

**RIETER**

**Halbjahresbericht**

**23**

## KENNZAHLEN

Mio. CHF	Januar – Juni 2022	Januar – Juni 2023
<b>Rieter</b>		
Bestellungseingang	869.4	325.0
Umsatz	620.6	758.2
Betriebsergebnis vor Zinsen, Steuern, Abschreibungen und Amortisationen (EBITDA)	15.6	52.2
Betriebsergebnis vor Zinsen, Steuern und Restrukturierungen (EBIT vor Restrukturierungen)	- 10.1	28.2
• in % des Umsatzes	- 1.6%	3.7%
Betriebsergebnis vor Zinsen und Steuern (EBIT)	- 10.2	25.2
• in % des Umsatzes	- 1.6%	3.3%
Reingewinn	- 25.2	13.3
Unverwässerter Gewinn pro Aktie (CHF)	- 5.62	2.97
Free Cashflow	- 57.1	10.0
Nettoverschuldung am Ende der Berichtsperiode	- 237.0	- 298.9
Eigenkapital in % der Bilanzsumme am Ende der Berichtsperiode	21.3%	23.0%
Personalbestand (ohne Temporäre) am Ende der Berichtsperiode	5 479	5 555
<b>Geschäftsbereich Machines &amp; Systems</b>		
Bestellungseingang	579.3	111.4
Umsatz	383.8	521.9
Betriebsergebnis vor Zinsen, Steuern und Restrukturierungen (EBIT vor Restrukturierungen)	- 30.2	2.2
• in % des Umsatzes	- 7.9%	0.4%
Betriebsergebnis vor Zinsen und Steuern (EBIT)	- 30.2	1.6
• in % des Umsatzes	- 7.9%	0.3%
<b>Geschäftsbereich Components</b>		
Bestellungseingang	180.9	131.0
Umsatz	159.9	143.9
Total Segmentumsatz	219.8	211.3
Betriebsergebnis vor Zinsen, Steuern und Restrukturierungen (EBIT vor Restrukturierungen)	12.1	16.0
• in % des Segmentumsatzes	5.5%	7.6%
Betriebsergebnis vor Zinsen und Steuern (EBIT)	12.1	16.0
• in % des Segmentumsatzes	5.5%	7.6%
<b>Geschäftsbereich After Sales</b>		
Bestellungseingang	109.2	82.6
Umsatz	76.9	92.4
Betriebsergebnis vor Zinsen, Steuern und Restrukturierungen (EBIT vor Restrukturierungen)	8.4	16.0
• in % des Umsatzes	10.9%	17.3%
Betriebsergebnis vor Zinsen und Steuern (EBIT)	8.4	16.0
• in % des Umsatzes	10.9%	17.3%

### Alternative Performancekennzahlen (APM)

Die Definitionen zu den verwendeten APM sind im Geschäftsbericht 2022 und im Halbjahresbericht 2023 enthalten.

**Halbjahresbericht 2023**

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**Bernhard Jucker**  
Präsident des Verwaltungsrats

**Thomas Oetterli**  
Chief Executive Officer

## ERSTES HALBJAHR 2023

### SEHR GEEHRTE AKTIONÄRIN, SEHR GEEHRTER AKTIONÄR

Im ersten Halbjahr 2023 verzeichnete Rieter eine deutliche Umsatzsteigerung von 22.2% auf 758.2 Mio. CHF, trotz einiger Stornierungen bzw. Verschiebungen von Auslieferungen als Folge des Erdbebens in der Türkei. Zyklische Marktabschwächungen in den einzelnen Marktsegmenten, die sich bereits im zweiten Halbjahr 2022 abzeichneten, führten im Berichtszeitraum zu einem im Vorjahresvergleich tieferen Bestellungseingang von 325.0 Mio. CHF (-62.6%).

Rieter verbuchte im ersten Halbjahr 2023 auf Stufe EBIT einen Gewinn von 25.2 Mio. CHF gegenüber einem Verlust von -10.2 Mio. CHF im Vorjahreszeitraum. Dieses positive Resultat hängt mit dem gestiegenen Umsatz und dem gleichzeitig höheren Bruttogewinn in Prozent des Umsatzes von 23.9% (1. Halbjahr 2022: 21.0%) zusammen.

Der Konzern plant ein Performance-Programm «Next Level», mit dem Ziel, die Vertriebskompetenz und Kundennähe zu stärken, die Kosteneffizienz in der Produktion zu verbessern und die Fixkostenstrukturen zu optimieren. Rieter will mit diesen Massnahmen die Basis schaffen, um agiler auf das zyklische Maschinengeschäft reagieren zu können. Für die in diesem Zusammenhang geplanten Initiativen werden im zweiten Halbjahr 2023 einmalige Restrukturierungskosten von rund 45 bis 50 Mio. CHF erwartet.

