RIETER

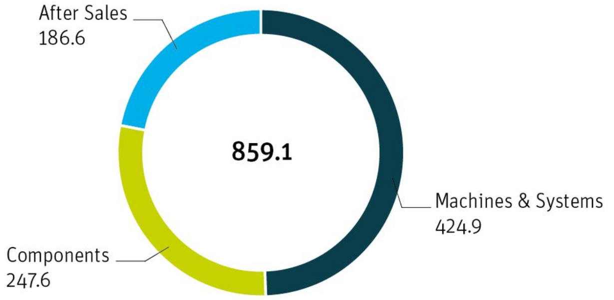
Annual Report

24

Rieter at a glance

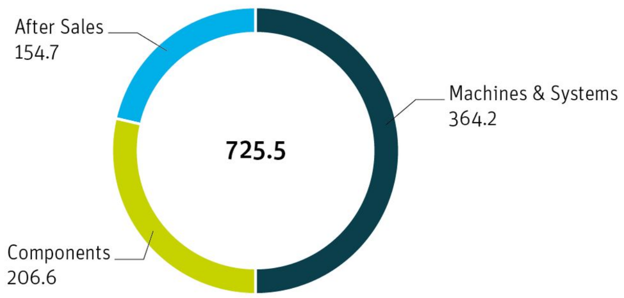
Sales by division

CHF million



Order intake by division

CHF million



CHF million	2023	2024	Difference
Order intake[1]	541.8	725.5	34%
Sales	1 418.6	859.1	– 39%
EBITDA[1, 3]	163.5	82.9	– 49%
- in % of sales	11.5	9.6	
EBIT before restructuring and Impairment[3]	159.4	33.8	– 79%
- in % of sales	11.2	3.9	
EBIT[1, 3]	104.8	28.0	– 73%
- in % of sales	7.4	3.3	
Net profit	74.0	10.4	– 86%
- in % of sales	5.2	1.2	
Capital expenditure[1]	41.2	25.6	– 38%
Net debt[1]	– 191.2	– 230.3	– 20%
Dividend per share (in CHF)[2]	3.00	2.00	
Equity ratio[1]	28.8	33.7	
Number of employees (excluding temporaries)	5 081	4 785	– 6%

1 Definition in alternative performance measures.

2 Proposal of the Board of Directors.

3 The comparative period has been adjusted retrospectively as a result of the reclassification of the share in profit of associated companies from financial result to the operating result.

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Letter to shareholders

Thomas Oetterli, Chairman and Chief Executive Officer

Dear shareholder

Order intake was significantly higher than in the previous year at CHF 725.5 million (2023: CHF 541.8 million), representing an increase of 34 percent. This was the fourth consecutive quarter of year-on-year growth. As expected, the Rieter Group closed financial year 2024 with lower sales of CHF 859.1 million (2023: CHF 1 418.6 million) and thus remained 39 percent below the prior year. Despite significantly lower sales, an operating result (EBIT) of CHF 28.0 million (2023: CHF 104.8 million) and thus a solid EBIT margin of 3.3 percent (2023: 7.4%) was achieved.

Order intake

Order intake in 2024 was 34 percent higher than in the previous year at CHF 725.5 million (2023: CHF 541.8 million). Rieter thus succeeded in strengthening its competitive position in a challenging market environment. An initial market recovery was visible compared with the previous year.

Sales by division

The Machines & Systems Division posted sales of CHF 424.9 million, a decrease of 56 percent compared with the previous year (2023: CHF 965.0 million). In the Components Division, sales declined to CHF 247.6 million, down 7 percent from the same period of the previous year (2023: CHF 266.2 million). The After Sales Division reported sales of CHF 186.6 million, comparable to the previous year (2023: CHF 187.4 million).

Order backlog

At the end of 2024, the company had an order backlog of about CHF 530 million (December 31, 2023: CHF 650 million).

EBIT, net profit and free cash flow

Profit at the **EBIT** level in the year under review was CHF 28.0 million (2023: CHF 104.8 million), which represents an EBIT margin of 3.3 percent (2023: 7.4%). Despite significantly lower sales, a solid EBIT margin was achieved. This is mainly due to the consistent implementation of the measures set out in the “Next Level” performance program.

Rieter closed the 2024 financial year with a net profit of CHF 10.4 million (2023: CHF 74.0 million).

Free cash flow amounted to CHF 14.1 million (2023: CHF 118.7 million). Net debt increased due to new lease liabilities in connection with the Campus in Winterthur to CHF 230.3 million (2023: CHF 191.2 million).

The **equity ratio** as of December 31, 2024, rose to 33.7 percent, mainly due to positive currency effects and lower net working capital (previous year’s reporting date 28.8 percent).

Dividend

The Board of Directors proposes to shareholders the distribution of a dividend of CHF 2.00 per share for 2024 based on the positive free cash flow of CHF 14.1 million and the improved equity ratio of 33.7 percent. This corresponds to a payout ratio of 85.8 percent.

Sustainability

Rieter has a clearly defined sustainability strategy that is closely linked to the Group strategy. Through the Science Based Targets initiative, Rieter made a commitment in 2024 to define company-wide emission reduction targets for the year 2040, which are consistent with scientifically-based net-zero goals. In this way, the Rieter Group takes responsibility for its own impact while supporting its customers on their sustainability journey. In the 2024 Annual Report, the report on non-financial matters shows the progress Rieter has made in the areas of environmental, social and corporate governance.

Outlook 2025

Rieter expects a challenging first half in 2025 with regard to sales volume and a stronger second half-year depending on the further market recovery. As a consequence, Rieter anticipates a sales volume at the previous year’s level for the full year 2025. Despite this exceptionally low sales level, Rieter anticipates a positive EBIT margin between 0 to 4 percent for the year 2025.

Thank you

I would like to express my sincere thanks to all our employees for their hard work and daily commitment in a challenging environment. I would like to take this opportunity to once again express our appreciation to you, our shareholders, for your great trust and support. A thank-you also goes to our partners for their constructive cooperation and our customers, who make our success possible in the first place.

Winterthur, March 12, 2025

Thomas Oetterli
Chairman and Chief Executive Officer

Rieter Group

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 man-made fibers as well as 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 18 production locations in ten countries and employs a global workforce of around 4 790, about 16 percent of whom are based in Switzerland. Rieter is a strong brand with a long tradition. For 230 years, Rieter’s innovative momentum has been a powerful driving force for progress in the spinning mill industry. The main focus is the economic efficiency of the customer’s yarn production; i.e. spinning yarn efficiently with minimal use of resources. Rieter thus makes an important contribution to the sustainable production of textiles.

With a worldwide sales and service organization, Rieter is well positioned as market leader in the global competitive environment. For the benefit of shareholders, customers and employees, Rieter aims to achieve sustained growth in enterprise value. With this in mind, Rieter seeks to maintain continuous growth in sales and profitability throughout the textile industry’s investment cycle. The company comprises three divisions: Machines & Systems, Components and After Sales.

Three divisions

The Machines & Systems Division develops, produces and distributes new machinery as spinning systems or single machines. Blowroom and cards are used for fiber preparation, draw frames, combers and roving frames are used for spinning preparation, and ring, compact-, rotor and air-jet spinning machines as well as winding machines are used for end spinning. The offer is supplemented by planning services and automation solutions as well as ESSENTIAL, the digital platform for the complete spinning mill.

The Components Division develops, produces and distributes technology components, precision winding machines as well as solutions for the production of filament yarns and nonwovens. Technology components come into contact with fibers and affect yarn properties; they are used in new machines and must be replaced at regular intervals during operation.

The After Sales Division develops, produces and distributes spare parts for Rieter machines as well as for conversions and modernizations. After Sales additionally sells technology components that are not included in the product range of the Components Division. After Sales also offers services that enable Rieter customers to improve the efficiency and effectiveness of their spinning mills.

Further information:

- Strategy Rieter Group
- Megatrends
- Textile market and spinning process
- Rieter brand

Group strategy

“Rieter makes the difference”

Vision

Rieter’s cutting-edge technology powers every spinning mill. Wherever textiles are produced, Rieter machines, systems, components and expertise come into play. Every apparel item, home furnishing fabric and technical textile is shaped by Rieter during the manufacturing process, minimizing resource consumption and maximizing performance. As market leader, more than 3 000 customers rely on Rieter technology every day to achieve more with less. This gives them the edge they need to compete and win.

Mission

Rieter provides leading technology for fiber processing. Pioneering, innovative and sustainable, Rieter continuously pushes boundaries and sets new standards. The company’s textile technologists are the industry’s best and brightest. Building on 230 years of experience, Rieter’s unmatched expertise in processing fibers to yarn sets the standard for the next generation of smarter, more efficient and sustainable spinning technology.

Innovative solutions

Rieter wins with innovative solutions. Thanks to outstanding sales and customer service as well as supply excellence and agility, the company is able to create added value for its customers and occupy a leading position in the industry.

Rieter is a **technology leader**, setting the pace for innovation in the spinning sector. As the only systems provider covering all process steps, Rieter's expertise in converting fiber to yarn puts it at the forefront of the industry. With Rieter technology, spinning mills are able to maximize resource efficiency and minimize cost conversion, while achieving higher yarn quality. The company manages its technology portfolio actively through strategic product power hubs, and develops world-class engineering for real-world requirements where customers are located. The Campus in Winterthur is Rieter's research and innovation hub and home to the industry's largest development and technology center.

Rieter is a **customer-service champion**. The company puts a laser-sharp focus on customer success, so mills can get the most out of their machines. Through a well-established after-sales network around the world, customers have access from any place and at any time to high quality spare parts and components, as well as to maintenance and repair services. This enables them to optimize their machine utilization 24/7, and rely on minimal downtime and prompt repair and technical support. The company's state-of-the-art webshop features more than 15 million spare parts with a personalized ordering experience.

The future of the spinning industry is **automated**, **digital** and smart. As mills struggle to hire and retain workers, automation technology is essential in order to ensure consistent and efficient operations. Rieter has stepped up its R&D activities to fully automate the value stream by 2027 through autonomous transport systems and collaborative robotics. Rieter's digital spinning suite ESSENTIAL will be the command-and-control center of smart and high-performing mills that lower cost and maximize returns. Customers will be able to fully focus on their yarn business by outsourcing their operations to Rieter technology and expertise.

Investment in spinning mills is expensive, making **financing** a differentiator. Rieter builds on its advantage as a global company with Swiss roots to offer customers attractive financing packages designed to fuel their growth.

Professional partner

Rieter wins through professionalism, making it the partner of choice for customers and suppliers.

In the pursuit of sales excellence, Rieter's organizational structure is designed around customer requirements. The company stays ahead of market trends in order to seize growth opportunities when they arise, underpinned by a smart global sales footprint.

Rieter is a technology leader at a competitive cost. The company is committed to providing its customers with the greatest value for their investments.

Supply excellence drives Rieter's industry-leading technology. High quality, on-time delivery, first-pass yield and strong claim management are at the core of the company's supplier partnerships.

Agility is the key to success given the cyclical nature of Rieter's markets. The organizational structure is designed to be lean, fast and agile in order to respond quickly and flexibly to any change in the market.

Committed employees

Rieter's employees are its greatest asset. The can-do spirit, dedication and drive of the company's employees make all the difference to customers, shareholders and the communities in which Rieter operates. The following company values inspire them in their daily work:

- "We put customers first": At Rieter, customer-centricity is an integral part of the company's DNA.
- "Quality starts with me": As a company with Swiss roots, Rieter is held to the highest quality standards. The Rieter team is on a mission to meet and beat those expectations every day.
- "We are passionate": At Rieter, everyone is united by a deep passion to enable customer success.

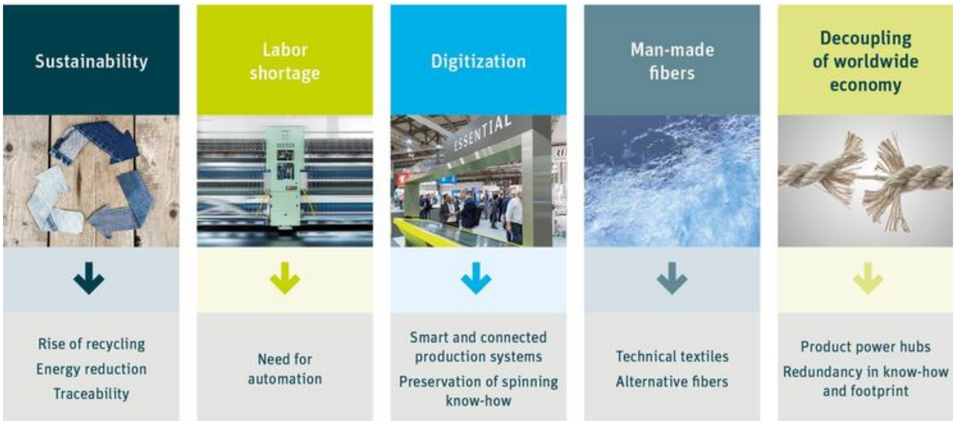
Strategic targets

What gets measured, gets done. Five strategic targets define success:

- Net Promoter Score (NPS) > 50: Customer excellence is defined by a Net Promoter Score above 50.
- Employee Net Promoter Score (eNPS) > 60: Rieter aims to become a top industry employer defined by an eNPS above 60, which beats the industry benchmark. The company provides a diverse, equitable and inclusive environment in which employees thrive, thus helping to attract and retain top talent.
- EBIT of 4 – 8 percent: Even in tough years, Rieter is committed to achieving a solid financial performance with an average EBIT of between 4 – 8 percent.
- Balanced business mix 50 / 50 percent: Rieter ensures a balance between its Machines & Systems Division as well as the After Sales and Components Divisions.
- Net zero by 2040: Rieter is playing its part in decarbonization. In line with the Science Based Targets initiative, Rieter aims to achieve net-zero emissions by 2040.

Thriving on textile megatrends

Five megatrends are reshaping the textile industry and thus yarn manufacture. The Rieter strategy is designed to capture the growth opportunities that come with changing markets.



Sustainability is an overarching megatrend as the textile industry is a key contributor to climate change. With fiber consumption rising, recycling and resource-efficient technology will become ever more important. Rieter is developing state-of-the-art technology that achieves positive effects in the spinning process through a reduction in raw materials and energy, and promotion of textile recyclability. Rieter also offers the industry's first fiber-to-fabric traceability technology. As a company, Rieter is committed to achieving net-zero emissions by 2040.

Manufacturing is facing a major **labor shortage** that is set to worsen due to aging populations, loss of qualified workers and changing skill requirements. Spinning mills around the world struggle to recruit and retain skilled workers. Rieter's automation technology enables mills to turn the labor crisis into an opportunity by helping to ensure consistent yarn quality, higher output and greater resource efficiency – thus improving the economic efficiency of spinning mills.

Digitization is transforming production processes in every industry, driven by the internet of things and artificial intelligence. Rieter machines record comprehensive data on material quality and machine status to optimize production quality and efficiency and enable preventive maintenance. Rieter's vision is to create smart spinning mills with fully automated production – from fiber delivery to package palletizing.

As fiber consumption is projected to rise, the majority of growth will come from **man-made fibers**. The growth limitations of natural fibers such as cotton and linen is limited. Man-made fibers such as viscose or polyester will help to meet expanding demand for clothing, technical and home textiles.

The **decoupling of the global economy** is accelerating the trend towards a reshaping of the customer service footprint and a localizing of supply chains. Rieter has relocated production and R&D closer to customers, sharpening customer-centricity, accelerating the speed of product development and improving agility. The Campus with the industry's largest development and technology center is and will remain Rieter’s research and innovation hub.

Innovation center Winterthur

In the summer of 2024, Rieter moved into its corporate headquarters on the new Campus in Winterthur. The new facility houses the most modern innovation and technology center of its kind, combining Rieter's extensive know-how and many years of experience in the yarn manufacturing process under one roof. The focus of development is on the areas of automation, digitization, artificial intelligence and recycling technologies. The ultimate goal is to enable customers to realize the full potential of their spinning mills under sustainable production conditions.

The new Campus in Winterthur (Switzerland) has been Rieter's corporate headquarters since the summer of 2024. For the first time, all employees at the Winterthur site are now together under one roof. This opens up new opportunities to share knowledge across departmental boundaries. The Campus is thus ideally positioned to act as a driving force for the spinning industry and to establish itself as a center of innovation for the entire sector.

Each year, Rieter invests around five percent of its sales in research and development for spinning systems as well as digitization solutions. The innovation center in Winterthur clearly demonstrates the company's commitment to the region and continues its 230-year tradition.

A hub for innovation

The Campus is home to the world's most advanced innovation and technology center, which is equipped like a small spinning mill. From the bale opener and the four final spinning processes to the winding machine, Rieter's complete portfolio of machinery required for spinning yarn is available here. Innovative automation solutions are also installed, such as ROBOspin, the successful fully automatic piecing robot, or SERVOlap, the lap transport system of the combing section.

Here, customers from all over the world learn first-hand how to adapt their products to the latest trends and requirements of the textile industry. They have the unique opportunity to exchange the latest findings face-to-face with product developers and technologists. Together with Rieter's specialists, customers can perform spinning tests and evaluate practical and economical solutions for their individual needs, for example for the production of yarns from recycled fibers.

The innovation and technology center is also the ideal location for customer training. Course participants practice on the latest machines and the most advanced automation and digitization solutions. The focus is on productivity, maintenance efficiency, cost effectiveness and efficient spinning mill management. Because only well-trained personnel can realize the full potential of a spinning mill.

Perfect conditions for yarn development

Well-known fashion brands, start-ups and a wide variety of organizations are increasingly looking for comprehensive knowledge and recommendations for spinning new raw materials, including mechanically and chemically recycled fibers. From fiber preparation to yarn spinning, the innovation and technology center provides the perfect environment for developing the right components and evaluating the optimal machine settings.

These development projects extend beyond yarn production to the production of textile fabrics. Rieter's experts are constantly expanding their knowledge, which allows them to provide fashion labels, fabric producers and start-ups with valuable information on yarn development and optimal processing in the subsequent process stages. After all, it is the finished product that determines success in the market.

Collaboration far beyond company boundaries

New and ongoing product development takes place on the Campus in so-called innovation cells. Here, experienced experts and talented, dynamic young people work closely together. Individual experience, leveraging synergies across product areas, and analyzing the diverse needs and challenges of customers around the world are of great importance. This leads to new initiatives that create new ways of thinking beyond machine development and push the boundaries of what is possible.

At Rieter, however, collaboration is not limited to joint projects with customers or fashion brands. Important new technologies and components are also developed in close cooperation with renowned universities and external research institutes, as well as with respected specialists from the textile industry.

Experiencing textile expertise

The new Showroom is a center for dialogue and an ideal setting for sharing knowledge with customers and partners. This is where textile expertise comes to life. Depending on the customer's interest, Rieter's product portfolio can be discussed in detail, including products and components from Accotex, Bräcker, Graf, Novibra, Suessen, SSM and Temco. Fabric samples and finished products, especially those made from recycled fibers, are a highlight here, as the feel and look of a fabric are the most important factors for a textile manufacturer.

Paving the way toward the smart spinning mill

Yarn production has been continuously automated over the past decades. Even so, there still is potential for innovation throughout the entire spinning process. In recent years, there has been an increase in interest in automation in the spinning industry. The main drivers are the economic challenges due to rising personnel costs and reduced availability of employees. Rieter is committed to taking automation to the next level, focusing on digital solutions and a network of innovation partners.

The history of the spinning industry is one of progressive automation: Since the first mechanical spinning mills were established in the second half of the 18th century, the machines and processes used to make yarn from staple fibers have been continuously developed to increase the efficiency and production quality of each machine.

In modern spinning mills, most process steps have been automated since the 1990s. This applies not only to the spinning process itself, but also to the upstream and downstream operations. A prime example is fiber preparation: A bale opener automatically opens bales of cotton or man-made fibers and feeds the fiber tufts into an air stream. The fibers then pass through various cleaning and mixing stages before finally leaving the fiber preparation step as card sliver. In this process, operators are primarily responsible for setting up, monitoring and maintaining the machines – production is completely autonomous.

Potential in automated material transport

And yet, even in the most advanced spinning mills, there still exist steps that must be performed manually. This often applies to material handling, such as the transport of cans, and is particularly relevant when material is fed into the machine, such as piecing-in a ring spinning machine.

After the turn of the millennium, digitization opened new possibilities for optimizing the spinning mill as a complete system. Rieter was quick to recognize the tremendous potential and has consistently expanded its digital portfolio over the years. Today, this is available on the market under the brand ESSENTIAL – Rieter Digital Spinning Suite.

While demand for advanced automation solutions was low for a long time, interest has surged worldwide in recent years. This is evidenced by the numerous orders for the piecing robot ROBOspin, which Rieter launched in 2019.

Demand for automation solutions on the rise

The renewed interest in next generation automation solutions can be attributed to three main factors:

1. Personnel situation

Spinning mills around the world are having trouble finding skilled personnel, and there is also high fluctuation in this area. Automation opens opportunities here, allowing monotonous tasks to be performed by machines, while employees can take on more enriching and demanding tasks.

2. Yarn quality

While human intervention in the production process can lead to variations in quality, automated processes guarantee consistent yarn quality. The decisive factor here is that automated systems can track process and quality parameters in real time – a key success factor for spinning mills.

3. Efficiency

Automated processes increase production output and resource efficiency, e.g. through better material utilization or lower energy consumption, thus improving the economic efficiency of the spinning mill.

Given the competitive environment in which spinning mills operate today, the demand for automation solutions is expected to continue to grow in the coming years. Rieter anticipated this development and successfully positioned itself as a driver of innovation and leading supplier of automation solutions.

No innovation without digitization

Rieter is guided here by a clear strategic vision: the smart spinning mill with a fully automated production process – from the delivery of fibers to the palletizing of packages.

End-to-end digitization is a prerequisite for achieving this vision. All Rieter machines already collect comprehensive data on material quality and machine status. This data serves as a basis for optimal production quality and efficiency, while also enabling preventive machine maintenance, which, among other things, results in a massive reduction in downtime.

ROBOspin, the spinning robot for ring and compact-spinning machines, for example, demonstrates the promise of success that lies in the consistent combination of digitization and automation: In combination with the Individual Spindle Monitoring (ISM) system, also developed by Rieter, the solution considerably reduces the average time required for yarn piecing. The spinning mill benefits from increased production output and requires up to 50 percent fewer operators at the machines.

The right partners for comprehensive solutions

To further advance the automation of spinning mills, it is necessary to look beyond the machine. What is needed is an integrated approach that considers the spinning process from fiber to finished product and ensures that information is shared across processes. This is crucial, for example, when it comes to new solutions for transport systems and to material feeding into the machine: for material to flow automatically through the spinning mill, data must also flow from machine to machine.

ESSENTIAL digital spinning suite from Rieter is a software program that allows data to be recorded, processed and used across processes. This is the basis for automated machine control throughout the process, taking into account material quality or contamination levels, for example. At the same time, this data pool is a prerequisite for further automation.

In this way, digitization is opening new possibilities: in the smart spinning mill of the future, collaborative, autonomously moving robots could not only transport material from A to B, but also supply the machines with material while performing maintenance tasks in between. Such solutions promise massive efficiency gains for the operator and more demanding tasks for personnel: Instead of monotonous work in noisy production halls, the focus would be on new activities such as process monitoring and system optimization.

Approaches such as these not only provide a convincing answer to the current challenges facing Rieter's customers. They also show that, after 230 years of development, the automation of spinning mills is not yet complete. Rieter intends to not only pursue this development to its conclusion, but also to implement it in the smart spinning mill. Thanks to its own expertise and a network of partner companies and research institutes that contribute know-how in specialized areas such as robotics, Rieter is ideally positioned to set new standards in spinning mill automation.

Textile market and spinning process

Around 110 million tons of fiber were processed world-wide in 2024, mainly for clothing, technical textiles and home textiles. Fiber consumption is growing – along with the world's population and disposable income – on average between two and three percent per year. It is estimated that it will reach around 140 million tons by 2030.

Yarn production

Rieter is the only systems provider that covers the complete manufacturing process in spinning mills: from fiber preparation through to the four end-spinning technologies.

The process from fiber to textile begins with fiber production. A yarn is produced from the fibers; for example, from cotton, linen, polyester or viscose. A textile is then produced from the yarn via various processing steps, such as weaving, knitting, dyeing or finishing. Yarn manufacturing is a highly technological step in the textile value chain and can heavily influence the performance of downstream process steps.

Yarn is basically produced in two ways. The first method is by spinning staple fibers with a length of either 23 to 60 mm (short-staple fibers) or of more than 60 mm (long-staple fibers). The second method is by processing filaments to make continuous filament yarn. The yarns resulting from filaments have different properties from those produced from staple fibers. In the clothing industry, the yarn produced from staple fiber predominates because it offers pleasant wearing comfort. The two types of yarn production each account for about 50 percent of world fiber consumption.

Rieter is mainly engaged in yarn production from staple fibers. The most important staple fibers in 2024 were cotton (about 25 million tons), polyester (about 19 million tons) and viscose (about seven million tons). Cotton is a slow growing product due to natural limitations, but production of viscose and polyester is projected to grow in the coming years.

The process for producing a yarn from staple fibers consists of three stages: fiber preparation, spinning preparation and end spinning.

Fiber and spinning preparation

The fibers, which are delivered in bales, are separated, cleaned if necessary, and aligned. This takes place during opening and carding. Spinning preparation involves the homogenization and drawing of the sliver, and the machine used for this is known as the draw frame. In cotton processing, the comber also plays a role: here, short fibers are combed out in order to produce a higher quality yarn. By the end of the spinning preparation stage, a uniform sliver or roving has been produced.

Spinning process

In the end-spinning stage, the fiber mesh is further drawn (up to about 40 fibers in cross-section for very fine yarns) and spun into a yarn by twisting. Twisting takes place by means of a rotating spindle (ring spinning, compact spinning), by rotation of a rotor (rotor spinning) or by an air flow (air-jet spinning). Compact spinning is a variant of ring spinning that uses an auxiliary device to achieve yarn with a higher density as a result of improved fiber integration.

Winding

After spinning, imperfections are removed from the yarn. The yarn is then wound on a package to present it in a suitable form for the subsequent process steps in the textile production chain. The winding machine serves as the final quality assurance in the ring spinning and compact-spinning process, and is crucial in the performance of the following steps. Yarn faults that are not detected here can result in machine downtimes during downstream processing, problems during the dyeing process, or faults in woven or knitted fabric.

Measured variables for capacity

Production of yarn from staple fibers is measured in spindle equivalents, with the production capacity of a ring spindle serving as the basis. The spinning unit of a rotor spinning machine corresponds to the productivity of five to six ring spindles, whereas that of an air-jet spinning machine corresponds to the productivity of 20 ring spindles.

A total of more than 250 million spindle equivalents worldwide were used in 2024 to produce yarn from the roughly 60 million tons of staple fibers, with about 94 million in China, 63 million in India, 72 million in Asian countries (excluding China, India and Türkiye) and 14 million in Türkiye. Every year, between 9 and 16 million spindle equivalents are installed on average. Rieter delivered 0.83 million spindle equivalents in 2024 (2023: 2.31 million). In addition, spinning mills require consumables, wear & tear and spare parts for ongoing operation.

Market

The world market for staple fiber machines relevant to Rieter has an annual volume of CHF 2 200 million to CHF 4 000 million. Rieter is the market leader with a share of about 30 percent.

(Sources: ITMF, estimation Rieter)

Business with new machines, consumables, wear & tear and spare parts

The business with new machines is cyclical. The tendency to invest in the spinning industry is mainly influenced by expectations of fiber consumption and the margins that can be achieved through sale of yarns. Fiber consumption is dependent on the economy, while the margins for yarn depend on the movement of raw material prices, capacity utilization, production costs of the spinning mills and foreign exchange rates. Government programs also have an influence.

Rieter aims to balance out the cyclicality of the machines business with consumables, wear & tear and spare parts, and after-sales services. This less cyclical business is driven by the degree of capacity utilization of operational spinning mills, which require consumables, wear & tear and spare parts.

Product and service offering

Rieter plans spinning mills, develops, produces and supplies the machines for fiber preparation, spinning preparation and end spinning, and supervises the installed machines throughout their life cycle. The company's vision is to automate and digitize the complete value stream of the spinning process, making it more resource-efficient and improving performance.

Rieter, with all its brands, is established worldwide as a premium supplier. Innovative products and services from Rieter enable spinning mill owners to be more competitive. Success factors are low yarn production costs, which are achieved through savings on raw materials, energy, labor and productivity advantages. This enables sustainable yarn production or the production of special yarns that can be used to achieve higher prices.

The professionalism and availability of the service is also a key aspect when customers decide to buy Rieter solutions.

Rieter brand

True to the company's tag line, "Rieter makes the difference", customers around the world rely on Rieter technology every day to achieve more with less. This gives them the edge they need to compete and win.

Mission

Rieter provides leading technology for fiber processing. Pioneering, innovative and sustainable, Rieter continuously pushes boundaries and sets new standards. The company's textile technologists are the industry's best and brightest. Building on 230 years of experience, Rieter's unmatched expertise in processing fiber to yarn sets the standard for the next generation of smarter, more efficient and sustainable spinning technology.

Brand

The company logo, which is around 40 years old, is the centerpiece of Rieter's corporate appearance. To maintain its distinctive visual presence, the logo is enhanced with color, a corporate typeface, additional graphic elements and an image style unique to Rieter. Corporate design guidelines regulate how the different elements should interact for a consistent overall appearance. The signature petrol green has become a hallmark in the spinning industry standing for exceptional quality and relentless performance.

Trademark protection

The Rieter brand and the brands of its subsidiaries Accotex, Bräcker, Graf, Novibra, Suessen, SSM and Temco are distinctive and well-known trademarks. Imitators have tried to replicate the company's visual identity and market positioning, which testifies to the tremendous intangible value of the company.

The Rieter umbrella brand and its subsidiaries' brands sharpen the company's competitive edge. The crucial role of trademark protection is thus performed both globally at Group level and locally at national level. At the end of 2024, the Rieter Group held about 920 trademark registrations in 80 countries. Rieter continuously monitors its trademarks and takes appropriate legal action in cases of infringement.

Corporate Culture

Corporate governance

The reporting on corporate governance complies with the Corporate Governance Directive issued by the SIX Swiss Exchange in its current version, insofar as it is applicable to the Rieter Group. Unless otherwise indicated, the information below is as of December 31, 2024. All information is regularly updated on the Rieter website here.

Group structure and shareholders

Group structure

Rieter Holding Ltd. is a company incorporated under Swiss law, with registered office in Winterthur, and as a holding company directly or indirectly controls all companies that are members of the Rieter Group. Some 34 companies worldwide were members of the Rieter Group on December 31, 2024. An overview of the companies included in the consolidation of Rieter Holding Ltd., including company name, domicile, share capital and the interest held by Rieter Holding Ltd., is published here. The management organization of the Rieter Group is independent of the legal structure of the Group and the individual companies.

Significant shareholders

The following significant shareholders within the meaning of Art. 120 para. 1 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA) held more than three percent of the voting rights or of the share capital of Rieter Holding Ltd. recorded in the commercial register as of December 31, 2024:

PCS Holding AG, Frauenfeld (Switzerland)	33.13%
BigPoint Holding AG, Cham (Switzerland)	8.91%
UBS Fund Management (Switzerland) AG	3.25%
Rieter Holding Ltd., Winterthur (Switzerland)	3.02%

Details of these investments are published here.

As of December 31, 2024, the portfolio's equity exposure is 19.15 percent.

All notifications of shareholders holding more than three percent of all voting rights or of the share capital of Rieter Holding Ltd. entered in the commercial register have been reported to the Disclosure Unit of the SIX Swiss Exchange and published via its electronic publication platform here.

Crossholdings

There are no crossholdings in terms of capital or voting rights between Rieter Holding Ltd. and other companies that exceed the threshold of five percent.

Capital structure

Share capital and shares

On December 31, 2024, the share capital of Rieter Holding Ltd. totaled CHF 23 361 815. This is divided into 4 672 363 fully paid, registered shares with a par value of CHF 5.00 each. The shares are listed on the SIX Swiss Exchange (securities code 367144; ISIN CH0003671440; Investdata RIEN). Rieter's market capitalization on December 31, 2024, was CHF 383.78 million. With the exception of treasury shares held by Rieter Holding Ltd., each share entered in the share register with voting rights entitles the holder to one vote at the Annual General Meeting and each share, whether entered in the share register or not, entitles the holder to dividends. Pursuant to §35 of the Articles of Association, any dividends not collected within five years of their due date are forfeited to Rieter Holding Ltd.

Capital band

Rieter Holding Ltd. has a capital band of between CHF 22 193 725 (lower limit) and CHF 25 697 995 (upper limit). Within the capital band, the Board of Directors is authorized to increase or reduce the share capital once or several times, and by any amount, until April 20, 2028, or until the capital band expires earlier, or to acquire or sell shares directly or indirectly. A capital increase or a capital reduction may be effected by issuing up to 467 236 fully paid registered shares with a par value of CHF 5.00 each, or by canceling up to 233 618 registered shares with a par value of CHF 5.00 each, or by increasing or decreasing the par value of the existing registered shares within the limits of the capital band.

In the event of a capital increase, the Board of Directors determines the number of shares, the issue price, the type of contribution (including cash payment, contribution in kind, set-off and conversion of reserves or retained earnings into share capital), the issue date, the conditions for exercising subscription rights and the start of dividend entitlement. The Board of Directors may issue new shares by means of a firm underwriting by a bank or other third party and a subsequent offer to existing shareholders. The Board of Directors is authorized to limit or exclude trading in preemptive rights. The Board of Directors may allow unexercised preemptive rights to lapse, or place them or the shares for which preemptive rights have been granted but not exercised at market conditions, or otherwise use them in the interest of the company.

The Board of Directors is also authorized to withdraw or limit the preemptive rights of shareholders and to allocate preemptive rights to individual shareholders or third parties:

a. for acquiring companies, parts of companies or investments in companies, or for financing or refinancing such transactions, or financing new investment projects by the company; or

b. for the purpose of broadening the shareholder structure in certain financial or investor markets, for the participation of strategic partners, or in connection with the listing of the shares on domestic or foreign stock exchanges.

If the share capital is reduced within the scope of the capital band, the Board of Directors will, if necessary, determine the appropriation of the amount of the reduction.

Changes in the capital structure

Changes in the capital structure of Rieter Holding Ltd.:

CHF million	December 31, 2023	December 31, 2024
Share capital	23.4	23.4
Reserves	123.2	125.9
Balance sheet profit	44.2	36.6

Further information on changes in the capital structure in the financial section of the current 2024 Annual Report is published here; the financial sections of the 2023 company reports can be viewed here on page 80.

Convertible bonds and options

Rieter Holding Ltd. has no convertible bonds or shareholders' options outstanding.

Participation certificates and dividend-right certificates

Rieter Holding Ltd. has issued neither participation certificates nor dividend-right certificates.

Board of Directors

Peter Spuhler
Member of the Board of Directors

Peter Spuhler (1959)
Member of the Board of Directors
Swiss national
Independent member

First election to Board
2009

Educational and professional background
Owner of Stadler Rail AG, Bussnang, until IPO in April 2019; largest shareholder (40 percent) since IPO; Group CEO a. i. from May 2020 until December 31, 2022.

Other activities and interests
Since 1989 Chairman of the Board at Stadler Rail AG, Bussnang (and several other companies of the Stadler Rail Group); since 2006 at PCS Holding AG, Frauenfeld; since 2018 at Aebi Schmidt Holding AG, Frauenfeld; since 2007 at Rana Aps AG, Warth-Weiningen; since 2008 at DSH Holding AG, Warth-Weiningen, Vice Chairman; since 2013 at Allreal Holding AG, Baar, member of the Board of Directors; since 2018 at European Loc Pool AG, Frauenfeld; since 2022 at Sönmez Transformer Company (STS), Dilovasi (Türkiye); since 2024 at PMT Management AG, Frauenfeld; since 2022 at Florhof Immobilien

AG, Zurich; since 2024 at Wohnpark Promenade AG, Frauenfeld; since 2017 at Chesa Sül Spelm AG, Frauenfeld; since 2019 at Robert Bosch GmbH, Stuttgart (Germany), member of the Supervisory Board; since 2019 at Robert Bosch Industrietreuhand KG, Stuttgart (Germany), listed partner; since 2004 at Tele D, Diessenhofen, member of the Board of Trustees; 2011 at Swissmem, Zurich, member of the Executive Committee; since 1999 at LITRA, Berne, member of the Executive Committee and Vice President; 1999–2012 member of the Swiss federal parliament (Nationalrat).

Committees
–

Executive/non-executive
Non-executive.

Thomas Oetterli
Chairman of the Board of Directors

Thomas Oetterli (1969)
Chairman
Member of the Board of Directors

Swiss national
–

First election to Board
2023; Chairman since 2024

Educational and professional background
Lic. oec., University of Zurich

Since 2024 Rieter Holding Ltd., Winterthur, Chairman of the Board of Directors; since 2023 Rieter Management AG (since 2024 Rieter AG), Winterthur, Chief Executive Officer and member of the Group Executive Committee of Rieter Holding Ltd., Winterthur; 2022 Nokera Group, Rüschlikon, CEO; 2016–2022 Schindler Group, Ebikon, CEO; 2013–2016 Schindler Group China, Shanghai, CEO; 2010–2013 Schindler Europe North & East, Ebikon, President; 2006–2009 Schindler Schweiz, Ebikon, Managing Director; 2003–2006 Schindler Germany, Berlin, CFO; 2002–2003 C. Haushahn Aufzüge GmbH & Co. KG, Stuttgart, Managing Director; 2000–2001 Haushahn Group, Stuttgart, CFO.

Other activities and interests
SFS Group, Heerbrugg, Chairman of the Board of Directors; Swissmem, Zurich, member of the Council.

Committees
–

Executive/non-executive
Executive.

Roger Baillod
Vice Chairman of the Board of Directors

Lead independent Director
Chairman of the Audit Committee

Roger Baillod (1958)
Vice Chairman
Lead Independent Director

Swiss national
Independent member

First election to Board
2016; Vice Chairman since 2022

Educational and professional background
Degree in Business Economics FH, certified Public Accountant; since 2017 Professional Board Member; 1996–2016 Bucher Industries AG, Niederweningen (Switzerland), Chief Financial Officer and member of the Group Management.

Other activities and interests
Since 2017 Ed. Geistlich Söhne AG für chemische Industrie, Schlieren, Vice Chairman of the Board of Directors; since 2021 Geistlich Pharma AG, Wolhusen, member of the Board of Directors; since 2013 BKW AG, Berne, member of the Board of Directors and since 2021 Chairman of the Board of Directors.

Committees
Chairman of the Audit Committee.

Executive/non-executive
Non-executive.

Hans-Peter Schwald
Member of the Board of Directors

Member of the Audit Committee,
the Remuneration and the Nomination Committee

Hans-Peter Schwald (1959)
Member of the Board of Directors

Swiss national
Independent member

First election to Board
2009

Educational and professional background
Lic. iur. HSG; lawyer; senior partner in the legal practice of Valfor Attorney-at-law Association, Berne, Brussels, Geneva, Lausanne, Sion, Zug and Zurich.

Other activities and interests
Since 2011 Autoneum Holding AG, Winterthur, Chairman of the Board; since 1989 Stadler Rail AG, Bussnang, Vice Chairman of the Board; (and several other companies of the Stadler Rail Group); since 2014 VAMED Management und Service Schweiz AG, Zihlschlacht, Chairman of the Board; since 1997 Rehaklinik Zihlschlacht AG, Zihlschlacht, Chairman of the Board of Directors; since 2014 Swiss VAMED Rehakliniken, Chairman of the Board of Directors; since 1998 AVIA Association of independent Swiss importers and suppliers of energy products, Cooperative, Zurich, Chairman of the Board of Directors (1988-1998 Delegate of the Board of Directors); member of the Board of Directors of other Swiss Stock Corporations.

Committees
Member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Executive/non-executive
Non-executive.

Carl Illi
Member of the Board of Directors

Member of the Audit Committee

Carl Illi (1961)
Member of the Board of Directors

Swiss national
Independent member

First election to Board
2017

Educational and professional background
Lic. oec. HSG; since 2014 CWC Textil AG Group, Zurich, co-owner; since 2009 CWC Textil AG, Zurich, and Swisstulle AG, Münchwilen, Chairman of the Board of Directors.

Other activities and interests
Since 2017 Swiss Textiles – Swiss Textile Federation, Zurich, Chairman; since 2014 Swiss Textile College, Zurich, member of the Board of Directors; 1999–2011 Swiss Association of Textile Specialists, Reinach, Chairman; since 2020 economiesuisse, Zurich, member of the Board Committee.

Committees
Member of the Audit Committee.

Executive/non-executive
Non-executive.

