achieved a profit of CHF 1.4 million at the EBIT level before restructuring charges. EBIT after restructuring charges was CHF -5.5 million. The order intake with CHF 169.1 million (-24% compared to the previous year) was just below sales.

The Business Group After Sales achieved sales of CHF 102.9 million (-27% compared to the previous year) and a positive EBIT of CHF 1.8 million. Order intake was CHF 107.2 million (-24% compared to the previous year). Over 60% of spinning mills were shut down in the second quarter of 2020, with a corresponding impact on the demand for spare parts.

CRISIS MANAGEMENT

At the outbreak of the COVID-19 pandemic in the first quarter of 2020, Rieter put a comprehensive crisis management program into effect.

Protective measures for employees were implemented at all Rieter locations worldwide, the effectiveness of which has been shown in countries badly affected by the pandemic, such as India and the Czech Republic.

Rieter made major efforts to avoid or compensate for disruptions in the supply chain and to ensure service in the field. This allowed the promised deliveries to take place almost on schedule while customers received largely seamless support.

To safeguard the liquidity of the company, Rieter made use of additional credit lines totaling around CHF 130 million between March and November 2020. In September 2020, as planned, Rieter repaid the

bond issued in 2014 in the amount of CHF 100 million, and in August 2020 successfully placed a new bond in the amount of CHF 75 million.

Immediately after the outbreak of the pandemic, Rieter reacted to the lower capacity utilization of its own facilities, which was triggered by the slump in demand. In addition to reducing vacation and time credits, short-time working was applied for and implemented at the locations in Switzerland and Germany. At the other Rieter locations, corresponding measures were implemented in accordance with the legislation of the respective country. In this way, Rieter retained the ability to benefit from the initiating market recovery.

STRATEGY IMPLEMENTATION

Despite the extremely difficult situation, Rieter made further progress in implementing its corporate strategy in the 2020 financial year: Technology and innovation leadership, solutions for the installed base and the continuous improvement of the cost position.

The current innovation program marked the launch of the new products, which were presented at ITMA in Barcelona in summer 2019. Despite the low demand, the innovations continued to meet with a very positive response from customers, such as the 83% increase in sales in Turkey, but also the recovery in incoming orders in the fourth quarter of 2020. Major orders were received for the new card C 80 and the new comber E 90. Despite the difficulties caused by the pandemic, more preparations were made for the market launch of further innovations planned for 2021.

The Rieter CAMPUS is an important element of Rieter's innovation strategy. The decision about the start of the construction work will depend on the business situation.

The business with solutions for the installed base of Rieter machines, which the Business Groups Components and After Sales are driving forward, was also

developed further despite the weak demand due to the COVID-19 pandemic. Thus, the first major orders were placed by customers for retrofitting Rieter ring spinning machines with the piecing robot ROBOspin and the compacting solutions COMPACTdrum and COMPACTeasy.

Rieter's cost position was also further improved. The measures announced in January 2020 to adjust capacity at the European locations, which affected a total of 180 positions, were implemented as planned during 2020.

DIVIDEND

Due to the loss of CHF 89.8 million at the net profit level in the 2020 financial year, the Board of Directors proposes that shareholders waive the distribution of a dividend.

CHANGES TO THE GROUP EXECUTIVE COMMITTEE

Carsten Liske, Head of the Business Group Machines & Systems and member of the Group Executive Committee since 2015, left the Group Executive Committee at the end of February 2021 to take on a new role outside of the Rieter Group. The Board of Directors thanks Carsten Liske for his many years of successful work as well as his great contribution to the further development of Rieter and wishes him every success and all the best for the future, both professionally and personally.

With effect from March 1, 2021, the Board of Directors of Rieter Holding Ltd. has appointed Roger Albrecht as Head of the Business Group Machines & Systems and a member of the Group Executive Committee. Roger Albrecht is 38 years old and a Swiss citizen. He has a Bachelor's degree in Business Administration and a Master's degree in Accounting and Finance from the University of St. Gallen. Roger Albrecht was employed by the Hilti Group in Liechtenstein and Canada from 2008 to 2015. In 2015 he was appointed to the position of Business Group Controller in the Business

Group Components, and from 2017 to the end of February 2021 he headed up Spindelfabrik Suessen GmbH in Suessen (Germany) as Managing Director.