### UMSATZ

Rieter verzeichnete im ersten Halbjahr 2023 einen Umsatz von 758.2 Mio. CHF (1. Halbjahr 2022: 620.6 Mio. CHF). Dies entspricht einer Steigerung von 22.2%, obwohl vor allem im Geschäftsbereich Machines & Systems Auslieferungen für die Türkei verschoben werden mussten oder storniert wurden.

## BESTELLUNGSEINGANG UND BESTELLUNGSBESTAND

Der Bestellungseingang belief sich im ersten Halbjahr 2023 auf 325.0 Mio. CHF (1. Halbjahr 2022: 869.4 Mio. CHF). Damit hat sich die Nachfrage gegenüber dem hohen Wert der Vorjahresperiode wie erwartet deutlich abgeschwächt.

Der Bestellungseingang war in fast allen Regionen von Investitionszurückhaltung bei den Neumaschinen gekennzeichnet. Lediglich in China stiegen die Bestellungseingänge aufgrund von Investitionen der Spinnereien in die Verbesserung ihrer lokalen Wettbewerbsfähigkeit. Zudem haben einige Kunden anstehende Investitionsentscheide zurückgehalten und die Innovationen abgewartet, die an der ITMA in Mailand im Juni 2023 präsentiert wurden. Gleichzeitig ging die Nachfrage nach Verbrauchs-, Verschleiss- und Ersatzteilen aufgrund der globalen Marktabschwächung zurück.

Das Unternehmen verfügte per 30. Juni 2023 über einen hohen Bestellungsbestand von rund 1 100 Mio. CHF (30. Juni 2022: rund 2 100 Mio. CHF). Dieser reicht somit bis ins Jahr 2024. Wie im Vorjahr lagen die Stornierungen in der Berichtsperiode bei rund 5% des Bestellungsbestandes, ebenfalls beeinflusst durch die Auswirkungen des schweren Erdbebens in der Türkei.

## EBIT, REINGEWINN UND FREE CASHFLOW

Rieter verbuchte im ersten Halbjahr 2023 auf Stufe EBIT einen Gewinn von 25.2 Mio. CHF mit einer EBIT-Marge von 3.3% (1. Halbjahr 2022: Verlust von -10.2 Mio. CHF) und einen Reingewinn von 13.3 Mio. CHF (1. Halbjahr 2022: Verlust von -25.2 Mio. CHF).

Der Free Cashflow lag im ersten Halbjahr 2023 bei 10.0 Mio. CHF (1. Halbjahr 2022: -57.1 Mio. CHF) und resultierte aus der positiven Entwicklung des operativen Ergebnisses. Das Nettoumlaufvermögen verblieb auf hohem Niveau.

## PERFORMANCE-PROGRAMM «NEXT LEVEL» GEPLANT

Die herausfordernde Marktsituation in den letzten zwei Jahren war durch schwerwiegende Unterbrechungen der globalen Lieferkette mit steigenden Material-, Energie-, Arbeits- und Produktionskosten gekennzeichnet. Die derzeitige weltweite Nachfrage

nach Textilprodukten bleibt auf niedrigem Niveau. Um den langfristigen Wert für die Kunden, Mitarbeitenden, Aktionärinnen und Aktionäre zu steigern, plant Rieter als Technologieführer ein Performance-Programm namens «Next Level».

Ziel des Programms ist es, die Vertriebskompetenz und Kundennähe zu stärken, die Kosteneffizienz in der Produktion zu verbessern und die Fixkostenstrukturen zu optimieren. Die einmaligen Kosten des Programms belaufen sich voraussichtlich auf rund 45 bis 50 Mio. CHF, die das zweite Halbjahr 2023 belasten werden. Der grösste Teil der Programminitiativen soll noch im Jahr 2023 umgesetzt werden, um eine erwartete Wirkung bereits ab 2024 zu erzielen. Rieter strebt mit diesen Massnahmen eine Senkung der laufenden Kosten von rund 80 Mio. CHF pro Jahr an.

Das Programm sieht unter anderem den Abbau von konzernweit rund 300 Stellen in Overhead-Funktionen vor. Weitere markt- und volumenbedingte Anpassungen in der Grössenordnung von 400 bis 600 Stellen können nicht ausgeschlossen werden. Per Ende Juni 2023 beschäftigte Rieter weltweit 5 555 Mitarbeitende.

Die Konsultationsprozesse mit den Arbeitnehmervertretungen sollen zeitnah beginnen. Über das Ergebnis wird Rieter zu gegebenem Zeitpunkt informieren.

Der Rieter-Verwaltungsrat und die Konzernleitung sind überzeugt, dass mit den geplanten strategischen und operativen Massnahmen die Grundlagen für eine profitable und nachhaltige Entwicklung des Konzerns gelegt werden.