Sarah Kreienbühl
Member of the Board of Directors

Chairwoman of the Remuneration Committee and the Nomination Committee

Sarah Kreienbühl (1970)
Member of the Board of Directors

Swiss and French national
Independent member

First election to Board
2022

Educational and professional background
Lic. phil. I, University of Zurich; since 2023 Kühne+Nagel International AG, Schindellegi, member of the Management Board, Chief Human Resources Officer with additional responsibility for the Group's Environmental, Social and Governance (ESG) as well as the Quality, Health, Safety and Environment (QSHE) strategy; 2018–2022 Federation of Migros Cooperatives, member of the Executive Board; Migros Group, Head Human Resources and Corporate Communications; 2004–2017 Sonova Group, Stäfa, Group VP Corporate Human Resources and from 2012 Group VP Corporate Communications.

Other activities and interests
President of the Swiss Management Society.

Committees
Chairwoman of the Remuneration Committee and the Nomination Committee.

Executive/non-executive
Non-executive.

Jennifer Maag
Member of the Board of Directors

Member of the Audit Committee

Jennifer Maag (1969)
Member of the Board of Directors

Swiss and German national
Independent member

First election to Board
2024

Educational and professional background
BA Political Economy, University of California, Berkeley, since 1999 Founder and Managing Partner of Capital Concepts International AG, Zurich; 1996–

1999 Senior Manager KPMG Corporate Finance, Zurich; 1992–1996 Deloitte & Touche, Zurich and Munich.

Other activities and interests
Since 2024 Artemis Holding AG, Hergiswil, Chairwoman of the Board; since 2022 Kardex Holding AG, Zurich, Member of the Board, Chairwoman Audit Committee, Chairwoman ESG Steering Group; since 2020 Weidmann Holding AG, Rapperswil, Member of the Board; since 2020 UZH Foundation (University of Zurich), Zurich, member of the Foundation Board and of the Investment Committee.

Committees
Member of the Audit Committee.

Executive/non-executive
Non-executive.

Daniel Grieder
Member of the Board of Directors

Member of the Remuneration Committee and the Nomination Committee

Daniel Grieder (1961)
Member of the Board of Directors

Swiss national
Independent member

First election to Board
2022

Educational and professional background
HWV; since June 2021 HUGO BOSS AG, Metzingen (Germany), CEO; 2010–2020 various positions at PVH, most recently as Global CEO Tommy Hilfiger and CEO PVH Europe; from 2004 various roles with Tommy Hilfiger; 1985–2004 management of own sales agency, from 1997 also active for Tommy Hilfiger.

Other activities and interests
Owner of Fountain Holding SA, Brissago.

Committees
Member of the Remuneration Committee and the Nomination Committee.

Executive/non-executive
Non-executive.

Members of the Board of Directors

Pursuant to the Articles of Association, the Board of Directors of Rieter Holding Ltd. consists of at least five and at most nine members. At the 2024 Annual General Meeting, Bernhard Jucker, Chairman of the Board of Directors, stepped down from his position. Thomas Oetterli was elected as the new Chairman of the Board of Directors at the 2024 Annual General Meeting, and has since held the dual position of CEO and

Chairman. At the same time, Roger Baillod was appointed as Lead Independent Director to ensure good corporate governance. Except for Thomas Oetterli, no other member of the Board of Directors serves in an executive capacity. All other directors are independent in accordance with the Swiss Code of Best Practice for Corporate Governance.

The management structure within the Board of Directors is periodically reviewed.

Competence profile of the Board of Directors

The current composition of the Board of Directors covers in particular the following key competencies:

Competencies:	Thomas Oetterli	Roger Baillod	Peter Spuhler	Hans-Peter Schwald	Carl Illi	Sarah Kreienbühl	Daniel Grieder	Jennifer Maag
Executive Experience	●	●	●	●	●	●	●	●
Legal, regulatory and risk management	○	●	○	●	●	●	○	●
Stock exchange and communication	●	●	●	●	○	●	●	●
Finance	●	●	●	●	●	●	●	●
Human Resources	●	●	●	●	○	●	●	○
Research & Development and Technology	○	○	●	○	●	○	○	○
Sales and marketing	●	○	●	○	●	●	●	○
Environment, Social und Governance (ESG)	●	●	○	●	●	●	○	●
IT, digitization, cyber and information security	○	○	○	●	○	○	●	●
Experience in the industrial and textile sector or other sectors relevant to Rieter	●	●	●	○	●	○	●	●

○ Average experience ● High level of expertise

In connection with the nomination of the Chairman of the Board of Directors, the members of the Board of Directors and the Committees, the Nomination Committee draws up a profile of the requirements to be met by the candidates, prepares the selection according to these criteria and submits proposals to the Board of Directors.

Group Secretary

Patrick Houweling, attorney-at-law, lic. iur., Executive-M.B.L.-HSG, General Counsel of Rieter Holding Ltd., has been Secretary to the Board of Directors since April 2024; he is not a member of the Board of Directors.

Election and term of office

Each person elected to the Board of Directors serves a term of office of one year. Nominations for election to the Board of Directors are made with a view to achieving a balanced composition of this body. Consideration is given to industrial expertise, particularly in the machinery and textile industries, international management and professional experience, as well as various aspects of diversity. Rieter aims to increase the proportion of women on the Board of Directors to 30 percent as from the Annual General Meeting 2024.

Directorships outside the Group

No member of the Board of Directors may hold more than 15 other directorships, of which no more than five may be with listed companies. This limitation does not apply to the following:

a. directorships with companies controlled by the Group,
b. directorships held by a member of the Board of Directors on behalf of the Group or companies controlled by it,
c. directorships with companies that do not qualify as companies within the meaning of Art. 727 para. 1 no. 2 CO,
d. directorships with non-profit associations and foundations as well as employee benefit plans.

Directorships within the meaning of c) and d) are limited to 20.

Internal organization

The Board of Directors is responsible for the overall management of the Rieter Group and the Group companies. It exercises a supervisory function over the persons who have been entrusted with the management of the business. It takes decisions on all matters assigned to it by law, the Articles of Association and the management regulations. It draws up the annual report, makes preparations concerning the annual general meeting and takes the necessary steps to implement the resolutions adopted at the annual general meeting.

The Board of Directors has the following decision-making powers:

- composition of the business portfolio and the strategic direction of the Group,
- definition of the Group’s structure,
- appointment and dismissal of the Chairman of the Group Executive Committee (CEO),
- appointment and dismissal of the other members of the Group Executive Committee,
- definition of the powers and duties of the Chairman and the Committees of the Board of Directors and of the members of the Group Executive Committee,
- organization of accounting, financial control and financial planning,

- approval of strategic and financial planning, the budget, the annual financial statements and the annual report,
- principles of financial and investment policy, personnel and social policy, management and communication,
- signature regulations and delegation of authority,
- principles of internal auditing,
- decisions on projects involving expenditure exceeding CHF 10 million,
- issuance of bonds and other financial market transactions,
- incorporation, acquisition, sale and liquidation of subsidiaries.

The Board of Directors consists of the Chairman, the Vice Chairman and the other members. The Chairman is elected at the annual general meeting; otherwise the Directors allocate their responsibilities among themselves. The Vice Chairman deputizes for the Chairman in the latter’s absence. The Board of Directors has a quorum when the majority of its members are present. Motions are passed by a simple majority. In the event of a tie, the Chairman has the casting vote. The Board of Directors has formed an Audit Committee, a Remuneration Committee and a Nomination Committee to assist it in its work. However, decisions are taken by the Board of Directors as a whole.

The Board of Directors meets at least six times a year at the invitation of the Chairman. The Board of Directors held six meetings in the 2024 financial year. Each meeting lasted between half a day and a full day.

With two exceptions, all members of the Board of Directors attended all board meetings in 2024.

	23. Jan.	**11. Mar.**	**17. Apr.**	**4. Jul.**	**4. Sep.**	**11. Dec.**
Thomas Oetterli	X	X	X	X	X	X
Bernhard Jucker	X	X	X	–	–	–
Roger Baillod	X	X	X	X	X	X
Peter Spuhler	X	X	X	X	X	X
Hans-Peter Schwald	X	X	X	X	X	X
Carl Illi	X	X	X	X	X	X
Sarah Kreienbühl	X	X	X	X	–[1]	X
Daniel Grieder	X	X	X	–[1]	X	X
Jennifer Maag	–	–	–	X	X	X

[1] excused

In addition, the Board of Directors held five conference calls.

The agendas for the meetings of the Board of Directors are drawn up by the Chairman. Any member of the Board of Directors may also propose items for inclusion on the agenda. The Board of Directors usually makes an annual visit to one Group location. As a rule, the members of the Group Executive Committee also attend the meetings of the Board of Directors. They present the strategy and the results of their operating units, as well as the projects requiring the approval of the Board of Directors. In exceptional cases, external consultants may also be invited to discuss specific items on the agenda.

Once a year, the Board of Directors holds a special meeting to review its internal working methods and cooperation with the Group Executive Committee as part of the self-assessment process.

Audit Committee

The Audit Committee currently consists of four members of the Board. Its Chairman is Roger Baillod, and the other members are Carl Illi, Hans-Peter Schwald and Jennifer Maag.

In the 2024 financial year, none of the members of the Audit Committee exercised executive functions. The Chairman is elected for one year. The Audit Committee meets at least twice a year. The Head of Internal Audit, representatives of the statutory auditors KPMG AG, the Chairman of the Board of Directors, the CEO and the CFO, and other members of the Group Executive Committee and management as appropriate also attended the meetings in 2024.

Main duties of the Audit Committee:

- to elaborate principles for external and internal audits for submission to the Board of Directors and provide information on their implementation,
- to assess the work of the external and internal auditors as well as their mutual cooperation and report to the Board of Directors,
- to assess the audit reports and management letters submitted by the statutory auditors as well as the invoiced costs,
- overall supervision of risk management and approval of the Group Executive Committee's risk report addressed to the Board of Directors,
- to assess risk management and security policies in the areas of IT security and data security,
- to report to the Board of Directors and assist the Board of Directors in nominating the statutory auditors and the Group auditors for consideration by the annual general meeting,
- to review the results of internal audits, approve the audit plan for the following year and nominate the Head of Internal Audit,
- the Chairman of the Audit Committee is responsible for receiving complaints (whistleblowing) in connection with the Code of Conduct (Regulations regarding Conduct in Business Relationships).

The Audit Committee held three regular meetings in 2024. Each meeting lasted between half a day and a full day. With one exception, all Committee members attended all the meetings and regularly received the written reports of the internal auditors. The Chairman of the Audit Committee met separately with the external statutory auditors and the Head of Internal Audit three times during the year.

Internal audit

The internal audit function is organizationally independent and reports to the Audit Committee. At the administrative level, the internal audit reports to the CFO. Audits are performed on the basis of an audit plan approved by the Audit Committee. A total of 10 ordinary audits were carried out in 2024. The audits specifically examined the definition and implementation of the key controls.

Internal auditing also includes various compliance audits. Finally, additional risks and controls in connection with the business processes were examined. Each audit includes a review of the implementation of recommendations from previous audits.

The implementation and reliability of the internal controls were reviewed through self-assessments to ensure that deviations were identified and appropriate corrective actions were taken. Internal audit reports are provided to the members of the Audit Committee, the Chairman of the Board of Directors, the members of the Group Executive Committee and the relevant members of management.

Remuneration Committee

The Remuneration Committee consists of a minimum of three and a maximum of five members, each of whom is elected at the annual general meeting for a term of office of one year. The majority of its members must be independent as defined in the Swiss Code of Best Practice for Corporate Governance, and have the necessary experience in the area of remuneration planning and policy. The Chairwoman or Chairman of this Committee is appointed by the Board of Directors. Sarah Kreienbühl has held this position since the 2022 Annual General Meeting.

Duties of the Remuneration Committee:

- periodic review of the remuneration plans and policies within the Group,
- elaboration of the basic features and key data of the Rieter Top Management Incentive System, the Group Bonus Program and the Long-Term Incentive Plan,
- elaboration of the proposals for the remuneration of the Board of Directors and the Group Executive Committee for submission to the Board of Directors,
- review of the extent to which the defined performance objectives have been achieved and elaboration of a proposal for the payment of variable elements of remuneration,
- examination of the remuneration report and confirmation to the Board of Directors that the remuneration paid in the year under review complies with the resolutions of the annual general meeting, the principles governing the remuneration policy and the remuneration plans and regulations.

The Committee held five meetings in 2024. Each meeting lasted half a day. With one exception, all Committee members were present at the meetings.

Nomination Committee

The Nomination Committee consists of a minimum of three and a maximum of five members, each of whom is elected by the Board of Directors for a term of office of one year. The Chairwoman or Chairman of this Committee is appointed by the Board of Directors. Sarah Kreienbühl has held this position since the 2022 Annual General Meeting.

Duties and competencies of the Human Resources Committee:

- succession planning for the Board of Directors, the Chairman and the Committees,
- organization of the performance assessment of the Board of Directors and its members,
- definition of the selection criteria, evaluation and recommendation of candidates for the attention of the Board of Directors concerning the positions of Chairman of the Group Executive Committee (CEO), members of the Group Executive Committee and key management positions,

- regular receipt of information concerning succession planning in the Group and management development activities,
- review of developments in the area of corporate governance that are not covered by the Audit Committee or the Remuneration Committee,
- review of regulations.

The Committee held five meetings in 2024. Each meeting lasted half a day. With one exception, all Committee members were present at the meetings.

Allocation of authority

The Board of Directors has delegated the operational management of the Rieter Group to the CEO. The members of the Group Executive Committee report to the CEO. The division of responsibilities and cooperation between the Board of Directors, the CEO and the Group Executive Committee are stipulated in the Group management regulations. The CEO draws up the strategic and financial planning statements and the budget together with the Group Executive Committee, and submits them to the Board of Directors for approval. He reports regularly on the course of business as well as on risks in the Group and changes in personnel at management level. He is obliged to inform the Board of Directors immediately of any fundamentally important matters arising between the regular reporting periods.

Information and control instruments vis-à-vis the Group Executive Committee

Once a month, the Board of Directors receives a written report from the Group Executive Committee on the key figures of the Group and the divisions, including information on the balance sheet, cash flow and income statements, capital expenditure and projects. The figures are compared with the budget and figures from the previous year. The Board of Directors is also informed at each meeting about the course of business, major projects and risks, as well as rolling earnings and liquidity planning. If the Board of Directors has to decide on major projects, a written proposal is submitted in advance of the meeting. Projects approved by the Board of Directors are monitored within the framework of a special project controlling system. Once a year, the Board of Directors discusses the strategic plans drawn up by the Group Executive Committee and the financial budget for the Group and the divisions. The financial statements are prepared for publication twice a year. The Group Executive Committee normally meets once a month. 12 meetings were held in 2024. In addition, two closed-door meetings were held.

Group Executive Committee

Thomas Oetterli
Chief Executive Officer (CEO)

Thomas Oetterli (1969)
Chief Executive Officer (CEO)

Swiss national

Member of the Group Executive Committee
2023

Educational and professional background
Lic. oec., University of Zurich.

Rieter Management AG (since 2024 Rieter Ltd.), Winterthur, Chief Executive Officer and member of the Group Executive Committee of Rieter Holding Ltd., Winterthur; 2022 Nokera Group, Rüschlikon, CEO; 2016–2022 Schindler Group, Ebikon, CEO; 2013–2016 Schindler Group China, Shanghai, CEO; 2010–2013 Schindler Europe North & East, Ebikon, President; 2006–2009 Schindler Schweiz, Ebikon, Managing Director; 2003–2006 Schindler Germany, Berlin, CFO; 2002–2003 C. Haushahn Aufzüge GmbH & Co. KG, Stuttgart, Managing Director; 2000–2001 Haushahn Group, Stuttgart, CFO.

Other activities and interests
SFS Group, Heerbrugg, Chairman of the Board of Directors; Swissmem, Zurich, member of the Council.

Roger Albrecht
Head of the Machines & Systems Division

Roger Albrecht (1982)
Head of the Machines & Systems Division

Swiss national

Member of the Group Executive Committee
2021

Educational and professional background
Bachelor in Business Administration, University of Applied Sciences Zurich (ZHAW), Switzerland, and Master of Accounting and Finance, University of St. Gallen (HSG), Switzerland.

Since March 2021 Rieter Management AG (since 2024 Rieter Ltd.), Winterthur, Head of the Machines & Systems Division and member of the Group Executive Committee of Rieter Holding Ltd., Winterthur; 2018–2021 Spindelfabrik Suessen GmbH, Suessen, Managing Director; 2015–2017 Rieter Management AG, Winterthur, Senior Vice President Finance, Controlling & Projects, Business Group Components; 2012–2015 Hilti Canada, Mississauga/ Ontario, Director of Finance, Finance Business Partner; 2008–2012 Hilti Group, Schaan, Business Unit Controller, BU Chemicals and BU Direct Fastening.

Other activities and interests
None.

Serge Entleitner
Head of the Components Division

Serge Entleitner (1964)
Head of the Components Division

Austrian national

Member of the Group Executive Committee
2017

Educational and professional background
Master of social and economic sciences, Leopold-Franzens University Innsbruck; SKU Swiss Programs in Management, Brunnen and ETH Zurich, Switzerland, and London Business School, United Kingdom.

Since 2017 Rieter Management AG (since 2024 Rieter Ltd.), Winterthur, Head of the Components Division and member of the Group Executive Committee of Rieter Holding Ltd., Winterthur; 2011–2016 Bühler AG, Uzwil, Head of

Business Area Consumer Foods; 2008–2010 Conzzeta AG, Zurich, Head of Business Unit Coatings and member of the Executive Board; 2005–2008 Schmid-Rhyner AG, Adliswil, Managing Director; 2000–2005 Sefar AG, Division Printing, Thal/SG, Head of Marketing & Sales MSC EUROW (Europe and Rest of the World, without USA and Asia Pacific), Vice President and member of the Division Management; 1991–2000 Saurer Sticksysteme AG, Arbon, several managing positions in sales.

Other activities and interests
None.

Rico Randegger
Head of the After Sales Division

Rico Randegger (1973)
Head of the After Sales Division

Swiss national

Member of the Group Executive Committee
2019

Educational and professional background
Studies of Electrical Engineering at the NTB Buchs (HTL) and Postgraduate Studies in Business Engineering FH at the PHW Zurich.

Since 2019 Rieter Management AG (since 2024 Rieter Ltd.), Winterthur, Head of the After Sales Division and member of the Group Executive Committee of the Rieter Holding Ltd., Winterthur; 2018–2019 Bosch Packaging Technology, Königsbrunn, Head of the Product Group Liquid Food; 2015–2017 Ampack GmbH, Königsbrunn, CEO; 2010–2014 Bosch Packaging Services AG, Beringen, CEO; 2008–2010 Bosch Packaging Services AG, Neuhausen, Director Field Service; 2003–2007 Sigpack Services, Inc., Raleigh (NC), Business Analyst; 2000–2002 Sigpack Systems AG, Neuhausen, Team Leader Customer Service; 1998–2000 SIG Pack Systems AG, Neuhausen, Commissioning Engineer.

Other activities and interests
None.

Oliver Streuli
Chief Financial Officer (CFO)

Oliver Streuli (1988)
Chief Financial Officer (CFO)

Swiss national

Member of the Group Executive Committee
2023

Educational and professional background
Master of Arts in Accounting and Corporate Finance HSG, University of St. Gallen; Bachelor of Arts in Business Administration HSG, University of St. Gallen.

Since 2023 Rieter Management AG (since 2024 Rieter Ltd.), Winterthur, Chief Financial Officer and member of the Group Executive Committee of Rieter Holding Ltd., Winterthur; 2019–2023 PCS Holding AG, Frauenfeld, CEO; 2022–2024 Swiss Steel Group, Lucerne, Member of the Board of Directors; 2022–2023 Sönmez Transformatör Sanayi ve Ticaret A.Ş., Dilovası/Kocaeli, Türkiye, member of the Supervisory Board; 2020–2023 Traktionssysteme Austria GmbH, Wiener Neudorf, member of the Supervisory Board; 2021–2022 Rolling Stock Finance AG, Frauenfeld, Chairman of the Board; 2020–2022 Estonian Train Finance AG, Frauenfeld, Chairman of the Board; 2020–2022 Nordic Train Finance AG, Frauenfeld, Chairman of the Board; 2019–2022 Austrian Train Finance AG, Frauenfeld, Chairman of the Board; 2017–2019 Stadler Rail Management AG, Frauenfeld, Assistant Group CEO and Executive Chairman.

Other activities and interests
Since 2021 Autoneum Holding AG, Winterthur, member of the Board of Directors; 2022–2023 Flux Mobility AG, Winterthur, member of the Board of Directors.

Risk management

Rieter has an Internal Control System (ICS) designed to ensure the effectiveness and efficiency of the company’s operations, the reliability of the financial accounting, and compliance with legal requirements. The ICS is an important component of the risk management system.

The risk management process is regulated by the “Rieter Risk Management System” directive. This directive defines the important risk categories on which risk management is based, and the functions that deal with the various risks within the Group. In addition, the directive sets out the procedures for identifying, reporting and handling risks, the criteria for qualitative and quantitative risk assessment, and the thresholds for reporting identified risks to the competent management levels.

Once a year, under the direction of the General Counsel, a workshop is held to evaluate risks in terms of probability of occurrence and impact on the Group, and to identify the necessary risk management measures.

Market and business risks arising from developments in the relevant markets and the products offered are also assessed as part of strategic planning. In addition, as is the case with the operational risks, they are regularly discussed at the monthly meetings of the Group Executive Committee. Other risks that could cause actual results to deviate from the financial plan are also dealt with at these meetings. In the process, necessary corrective measures are discussed, defined and monitored. Significant individual risks are reported to the Board of Directors in the monthly reports.

Risks resulting from acquisitions or other major projects are recorded and dealt with at the corporate level within the scope of the authorization competencies and in the corresponding project organizations. Such projects are discussed at the Group Executive Committee meetings and evaluated regularly for submission to the Board of Directors.

Periodic reports are prepared for selected risks. This applies, in particular, to environmental and occupational safety risks at the various production sites, financial risks from sales activities, risks arising from the work of the treasury, and risks from litigation and legal compliance.

Cyber security risks

International companies are exposed to the risk of cyber-attacks. Such attacks use a variety of methods to target computer information systems, infrastructures, computer networks and/or personal computing devices.

Rieter organizes its IT infrastructure in such a way as to provide the best possible protection against cyber-attacks. In addition, comprehensive processes have been introduced to detect and respond to cyber-attacks at an early stage and to ensure IT continuity. This is achieved by deploying internal staff and state-of-the-art technology, supported by an external Security Operations Center.

Rieter employees receive regular training on how to identify cyber risks and how to deal with them properly.

Cyber maturity is subject to regular audits. The Board of Directors and management assign high priority to the cyber security roadmap and monitor changes very closely.

New online fraud prevention training was introduced in 2022. This is designed to raise awareness of cyber fraud, particularly among those employees who are the most exposed to such risks. All Rieter employees were required to attend this training, which is also mandatory for new employees.

An overall assessment of the identified risks and the instruments and measures taken to deal with these risks takes place once a year. The results of this assessment are reported to the Board of Directors annually.

Code of Conduct

The Code of Conduct is part of every employee's contract of employment. The Code of Conduct is explained to the employees in the individual business units. Centralized coaching is also provided for members of management in the form of an e-learning program. Compliance with the Code of Conduct is regularly verified in the context of internal audits and by additional audits. The Code of Conduct can be accessed here.

Employees can report violations of the Code of Conduct via an external whistleblowing office.

The Supplier Code of Conduct, which also addresses environmental sustainability issues, was updated in 2022.

Directorships outside the Group

No member of the Group Executive Committee may hold more than four directorships, of which no more than two may be with listed companies. This limitation does not apply to the following:

a. directorships with companies controlled by the Group,
b. directorships held by a member of the Group Executive Committee on behalf of the Group or companies controlled by it,
c. directorships with companies that do not qualify as companies within the meaning of Art. 727 para. 1 no. 2 CO,
d. directorships with non-profit associations and foundations as well as employee benefit plans.

Directorships within the meaning of c) and d) are limited to 20.

Members of the Group Executive Committee must have their mandates approved by the Board of Directors prior to acceptance.

Management contracts

There are no management contracts between Rieter Holding Ltd. and third parties.

Remuneration, participation and loans

Pursuant to §27 of the Articles of Association, the motions of the Board of Directors regarding the maximum remuneration of the Board of Directors and the Group Executive Committee are adopted at the annual general meeting for the financial year following the annual general meeting.

Pursuant to §28 of the Articles of Association, the members of the Board of Directors receive a fixed remuneration, which is paid either wholly in cash or partly or wholly in the form of shares. The target value of the variable remuneration is 100 percent of the base salary. Provided that the financial, strategic and/or personal targets are met, the members of the Group Executive Committee are entitled to a variable remuneration of a maximum of 150 percent of the base salary. The amount is calculated based on the weighted sub targets, which are determined in advance on an annual basis.

Pursuant to §29 of the Articles of Association, the company is authorized to pay additional remuneration to members of the Group Executive Committee who join the company or are promoted to the Group Executive Committee after the approval of the remuneration by the Annual General Meeting, provided that such additional remuneration does not exceed 40 percent of the most recently approved amount.

Pursuant to §33 of the Articles of Association, the company may grant loans on market terms and conditions to members of the Board of Directors and the Group Executive Committee, provided that the amount of the loan does not exceed three times the last annual remuneration.

For other aspects, please refer to the remuneration report.

Shareholders participatory rights

Shareholder rights relating to the remuneration of the Board of Directors and the Group Executive Committee are described in the Remuneration Report of this Annual Report.

Proxy voting

A shareholder may be represented at the Annual General Meeting by his legal representative, by a proxy of his choice or by the independent voting proxy. All shares held by a shareholder may only be represented by one person. Proxies can be granted either in writing or electronically.

Independent voting proxy

An independent voting proxy is elected each year at the Annual General Meeting. The term of office of the independent voting proxy runs until the end of the next Annual General Meeting. Re-election is possible. Removal is effective at the close of the Annual General Meeting at which the independent voting proxy is removed. Natural persons or legal entities are eligible for election.

In the financial year 2024, at the Annual General Meeting on April 19, 2024, the shareholders elected Ulrich B. Mayer, attorney, of Winkel (Switzerland), as the independent voting proxy until the next Annual General Meeting.

The Articles of Association of Rieter Holding Ltd. do not contain any provisions regarding instructions to the independent voting proxy. The Board of Directors determines the requirements for proxies and instructions in accordance with the law and may issue regulations to this effect. The Board provides details of this with the invitation to the Annual General Meeting. In the financial year 2024, all shareholders received a form together with the invitation to the Annual General Meeting, enabling them to authorize the independent voting proxy in writing or via the Internet and to give instructions to the independent voting proxy on the individual motions. Instructions were limited to approval, disapproval or abstention for each motion. With respect to additional or amended motions, shareholders could give a general instruction to either accept, reject or abstain from voting on the motions proposed by the Board of Directors. Shareholders were given until April 17, 2024, 3:30 p.m., to authorize voting proxies and issue instructions via the Internet.

Restrictions on share transfers and nominee registrations

Those persons who are entered in the share register are recognized as voting shareholders. Rieter shares can be bought and sold without any restrictions. Pursuant to Article 4 of the Articles of Association, entry in the share register can be denied in the absence of an explicit declaration that the shares are held in the applicant's own name and for the applicant's own account. There are no other restrictions on registration.

Shares held in a fiduciary capacity are not entered in the share register. As an exception to this rule, Anglo-Saxon nominee companies are entered in the register if the company in question has concluded a nominee agreement with Rieter. The nominee company exercises voting rights at the Annual General Meeting. At Rieter's request, the nominee is obliged to disclose the name of the person on whose behalf it holds shares.

Statutory quorum

The Annual General Meeting passes resolutions by an absolute majority of the voting shares represented, unless the law or the Articles of Association provide otherwise. In particular, the remuneration of the Board of Directors and the Group Executive Committee, resolutions on the appropriation of available earnings and, in particular, the distribution of dividends are decided by a majority of the votes cast, with abstentions not counting as votes cast. A majority of at least two-thirds of the votes represented is required for the resolutions referred to in Art. 704 para. 1 CO and for all other amendments to the Articles of Association.

Convocation of shareholders' meetings and agenda items

Shareholders' meetings are convened by the Board of Directors in writing at least 20 days before the event, with details of the agenda, pursuant to §8 of the Articles of Association, and are published in the company's official publication medium (Swiss Official Commercial Gazette).

Pursuant to §9 of the Articles of Association, shareholders representing shares with a nominal value of 0.5 percent of the share capital or voting rights (currently 23 361 shares) may, within a period of time to be announced by the company, request in writing that an item be included on the agenda of the Annual General Meeting, or submit a motion with a brief statement of grounds for the inclusion of an item on the agenda.

Entries in the share register

No entries are made in the share register ten days before the Annual General Meeting. In the invitation to the Annual General Meeting, the Board of Directors announces the cut-off date for registration in the share register, which is the decisive date for determining the right to attend and to vote.

Change of control and defensive measures

Obligation to submit an offer

There are no statutory provisions on opting up or opting out, i.e. the statutory provisions on public takeover offers pursuant to the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA) apply in full.

Change of control clauses

There are no change of control clauses in favor of the members of the Board of Directors or the Group Executive Committee.

Statutory auditors

Duration of mandate and term of office of the lead auditor

KPMG AG, Zurich (Switzerland), has been appointed statutory auditor of Rieter Holding Ltd. and the Rieter Group since 2023. The statutory auditors are elected at the Annual General Meeting each year on a motion proposed by the Board of Directors. Roman Wenk has served as lead auditor for the mandate since the 2023 financial year.

Auditing fees

In the 2024 financial year, KPMG and other auditors charged the Rieter Group approximately CHF 0.9 million and CHF 0.1 million, respectively, for services in connection with auditing of the annual financial statements of the Group companies and Rieter’s consolidated financial statements.

Additional fees

Additional consulting fees invoiced by the statutory auditors in 2024 amounted to less than CHF 0.1 million and mainly concerned consulting services related to reporting on non-financial matters and taxes.

Supervisory and monitoring instruments vis-à-vis the auditors

The Audit Committee of the Board of Directors discusses the audit plan, the audit focus, the audit schedule and the audit results with the auditors on an annual basis. The Audit Committee of the Board of Directors annually assesses the performance, remuneration and independence of the auditors and submits a proposal for the election of the auditors to the annual general meeting. Further information on auditing is published here.

Information policy

Rieter maintains regular and transparent communication with the company's shareholders and the capital market. Shareholders entered in the share register are informed of the Group's annual financial statements by means of a letter to shareholders. In addition, shareholders and the capital market are informed via the media of significant current changes and developments. Events relevant to the share price are published in accordance with the ad-hoc publicity requirements of the SIX Swiss Exchange. Rieter also maintains a dialogue with investors and the media at special events.

The annual report is available at www.rieter.com. Press releases for the public, financial and trade media, as well as presentations, share price information and contact details are also available at this website. The Board of Directors and the Group Executive Committee provide information on the financial statements and the course of business of the company and answer shareholders' questions at the Annual General Meeting.

Ad-hoc announcements

The push and pull links for the dissemination of ad-hoc announcements are published in compliance with the directive on ad-hoc publicity and can be accessed here.

Blackout periods

During the period before and after the publication of information or projects relevant to the stock exchange (blackout periods), members of the Board of Directors, the Group Executive Committee and all persons involved are prohibited from effecting transactions in securities or other financial instruments of Rieter Holding Ltd. Rieter maintains insider lists for the respective blackout periods for persons who are prohibited from trading in securities or other financial instruments of Rieter Holding Ltd. during the corresponding period. The insider list includes employees and external service providers who, by virtue of their work, have access to inside information, in particular in connection with the preparation of financial information for regular reporting and stock market-related projects. Details are set out in the internal Insider Guideline.

The regularly recurring blackout periods in connection with the financial reporting of the Rieter Group are as follows:

Annual Report: From January 1 until 24 hours after the publication of the annual financial statements.

Semi-Annual Report: From June 15 until 24 hours after the publication of the Semi-Annual Report.

Investor Update: From 14 days prior to the publication date until 24 hours after the publication of an Investor Update.

Contacts

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Financial calendar

Date	Event
April 24, 2025	Annual General Meeting 2025
July 18, 2025	Semi-Annual Report 2025
October 22, 2025	Investor Update 2025
February 26, 2026	Results Press Conference 2026
March 3, 2026	Deadline for Proposals Regarding the Agenda of the Annual General Meeting
April 16, 2026	Annual General Meeting 2026
July 17, 2026	Semi-Annual Report 2026
October 28, 2026	Investor Update 2026

Material topics

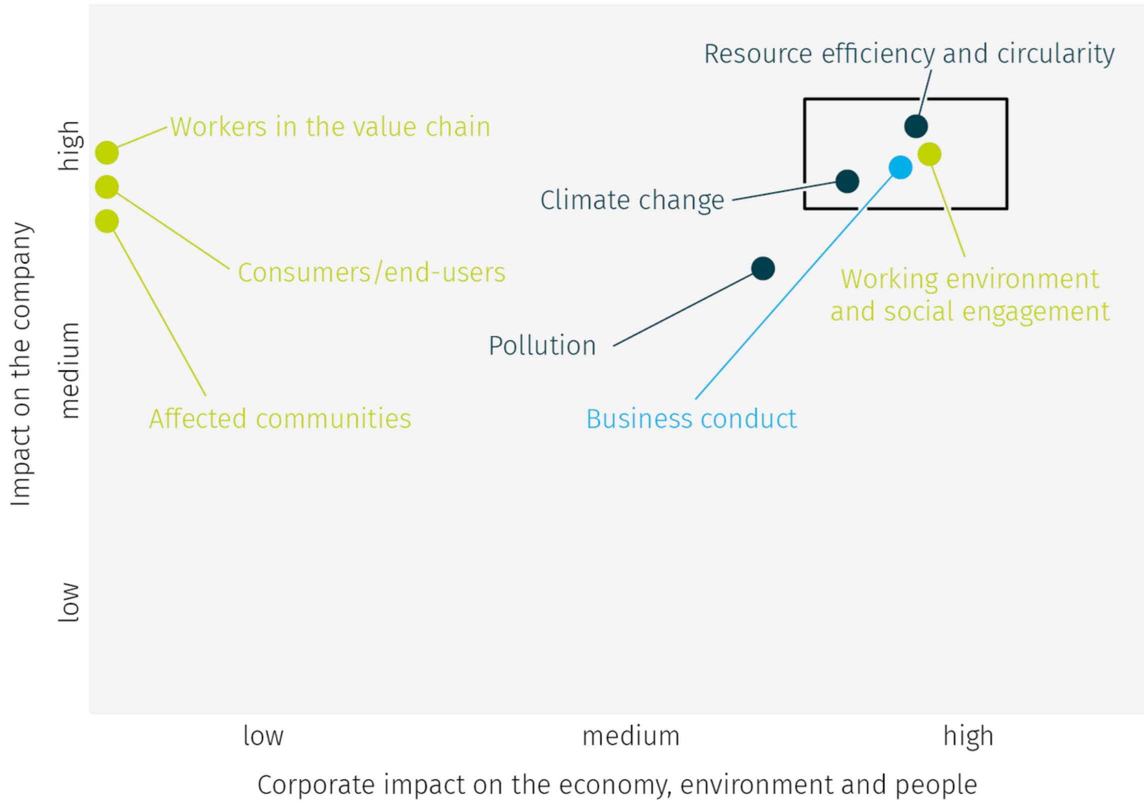
The key topics underlying Rieter's sustainability strategy are based on a survey of the most important stakeholder groups conducted in 2023. The following topics are material for Rieter: climate change, resource efficiency and circular economy, working conditions and social engagement as well as corporate governance.

In 2023, Rieter conducted a materiality survey among the company's most important stakeholder groups. For this purpose, Rieter developed 26 relevant questions on the topics of climate change, pollution, water, biodiversity, circular economy, employees, workers in the value chain, affected communities and end consumers. The questionnaire was then sent to customers, agents, suppliers, banks, associations, the Board of Directors, the Group Executive Committee and employees via an online tool. Four questions on corporate culture were aimed exclusively at employees. The response rate was a high 83.7 percent. The evaluation took into account whether Rieter has an external impact on a topic – for example, through energy-efficient products (corporate impact on the economy, environment and people) – or whether an issue has an external impact on the company, such as changing legislation or regulations (impact on the company).

The five key topics identified from the analysis – biodiversity, circular economy, climate change, employees and corporate governance – were further specified in the 2024 reporting year. The topic of biodiversity was combined with the circular economy in order to sharpen the focus on resource efficiency. Rieter reviews the material topics on an ongoing basis.

Key topics

2023	Specification 2024
Climate change	Climate change
Biodiversity	Resource efficiency and circular economy
Circular economy	
Own workforce	Working conditions and social engagement
Business conduct	Corporate governance



Sustainability strategy

The textile industry is one of the most resource-intensive industries and a burden on the environment. Less than one percent of textile waste is recycled into equivalent products in a closed-loop process. Spinning is just one small, high-tech step in the overall textile manufacturing process, but it plays an increasingly important role in sustainability. Rieter develops state-of-the-art technologies for yarn production. When combined with textile expertise, Rieter's technology ensures positive effects in the spinning process that save raw materials and energy and promote the recyclability of textiles.

Rieter has been integrating Environmental, Social and Governance (ESG) issues into its corporate strategy for many years. Two dimensions are considered here: the development and provision of high-quality technology for the spinning process and the minimization of the company's own environmental footprint.

For the spinning process, Rieter offers state-of-the-art technologies that use digitization and artificial intelligence to increase energy efficiency and optimize the use of raw materials. The company's recycling spinning systems enable spinning mills to overcome the challenges associated with processing mechanically recycled fibers. This allows spinning mills to capitalize on the growing demand for sustainable textiles.

At the same time, the recycling systems contribute to reducing textile waste and help to further promote the circular economy. In addition to technologies, Rieter supports its customers with textile expertise in the production of innovative yarns from plant-based, recycled or chemically produced fibers.

In 2024, through the Science Based Targets initiative (SBTi), Rieter made a commitment to define, within the next two years, company-wide emission reduction targets for the year 2040, which are consistent with scientifically based net-zero goals. In this way, Rieter supports the Paris Climate Agreement. Rieter is currently working with its suppliers to identify appropriate emission reduction measures to reduce environmental impacts throughout the value chain. One component is the definition of interim targets to achieve net-zero emissions by 2040. Annual reporting on progress towards the “Planet” and “People” targets for 2025 will continue.

Focus on key sustainability issues

Rieter focuses its sustainability strategy on the key issues identified in the double materiality assessment in 2023 with the involvement of internal and external stakeholders: climate change, resource efficiency and circular economy, working conditions and social engagement, and corporate governance.

Targets for the key topics

Climate change

The company’s traditional focus on the energy efficiency of its products is also reflected in the way it deals with its ecological footprint. To address climate change, the company has set reduction targets for energy efficiency and greenhouse gas (GHG) emissions for 2025. In 2024, Rieter joined the SBTi with the aim of achieving net-zero emissions by 2040. As an interim target, the company aims to switch completely to renewable energies by 2030.

Own footprint	2025	2030	2040
Energy consumption	< 0.10 MWh/CHF 1 000 sales	100% renewable energy at all locations	Net zero (SBTi)
Greenhouse gas emissions	< 0.045 tCO_2e/CHF 1 000 sales		
Acidification	< 0.01 kg/CHF 1 000 sales		

Energy efficiency is a hallmark of Rieter’s spinning systems. Rieter engineers have always attached great importance to this when developing new machines. This focus helps spinning mills reduce the environmental impact of their operations, which in turn contributes to the decarbonization of the entire textile value chain.

Rieter has set itself measurable targets for energy reduction in all spinning systems by 2025 and 2030:

Reduction of energy consumption per kg of yarn (Ne 30 viscose) compared with 2021	2025	2030
Ring spinning	15%	22%
Air-jet spinning	16%	22%
Rotor spinning	2%	7%

Resource efficiency and circular economy

Resource efficiency and the circular economy are key issues where Rieter is able to make a big difference both in its own operations and through its products and services.

Ecological footprint	What	2025
	Water	< 0.275 m^3/CHF 1 000 sales
	Waste and recycling	< 10 kg/CHF 1 000 sales

Rieter ensures that resources are used sparingly at all production sites, and strives for circular production processes in order to reuse raw materials wherever possible.

Working conditions and social engagement

Rieter strives to be an employer of choice. The new corporate strategy has placed a greater focus on this goal.

	What	2025
Employer of choice	Turnover rate as percentage of workforce	< 10%
Health and safety	Absence rate as percentage of hours worked	< 2%
	Accident rate per million hours worked (Accident Frequency Rate)	< 3.0
Diversity	Women in management positions	> 20%
Training and development	Education and training days per employee per year	> 3 days

Corporate governance

Integrity and trust form the core of Rieter's corporate culture.

Rieter strives to create a meaningful and value-oriented environment through its mission and vision. The company ensures compliance with the Code of Conduct, which is an integral part of all employment contracts. A special whistleblowing platform enables reporting of violations of statutory regulations or internal rules, such as the company's compliance guidelines.