BOARD OF DIRECTORS AND ANNUAL GENERAL MEETING

At the 129th Annual General Meeting held on April 16, 2020, the shareholders approved all motions proposed by the Board of Directors. The Chairman of the Board Bernhard Jucker and the Directors This E. Schneider, Michael Pieper, Hans-Peter Schwald, Peter Spuhler, Roger Baillod, Carl Illi and Luc Tack were confirmed for a further one-year term of office. This E. Schneider, Hans-Peter Schwald and Bernhard Jucker, the members of the Remuneration Committee who were standing for election, were also each re-elected for a one-year term of office.

OUTLOOK

Rieter expects the market recovery that began in the second half of 2020 to continue in 2021. The company expects an order intake in the first half of 2021 exceeding that of the previous half year (second half of 2020: CHF 389.5 million). Thanks to the improved capacity utilization, Rieter is planning short-time working in only a few areas in the first half of 2021. Nonetheless, as already announced, Rieter still anticipates that sales in the first half of 2021 will be below the break-even point. In connection with the high order backlog at the beginning of 2021, Rieter expects an operating profit for the full year 2021.

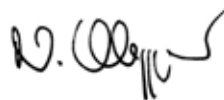
THANKS

On behalf of the Board of Directors and the Group Executive Committee, we wish to thank all Rieter employees for their great commitment under the very difficult conditions in financial year 2020, which was characterized by COVID-19. We thank the employees who undertook business trips during pandemic times and worked in the field for customers as well as for the salary waiver in favor of the company. That is not to be taken for granted. Our customers, suppliers and all business partners who for their part have to overcome major challenges because of the pandemic deserve a very special thank you for their loyalty to the Rieter Group. We express our heartfelt thanks to the Rieter shareholders for their trust and hope to be able to welcome them again in person at the Annual General Meeting in 2022.

Winterthur, March 8, 2021



Bernhard Jucker
Chairman of the
Board of Directors



Dr. Norbert Klapper
Chief Executive Officer

FINANCIAL CALENDAR

Annual General Meeting 2021	April 15, 2021
Semi-Annual Report 2021	July 15, 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

RIETER GROUP

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 man-made fibers and their blends into yarns. Rieter is the only supplier worldwide to cover spinning preparation processes as well as 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 4 420, about 21% of whom are based in Switzerland.

Rieter is a strong brand with a long tradition. For more than 225 years Rieter's innovative momentum has been a powerful driving force for progress in the spinning mill industry. Products and systems are ideally tailored to customer needs and mostly produced in the markets where the customers are located.

With a global sales and service organization and a strong presence in the core markets China and India, Rieter as market leader is well positioned in the global competitive environment.

For the benefit of shareholders, customers and employees, Rieter aspires to achieve sustained growth in enterprise value. With this in mind, Rieter seeks to maintain continuous growth in sales and profitability, primarily through organic growth, but also through strategic alliances and acquisitions.

The company comprises three business groups: Machines & Systems, Components and After Sales.