## RIETER-AREAL WINTERTHUR

Wie am 10. Juli 2023 kommuniziert, verkaufte Rieter das nicht mehr betriebsnotwendige Grundstück an der Klosterstrasse in Winterthur (Schweiz) an die Firma Allreal, Glattpark (Schweiz). Diese übernimmt das Grundstück mit einer Gesamtfläche von rund 75 000 m<sup>2</sup>. Der vereinbarte Verkaufspreis beträgt 96.0 Mio. CHF. Die Eigentumsübertragung erfolgt nach Erfüllung der gesetzlich und vertraglich vorgesehenen Vollzugsbedingungen voraussichtlich im Herbst 2023. Rieter erwartet einen positiven Impact auf das EBIT in der Grössenordnung von rund 70 bis 75 Mio. CHF. Der neue Rieter CAMPUS ist nicht Teil dieser Transaktion.

### KONSORTIALKREDIT

Der Rieter-Konzern hat die bilateral kommittierten Kreditlinien in der Höhe von 250 Mio. CHF in einen Konsortialkredit in gleicher Höhe überführt. Mit dieser Transaktion stärkt Rieter nachhaltig die Finanzierungssicherheit. Die Laufzeit des Kredits beträgt drei Jahre.

### ITMA 2023

Die Textilmesse ITMA in Mailand im Juni 2023 war für Rieter ein voller Erfolg. Das Unternehmen hat Neuigkeiten im Bereich Ring- und Luftspinnen sowie in der Faser- und Spinnereivorbereitung vorgestellt. Auch die Produkte für die höhere Automatisierung bzw. Digitalisierung der Spinnereien sowie Lösungen im Bereich Recycling und Nachhaltigkeit fanden grossen Anklang bei den Kunden. Die Reservationslisten für alle neuen Maschinen waren innerhalb von wenigen Tagen ausgebucht.

### AUSBLICK

Für die kommenden Monate geht Rieter angesichts der wirtschaftlichen Rahmenbedingungen und der anhaltenden zyklischen Marktschwäche weiter von einer unterdurchschnittlichen Nachfrage nach neuen Anlagen aus. Eine Belebung wird frühestens im vierten Quartal 2023 erwartet. Auch die Nachfrage nach Verbrauchs-, Verschleiss- und Ersatzteilen wird sich nach Einschätzung von Rieter erst später im Jahr 2023 erholen.

Rieter erwartet für das Gesamtjahr 2023 eine EBIT-Marge von rund 5 bis 7% (inklusive positiven Sondereffekten von weniger als 2%) und einen Umsatz auf Vorjahresniveau von rund 1.5 Mrd. CHF.

Winterthur, 20. Juli 2023



Bernhard Jucker  
Präsident des  
Verwaltungsrats

Thomas Oetterli  
Chief Executive Officer

## FINANZKALENDER

Investor Update 2023	20. Oktober 2023
Publikation Umsätze 2023	24. Januar 2024
Frist für die Einreichung von Traktandierungsbegehren	23. Februar 2024
Bilanzmedienkonferenz 2024	13. März 2024
Generalversammlung 2024	17. April 2024
Halbjahresbericht 2024	18. Juli 2024
Investor Update 2024	23. Oktober 2024

## CONSOLIDATED INCOME STATEMENT

CHF million	Notes	January – June 2022	January – June 2023
<b>Sales</b>	(3, 4)	<b>620.6</b>	<b>758.2</b>
Cost of sales		- 490.5	- 576.9
<b>Gross profit</b>		<b>130.1</b>	<b>181.3</b>
Research and development expenses		- 35.4	- 41.3
Selling, general, and administrative expenses		- 113.1	- 120.1
Other income	(5)	12.8	13.9
Other expenses	(5)	- 4.6	- 8.6
<b>Operating result before interest and taxes (EBIT)</b>	(3)	<b>- 10.2</b>	<b>25.2</b>
Financial result		- 10.1	- 5.3
<b>Result before taxes</b>	(3)	<b>- 20.3</b>	<b>19.9</b>
Income taxes		- 4.9	- 6.6
<b>Net result</b>		<b>- 25.2</b>	<b>13.3</b>
Attributable to shareholders of Rieter Holding Ltd.		- 25.2	13.3
Attributable to non-controlling interests		0.0	0.0
<b>Basic earnings per share (CHF)</b>		<b>- 5.62</b>	<b>2.97</b>
<b>Diluted earnings per share (CHF)</b>		<b>- 5.62</b>	<b>2.97</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CHF million	January – June 2022	January – June 2023
<b>Net result</b>	<b>- 25.2</b>	<b>13.3</b>
Remeasurement of defined benefit plans	- 13.6	- 0.7
Income taxes on remeasurement of defined benefit plans	2.7	0.1
Changes in fair values of financial assets	- 0.2	0.0
<b>Items that will not be reclassified to the income statement, net of taxes</b>	<b>- 11.1</b>	<b>- 0.6</b>
Currency translation differences	- 8.1	- 12.4
Cash flow hedges	- 6.8	- 2.2
Income taxes on cash flow hedges	0.3	0.4
<b>Items that may be reclassified to the income statement, net of taxes</b>	<b>- 14.6</b>	<b>- 14.2</b>
<b>Total other comprehensive income</b>	<b>- 25.7</b>	<b>- 14.8</b>
<b>Total comprehensive income</b>	<b>- 50.9</b>	<b>- 1.5</b>
Attributable to shareholders of Rieter Holding Ltd.	- 50.9	- 1.5
Attributable to non-controlling interests	0.0	0.0