Sustainability disclosure

Based on the requirements of the Task Force on Climate-related Disclosures (TCFD), the company's risk management team has conducted a comprehensive analysis of its exposure to climate-related risks. The analysis included physical risks and transition risks, taking into account various climate scenarios. Risk management processes have been refined to address these climate risks and integrated into the company's business processes. This allows Rieter to mitigate risks and make better use of opportunities (more on TCFD here).

Governance – sustainability

The Board of Directors of Rieter Holding Ltd. defines the company's sustainability strategy at the Group level and sets goals and priorities, while the Group Executive Committee is responsible for implementing the sustainability strategy at the operational level.

In 2024, an internal Sustainability Committee was formed, comprising leaders from the areas of supply chain, finance, legal, occupational safety and environmental protection, communications and human resources as well as sustainability. The Committee meets every two months to review the progress on sustainability initiatives. In 2024, the Committee met five times, chaired by the CEO. The finance department collects the non-financial data, thus providing the basis for transparent reporting. Product and market-related measures, such as optimizing the energy consumption of individual spinning systems, are the responsibility of the respective country organization. The Rieter subsidiaries are accountable for site-specific measures in the areas of energy, GHG emissions, waste, biodiversity and occupational safety. They are supported by technical experts at Group level.

Board of Directors		The Board of Directors defines the goals and priorities of the sustainability strategy.
Group Executive Committee		The Group Executive Committee implements the sustainability strategy at the operational level and monitors progress and target achievement. Sustainability is a regular agenda item at all meetings.
	Sustainability Committee	The Sustainability Committee develops the conceptual framework for the implementation of the sustainability strategy.
	Finance department	The finance department collects the non-financial data and ensures transparent reporting.
Country organization		Product and market-related measures are the responsibility of the respective division.
	Corporate risk management	Corporate risk management supports the local Rieter companies with site-specific measures.

Exchange with dialogue groups

Rieter maintains a lively exchange with internal and external dialogue groups. In this way, the company ensures the inclusion of diverse viewpoints in corporate management and the creation of long-term value. Openness and transparency are the cornerstones of this dialogue.

The most important stakeholder groups for Rieter are customers, employees, suppliers, the financial community, investors, the local community and NGOs, regulatory authorities and industry associations, universities (research and partnerships), the public and the media.

Customers

Rieter offers its customers state-of-the-art technology to enable them to maintain and expand their competitiveness in a challenging environment. The sales, textile technology, service and customer trainings are in close contact with customers and help them to exploit the full potential of Rieter’s products and systems through knowledge transfer and training. The company continuously conducts targeted Net Promoter Score surveys and develops specific measures to increase customer satisfaction.

Employees

Rieter is an innovative technology leader thanks to the know-how, expertise and passion of its employees. A high level of employee engagement is essential for achieving top performance. In 2024, the company conducted one company-wide PULSE survey based on the Net Promoter Score principle. Values related to corporate culture scored particularly high. As a global company, promoting diversity is a key issue. This includes both cultural and age-related diversity.

Suppliers

Suppliers play a critical role in the implementation of the sustainability strategy. Rieter works with its suppliers to minimize social and environmental risks along the supply chain. Rieter encourages its suppliers to integrate sustainable practices into their production chains by specifying environmental standards and social criteria in its procurement guidelines.

Financial community

Rieter maintains an active dialogue with the financial community to ensure transparency and build trust. To this end, Rieter cooperates with ESG rating agencies and responds to questions from non-governmental organizations on sustainability issues.

The Rieter Group regularly informs shareholders about the course of business through the integrated annual report, the semi-annual report and at the annual general meeting. The company also maintains regular contact with institutional investors holding Rieter shares through roadshows and the Capital Market Day in October 2024. With transparent communication, Rieter strives to achieve a broadly diversified, international shareholder base with a long-term orientation.

Local community and NGOs

At its most important locations, Rieter is one of the largest employers in the respective region, for example in Changzhou (China), Ústí nad Orlicí (Czech Republic), Wing (India) and Winterthur (Switzerland). In these locations in particular, the company is heavily involved in cultural, educational and charitable activities.

Regulatory authorities and industry associations

As a leading company in textile machinery technology, Rieter is an active member of important industry associations such as Swissmem.

Universities – research and partnerships

For decades, Rieter has cooperated with top-class research institutes worldwide in order to further expand its technological leadership. In conjunction with the Johann Jacob Rieter Foundation, Rieter supports an Endowed Professorship for Industrial Artificial Intelligence at the ZHAW School of Engineering in Winterthur (Switzerland). Rieter has a network of partnerships with European universities. The company works with these universities on projects aimed at increasing the recycled content of fine cotton ring spun yarns.

Public and media

Rieter informs the public and the media in a transparent and open manner. The financial media, in particular, play an important role. Daily newspapers are also serviced because of their importance to the local population.

Ratings and certifications

Rieter works with ESG rating agencies to make its commitment to environmental, social and governance issues more transparent.

Performance Rating Agency	2023	2024
EthiFinance	38/100	63/100
Inrate	63/100	63/100
Sustainalytics	–	27.1

Certifications

Rieter's operations comply with recognized frameworks and best practices and are certified to industry standards to ensure consistent quality, operational efficiency and compliance with environmental and regulatory requirements.

Certifications	Unit of measurement	2023	2024
ISO 9001 (sites)	Quantity	13	13
ISO 9001 (% of employees)	%	82.4	81.8
ISO 14001 and EMAS (sites)	Quantity	1	1
ISO 14001 and EMAS (% of employees)	%	1.7	1.9
Rieter production sites	Quantity	18	18

United Nations sustainable development goals

The United Nations Sustainable Development Goals (SDGs) are a call for collective action to reduce poverty, to protect the planet, and to enable peace and prosperity for all by 2030. This is to be attained on the basis of 17 goals. Achievement of these goals requires concerted action from governments, businesses and individuals alike.

Rieter's sustainability strategy advances the United Nations' global agenda through the following five SDGs:

SDG	Target[1]	Rieter's activity
4 QUALITY EDUCATION	4.3.1	Rieter offers a wide range of training opportunities to improve the qualifications of its employees. These range from apprenticeships to internships, student projects and other continuous professional development opportunities. As part of its learning culture, Rieter invests in ongoing employee training by providing suitable training opportunities and granting employees paid leave in order to learn. The aim is to achieve a training rate of more than three days annually per employee. Rieter offers a wide range of courses through a continuously expanded global digital learning platform.
8 DECENT WORK AND ECONOMIC GROWTH	8.7.1	Rieter respects the human rights of its employees. The company provides its employees with a professional, safe and secure working environment. Rieter does not employ child labor in any of its companies and respects the minimum working age according to local laws. Rieter requires its tier 1 suppliers to sign its Supplier Code of Conduct in which the company stipulates that fundamental human rights (including child labor laws) must be upheld.
	8.8.1	Rieter's global Environment Health & Safety (EHS) Management System applies to all sites and employees. The company implements its local management systems based on the Corporate Management System and local regulatory and legal requirements. EHS professionals conduct incident investigations and carry out regular risk assessments in order to identify hazards and develop corrective and preventative measures, thus ensuring a safe working environment for all personnel.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.4.1	Rieter monitors its Greenhouse Gas (GHG) emissions (scope 1 and 2) following the guidelines of the GHG Protocol. In addition, Rieter also aims to reduce CO_2 emissions in the textile value chain by continuously improving the energy efficiency of its products and machines. This is the company's most effective means of reducing the industry's carbon footprint and the company has set ambitious targets for its systems: Ring spinning system (per kilogram yarn, Ne 30 viscose): Target 2025: In 2025, energy consumption is to be reduced by 15 percent compared with 2021. Air-jet spinning system (per kilogram yarn, Ne 30 viscose): Target 2025: In 2025, energy consumption is to be reduced by 16 percent compared with 2021. Rotor spinning system (per kilogram yarn, Ne 30 viscose): Target 2025: In 2025, energy consumption is to be reduced by 2 percent compared with 2021.
	9.5.1 9.5.2	In 2024, Rieter has invested about CHF 50.0 million, or 5.8 percent of sales, in the development and commercialization of technology that is of strategic importance to the company's future growth. As of December 31, 2024, Rieter employs 4 785 employees.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.4.2	Rieter monitors the amount of hazardous and non-hazardous waste generated, as well as the disposal method. Efforts to reduce the amount of waste generated focus on packaging optimization.
	12.7.1	As a leading supplier to the textile industry, Rieter is committed to upholding the highest ethical principles in its dealings with employees, shareholders, customers, suppliers, competitors, governments, society and the environment. Rieter expects its suppliers to uphold the same ethical principles and

SDG	Target[1]	Rieter's activity
		integrity in their activities with stakeholders and the environment. These sustainable procurement expectations are set out in the Supplier Code of Conduct.
13 CLIMATE ACTION	13.2.2	In 2024, Rieter has committed to developing science-based targets in line with the net-zero goals of the SBTi. Rieter monitors its GHG emissions (scope 1 and 2) according to the reporting guidelines of the GHG Protocol. By 2030, the company aims to have significantly reduced its scope 1 and 2 emissions by switching to renewable energy. The company aims to achieve net zero by 2040.

1 Sustainable Development Goals

Planet

Progress 2024

The lower sales and production volumes in financial year 2024 resulted in a reduction in absolute numbers of the following key performance indicators:

Energy consumption (-28.4 percent), greenhouse gas emissions (GHG emissions) scope 1 and 2 (-32.6 percent), water withdrawal (-21.3 percent) and waste generated (-23.8 percent). Although this raised the intensity rate for the relevant environmental key performance indicators, Rieter was able to achieve all intensity targets in 2024.

- The **share in renewable energy** consumption increased by 5.7 percentage points to 28.6 percent. Rieter is currently developing a plan to switch consumption of purchased electricity, gas and crude oil to 100 percent renewable sources by 2030.
- In 2024, Rieter began to calculate and report initial scope 3 GHG emissions. Total **GHG emissions** (scopes 1, 2 market-based, and 3) amount to 4 246 369.5 tCO_2e. The use of products sold in the scope 3 category 11 has the largest impact on Rieter's GHG emissions at 4 100 000 tCO_2e or 96.6 percent. In 2025, Rieter aims to start development of measures to reduce GHG emissions in this category.
- In 2024, the **recycling rate** decreased by 7.9 percentage points to 83.4 percent, due to one-time effects from the office relocation to the Campus in Winterthur (Switzerland).
- **2025**: Rieter plans to develop new environmental targets for 2030, improve GHG emission calculation of scope 3 and work on the financial quantification of climate-related risks linked to TCFD. The company's net zero roadmap 2040 is under development.

Environmental disclosures

Environmental topics, such as energy consumption and emissions reduction, water conservation, waste management and pollution prevention, are essential for sustainable development and for safeguarding natural resources for future generations. Addressing these issues minimizes ecological impacts, ensures operational efficiency and helps Rieter to comply with regulations while reducing operational risks.

Rieter's Code of Conduct reinforces these environmental priorities by setting expectations for responsible and sustainable behavior, guiding employees and stakeholders to act with integrity in ways that protect the environment. The Supplier Code of Conduct extends these values to the entire supply chain, ensuring that suppliers also adhere to standards that minimize pollution, waste and water consumption. Additionally, the company's robust Risk Management Policy helps to identify and mitigate environmental risks, such as potential contamination or excessive emissions, allowing Rieter to proactively manage these issues and reduce the company's impact on the environment.

Climate change

Material impacts, risks and opportunities

The double materiality analysis identified climate change, including energy consumption, as a material issue in the short, medium and long term. This is due to the energy requirements of manufacturing machinery and production facilities, as well as the high cost and volatility of energy prices. In addition, the risk of a global energy crisis remains. The company's GHG emissions are presented on a global scale, with Rieter's sites distributed worldwide. For more information on the anticipated material physical and transitional risks and potential opportunities with regard to climate change, see the TCFD statement.

Energy consumption by source	**Unit of measurement**	**Target 2025**	**2023**	**2024**
Consumption of purchased electricity, heat, steam, and cooling from renewable sources	MWh		17 972.1	15 906.2
Consumption of self-generated solar energy	MWh		6 710.9	6 069.6
Fuel consumption from renewable sources (biomass, biogas, non-fossil fuel waste, hydrogen)	MWh		2 149.3	2 047.0
Energy consumption from renewable sources	**MWh**		**26 832.3**	**24 022.8**
Consumption of purchased electricity from fossil sources	MWh		27 820.3	19 681.8
Consumption of purchased electricity from nuclear sources	MWh		12 513.2	8 059.2
Fuel consumption from natural gas (heating)	MWh		32 752.4	24 541.9
Fuel consumption from other gases (heating)	MWh		9 063.8	4 318.1
Fuel consumption from crude oil (heating)	MWh		5 726.7	1 047.3
Fuel consumption from petroleum, diesel, and gas (vehicle fleet)	MWh		2 601.9	2 356.5
Fuel consumption from coal and coal products (heating)	MWh		0.0	0.0
Energy consumption from non-renewable sources	**MWh**		**90 478.3**	**60 004.8**
Energy consumption[1]	**MWh**		**117 310.6**	**84 027.6**
Energy consumption intensity[1]	**MWh/CHF 1 000 sales**	**< 0.100**	**0.0827**	**0.0978**

[1] The correction of calculation in 2024 resulted in adjustments to the comparative period 2023.

Share of energy consumption from renewable sources	**Unit of measurement**	**Target 2030**	**2023**	**2024**
Energy consumption from renewable sources	MWh		26 832.3	24 022.8
Energy consumption	MWh		117 310.6	84 027.6
Share of energy consumption from renewable sources[1]	**%**	**100.0**	**22.9**	**28.6**

[1] Comparative period 2023 has been adjusted as a result of the allocation of purchased electricity from renewable and non-renewable sources.

With an energy consumption intensity of 0.0978 MWh per CHF 1 000 sales, Rieter was again below the target of 0.1000 MWh per CHF 1 000 sales. The 2024 financial year was characterized by lower customer demand, which led to a decrease in sales and production volumes compared to 2023. Lower production volumes resulted in a reduction in energy consumption of 28.4 percent to a total of 84 027.6 MWh in 2024.

Rieter's European sites were the main consumers of purchased electricity from both renewable and nuclear sources whereas those in Asia were the main consumers of purchased electricity from fossil sources. At company-owned sites in China, India and the Czech Republic, Rieter has a total capacity of 6 800 MWh for self-generated solar energy. The increase in the share of energy consumption from renewable sources from 22.9 percent to 28.6 percent at December 31, 2024 is mainly related to a disproportionally higher reduction in energy consumption from fossil and nuclear sources. Rieter is currently developing a plan to switch consumption of purchased electricity, gas and crude oil to 100 percent renewable sources by 2030.

At 1 047.3 MWh, the fuel consumption from crude oil for heating returned in 2024 to the level of 2022. The security reserve of crude oil for heating, which was consumed in 2023 as a result of the global energy crisis, was no longer required in 2024.

In 2024, the energy consumption of purchased electricity was allocated into renewable and non-renewable sources for the first time. The comparative period 2023 has been adjusted accordingly. In 2023, the allocation of purchased electricity in renewable and non-renewable sources resulted in an increase in the share of energy consumption from renewable sources (2023: increase from 15% to 22.9%).

Transition plan to climate change mitigation

Rieter is committed to minimizing its impact on the environment in line with the Paris Agreement. As a first step in developing the transition plan, Rieter has assessed its GHG footprint including scope 1, 2 and 3 emissions. Due to the nature of Rieter's business, scope 1 and 2 emissions are estimated to be low compared to the company's overall footprint. A full calculation of the complete scope 3 emissions is currently ongoing and expected to be improved for the 2025 financial year.

Rieter has identified the following decarbonization levers for scope 1 and 2 emissions, as well as associated targets:

Decarbonization lever	Description	Target
Technical equipment	Phase-out of fossil-fuel powered equipment used for heating and cooling at sites	100% renewable energy until 2030
Purchased electricity	The electricity supplied to the sites is being switched to a renewable energy electricity mix	100% renewable energy until 2030
Energy efficiency	Reduce energy consumption at sites through the implementation of energy saving equipment, as identified by Group-wide energy audits	
Self-generated electricity	Increase of self-generated energy through the installation of solar systems	
Vehicle fleet	Switch to renewable vehicle drives for the company vehicle fleet	Electrify vehicle fleet by 2030

In 2024, Rieter committed to submit a net-zero GHG emission target for validation by the Science Based Target initiative. A large number of departments are involved in the decarbonization process. Scope 1 and 2 GHG emissions are managed centrally by the global Sustainability and Environment, Health and Safety (EHS) department. Local EHS is responsible for projects related to infrastructure, while projects related to GHG emissions are identified and implemented by the managing directors of each site.

Scope 1 and 2 GHG emissions	Unit of measurement	2023	2024
Scope 1	tCO_2e	11 414.6	7 194.7
Scope 2 (market-based)	tCO_2e	25 035.7	17 374.8
Scope 2 (location-based)	tCO_2e	27 362.5	19 089.0
Scope 1 and 2 (market-based)	**tCO_2e**	**36 450.3**	**24 569.5**
Scope 1 and 2 (location-based)	**tCO_2e**	**38 777.1**	**26 283.7**
GHG intensity scope 1 and 2 (market-based)	**tCO_2e/CHF 1 000 sales**	**0.0257**	**0.0286**
GHG intensity scope 1 and 2 (location-based)	**tCO_2e/CHF 1 000 sales**	**0.0273**	**0.0306**

In 2024, Rieter started differentiating between location- and market-based scope 2 GHG emissions. The comparative period 2023 has been adjusted accordingly.

Scope 1 GHG emissions by source	Unit of measurement	2023	2024
Natural gas (heating)	tCO_2e	7 023.5	5 262.8
Other gases (heating)	tCO_2e	2 160.4	1 029.5
Crude oil (heating)	tCO_2e	1 545.4	281.8
Petroleum, diesel, and gas (vehicle fleet)	tCO_2e	685.3	620.6
Coal and coal products (heating)	tCO_2e	0.0	0.0
Scope 1	**tCO_2e**	**11 414.6**	**7 194.7**

Scope 3 GHG emissions by category	Unit of measurement	2023	2024	Share in %[1]
Scope 1	**tCO_2e**	**11 414.6**	**7 194.7**	**0.2**
Scope 2 (market-based)	**tCO_2e**	**25 035.7**	**17 374.8**	**0.4**
Category 1 Purchased goods and services	tCO_2e	160 000	94 000	2.2
Category 2 Capital goods	tCO_2e	10 000	6 000	0.1
Category 4 Transportation and distribution	tCO_2e	50 000	20 000	0.5
Category 5 Waste generated in operations	tCO_2e	300	200	0.0
Category 6 Business travel	tCO_2e	1 700	1 600	0.0
Scope 3 from upstream activities	**tCO_2e**	**222 000**	**121 800**	**2.8**
Category 11 Use of sold products	tCO_2e	10 400 000	4 100 000	96.6
Scope 3 from downstream activities	**tCO_2e**	**10 400 000**	**4 100 000**	**96.6**
Scope 3	**tCO_2e**	**10 622 000**	**4 221 800**	**99.4**
Total emissions (scope 1, 2 market-based, and 3)	**tCO_2e**	**10 658 450.3**	**4 246 369.5**	**100.0**

[1] Share in percent related to 2024

Methodologies and assumptions

Calculation of GHG emissions is performed according to the GHG Protocol and covers all GHG emissions as agreed by the Kyoto Protocol (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3). Scope 1 GHG emissions related to refrigerants were not calculated as the associated data was not available. However, the impact of refrigerants on Rieter's GHG emissions is expected to be insignificant. Scope 1 and 2 GHG emissions are related to the energy consumption of Rieter's owned or leased sites and other assets (e.g. vehicles), and are therefore calculated based on the operational control assumption. Rieter accounts for 100 percent of emissions from operations over which it has operational control. Leased sites have been included insofar as Rieter is able to control the GHG emissions at the respective sites.

Energy data is mainly primary data from energy invoices and meter readings. For offices in shared buildings or small area offices, energy consumption was allocated according to square-meter share wherever possible. Energy consumption for 2024 was collected for the first ten months based on direct data, while the months of November and December were estimated based on the previous year or expected values. The data is collected in a company-owned, comprehensive database called Social, Environmental, Economic Data (SEED).

None of Rieter's scope 1 GHG emissions were regulated in emission trading schemes. Emission factors used for scope 1 GHG emissions calculation are in line with the emission factors presented by the United Kingdom Department for Environment, Food and Rural affairs (DEFRA), which is widely recognized as an industry benchmark in this area.

In 2024, Rieter made progress in improving its methodologies and assumptions with regard to the calculation of GHG emissions by differentiating between location- and market-based scope 2 GHG emissions. Location-based scope 2 GHG emissions purchased from renewable and non-renewable electricity sources were calculated using the most recent country-specific electricity grid emission factors. The respective emission factors were released by Carbon Footprint Ltd., a British-based carbon calculator consultancy, and were based on the Statistical Review of World Energy 2024 from the Energy Institute, an organization for professionals in energy-related fields. The emission factors represent fuel mix data from 2022 published in 2024.

Market-based scope 2 GHG emissions were calculated by each site using supplier-specific emission factors requested from the respective energy suppliers. Where an energy supplier was not able to provide specific emission factors, the location-based emission factor as mentioned above was used. The most recent emission factor data available was from the year 2022.

At 96.6 percent, GHG emissions from the use of sold products (category 11) have the biggest impact on Rieter's GHG footprint. These emissions were calculated considering the annual energy consumption of the respective machine type (ring spinning, air-jet spinning, etc.), an expected useful life of 15 years and an average global emission factor. This category covers the main division Rieter Machines & Systems.

Scope 3 GHG emissions from upstream activities (categories 1, 2, 4, 5, and 6) use indirect sources such as industry-average emission factors converting expenditure into CO_2e and covering 74.0 percent of sales. Emission factors used are in line with spend-based emission factors presented by the US Environmental Protection Agency.

All categories not listed in the table above are expected to be less significant. For 2025, Rieter aims to improve data availability and calculation methods by collecting supplier-specific information.

Other emissions (acidification)	Unit of measurement	Target 2025	2023	2024
Nitrogen oxide emissions (NO_x)	t		11.3	8.0
Sulfur dioxide emissions (SO_2)	t		6.0	1.6
NO_x and SO_2 emissions	**t**		**17.3**	**9.6**
NO_x and SO_2 intensity	**kg/CHF 1 000 sales**	**< 0.0100**	**0.0122**	**0.0112**

With a NO_x and SO_2 intensity of 0.0112 kg per CHF 1 000 sales, Rieter was slightly above the target of 0.0100 kg per CHF 1 000 sales. The decrease is in line with the reduction in the energy consumption. In 2024, the SO_2 emissions returned to 2022 levels as the security reserve of crude oil for heating, which was consumed in 2023 as a result of the global energy crisis, was no longer required in 2024.

Nitrogen oxide (NO_x) and sulfur dioxide (SO_2) emissions are related to the energy consumption of Rieter's owned or leased sites and other assets (e.g. vehicles).

SO_2 and NO_x emissions are formed in industrial plants when fossil fuels are burned during the production process. Emergency generators are also used at some sites to maintain production capacity in the event of a power outage. Legally required air purification systems and filters at all Rieter production sites help reduce acidification. Emission factors used for calculating NO_x and SO_2 emissions are in line with the emission factors presented by DEFRA.

Resource efficiency and circular economy

Material impacts, risks and opportunities

In connection with resource efficiency, there is a particular focus on the topics of water reduction and waste avoidance. Water is a critical resource with material impacts on Rieter's operations and global sustainability efforts. Effective water management can enhance operational efficiency and reduce costs. The risk associated with water scarcity and pollution may jeopardize supply chains and harm Rieter's reputation within the communities in which its subsidiaries operate.

Local EHS departments are responsible for compliance with local legislation, the management of water permits and reporting requirements.

Waste generation, treatment and disposal are significant for Rieter as they directly impact operational efficiency, regulatory compliance and environmental sustainability. Poor waste management poses significant risks, including legal penalties, increased disposal costs and reputational damage. Through waste reduction and waste recovery, Rieter can reduce costs as well as strengthen its environmental footprint and its reputation among stakeholders as an environmentally conscious company. Local Environment, Health and Safety (EHS) departments are responsible for waste management and increasing the recycling rate. The local EHS management receives special training for this purpose.

Water withdrawal by source	Unit of measurement	Target 2025	2023	2024
Municipal water	m^3		206 625.7	169 912.7
Ground water	m^3		9 226.0	7 359.0
Surface water	m^3		61 100.0	40 727.0
Water withdrawal	**m^3**		**276 951.7**	**217 998.7**
Water withdrawal intensity	**m^3/CHF 1 000 sales**	**< 0.275**	**0.195**	**0.254**

With a water withdrawal intensity of 0.254 m^3 per CHF 1 000 sales, Rieter again achieved the target of 0.275 m^3 per CHF 1 000 sales. The 2024 financial year was characterized by lower customer demand, which led to a decrease in sales and production volumes compared to 2023. Lower production volumes resulted in a reduction in water withdrawal of 21.3 percent to a total of 217 998.7 m^3 in 2024.

As a result of a change in methodology, the scope was extended by adding surface water to the water withdrawal figure in 2024. The comparative period 2023 has been adjusted accordingly.

Methodologies and assumptions

Municipal water withdrawal includes water purchased from external parties, mostly from local authorities. Ground water was withdrawn from Rieter-owned groundwater supplies, whereas surface water was withdrawn from rivers or lakes near Rieter sites.

Water withdrawal was measured for owned and leased sites in line with the operational control approach. Leased sites have been included insofar as Rieter is able to control water withdrawal at the respective premises.

The data is mainly primary data from invoices and meter readings. For offices in shared buildings or small area offices, water withdrawal was allocated according to square-meter share wherever possible. Water withdrawal for 2024 was collected for the first ten months based on direct data, while the months of November and December were estimated based on the previous year or expected values. Currently, Rieter only measures the volume of water withdrawal. In future, Rieter will focus on gathering detailed information on water usage and discharge, which will enable the Group to better assess its impact. The data is collected in the company's SEED database.

Waste	Unit of measurement	Target 2025	2023	2024
Non-hazardous waste	t		9 343.3	7 173.0
Hazardous waste	t		892.5	630.1
Total waste generated	**t**		**10 235.8**	**7 803.1**
Waste intensity	**kg/CHF 1 000 sales**	**< 10.0**	**7.2**	**9.1**

Waste generated by type and disposal destination	Unit of measurement	2023	2024
Waste diverted from disposal	**t**	**0.0**	**0.0**
Non-hazardous waste	t	77.1	47.7
Hazardous waste	t	10.0	7.1
Landfill	**t**	**87.1**	**54.8**
Non-hazardous waste	t	403.9	982.9
Hazardous waste	t	405.5	259.6
Incineration (with and without energy recovery)	**t**	**809.4**	**1 242.5**
Non-hazardous waste	t	8 862.3	6 142.3
Hazardous waste	t	477.0	363.5
Recycling	**t**	**9 339.3**	**6 505.8**
Waste directed to disposal	**t**	**10 235.8**	**7 803.1**
Total waste generated	**t**	**10 235.8**	**7 803.1**

Recycling rate	Unit of measurement	2023	2024
Recycled waste directed to disposal	t	9 339.3	6 505.8
Total waste generated	t	10 235.8	7 803.1
Recycling rate	**%**	**91.2**	**83.4**

With a waste intensity of 9.1 kg per CHF 1 000 sales, Rieter again achieved its target of 10.0 kg per CHF 1 000 sales. Lower production volumes resulted in a reduction in waste generation of 23.8 percent, reaching a total of 7 803.1 tons in 2024. This reduction primarily affects recycling waste. The decrease in the recycling rate from 91.2 percent to 83.4 percent is related to the relocation to the new Campus in Winterthur (Switzerland), as a material amount of waste was sent for incineration during the move.

Methodologies and assumptions

Hazardous waste includes all classes of waste defined as “hazardous” by local legislation, and mainly includes the disposal of sludge, chemical waste or lubrication and grease. Non-hazardous waste includes metal, plastic and other kind of waste (e.g. composting or paper waste). Recycling covers waste that has been re-entered into the process, either by creating a product of equal quality (closed loop), another product of lesser value or new raw material (open loop). Rieter differentiates between internal recycling, where waste is diverted from disposal and re-used internally, and external recycling, where waste is disposed to external recycling services providers. More than 95.0 percent of recycled waste is disposed to external recycling services providers. As a consequence, Rieter’s recycling rate includes only external recycling.

Waste was measured for owned and leased sites in line with the operational control approach. The data includes mainly primary data from invoices of waste suppliers. For offices in shared buildings or small area offices, waste was allocated according to square-meter share wherever possible. For 2024, waste was collected for the first ten months based on direct data, while the months of November and December were estimated based on previous year or expected values. The data is collected in the SEED database.

Rethinking logistics

Every year, Rieter delivers thousands of machines and components by land, air and sea to customers around the world – a process that generates carbon emissions. As part of its commitment to achieve the goal of net-zero emissions by 2040, Rieter is stepping up its efforts to reduce the environmental impact of its logistics operations.

Logistics generally includes the transportation, delivery and warehousing of products, with transportation and delivery accounting for the largest share of the environmental footprint. Therefore, these aspects are the focus of Rieter's efforts to achieve net zero. By relocating additional parts of production closer to customers at sites in the Czech Republic, India and China, Rieter is building a more localized supply chain. Sites in Germany and Switzerland also benefit from these measures. The localized supply chain represents a crucial step towards a more sustainable future.

Intelligent combination of modes of transport

Rieter is also increasingly focusing on multimodal solutions. These involve combining at least two modes of transport to move products from one place to another. "The intelligent combination of different modes of transport leads to a more effective and sustainable supply chain," explains Sven Fässler, Head of Category Management Logistics at Rieter. "The company is increasingly relying on the low carbon and more cost effective ocean route." Delivery times are regularly adjusted according to circumstances, enabling a robust planning process. This in turn helps to reduce air freight and the associated CO_2e emissions. The savings potential is clearly demonstrated in the example of transportation from the plant in Changzhou, China, to Türkiye. On this route, air freight generates approximately 5.6 tons of CO_2e per ton, while ocean freight generates only 0.05 tons.

Another important step toward net zero is minimizing “empty runs” – these are trips where trucks return from a delivery with no cargo. In cooperation with partner companies, Rieter uses advanced route optimization to ensure that transport vehicles are as fully loaded as possible. This avoids unnecessary trips and thus emissions. Increasing efficiency within the supply chain is equally important for achieving sustainability goals. Choosing the right partners also has an impact on the CO_2 footprint. Rieter therefore prefers to work with certified companies that, for example, use low emission vehicles and report their emissions transparently. Other important criteria include adherence to fair working conditions, protection of human rights and active promotion of diversity and inclusion within the company.

Sustainable packaging: a key initiative

Rieter is committed to sustainable packaging solutions and has started to introduce recyclable and reusable materials to reduce the use of disposable packaging. This step not only reduces the amount of waste, but also lowers disposal costs and promotes the transition to a circular economy. In addition, the company is optimizing package sizes to minimize material consumption and make better use of space in transport vehicles. This also helps make logistics more efficient and less carbon intensive.

Long-term strategy and innovation

As a next step, Rieter will define targets for its logistics emissions as part of the net-zero roadmap. The company plans to integrate sustainability into every logistics decision as part of its overall strategy – from optimizing transportation to selecting environmentally conscious partners.

Scope 3 emissions

In 2024, Rieter set itself an ambitious goal: to reduce net emissions to zero by 2040. One of the biggest challenges on this path is managing scope 3 emissions, i.e. the indirect emissions generated by the extensive supply chain. While scope 1 and scope 2 emissions are directly related to Rieter’s operations and energy consumption, scope 3 emissions are more difficult to determine because they come from sources such as suppliers and logistics. However, managing these emissions is critical to achieving the net-zero goal.

People

Progress 2024

The continued implementation of the performance program "Next Level" resulted in a reduction in the total workforce (FTEs) to 4 785 at December 31, 2024. Even so, Rieter was able to decrease the labor turnover rate by 0.9 percentage points to 4.5 percent in 2024 – and therefore hit the target of 10.0 percent again. This is a testament to the strength of Rieter's company culture.

- The **share of women in executive and management positions** increased by 2.7 percentage points to 15.3 percent, thanks to the continuation of the diversity initiative "Women@Rieter" and the company's mentoring program.
- The absolute number of **occupational accidents** fell by 34.1 percent to 29. As a result, occupational accidents per million hours worked improved slightly to 3.3 in 2024. This can be attributed to better preventive measures and the implementation of targeted safety training at Rieter sites.
- The **absence rate** for sick and accident leave increased slightly to 4.1 percent in 2024. This is well above the target of a maximum of 2.0 percent and a reflection of the difficult market situation in the reporting year.
- **Training days per employee** increased slightly to 2.0 in 2024, but remained below the target of at least 3.0 days. The company has offered a digital learning platform since 2023 in order to improve the personal and professional development of its employees.
- **2025:** In 2025, Rieter aims to develop new social targets for 2030 in order to maintain its momentum in diversity and health & safety.

Social disclosures

Social topics, including diversity, equality, fair treatment and employee well-being, are crucial for fostering an inclusive, respectful and high-performing workplace. These issues drive organizational success by ensuring equal opportunity, promoting diversity, supporting employee growth and creating safe and healthy work environments that attract and retain talent.

Rieter's Code of Conduct establishes ethical standards for equal treatment, non-discrimination and respect across the organization, promoting a culture where everyone has equal opportunities. The Supplier Code of Conduct extends these expectations to business partners, promoting respect for labor rights and fair treatment throughout the supply chain. Rieter's Human Rights Policy further reinforces this commitment by highlighting the company's commitment to upholding globally recognized labor standards defined by the United Nations and the International Labor Organization (ILO). They include the minimum working age, maximum working hours, freedom of association and safe working conditions, especially for vulnerable groups.

The Health and Safety Policy prioritizes a safe and healthy work environment, complying with legal regulations and aiming to reduce accidents.

Working conditions and social engagement

Material impacts, risks and opportunities

Rieter's employees are at the center of the company's success. Attracting, developing and retaining a highly-skilled workforce is essential to Rieter's business strategy. Working conditions are highly significant for an industrial company with worldwide operations, including sites in Germany, India, China, the Czech Republic and other countries, due to their direct impact on performance, legal compliance and reputation. Secure employment, adequate wages and working time regulation can reduce employee turnover, increase employee motivation and mitigate labor disputes, thereby lowering operational risks.

Employees by region	Unit of measurement	December 31, 2023	December 31, 2024
Asia	Headcount	2 083	2 027
North and South America	Headcount	104	99
Europe	Headcount	2 976	2 733
Number of employees	**Headcount**	**5 163**	**4 859**
Thereof in Switzerland	Headcount	875	811

The implementation of the performance program "Next Level", which was launched in 2023, resulted in a reduction in total workforce, especially in Europe, as well as in a relocation of functions from Europe to China and India.

Labor turnover	Unit of measurement	Target 2025	December 31, 2023	December 31, 2024
Voluntary staff departures	Headcount		302	221
Labor turnover rate	**%**	**< 10.0**	**5.4**	**4.5**
Employee Net Promoter Score (eNPS)			**–**	**– 10.0**

Despite the implementation of the performance program “Next Level”, Rieter was able to decrease the labor turnover rate by 0.9 percentage points to 4.5 percent in 2024 and therefore achieve the target of 10.0 percent again. Rieter measures the involuntary fluctuation of employees with the labor turnover rate.

In addition to the labor turnover rate, the Employee Net Promoter Score (eNPS) will be monitored from 2024 onward. The eNPS is a key indicator that reflects how likely Rieter employees are to recommend Rieter as a place to work to their families and friends. By definition, the eNPS ranges between -100 and +100. The participation rate of 68 percent was representative in statistical terms. In March 2024, the actual eNPS score on Group-level was -10, ranging from -75 to +62 on a subsidiary basis. Rieter's long-term target is to reach a global eNPS-score of +60. The global and the local results were shared with the subsidiaries' leaders and employees, and corresponding actions to improve the employee referral rate were implemented.

Methodologies and assumptions

The number of employees (headcount and full-time equivalent, FTE) includes all employees working for Rieter excluding apprentices and non-employees. Non-employees consist of staff hired through a third-party agency for a temporary period, as well as individual contractors.

The data on employee numbers by region (headcount and full-time equivalent, FTE) was collected in the consolidation system Business Objectives Financial Consolidation (BOFC), with the underlying data coming primarily from local human resource systems. The respective data includes all Rieter subsidiaries in line with the operational control approach.

In calculating the labor turnover rate, Rieter puts the focus on voluntary staff departures without taking redundancies into account. Voluntary staff departures include the number of Rieter employees who left Rieter on a voluntary basis because they found what they consider to be a better alternative. Retirements and early retirements are excluded. This allows Rieter to better measure employee satisfaction and the strength of its corporate culture. Voluntary staff departures are collected in the BOFC, with the underlying data coming primarily from local human resource systems. The labor turnover rate is calculated by dividing the number of voluntary staff departures through the yearly average headcount.

From 2024 onwards, the Group Human Resources Department will distribute, collect and evaluate the eNPS questionnaire on an annual basis. The survey is translated into all local languages to drive participation, and includes all sites and all permanent employees of subsidiaries.

Equal treatment and opportunity, and diversity

Material impacts, risks and opportunities

Equal treatment and equal opportunity are critical for a global manufacturing company as they directly influence workforce diversity and employee morale across sites in different countries. Ensuring non-discriminatory practices in hiring, promotion and compensation, regardless of gender, race, age or background, helps the company tap into a broader talent pool and foster innovation and resilience. Disparities in opportunity can lead to dissatisfaction, resulting in higher turnover.

Offering equal treatment promotes an inclusive work environment where employees feel valued and are more motivated, resulting in higher performance and loyalty. Furthermore, companies that champion diversity and equal opportunity are often perceived more favorably by customers, investors and business partners, enhancing their brand reputation globally. From a financial perspective, investing in equality reduces the risk of lawsuits, costly settlements and reputational damage, while attracting top talent and potentially improving company performance through a more diverse and engaged workforce.

Employees by gender	Unit of measurement	Target 2025	December 31, 2023	December 31, 2024
Female	FTE[2]		1 029	950
Male	FTE		4 052	3 835
Number of employees[1]	**FTE**		**5 081**	**4 785**
Women in workforce[1]	**%**		**20.3**	**19.9**
Women in Group executive and management positions[1]	**%**	**> 20.0**	**12.6**	**15.3**

[1] Comparative period 2023 increased as a result of adjusted underlying data.

[2] Full-time equivalent, FTE

The share of women in executive and management positions increased by 2.7 percentage points to 15.3 percent. The diversity initiative "Women@Rieter", launched in 2023, was continued successfully in 2024. The initiative helped raise awareness about recruiting women for management positions at all departments. The continuation of the mentoring program for aspiring female managers also contributed to this increase. Rieter is committed to continuing this initiative from 2025 onwards. At 19.9 percent, the share of women in the workforce remained stable in 2024.

Age distribution

The following table presents the percental distribution of the number of employees to age classes:

Age distribution	Unit of measurement	December 31, 2023	December 31, 2024
Below 30 years	%	10.1%	8.8%
Between 30 and 39 years	%	27.2%	28.3%
Between 40 and 49 years	%	30.4%	30.9%
Between 50 and 59 years	%	23.7%	23.4%
Above 60 years	%	8.6%	8.6%
Number of employees	**FTE[1]**	**5 081**	**4 785**

[1] Full-time equivalent, FTE

Methodologies and assumptions

Women in the workforce include women employed by Rieter, but excludes temporaries and apprentices. Management includes employees that are employed in the executive career band defined centrally by the Human Resources department. Data relating to women in the workforce, women in management positions and age distribution are collected in the BOFC, with the underlying data coming primarily from local human resource systems. The respective data includes all Rieter subsidiaries in line with the operational control approach.

Equal pay

The principle of equal pay is an important concern for Rieter, which is also set out in the company-wide Human Rights Policy. As announced in the 2023 Annual Report, Rieter intends to carry out a comparative analysis of remuneration for men and women at all its sites by the end of 2025. In 2024, an analysis was conducted at sites in Switzerland and China. The equal pay analysis revealed no structural differences in pay between men and women. Individual, non-explainable differences are being monitored and reduced through measures, such as regular salary reviews, standardized performance evaluations, unconscious bias training for managers, implementing clear and transparent promotion criteria and providing mentorship programs to support career development for underrepresented groups.

The equal pay analysis was conducted using the self-assessment tool "Diagnosis of Equal Remuneration" created by UN Women, the United Nations entity dedicated to gender equality and the empowerment of women. During this analysis, job roles with similar qualifications and requirements were grouped together. To improve transparency across all sites, job roles were standardized in the second half of 2024. For 2025, a job grading will be carried out on this basis to standardize the equal pay analysis process. It is planned that each operating site will carry out an analysis on a regular basis.