SALES CHF million

2020

573.0

2019

760.0

North and South America ●●

2020

66.4

2019

105.8

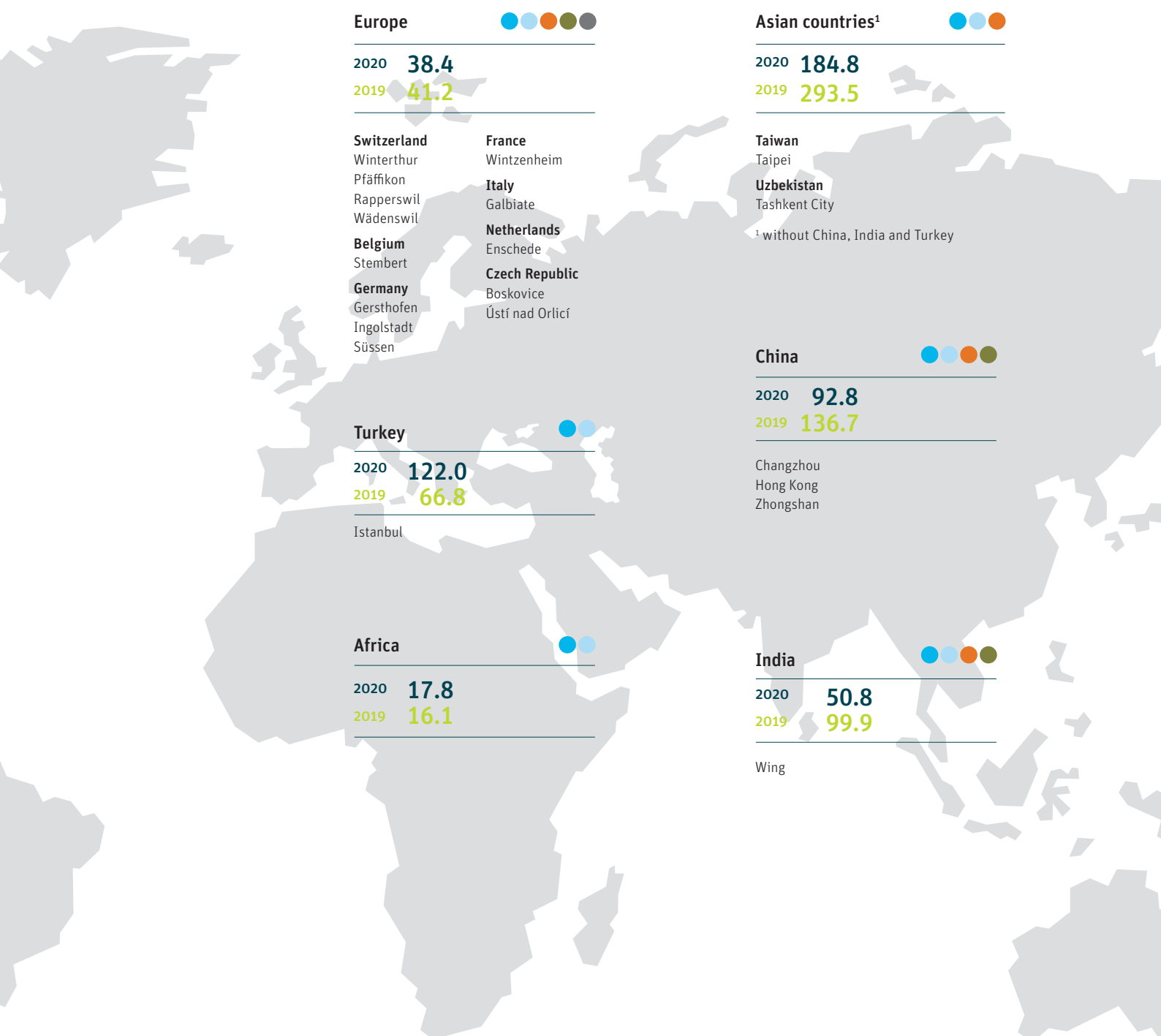
Brazil

São Paulo

USA

Spartanburg

- Sales/Agents
- Service
- Production
- Research & Development
- Headquarters



Europe ●●●●●

2020 **38.4**
2019 **41.2**

- Switzerland**
Winterthur
Pfäffikon
Rapperswil
Wädenswil
- Belgium**
Stembert
- Germany**
Gersthofen
Ingolstadt
Süssen
- France**
Wintzenheim
- Italy**
Galbiate
- Netherlands**
Enschede
- Czech Republic**
Boskovice
Ústí nad Orlicí