## CONSOLIDATED BALANCE SHEET

CHF million	December 31, 2022	June 30, 2023
<b>Assets</b>		
Cash and cash equivalents	175.7	154.8
Marketable securities and time deposits	0.4	0.3
Trade receivables	212.1	228.6
Other current receivables	74.1	78.7
Current income tax receivables	4.5	3.3
Inventories	363.3	360.2
Assets classified as held for sale	13.8	14.5
<b>Current assets</b>	<b>843.9</b>	<b>840.4</b>
Property, plant, and equipment	231.2	241.1
Intangible assets	139.6	131.9
Goodwill	193.8	192.6
Investments in associated companies	16.7	17.9
Defined benefit plan assets	62.9	62.9
Deferred income tax assets	36.6	38.4
Other non-current assets	16.2	12.6
<b>Non-current assets</b>	<b>697.0</b>	<b>697.4</b>
<b>Assets</b>	<b>1 540.9</b>	<b>1 537.8</b>
<b>Liabilities and shareholders' equity</b>		
Current financial debt	262.5	245.8
Trade payables	161.8	138.8
Other current liabilities	210.1	240.9
Advance payments from customers	192.7	200.0
Current income tax liabilities	30.6	28.1
Current provisions	32.8	33.1
<b>Current liabilities</b>	<b>890.5</b>	<b>886.7</b>
Non-current financial debt	199.2	208.2
Defined benefit plan liabilities	25.6	25.6
Deferred income tax liabilities	37.4	39.3
Other non-current liabilities	0.2	0.0
Non-current provisions	28.0	25.0
<b>Non-current liabilities</b>	<b>290.4</b>	<b>298.1</b>
<b>Liabilities</b>	<b>1 180.9</b>	<b>1 184.8</b>
Equity attributable to shareholders of Rieter Holding Ltd.	359.9	352.9
Equity attributable to non-controlling interests	0.1	0.1
<b>Shareholders' equity</b>	<b>360.0</b>	<b>353.0</b>
<b>Liabilities and shareholders' equity</b>	<b>1 540.9</b>	<b>1 537.8</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHF million	January – June 2022	January – June 2023
<b>Total shareholders' equity at January 1</b>	<b>396.1</b>	<b>360.0</b>
Total comprehensive income	- 50.9	- 1.5
Distribution of a dividend	- 18.0	- 6.7
Changes in non-controlling interests	- 0.2	0.0
Changes in treasury shares (including share-based compensation)	0.3	1.2
<b>Total shareholders' equity at June 30</b>	<b>327.3</b>	<b>353.0</b>

## CONSOLIDATED CASH FLOW STATEMENT

CHF million	Notes	January – June 2022	January – June 2023
<b>Net result</b>		<b>- 25.2</b>	<b>13.3</b>
Depreciation of property, plant, and equipment, and amortization of intangible assets		25.8	27.0
Interest income/expenses		3.4	5.7
Income taxes		4.9	6.6
Other non-cash expenses/income		5.0	1.4
Change in net working capital, other		- 65.1	- 14.8
Interest paid/received		- 1.7	- 3.3
Income taxes paid		- 8.1	- 7.7
<b>Cash flow from operating activities</b>		<b>- 61.0</b>	<b>28.2</b>
Acquisition of subsidiaries	(2.1)	- 2.0	0.0
Purchase of property, plant, and equipment, and intangible assets		- 19.0	- 19.7
Proceeds from disposals of property, plant, and equipment (including assets classified as held for sale)		22.6	1.0
Proceeds from disposals/purchase of other non-current assets		0.2	0.3
Sale/purchase of marketable securities and time deposits		0.1	0.2
<b>Cash flow from investing activities</b>		<b>1.9</b>	<b>- 18.2</b>
Dividend paid to shareholders of Rieter Holding Ltd.		- 18.0	- 6.7
Purchase/sale of treasury shares		- 2.1	0.0
Proceeds from financial debt		26.3	0.1
Repayments of financial debt		- 5.3	- 21.9
<b>Cash flow from financing activities</b>		<b>0.9</b>	<b>- 28.5</b>
Currency effects on cash and cash equivalents		0.8	- 2.4
<b>Change in cash and cash equivalents</b>		<b>- 57.4</b>	<b>- 20.9</b>
<b>Cash and cash equivalents at January 1</b>		<b>248.7</b>	<b>175.7</b>
<b>Cash and cash equivalents at June 30</b>		<b>191.3</b>	<b>154.8</b>