Pay gap in percent by region	Unit of measurement	2024
China	%	7
Switzerland	%	< 5

Health and Safety

Material impacts, risks and opportunities

Poor health and safety standards can result in accidents and costly legal claims. Furthermore, maintaining a healthy work-life balance and promoting a safe working environment can improve employee well-being and productivity, reducing absenteeism, and increasing efficiency. Non-compliance with local labor laws or international standards could lead to fines, reputational damage and strained relations with stakeholders.

Local Environment, Health and Safety (EHS) managers are responsible for ensuring healthy and safe workplaces at each operating site and in each situation.

Absence rate and occupational accidents	Unit of measurement	Target 2025	December 31, 2023	December 31, 2024
Absence rate	**%**	**< 2.0**	**4.0**	**4.1**
Number of major occupational accidents	Quantity		27	24
Number of minor occupational accidents	Quantity		17	5
Number of occupational accidents	**Quantity**		**44**	**29**
Occupational accidents per million hours worked	**Quantity/1 000 000 hours worked**	**< 3.0**	**4.0**	**3.3**

The absence rate for sick and accident leave increased slightly to 4.1 percent in 2024, which is still above the target of a maximum of 2.0 percent. This is a reflection of the difficult market situation in which Rieter operated in 2024.

The absolute number of occupational accidents dropped by 34.1 percent to 29. As a result, occupational accidents per million hours worked improved slightly to 3.3 in 2024. The improved accident rate is attributable to more intensive preventive measures and the implementation of targeted safety training at Rieter sites. Each accident is investigated in detail and recorded in a case analysis that includes corrective measures. The results are communicated to all locations for implementation and adaptation. Monthly online meetings with all personnel responsible for occupational health and safety ensure a continuous exchange of knowledge. Rieter's goal is to prevent all accidents at work.

Methodologies and assumptions

Rieter continuously tracks the number of accidents and incidents, as well as the absence rate, to identify risks in the workplace and ensure employee health, safety and well-being. Absences include lost working hours due to sickness or occupational and non-occupational accidents. A major accident is defined as one in which the person or persons involved are absent for more than three days. Accidents are considered "minor" if they result in no more than three days' absence from work. The number of serious and minor occupational accidents was collected in the SEED database. The respective data includes all Rieter subsidiaries in line with the operational control approach.

Training and development

Material impacts, risks and opportunities

Continuing training and education are vital for the long-term success of Rieter. Well-trained employees are more efficient as they have the necessary skills and knowledge to complete their tasks faster and more accurately. Targeted training sessions enable employees to optimize their work processes, which leads directly to higher productivity. In addition, good development prospects may result in better job satisfaction for employees.

Group and local human resources departments are responsible for the implementation of the training and development approach within Rieter.

	Unit of measurement	Target 2025	December 31, 2023	December 31, 2024
Training days per employee	**Days/number of employees**	**> 3.0**	**1.2**	2.0

Training days per employee increased slightly to 2.0 in 2024, but remained below the target of at least 3.0 days. In order to improve the personal and professional development of its employees, Rieter launched a digital learning platform at the end of 2023. This platform offers around 2 700 courses on topics such as management and leadership, human resources and general business processes. In addition to digital training sessions, Rieter intends to collect the number of external or physical training and development sessions through this platform in future.

Methodologies and assumptions

Training days include the total number of training days of employees working for Rieter. This includes internal and external training where Rieter fully or partially pays the costs. The data is mainly from primary data from time recording systems or invoices from external training providers. Internal training, such as security or compliance training, is also included. Data in connection with training days is collected in the BOFC, with the underlying data coming primarily from local human resource systems. In 2024, internal data collection processes were improved. The respective data includes all Rieter subsidiaries in line with the operational control approach.

"We are Rieter"

Every single employee makes a decisive contribution to the success of the company. This is why employees were also involved in the implementation of the corporate strategy presented in October 2024, for example through a Group-wide campaign under the motto "We are Rieter". At the same time, Rieter increased its attractiveness as an employer by introducing a "Volunteer Day". Progress was also made in increasing the proportion of women in management positions and promoting a culture of learning.

Rieter Group CEO Thomas Oetterli presented Rieter's new strategy at the Group Leadership Meeting in October 2024. The strategy aims to establish Rieter as the leading supplier of technology for fiber processing designed to help spinning mills gain a competitive edge and position themselves successfully in the market. Executives from around the world gathered at the company's headquarters in Winterthur (Switzerland) to learn about the new strategy and tour the Campus with its collaborative work environment and state-of-the-art research and innovation hub.

Employees in focus

Under the motto "We are Rieter", a company-wide campaign, employees demonstrated in short videos how they put the corporate values "We put our customers first", "Quality starts with me" and "We are passionate" into practice. Teams from all divisions and countries submitted videos to be shown at the Group Leadership Meeting. The Rieter community afterwards rated them for creativity, relevance and ability to exemplify the values, and then selected the best videos.

In September 2024, the company invited employees and their partners and families to tour the new corporate headquarters. The event strengthened the bond between the company and its employees.

An attractive employer

Rieter strives to be an employer of choice in its key markets. This requires establishing a culture of open dialog. In 2024, Rieter conducted a PULSE survey based on the Net Promoter Score (NPS) principle. With a remarkable participation rate of 68.0 percent, the survey recorded particularly high scores for corporate culture and corporate values.

Volunteer day

Social engagement has a long tradition at Rieter. To help employees to embrace this tradition as a team, a volunteer day was introduced at the end of 2024. Rieter teams have the opportunity to spend one day a year working on charitable projects. These activities benefit local communities, promote team spirit within the company, increase employee satisfaction and strengthen Rieter's image as a socially responsible company.

Mentoring and diversity

There was great interest in advancing the careers of women. The mentoring program was also successful in its first year of operation. A large number of managers volunteered as mentors and were trained accordingly. Mentoring is a professional development approach in which mentors provide their mentees with valuable advice, support and insights into their day-to-day work. This helps foster the personal and professional development of mentees, builds employee loyalty, and improves company performance. The relationship is mutually beneficial as it also strengthens collaboration and networking within the company. By implementing a series of measures to promote the careers of women, the company has increased the proportion of female managers by 2.7 percentage points to 15.3 percent. This brings Rieter closer to its 2025 target of at least 20.0 percent women in management positions.

Research has shown the importance of role models for women in developing their leadership identity. Against this backdrop, further “Empowered Voices” events were held in 2024 to facilitate an open discussion between aspiring and experienced managers at Rieter.

Corporate governance in non-financial matters

Rieter's corporate culture is based on integrity and trust. These core values are enshrined in the company’s Code of Conduct and Supplier Code of Conduct, as well as in its mission and vision.

Code of conduct

The Code of Conduct requires all employees of the Rieter Group to act at all times in a correct, fair and professional manner in connection with their business activities. Rieter complies with the laws and regulations applicable in all countries in which the Group operates. There are corporate and local guidelines on a range of topics, with specific requirements and instructions. Where national and international regulations impose stricter requirements, the stricter standard is applied to the extent possible and reasonable.

Compliance organization

Management is responsible for implementing the corporate principles and guidelines. The compliance organization consists of the Group Compliance Officer, Regional Compliance Officers and Local Compliance Officers. They support the Group and local management in the implementation of the guidelines and are the points of contact for employees.

Business ethics

Rieter's business relationships with its partners are based on the principles of honesty and trust. The safety of Rieter's products for the customers and their operating and maintenance personnel in all phases of the product life cycle is of paramount importance to Rieter. Rieter and its business partners work closely together to achieve a high standard and continuously improve performance in this area

Human rights

Rieter respects the human rights of its employees and provides them with a professional, safe and hazard-free working environment. Rieter also requires its suppliers to respect human rights, rejects any form of forced or compulsory labor and does not tolerate any form of abusive disciplinary measures. Working hours are always in accordance with applicable local legislation. Rieter is committed to complying with the fundamental conventions of international labor organizations, the OECD Guidelines for Multinational Enterprises and the principles against the systematic exploitation of natural resources and raw materials.

Anti-corruption

Rieter prohibits all forms of bribery and other corrupt business practices. In particular, Rieter employees and agents may not offer, promise or give anything of value to public officials, representatives of customers, suppliers or other business partners of Rieter in order to obtain an improper advantage.

Taxes

As a company and as an employer, Rieter complies in good faith with the applicable tax laws and obligations of all countries in which the company operates. This applies to all direct and indirect taxes. Rieter also complies with international agreements and tax guidelines. In accordance with the "Base Erosion and Profit Shifting" (BEPS) campaigns of the OECD, Rieter prepares the Country-by-Country Report (CbCR) for the entire Rieter Group and makes it available to the Swiss tax authorities. Rieter shares the CbCR with the competent authorities of the countries that have signed the relevant agreements. Rieter recognizes that all taxes it pays and collects for governments are an integral part of its corporate social responsibility.

Data privacy

Rieter takes the protection of personal information very seriously. This includes all information that can be used to identify an individual. The privacy statement provides information about what personal data Rieter collects and how Rieter uses and protects the collected data. Rieter takes appropriate technical and organizational measures to protect personal data against manipulation, loss or access by unauthorized third parties. These measures are continuously reviewed and improved in accordance with new technological developments.

Risk management

Rieter has implemented a comprehensive risk management system that also identifies and manages non-financial risks. The risk management process is governed by the “Rieter Risk Management System” directive. This directive defines the procedures for identifying, reporting and handling risks, the criteria for qualitative and quantitative risk assessment, and the thresholds for reporting identified risks to the appropriate management levels.

Environmental risks are also evaluated and assessed as part of the risk assessment. As a result, various areas for action have already been identified and risk mitigation measures have been implemented. At least once a year, the risks are assessed in a workshop led by the Head of Legal Services (General Counsel) and documented in a report to the Board of Directors.

Conflict minerals

In addition to the new Federal Law on Transparency in Non-Financial Matters, the Ordinance on Due Diligence and Transparency in Minerals and Metals from Conflict Areas and from Child Labor (VSoTr) came into force in January 2023. Based on its review of the import volumes of minerals and metals containing tin, tantalum, tungsten or gold, Rieter did not identify any relevant imports in 2024 that exceeded the legal minimum quantities. Therefore, additional due diligence for minerals and metals from conflict areas according to Art. 964j of the Swiss Code of Obligations is not required.

Child labor

According to Rieter's assessment in 2024, there were no reasonable grounds to suspect the use of child labor in the manufacture or provision of the company's products or services.

Web-based whistleblower system

Employees can report violations of the Code of Conduct, laws or internal guidelines to their supervisor or the compliance organization. Alternatively, employees and third parties may anonymously report actual or suspected compliance violations through the web-based Whistleblower system. Safeguards are in place to ensure that actual or suspected compliance violations are investigated and evaluated by impartial individuals.

TCFD Report 2024

In conformity with the Swiss Ordinance on Mandatory Climate Disclosures, Rieter has been implementing reporting on climate-related matters in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since January 1, 2024. This report outlines how Rieter identifies and manages the physical and transitional risks and opportunities associated with climate change that could have a financial impact on the Group. The eleven disclosures, as recommended by the TCFD, are divided into the following sections: Corporate Governance, Strategy, Risk Management, and Key Figures and Targets.

Corporate governance

Oversight of Board of Directors

The Board of Directors of Rieter Holding Ltd. defines the company's sustainability strategy at the Group level and sets objectives and priorities. Climate-related matters are embedded in Rieter's sustainability strategy and were discussed at three Board meetings in 2024. Beginning in financial year 2025, sustainability issues, including climate-related matters, are to be specifically addressed in at least three Board meetings.

In 2024, the Board of Directors mandated the Group Executive Committee to establish a Sustainability Committee to develop the conceptual framework for the implementation of the sustainability strategy. Climate-related matters are embedded in these activities. The Committee includes leaders from the areas of supply chain, finance, legal, occupational safety and environmental protection, communications, human resources and sustainability. Under the leadership of the CEO of Rieter, the Committee met five times in 2024. Beginning in 2025, it is planned that the Committee will meet every two months to assess progress on sustainability initiatives.

For more information on Board oversight, see the Sustainability Strategy section under Governance Sustainability.

Role of the Group Executive Committee

The Group Executive Committee is responsible for implementing the sustainability strategy at the operational level and for monitoring the achievement of sustainability goals. Climate-related matters are embedded in Rieter's sustainability strategy and goals and were discussed at Group Executive Committee meetings in 2024 as needed. From 2025, sustainability issues, including climate-related matters, will be specifically addressed in at least three meetings of the Group Executive Committee.

For more information on the role of the Group Executive Committee, see the Sustainability Strategy section under Governance Sustainability.

Strategy

Climate-related risks and opportunities

Rieter continuously identifies, monitors and manages climate-related risks and opportunities on a short-term (one year), medium-term (two to five years) and long-term (more than five years) basis. Two categories of climate-related risks and opportunities are differentiated: physical risks and opportunities associated with changing climatic conditions, and risks and opportunities associated with the transition to a low-carbon economy. The risks and opportunities identified by Rieter are summarized in the subsequent table.

Impact of climate-related risks and opportunities

Physical risks and opportunities include on one hand the effects of short-term, acute extreme weather events such as severe storms, heavy rain/flooding, wildfires and landslides. These can result in damage to the Group’s own infrastructure or disruptions in the supply chain, such as supply bottlenecks, or can significantly impact logistics due to disrupted transportation routes. On the other hand, the physical risks and opportunities also include the longer-term chronic, localized effects of climate change. These include the effects of rising average temperatures and/or sea levels, as well as increased and longer periods of heat and drought.

Transitional risks arise from new political, legal, technological, social, market and reputational developments triggered by climate change. These include the pricing of CO_2, compliance with new climate change legislation and regulations to protect the climate, the reliability of energy supply in the context of the energy transition, changing customer preferences towards sustainable products, the development of sustainable technologies, and the redirection of capital flows towards sustainable investments.

The climate-related risks and opportunities identified by Rieter, their impact on the company and the measures taken are described in the following table. A distinction is made between the impacts, risks and opportunities for in-house production (own environmental footprint) and for Rieter’s customers and suppliers (supply chain).

Physical risks and opportunities

Type	Impacts on Rieter: risks and opportunities	Measures
Acute		
Extreme weather events (storms, flooding, landslides, wildfires)	**Risks** **Own production** · Damage to the Group's own infrastructure can result in unforeseen costs for repairs or replacements, or in production downtime and the associated loss of sales. **Supply chain** · Supply bottlenecks due to damage at suppliers can result in production downtime and the associated loss of sales. **Opportunities** **Supply chain** · Rieter can assist its customers in assessing the damage and provide appropriate advice. · Rieter can expedite repairs and inspections of damaged machines. · Rieter can assist its customers in restoring production capacity.	**Risk mitigation and exploitation of opportunities** **Own production** · Rieter ensures that dealing with extreme weather events is integrated into the contingency plan at all sites. · Rieter maintains its critical infrastructure on a regular basis. **Own production and supply chain** · To ensure the resilience and stable management of the supply chain, Rieter conducts regular risk assessments in accordance with an annual audit plan.
Earthquake	**Risks** **Own production** · Damage to the Group's own infrastructure can result in unforeseen costs for repairs or replacements, or in production downtime and the associated loss of sales. **Supply chain** · Supply bottlenecks due to damage at suppliers can result in production downtime and the associated loss of sales. · Disruptions to sea and road transportation routes can result in higher costs due to rescheduling and delays. **Opportunities** **Supply chain** · Rieter can assist its customers in assessing the damage and provide appropriate advice. · Rieter can expedite repairs and inspections of damaged machines. · Rieter can assist its customers in restoring production capacity.	**Risk mitigation and exploitation of opportunities** **Own production** · Rieter ensures that dealing with extreme weather events is integrated into the contingency plan at all sites. · Rieter maintains its critical infrastructure on a regular basis. **Own production and supply chain** · To ensure the resilience and stable management of the supply chain, Rieter conducts regular risk assessments in accordance with an annual audit plan.
Chronic		
Long-term local impacts (rising average temperature and sea level, more frequent and prolonged heat waves)	**Risks** **Own production and supply chain** · Rising average temperatures can lead to higher energy requirements for cooling machines and workplaces in the summer. This can result in higher operating and	**Risk mitigation and exploitation of opportunities** **Own production** · Regular assessment of chronic physical risks as part of the risk management system ensures resource efficiency, energy-efficient

<table>
<tr><th>Type</th><th>Impacts on Rieter: risks and opportunities</th><th>Measures</th></tr>
<tr><td></td><td>capital costs and increased greenhouse gas (GHG) emissions.
· Rising sea levels may lead to the relocation of the Group's own sites, such as in the Netherlands, as well as the relocation of suppliers' and customers' sites at or near sea level. This can result in higher operating and capital costs. In addition, supply bottlenecks may occur, which could have a negative impact on the Group's sales.
· More frequent and longer heat waves can have a negative impact on the availability and quality of cotton, resulting in higher procurement costs and/or a shortage of cotton. In addition, heat waves can affect the availability and quality of drinking water and water levels needed for cotton production.

Opportunities
Own production and supply chain
· Rising average temperatures reduce the need for heating in winter. This can result in cost savings and reduced GHG emissions.
· A shortage of cotton on the world market may lead to increased demand for resource-efficient technologies and Rieter's recycling solutions.
· Rieter's technological expertise can help to develop new fiber types and further expand the company's market leadership.</td><td>production, and maintenance of business continuity.

Supply chain
· In addition, annual supplier risk assessments increase resilience by requiring diversification of the supplier base and identifying alternative transportation routes.</td></tr>
<tr><td>Biodiversity</td><td>**Risks**
Own production and supply chain
· Increasing textile consumption has a negative impact on biodiversity due to resource intensity, the global supply chain and water intensity during the use phase.

Opportunities
Own production and supply chain
· Collaboration with various stakeholders in the industry strengthens the company's ability to innovate, which in turn underscores Rieter's leading role in sustainability.

Supply chain
· If demand for sustainable products increases, Rieter is able to supply the appropriate technology.</td><td>**Risk mitigation and exploitation of opportunities**
Own production and supply chain
· Increased collaboration with industry and academia will help to facilitate a circular textile industry.</td></tr>
</table>

Transitional risks and opportunities

Type	Impacts on Rieter: risks and opportunities	Measures
Regulatory and legal		
Pricing of greenhouse gases (e.g. in the form of a CO_2 tax on fossil fuels)	**Risks** **Own production and supply chain** · CO_2 pricing can lead to higher direct and indirect operating costs, as well as increased investment in renewable technologies.	**Risk mitigation and exploitation of opportunities** **Own production** · In line with its strategy to achieve net-zero emissions by 2040, Rieter plans to switch to renewable energies to further improve energy efficiency, and thus reduce emissions at its production sites.
	Opportunities **Supply chain** · Thanks to its energy- and emission-efficient product range, Rieter can help its customers to reduce any CO_2 taxes and further expand their market share.	**Supply chain** · The aim is to improve the energy efficiency of all Rieter spinning systems by achieving corresponding targets. · The optimized design of Rieter machines and components helps to reduce the CO_2 footprint.
Introduction of new regulations and changes to existing regulations at the local, national or global level	**Risks** **Own production and supply chain** · Increasing regulatory requirements may increase direct and indirect operating costs through taxes, etc., or capital costs due to mandatory conversion to renewable energy.	**Risk mitigation and exploitation of opportunities** **Own production** · In line with its strategy to achieve net-zero emissions by 2040, Rieter plans to switch to renewable energies to further improve energy efficiency, and thus reduce emissions at its production sites.
	Opportunities **Supply chain** · Thanks to its energy- and emission-efficient product range, Rieter can help its customers to reduce any CO_2 taxes and further expand their market share.	**Supply chain** · The aim is to improve the energy efficiency of all Rieter spinning systems by achieving corresponding targets. The optimized design of Rieter machines and components helps to reduce the CO_2 footprint.
Market		
Changing customer needs and preferences	**Risks** **Supply chain** · New customer expectations and trends are identified too late and therefore cannot be met (e.g. in recycling). · Competitors catch up with sustainable products. Both can lead to a decline in sales volume and a reduction in market share.	**Risk mitigation and exploitation of opportunities** **Supply chain** · In the context of strategic development, Rieter uses customer surveys to regularly assess customer needs and preferences.
	Opportunities **Supply chain** · Rieter can respond quickly to changing demand with its broadly diversified product portfolio, which enables the economically optimal processing of natural and man-made fibers as well as their blends.	
Reputation		
Stakeholder expectations	**Risks** **Own production and supply chain** · Rieter is not sufficiently perceived as a leader in sustainability because it expresses difficulties in meeting its climate targets. This could result in damage to its reputation, which could adversely affect sales, access to	**Risk mitigation and exploitation of opportunities** **Own production and supply chain** · The company ensures transparent communication on climate-related issues throughout the Group.

<table>
<tr><th>Type</th><th>Impacts on Rieter: risks and opportunities</th><th>Measures</th></tr>
<tr><td></td><td>suppliers and service providers, personnel and capital.

Opportunities
Own production and supply chain
· Rieter is strengthening its position as a leading company in the areas of sustainability and the fight against climate change, and can therefore increase its attractiveness among key stakeholders.</td><td></td></tr>
<tr><td colspan="3">**Technology**</td></tr>
<tr><td>Market penetration of new technologies for energy efficiency and the reduction of GHG emissions in our own production and product range</td><td>**Risks**
Own production
· The need to purchase new production equipment as part of the strategy to achieve net zero by 2040 may result in higher capital expenditures.
· Under certain circumstances, production processes may need to be modified.

Opportunities
Supply chain
· As the market leader, Rieter has the technological expertise and product range of energy-efficient and climate-friendly spinning systems to strengthen its market position.</td><td>**Risk mitigation and exploitation of opportunities**
Own production
· Rieter is constantly renewing its infrastructure and investing in the latest technologies to achieve carbon neutrality.

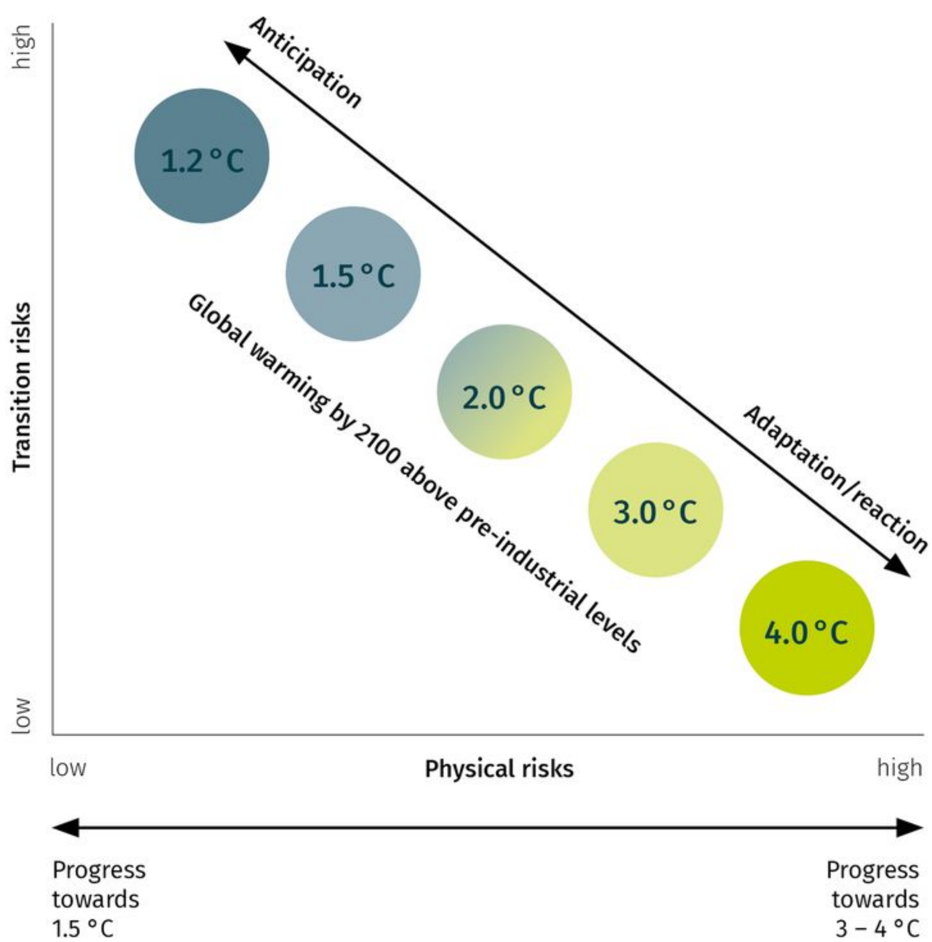
Supply chain
· Rieter regularly reviews its research and development strategy and adapts it to the latest technological requirements.
· Rieter is continuously improving the energy efficiency of its range of spinning systems.</td></tr>
</table>

Strategy resilience

It is planned to review the resilience of Rieter's sustainability strategy in relation to climate change in the financial year 2025.

The faster climate change progresses, the greater the impact of physical risks. To slow global warming accordingly, various measures are needed, which tend to lead to higher transition risks.

Climate risks vary according to scenario



In a net-zero scenario, **transition risks** such as policy, regulatory and legal risks dominate.

Physical risks, such as extreme weather events, storms, hurricanes and rising sea levels dominate in a low decarbonization and adaptation scenario.

Risk management

Process to identify and assess climate-related risks

The climate-related risks and opportunities described in the table were identified by the Corporate Risk and Insurance Management department and reviewed and confirmed by the Sustainability Committee. They were then integrated into existing workflows across all three divisions.

A financial assessment of the identified risks and opportunities is to be developed starting in financial year 2025. The same calculation criteria used to assess Rieter's general risks and opportunities is to be applied.

Processes for managing climate-related risks

The measures identified to manage climate-related risks are described in the table. The goal is to fully integrate by 2025 the identified risks and opportunities into the Group-wide risk management process described in the section below.

Integration of processes to identify, assess and manage climate-related risks

Rieter has a risk management process that is governed by the "Rieter Risk Management System" directive. The directive defines the important risk categories on which risk management is based, and the offices that deal with the various risks within the Group. In addition, the directive sets out the procedures for the identification, reporting and handling of risks, the criteria for qualitative and quantitative risk assessment, and thresholds for reporting identified risks to the competent management levels.

Once a year, in a workshop directed by the General Counsel, the identified risks and the necessary risk management measures are evaluated in terms of their probability of occurrence and their impact on the Rieter Group.

Key figures and goals

Key figures to assess climate-related risks and opportunities

Rieter assesses its environmental footprint using the following key figures:

- Greenhouse gas (GHG) emissions scope 1, scope 2 and partially scope 3,
- energy consumption and energy sources or carriers used,
- amount of waste generated during production and its further processing and
- water consumption.

Water consumption in production has a smaller impact on Rieter's environmental footprint than GHG emissions, energy consumption and waste volumes, as most processes are not water intensive. However, climate change has a significant impact on water resources and water quality at Rieter sites around the world. Water is becoming an increasingly critical issue worldwide due to rising average temperatures, heat waves and flooding, which is why Rieter continues to collect and evaluate key figures in this area.

GHG emissions and associated risks

Scope 1 GHG emissions include direct greenhouse gas emissions from sources owned or controlled by Rieter, such as emissions from a gas-fired heater or a gasoline-powered company vehicle.

Scope 2 GHG emissions include indirect GHG emissions from the generation of acquired or received electricity, steam, heat or cooling, such as emissions from purchased electricity.

Scope 3 GHG emissions include all indirect GHG emissions not covered by scope 2 that occur in Rieter's upstream and downstream value chain.

Rieter has been assessing and publishing key figures for scope 1 and scope 2 GHG emissions for several years. This reporting was expanded in 2024 to include market-based scope 2 GHG emissions. In 2024, Rieter also began to compile an overview of scope 3 GHG emissions. The goal is to reduce GHG emissions in the supply chain and set appropriate targets. Reporting of scope 1, scope 2 and especially scope 3 emissions will continue to evolve in 2025.

Climate-related risks and opportunities

To reduce its own environmental footprint, Rieter has set targets in the following climate-related areas for the financial year 2025:

- Reduction of energy consumption at own locations,
- reduction of GHG emissions (scope 1 and scope 2),
- reduction of waste in the production of Rieter spinning systems and
- reduction of water consumption.

As part of the corporate strategy to achieve net-zero carbon emissions by 2040 and with the participation in the Science Based Targets initiative (SBTi), Rieter is developing new, ambitious targets to reduce its own environmental footprint. The intention is to continue to assess energy, GHG emissions, waste and water. Rieter intends to define targets for the supply chain. The plan is to publish the new targets in the 2025 Annual Report.

About this report

Rieter Holding Ltd. (Rieter) reports on non-financial matters for the period from January 1, 2024 to December 31, 2024 in accordance with the Swiss Code of Obligations (Art. 964a et seq. CO). In conformity with Article 964b CO, this includes for the first time, reporting on climate-related matters based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, this report provides supply chain information on child labor and conflict minerals in compliance with the requirements of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour.

This Sustainability Report has been prepared in reference to the Global Reporting Initiative (GRI) and the European Sustainability Reporting Standards (ESRS) in preparation for the requirements of the new EU Corporate Sustainability Reporting Directive (CSRD).

Organization and Reporting

The company is organized as a corporation under Swiss law with its registered office in Winterthur (Switzerland), and is listed on the SIX Swiss Exchange. This report covers all Group subsidiaries according to the Annual Report 2024 here unless otherwise stated. Social disclosures include the subsidiaries Petit Spare Parts SAS (Aubenas, France) and Prosino S.r.l. (Borgosesia, Italy), which were acquired in 2024 (see financial report on note 2.1). Environmental disclosures will include both subsidiaries from 2025 onwards. The report was published on March 13, 2025. As an integral part of the annual report, it shows how the company formulates, implements and measures its sustainability strategy. The focus is on progress towards the targets set for 2025 in the areas of

“Planet” and “People” as well as on the key aspects of sustainability for Rieter. The report is structured as follows:

Restatement of information

The material topics have been reorganized. Biodiversity has been combined with circular economy under the new heading of resource efficiency and circular economy. Employee engagement has been redefined as working conditions and social engagement.

Adjustments to prior-year figures, estimates and methodologies are disclosed in the environmental (Planet) and social (People) key figures.

Corporate Governance

The Board of Directors is responsible for non-financial reporting.

The Board of Directors delegates the implementation of the sustainability strategy to the Group Executive Committee. The Sustainability Committee, newly established in 2024, advises the Group Executive Committee on the implementation of the sustainability strategy. Further information on the management structure, composition and nomination of the Board of Directors is published in the Corporate Governance Report. Information on the remuneration of the Board of Directors can be found in the Remuneration Report.

External Audit

An external audit has not been carried out by the auditors. The report has been reviewed by the Board of Directors and will be submitted to the Annual General Meeting in 2025 for approval.

1 Foreword by the Chairwoman of the Remuneration Committee

Dear shareholders,

On behalf of the Board of Directors and the Remuneration Committee, I am pleased to present the 2024 remuneration report. The report contains all the relevant information on the remuneration policy, the remuneration structure and remuneration disclosure for the Board of Directors and the Group Executive Committee for the 2024 financial year.

The Remuneration Committee carried out its regular duties in relation to remuneration throughout 2024, including the annual review of the remuneration packages, the setting of Group Executive Committee performance targets at the beginning of the year and their assessment at the end of the year. The Committee also determined the remuneration of the members of the Board of Directors and the Group Executive Committee, prepared the remuneration report and organized the voting procedure for the annual general meeting.

The primary focus of the Remuneration Committee in the 2024 financial year was on succession planning for individual positions on the Board of Directors. Jennifer Maag was appointed to the Board of Directors on April 17, 2024.

Additionally, given Thomas Oetterli’s dual role as Chairman of the Board of Directors and CEO, Roger Baillod was appointed Lead Independent Director to ensure good corporate governance.

At the 2025 Annual General Meeting, we will submit to you for approval the maximum total remuneration of the Board of Directors for the period up to the next annual general meeting and the maximum total remuneration of the Group Executive Committee for the 2026 financial year. You will also have the opportunity to express your opinion on this remuneration report in a consultative vote.

Rieter’s remuneration system is designed to ensure a balanced and appropriate remuneration based on performance while also safeguarding the interests of shareholders. We will therefore continue to regularly review whether our remuneration packages meet this requirement in a dynamic market environment.

Best regards,

Sarah Kreienbühl
Member of the Board of Directors and
Chairwoman of the Remuneration Committee

2 Remuneration policy

The Rieter Group's remuneration policy is derived from its strategy, which is aligned with the interests of all stakeholder groups. The members of the Board of Directors and Group Executive Committee are incentivized to generate a sustainable increase of the company's value through a competitive remuneration system. The principles of the remuneration system are set out in Articles 27 to 30 of the Articles of Association of Rieter Holding Ltd. This Remuneration Report provides an overview of the remuneration principles and packages of Rieter Holding Ltd. It outlines the process for determination of remuneration and includes detailed information on the remuneration paid to the Board of Directors and the Group Executive Committee for financial year 2024.

The total remuneration for the Board of Directors and Group Executive Committee is subject to approval at the annual general meetings. The Remuneration Report for the 2024 financial year will be submitted to the shareholders for a consultative vote at the Annual General Meeting on April 24, 2025, allowing them to comment on the remuneration policy, the remuneration system and remuneration disclosure.

The remuneration paid to the Board of Directors is not related to performance. The remuneration paid to the members of the Group Executive Committee consists of a base salary, plus an additional variable remuneration based on the achievement of specific performance targets. To ensure consistent alignment with long-term shareholder interests, 50 percent of the variable remuneration is paid out in the form of restricted shares. This three-year vesting period for the allocated shares ensures a strong correlation between the share-based remuneration and the long-term development of Rieter's enterprise value.

Equal pay is a key concern for Rieter. In addition to the salary analyses carried out in Switzerland, all of which confirmed that Rieter complies with the principle of equal pay, similar audits of the remuneration structures are planned at all Rieter locations over the next two years.

The tables listed in section 3 have been audited by the statutory auditor.

The report was prepared in accordance with the requirements of the Swiss Code of Obligations (CO), the Directive on Information relating to Corporate Governance of the SIX Swiss Exchange, the "Swiss Code of Best Practice for Corporate Governance" of economiesuisse and the Articles of Association of Rieter Holding Ltd.

Annual general meeting – shareholders' participation rights

Under Section 13 in conjunction with Section 27 of the Articles of Association, the annual general meeting approves the maximum total remuneration for the Board of Directors and the maximum total remuneration for the Group Executive Committee for the financial year following the meeting.

The annual general meeting recognizes the Remuneration Report for the past financial year through a consultative vote.

In recent years, Rieter has made additional efforts to improve the transparency and level of detail in the disclosure of its remuneration principles and packages. In addition, Rieter submits the Remuneration Report to the annual general meeting for a consultative vote in order to give shareholders the opportunity to express their views on the remuneration system.

Remuneration Committee

The Remuneration Committee comprises a minimum of three and a maximum of five members of the Board of Directors. These members are proposed to the annual general meeting by the Board of Directors and elected at that meeting. The term of office is one year until the end of the next annual general meeting. The chairwoman/chairman of the Remuneration Committee is elected by the Board of Directors.

The Remuneration Committee assists the Board of Directors in setting and reviewing the remuneration policy, remuneration guidelines and performance targets, and in preparing the proposals for the annual general meeting on the total amount of remuneration of the members of the Board of Directors and the Group Executive Committee. It prepares the Remuneration Report for submission to the Board of Directors.

The basic principles of the remuneration policy are reviewed annually. The chairwoman of the Remuneration Committee may invite the CEO and the Head Group Human Resources to the meetings as required. The CEO does not attend the meetings at which his own remuneration is determined.

The Remuneration Committee held five meetings during the 2024 financial year. The minutes are available to the entire Board of Directors.

3 Remuneration structure and remuneration in the 2024 financial year

3.1 Board of Directors

The members of the Board of Directors receive fixed, non-performance-related remuneration that is based on their role and activities on the committees of the Board of Directors. They can choose whether to receive all remuneration in cash or in a combination of cash and shares. The cash component of the remuneration is usually paid in December of the current financial year. For remuneration paid in shares, the number of shares is calculated based on the average market value of the Rieter share on the first ten trading days of the new financial year, minus an amount of approximately 16.0380 percent as set by the Federal Tax Administration to account for the vesting period. The shares are transferred on the following trading day. The shares are restricted for a period of three years from the date of transfer. Rieter Holding Ltd. covers the statutory employer contributions for social security, accident and illness. Members of the Board of Directors also receive an annual lump-sum expense allowance.

Remuneration types	CEO	RC[1]	BoD[2]
Remuneration of members of the Board of Directors		proposes	approves

[1] RC = Remuneration Committee
[2] BoD = Board of Directors

The total remuneration for the Board of Directors for the period up to the next annual general meeting will be submitted for approval at the 2025 Annual General Meeting.

3.1.1 Employment contracts

Employment and mandate contracts for members of the Board of Directors may be concluded for a fixed term of up to 12 months or for an indefinite term with a notice period of up to 12 months. Renewal is permitted.

The agreement of a non-competition clause for the period following the termination of an employment contract is permissible. To compensate such a non-competition clause, remuneration may be paid for a maximum of two years, the amount of which may not exceed a total of 50 percent of the last annual remuneration paid to that member.

3.1.2 Remuneration for the 2024 financial year

In the case of a new appointment to the Board of Directors, the remuneration is included from the date on which the member assumes the relevant position. The same applies to departures from the company.

No severance pay is provided for the Board of Directors under the regulations and none was paid out in the 2024 financial year.

The total remuneration paid to the Board of Directors in the 2024 financial year amounted to CHF 1 459 038 (2023: CHF 1 555 999) and was within the maximum remuneration of CHF 2 000 000 approved by the 2023 Annual General Meeting for that term.

Remuneration of the Board of Directors	CHF	
Base remuneration Chairman	300 000	
Vice Chairman	120 000	
Members of the Board of Directors	100 000	
Lead Independent Director	20 000	
Member of a committee	30 000	Audit, Personnel and Remuneration Committee
Chairwoman/Chairman of a committee	50 000	
Fixed expenses for members of the Board of Directors	20 000	
Fixed expenses for Chairman	30 000	

A total of 5 868 Rieter shares were allocated to four members of the Board of Directors on January 17, 2025, as part of their share option. The cost of these shares, amounting to CHF 513 920, was charged to the 2024 income statement.

3.1.3 External mandates of members of the Board of Directors

The following table lists all external mandates according to Art. 734e CO held during the financial year 2024 by members of the Board of Directors in comparable functions at other companies with an economic purpose within the meaning of Art. 626 para. 2 no. 1 CO (including companies belonging to the same group).