Asian countries¹ ●●●●

2020 **184.8**
2019 **293.5**

- Taiwan**
Taipei
- Uzbekistan**
Tashkent City

¹ without China, India and Turkey

Turkey ●●

2020 **122.0**
2019 **66.8**

- Istanbul

China ●●●●

2020 **92.8**
2019 **136.7**

- Changzhou
- Hong Kong
- Zhongshan

Africa ●●

2020 **17.8**
2019 **16.1**

India ●●●●

2020 **50.8**
2019 **99.9**

- Wing

REVIEW 2016 TO 2020

		2020	2019	2018	2017	2016
Consolidated income statement						
Sales	CHF million	573.0	760.0	1 075.2	965.6	945.0
• Asian countries (without China/India/Turkey)	CHF million	185	293	434	319	286
• China	CHF million	93	137	149	184	187
• India	CHF million	51	100	146	174	182
• Turkey	CHF million	122	67	155	100	119
• North and South America	CHF million	66	106	109	115	87
• Europe	CHF million	38	41	47	46	41
• Africa	CHF million	18	16	36	28	43
EBITDA ¹	CHF million	-46.7	123.1 ²	84.1	64.7	95.8
• in % of sales		-8.2	16.2	7.8	6.7	10.1
EBIT before restructuring charges ¹	CHF million	-76.7	84.6 ²	42.9	51.8	56.5
• in % of sales		-13.4	11.1	4.0	5.4	6.0
EBIT ¹	CHF million	-84.4	84.9 ²	43.2	15.8	56.5
• in % of sales		-14.7	11.2	4.0	1.6	6.0
Net profit	CHF million	-89.8	52.4	32.0	13.3	42.7
• in % of sales		-15.7	6.9	3.0	1.4	4.5
RONA ¹	in %	-14.3	10.0	6.6	3.0	8.5

Consolidated cash flow statement

Cash flow from operating activities	CHF million	-49.8	-45.7	78.4	20.6	102.2
Cash flow from investing activities ³	CHF million	-25.0	88.0	-14.8	-21.7	-25.9
Cash flow from financing activities	CHF million	78.0	-9.8	-36.3	-19.4	-34.4
Free cash flow ¹	CHF million	-74.8	42.3	63.6	-1.1	76.3

Number of employees at December 31⁴		4 416	4 591	5 134	5 246	5 022
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Consolidated balance sheet at December 31

Current assets	CHF million	555.7	567.2	577.8	598.2	653.8
Non-current assets	CHF million	407.8	415.8	424.5	450.0	344.3
Current liabilities	CHF million	428.3	410.7	320.6	323.2	304.9
Non-current liabilities	CHF million	184.3	102.7	235.1	267.5	232.5
Equity attributable to shareholders of Rieter Holding Ltd.	CHF million	350.6	468.8	445.9	456.8	459.6
Equity attributable to non-controlling interests	CHF million	0.3	0.8	0.7	0.7	1.1
Total assets	CHF million	963.5	983.0	1 002.3	1 048.2	998.1
Equity ratio ¹	in %	36.4	47.8	44.6	43.6	46.2

Cash and cash equivalents	CHF million	282.3	284.1	256.2	243.3	365.6
Marketable securities and time deposits	CHF million	0.9	0.9	0.9	1.1	7.0
Current financial debt	CHF million	-151.4	-121.0	-0.2	-7.3	-9.1
Non-current financial debt	CHF million	-90.5	-1.9	-106.7	-106.6	-100.0
Net liquidity¹	CHF million	41.3	162.1	150.2	130.5	263.5

1. Definition in Alternative Performance Measures on pages 43 and 44 in the 2020 Annual Report.

2. Including the gain on disposal of land and buildings in Ingolstadt (Germany) amounting to CHF 94.5 million.

3. Excluding acquisitions and divestments of business.

4. Excluding apprentices and temporary employees.

Rieter Holding Ltd. share (RIEN)

			2020	2019	2018	2017	2016
Market capitalization ¹	December 31	CHF million	432	623	577	1 076	800
Market capitalization/EBITDA ratio			-9.3	5.1	6.9	16.6	8.4
Share price at SIX Swiss Exchange	December 31	CHF	96.7	138.1	128.8	237.8	177.1
	high	CHF	137.5	157.0	258.8	248.0	218.4
	low	CHF	74.5	122.2	119.0	175.0	168.0
Equity attributable to shareholders of Rieter Holding Ltd. per share	December 31	CHF	78.5	103.8	99.5	101.0	101.8
Basic earnings per share		CHF	-20.05	11.65	7.07	2.92	9.39
Price/earnings ratio ¹			-4.8	11.9	18.2	81.4	18.9
Dividend per share		CHF	0.00 ²	4.50	5.00	5.00	5.00
Dividend payout ratio ¹		in %	0.0	38.6	70.7	171.2	53.2
Dividend yield ¹		in %	0.0	3.3	3.9	2.1	2.8

1. Definition in Alternative Performance Measures on pages 43 and 44 in the 2020 Annual Report.

2. Motion of the Board of Directors on page 103 in the 2020 Annual Report.

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