## NOTES TO THE CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS

### 1 GENERAL INFORMATION

#### 1.1 BASIS FOR PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated semi-annual financial statements of Rieter Holding Ltd. and its subsidiaries (“Rieter” or “Rieter Group”) have been prepared in accordance with IAS 34 Interim Financial Reporting. They are based on the financial statements of the individual group companies prepared in accordance with Rieter’s uniform accounting policies as of June 30, 2023. The significant accounting policies summarized in the Annual Report 2022 have been amended in the first half year of 2023 in accordance with the new and revised IFRS Standards and Interpretations. The implementation of these changes in IFRS had no significant impact on the consolidated semi-annual financial statements.

The consolidated semi-annual financial statements have not been audited by the statutory auditor. The consolidated income state-

ment, the consolidated statement of changes in equity, and the consolidated cash flow statement are presented in condensed form.

#### 1.2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Rieter has reviewed the areas involving relevant significant accounting estimates and key judgments (see note 1.2 in the consolidated financial statements 2022), in particular the assumptions and the financial plans underlying the impairment test for the goodwill and the intangible assets allocated to Accotex. There was no indication for impairment as a result of the review.

#### 1.3 FOREIGN EXCHANGE RATES

The following foreign exchange rates of importance for Rieter were used in the preparation of the consolidated semi-annual financial statements as well as for the financial statements of group companies:

Country/region	Currency (unit)	Average period CHF rates		Period-end CHF rates	
		January – June 2022	January – June 2023	December 31, 2022	June 30, 2023
China	CNY 100	14.57	13.16	13.38	12.37
Czech Republic	CZK 100	4.19	4.16	4.08	4.12
Euro countries	EUR 1	1.03	0.99	0.98	0.98
India	INR 100	1.24	1.11	1.12	1.09
USA	USD 1	0.94	0.91	0.92	0.90

## 2 SIGNIFICANT EVENTS

### 2.1 ACQUISITIONS

On August 13, 2021, Rieter signed an investment and shareholders agreement (ISA) with Saurer Hong Kong Machinery Company Ltd (China), Saurer Intelligent Technology Company Ltd (China), and Saurer Netherlands Machinery Company B.V. (Netherlands) (Saurer Netherlands) to acquire 57% preferred shares of Saurer Netherlands in order to carve out, spin-off, and acquire the three businesses automatic winding machine, Accotex, and Temco (target businesses). These businesses formed an integral part of two fully owned subsidiaries of Saurer Netherlands, i.e. Saurer Spinning Solutions GmbH & Co KG (Germany) and Saurer Technologies GmbH & Co KG (Germany) (together the German Saurer entities). To allow the release of the German Saurer entities from insolvency proceedings, Rieter agreed to prepay the consideration in the amount of EUR 300.0 million (CHF 321.4 million) in cash on August 17, 2021.

With the acquisition of the automatic winding machine business in the premium category, Rieter has laid the foundation to further improve the company's strong position in the largest market segment of short-staple fibers processing by completing its offering of ring and compact-spinning systems. The automatic winding machine business was allocated to the Machines & Systems and the After Sales segments. Furthermore, Rieter added two attractive components businesses to its Components segment: Accotex (elastomer technology for spinning machines) and Temco (technology components for filament machines).

To give effect to the ISA, Saurer Netherlands founded two new and fully owned subsidiaries: Rieter Components Germany GmbH (Hammelburg, Germany) and Rieter Automatic Winder GmbH (Uebach-Palenberg, Germany). The acquisitions of the Accotex and Temco businesses as well as of the winder-related service and commission business in India were completed on December 1, 2021, while the acquisition of the automatic winding machine business was completed on April 1, 2022.

#### **Automatic winding machine business, consolidated on April 1, 2022**

On March 25, 2022, Saurer Spinning Solutions GmbH & Co KG and Rieter Automatic Winder GmbH signed an asset purchase agree-

ment on a cash- and debt-free basis to acquire assets and liabilities of the automatic winding machine business. Closing of the transaction and therefore initial integration into the consolidated financial statements of Rieter was on March 31, 2022. The shares of Rieter Automatic Winder GmbH were transferred to Rieter Holding Ltd. on March 31, 2022, in return for the remaining 36% preferred shares of Saurer Netherlands.

The purchase price for the automatic winding machine business amounted to EUR 178.8 million (CHF 183.6 million) and was settled against the prepaid purchase price using the foreign exchange rate relevant at the acquisition date. A corresponding foreign exchange loss of CHF 8.0 million was recorded in the financial result in the first half of 2022. No contingent considerations were agreed. In addition, a consideration of a loss compensation for the transition period until March 31, 2022, in the amount of EUR 6.0 million (CHF 6.2 million) was paid on September 13, 2022 (second half of 2022).