(Audited by KPMG)	Company name	Function	Membership in committees
Thomas Oetterli	SFS Group AG	Chairman of the Board of Directors	
	Swissmem	Member of the Executive Committee	
Roger Baillod	BKW AG	Chairman of the Board of Directors	Member of the Personnel and Remuneration Committee
	Cascina Immobilien AG	Member of the Board of Directors	
	Configest AG	Chairman of the Board of Directors	
	Ed. Geistlich Söhne AG für chemische Industrie	Vice Chairman of the Board of Directors	Chairman of the Audit and Risk Committee
	· Geistlich Pharma AG	Member of the Board of Directors	Chairman of the Audit and Risk Committee
	Obere Au happy car AG	Member of the Board of Directors	
	T/O AG	Member of the Board of Directors	

Peter Spuhler	Aebi Schmidt Holding AG	Chairman of the Board of Directors	
	Allreal Holding AG	Member of the Board of Directors	
	Chesa Sül Spelm AG	Member of the Board of Directors	
	DSH Holding AG	Vice Chairman of the Board of Directors	
	European Loc Pool AG	Member of the Board of Directors	
	Florhof Immobilien AG	Member of the Board of Directors	
	PCS Holding AG	Chairman of the Board of Directors	
	PMT Management AG	Member of the Board of Directors	
	Rana Aps AG	Chairman of the Board of Directors	
	Robert Bosch GmbH	Member of the Supervisory Board	
	Robert Bosch Industrietreuhand KG	Limited Partner	
	Sönmez Transformer Company (STS)	Member of the Board of Directors	
	Stadler Rail AG	Chairman of the Board of Directors	Member of the Nomination and Compensation Committees, Chairman of the Strategy and Investment Committee
	· Stadler Deutschland GmbH	Member of the Advisory Board	
	· Stadler Signalling AG	Member of the Board of Directors	
	· Stadler Trains Magyarország Vasúti Szolgáltató Zrt.	Member of the Board of Directors	
	· Stadler US Inc.	Member of the Board of Directors	
	· AngelStar S.r.l.	Member of the Board of Directors	
	Wohnpark Promenade AG	Member of the Board of Directors	
	LITRA	Member of the Executive Committee and Vice President	
	Swissmem	Member of the Executive Committee	
	Tele D	Member of the Board of Trustees	
Hans-Peter Schwald	Autoneum Holding AG	Chairman of the Board of Directors	Chairman of the Strategy and Sustainability Committee and member of the Audit, the Compensation and the Nomination Committee
	AVIA Vereinigung unabhängiger Schweizer Importeure und Anbieter von Energieprodukten, Genossenschaft	Chairman	
	Dagda Consulting AG	Chairman of the Board of Directors	
	DSH Holding AG	Member of the Board of Directors	
	PCS Holding AG	Member of the Board of Directors	
	Rehaklinik Tschugg		
	· Retsch Holding AG	Member of the Board of Directors	
	· Rehaklinik Tschugg AG	Chairman of the Board of Directors	
	Stadler Rail AG	Vice Chairman of the Board of Directors	Member of the Nomination, Compensation and Audit Committee

	· Stadler Bussnang AG	Chairman of the Board of Directors	
	· Stadler Rail Management AG	Chairman of the Board of Directors	
	· Stadler Rail Valencia S.A.U.	Member of the Board of Directors	
	· Stadler Rheintal AG	Chairman of the Board of Directors	
	· Stadler Stahlguss AG	Vice Chairman of the Board of Directors	
	· Stadler Winterthur AG	Member of the Board of Directors	
	Valfor Attorneys-at-law Association	Chairman of the Board	
	VAMED Schweiz		
	· Rehaklinik Dussnang AG	Chairman of the Board of Directors	
	· Rehaklinik Seewis AG	Chairman of the Board of Directors	
	· Rehaklinik Zihlschlacht AG	Chairman of the Board of Directors	
	· VAMED Health Project Schweiz AG	Chairman of the Board of Directors	
	· VAMED Management und Service Schweiz AG	Chairman of the Board of Directors	
	ZSC Lions Arena Immobilien AG	Chairman of the Board of Directors	
Carl Illi	CWC Textil AG	Chairman of the Board of Directors	
	Schweizerische Textilfachschule Genossenschaft	Member of the Board of Directors	
	Swisstulle AG	Chairman of the Board of Directors	
	· Swisstulle Co. UK Ltd.	Chairman of the Board of Directors	
	· Swisstulle Qingdao Ltd.	Member of the Board of Directors	
	economiesuisse	Member of the Board Committee	
	Swiss Textiles – Textilverband Schweiz	Chairman	
	Bremer Baumwollbörse	Member of the Board of Directors	
	Zürcher Handelskammer (ZHK)	Member of the Board of Directors	
Sarah Kreienbühl	Kühne+Nagel International AG	Member of the Group Management Board	
	Schweizerische Management Gesellschaft	President	
Daniel Grieder	Fountain Holding SA	Member of the Board of Directors	
	HUGO BOSS AG	Chief Executive Officer	
Jennifer Maag	Artemis Holding AG	Chairwoman of the Board of Directors	
	Kardex Holding AG	Member of the Board of Directors	Chairwoman of the Audit Committee and the ESG Steering Group
	Weidmann Holding AG	Member of the Board of Directors	
	Capital Concepts International AG	Chairwoman of the Board of Directors	
	UZH Foundation (University of Zurich Foundation)	Member of the Board of Trustees	Member of the Investment Committee

The external mandates held by the members of the Board of Directors in the previous year are published in the 2023 Annual Report under this link on pages 68 and 69.

3.1.4 Shares held by the Board of Directors

The following table provides information on the Rieter shares held by members of the Board of Directors as at December 31, 2024 and December 31, 2023:

(Audited by KPMG)	Number of shares as of December 31, 2023	Number of shares as of December 31, 2024
Thomas Oetterli[1]	3 005	8 304
Roger Baillod	3 347	3 992
Peter Spuhler	1 547 860	1 547 860
Hans-Peter Schwald	8 217	8 217
Carl Illi	2 597	3 370
Sarah Kreienbühl	0	965
Daniel Grieder	2 100	2 100
Jennifer Maag, from April 17, 2024	–	-
Bernhard Jucker, until April 17, 2024	15 327	19 537
Total	**1 582 453**	**1 594 345**

[1] The total number of shares is listed both under the Board of Directors and the Group Executive Committee.

3.1.5 Remuneration of the Board of Directors for the 2024 financial year

The total remuneration paid to the current members of the Board of Directors in the 2024 financial year amounts to CHF 1 459 038. The former chair of the Board of Directors received remuneration. At the 2023 Annual General Meeting, the Board of Directors was granted a maximum total remuneration of CHF 2 000 000 for the 2024 financial year, which means that its remuneration for 2024 is within the approved limit. No loans, credits, additional fees or remuneration that is not customary to the market were paid to the current or former members of the Board of Directors or parties related to them.

The total remuneration paid to members of the Board of Directors in the **2024 financial year** comprised the following:

(Audited by KPMG)	Cash remuneration	Share allocation[1]	Social benefits and other remuneration[2]	Total 2024	Expense allowance
CHF					
Thomas Oetterli, Chairman of the Board of Directors since April 17, 2024	–	283 133	17 233	300 366	26 667
Roger Baillod, Vice Chairman, Chair of the Audit Committee and Lead Independent Director	190 000	–	11 260	201 260	20 000
Peter Spuhler	100 000	–	5 500	105 500	20 000
Hans-Peter Schwald, Member of the Audit Committee, the Remuneration Committee and the Nomination Committee	160 000	–	10 129	170 129	20 000
Carl Illi, Member of the Audit Committee	86 667	51 117	9 882	147 666	20 000

Sarah Kreienbühl, Chairwoman of the Remuneration Committee and the Nomination Committee	75 000	88 429	11 382	174 811	20 000
Daniel Grieder	130 000	–	9 882	139 882	20 000
Jennifer Maag from April 17, 2024, Member of the Audit Committee	86 667	–	6 588	93 255	13 333
Bernhard Jucker, Chairman of the Board of Directors until April 17, 2024	–	118 157	8 012	126 169	10 000
Members of the Board of Directors	**828 334**	**540 836**	**89 868**	**1 459 038**	**170 000**

1 The shares were valued at CHF 87.58 for the total remuneration. The amount is paid after deduction of social insurance contributions.
2 Social contributions include the employer's social security contributions as well as contributions for accident and illness insurance. Employees' contributions are stated in the other compensation items.

The total remuneration paid to members of the Board of Directors in the **2023 financial year** comprised the following:

(audited by KPMG)	Cash remuneration	Share allocation[1]	Social benefits and other remuneration[2]	Total 2023	Expense allowance
Thomas Oetterli	–	117 931	7 488	125 419	13 333
Roger Baillod, Vice Chairman, Chair of the Audit Committee and Lead Independent Director	120 000	59 032	12 512	191 544	20 000
Peter Spuhler	130 000	–	9 752	139 752	20 000
Hans-Peter Schwald, Member of the Audit Committee, the Remuneration Committee and the Nomination Committee	182 500	–	13 312	195 812	20 000
Carl Illi, Member of the Audit Committee	100 000	70 787	11 872	182 659	20 000
Sarah Kreienbühl, Chairwoman of the Remuneration Committee and the Nomination Committee	75 000	88 427	11 232	174 659	20 000
Daniel Grieder	130 000	–	9 752	139 752	20 000
Bernhard Jucker, Chairman of the Board of Directors	–	381 083	25 319	406 402	30 000
Members of the Board of Directors	**737 500**	**717 260**	**101 239**	**1 555 999**	**163 333**

1 The shares were valued at CHF 86.67 for the total remuneration. The amount is paid after deduction of social insurance contributions.
2 Social benefits include the employer's social security contributions as well as contributions for accident and illness insurance. Employees' contributions are stated in the other compensation items.

3 Remuneration structure and remuneration in the 2024 financial year

3.2 Group Executive Committee

To determine the amount of remuneration of the Group Executive Committee, salaries are periodically reviewed through an external study, which takes into account and compares similar listed Swiss companies in the machine manufacturing industry. Individual responsibility and experience of the members of the Group Executive Committee is also taken into account. No external consultants are involved in setting the remuneration structures.

Remuneration types	CEO	RC[1]	BoD[2]
Base salary of the CEO		proposes	approves
Base salary for other members of Group Executive Committee	proposes	reviews	approves
Definition of targets for performance-related components of the Group Executive Committee		proposes	approves
Definition of the CEO's individual targets		proposes	approves
Definition of individual targets for the other members of the Group Executive Committee	proposes	checks	approves

[1] RC = Remuneration Committee
[2] BoD = Board of Directors

The maximum total remuneration of the Group Executive Committee for the 2026 financial year will be presented for approval at the 2025 Annual General Meeting.

The remuneration of the Group Executive Committee is defined in a regulation adopted by the Board of Directors. It comprises the following components:

- Base salary
- Variable remuneration: Rieter short-term incentive (RSTI)
- Share-based remuneration: Rieter long-term incentive (RLTI)
- Pension and social benefit contributions
- Expense allowance

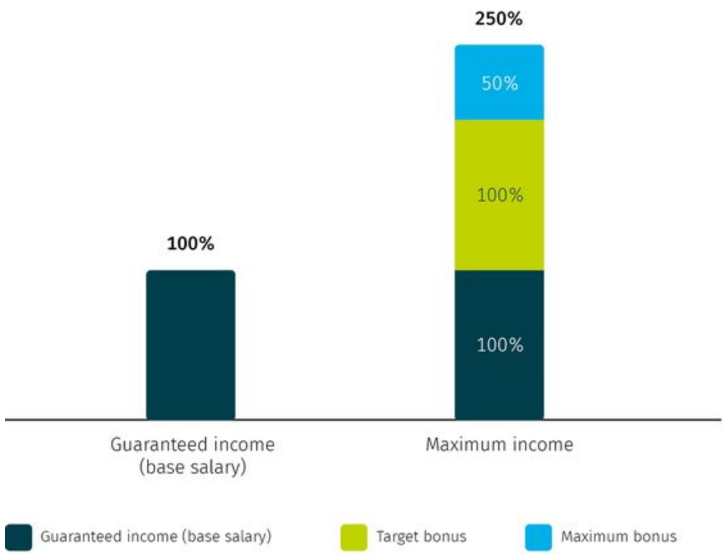
	Package	Tool	Purpose	Plan/ performance period	Key performance figures 2024
Base salary	Annual base salary	Monthly cash payment	Remuneration for role		
Variable remuneration Short-term incentive (RSTI)	50% variable remuneration of RSTI	Annual variable cash remuneration	Performance-related remuneration	One-year performance period	60–100% EBIT b.r.a.i. and free cash conversion ratio 0–40% profitability of the divisions
	50% share-based remuneration (RLTI)	Restricted shares at a reduced subscription price	Performance-related remuneration, alignment with shareholder interests	One-year performance period Three-year vesting period for shares	60–100% EBIT b.r.a.i. and free cash conversion ratio 0–40% profitability of the divisions
Pension and social benefit contributions	Retirement provision	Rivora Sammelstiftung	Statutory and regulatory pension and social contributions and employee contributions for accident and illness		
Expense allowance	Expense allowance	Expense allowance	Representation costs		

The following underlying key figures

- Earnings before interest and taxes (EBIT) before restructuring expenses and impairment (EBIT b.r.a.i. of the Group)
- Free cash flow divided by net profit (free cash flow conversion ratio of the Group)
- Profitability of the divisions

and their weighting reflect the Rieter Group's focus on sustainable profitability, equity ratio and liquidity security.

Remuneration model of the Group Executive Committee



Base salary

The base salary for members of Group Executive Committee consists of a salary paid monthly. All members of the Group Executive Committee have a Swiss employment contract. The employer covers the statutory and regulatory pension and social contributions, including employee contributions for accident and illness. Members of the Group Executive Committee receive a lump-sum expense allowance for representation costs in accordance with the expense guidelines approved by the tax authorities.

Variable remuneration

The members of the Group Executive Committee receive variable remuneration based on the achievement of specific performance targets. These performance targets may, in accordance with Article 28 of the Articles of Association, include financial, strategic and/or personal targets, taking into account the function and level of responsibility of the recipient.

The target value of the variable remuneration is 100 percent of the base salary. Provided that the financial, strategic and/or personal targets are met, the members of the Group Executive Committee are entitled to a variable remuneration of a maximum of 150 percent of the base salary. The amount is calculated based on the weighted sub targets, which are determined in advance on an annual basis.

The Board of Directors determines the weighting of the performance targets and the respective target values annually in advance, and reports on this in the Remuneration Report.

Half of the variable remuneration is paid in cash, with the other half paid in shares.

For remuneration paid in shares, the number of shares is calculated based on the average market value of the Rieter share on the first ten trading days of the new financial year, minus an amount of approximately 16.0380 percent as set by the Federal Tax Administration to account for the vesting period. The restricted shares are transferred in April. The shares are restricted for a period of three years from the date of transfer. The purpose of the three-year vesting period for the allocated shares is to ensure that the share-based remuneration is aligned with the long-term growth of the enterprise value. Rieter Ltd. covers the statutory employer contributions for social security, accident and illness. Members of the Group Executive Committee also receive an annual lump-sum expense allowance.

For each sub target, a lower threshold of 0 to 50 percent, an upper threshold of 150 percent and a target value of 100 percent are defined. If the lower threshold is not reached, no payment is made for this sub target. Within the range between the target and threshold values, the variable remuneration is calculated linearly.

Special provisions

The Board of Directors has the authority to pay a maximum of three percent of the total salary of the Group Executive Committee to members of the Group Executive Committee for extraordinary individual achievements.

According to Article 29 of the Articles of Association, the company is authorized to pay additional remuneration to members of the Group Executive Committee who join the company or are promoted to the Group Executive Committee after the date on which the remuneration is approved by the annual general meeting and if the amount already approved for this period is insufficient, provided that the total amount does not exceed 40 percent of the most recently approved remuneration of the Group Executive Committee.

In the event of termination of an employment relationship, the following provisions apply to shares acquired under the RSTI:

Reason for termination		Restricted shares
Good Leaver	Retirement	Regular disposal restriction
	Disability	
	Other reasons	
	Liquidation/change of control[1]	Immediate lifting of the disposal restriction
	Death	
Bad Leaver	Inadequate performance/inadequate conduct[2]	Regular disposal restriction

[1] This rule applies only if the employment contract is terminated following a change of control or liquidation (double trigger).
[2] For members of the Group Executive Committee, inappropriate performance or conduct is determined by the Board of Directors at its professional discretion.

Performance management

The actual remuneration paid to the members of the Group Executive Committee in a given year is based on the company's performance and the individual achievements. The latter is assessed as part of the formal annual performance management process. Company targets and individual performance targets are set at the beginning of the financial year, and the actual results are compared with these targets at the end of the year. Actual remuneration is determined based on the performance evaluation of the company targets.

Targets (December/January)	**Mid-year assessment** (July)	**Year-end assessment** (December/January)	**Determination of remuneration** (February/March)
Setting of individual targets	Mid-year review of performance to date in relation to the defined targets	Self-assessment and performance evaluation	Determination of the actual variable remuneration

3.2.1 Employment contracts

Employment and mandate contracts for members of the Group Executive Committee may be concluded for a fixed term of up to 12 months or for an indefinite term with a notice period of up to 12 months. Renewal is permitted.

The agreement of a non-competition clause for the period following the termination of an employment contract is permissible. To compensate such a non-competition clause, remuneration may be paid for a maximum of two years, the annual amount of which may not exceed a total of 50 percent of the last annual remuneration paid to that member.

3.2.2 Remuneration for the 2024 financial year

The remuneration for the Group Executive Committee is reported using the accrual method as the performance-related salary components are paid out or allocated only in the following year. In the case of a new appointment to the Group Executive Committee, the remuneration is included from the date on which the member assumes the corresponding position. The same applies to departures from the company. The members of the Group Executive Committee do not receive their remuneration from Rieter Holding Ltd. but from an operating subsidiary.

No severance pay is provided for the Group Executive Committee under the regulations, and none was paid out in the 2024 financial year.

Total remuneration

The total remuneration paid to the Group Executive Committee in 2024 amounted to CHF 5 809 222 (2023: CHF 5 791 172) and was within the maximum remuneration of CHF 6 500 000 approved by the 2023 Annual General Meeting for the 2024 financial year. Of the total remuneration, CHF 2 354 500 is allocated to the base salary and CHF 2 694 018 to the variable remuneration, along with the corresponding pro rata social insurance contributions.

In the 2024 financial year, the focus remained on the implementation of the Next Level performance program, which is intended to strengthen sales excellence and customer focus, improve cost efficiency in production and optimize fixed cost structures.

Underlying key figures	2023 financial year	2024 financial year
EBIT b.r.a.i. of the Group	5.9%	3.9%
Free cash flow divided by net profit (free cash flow conversion ratio of the Group)	–	135.8%
EBIT b.r.a.i. margin Machines & Systems Division	–	– 0.9%
EBIT b.r.a.i. margin After Sales Division	–	17.5%
EBIT b.r.a.i. margin Components Division	–	3.9%

In the 2024 financial year, the average target achievement was 103.3 percent (2023: 73.8%).

3.2.3 External mandates of members of the Group Executive Committee

The following table lists all external mandates according to Art. 734e CO held during the financial year 2024 by members of the Group Executive Committee in comparable functions at other companies with an economic purpose within the meaning of Art. 626 para. 2 no. 1 CO (including companies belonging to the same group):

(Audited by KPMG)	Company name	Function	Membership in committees
Thomas Oetterli	SFS Group AG	Chairman of the Board of Directors	
	Swissmem	Member of the Council	
Roger Albrecht	No further mandates		
Serge Entleitner, until Oct. 31, 2024	Prosino s.r.l.	Member of the Board of Directors	
Rico Randegger	Electro-Jet S.L.	Member of the Board of Directors	
Oliver Streuli	Autoneum Holding AG	Member of the Board of Directors	Member of the Compensation, the Nomination and the Strategy and Sustainability Committee
Until March 25, 2024	Swiss Steel Holding AG	Member of the Board of Directors	Member of the Compensation Committee

The external mandates held by the members of the Group Executive Committee in the previous year are published in the 2023 Annual Report under this link on page 70.

3.2.4 Shares held by the Group Executive Committee

The following table provides information on Rieter shares held by members of the Group Executive Committee and their entitlement to shares as at December 31, 2024 and December 31, 2023:

(Audited by KPMG)	Number of shares as of December 31, 2023	Number of shares as of December 31, 2024
Thomas Oetterli[1]	3 005	8 304
Roger Albrecht	1 294	2 417
Serge Entleitner	2 225	3 427
Rico Randegger	1 990	2 692
Oliver Streuli	0	168
Total	**8 514**	**17 008**

1 The total number of shares is listed both under the Board of Directors and the Group Executive Committee.

3.2.5 Remuneration of the Group Executive Committee

In the 2024 financial year, the total remuneration paid to the members of the Group Executive Committee amounted to CHF 5 809 222. Of this amount, CHF 2 199 022 was paid to the CEO. No remuneration was paid to former members of the Group Executive Committee. At the 2023 Annual General Meeting, the Group Executive Committee was granted a maximum total remuneration of CHF 6 500 000 for the 2024 financial year, which is within the approved limit. The total remuneration paid to members of the Group Executive Committee in the 2024 financial year comprised the following:

(Audited by KPMG)	Base salary	Cash bonus[3]	Share-based compensation[3]	Pension and social benefit contributions[2]	Total 2024	Expense allowance
CHF						
Thomas Oetterli, Chief Executive Officer[1]	850 000	462 400	578 000	308 622	2 199 022	16 000
Other four members of the Group Executive Committee	1 504 500	946 627	706 991	452 082	3 610 200	64 000
Members of the Group Executive Committee	**2 354 500**	**1 409 027**	**1 284 991**	**760 704**	**5 809 222**	**80 000**

1 Highest single remuneration
2 Pension and social benefit contributions include the employer's contributions to social insurance and pension funds, and contributions for accident and illness. Employee contributions are included in the other remuneration items.
3 The variable remuneration amounts to 114.4 percent of the base salary.

The total remuneration paid to members of the Group Executive Committee in the **2023 financial year** comprised the following:

(Audited by KPMG)	Base salary	Cash bonus[7]	Share-based compen-sation[7]	Pension and social benefit contributions[2]	Total 2023	Expense allowance
CHF						
Thomas Oetterli, Chief Executive Officer[1]	686 986	253 498	253 498	224 933	1 418 915	12 932
Other members of the Group Executive Committee	2 378 756	838 727	465 585	689 189	4 372 257	84 822
Members of the Group Executive Committee[3,4,5,6]	**3 065 742**	**1 092 225**	**719 083**	**914 122**	**5 791 172**	**97 754**

1 Highest single remuneration
2 Pension and social benefit contributions include the employer's contributions to social insurance and pension funds, and contributions for accident and illness. Employee contributions are included in the other remuneration items.
3 Including all remuneration paid to Dr. Norbert Klapper, Chief Executive Officer, until March 12, 2023
4 Including all remuneration paid to Kurt Ledermann, Chief Financial Officer, until July 31, 2023
5 Including all remuneration paid to Thomas Anwander, Group General Counsel, until April 20, 2023
6 Including all remuneration paid to Oliver Streuli, Chief Financial Officer, from August 1, 2023
7 The variable remuneration is 73.8% of the base salary.

4 Benefits to former members of governing bodies

No remuneration was paid to former members of governing bodies.

5 Benefits to related parties under non-market conditions

In the 2024 financial year, no benefits were paid to related parties of members of the Board of Directors or members of the Group Executive Committee under non-market conditions.

6 Loans and credits

No loans or credits were granted by Rieter Holding Ltd. or any other Group company to related parties of members of the Board of Directors, members of the Group Executive Committee or members of the governing bodies. There are also no credits or loans outstanding.

7 Statutory auditor’s report on the remuneration report

To the General Meeting of Rieter Holding Ltd., Winterthur

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of Rieter Holding Ltd. (the Company) for the year ended December 31, 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) on loans and credits as well as the tables marked “audited” in chapter 3 (Board of Directors) under 3.1.3, 3.1.4 and 3.1.5 as well as chapter 3 (Group Executive Committee) under 3.1.3, 3.1.4 and 3.1.5 in the Remuneration Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Remuneration Report complies with Swiss law and the Company’s articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Remuneration Report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked “audited” in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Raphael Gähwiler
Licensed Audit Expert

Zurich, March 12, 2025

Enclosure:

– Remuneration Report

Consolidated financial statements

Consolidated financial statements

Alternative performance measures

The annual report includes performance measures defined in accordance with the International Financial Reporting Standards (IFRS) as well as selective alternative performance measures. Alternative performance measures provide important information for readers of the annual report about Rieter's performance and financial position. They are used as an essential element of the financial management of the Group.

The following table includes the definitions of alternative performance measures as used by Rieter:

Alternative performance measure	Reference in the annual report	Rieter definition
Order intake	· Rieter at a glance · Letter to the shareholders · Divisions	Order intake includes firm orders received from third-party customers for Rieter products and services in the reporting period. Orders are reported as order intake if the following criteria have been met: · Receipt of a written, legally binding confirmation from the customer; · Production capacity is available if manufacturing is required; · The order is financially secured. Orders are financially secured by means of advance payment, irrevocable letter of credit, bank guarantee, credit insurance, or other instruments. In addition, customer credit limits are used, mainly in the After Sales and Components businesses. Order intake comprises the total gross order value excluding value-added taxes. Additions to existing orders and cancellations are also included in order intake.
Order backlog	· Letter to the shareholders	The order backlog is defined as the total undiscounted value of open customer orders at the end of the reporting period. The order backlog is expected to turn into sales in the future.
Operating result before interest and taxes (EBIT)	· Rieter at a glance · Letter to the shareholders · Divisions · Remuneration report · Consolidated income statement · Note 2.2 · Note 3.1 · Review 2020 to 2024	Operating result before financial income and expenses as well as income taxes.
Operating result before interest, taxes, depreciation, amortization, and impairment (EBITDA)	· Rieter at a glance · Note 3.5 · Review 2020 to 2024	Operating result before interest and taxes (EBIT), excluding depreciation and impairment of property, plant, and equipment, and amortization and impairment of intangible assets.
Operating result before interest, taxes, restructuring, and impairment (EBIT before restructuring and impairment; EBIT b.r.a.i.)	· Rieter at a glance · Letter to the shareholders · Remuneration report · Note 2.2	Operating result before interest and taxes (EBIT) excluding restructuring charges and impairment. Restructuring charges include restructuring costs (e.g. personnel expenses and other costs directly associated with restructuring measures) and

Alternative performance measure	**Reference in the annual report**	**Rieter definition**
	· Note 3.1 · Review 2020 to 2024	reversals of existing restructuring provisions. Impairment contains impairment losses on property, plant, and equipment and intangible assets.
Capital expenditure	· Rieter at a glance	Purchase of property, plant, and equipment, and intangible assets (excluding additions to right-of-use assets).
Free cash flow	· Letter to the shareholders · Note 5.1 · Review 2020 to 2024	Cash flow from operating activities adjusted by cash flow from investing activities. Acquisitions and divestments of business are excluded.
Free cash flow conversion ratio	· Remuneration report	Free cash flow divided by the net profit.
Liquid funds	· Letter to the shareholders · Note 8.5 (Liquidity risk)	Liquid funds contain cash and cash equivalents as well as marketable securities and time deposits with a maturity of less than twelve months.
Net liquidity or net debt	· Rieter at a glance · Letter to the shareholders · Note 5.1 · Review 2020 to 2024	Liquid funds (see definition above) minus current and non-current financial debt. Lease liabilities are included in financial debt.
Dividend payout ratio	· Letter to the shareholders · Note 5.4 · Review 2020 to 2024	Dividend per share paid or expected to be paid to shareholders of Rieter Holding Ltd. (based on the resolution of the Annual General Meeting of shareholders or the proposal of the Board of Directors) as a percentage of basic earnings per share of the respective period.
(Operating) net working capital		Operating net working capital consists of trade receivables, inventories, and advance payments to suppliers, less trade payables and advance payments from customers. Net working capital equals to operating net working capital plus other short-term receivables non-interest-bearing less other short-term payables non-interest-bearing. Assets or liabilities are non-interest-bearing, when no receipt/ payment of interest is agreed between Rieter and the counterparty (e.g. current income tax receivables/payables or deferred revenue).
Equity ratio	· Rieter at a glance · Letter to the shareholders · Note 8.5 (Capital management) · Review 2020 to 2024	Shareholders' equity as a percentage of total assets.
Return on net assets (RONA)	· Review 2020 to 2024	Net profit before interest expenses and write-offs of financial assets as a percentage of the average of the last 13 month-end balances of total assets less liabilities (excluding financial debt).
Market capitalization	· Corporate Governance (Capital structure) · Review 2020 to 2024	Shares outstanding multiplied by share price at the Swiss Exchange (SIX).
Price/earnings ratio	· Review 2020 to 2024	Share price at the SIX divided by basic earnings per share.
Dividend yield	· Review 2020 to 2024	Dividend per share as a percentage of share price at the SIX.
Number of employees	· Rieter at a glance · Review 2020 to 2024	Total number of employees working for Rieter, excluding temporaries and apprentices.

Consolidated income statement

CHF million	Notes	2023	2024
Sales	(3.1/3.2)	**1 418.6**	**859.1**
Cost of sales		– 1 038.3	– 595.7
Gross profit		**380.3**	**263.4**
Research and development expenses		– 76.8	– 50.0
Selling, general, and administrative expenses		– 234.9	– 203.4
Other income	(3.3)	103.2	37.6
Share in profit of associated companies[1]	(6.3)	3.1	2.9
Other expenses	(3.3)	– 70.1	– 22.5
Operating result before interest and taxes (EBIT)[1]		**104.8**	**28.0**
Financial income	(5.6)	1.8	2.0
Financial expenses	(5.6)	– 16.0	– 13.5
Profit before taxes		**90.6**	**16.5**
Income taxes	(8.1)	– 16.6	– 6.1
Net profit		**74.0**	**10.4**
Attributable to shareholders of Rieter Holding Ltd.		74.0	10.5
Attributable to non-controlling interests		0.0	– 0.1
Basic earnings per share (CHF)	(5.4)	**16.48**	**2.33**
Diluted earnings per share (CHF)	(5.4)	**16.47**	**2.33**

[1] The comparative period (2023) has been adjusted retrospectively as a result of the reclassification of the share in profit of associated companies from financial result to the operating result (see note 1.3).

Notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

CHF million	Notes	2023	2024
Net profit		**74.0**	**10.4**
Remeasurement of defined benefit plans	(7.2)	– 2.0	14.5
Income taxes on remeasurement of defined benefit plans	(8.1)	0.3	– 2.9
Items that will not be reclassified to the income statement, net of taxes		**– 1.7**	**11.6**
Currency translation differences		– 53.7	15.1
Income taxes on currency translation differences	(8.1)	0.4	0.0
Cash flow hedges	(8.5)	3.9	6.3
Income taxes on cash flow hedges	(8.1/8.5)	– 0.8	– 1.3
Items that may be reclassified to the income statement, net of taxes		**– 50.2**	**20.1**
Total other comprehensive income		**– 51.9**	**31.7**
Total comprehensive income		**22.1**	**42.1**
Attributable to shareholders of Rieter Holding Ltd.		22.1	42.3
Attributable to non-controlling interests		0.0	– 0.2

Notes are an integral part of the consolidated financial statements.

Consolidated balance sheet

CHF million	Notes	December 31, 2023	December 31, 2024
Assets			
Cash and cash equivalents	(5.2)	135.6	103.2
Marketable securities and time deposits		0.3	0.2
Trade receivables	(4.1)	138.8	106.4
Other current receivables	(4.2)	77.6	41.1
Current income tax receivables		3.3	3.6
Inventories	(4.3)	285.9	259.0
Current assets		**641.5**	**513.5**
Property, plant, and equipment	(4.4)	226.1	258.7
Intangible assets	(4.5)	119.4	108.7
Goodwill	(4.6)	184.3	192.0
Investments in associated companies	(6.3)	18.8	14.3
Defined benefit plan assets	(7.2)	63.0	75.2
Deferred income tax assets	(8.1)	47.0	46.0
Other non-current assets	(8.2)	9.9	9.4
Non-current assets		**668.5**	**704.3**
Assets		**1 310.0**	**1 217.8**

CHF million	Notes	December 31, 2023	December 31, 2024
Liabilities and shareholders' equity			
Current financial debt	(5.3)	198.1	104.9
Trade payables		101.5	102.4
Other current liabilities	(4.7)	204.6	134.6
Advance payments from customers	(4.8)	96.3	60.8
Current income tax liabilities		44.5	43.0
Current provisions	(4.9)	72.2	46.0
Current liabilities		**717.2**	**491.7**
Non-current financial debt	(5.3)	129.0	228.8
Defined benefit plan liabilities	(7.2)	24.0	25.9
Deferred income tax liabilities	(8.1)	38.1	39.9
Non-current provisions	(4.9)	25.0	21.1
Non-current liabilities		**216.1**	**315.7**
Liabilities		**933.3**	**807.4**
Equity attributable to shareholders of Rieter Holding Ltd.		376.6	410.9
Equity attributable to non-controlling interests		0.1	– 0.5
Shareholders' equity		**376.7**	**410.4**
Liabilities and shareholders' equity		**1 310.0**	**1 217.8**

Notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

CHF million	Notes	Share capital	Treasury shares	Hedge reserve	Currency translation differences	Retained earnings	Total attributable to Rieter shareholders	Attributable to non-controlling interests	Total consolidated equity
At January 1, 2023		**23.4**	**– 25.0**	**– 9.5**	**– 145.8**	**516.8**	**359.9**	**0.1**	**360.0**
Net profit		0.0	0.0	0.0	0.0	74.0	74.0	0.0	74.0
Total other comprehensive income		0.0	0.0	3.1	– 53.3	– 1.7	– 51.9	0.0	– 51.9
Total comprehensive income		**0.0**	**0.0**	**3.1**	**– 53.3**	**72.3**	**22.1**	**0.0**	**22.1**
Distribution of a dividend	(5.4)	0.0	0.0	0.0	0.0	– 6.7	– 6.7	0.0	– 6.7
Share-based compensation		0.0	1.3	0.0	0.0	0.0	1.3	0.0	1.3
Changes in treasury shares		0.0	0.5	0.0	0.0	– 0.5	0.0	0.0	0.0
Total contributions by and distributions to owners of the company		**0.0**	**1.8**	**0.0**	**0.0**	**– 7.2**	**– 5.4**	**0.0**	**– 5.4**
At December 31, 2023		**23.4**	**– 23.2**	**– 6.4**	**– 199.1**	**581.9**	**376.6**	**0.1**	**376.7**
Net profit		0.0	0.0	0.0	0.0	10.5	10.5	– 0.1	10.4
Total other comprehensive income		0.0	0.0	5.1	15.1	11.6	31.8	– 0.1	31.7
Total comprehensive income		**0.0**	**0.0**	**5.1**	**15.1**	**22.1**	**42.3**	**– 0.2**	**42.1**
Distribution of a dividend	(5.4)	0.0	0.0	0.0	0.0	– 13.5	– 13.5	0.0	– 13.5
Changes in non-controlling interests		0.0	0.0	0.0	5.8	– 5.1	0.7	– 0.4	0.3
Share-based compensation		0.0	1.8	0.0	0.0	1.7	3.5	0.0	3.5
Changes in treasury shares		0.0	1.8	0.0	0.0	– 0.5	1.3	0.0	1.3
Total contributions by and distributions to owners of the company		**0.0**	**3.6**	**0.0**	**5.8**	**– 17.4**	**– 8.0**	**– 0.4**	**– 8.4**
At December 31, 2024		**23.4**	**– 19.6**	**– 1.3**	**– 178.2**	**586.6**	**410.9**	**– 0.5**	**410.4**

Notes are an integral part of the consolidated financial statements.

Consolidated cash flow statement

CHF million	Notes	2023	2024
Net profit		**74.0**	**10.4**
Depreciation, amortization, and impairment	(3.4)	58.7	54.9
Interest income	(5.6)	– 1.4	– 1.5
Interest expenses	(5.6)	13.1	10.4
Income taxes	(8.1)	16.6	6.1
Gain on disposals of property, plant, and equipment	(3.3)	– 1.4	– 2.0
Gain on disposal of assets classified as held for sale	(2.3/3.3)	– 72.5	–
Other non-cash income and expenses		– 1.2	– 0.7
Change in receivables		64.5	63.8
Change in inventories		49.7	39.7
Change in trade payables		– 52.7	– 3.1
Change in advance payments from customers and other liabilities		– 94.2	– 90.9
Change in provisions		40.3	– 34.5
Dividends received from associated companies	(6.3)	0.5	1.6
Interest received		1.3	1.4
Interest paid		– 13.3	– 10.5
Income taxes paid		– 12.7	– 8.8
Cash flow from operating activities		**69.3**	**36.3**
Acquisition of subsidiaries, net of cash acquired	(2.1)	–	1.1
Purchase of property, plant, and equipment, and intangible assets		– 41.2	– 25.6
Purchase of assets classified as held for sale		– 1.5	–
Proceeds from disposals of property, plant, and equipment		2.8	2.9
Proceeds from disposals of assets classified as held for sale	(2.3)	89.1	–
Sale/purchase of marketable securities and time deposits		0.2	0.5
Cash flow from investing activities		**49.4**	**– 21.1**
Dividend paid to shareholders of Rieter Holding Ltd.	(5.4)	– 6.7	– 13.5
Sale of treasury shares		–	1.3
Proceeds from issue of fixed-rate bond	(5.3)	–	69.9
Repayment of fixed-rate bond	(5.3)	–	– 75.0
Repayments of bank and other financial debt	(5.3)	– 139.4	– 25.3
Repayments of lease liabilities	(5.3)	– 5.5	– 7.7
Cash flow from financing activities		**– 151.6**	**– 50.3**
Currency effects on cash and cash equivalents		– 7.2	2.7
Change in cash and cash equivalents		**– 40.1**	**– 32.4**
Cash and cash equivalents at January 1	(5.2)	**175.7**	**135.6**
Cash and cash equivalents at December 31	(5.2)	**135.6**	**103.2**

Notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1 General information

Rieter Holding Ltd. (the “Company”) is a company incorporated in Switzerland with its registered office at Klosterstrasse 20 in Winterthur. The Company together with its subsidiaries (“Rieter” or “Group”) is the world’s leading supplier of systems for manufacturing yarn from staple fibers in spinning mills.

The consolidated financial statements were approved for publication by the Board of Directors on March 12, 2025. They are also subject to approval by the Annual General Meeting of shareholders.

1.1 Basis for preparation

The consolidated financial statements have been prepared in accordance with the IFRS Accounting standards as issued by the International Accounting Standards Board (IASB).

The material accounting policies applied in preparing these consolidated financial statements are included in the respective notes. General types of material accounting policies are set out in note 8.8. These policies have been consistently applied to all the reporting periods presented unless otherwise stated. Changes in accounting policies are disclosed in note 8.7.

The consolidated financial statements are based on historical cost, with the exception of certain financial instruments and defined benefit plan assets, which are measured at fair value.

The consolidated financial statements are presented in Swiss francs, the functional and presentation currency of Rieter Holding Ltd.

1.2 Use of estimates and judgments

Financial reporting requires management to make estimates and exercise judgment in applying the Group's accounting policies, both of which can affect the reported amounts of assets, liabilities, contingent liabilities, and contingent assets at the date of the financial statements, and reported amounts of income and expenses during the reporting period. These accounting estimates and judgments are periodically reviewed. In the financial years 2024 and 2023, the effects of the global economic and geopolitical uncertainties on these assumptions have been taken into account.

The areas involving significant accounting estimates and judgments are related to the accounting of the acquisition in 2024 (see note 2.1) as well as the topics included in the following notes:

Note	**Description of significant accounting estimates and judgments**
4.3 Inventories	Assumptions associated with the allowance for inventories
4.5 Intangible assets	Assumptions associated with the capitalization of development costs for research and development activities
4.6 Goodwill	Assumptions associated with the goodwill impairment test
4.9 Provisions	Estimates associated with the measurement of provisions
7.2 Employee benefit plans	Assumptions in relation to defined benefit plans
8.1 Income taxes	Assumptions in relation to the measurement of income tax assets and liabilities

1.3 Adjustment of the comparative period

The development in recent years, particularly the increased operational significance and integration, have made Electro-Jet S.L. (Gurb, Spain) and Prosino S.r.l. (Borgosesia, Italy), both suppliers of Rieter, an integral part of Rieter's business. Consequently, the recognized share in profit or loss of associated companies has been reclassified from financial result to the operating result. The resulting EBIT impact in 2024 amounts to CHF 2.9 million (2023: CHF 3.1 million).

2 Significant events

2.1 Acquisitions

On January 5, 2024, Rieter Holding Ltd. (Winterthur, Switzerland) acquired 100 percent of the shares of Petit Spare Parts SAS (Aubenas, France). This entity is active in the business of spare parts for textile machines and employs ten full-time employees. The purchase price amounted to CHF 1.4 million. The acquired net assets primarily consist of inventories. No goodwill resulted from the acquisition.

On November 1, 2024, Rieter Holding Ltd. (Winterthur, Switzerland) acquired 11 percent of the shares of Prosino S.r.l. (Borgosesia, Italy), and therefore increased its investment to 60 percent. This entity is active in the business of manufacturing rings for spinning machines and had been a previous supplier of Rieter. Prosino S.r.l. employs 90 full-time employees. With the acquisition of Prosino S.r.l., Rieter has strengthened its portfolio of high-quality ring components, particularly spinning and twisting rings, which will be allocated to the Components segment.

Further 10 percent of the shares will be bought on January 1, 2025, and an additional 10 percent on January 1, 2026, at the same valuation as the initial transaction in 2024. For the remaining 20 percent of the shares, Rieter Holding Ltd. has a call option effective from January 1, 2027, while the seller is granted a put option effective from January 1, 2028. The exercise prices for the call respectively put option are based on an EBITDA multiple including a cap and a floor. The redemption amount for this part of the financial liability has been determined considering these clauses. The maximum amount to be paid is EUR 4.4 million (CHF 4.1 million).

Under the anticipated-acquisition method the contract is accounted for as if the forwards (purchase obligations of 10 percent on January 1, 2025, and 10 percent on January 1, 2026) had been satisfied by the non-controlling shareholders and the put option (effective from January 1, 2028) had been exercised already. Accordingly, Rieter does not recognize a non-controlling interest in the consolidated financial statements and accounts for the business combination as if it had acquired 100 percent interest. The respective forward and put liabilities for the remaining shareholding of 40 percent have been recognized as financial liabilities in the consolidated balance sheet.

The purchase price of the shares amounted to EUR 2.2 million (CHF 2.1 million) and was settled against cash. The transaction resulted in goodwill of CHF 5.0 million. The goodwill is attributable to the acquired workforce and the complementary nature of the acquired businesses. It is not deductible for tax purposes. The acquired business contributed sales of CHF 1.4 million and a net result of CHF -0.1 million to the Group for the period from November 1 to December 31, 2024. If the acquisition had occurred on January 1, 2024, consolidated pro-forma sales and the net result for the year ended December 31, 2024, would have been CHF 866.3 million and CHF 12.1 million, respectively. These amounts were calculated from the results of the business, adjusted by the differences in the accounting policies between Rieter and Prosino S.r.l., 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, 2024, together with the consequential tax effects.

The following table presents a breakdown of assets acquired and liabilities assumed at November 1, 2024:

CHF million	Notes	**Prosino S.r.l.**
Cash and cash equivalents		4.6
Trade receivables		0.9
Other current receivables		1.1
Inventories		4.4
Property, plant, and equipment		8.6
Intangible assets		2.2
Other non-current assets		1.4
Assets		**23.2**
Trade payables		2.0
Other current liabilities		3.5
Advance payments from customers		0.1
Non-current financial debt		2.8
Deferred income tax liabilities		0.6
Other non-current liabilities		0.3
Non-current provisions		0.5
Liabilities		**9.8**
Fair value of pre-existing interest in voting rights (49%)		**9.2**
Consideration paid in cash (11%)		2.1
Forward and put liabilities (40%)		7.1
Total consideration (51%)		**9.2**
Fair value of net identifiable assets acquired		13.4
Goodwill	(4.6)	**5.0**

Intangible assets identified comprise the value of customer relationships (CHF 1.3 million), and the related brands and trademarks (CHF 0.9 million). The fair value of acquired trade receivables amounted to CHF 0.9 million. The gross contractual amount of invoiced trade receivables was CHF 1.0 million, with a respective allowance of CHF 0.1 million recognized at the acquisition date.

Transaction costs of CHF 0.1 million relating directly to the acquisition were recognized in the income statement as other expenses. The accounting for the acquisitions is preliminary due to the ongoing identification and separation of related assets and liabilities.

2.2 Restructuring and impairment

On October 17, 2024, Rieter initiated further restructuring measures as a reaction to the persistently difficult market conditions, the current economic downturn, the continued high interest rates and the lower economic growth in various markets relevant to Rieter reflected in its order intake. Rieter intends to relocate customer-oriented functions to its sales markets, combine resources and simplify processes. This includes provisions for the reduction of positions in overhead functions across the Group, primarily in Winterthur (Switzerland). The consultation processes initiated with the employee representatives were completed in November 2024. Restructuring costs in 2024 amount to CHF 6.5 million and consist primarily of personnel-related restructuring costs. This includes mainly severance payments and outplacement costs.

On July 19, 2023, Rieter launched the “Next Level” performance program aimed at strengthening sales excellence, sharpening customer focus, improving cost efficiency in production, and optimizing fixed cost structures. Measures defined in the “Next Level” performance program were implemented in 2023 and mostly concluded in 2024.

The restructuring charges directly associated with the “Next Level” performance program are summarized in the table below:

CHF million	2023
Restructuring costs directly related to “Next Level”	– 44.7
Impairment losses on property, plant, and equipment directly related to “Next Level”	– 4.9
Restructuring charges directly related to “Next Level”	**– 49.6**

Restructuring costs directly related to the “Next Level” performance program in 2023 included personnel-related restructuring costs in the amount of CHF 28.8 million. This included mainly severance payments and outplacement costs. Impairment losses on property, plant, and equipment directly related to the “Next Level” performance program included the impairment loss on the right-of-use asset related to the leased office premises no longer used due to the closure of the Ingolstadt location.

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

CHF million	2023	2024
Operating result before interest, taxes, restructuring, and impairment[1]	159.4	33.8
Restructuring charges directly related to “Next Level”	– 49.6	–
Other restructuring costs	– 3.9	– 6.5
Other impairment losses on property, plant, and equipment	– 1.1	– 1.1
Reversal of restructuring provisions	–	1.8
Operating result before interest and taxes (EBIT)[1]	**104.8**	**28.0**

[1] The comparative period (2023) has been adjusted retrospectively as a result of the reclassification of the share in profit of associated companies from financial result to the operating result (see note 1.3).

In 2023, other restructuring costs consist of expenses directly related to the relocation of Rieter Automatic Winder GmbH, which was contractually agreed with the seller of the business. In 2024, total restructuring costs and total impairment losses on property, plant, and equipment amounted to CHF 6.5 million (2023: CHF 48.6 million) and CHF 1.1 million (2023: CHF 6.0 million) respectively.

2.3 Disposal of land and buildings in Winterthur

On September 26, 2023, Rieter sold the land and buildings no longer required for operations at Klosterstrasse in Winterthur (Switzerland) to Allreal (Glattpark, Switzerland). The following table summarizes the effects of the disposal on the consolidated income statement 2023:

	CHF million
Disposal consideration (gross)	96.0
Carrying amount of land and buildings	– 15.3
Costs directly attributable to the disposal	– 8.2
Gain on disposal of assets classified as held for sale	**72.5**

The costs directly attributable to the disposal consisted mainly of provisions for obligations related to site restoration, ambient protection, and other liabilities directly related to the sale of the land and buildings in Winterthur.

The following amounts are included in the consolidated cash flow statement 2023:

	CHF million
Disposal consideration (gross)	96.0
Prepaid property gain taxes	– 6.9
Proceeds from disposal of assets classified as held for sale	**89.1**

2.4 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 represents a key market for Rieter. The earthquake had a significant impact on Rieter's top line. Sales to and order intake from Türkiye decreased in 2023 and particularly in 2024 due to a lack of investment in new machinery and systems in combination with further postponements and cancellations of existing orders. The property damage at Rieter's repair center and the financial loss incurred due to business interruption have been evaluated in cooperation with the respective insurance company. The insurance claim for property and inventory damage at Rieter's repair center and the financial loss incurred from business interruption has been settled in the amount of CHF 14.0 million. In 2024, the compensation was allocated to the consolidated income statement in the line items cost of sales and other income.

Rieter's business activities in Ukraine, Russia, Belarus, and the Middle East are not significant. Consequently, the military conflicts in Ukraine and the Middle East have no direct impact on Rieter, as neither subsidiaries (assets) nor major customers are based in this region.

Against this background, Rieter has reviewed the areas involving material accounting estimates and judgments (see note 1.2) to assess the impact of the earthquake in Türkiye and the global economic and geopolitical uncertainties. The results of this review are included in the respective notes. In addition, the earthquake in Türkiye and the global economic and geopolitical uncertainties had no significant impact on any other balance sheet line items at December 31, 2024 (at December 31, 2023: none).

3 Operating performance

3.1 Segment performance

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, produces and distributes 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 customers with spare parts, value-adding after sales services and solutions over the entire product life cycle.

Segment information 2024

CHF million	Machines & Systems	Components	After Sales	Total reportable segments
Total segment sales	424.9	303.0	186.6	914.5
Inter-segment sales	0.0	55.4	0.0	55.4
Sales	**424.9**	**247.6**	**186.6**	**859.1**
Operating result before interest, taxes, restructuring, and impairment	– 3.8	11.7	32.9	40.8
Operating result before interest and taxes (EBIT)	– 8.4	11.3	32.3	35.2
Purchase of property, plant, and equipment, and intangible assets	4.0	9.7	0.9	14.6
Depreciation, amortization, and impairment	13.2	25.5	3.1	41.8

Segment information 2023

CHF million	Machines & Systems	Components	After Sales	Total reportable segments
Total segment sales	965.0	383.6	187.4	1 536.0
Inter-segment sales	0.0	117.4	0.0	117.4
Sales	**965.0**	**266.2**	**187.4**	**1 418.6**
Operating result before interest, taxes, restructuring, and impairment	23.5	23.7	35.1	82.3
Operating result before interest and taxes (EBIT)	– 3.1	19.2	29.0	45.1
Purchase of property, plant, and equipment, and intangible assets	9.7	14.9	1.3	25.9
Depreciation, amortization, and impairment	15.6	25.4	3.5	44.5

Reconciliation of segment results

CHF million	2023	2024
Operating result before interest and taxes (EBIT) of reportable segments	45.1	35.2
Gain on disposal of land and buildings in Winterthur[1]	72.5	–
Restructuring costs and impairment losses which are not allocated to reportable segments[2]	– 17.4	– 0.2
Share in profit of associated companies[3]	3.1	2.9
Other result that is not allocated to reportable segments	1.5	– 9.9
Operating result before interest and taxes (EBIT), Group	**104.8**	**28.0**
Financial income	1.8	2.0
Financial expenses	– 16.0	– 13.5
Profit before taxes	**90.6**	**16.5**

1 See notes 2.3 and 3.3.
2 Mainly related to the performance program “Next Level” in 2023 (see note 2.2).
3 See note 1.3.

The other result that is not allocated to reportable segments includes all those elements of income and expenses that are not 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.

Sales and non-current assets by country

CHF million	Sales 2023[1]	Sales 2024[1]	Non-current assets 2023[2]	Non-current assets 2024[2]
Switzerland (domicile of Rieter Holding Ltd.)	8.8	5.1	118.6	144.1
Foreign countries	1 409.8	854.0	411.2	415.3
Group	**1 418.6**	**859.1**	**529.8**	**559.4**
The following countries accounted for more than 10% of sales or non-current assets:				
Switzerland (domicile of Rieter Holding Ltd.)	8.8	5.1	118.6	144.1
China	188.0	172.8	30.8	28.7
Germany	32.6	17.1	293.9	294.2
India	224.5	121.2	16.6	13.7
Türkiye	221.3	158.9	0.8	1.7

1 By location of customer.
2 Property, plant, and equipment, intangible assets, and goodwill by country of location.

No individual customer accounted for more than 10 percent of consolidated sales in 2024 and 2023. The greatest granularity available for products and product groups is segment level, which is reflected in the segment reporting shown above.

3.2 Sales

CHF million	2023	2024
Sales of products	1 362.0	805.7
Sales of services	56.6	53.4
Sales	**1 418.6**	**859.1**

Revenue from sales of services is mainly incurred at Rieter After Sales.

Material accounting policies

Rieter sells textile machinery and systems on a global scale. The respective customer contracts may include further elements such as installation. Installation is treated as a separate performance obligation due to the nature of the service rendered. Revenue from textile machinery and systems sales is recognized when control is transferred to the customer. In general, this happens at the point in time when products are handed over to the customer or its freight carrier based on contractually agreed terms (International Commercial Terms or Incoterms). Upon handover, the customer assumes physical control as well as significant risks and future rewards. Prior to delivery, Rieter ensures that machinery and systems comply with contractually agreed performance criteria. As a consequence, no significant unfulfilled obligations exist for Rieter upon handover, with the exception of installation. Installations are invoiced at the same time as the delivery of machinery and systems, although the service is rendered at a later date. Revenue from installation services is therefore deferred as contract liability in the line item deferred revenue and is recognized in the period when the service is rendered (see note 4.7). The progress of the activities is determined based on accumulated working hours or expenses compared to total expected working hours or expenses (over time). Estimates of total expected working hours or expenses are adjusted in the event of changes. The effects of such adjustments are recognized in the respective period. The total selling price agreed in machinery and systems contracts (including discounts granted) is allocated to individual performance obligations based on relative stand-alone selling prices.

The Group also distributes technology components and spare parts for textile machinery and systems. Revenue from these products is recognized when control is transferred to the customer. In general, this happens at the point in time when products are handed over to the customer or its freight carrier based on the relevant contractually agreed terms (Incoterms). Upon handover, the customer assumes physical control as well as significant risks and future rewards.

In addition, Rieter offers a wide range of services and solutions over the entire life cycle of textile machinery and systems (e.g. mill assessments and preventive maintenance as well as upgrade and conversion packages). Revenue from such services rendered at customers' machinery and systems is usually fixed and is recognized in the period when the service is rendered. The progress of the activities is determined based on accumulated working hours or expenses compared to total expected working hours or expenses (over time).

In the case of customers' advance payments for goods or services, the respective contract liability is accrued separately in the line item advance payments from customers (see note 4.8).

For receivables which are not covered by advance payments, the general payment term is normally between 30 and 60 days. Since payment terms of more than one year are not generally granted, customer contracts do not normally include any financing component.

3.3 Other income and expenses

CHF million	2023	2024
Rental income	3.2	0.8
Gain on disposals of property, plant, and equipment	1.4	2.0
Gain on disposal of assets classified as held for sale[1]	72.5	–
Gain on existing interest	–	3.3
Reversal of restructuring provisions[2]	0.0	1.8
Foreign exchange differences (net)	7.1	–
Disposals of materials for recycling purposes	2.0	1.2
Miscellaneous other income	17.0	28.5
Other income	**103.2**	**37.6**
Restructuring costs[2]	– 48.6	– 6.5
Impairment losses on property, plant, and equipment[2]	– 6.0	– 1.1
Transaction costs related directly to the acquisition[3]	–	– 0.1
Losses from accounts receivable	– 0.2	– 0.2
Foreign exchange differences (net)	–	– 0.5
Miscellaneous other expenses	– 15.3	– 14.1
Other expenses	**– 70.1**	**– 22.5**

1 See note 2.3.
2 See note 2.2.
3 See note 2.1.

Gain on existing interest results from the revaluation of the investment in Prosino S.r.l. (Borgosesia, Italy) at fair value due to the increased interest in voting rights (see note 6.3).

Miscellaneous other income includes income that is not presented as sales, such as income from export incentive schemes and income from government grants. In 2024, this also includes a portion of the insurance compensation received for the earthquake in Türkiye in 2023 and the release of the environmental provision relating to the sold land and buildings in Ingolstadt (Germany) (see notes 2.4 and 4.9).

Miscellaneous other expenses include expenses that are not directly linked to cost of sales, or which cannot be allocated to research and development expenses or selling, general, and administrative expenses. Such expenses include costs related to cancelled customer projects and losses from onerous customer contracts.

3.4 Depreciation, amortization, and impairment

CHF million	2023	2024
Property, plant, and equipment	– 42.9	– 39.3
Intangible assets	– 15.8	– 15.6
Depreciation, amortization, and impairment	**– 58.7**	**– 54.9**

3.5 Operating result before interest, taxes, depreciation, amortization, and impairment (EBITDA)

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

CHF million	2023	2024
Operating result before interest and taxes (EBIT)[1]	104.8	28.0
Depreciation, amortization, and impairment[2]	58.7	54.9
Operating result before interest, taxes, depreciation, amortization, and impairment (EBITDA)[1]	**163.5**	**82.9**

1 See note 1.3.

2 See note 3.4.

4 Operating assets and liabilities

4.1 Trade receivables

CHF million	December 31, 2023	December 31, 2024
Trade receivables (gross)	142.2	110.2
Allowance for trade receivables	– 3.4	– 3.8
Trade receivables	**138.8**	**106.4**

Trade receivables are divided into the following major currencies:

CHF million	December 31, 2023	December 31, 2024
CHF	98.9	59.5
CNY	2.3	5.9
EUR	26.9	24.5
INR	2.8	6.7
USD	6.8	9.0
Other	1.1	0.8
Trade receivables	**138.8**	**106.4**

For further information on credit risks, aging structure of trade receivables, and movements in the allowance for trade receivables, see note 8.5.

Material accounting policies

Trade receivables are initially recognized at their transaction price and subsequently measured at amortized cost, which is usually the original invoice value less an allowance for expected credit losses. The allowance for trade receivables is determined based on lifetime expected credit losses, which are calculated as the present value of expected cash shortfalls. Changes are recognized in the income statement as other income or expenses.

4.2 Other current receivables

CHF million	December 31, 2023	December 31, 2024
Receivables from indirect taxes and customs duties	29.4	22.4
Advance payments to suppliers	12.4	5.3
Prepaid expenses and deferred charges	3.9	3.7
Derivative financial instruments (positive fair values)	11.7	3.5
Miscellaneous current receivables	20.2	6.2
Other current receivables	**77.6**	**41.1**

Other current receivables do not include any overdue or impaired items.

4.3 Inventories

CHF million	December 31, 2023	December 31, 2024
Raw materials and consumables	71.8	72.1
Finished and semi-finished goods, trading goods	282.4	260.1
Work in progress	7.2	6.3
Allowance for inventories	– 75.5	– 79.5
Inventories	**285.9**	**259.0**

The allowance for inventories developed as follows:

CHF million	2023	2024
Allowance for inventories at January 1	**– 81.2**	**– 75.5**
Utilization	12.0	2.0
Additions/reversals (net)	– 9.6	– 5.3
Currency translation differences	3.3	– 0.7
Allowance for inventories at December 31	**– 75.5**	**– 79.5**

Significant accounting estimates and judgments

When assessing the value of inventories, estimates of their recoverability are necessary. The recoverability of the respective items is based on the expected consumption. The allowance for inventories is calculated at item level using a range of coverage analysis. The assumptions used in this analysis are reviewed annually and modified if necessary. Changes in sales volumes, the production process, or other circumstances may result in carrying amounts having to be adjusted accordingly. Rieter does not expect any significant adverse impact from the earthquake in Türkiye and the global economic and geopolitical uncertainties on inventories presented above.

Material accounting policies

Raw materials, consumables, and trading goods are measured at the lower of average cost or net realizable value. Semi-finished and finished goods are stated at the lower of manufacturing cost or net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Allowances on inventories are recognized for slow-moving items and excess stock.

4.4 Property, plant, and equipment

CHF million	Land and buildings	Machinery, plant equipment, and tools	IT equipment	Vehicles and furniture	Property, plant, and equipment under construction	Right-of-use assets	Total property, plant, and equipment
Carrying amount at January 1, 2023	**75.2**	**94.4**	**5.2**	**6.2**	**18.9**	**31.3**	**231.2**
Additions	11.0	11.8	1.5	1.6	13.9	15.9	55.7
Disposals	– 1.3	– 0.7	0.0	0.0	0.0	– 0.1	– 2.1
Depreciation	– 4.0	– 23.0	– 2.0	– 1.9	0.0	– 6.0	– 36.9
Impairment losses[1]	– 0.8	– 0.4	– 0.1	– 0.1	0.0	– 4.6	– 6.0
Reclassifications	– 0.3	13.5	0.1	0.4	– 13.7	0.0	0.0
Currency translation differences	– 5.2	– 7.0	– 0.2	– 0.4	– 0.7	– 2.3	– 15.8
Carrying amount at December 31, 2023	**74.6**	**88.6**	**4.5**	**5.8**	**18.4**	**34.2**	**226.1**
Cost at December 31, 2023	158.5	357.9	19.0	32.3	18.4	52.9	639.0
Accumulated depreciation at December 31, 2023	– 83.9	– 269.3	– 14.5	– 26.5	0.0	– 18.7	– 412.9
Carrying amount at December 31, 2023	**74.6**	**88.6**	**4.5**	**5.8**	**18.4**	**34.2**	**226.1**
Acquisitions[2]	5.7	1.7	0.0	0.3	0.5	0.6	8.8
Additions	5.6	9.7	1.5	3.0	4.9	36.6[3]	61.3
Disposals	– 0.5	– 0.2	0.0	0.0	0.0	0.0	– 0.7
Depreciation	– 4.0	– 21.8	– 2.0	– 2.0	0.0	– 8.4	– 38.2
Impairment losses	0.0	– 0.9	– 0.1	– 0.1	0.0	0.0	– 1.1
Reclassifications	– 8.8	19.7	0.6	1.5	– 13.0	0.0	0.0
Changes in leases	–	–	–	–	–	– 1.5	– 1.5
Currency translation differences	1.5	1.3	0.0	0.3	0.2	0.7	4.0
Carrying amount at December 31, 2024	**74.1**	**98.1**	**4.5**	**8.8**	**11.0**	**62.2**	**258.7**
Cost at December 31, 2024	162.8	382.7	19.6	34.4	11.0	88.2	698.7
Accumulated depreciation at December 31, 2024	– 88.7	– 284.6	– 15.1	– 25.6	0.0	– 26.0	– 440.0
Carrying amount at December 31, 2024	**74.1**	**98.1**	**4.5**	**8.8**	**11.0**	**62.2**	**258.7**

1 In 2023, impairment losses of CHF 6.0 million are included. This is mainly related to the impairment loss on the right-of-use asset of the leased office premises not used any longer due to the closure of the Ingolstadt location (see note 2.2).

2 See note 2.1.

3 This includes the right-of-use asset of the Campus in Winterthur in the amount of CHF 34.9 million.

No land and buildings are pledged as security for financial debt. At the end of 2024, open purchase commitments in respect of major investments in tangible fixed assets amounted to CHF 0.8 million (December 31, 2023: CHF 1.4 million).

Material accounting policies

Property, plant, and equipment are recognized at historical cost and depreciated on a straight-line basis over the estimated useful life. Depreciation of an asset starts when it is available for use. Historical cost also includes expenditure that is directly attributable to the acquisition. Useful life is determined based on the expected period of utilization of individual assets. The respective ranges are as follows:

Buildings	20 – 50 years
Machinery and plant equipment	5 – 15 years
Tools/IT equipment/furniture	3 – 10 years
Vehicles	3 – 5 years

Assets under construction that are not yet available for use, as well as land, are not depreciated. Value adjustments are recognized if required. Where components of significant assets have differing useful lives, these are depreciated separately.

All gains or losses arising from the disposal of property, plant, and equipment are recognized in the income statement. Cost related to repair and maintenance is charged to the income statement as incurred.

Investment grants received for capital projects are deferred and credited to the income statement on a straight-line basis over the expected useful life of the related assets.

Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the acquisition costs of the qualifying asset.

For accounting policies in relation to right-of-use assets see note 8.3.

4.5 Intangible assets

CHF million	Software	Customer relation-ships	Patents and technology	Brands and trademarks	Other intangible assets	Total intangible assets
Carrying amount at January 1, 2023	**9.0**	**63.5**	**49.5**	**17.5**	**0.1**	**139.6**
Additions	1.4	0.0	0.0	0.0	0.0	1.4
Amortization	– 2.4	– 6.9	– 4.7	– 1.8	0.0	– 15.8
Currency translation differences	– 0.1	– 2.5	– 2.4	– 0.8	0.0	– 5.8
Carrying amount at December 31, 2023	**7.9**	**54.1**	**42.4**	**14.9**	**0.1**	**119.4**
Cost at December 31, 2023	13.9	82.7	59.2	20.6	4.5	180.9
Accumulated amortization at December 31, 2023	– 6.0	– 28.6	– 16.8	– 5.7	– 4.4	– 61.5
Carrying amount at December 31, 2023	**7.9**	**54.1**	**42.4**	**14.9**	**0.1**	**119.4**
Acquisitions[1]	0.1	1.3	0.0	0.9	0.0	2.3
Additions	0.9	0.0	0.0	0.0	0.0	0.9
Amortization	– 2.4	– 6.7	– 4.7	– 1.7	– 0.1	– 15.6
Currency translation differences	0.1	0.7	0.8	0.1	0.0	1.7
Carrying amount at December 31, 2024	**6.6**	**49.4**	**38.5**	**14.2**	**0.0**	**108.7**
Cost at December 31, 2024	15.0	84.9	60.0	21.7	4.5	186.1
Accumulated amortization at December 31, 2024	– 8.4	– 35.5	– 21.5	– 7.5	– 4.5	– 77.4
Carrying amount at December 31, 2024	**6.6**	**49.4**	**38.5**	**14.2**	**0.0**	**108.7**

[1] See note 2.1.

Software consists of capitalized cost for internally generated software. Brands and trademarks include the brands of SSM, Accotex, Temco, Schlafhorst, Autoconer, and Prosino. Technology consists only of capitalized costs for acquired technology in connection with acquisitions.

Significant accounting estimates and judgments

No development costs were recognized as intangible assets in the year under review or in the previous year. Due to rapid technological changes and wide cyclical fluctuations in the industry, future economic benefits could not be sufficiently demonstrated. The earthquake in Türkiye as well as the global economic and geopolitical uncertainties had no impact on these accounting estimates and judgments, as Rieter has no intangible assets or development projects based in Türkiye, Ukraine, Russia, Belarus, or the Middle East.

Material accounting policies

Intangible assets acquired from third parties such as product licenses, patents, trademark rights (brands), and customer relationships are recognized in the balance sheet at historical cost and are amortized on a straight-line basis over the expected useful life of up to 15 years. Rieter does not hold any intangible assets with an indefinite useful life.

Internally generated software is capitalized as intangible asset only if the costs can be measured reliably, the completion of the project is intended, and it can be demonstrated that the software project is technically and financially feasible and will generate a future economic benefit. All other costs associated with internally generated software are recognized in the income statement as incurred. Internally generated software is amortized over a period of up to five years.

The respective ranges of useful life are as follows:

Software	3 – 5 years
Customer relationships	10 – 15 years
Patents and technology	8 – 15 years
Brands and trademarks	5 – 15 years
Other intangible assets	1 – 5 years

Research and development activities focus on the expansion and improvement of Rieter's product and service portfolio. Expenses related to research activities are recognized in the income statement as incurred. Expenditure in connection with development projects is capitalized as intangible assets only if the costs can be measured reliably and it can be demonstrated that the project is technically and financially feasible and will generate a future economic benefit. Otherwise, the respective costs are expensed as incurred.

4.6 Goodwill

CHF million	Goodwill
Carrying amount at January 1, 2023	**193.8**
Currency translation differences	– 9.5
Carrying amount at December 31, 2023	**184.3**
Cost at December 31, 2023	184.3
Accumulated impairment at December 31, 2023	0.0
Carrying amount at December 31, 2023	**184.3**
Acquisitions[1]	5.0
Currency translation differences	2.7
Carrying amount at December 31, 2024	**192.0**
Cost at December 31, 2024	192.0
Accumulated impairment at December 31, 2024	0.0
Carrying amount at December 31, 2024	**192.0**

1 See note 2.1.

Goodwill is allocated to the corresponding cash-generating unit (CGU) and monitored by management. Rieter tests whether goodwill has suffered any impairment on an annual basis. For 2024 and 2023, the recoverable amount of the CGUs was determined on value-in-use calculations.

A segment-level summary of the goodwill allocation, the CGU, and the respective key assumptions used, are presented below:

CHF million	Machines & Systems	SSM	Accotex	Temco	Bräcker	After Sales	2024
Machines & Systems	57.0	–	–	–	–	–	57.0
Components	–	43.5	16.2	19.7	5.0	–	84.4
After Sales	–	–	–	–	–	50.6	50.6
Goodwill							**192.0**
Key assumptions:							
Sales volume (% growth)	–	18.7%	10.6%	12.2%	–	–	
Long-term sales growth rate	1.7%	1.5%	2.0%	2.0%	–	1.8%	
Pre-tax discount rate	14.2%	12.9%	14.1%	12.2%	–	13.2%	

CHF million	Machines & Systems	SSM	Accotex	Temco	After Sales	2023
Machines & Systems	56.1	–	–	–	–	56.1
Components	–	43.5	15.9	19.3	–	78.7
After Sales	–	–	–	–	49.5	49.5
Goodwill						**184.3**
Key assumptions:						
Sales volume (% growth)	–	16.5%	6.5%	5.4%	–	
Long-term sales growth rate	1.9%	1.7%	2.0%	1.9%	2.0%	
Pre-tax discount rate	14.8%	13.7%	14.9%	12.8%	14.4%	

Based on the performed impairment tests using the key assumptions mentioned above, there is no need for an impairment charge at December 31, 2024 and 2023.

Goodwill allocated to CGUs Machines & Systems and After Sales contains the goodwill from the automatic winding machine business acquired in 2022, including the goodwill from the winder-related service and commission business in India acquired in 2021. Gross profit and cash flows depend on sales volume and sales growth. The results of both impairment tests confirm the purchase price paid without an indication for impairment. No reasonably possible changes in key assumptions would cause the recoverable amount to equate the carrying amount of goodwill.

Regarding SSM, there is currently no indication of a long-term decrease of the market share or profitability. Gross profit and cash flows depend on sales volume and sales growth. No reasonably possible changes in key assumptions would cause the recoverable amount to fall short of the carrying amount of goodwill.

Regarding Accotex and Temco, there is currently no indication of a long-term decrease in the market, the market share, or the profitability. Gross profit and cash flows depend on sales volume and sales growth. The results of the impairment tests confirm the purchase price paid without an indication for impairment, but showed only a small headroom for Accotex. Rieter performed sensitivity analysis in order to determine which reasonably possible changes in key assumptions would cause the recoverable amount to fall short of the carrying amount of goodwill.

The sensitivity analysis for Accotex showed that the recoverable amount would fall short of the carrying amount of Accotex if the pre-tax discount rate would be increased by 2.0 percentage points (2023: +0.7 percentage points), the sales volume growth would be reduced by 3.4 percentage points (2023: -0.8 percentage points), or the long-term sales growth rate would be decreased by 2.2 percentage points (2023: -0.8 percentage points). The recoverable amount of Accotex exceeds the carrying amount by CHF 7.9 million (2023: CHF 2.7 million). The sensitivity analysis for Temco showed that no reasonably possible changes in key assumptions would cause the recoverable amount to fall short of the carrying amount of goodwill.

Sales growth rates are calculated as compound average growth rate derived from the underlying business plans. Long-term sales growth rates are based on long-term inflation assumptions assuring rates are in line or below external market information provided by industry specialists. Pre-tax discount rates are determined on the basis of the weighted cost of capital using market participants information.

Significant accounting estimates and judgments

For the goodwill impairment test, Rieter uses financial plans for the next four years as approved by the Board of Directors and the Group Executive Committee. These plans are extrapolated to a period of five years. Management thereby makes assumptions related to sales growth rates and profit margins. Expected future cash flows are discounted with a market-specific discount rate. The earthquake in Türkiye and the global economic and geopolitical uncertainties (see note 2.4) have been reflected appropriately in these assumptions in 2024 and 2023.

Material accounting policies

Goodwill resulting from business combinations represents the difference between the purchase considerations paid and the fair value of net assets acquired. Due to its indefinite useful life, it is subject to an impairment test performed at least on an annual basis.

4.7 Other current liabilities

CHF million	December 31, 2023	December 31, 2024
Accrued expenses	70.6	36.9
Deferred revenue	55.6	35.7
Accrued holidays and overtime	8.8	5.9
Sales commissions payable to agents	8.6	9.1
Derivative financial instruments (negative fair values)	18.3	2.4
Current liabilities to employees	12.3	23.6
Miscellaneous current liabilities	30.4	21.0
Other current liabilities	**204.6**	**134.6**

Deferred revenue consists mainly of revenue for installations of machines and components at Rieter customer sites, which were invoiced already, but have not yet been completed. Of the deferred revenue at December 31, 2023, CHF 30.7 million were recognized as sales and therefore included in the consolidated income statement 2024. Additional significant changes comprise services invoiced in 2024, which were either recognized as sales in 2024 or which are still included in deferred revenue at December 31, 2024. The majority of deferred revenue is recognized as revenue within twelve months. Miscellaneous current liabilities consist primarily of payables to customers, accounts receivable with a credit balance, and payables for VAT and social insurance.

4.8 Advance payments from customers

CHF million	December 31, 2023	December 31, 2024
Advance payments from customers	**96.3**	**60.8**

Of the advance payments from customers at December 31, 2023, CHF 86.0 million were recognized as sales and therefore included in the consolidated income statement 2024. Additional significant changes comprise advance payments received in 2024, which were not recognized in sales in 2024.

4.9 Provisions

CHF million	Restructuring provisions	Personnel provisions	Guarantee and warranty provisions	Environmental provisions	Other provisions	Total provisions
Provisions at December 31, 2023	**34.9**	**5.9**	**30.1**	**10.5**	**15.8**	**97.2**
Acquisitions[1]	0.0	0.4	0.0	0.0	0.1	0.5
Utilization	– 29.8	– 0.6	– 22.5	0.0	– 3.7	– 56.6
Release	– 1.8	0.0	– 1.3	– 7.7	– 1.5	– 12.3
Additions	5.1	0.7	25.8	0.0	5.0	36.6
Currency translation differences	0.6	0.2	0.5	0.2	0.2	1.7
Provisions at December 31, 2024	**9.0**	**6.6**	**32.6**	**3.0**	**15.9**	**67.1**
Of which current	9.0	0.5	27.7	0.1	8.7	46.0
Of which non-current	0.0	6.1	4.9	2.9	7.2	21.1

1 See note 2.1.

Restructuring provisions cover legal and constructive obligations in connection with restructuring measures. In 2024, additional restructuring measures (see note 2.2) resulted in an increase in provisions of CHF 5.1 million. The respective obligations mainly include expected severance payments, outplacement costs and consulting expenses. The utilization of restructuring provisions relates to the “Next Level” performance program launched in 2023 (see note 2.2).

Personnel provisions include provisions for part-time arrangements for older employees, long-service awards, and other long-term benefits attributable to employees.

Guarantee and warranty provisions are recorded in the context of product deliveries and services and are based on past experience. Non-current warranty provisions are expected to result in outflows of resources in one or two years on average.

Environmental provisions contain obligations for site restoration associated with the disposal of land and buildings in Ingolstadt (Germany) in 2019 and in Winterthur (Switzerland) in 2022. The release of the provision relates to the sold land and buildings in Ingolstadt (Germany), where the respective contractual obligation has expired. The remaining provisions are expected to be utilized in the years after 2025.

Rieter has recognized other provisions mainly for ongoing legal proceedings, for onerous contracts (where the unavoidable direct cost of performance exceeds the expected financial benefit), or for contracts with benefits linked to conditions that have to be fulfilled in the future (e.g. government grants). Non-current other provisions are expected to be utilized in the years after 2024.

Significant accounting estimates and judgments

In the course of the ordinary operating activities of Rieter, obligations can arise from restructuring measures, warranty claims, ongoing legal proceedings, site restoration, or onerous contracts. Provisions for the respective obligations are measured on the basis of expected cash outflows when accounts are drawn up. However, the outcome of the events mentioned above may result in claims against the Group that are higher or lower than the respective provisions and which are not – or only partially – covered by a relevant insurance benefit. At December 31, 2024, the potential impact of the earthquake in Türkiye and the global economic and geopolitical uncertainties on the provision balances has been assessed. No significant impact was identified (December 31, 2023: none).

Material accounting policies

Provisions for restructuring, personnel, warranty claims, ongoing legal proceedings, site restoration, or onerous contracts are recognized if Rieter has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount can be estimated reliably. Provisions are discounted if the impact is considered to be significant.

5 Liquidity and financing

5.1 Net debt and free cash flow

Rieter uses net debt and free cash flow as alternative performance measures. Net debt is calculated as follows:

CHF million	December 31, 2023	December 31, 2024
Cash and cash equivalents	135.6	103.2
Marketable securities and time deposits	0.3	0.2
Current financial debt	– 198.1	– 104.9
Non-current financial debt	– 129.0	– 228.8
Net debt	**– 191.2**	**– 230.3**
Lease liabilities[1]	35.8	62.0
Net debt (without lease liabilities)	**– 155.4**	**– 168.3**

[1] See notes 5.3 and 8.5.

Free cash flow consists of:

CHF million	2023	2024
Cash flow from operating activities	69.3	36.3
Cash flow from investing activities	49.4	– 21.1
Less cash flow from acquisition of subsidiaries[1]	–	– 1.1
Free cash flow	**118.7**	**14.1**

[1] See note 2.1.

5.2 Cash and cash equivalents

CHF million	December 31, 2023	December 31, 2024
Cash and banks	134.8	102.2
Time deposits with original maturities of up to three months	0.8	1.0
Cash and cash equivalents	**135.6**	**103.2**

Material accounting policies

Cash and cash equivalents include bank accounts, investments in money market funds, and current time deposits with original maturities of up to three months.

5.3 Financial debt

CHF million	Fixed-rate bonds	Bank debt	Lease liabilities	Other financial debt	Total December 31, 2024	Total December 31, 2023
Maturity						
Less than 1 year	0.0	92.5	8.7	3.7	104.9	198.1
1 to 5 years	169.5	0.0	27.6	6.0	203.1	118.0
5 or more years	0.0	0.0	25.7	0.0	25.7	11.0
Financial debt	**169.5**	**92.5**	**62.0**	**9.7**	**333.7**	**327.1**

On November 27, 2024, Rieter placed a fixed-rate bond amounting to CHF 70.0 million. This bond has a term of five years with a maturity date on November 27, 2029, a fixed interest rate of 3.5 percent p.a. and is listed on the SIX Swiss Exchange. The fair value of this bond amounted to CHF 71.5 million at December 31, 2024. The effective interest expenses in the amount of CHF 0.4 million were charged to the income statement 2024. On November 25, 2021, Rieter issued a fixed-rate bond with a nominal value amounting to CHF 100.0 million. This bond has a term of six years with a maturity date on November 24, 2027, a fixed interest rate of 1.4 percent p.a. and is listed on the SIX Swiss Exchange. The fair value of this bond amounted to CHF 98.0 million at December 31, 2024 (December 31, 2023: CHF 98.4 million). The effective interest expenses in the amount of CHF 1.4 million were charged to the income statement 2024 (2023: CHF 1.4 million). On September 17, 2024, Rieter repaid the existing fixed-rate bond in the amount of CHF 75.0 million. The bond had a term of four years, a fixed interest rate of 1.55 percent and was listed on the SIX Swiss Exchange. The effective interest expenses were CHF 0.9 million in 2024 (2023: CHF 1.2 million).

By currency, financial debt is divided up as follows:

CHF million	December 31, 2023	December 31, 2024
CHF	265.2	249.6
EUR	53.5	52.7
INR	7.7	30.7
Other currencies	0.7	0.7
Financial debt	**327.1**	**333.7**

Financial debt changed as follows:

CHF million		2023	2024
Financial debt at January 1		**461.7**	**327.1**
Acquisitions[1]	No cash flow	–	3.1
Proceeds from issue of fixed-rate bond	Cash flow	–	69.9
Repayment of fixed-rate bond	Cash flow	–	– 75.0
Repayments of bank and other financial debt	Cash flow	– 139.4	– 25.3
Recognition of other financial debt	No cash flow	–	7.1
Recognition of lease liabilities[2]	No cash flow	15.5	35.0
Repayments of lease liabilities	Cash flow	– 5.5	– 7.7
Changes in leases	No cash flow	0.0	– 1.5
Changes in amortized cost	No cash flow	0.3	0.1
Other changes in values[3]	No cash flow	– 1.5	– 0.2
Currency translation differences	No cash flow	– 4.0	1.1
Financial debt at December 31		**327.1**	**333.7**

1 See note 2.1.
2 This includes the lease liability of the Campus in Winterthur in the amount of CHF 32.7 million.
3 Exchange rate differences of financial debt in currencies other than the functional currency of the respective group company.

Material accounting policies

Financial debt is recognized initially at fair value, net of transaction costs incurred. Financial debt is subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the term of the obligation using the effective interest rate method. Financial debt is classified as a current liability, unless Rieter has an unconditional, contractually agreed right to defer settlement for at least twelve months after the balance sheet date. For accounting policies in relation to lease liabilities, see note 8.3.

5.4 Share capital, earnings and dividend per share

		December 31, 2023	December 31, 2024
Shares issued	Number of shares	4 672 363	4 672 363
Treasury shares	Number of shares	180 549	151 962
Shares outstanding	**Number of shares**	**4 491 814**	**4 520 401**
Nominal value per share	CHF	5.00	5.00
Nominal value of share capital[1]	**CHF**	**23 361 815**	**23 361 815**

[1] Share capital consists solely of registered shares and is fully paid in.

The following table presents the calculation of basic and diluted earnings per share:

	2023	2024
Net profit attributable to shareholders of Rieter Holding Ltd. (CHF million)	**74.0**	**10.5**
Average number of shares outstanding (undiluted)	4 489 283	4 505 347
Average number of shares outstanding (diluted)	4 493 603	4 508 854
Basic earnings per share (CHF)	**16.48**	**2.33**
Diluted earnings per share (CHF)	**16.47**	**2.33**

The dividend paid in 2024 amounted to CHF 13.5 million and was distributed from retained earnings (2023: CHF 6.7 million). Based on the financial statements of Rieter Holding Ltd. at December 31, 2024, the Board of Directors proposes to the Annual General Meeting a dividend of CHF 2.00 per share.

The table below summarizes the dividend payout ratio of the financial years 2024 and 2023:

	2023	2024
Dividend per share (CHF)	3.00	2.00[1]
Basic earnings per share (CHF)	16.48	2.33
Dividend payout ratio in %	**18.2**	**85.8**

[1] See proposal of the Board of Directors.

Material accounting policies

Earnings per share are calculated by dividing net profit attributable to Rieter Holding Ltd. shareholders by the average number of shares outstanding. Diluted earnings per share additionally take into account the effects of the potential dilution as if all rights relating to the long-term incentive plan (see note 7.3) were to be exercised.

5.5 Non-controlling interests in subsidiaries

In 2024, Rieter Holding Ltd. purchased share capital of Rieter India Pvt. Ltd. with a nominal value of INR 0.2 million (CHF 0.0 million), acquiring the remaining non-controlling interests. Furthermore, Rieter Ltd. sold 30 percent of Rieter Textilsystemen LLC (Tashkent, Uzbekistan) to an external investor, resulting in a non-controlling interest of 30 percent. Rieter also increased its investment in Prosino S.r.l. (Borgosesia, Italy) from 49 to 60 percent. Under the anticipated-acquisition method Rieter does not recognize a non-controlling interest for this business combination (see note 2.1). In 2023, non-controlling interests remained unchanged.

Material accounting policies

Net profit or loss and each component of other comprehensive income are attributed to the shareholders of Rieter Holding Ltd. and to the non-controlling interests in subsidiaries, even if this results in a deficit balance of non-controlling interests.