Goodwill of CHF 107.2 million is attributable to the acquired workforce, synergies, and the complementary nature of the acquired automatic winding machine business. Any amortization of goodwill will be deductible for tax purposes.

The acquired automatic winding machine business contributed sales of CHF 27.8 million and a net result of CHF -12.4 million to Rieter for the period from April 1 to June 30, 2022. If the acquisition had occurred on January 1, 2022, consolidated pro-forma sales and the net result for the period ended June 30, 2022, would have been CHF 653.2 million and CHF -34.3 million respectively. These amounts were calculated from the results of the acquired business, adjusted to take account of the differences in the accounting policies between Rieter and the automatic winding machine business, and from the additional depreciation and amortization that would have been charged assuming the fair value adjustments to inventories, property, plant, and equipment, and intangible assets had applied from January 1, 2022, together with the consequential tax effects.

The following table presents a breakdown of assets acquired and liabilities assumed at April 1, 2022:

CHF million	<b>Rieter Automatic Winder GmbH</b>
Trade receivables	15.3
Other current receivables	2.8
Inventories	30.0
Property, plant, and equipment	11.6
Intangible assets	71.2
Other non-current assets	7.9
<b>Assets</b>	<b>138.8</b>
Trade payables	5.0
Other current liabilities	5.9
Advance payments from customers	14.1
Current provisions	21.7
Defined benefit plan liabilities	7.7
Non-current provisions	0.6
<b>Liabilities</b>	<b>55.0</b>
Agreed purchase price (EUR 178.8 million)	183.6
Increase in purchase price: Payment of liabilities not possible to be assumed by Rieter (EUR 1.2 million)	1.2
Increase in purchase price: Payment of a loss compensation for the transition period until March 31, 2022 (EUR 6.0 million)	6.2
<b>Total consideration</b>	<b>191.0</b>
Net identifiable assets acquired	83.8
<b>Goodwill</b>	<b>107.2</b>

There have been no adjustments to the purchase price allocation presented in the Annual Report 2022.

Intangible assets identified comprise the fair values of customer relationships (CHF 35.9 million), technology (CHF 30.5 million), and the related brands Autoconer and Schlafhorst (CHF 4.8 million).

The fair value of acquired trade receivables amounted to CHF 15.3 million. The gross contractual amount of invoiced trade receivables was CHF 15.6 million, with a respective allowance for trade receivables of CHF 0.3 million recognized at acquisition date.

Transaction costs related directly to the acquisition amounted to CHF 2.4 million and were recognized as other expenses in the consolidated semi-annual income statement January – June 2022 (see note 5).

### Cash flows from acquisitions of the target businesses

In the first half of 2022, the respective cash flows are summarized in the table below:

CHF million	<b>Cash flow</b>
Payment of deferred purchase price portion for the Accotex and Temco businesses (EUR -1.0 million)	-1.0
Repayment of prepaid purchase price assigned to inventory and property, plant, and equipment in various Rieter countries (EUR 0.2 million)	0.2
Payment of liabilities not possible to be assumed by Rieter (EUR -1.2 million)	-1.2
<b>Cash flow from acquisition of subsidiaries</b>	<b>-2.0</b>

## 2.2 EARTHQUAKE IN TÜRKIYE AND GLOBAL ECONOMIC AND GEOPOLITICAL UNCERTAINTIES

On February 6, 2023, a devastating earthquake occurred in southern Türkiye and northern Syria. This region is home to an important part of the Turkish textile industry and thus a significant market for Rieter. The earthquake had a significant impact on Rieter's top line; particularly sales to and order intake from Türkiye have decreased significantly in the first half of 2023 due to postponements and cancellations. The property damage at Rieter's repair center and the financial loss incurred from business interruption are still being evaluated in cooperation with the responsible insurance company.

## 2.3 RESTRUCTURING

In the first half of 2023, Rieter initiated restructuring programs to adjust its footprint in Switzerland and to relocate the acquired

Rieter does not expect any significant adverse impact on its results in 2023 due to the earthquake.

Rieter's business in Ukraine, Russia, and Belarus is not significant. Consequently, the military conflict in Ukraine has no direct impact on Rieter, as neither subsidiaries (assets) nor significant customers are based in this region. However, indirect impacts like additional hurdles in the supply chain (affecting 2022 and the first half of 2023) and increases in energy costs (mainly affecting 2022) had a negative effect on Rieter's business.

automatic winding machine business from Uebach-Palenberg (Germany) to Heinsberg (Germany).