5.6 Financial income and expenses

CHF million	2023	2024
Interest income	1.4	1.5
Other financial income	0.4	0.5
Financial income	**1.8**	**2.0**
Interest expenses	– 13.1	– 10.4
Net loss on monetary position[1]	– 0.4	– 1.0
Other financial expenses and exchange rate differences (net)	– 2.5	– 2.1
Financial expenses	**– 16.0**	**– 13.5**

[1] The net loss on monetary position is related to the impact of hyperinflation accounting in the Turkish subsidiary (see accounting policy in note 8.8).

6 Group structure

6.1 Changes in Group structure

In 2024, the subsidiary Rieter Management AG (Winterthur, Switzerland) was merged with Maschinenfabrik Rieter AG (Winterthur, Switzerland), which in turn changed its name to Rieter Ltd. (Winterthur, Switzerland). Moreover, the subsidiary Hogra Holding AG (Freienbach, Switzerland) was merged with Tefina Holding-Gesellschaft AG (Zug, Switzerland). Furthermore, Rieter Ingolstadt GmbH (Ingolstadt, Germany) was merged with Spindelfabrik Suessen GmbH (Suessen, Germany). Additionally, Rieter acquired Petit Spare Parts SAS (Aubenas, France, see note 2.1). As part of a reorganization, Changzhou Rieter Textile Machinery Trading Co., Ltd. (Changzhou, China) was incorporated as a subsidiary of Rieter China Textile Instruments Co. Ltd. (Changzhou, China). Rieter also increased its interest in voting rights in Prosino S.r.l. (Borgosesia, Italy) from 49 percent to 60 percent, changing from equity accounting to full consolidation (see note 2.1).

In 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). Following 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 2023. The change in Group structure did not have a significant impact on the consolidated financial statements 2023. Furthermore, SSM Giudici S.r.l. (Galbiate, Italy) changed its name to SSM Italy S.r.l. (Galbiate, Italy).

6.2 Subsidiaries and associated companies

At December 31, 2024			Capital	Group's share in capital and voting rights	Research & development	Sales/ trading/ services	Production	Management/ financing
Belgium	Gomitex S.A., Stembert	EUR	100 000	100%		•	•	
Brazil	Rieter Brasil Comércio e Representação de Máquinas e Sistemas Têxteis Ltda., São Paulo	BRL	51 615 323	100%		•		
China	Rieter China Textile Instruments Co. Ltd., Changzhou	EUR	38 640 000	100%	•	•	•	
	Changzhou Rieter Textile Machinery Trading Co., Ltd., Changzhou	CNY	1 000 000	100%		•		
	European Excellent Textile Components Co. Ltd., Changzhou	CNY	35 287 000	100%		•	•	
	Graf Cardservices Far East Ltd., Hong Kong	HKD	30 000	100%		•		
	SSM (Zhongshan) Ltd., Zhongshan	USD	600 000	100%	•	•	•	
Czech Republic	Rieter CZ s.r.o., Ústí nad Orlicí	CZK	316 378 000	100%	•	•	•	
	Novibra Boskovice s.r.o., Boskovice	CZK	40 000 000	100%	•	•	•	
France	Bräcker S.A.S, Wintzenheim	EUR	1 000 000	100%		•	•	
	Petit Spare Parts SAS, Aubenas	EUR	8 000	100%		•		
Germany	Rieter Vertriebs GmbH der Maschinenfabrik Rieter AG, Ingolstadt	EUR	15 338 756	100%		•		•
	Rieter Deutschland GmbH & Co. OHG, Ingolstadt	EUR	9 645 531	100%		•		•
	Rieter Automatic Winder GmbH, Heinsberg	EUR	1 000 000	100%	•	•	•	
	Rieter Components Germany GmbH, Hammelburg	EUR	1 000 000	100%	•	•	•	•
	Wilhelm Stahlecker GmbH, Suessen	EUR	255 646	100%	•			
	Spindelfabrik Suessen GmbH, Suessen	EUR	5 050 100	100%	•	•	•	
India	Rieter India Pvt. Ltd., Wing	INR	51 898 280	100%		•	•	
Italy	SSM Italy S.r.l., Galbiate	EUR	100 000	100%	•	•	•	
	Prosino S.r.l., Borgosesia	EUR	50 000	60%	•	•	•	
Netherlands	Graf Holland B.V., Enschede	EUR	113 500	100%		•	•	
Spain	Electro-Jet S.L., Gurb[1]	EUR	120 200	25%	•	•	•	•
Switzerland	Tefina Holding-Gesellschaft AG, Zug	CHF	5 000 000	100%				•
	Unikeller Sona AG, Winterthur	CHF	500 000	100%				•
	Rieter Ltd., Winterthur	CHF	8 500 000	100%	•	•		•
	Graf + Cie AG, Rapperswil	CHF	1 000 000	100%	•	•	•	•
	Bräcker AG, Pfäffikon	CHF	1 000 000	100%	•	•	•	•
	SSM Schärer Schweiter Mettler AG, Wädenswil	CHF	6 000 000	100%	•	•	•	•
	SSM Vertriebs AG, Steinhausen	CHF	100 000	100%		•		
Taiwan, China	Rieter Asia (Taiwan) Ltd., Taipeh	TWD	5 000 000	100%		•		
Türkiye	Rieter Textile Machinery Trading & Services Ltd., Istanbul	TRY	90 995 000	100%		•		
USA	Rieter America, LLC, Spartanburg	USD	1 249	100%		•		
	Graf Metallic of America, LLC, Spartanburg	USD	50 000	100%		•		
	Rieter North America, Inc., Spartanburg	USD	1 000	100%				•
Uzbekistan	Rieter Textilsystemen LLC, Tashkent	UZS[2]	5 800	70%		•		

1 Associated company.

2 In UZS million.

Material accounting policies

The consolidated financial statements comprise the financial statements of Rieter Holding Ltd. and its subsidiaries (or group companies) at December 31, 2024. Subsidiaries are all entities over which Rieter has control. Control is achieved when Rieter is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to Rieter. They are deconsolidated from the date that control ceases.

Intercompany transactions and balances as well as unrealized gains on transactions between group companies are eliminated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

6.3 Investments in associated companies

The table below summarizes the development of investments in associated companies:

CHF million	2023	2024
Investments in associated companies at January 1	**16.7**	**18.8**
Share in profit/loss	3.1	2.9
Dividends received	– 0.5	– 1.6
Change in scope of consolidation	–	– 5.9
Currency translation differences	– 0.5	0.1
Investments in associated companies at December 31	**18.8**	**14.3**

Rieter holds 25 percent of the share capital and the voting rights of Electro-Jet S.L. based in Gurb (Spain). Until October 31, 2024, investments in associated companies also included the investment of 49 percent in Prosino S.r.l. incorporated in Borgosesia (Italy). On November 1, 2024, Rieter increased its interest in voting rights in Prosino S.r.l. (Borgosesia, Italy) from 49 to 60 percent, changing from equity accounting to full consolidation. As a consequence of the change to full consolidation, the existing investment of 49 percent has been revalued at a fair value of CHF 9.2 million, resulting in a gain of CHF 3.3 million. The revaluation gain on the existing investment is presented in the consolidated income statement in other income (see note 3.3). Aside from the revaluation gain, the effects of the associated companies on the consolidated financial statements are insignificant.

The recognized share in profit or loss of associated companies has been reclassified from financial result to the operating result (see note 1.3).

In 2024, Rieter purchased products from associated companies with a total value of CHF 14.1 million (2023: CHF 35.5 million). The respective open trade payable balances at December 31, 2024, were interest free and amounted to CHF 0.1 million (December 31, 2023: CHF 2.4 million). In addition, Rieter sold products to associated companies with a total value of CHF 0.1 million in 2024 (2023: CHF 0.6 million). At December 31, 2024, Rieter had no open trade receivables out of these sales.

Rieter's total share in profit of individually immaterial associated companies resulted from continuing operations. The share in other comprehensive income was insignificant.

Material accounting policies

Associated companies are entities over which Rieter has significant influence, generally through a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize Rieter's share in profit or loss of associated companies after the date of acquisition.

7 Employee remuneration

7.1 Personnel expenses

CHF million	2023	2024
Wages and salaries	– 276.7	– 224.6
Social security and other personnel expenses	– 60.5	– 55.6
Personnel expenses excluding restructuring	**– 337.2**	**– 280.2**
Personnel related restructuring costs	– 28.8	– 6.0
Personnel expenses	**– 366.0**	**– 286.2**

7.2 Employee benefit plans

Defined contribution plans

The expense for defined contribution plans amounted to CHF 3.9 million in 2024 (2023: CHF 4.1 million).

Defined benefit plans

Defined benefit plans in accordance with IAS 19 exist mainly in Switzerland and Germany.

In Switzerland, plan participants are insured against the financial consequences of old age, disability, and death. The amount of risk benefits provided by the plans in case of disability or death depends on the insured salary of the employee. Life-long retirement benefits are calculated by multiplying the individual retirement savings capital at the date of retirement by the conversion rate defined and guaranteed in the regulations of the plan.

The plans are administered by independent and legally autonomous foundations that are under government supervision. The pension plans' most senior governing body (board of trustees) is composed of equal numbers of employee and employer representatives.

All material risks (financial and actuarial risks) are borne by the foundations. These risks are monitored on an ongoing basis and addressed by the board of trustees. If a plan is underfunded, the board of trustees has to perform an overall assessment of the financial situation, identify the reasons for the deficit, and decide on appropriate measures to eliminate the shortfall.

Pursuant to the Swiss Federal Law on Occupational Retirement, Survivors', and Disability Pension Plans (BVG), the trustees of the foundations are responsible for the definition and the execution of the investment strategy. The investment strategy defined by the trustees aims at aligning the plan assets and liabilities in the medium and long term.

The status of defined benefit plans was as follows:

December 31, 2024

CHF million	Funded plans (Switzerland)	Funded plans (other countries)	Unfunded plans (mainly Germany)	Total
Actuarial present value of defined benefit plan obligations (funded plans)	– 880.0	– 15.9	0.0	– 895.9
Fair value of defined benefit plan assets (funded plans)	1 316.6	11.5	0.0	1 328.1
Impact of asset ceiling	– 361.4	0.0	0.0	– 361.4
Overfunding (+)/underfunding (-)	**75.2**	**– 4.4**	**0.0**	**70.8**
Actuarial present value of defined benefit plan obligations (unfunded plans)	0.0	0.0	– 21.5	– 21.5
Net defined benefit plan asset/liability recognized in the balance sheet	**75.2**	**– 4.4**	**– 21.5**	**49.3**
- thereof as defined benefit plan assets	75.2	0.0	0.0	75.2
- thereof as defined benefit plan liabilities	0.0	– 4.4	– 21.5	– 25.9

December 31, 2023

CHF million	Funded plans (Switzerland)	Funded plans (other countries)	Unfunded plans (mainly Germany)	Total
Actuarial present value of defined benefit plan obligations (funded plans)	– 851.9	– 14.3	0.0	– 866.2
Fair value of defined benefit plan assets (funded plans)	1 284.3	10.0	0.0	1 294.3
Impact of asset ceiling	– 369.4	0.0	0.0	– 369.4
Overfunding (+)/underfunding (-)	**63.0**	**– 4.3**	**0.0**	**58.7**
Actuarial present value of defined benefit plan obligations (unfunded plans)	0.0	0.0	– 19.7	– 19.7
Net defined benefit plan asset/liability recognized in the balance sheet	**63.0**	**– 4.3**	**– 19.7**	**39.0**
- thereof as defined benefit plan assets	63.0	0.0	0.0	63.0
- thereof as defined benefit plan liabilities	0.0	– 4.3	– 19.7	– 24.0

The defined benefit plan obligations changed as follows:

CHF million	2023	2024
Defined benefit plan obligations at January 1	**842.9**	**885.9**
Current service cost	7.5	8.3
Interest expenses	19.4	13.7
Employee contributions	7.2	6.3
Actuarial gains/losses (net)	65.2	62.9
Benefits paid	– 55.3	– 61.3
Past service cost	1.3	0.7
Currency translation differences	– 2.3	0.9
Defined benefit plan obligations at December 31	**885.9**	**917.4**

The weighted average duration of the defined benefit plan obligations is 11.5 years (2023: 11.7 years).

The fair value of defined benefit plan assets developed as follows:

CHF million	2023	2024
Fair value of defined benefit plan assets at January 1	**1 262.4**	**1 294.3**
Interest income	20.0	13.9
Return on defined benefit plan assets (excluding interest income)	50.4	69.4
Employer contributions	10.3	5.3
Employee contributions	7.2	6.3
Benefits paid	– 55.3	– 61.3
Currency translation differences	– 0.7	0.2
Fair value of defined benefit plan assets at December 31	**1 294.3**	**1 328.1**

The total result on plan assets was CHF 83.3 million in the year under review (2023: CHF 70.4 million). The Group expects employer contributions in the amount of CHF 6.5 million to its defined benefit plans in 2025.

The major categories of plan assets were as follows:

CHF million	December 31, 2023	December 31, 2024
Cash and cash equivalents	30.2	40.0
Equity instruments	521.3	519.9
Debt instruments	287.2	295.5
Real estate	390.4	405.0
Other	65.2	67.7
Fair value of defined benefit plan assets	**1 294.3**	**1 328.1**

At the end of 2024, plan assets included no Rieter Holding Ltd. bonds (December 31, 2023: none). No Rieter shares were held at the end of 2024 and 2023. Cash equivalents (e.g. money market instruments), equity instruments and 50 percent of the debt instruments have a quoted market price on an active market. Real estate and other assets, which include private equity investments, do not usually have a quoted market price.

Expenses recognized in the income statement for the defined benefit plans include:

CHF million	2023	2024
Current service cost	– 7.5	– 8.3
Net interest result	0.6	0.2
Past service cost	– 1.3	– 0.7
Expenses recognized in the income statement	**– 8.2**	**– 8.8**

Remeasurements of defined benefit plans recognized as other comprehensive income contain:

CHF million	2023	2024
Actuarial gains/losses arising from:		
- Changes in financial assumptions	– 60.0	– 44.1
- Experience adjustments	– 5.2	– 18.8
Return on defined benefit plan assets (excluding interest income)	50.4	69.4
Impact of changes in asset ceiling	12.8	8.0
Remeasurements of defined benefit plans	**– 2.0**	**14.5**

Main actuarial assumptions used at year-end are:

Weighted average in %	December 31, 2023	December 31, 2024
Discount rate	1.7	1.1
Future wage growth	1.5	0.8
Future pension growth	0.1	0.1

The global interest rate levels remain volatile. After a decrease in 2023, in particular long-term interest rates decreased again in 2024 by 0.6 percentage points.

The measurement of the defined benefit plan obligations is particularly sensitive to changes in the discount rate and the assumptions regarding future pension growth. The table below shows the potential impact of a change of 0.5 percentage points in the discount rate and a change of 0.5 percentage points in the assumed future pension growth rate on the defined benefit plan obligations:

CHF million	December 31, 2023	December 31, 2024
Increase in the discount rate by 0.5 percentage points	– 47.0	– 50.7
Decrease in the discount rate by 0.5 percentage points	52.0	56.2
Increase in the future pension growth rate by 0.5 percentage points[1]	40.3	44.1

[1] Reduction in the future pension growth rate by 0.5 percentage points was not considered in the sensitivity analysis as the respective rate was zero.

A change in the assumption of future wage growth rate by 0.5 percentage points would impact defined benefit plan obligations by less than 1 percent (same as 2023).

The sensitivity analysis above considers the change in one assumption while leaving the other assumptions unchanged. Interdependencies were not taken into account.

Significant accounting estimates and judgments

Defined benefit plans require actuarial calculations in order to determine defined benefit plan obligations. These calculations are based on assumptions such as discount rates, future trends in wages and pensions as well as the employee share in the costs of the future benefits. Statistical data such as mortality tables and staff turnover probability rates are also used to calculate defined benefit plan obligations. If these parameters change, actual future results can deviate from the actuarial calculations. Such deviations can have an effect on the defined benefit plan obligations. Apart from the above-mentioned decrease in discount rate in 2024, the earthquake in Türkiye and the global economic and geopolitical uncertainties had no significant impact on the remaining assumptions used in the actuarial calculations at December 31, 2024 and 2023.

Material accounting policies

Employee benefit plans are operated by certain subsidiaries, depending upon the level of coverage provided by government post-employment benefit facilities in the respective countries. Such employee benefit plans exist on the basis of both defined contributions and defined benefits.

Contributions to defined contribution plans are recognized as personnel expenses in the period in which they are incurred.

For defined benefit plans, the benefit plan obligation is determined using the projected unit credit method, with valuations being carried out by independent actuaries, usually at the end of each year. The present value of the defined benefit plan obligation less the fair value of the defined benefit plan assets is recognized in the balance sheet as a liability. When the calculation results in a potential asset, the respective defined benefit plan asset recognized is limited to the present value of the economic benefits available in the form of reductions of future contributions to the plan (asset ceiling). Remeasurements of the net defined benefit plan assets and liabilities, which comprise actuarial gains and losses, the return on defined benefit plan assets (excluding interest), and the effect of the asset ceiling, are recognized immediately as other comprehensive income. Contributions by employees are recognized as a reduction of service cost in the period in which the related service is rendered.

Net interest on the net defined benefit plan assets and liabilities is determined by applying the discount rate used to measure the defined benefit plan obligation at the beginning of the year. Service cost and net interest are recognized in the income statement as personnel expenses.

7.3 Share-based compensation

The members of the Board of Directors can choose whether to receive all or part of their remuneration in Rieter shares. In the context of their remuneration for 2024, four members of the Board of Directors received in total 5 868 shares on January 17, 2025. The cost of CHF 0.5 million was charged to the consolidated income statement 2024. On January 17, 2024, five members of the Board of Directors received in total 7 880 shares in connection with their remuneration for 2023. The market value of the shares granted was CHF 0.7 million and was charged to the consolidated income statement 2023. The shares are taken from treasury shares of Rieter Holding Ltd. and cannot be sold for three years.

In the context of the variable remuneration for 2024, the members of the Group Executive Committee will receive Rieter shares with a market value of CHF 1.3 million in April 2025. The respective cost of CHF 1.3 million was charged to the consolidated income statement 2024. In the context of the variable remuneration for 2023, the members of the Group Executive Committee received 5 707 shares with a market value of CHF 0.7 million on April 17, 2024. The respective cost of CHF 0.7 million was charged to the consolidated income statement 2023. These shares are taken from treasury shares of Rieter Holding Ltd. and cannot be sold for three years.

Rieter operates an incentive plan for the members of the senior management (excluding the members of the Group Executive Committee). In January 2024, it was decided that a defined percentage of the existing short-term incentive will be settled by transferring it to the new incentive plan. The participants will receive Rieter shares with a market value of CHF 2.1. million in April 2025. The respective cost of CHF 2.1 million was charged to the consolidated income statement 2024. The shares are taken from treasury shares of Rieter Holding Ltd. and cannot be sold for three years.

The previous long-term incentive plan, granting the participants rights to receive a certain number of Rieter shares free of charge or to receive cash compensation in the amount of the same number of shares at the market price after three years, expires on May 4, 2025. The exercise of the rights in three years is subject to an unterminated employment contract. If employment is terminated within three years, the rights expire. Exceptions can be granted by the Remuneration Committee. There are no further performance-related criteria.

The movement of the outstanding rights was as follows:

Number of rights	2023	2024
Outstanding rights at January 1	**12 033**	**5 172**
Granted	–	–
Exercised/paid-out	– 5 690	–
Expired	– 1 171	– 915
Outstanding rights at December 31 (non-exercisable)	**5 172**	**4 257**

The estimated fair value of the outstanding rights amounts to the market value of a Rieter share of CHF 84.90 at December 31, 2024. In 2024, the cost of the long-term incentive plan in the amount of CHF 0.1 million affected the income statement (2023: CHF 0.1 million). The liability recognized in the balance sheet at the end of the year was CHF 0.4 million (December 31, 2023: CHF 0.3 million).

Material accounting policies

Rieter uses share-based awards in the context of the compensation of the members of the Board of Directors, the Group Executive Committee, and senior management. There are equity-settled and cash-settled share-based awards.

Share-based payments are measured at fair value at the grant date and recognized in the consolidated income statement over the vesting period. For share-based payments that are settled with equity instruments, a corresponding increase in equity is recognized.

8 Other disclosures

8.1 Income taxes

CHF million	2023	2024
Current income taxes	– 28.7	– 7.8
Deferred income taxes	12.1	1.7
Income taxes	**– 16.6**	**– 6.1**

The following deferred income tax effects were recognized in other comprehensive income:

CHF million	2023	2024
Income taxes on remeasurement of defined benefit plans	0.3	– 2.9
Income taxes on currency translation differences	0.4	0.0
Income taxes on cash flow hedges	– 0.8	– 1.3
Income taxes recognized in other comprehensive income	**– 0.1**	**– 4.2**

The reconciliation of expected and actual income taxes is as follows:

CHF million	2023	2024
Expected income taxes on profit before taxes of CHF 16.5 million (2023: CHF 90.6 million) at an average rate of 20.1% (2023: 17.3%)	– 15.7	– 3.3
Impact of non-deductible expenses	– 2.4	– 1.0
Impact of non-taxable income/income taxed at different rates	7.7	4.2
Impact of losses and loss carry-forwards	11.8	– 7.4
Impact of changes in tax rates and tax legislation	0.4	– 0.2
Tax effects from previous periods	– 15.4	2.0
Withholding taxes on payments from subsidiaries	– 2.9	– 0.4
Other effects	– 0.1	0.0
Income taxes	**– 16.6**	**– 6.1**

The expected weighted average tax rate increased by 2.8 percentage points compared to the prior year. The increase was mainly driven by changes in the profitability of certain group companies.

Deferred income taxes

The following table summarizes the movement in the net deferred income tax positions:

CHF million	2023	2024
Deferred income tax liabilities (-)/assets (+), net at January 1	**– 0.8**	**8.9**
Deferred income taxes recognized in the income statement	12.1	1.7
Deferred income taxes recognized as other comprehensive income	– 0.1	– 4.2
Acquisitions[1]	0.0	– 0.6
Currency translation differences	– 2.3	0.3
Deferred income tax assets, net at December 31	**8.9**	**6.1**

[1] See note 2.1.

Deferred income tax assets and liabilities result from the following balance sheet items:

CHF million	Deferred income tax assets December 31, 2023	Deferred income tax liabilities December 31, 2023	Deferred income tax assets December 31, 2024	Deferred income tax liabilities December 31, 2024
Property, plant, and equipment excluding right-of-use assets	3.6	– 6.9	5.8	– 7.6
Right-of-use assets	0.0	– 7.0	0.0	– 6.3
Intangible assets[1]	6.7	– 15.5	13.6	– 24.7
Defined benefit plan assets	0.0	– 12.6	0.0	– 15.0
Inventories	8.9	– 2.1	8.3	– 1.8
Other assets	1.3	– 11.7	0.8	– 11.6
Derivative financial instruments	1.6	0.0	0.3	0.0
Lease liabilities	8.4	0.0	7.6	0.0
Provisions	4.5	– 0.2	2.5	– 0.2
Defined benefit plan liabilities	1.7	– 0.3	2.0	– 0.1
Other liabilities	7.4	– 4.3	10.6	– 4.6
Tax loss carry-forwards and tax credits	25.4	0.0	26.5	0.0
Total	**69.5**	**– 60.6**	**78.0**	**– 71.9**
Offsetting	– 22.5	22.5	– 32.0	32.0
Deferred income tax assets/liabilities	**47.0**	**– 38.1**	**46.0**	**– 39.9**

[1] The comparative period (2023) has been adjusted by allocating the “Valuation adjustments on deferred tax assets” to “Intangible assets” in the amount of CHF 3.1 million.

The table below discloses tax loss carryforward by their year of expiry:

CHF million	Recognized 2023	Non-recognized 2023	Recognized 2024	Non-recognized 2024
Less then 3 years	0.0	0.0	2.3	0.0
In 3 to 7 years	56.6	2.3	37.4	0.0
Thereafter	33.4	71.4	50.9	96.8
Total at December 31	**90.0**	**73.7**	**90.6**	**96.8**

Significant unused tax losses for which no deferred tax asset has been recognized concern primarily countries with a tax rate between 15 and 35 percent (2023: 12 to 31 percent).

Significant accounting estimates and judgments

Assumptions in relation to income tax expenses also include interpretations of the tax regulations in countries where Rieter has business activities. The adequacy of these interpretations is assessed by tax authorities and competent courts, a process that can result in changes to income taxes at a later stage. In addition, whether a deferred income tax asset is recognized for tax losses carried forward, is based on management’s estimate of the availability of future taxable profits to offset the respective losses carried forward. In 2024 and 2023, the earthquake in Türkiye and the global economic and geopolitical uncertainties had no impact on these accounting estimates and judgments.

Material accounting policies

The expected income tax charge is calculated and accrued on the basis of taxable income for the year under review at the applicable income tax rate for each jurisdiction adjusted by the use of accumulated tax losses.

Deferred income tax assets and liabilities on temporary differences arising between the carrying amounts reported as part of the Group's consolidated financial statements and the tax basis of assets and liabilities used for local tax purposes are calculated using the liability method. Deferred income tax assets and liabilities are determined using local tax rates that are fully or substantially enacted at the end of the reporting period and are expected to apply when the respective timing differences reverse. Deferred income tax assets and liabilities are offset to the extent that this is permitted by law. Changes in deferred income tax assets and liabilities are recognized as income tax expenses in the income statement unless they relate to items recognized directly in equity or other comprehensive income.

Deferred income tax liabilities on retained earnings of group companies are recognized only in cases where a distribution of profits is planned. Therefore, no deferred income tax liabilities on retained earnings of group companies are recognized if Rieter is able to control the timing of the reversal of the temporary difference and it is probable that retained earnings will not be distributed in the foreseeable future.

Deferred income tax assets are capitalized only to the extent that it is probable that sufficient future taxable income will be available to offset the respective temporary differences or tax losses in the foreseeable future.

Obligations in connection with uncertain tax balances are classified as income tax liabilities.

The Group is within the scope of the OECD Pillar Two model rules requiring that applicable multinational corporations pay a minimum effective corporation tax rate of 15 percent. Pillar Two rules have been enacted or substantially enacted in many jurisdictions where Rieter operates. Switzerland introduced the "Swiss domestic minimum tax rule" starting from January 1, 2024. In 2024, these new rules have not resulted in a top-up tax to the Group. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as current tax when it is incurred. Effective from 2025, Switzerland is also introducing the Income Inclusion Rule (IIR). Based on the assessment to date, the IIR is not expected to have a material impact on the Group's financial position in 2025.

8.2 Other non-current assets

CHF million	December 31, 2023	December 31, 2024
Financial assets	2.0	3.1
Long-term receivables from customers	3.9	1.8
Miscellaneous non-current assets	4.0	4.5
Other non-current assets	**9.9**	**9.4**

Long-term receivables from customers are not expected to be settled within twelve months and mainly relate to the acquisition of the automatic winding machine business in 2022.

8.3 Leases

Rieter leases offices, warehouses, equipment, and vehicles, complementing property, plant, and equipment owned by group companies. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The total carrying amount of right-of-use assets as presented in note 4.4 can be allocated to the following asset classes:

CHF million	December 31, 2023	December 31, 2024
Land and buildings	32.2	59.1
Vehicles and furniture	2.0	3.1
Right-of-use assets	**34.2**	**62.2**

Depreciation associated with right-of-use assets can be allocated to the following asset classes:

CHF million	2023	2024
Land and buildings	– 5.4	– 7.5
Vehicles and furniture	– 0.6	– 0.9
Depreciation associated with right-of-use assets	**– 6.0**	**– 8.4**

The following table summarizes other expenses charged to the income statement in relation to leases:

CHF million		2023	2024
Expenses associated with short-term leases	EBIT	– 4.9	– 3.0
Expenses associated with leases of low-value assets	EBIT	– 0.1	– 0.1
Interest expenses on lease liabilities	Financial result	– 0.8	– 2.1

Movements in the carrying amount of right-of-use assets are presented in note 4.4. Lease liabilities and the respective maturity analysis are included in note 5.3 and 8.5.

Total cash outflows for leases amounted to CHF 12.9 million in 2024 (2023: CHF 11.3 million).

At December 31, 2024, future cash outflows in connection with lease arrangements that were committed, but have not commenced, amounted to CHF 0.7 million (December 31, 2023: CHF 37.5 million).

Material accounting policies

For contracts that are or contain a lease, a lease liability reflecting future lease payments and a right-of-use asset are recognized on the balance sheet.

Lease liabilities are measured at present value of the outstanding lease payments at the date of commencement. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used (interest rate payable to borrow the funds necessary to purchase an asset of similar value in a similar economic environment with similar terms and conditions). Lease payments include fixed payments, variable payments that are based on an index or a rate, and the exercise price of a purchase option if the lessee is reasonably certain to exercise that option. Options for extension of the lease term are included in the calculation of the lease liability if management is reasonably certain to execute that option. Lease payments are divided into a component reducing the lease liability and interest expense recognized in the financial result. Lease liabilities are included in either current or non-current financial debt, depending on their maturity date.

Right-of-use assets represent the underlying assets leased by Rieter. The respective assets are measured at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, initial direct costs, and restoration costs. Right-of-use assets are depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as expenses in the income statement. Short-term leases are leases with a non-cancelable lease term of twelve months or less. Low value assets comprise IT-equipment and small items of office furniture.

8.4 Financial instruments

The following tables summarize all financial instruments held at December 31, 2024, and 2023, grouped according to the categories defined in the material accounting policies. In addition, the tables provide information regarding the fair value hierarchy of IFRS 13. The carrying amounts of financial instruments measured at amortized cost approximate fair values due to their mainly short-term nature.

CHF million	December 31, 2023	December 31, 2024
Cash and banks	134.8	102.2
Time deposits with original maturities of up to three months	0.8	1.0
Time deposits with original maturities of more than three months	0.2	0.2
Trade receivables	138.8	106.4
Other current receivables	13.2	6.2
Long-term receivables from customers	3.9	1.8
Other non-current assets	0.4	1.7
Financial assets at amortized cost	**292.1**	**219.5**
Other financial assets[1]	1.5	1.3
Derivative financial instruments (positive fair values)[1]	11.7	3.5
Financial assets at fair value through profit and loss (mandatorily)	**13.2**	**4.8**
Marketable securities[2]	0.1	0.1
Other financial assets[3]	0.5	0.5
Financial assets at fair value through other comprehensive income	**0.6**	**0.6**
Financial assets	**305.9**	**224.9**

1 Measured at fair values which are based on directly or indirectly observable input parameters (level 2).
2 Measured at fair values which are based on quoted prices in active markets (level 1).
3 Measured at fair values which are based on unobservable inputs (level 3).

CHF million	December 31, 2023	December 31, 2024
Trade payables	101.5	102.4
Other current liabilities	109.6	67.0
Bank debt	114.8	92.5
Current lease liabilities	6.5	8.7
Other current financial debt	1.9	3.7
Fixed-rate bonds[1]	174.6	169.5
Non-current lease liabilities	29.3	53.3
Other non-current financial debt	0.0	6.0
Financial liabilities at amortized cost	**538.2**	**503.1**
Derivative financial instruments (negative fair values)[2]	18.3	2.4
Financial liabilities at fair values through profit and loss (mandatorily)	**18.3**	**2.4**
Financial liabilities	**556.5**	**505.5**

1 The fair value of the fixed-rate bonds as disclosed in note 5.3 is based on a quoted price in an active market (level 1).

2 Measured at fair values which are based on directly or indirectly observable input parameters (level 2).

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. At December 31, 2024, contract values of all outstanding forward exchange contracts amounted to CHF 377.4 million (December 31, 2023: CHF 657.2 million).

8.5 Financial risk management

Financial risk factors

As a result of its worldwide activities, Rieter is exposed to various financial risks, such as market risks (fluctuations in exchange rates and interest rates as well as other price risks), credit risks, and liquidity risks. Rieter's financial risk management aims to minimize the potential adverse impact of developments on the financial markets on the Group's financial position and to secure its financial stability. Respective measures include the use of derivative financial instruments in order to hedge certain risk exposures.

Rieter's financial risk management is essentially centralized in accordance with directives issued by the Board of Directors and the Group Executive Committee. Financial risks are identified centrally by the treasury department, evaluated, and hedged in close cooperation with the Group's operating units.

Foreign exchange risk

Foreign exchange risks arise from net investments in foreign group companies (translation risk) and when future business transactions or assets and liabilities recognized on the balance sheet are denominated in a currency other than the functional currency of the respective group company (transaction risk). In order to hedge such transaction risks, subsidiaries use foreign currency contracts with corporate headquarters as counterparty, if permitted by legislation. The central treasury department manages these positions by entering into foreign currency spot, forward, and swap contracts with financial institutions.

Rieter's risk management policy is to minimize the effects of fluctuations in currency exchange rates on committed or highly probable transactions. For this purpose, the main objective is to minimize transaction risks arising from firm sales and purchase commitments in non-functional currencies of the respective group companies associated with large machinery and systems sales orders in order to secure the profit margin as negotiated at contract inception. In addition, the transaction risks for bulk business and other operating type transactions are hedged for significant group companies. Foreign currency gains and losses resulting from loans to/from group companies, which form part of the net investment in a foreign operation, are recognized in other comprehensive income directly in equity until Rieter's control over the respective entity ceases. Other significant intercompany loans and loans from third parties are hedged and changes in the fair values of the respective derivative financial instruments are recognized in the income statement.

Hedge accounting is applied to significant firm sales and purchase commitments associated with machinery and systems sales orders to avoid a temporary distortion of the operating result due to fair value gains and losses resulting from derivative financial instruments. The hedge accounting policy is included in the other material accounting policies (see note 8.8). Rieter aims to achieve a hedge ratio of between 80 and 100 percent. The hedge ratio is defined as the nominal value of the foreign currency forward contract (hedging instrument) divided by the value of the unrecognized firm commitment (hedged transaction/item).

Hedged transactions may be subject to changes (e.g. changes in volumes and/or in the timing of committed transactions). Depending on the nature of the change, the hedging relationship may be adjusted by entering into additional foreign currency forward and/or swap contracts in order to ensure that the hedge ratio remains within the target range of 80 to 100 percent and/or that the timing of the hedging instrument continues to match the hedged transaction. Ineffectiveness may occur if the value of the hedged sale or purchase transaction decreases to a level below the nominal value of the hedging instrument.

Rieter is primarily exposed to foreign exchange risks versus the Chinese renminbi, the Czech crown, and the euro. The table below shows the impact of a five percent change in the respective exchange rates against the Swiss franc on profit before taxes, based on the assumption that all other variables remained constant:

CHF million	**Change**	**Impact 2023**	**Impact 2024**
CNY/CHF	+ 5%	1.8	0.6
CNY/CHF	– 5%	– 1.8	– 0.6
CZK/CHF	+ 5%	1.9	1.0
CZK/CHF	– 5%	– 1.9	– 1.0
EUR/CHF	+ 5%	3.2	6.7
EUR/CHF	– 5%	– 3.2	– 6.7

These impacts would mainly be due to foreign exchange gains/losses on cash and cash equivalents and accounts receivable/payable balances. The table only shows sensitivity in relation to risks arising from the revaluation of financial assets and liabilities in a currency other than the functional currency at year-end spot rates. Translation effects, which are recognized as other comprehensive income, are not taken into account.

Effects of hedge accounting

The tables below present the impact of derivative financial instruments designated as hedging instruments in a hedging relationship on the consolidated balance sheet at December 31, 2024, and 2023:

December 31, 2024	Carrying amount of the hedging instruments			
CHF million	Derivative financial instruments (positive fair values)	Derivative financial instruments (negative fair values)	Nominal amount	Change in the fair value of the hedging instrument used as a basis for recognizing hedge ineffectiveness
Foreign exchange risks				
Current foreign currency forward and swap contracts (maturity date within twelve months)[1]	1.4	0.8	129.7	– 4.5

[1] Fair values are recognized in other current receivables/liabilities.

December 31, 2023	Carrying amount of the hedging instruments			
CHF million	Derivative financial instruments (positive fair values)	Derivative financial instruments (negative fair values)	Nominal amount	Change in the fair value of the hedging instrument used as a basis for recognizing hedge ineffectiveness
Foreign exchange risks				
Current foreign currency forward and swap contracts (maturity date within twelve months)[1]	2.8	11.1	293.7	0.3

[1] Fair values are recognized in other current receivables/liabilities.

The change in value of the hedged transactions used as a basis for recognizing hedge ineffectiveness amounted to CHF -4.5 million in 2024 (2023: CHF 0.3 million).

The following hedging relationships affected the consolidated income statement and the consolidated statement of comprehensive income 2024 and 2023:

CHF million	2023	2024
Foreign exchange risks		
Hedging gains/losses recognized in other comprehensive income	3.7	6.3
Hedge ineffectiveness recognized in the income statement[1]	– 0.1	– 0.5
Hedged future transactions no longer expected to occur[1]	0.1	– 0.2
Amount reclassified from the hedge reserve into the income statement[1]	0.2	0.7

[1] Included in other income or other expenses in the consolidated income statement.

The following table provides a summary of the development of the hedge reserve in 2024 and 2023:

CHF million	2023	2024
Foreign exchange risks		
Hedge reserve at January 1	**– 9.5**	**– 6.4**
Hedging gains/losses recognized in other comprehensive income[1]	3.7	6.3
Hedge ineffectiveness recognized in the income statement[1]	– 0.1	– 0.5
Hedged future transactions no longer expected to occur[1]	0.1	– 0.2
Amount reclassified from the hedge reserve into the income statement[1]	0.2	0.7
Income taxes	– 0.8	– 1.2
Hedge reserve at December 31	**– 6.4**	**– 1.3**

[1] Included in cash flow hedges in the consolidated statement of comprehensive income.

The hedge reserve includes the spot and the forward element of the fair values of foreign currency forward and swap contracts not yet matured (effective portion) as well as realized gains/losses from foreign currency contracts, where the respective hedged transaction has not yet been accounted for (effective portion).

The following tables provide information about the nominal amounts, the maturity as well as average forward exchange rates of foreign currency forward and swap contracts designated as hedging instruments at December 31, 2024, and 2023:

December 31, 2024	Period of maturity				Total	
	2025 long[1]	2025 short[2]	2026 and later long[1]	2026 and later short[2]	Total long[1]	Total short[2]
Foreign exchange risks						
CNY exposure hedged by group companies whose functional currency is CHF						
- Nominal amount (CHF million, long +/short -)	39.9	–	–	–	39.9	–
- Average forward foreign exchange rate (CNY 100/CHF)	12.06				12.06	
EUR exposure hedged by group companies whose functional currency is CHF						
- Nominal amount (CHF million, long +/short -)	58.6	– 26.9	–	–	58.6	– 26.9
- Average forward foreign exchange rate (EUR/CHF)	0.94	0.93			0.94	0.93
USD exposure hedged by group companies whose functional currency is CHF						
- Nominal amount (CHF million, long +/short -)	–	– 4.3	–	–	–	– 4.3
- Average forward foreign exchange rate (USD/CHF)		0.84				0.84

[1] “long” is a position owned in a transaction.
[2] “short” is a position owed in a transaction.

December 31, 2023	Period of maturity				Total	
	2024 long[1]	2024 short[2]	2025 and later long[1]	2025 and later short[2]	Total long[1]	Total short[2]
Foreign exchange risks						
CNY exposure hedged by group companies whose functional currency is CHF						
- Nominal amount (CHF million, long +/short -)	83.2	–	–	–	83.2	–
- Average forward foreign exchange rate (CNY 100/CHF)	12.51				12.51	
EUR exposure hedged by group companies whose functional currency is CHF						
- Nominal amount (CHF million, long +/short -)	145.5	– 59.2	–	–	145.5	– 59.2
- Average forward foreign exchange rate (EUR/CHF)	0.96	0.96			0.96	0.96
USD exposure hedged by group companies whose functional currency is CHF						
- Nominal amount (CHF million, long +/short -)	–	– 5.8	–	–	–	– 5.8
- Average forward foreign exchange rate (USD/CHF)		0.88				0.88

1 “long” is a position owned in a transaction.
2 “short” is a position owed in a transaction.

Interest rate risk

With the exception of cash, time deposits, and long-term receivables from customers, Rieter held no material interest-bearing assets during 2024 and 2023, thus both income and cash flow from operations are largely unaffected by changes in market interest rates.

Interest rate risks can arise from interest-bearing financial debt. Financial debt with variable interest rates exposes the Group to interest-rate related cash flow risks, while fixed-rate financial liabilities may represent a fair value interest rate risk. However, Rieter measures financial liabilities at amortized cost and hence is not exposed to fair value risks.

Cash flow sensitivity analysis: A one percentage point increase in interest rates would have an impact on profit before taxes of CHF -1.0 million in 2024 (2023: CHF -1.9 million).

Price risk

Holding marketable financial assets exposes Rieter to a risk of price fluctuation. The Group’s balance of marketable financial assets was not significant at the end of 2024 and 2023.

Credit risk

Rieter is exposed to credit risks if counterparties fail to make payments as they fall due. Credit risks arise mainly from financial assets held with financial institutions, such as cash and time deposits (see note 5.2), as well as from trade receivables (see note 4.1). Recovery of these receivables is monitored on a regular basis and respective credit risks are considered to be low. Credit risks related to the remaining financial assets are expected to be insignificant.

Financial institutions

Relationships with financial institutions are mainly entered into with counterparties that have an investment grade rating. In order to limit a concentration of risk, Rieter uses various banks that operate on an international scale and have a sound rating. The central treasury department monitors counterparty exposure (e.g. based on the rating of the respective financial institutions).

Trade receivables

Rieter aims to secure the credit risk exposure arising from larger individual customer receivables by means of advance payment, irrevocable letter of credit, bank guarantee, credit insurance, or other instruments. This is mainly relevant for the Division Machines & Systems as well as for larger sales orders in the other two divisions. For the remaining business, credit risk is limited due to the large number of customers with individually smaller open balances and the wide geographical spread of these customers. As a result, management is of the opinion that there is no concentration of credit risk. At December 31, 2024, no open unsecured receivable balance from individual customers exceeded 10 percent of total trade receivables (December 31, 2023: none).

For open receivable balances secured by accepted instruments, no loss allowance is recognized unless there are indications that the instrument securing the open balance may be subject to failure. For trade receivables that are not secured and not overdue by more than 90 days, expected credit losses are determined by using publicly available credit default probabilities for the textile industry per country. These default probabilities incorporate forward-looking information. If at this stage information indicating a higher collection risk for individual customers is available, individual allowances are recognized for the respective balances. The risk of a credit loss increases significantly for open trade receivable balances that are overdue for more than 90 days. Unless the open balance is negligible, an individual assessment is performed to estimate expected credit losses. Individual assessments incorporate forward-looking information such as macroeconomic forecasts and external credit ratings where available.

The following tables show the average expected loss rate for trade receivables per age category at December 31, 2024, and 2023:

December 31, 2024 CHF million	**Not due**	**No more than 90 days overdue**	**91 to 180 days overdue**	**181 days to one year overdue**	**More than 1 year overdue**	**Total**
Expected loss rate	1.6%	1.6%	23.8%	55.6%	91.7%	3.4%
Trade receivables (gross)	87.6	18.4	2.1	0.9	1.2	110.2
Allowance for trade receivables	1.4	0.3	0.5	0.5	1.1	3.8

December 31, 2023 CHF million	**Not due**	**No more than 90 days overdue**	**91 to 180 days overdue**	**181 days to one year overdue**	**More than 1 year overdue**	**Total**
Expected loss rate	0.3%	0.6%	24.4%	88.9%	91.7%	2.4%
Trade receivables (gross)	102.3	33.7	4.1	0.9	1.2	142.2
Allowance for trade receivables	0.3	0.2	1.0	0.8	1.1	3.4

The following table summarizes the movement in the allowance for trade receivables in 2024 and 2023:

CHF million	**2023**	**2024**
Allowance for trade receivables at January 1	**– 5.6**	**– 3.4**
Acquisitions[1]	–	– 0.1
Changes to expected credit losses on trade receivables	– 1.1	– 2.0
Write-off of trade receivables/reversal of unused amount	3.1	1.7
Currency translation differences	0.2	0.0
Allowance for trade receivables at December 31	**– 3.4**	**– 3.8**

[1] See note 2.1.

Trade receivables are written off when there is no reasonable expectation of recovery.

The following table provides a summary of the credit risk exposure at December 31, 2024, and 2023:

CHF million	December 31, 2023	December 31, 2024
Trade receivables	142.2	110.2
Comprising:		
- Trade receivables secured by letters of credit or similar instruments	84.6	45.5
- Trade receivables unsecured	57.6	64.7
Allowance for trade receivables	– 3.4	– 3.8
Trade receivables	**138.8**	**106.4**

Customers provide letters of credit from local and international banks as security. Rieter monitors credit risks related to the respective banks (e.g. by using official ratings). Where the ratings are unsatisfactory, management may seek additional security. At December 31, 2024, and 2023, no loss allowances were recorded for secured trade receivables.

Liquidity risk

Rieter's liquidity risk management includes holding adequate reserves of liquid funds and time deposits, the option of financing via an appropriate level of committed and uncommitted credit lines, and the ability to place issues on the capital market. In light of the dynamic nature of the business environment in which Rieter operates, the goal is to ensure financial stability and retain the necessary flexibility by financing operations with adequate free cash flow and maintaining unutilized credit lines. For this purpose, Rieter transferred the bilaterally committed credit facilities negotiated with several banks into a Revolving Credit Facility (RCF) with a maturity on October 30, 2026. The total amount of CHF 250 million of the RCF has not been utilized at December 31, 2024.

The following tables show the contractual maturities of the Group's financial liabilities (including interest) at December 31, 2024, and 2023:

December 31, 2024	Carrying amount	Contractual cash flows			
CHF million		Within 1 year	In 1 to 5 years	In 5 or more years	Total cash flows
Non-derivatives					
Trade payables	102.4	102.4	0.0	0.0	102.4
Other current liabilities	67.0	67.0	0.0	0.0	67.0
Fixed-rate bonds	169.5	3.9	186.5	0.0	190.4
Bank debt	92.5	92.5	0.0	0.0	92.5
Lease liabilities	62.0	10.8	36.0	36.2	83.0
Other financial debt	9.7	3.7	6.0	0.0	9.7
Total non-derivatives	**503.1**	**280.3**	**228.5**	**36.2**	**545.0**
Derivatives					
Foreign currency forward and swap contracts	2.4	42.4	0.0	0.0	42.4
Total derivatives	**2.4**	**42.4**	**0.0**	**0.0**	**42.4**
Total	**505.5**	**322.7**	**228.5**	**36.2**	**587.4**

December 31, 2023	Carrying amount	Contractual cash flows			
CHF million		Within 1 year	In 1 to 5 years	In 5 or more years	Total cash flows
Non-derivatives					
Trade payables	101.5	101.5	0.0	0.0	101.5
Other current liabilities	109.6	109.6	0.0	0.0	109.6
Fixed-rate bonds	174.6	77.6	104.2	0.0	181.8
Bank debt	114.8	114.8	0.0	0.0	114.8
Lease liabilities	35.8	7.3	16.4	17.1	40.8
Other financial debt	1.9	1.9	0.0	0.0	1.9
Total non-derivatives	**538.2**	**412.7**	**120.6**	**17.1**	**550.4**
Derivatives					
Foreign currency forward and swap contracts	18.3	228.7	0.0	0.0	228.7
Total derivatives	**18.3**	**228.7**	**0.0**	**0.0**	**228.7**
Total	**556.5**	**641.4**	**120.6**	**17.1**	**779.1**

Capital management

The capital managed by the Group is equal to the consolidated equity. Rieter's objectives in terms of capital management are to safeguard the Group's financial stability, its financial independence, and its ability to continue as a going concern in order to generate returns for shareholders and respective benefits for other stakeholders. In addition, capital management aims to maintain an optimal capital structure. The equity ratio is 34 percent at December 31, 2024 (December 31, 2023: 29 percent). As an industrial group, Rieter strives to have a strong balance sheet with an equity ratio of at least 35 percent.

In order to maintain or change the capital structure, the Group may – as the need arises – adjust dividend payments to shareholders, return capital to shareholders, issue new shares, or dispose of assets in order to reduce debt.

In connection with existing, but unutilized committed credit facilities, Rieter is subject to externally imposed requirements (financial covenants) defining minimum equity and maximum gearing. Rieter complies with these requirements and this compliance is monitored on a continuous basis.

8.6 Related parties

Related parties include associated companies, members of the Board of Directors and the Group Executive Committee, employee benefit plans (foundations) as well as companies controlled by significant shareholders. Transactions with related parties are generally conducted at arms' length.

Total compensation of the Board of Directors and the Group Executive Committee consisted of:

CHF million	2023	2024
Cash compensation	4.9	4.6
Employee benefit contributions and social security	1.0	0.9
Share-based compensation	1.4	1.8
Total	**7.3**	**7.3**

Refer to the remuneration report of Rieter Holding Ltd. in accordance with Swiss law.

An entity controlled by a foundation related to Rieter has provided Rieter Ltd. (Winterthur, Switzerland) with the leasing rights to the Campus. The conditions of this contract have been agreed at arm's length. The respective right-of-use asset (see note 4.4) and lease liability (see note 5.3) have been disclosed separately. In total, the mentioned transaction with the related party amounts to CHF 4.1 million (2023: none) in rental payments annually. In 2024, outstanding receivables and payables were not material. Apart from purchases from associated companies (see note 6.3), compensation to the Board of Directors and the Group Executive Committee as well as the ordinary contributions to the various employee benefit plans (see note 7.2), no further transactions with related parties are relevant for disclosure.

8.7 Changes in material accounting policies

The following new or amended standards and interpretations became effective in 2024:

New or amended standards and interpretations
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)[1]
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)[1]
Non-current Liabilities with Covenants[1]
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)[1]

[1] The application of these new or amended provisions had no significant impact on the consolidated financial statements 2024 and the comparative period.

The new or amended standards and interpretations listed below have been issued by the International Accounting Standards Board (IASB), but are not yet effective:

New or amended standards and interpretations	Effective date	Planned application by Rieter
Lack of Exchangeability (Amendments to IAS 21)[1]	January 1, 2025	Financial year 2025
Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7[1]	January 1, 2026	Financial year 2026
Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 and IFRS 7[1]	January 1, 2026	Financial year 2026
Annual Improvements to IFRS Accounting Standards—Volume 11[1]	January 1, 2026	Financial year 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures[1]	January 1, 2027	Financial year 2027
IFRS 18 Presentation and Disclosure in Financial Statements	January 1, 2027	Financial year 2027

[1] No impact or no significant impact expected on the consolidated financial statements.

IFRS 18 will have a significant impact on the presentation and disclosure of the consolidated financial statements in 2027 and the comparative period 2026. The impact relates mainly to the structure of the income statement and the disclosure of management performance measures in the financial statements.

8.8 Other material accounting policies

This section includes material accounting policies that are of a general nature or apply to items contained in more than one of the notes.

Foreign currency translation

Items included in the financial statements of each group company are recognized using the currency of the primary economic environment in which the company operates (functional currency).

Transactions in foreign currencies are translated into the functional currency by applying the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at closing exchange rates are recognized in the income statement.

For consolidation purposes, items in the balance sheet of foreign group companies are translated into Swiss francs at closing exchange rates, while income statement items are translated at average rates for the respective period. The resulting currency translation differences are recognized in other comprehensive income. In the event of an entity’s deconsolidation, currency translation differences are reclassified to the income statement as part of the gain or loss on the entity’s divestment or liquidation.

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

		Average annual CHF rates		Year-end CHF rates	
Country/region	**Currency (unit)**	**2023**	**2024**	**2023**	**2024**
China	CNY 100	12.69	12.24	11.79	12.40
Czech Republic	CZK 100	4.05	3.79	3.74	3.74
Euro countries	EUR 1	0.97	0.95	0.93	0.94
India	INR 100	1.09	1.05	1.01	1.06
USA	USD 1	0.90	0.88	0.84	0.91

Hyperinflation accounting

Since 2022, the Turkish economy experienced inflation of over 100 inflation points in the last 36 months, based on consumer price indexes (CPI). As a result, the Turkish economy is considered to be hyperinflationary in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies. This standard requires financial statements prepared in the currency of a hyperinflationary economy to be stated in terms of the measuring unit current at the reporting date. In 2024 and the previous year, the financial statements of the Turkish subsidiary were restated accordingly before being translated and included in the consolidated financial statements.

Impairment of non-financial assets

Assets that are subject to regular depreciation or amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable. Goodwill is tested for impairment at least at each balance sheet date. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. Non-financial assets that have suffered an impairment loss in the past are reviewed for possible reversal of the respective loss at each reporting date. Impairment losses related to goodwill are not reversed in subsequent periods.

Financial assets

Rieter classifies its financial assets as “at amortized cost”, “at fair value through profit or loss” or “at fair value through other comprehensive income (OCI)”.

At initial recognition, financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the asset, except for financial assets held at fair value through profit or loss where transaction costs are expensed immediately to the income statement.

Debt instruments

The classification of debt instruments (e.g. receivables or loans) depends on the company's business model for managing the respective asset and the cash flow characteristics of the asset. There are three measurement categories for the classification of debt instruments.

Debt instruments held for collection of contractual cash flows, where those cash flows represent solely repayments of principal amount and interest on the principal amount, are measured “at amortized cost”. Gains or losses on a debt instrument subsequently measured at amortized cost are recognized in the income statement when the asset is sold or impaired. Interest income is included in the income statement using the effective interest rate method.

Rieter held no debt instruments classified as “at fair value through profit or loss” or as “at fair value through other comprehensive income (OCI)” at December 31, 2024, and 2023.

Credit risks related to debt instruments at amortized cost held by Rieter at December 31, 2024, and 2023, are considered to be low. Therefore, Rieter determines the impairment allowance as the credit losses expected in the next twelve months. If the credit risk were to increase and no longer be regarded as low risk, lifetime expected credit losses would have to be recognized. For trade receivables a separate approach is applied for measuring impairment (see note 4.1 and 8.5).

Debt instruments are included in current assets, except for maturity dates more than twelve months after the balance sheet date. In that case, they are presented as non-current assets.

Equity instruments

A minor balance of equity instruments was designated as “at fair value through other comprehensive income (OCI)” at the acquisition date. Apart from that, Rieter held no financial assets at December 31, 2024, and 2023, that complied with the criteria for equity instruments.

Other financial instruments

Holdings in investment funds (equity or debt funds) cannot usually be treated as either equity or debt instruments for classification purposes. Rieter's holdings in investment funds are classified as “financial assets at fair value through profit or loss”, and changes in fair values as well as profit distributions are included in the income statement. Holdings in investment funds are presented as current assets if they are either held for trading purposes or are likely to be sold within twelve months after the balance sheet date.

Derivative financial instruments and hedge accounting

Rieter concludes foreign currency contracts in order to hedge foreign currency risks. Hedge accounting is applied to selected transactions.

Derivative financial instruments – without hedge accounting

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is concluded and are subsequently remeasured to the respective fair value at each reporting date. The resulting gains and losses are recognized immediately as other income/expenses or financial income/expenses depending on the nature of the underlying transaction.

The respective positive and negative fair values are recognized in the balance sheet as derivative financial instruments in other current receivables or other current liabilities if their maturity date is within twelve months after balance sheet date, and otherwise in other non-current assets or other non-current liabilities.

Derivative financial instruments – with hedge accounting

Rieter designates selected foreign currency forward and swap contracts as hedges for firm sale and purchase commitments in non-functional currencies of the respective group companies with the aim of securing the profit margin against fluctuations in foreign exchange rates. At inception of the hedged transaction, the hedge relationship between the unrecognized firm commitment (hedged transaction/item) and the foreign currency forward or swap contract (hedging instrument) is documented.

Rieter designates the hedged risk as changes in the forward rate. Changes in the full fair value of the forward or swap contracts are deferred and recognized in other comprehensive income (hedge reserve) until the hedged transaction has been accounted for in the consolidated income statement.

Once the hedged transaction is accounted for in the financial statements, the fair value is reclassified from the hedge reserve to the income statement (other income/expenses). Any ineffective portion of the fair value of the hedging instrument is recognized immediately in the income statement. If the hedged transaction is no longer expected to occur, the fair value of the respective hedging instrument is immediately reclassified to the income statement.

8.9 Events after balance sheet date

No significant events have occurred up to March 12, 2025, that would necessitate adjustments to the carrying amounts of the Group’s assets or liabilities, or which would require disclosure.

Statutory auditor's report

To the General Meeting of Rieter Holding Ltd., Winterthur

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Rieter Holding Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

VALUATION OF GOODWILL

REVENUE RECOGNITION

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

VALUATION OF GOODWILL

Key audit matter

As at December 31, 2024, the consolidated financial statements included goodwill amounting to CHF 192.0 million.

Goodwill has to be assessed for impairment by management at least on a yearly basis by determining the value in use, which is then compared to the carrying amount.

As part of the goodwill impairment testing the discounted cash flow (DCF) method is applied. This method requires the use of a number of key assumptions and estimates by management, including assumptions regarding expected future cash flows, long-term growth rates and applicable discount rates.

In relation to total assets and net assets as per December 31, 2024, goodwill is of material importance. There is a risk of impairment of the group's significant goodwill balance due to weak global demand, uncertainty related to the world-wide supply chain and related forecasts.

Our response

For selected cash-generating units (CGUs), identified based on quantitative and qualitative factors, our audit procedures included, amongst others, the following:

- evaluating the methodical and mathematical accuracy of the model used for the impairment tests, the appropriateness of the assumptions used, and the methodology used by management to prepare its cash flow forecasts. We used our own valuation specialists to support our procedures;
- assessing the reasonableness of the plans and forecasts by back-testing historical forecasts to actual results;
- comparing business plan data against the latest board approved plans and management approved forecasts;
- challenging the robustness of the key assumptions used to determine the recoverable amount, forecast cash flows, long-term growth rates and the discount rates based on our understanding of the commercial prospects of the related CGUs and by comparing them with publicly available data;
- conducting sensitivity analysis, taking into account the historical forecasting accuracy of the Group; and
- recalculating the difference between the carrying value and the recoverable amount to assess the headroom.

We also considered the appropriateness of disclosures in relation to impairment sensitivities in the financial statements.

For further information on valuation of goodwill refer to the following:

- Note 4.6 to the consolidated financial statements

REVENUE RECOGNITION

Key audit matter

Total consolidated sales for the financial year amounted to CHF 859.1 million (2023: CHF 1 418.6 million). Sales are a key performance indicator for Rieter's performance and are therefore in the focus of internal and external stakeholders.

Sales compromise the sales of machines and systems as well as sales from services. In line with IFRS 15, Rieter recognizes sales of machines and systems when a performance obligation is satisfied by transferring control of the goods to the customer. Service sales are recognized over time in accordance with the progress to completion of the performance obligation.

Due to the high volume of transactions close to year end and the value of individual transactions, there is a risk that sales are not recognized in the correct accounting period (cut-off).

Our response

Our audit procedures included, amongst others, the following:

- inquiring with management regarding processes and controls in relation to revenue recognition. Additionally, performing walkthroughs to gain an understanding of processes and controls, including management reviews, with respect to revenue recognition;
- reconciling on a sample basis sales with the corresponding supporting documents such as sales orders, shipping documents, invoices and timesheets to assess that sales were recognized accurately;
- verifying that sales transactions at the end of the financial year and at the beginning of the new financial year have been recognized in the correct accounting period by comparing sales close to the balance sheet date with the respective supporting documentation.

For further information on revenue recognition refer to the following:

- Note 3.1 to the consolidated financial statements
- Note 3.2 to the consolidated financial statements

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of Rieter Holding Ltd., the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our group audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Raphael Gähwiler
Licensed Audit Expert

Zurich, March 12, 2025

Financial statements

Financial statements of Rieter Holding Ltd.

Income statement of Rieter Holding Ltd.

CHF million	Notes	2023	2024
Income			
Income from investments		33.4	24.1
Financial income		13.2	7.5
Other income	(2.1)	8.8	4.7
Total income		**55.4**	**36.3**
Expenses			
Administrative expenses		– 6.7	– 5.9
Financial expenses	(2.2)	– 22.1	– 9.4
Increase in value adjustments and provisions	(2.3)	– 20.0	– 15.0
Income taxes		– 0.2	0.0
Total expenses		**– 49.0**	**– 30.3**
Net profit		**6.4**	**6.0**

Balance sheet of Rieter Holding Ltd.

CHF million	Notes	December 31, 2023	December 31, 2024
Assets			
Cash and cash equivalents	(2.4)	57.1	4.3
Other current receivables	(2.5)	12.3	7.9
Prepaid expenses and accrued income	(2.6)	5.2	1.4
Current assets		**74.6**	**13.6**
Other financial assets	(2.7)	176.9	67.5
Investments	(2.8)	573.3	577.6
Non-current assets		**750.2**	**645.1**
Assets		**824.8**	**658.7**
Liabilities and shareholders' equity			
Other current liabilities	(2.9)	3.1	0.5
Current interest-bearing liabilities	(2.10)	515.7	289.2
Accrued expenses and deferred income	(2.6)	3.9	1.8
Current liabilities		**522.7**	**291.5**
Non-current interest-bearing liabilities	(2.11)	100.0	170.0
Provisions	(2.12)	11.3	11.3
Non-current liabilities		**111.3**	**181.3**
Liabilities		**634.0**	**472.8**
Share capital	(2.13)	23.4	23.4
Legal retained earnings in the narrower sense		27.5	27.5
Voluntary retained earnings	(2.14)	118.9	118.0
Treasury shares	(2.15)	– 23.2	– 19.6
Available earnings			
- Balance carried forward		37.8	30.6
- Net profit		6.4	6.0
Shareholders' equity		**190.8**	**185.9**
Liabilities and shareholders' equity		**824.8**	**658.7**

Notes to the financial statements of Rieter Holding Ltd.

1 Summary of significant accounting policies

1.1 General principles

The financial statements of Rieter Holding Ltd. have been prepared in accordance with the provisions of Swiss accounting law.

Significant accounting policies that are not specified by the Swiss Code of Obligations are listed below.

1.2 Investments

In principle, investments are measured individually. If management and internal performance assessment are combined for a group of investments, impairment testing for these investments may also be combined. Investments are recognized in the balance sheet at acquisition cost less necessary accumulated value adjustments.

1.3 Treasury shares

Treasury shares are recognized at historical cost and presented as a negative component of equity. If treasury shares are sold or reissued subsequently, any resulting gains or losses are directly recognized against free reserves.

1.4 Foreign currencies

All monetary assets and liabilities in foreign currencies are translated at year-end exchange rates. Losses from the revaluation of non-current receivables and payables are recorded in the income statement, whereas the respective gains are not recognized. Income and expenses as well as all transactions in foreign currencies are translated using the exchange rate prevailing on the date of the transaction. The resulting foreign currency gains and losses are recognized in the income statement.

1.5 Derivative financial instruments

Derivative financial instruments are recognized only on the balance sheet if unrealized losses exist.

1.6 Waiver of cash flow statement and additional disclosures in the notes

Rieter Holding Ltd. is presenting its consolidated financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). Therefore, Rieter Holding Ltd. has applied the exemption included in Art. 961d, para. 1 Swiss Code of Obligations and has not prepared additional disclosures on interest-bearing liabilities and audit fees as well as a separate cash flow statement.

2 Details of balance sheet and income statement items

2.1 Other income

Other income consists of the contractually agreed compensation payments from group companies.

2.2 Financial expenses

Financial expenses consist mainly of interest payable on the fixed-rate bonds and liabilities payable to banks and group companies, as well as the foreign exchange result. In addition, the charges for the non-utilized Revolving Credit Facility (RCF; CHF 250 million, maturity on October 30, 2026) are included.

2.3 Increase in value adjustments and provisions

Due to general business risks, the value adjustments were increased by CHF -15.0 million (2023: CHF -20.0 million) by decreasing the investments in subsidiaries accordingly.

2.4 Cash and cash equivalents

Cash and cash equivalents include bank accounts.

2.5 Other current receivables

CHF million	December 31, 2023	December 31, 2024
Receivables from third parties	0.2	0.1
Receivables from group companies	12.1	7.8
Current receivables	**12.3**	**7.9**

Receivables from group companies consist mainly of current account credit facilities granted to subsidiaries based on market terms and conditions in the context of central cash management.

2.6 Prepaid expenses and accrued income/accrued expenses and deferred income

Prepaid expenses and accrued income consist mainly of financing costs. Accrued expenses and deferred income include mainly accrued interest and taxes.

2.7 Other financial assets

CHF million	December 31, 2023	December 31, 2024
Loans to group companies	176.9	67.5
Other financial assets	**176.9**	**67.5**

The financing requirements of the subsidiaries were covered with non-current loans, granted by Rieter Holding Ltd. based on market terms and conditions.

2.8 Investments

CHF million	December 31, 2023	December 31, 2024
Investments in group companies	561.5	566.3
Investments in associated companies	11.8	11.3
Investments	**573.3**	**577.6**

Below is a list of all investments. Rieter Management AG was merged into Rieter Ltd. as per January 1, 2024.

		Capital in 1 000		Share in voting and capital rights, in %	
Company	**Domicile**	**2023**	**2024**	**2023**	**2024**
Bräcker AG	Pfäffikon, Switzerland	CHF 1 000	CHF 1 000	100%	100%
Rieter Ltd.	Winterthur, Switzerland	CHF 8 500	CHF 8 500	100%	100%
Novibra Boskovice s.r.o.	Boskovice, Czech Republic	CZK 40 000	CZK 40 000	100%	100%
Petit Spare Parts SAS	Aubenas, France	n.a.	EUR 8	n.a.	100%
Prosino S.r.l.	Borgosesia, Italy	EUR 50	EUR 50	49%	60%
Rieter Automatic Winder GmbH	Heinsberg, Germany	EUR 1 000	EUR 1 000	100%	100%
Rieter Components Germany GmbH	Hammelburg, Germany	EUR 1 000	EUR 1 000	100%	100%
Rieter CZ s.r.o.	Ústí nad Orlicí, Czech Republic	EUR 316 378	EUR 316 378	100%	100%
Rieter India Pvt. Ltd.	Wing, India	INR 69 198	INR 51 898	99.7%	100%
Rieter Management AG	Winterthur, Switzerland	CHF 5 000	n.a.	100%	n.a.
Rieter Vertriebs GmbH der Maschinenfabrik Rieter AG	Ingolstadt, Germany	EUR 15 339	EUR 15 339	100%	100%
SSM Schärer Schweiter Mettler AG	Wädenswil, Switzerland	CHF 6 000	CHF 6 000	100%	100%
SSM Vertriebs AG	Steinhausen, Switzerland	CHF 100	CHF 100	100%	100%
Tefina Holding-Gesellschaft AG	Zug, Switzerland	CHF 5 000	CHF 5 000	100%	100%
Unikeller Sona AG	Winterthur, Switzerland	CHF 500	CHF 500	100%	100%
Electro-Jet S.L.	Gurb, Spain	EUR 120	EUR 120	25%	25%

2.9 Other current liabilities

CHF million	December 31, 2023	December 31, 2024
Liabilities to third parties	3.1	0.2
Liabilities to group companies	0.0	0.3
Total other current liabilities	**3.1**	**0.5**

2.10 Current interest-bearing liabilities

CHF million	December 31, 2023	December 31, 2024
Liabilities to group companies	330.0	226.9
Bond	75.0	0.0
Bank debt	110.7	62.3
Current interest-bearing liabilities	**515.7**	**289.2**

Rieter Holding Ltd. manages cash and cash equivalents of group companies in the central cash pool.

In 2024, Rieter Holding Ltd. continued to draw down short-term bank loans at various financial institutions with different terms to secure liquidity.

2.11 Non-current interest-bearing liabilities

On November 25, 2021, Rieter Holding Ltd. issued a fixed-rate bond with a nominal value amounting to CHF 100.0 million. This bond has a term of six years with a maturity date on November 24, 2027, a fixed interest rate of 1.4 percent p.a. and is listed on the SIX Swiss Exchange. Additionally on November 27, 2024, a fixed-rate bond with a nominal value amounting to CHF 70.0 million was issued. This bond has a term of five years with a maturity date on November 27, 2029, a fixed interest rate of 3.5 percent p.a. and is also listed on the SIX Swiss Exchange.

2.12 Provisions

Provisions were recognized for foreign exchange risks and guarantee commitments.

2.13 Share capital

At December 31, 2024, the share capital of Rieter Holding Ltd. amounted to CHF 23 361 815. It is divided into 4 672 363 fully paid registered shares with a nominal value of CHF 5.00 each.

According to §3a of the Articles of Association, Rieter Holding Ltd. has implemented a capital band of between CHF 22 193 725 (lower limit) and CHF 25 697 995 (upper limit). Within the capital band, the Board of Directors is authorized to increase or reduce the share capital once or several times, and in any amount, until April 20, 2028, or until the capital band expires earlier, or to acquire or sell shares directly or indirectly. The capital increase or reduction may be effected by issuing up to 467 236 fully paid registered shares with a nominal value of CHF 5.00 each, or by cancelling up to 233 618 registered shares with a nominal value of CHF 5.00 each, or by increasing or decreasing the nominal value of existing registered shares within the limits of the capital band.

2.14 Voluntary retained earnings

CHF million	December 31, 2023	December 31, 2024
Opening balance	**119.4**	**118.9**
Losses/gains from treasury shares	– 0.5	– 0.9
Free reserves	**118.9**	**118.0**

2.15 Treasury shares

Treasury shares are held directly by Rieter Holding Ltd. Consequently, there is no need for a separate reserve for treasury shares.

	2023		2024	
	Average price (CHF)	Number	Average price (CHF)	Number
Stock beginning of year		**192 728**		**180 549**
Sale	97.0	– 3 520	85.5	– 15 000
Allocation to Board of Directors	113.8	– 6 443	86.7	– 7 880
Allocation to Management	96.7	– 2 216	126.0	– 5 707
Stock at the end of the year		**180 549**		**151 962**

At the balance sheet date, the acquisition cost of the directly held treasury shares totaled CHF 19.6 million (2023: CHF 23.2 million).

3 Additional information

3.1 Legal form, registered office, and number of full-time employees

Rieter Holding Ltd. is a limited company (“Aktiengesellschaft”) with its registered office in Winterthur (Switzerland). The company did not employ any personnel throughout 2024 (unchanged to 2023).

3.2 Guarantees to third parties

CHF million	December 31, 2023	December 31, 2024
Guarantees	19.1	0.0

Guarantees to third parties consist of sureties issued to financial institutions for loans granted.

3.3 Participation rights for the Board of Directors and management

As part of the compensation package, treasury shares were allocated to the Board of Directors and Management as follows:

	2023		2024	
	Number	Value (CHF)	Number	Value (CHF)
Allocation to Board of Directors	6 443	733 213	7 880	682 960
Allocation to Management	2 216	214 287	5 707	719 082

3.4 Events after balance sheet date

There were no significant events after the balance sheet date.

Proposal of the Board of Directors

For the appropriation of available earnings

CHF	2024
Retained earnings carried forward from previous year	30 628 213
Net profit of the year	5 964 388
Total available earnings at disposal of the Annual General Meeting	**36 592 601**
Proposal:	
Distribution of dividend[1]	9 344 726
Balance to be carried forward	27 247 875
	36 592 601

[1] Shares held by Rieter Holding Ltd. at the time of distribution are not entitled to dividend. The amount distributed will be reduced accordingly at the time of distribution.

The Board of Directors proposes a dividend payment of CHF 2.00 per registered share.

KPMG

Statutory auditor's report

To the General Meeting of Rieter Holding Ltd., Winterthur

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Rieter Holding Ltd. (the Company), which comprise the balance sheet as at December 31, 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

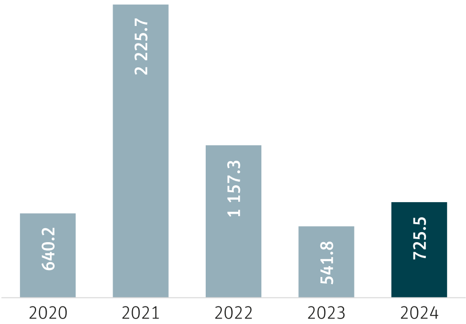
Roman Wenk
Licensed Audit Expert
Auditor in Charge

Raphael Gähwiler
Licensed Audit Expert

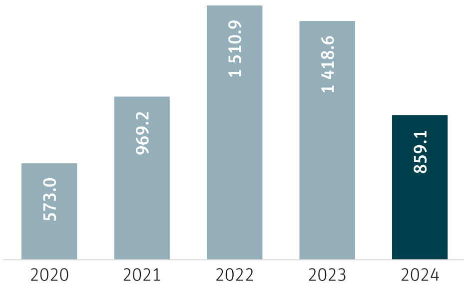
Zurich, March 12, 2025

Review 2020–2024

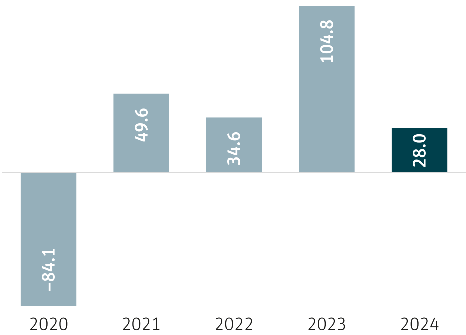
Order Intake
CHF million



Sales
CHF million

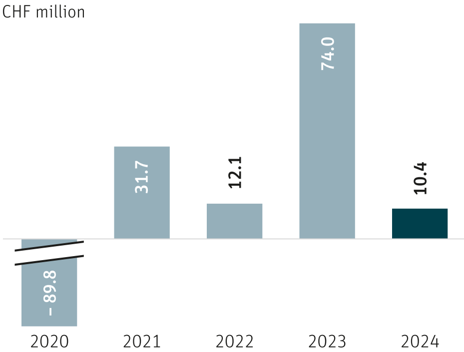


Operating Result Before Interest and Taxes (EBIT)
CHF million

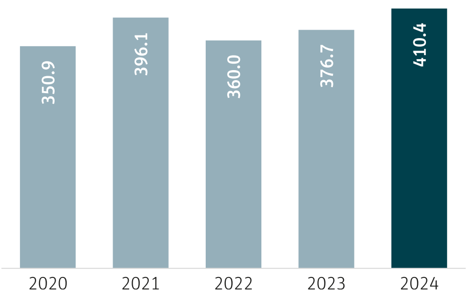


The comparative periods have been adjusted retrospectively as a result of the reclassification of the share in profit of the associated companies from financial result to the operating result.

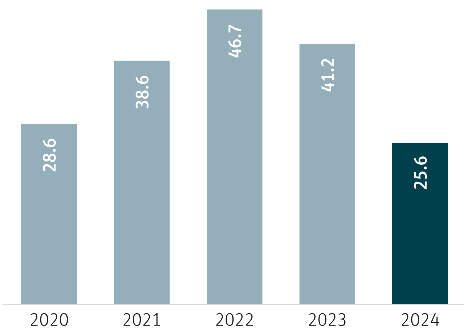
Net Profit
CHF million



Shareholder's Equity
CHF million (at December 31)



Capital Expenditure
CHF million



		2020	2021	2022	2023	2024
Consolidated income statement						
Sales	CHF million	573.0	969.2	1 510.9	1 418.6	859.1
- Asian countries (without China/India/Türkiye)	CHF million	185	319	473	362	166
- China	CHF million	93	135	169	188	173
- India	CHF million	51	126	197	225	121
- Türkiye	CHF million	122	182	266	221	159
- North and South America	CHF million	66	150	209	183	119
- Europe	CHF million	38	43	123	76	49
- Africa	CHF million	18	14	74	165	73
EBITDA[1 2]	CHF million	– 46.4	87.0	87.4	163.5[3]	82.9
- in % of sales		– 8.1	9.0	5.8	11.5	9.6
EBIT before restructuring and impairment[1 2]	CHF million	– 76.4	48.0	34.5	159.4[3]	33.8
- in % of sales		– 13.3	5.0	2.3	11.2	3.9
EBIT[1 2]	CHF million	– 84.1	49.6	34.6	104.8[3]	28.0
- in % of sales		– 14.7	5.1	2.3	7.4	3.3
Net profit	CHF million	– 89.8	31.7	12.1	74.0	10.4
- in % of sales		– 15.7	3.3	0.8	5.2	1.2
RONA[1]	%	– 14.3	5.6	2.8	11.5	2.8
Consolidated cash flow statement						
Cash flow from operating activities	CHF million	– 49.8	165.7	– 76.2	69.3	36.3
Cash flow from investing activities	CHF million	– 25.0	– 352.9	– 30.2	49.4	– 21.1
Cash flow from financing activities	CHF million	78.0	151.4	34.9	– 151.6	– 50.3
Free cash flow[1]	CHF million	– 74.8	128.1	– 98.6	118.7	14.1
Number of employees at December 31[1]		**4 416**	**4 907**	**5 629**	**5 081**	**4 785**
Consolidated balance sheet at December 31						
Current assets	CHF million	555.7	718.3	843.9	641.5	513.5
Non-current assets	CHF million	407.8	718.0	697.0	668.5	704.3
Current liabilities	CHF million	428.3	744.8	890.5	717.2	491.7
Non-current liabilities	CHF million	184.3	295.4	290.4	216.1	315.7
Equity attributable to shareholders of Rieter Holding Ltd.	CHF million	350.6	395.8	359.9	376.6	410.9
Equity attributable to non-controlling interests	CHF million	0.3	0.3	0.1	0.1	– 0.5
Total assets	CHF million	963.5	1 436.3	1 540.9	1 310.0	1 217.8
Equity ratio[1]	%	36.4	27.6	23.4	28.8	33.7
Cash and cash equivalents	CHF million	282.3	248.7	175.7	135.6	103.2
Marketable securities and time deposits	CHF million	0.9	0.7	0.4	0.3	0.2
Current financial debt	CHF million	– 151.4	– 209.7	– 262.5	– 198.1	– 104.9
Non-current financial debt	CHF million	– 90.5	– 201.6	– 199.2	– 129.0	– 228.8
Net liquidity/debt[1]	**CHF million**	**41.3**	**– 161.9**	**– 285.6**	**– 191.2**	**– 230.3**

1 Definition in alternative performance measures.

2 The comparative periods have been adjusted retrospectively as a result of the reclassification of the share in profit of associated companies from financial result to the operating result (see note 1.3).

3 Including the gain on disposal of land and buildings in Winterthur (Switzerland) amounting to CHF 72.5 million.

Rieter Holding Ltd. share (RIEN)

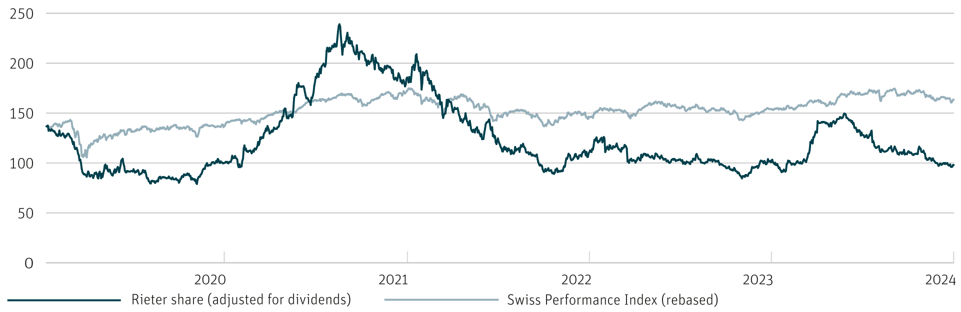
			2020	2021	2022	2023	2024
Market capitalization[1]	December 31	CHF million	432	795	470	405	384
Market capitalization/EBITDA ratio[2]			– 9.3	9.1	5.4	2.5	4.6
Share price at SIX Swiss Exchange	December 31	CHF	96.7	177.0	105.0	90.1	84.9
	high	CHF	137.5	234.5	204.5	117.6	136.6
	low	CHF	74.5	91.3	80.6	74.6	80.8
Equity attributable to shareholders of Rieter Holding Ltd. per share	December 31	CHF	78.50	88.08	80.34	83.83	90.90
Basic earnings per share		CHF	– 20.05	7.04	2.70	16.48	2.33
Price/earnings ratio[1]			– 4.8	25.1	38.9	5.5	36.5
Dividend per share		CHF	0.00	4.00	1.50	3.00	2.00[3]
Dividend payout ratio[1]		%	0.0	56.8	55.6	18.2	85.8
Dividend yield[1]		%	0.0	2.3	1.4	3.3	2.4

1 Definition in alternative performance measures.

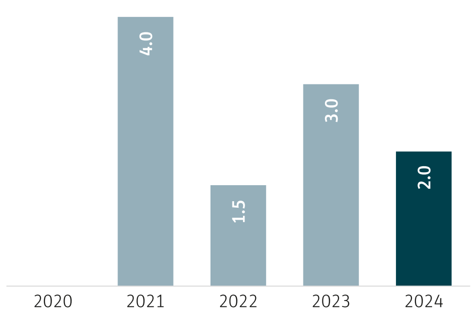
2 The comparative periods have been adjusted retrospectively as a result of the reclassification of the share in profit of associated companies from financial result to the operating result (see note 1.3).

3 See proposal of the Board of Directors.

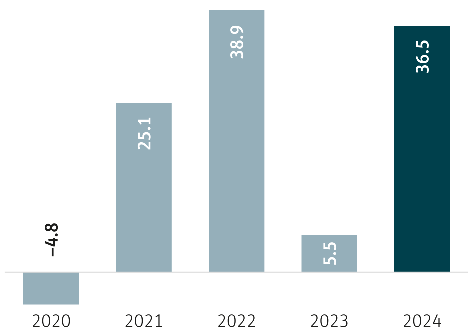
Share Price
CHF



Dividend
CHF (per share)



Price/Earnings Ratio



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