The following table presents the operating result before interest and taxes (EBIT) of Rieter before and after restructuring:

CHF million	January – June 2022	January – June 2023
<b>Operating result before interest, taxes, and restructuring (EBIT before restructuring)</b>	<b>- 10.1</b>	<b>28.2</b>
Restructuring expenses <sup>1</sup>	-	-3.0
Impairment losses on property, plant, and equipment <sup>1</sup>	-0.1	-
<b>Operating result before interest and taxes (EBIT)</b>	<b>- 10.2</b>	<b>25.2</b>

1. See note 5.

## 3 SEGMENT INFORMATION

Segment information is based on the Group's organization and management structure and internal financial reporting to the Chief Operating Decision Maker up to the level of EBIT. The Chief Operating Decision Maker at Rieter is the Chief Executive Officer. Segment reporting is based on the same accounting policies as those used for the preparation of the consolidated financial statements. The Group consists of three reportable segments: Machines & Systems, Components, and After Sales. There is no

aggregation of operating segments. Rieter Machines & Systems develops and manufactures machinery and systems used to convert natural and man-made fibers and their blends into yarns. Rieter Components supplies technology components to spinning mills and to textile machinery manufacturers as well as precision winding machines. Rieter After Sales serves Rieter customers with spare parts, value-adding after sales services, and solutions over the entire product life cycle.

**Segment information January – June 2023**

CHF million	Machines & Systems	Components	After Sales	Total reportable segments
Total segment sales	521.9	211.3	92.4	825.6
Inter-segment sales	0.0	67.4	0.0	67.4
<b>Sales</b>	<b>521.9</b>	<b>143.9</b>	<b>92.4</b>	<b>758.2</b>
Operating result before interest, taxes, and restructuring (EBIT before restructuring)	2.2	16.0	16.0	34.2
Operating result before interest and taxes (EBIT)	1.6	16.0	16.0	33.6
Purchase of property, plant, and equipment, and intangible assets	4.6	6.8	0.6	12.0
Depreciation of property, plant, and equipment, and amortization of intangible assets	7.9	12.9	1.5	22.3

**Segment information January – June 2022**

CHF million	Machines & Systems	Components	After Sales	Total reportable segments
Total segment sales	383.8	219.8	76.9	680.5
Inter-segment sales	0.0	59.9	0.0	59.9
<b>Sales</b>	<b>383.8</b>	<b>159.9</b>	<b>76.9</b>	<b>620.6</b>
Operating result before interest, taxes, and restructuring (EBIT before restructuring)	-30.2	12.1	8.4	-9.7
Operating result before interest and taxes (EBIT)	-30.2	12.1	8.4	-9.7
Purchase of property, plant, and equipment, and intangible assets	5.5	7.0	1.3	13.8
Depreciation of property, plant, and equipment, and amortization of intangible assets	7.0	13.6	1.2	21.8

**Reconciliation of segment results**

CHF million	January – June 2022	January – June 2023
Operating result before interest and taxes (EBIT) of reportable segments	-9.7	33.6
Result that cannot be allocated to reportable segments	-0.5	-8.4
<b>Operating result before interest and taxes (EBIT)</b>	<b>-10.2</b>	<b>25.2</b>
Financial result	-10.1	-5.3
<b>Result before taxes</b>	<b>-20.3</b>	<b>19.9</b>

The result that cannot be allocated to reportable segments includes all those elements of income and expenses that cannot be allocated on a reasonable basis to the segments, such as certain costs of central functions and infrastructure (internally reported as “Corporate”) as well as the elimination of unrealized profits on inter-segment deliveries.

In the first half of 2023, the result that cannot be allocated to the reportable segments contains restructuring costs in the amount of CHF 2.4 million (see notes 2.3 and 5). In the first half of 2022, transaction costs related directly to the acquisition in the amount of CHF 2.4 million were included in the respective result (see note 2.1 and 5).

## 4 SALES

Sales are divided into the following categories:

CHF million	January – June 2022	January – June 2023
Sales of products	598.8	732.5
Sales of services	21.8	25.7
<b>Sales</b>	<b>620.6</b>	<b>758.2</b>

Sales of services are mainly incurred at Rieter After Sales.

## 5 OTHER INCOME AND EXPENSES

CHF million	January – June 2022	January – June 2023
Rental income	1.6	2.0
Gain on disposals of property, plant, and equipment	0.1	1.0
Disposals of materials for recycling purposes	1.7	1.4
Foreign exchange differences (net)	3.7	3.0
Miscellaneous other income	5.7	6.5
<b>Other income</b>	<b>12.8</b>	<b>13.9</b>
Restructuring expenses <sup>1</sup>	0.0	-3.0
Impairment losses on property, plant, and equipment <sup>1</sup>	-0.1	-
Transaction costs related directly to the acquisition <sup>2</sup>	-2.4	-
Losses from accounts receivable	-1.2	0.0
Miscellaneous other expenses	-0.9	-5.6
<b>Other expenses</b>	<b>-4.6</b>	<b>-8.6</b>

1. See note 2.3.

2. See note 2.1.

Miscellaneous other income includes income that is not presented as sales, such as income from export incentive schemes and income from government grants.



## 6 OPERATING RESULT BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)

The operating result before interest, taxes, depreciation, and amortization (EBITDA) is used by Rieter as an alternative performance measure. The table below contains a reconciliation of EBITDA:

CHF million	January – June 2022	January – June 2023
Operating result before interest and taxes (EBIT)	– 10.2	25.2
Depreciation and amortization	25.8	27.0
<b>Operating result before interest, taxes, depreciation, and amortization (EBITDA)</b>	<b>15.6</b>	<b>52.2</b>

## 7 CHANGES IN GROUP STRUCTURE

In the first half of 2023, Rieter transferred the entire business in Uzbekistan from Rieter Uzbekistan FE LLC (Tashkent, Uzbekistan) to the newly established and wholly owned subsidiary Rieter Textilsystemen LLC (Tashkent, Uzbekistan). After an increase in share capital fully financed by an external investor, Rieter lost control of Rieter Uzbekistan FE LLC and therefore deconsolidated this subsidiary in the first half of 2023. The change in Group structure had an insignificant impact on the consolidated semi-annual financial statements 2023.

In the first half of 2022, Rieter acquired the automatic winding machine business. This business was integrated into the newly established subsidiary Rieter Automatic Winder GmbH (Uebach-Palenberg, Germany, see note 2.1). Moreover, Rieter liquidated the operationally inactive subsidiary Graf-Kratzen GmbH (Gersthofen, Germany) with a foreign exchange loss of CHF 0.5 million transferred from other comprehensive income to the financial result of the consolidated semi-annual income statement 2022.

## 8 FINANCIAL INSTRUMENTS

The following table shows the financial instruments that are measured at fair value, grouped according to the categories defined in the accounting policies:

CHF million		December 31, 2022	June 30, 2023
Marketable securities	Assets, level 1	0.1	0.1
Other financial assets	Assets, level 2	0.4	0.6
Other financial assets	Assets, level 3	0.5	1.6
Derivative financial instruments (positive fair values)	Assets, level 2	16.0	12.2
Derivative financial instruments (negative fair values)	Liabilities, level 2	22.7	24.7

There were no transfers among the categories and the valuation techniques have been applied consistently. Financial instruments measured at level 2 consist mainly of derivatives held for hedging purposes entered into with reputable financial institutions. The

fair value of these instruments is determined with the help of valuation techniques that use foreign exchange rates and interest rates as observable input parameters.

On June 30, 2023, financial debt measured at amortized cost includes two fixed-rate bonds; one with a carrying amount of CHF 74.9 million (December 31, 2022: CHF 74.8 million) and a fair value of CHF 74.0 million (December 31, 2022: CHF 73.5 million) and a second with a carrying amount of CHF 99.7 million (December 31, 2022: 99.6) and a fair value of CHF 94.4 million (December 31, 2022: CHF 92.8 million). Both bonds are listed on the SIX

Swiss Exchange and are included in the balance sheet line item “Non-current financial debt”.

The carrying amounts of the financial instruments measured at amortized cost approximate fair values due to their mainly short-term nature (except for non-current lease liabilities).

## 9 EVENTS AFTER BALANCE SHEET DATE

As communicated on July 10, 2023, Rieter sold the land at Klosterstrasse in Winterthur (Switzerland), which was no longer required for operations, to the company Allreal, Glattpark (Switzerland). The company is acquiring the land with a total area of around 75 000 m<sup>2</sup>. The agreed sales price is CHF 96.0 million. Transfer of ownership is expected to take place in the fall of 2023 after fulfillment of the legally and contractually stipulated completion conditions. Rieter anticipates a positive impact on EBIT of around CHF 70 to 75 million.

The respective land is presented as assets classified as held for sale at June 30, 2023, and December 31, 2022. The sale had no impact on the consolidated semi-annual financial statements 2023. Further information regarding the sale will be disclosed in the Annual Report 2023. The new Rieter CAMPUS was not part of this transaction.

On July 19, 2023, the Board of Directors has approved the plan for a performance program called “Next Level”. The goal of this

program is to strengthen sales excellence, sharpen customer focus, improve cost efficiency in production, and optimize fixed cost structures. The program includes provisions for the net reduction of around 300 positions throughout the Group in relation to overhead functions. The possibility of further market- and volume-related adjustments in the order of 400 to 600 positions cannot be excluded. With these measures, Rieter is aiming to reduce operating costs by some CHF 80 million per year.

The one-time cost of the program is anticipated to be around CHF 45 to 50 million, which will have an impact on the second half of 2023. As a consequence, the consolidated semi-annual financial statements 2023 are not affected by this program.

The Semi-Annual Report 2023 was approved for publication by the Board of Directors on July 19, 2023. No other events have occurred up to July 19, 2023, which would necessitate adjustments to the carrying amounts of the Group’s assets or liabilities, or which would require disclosure.

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.

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