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RIETER



Creating a Global Leader in Natural and Manmade Fibers

Rieter Acquisition of Barmag

May 6, 2025 – Conference for Media and Investors

Presenters and Agenda



Thomas Oetterli
Chairman and Chief Executive Officer



Oliver Streuli
Chief Financial Officer

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1 Key Transaction Highlights

Opportunity to Create a Leader in Natural and Manmade Fibers (“MMF”) **RIETER**



Expansion into MMF to complement offering as a global textile champion

MMF expected to deliver incremental growth driven by global consumer demand

Barmag is a market and technology leader in MMF

Natural fibers and MMF largely complementary

Step change in scale, reach and profitability at attractive valuation



Key Terms of the Transaction

Transaction overview

- **Rieter has signed a definitive agreement to acquire Barmag** from OC Oerlikon
- **Transaction of key strategic relevance enabling entry into higher growth manmade fiber market by acquiring a market leader in the field**
- **PCS Holding AG remains largest shareholder and fully supports transaction and related capital increase**

Purchase price

- **All-cash equity purchase price of CHF 713 million**
- **Earn-out component of up to CHF 100 million**, conditional on financial results achieved by 2028
- **6.3x through-the-cycle EV/EBITDA⁽¹⁾ pre-synergies and pre-earn-out**, and 5.4x incl. run-rate synergies⁽²⁾

Financing

- **Secured financing** through bridge loan facilities from UBS
- **Take-out via CHF 477 million capital increase** through rights issue and private placement as well as syndicated debt facilities
 - **Backed by P. Spuhler**
 - **Supported by M. Haefner**
 - ➔ **Over 50% of capital increase committed by two largest shareholders**
- **Temporary post-transaction leverage of ~3.0x⁽³⁾**

Necessary approvals and next steps

- **Subject to customary regulatory approvals**
- **Extraordinary General Meeting to approve the capital increase expected in Q3 or Q4 2025**
- **Closing of the transaction targeted for Q4 2025**

Notes: (1) Based on adjusted EBITDA for the financial years 2017-2024; (2) Assuming CHF 20 million run-rate synergies; (3) Based on 2024A pro forma combined Net Debt and EBITDA and post CHF 477million equity capital increase

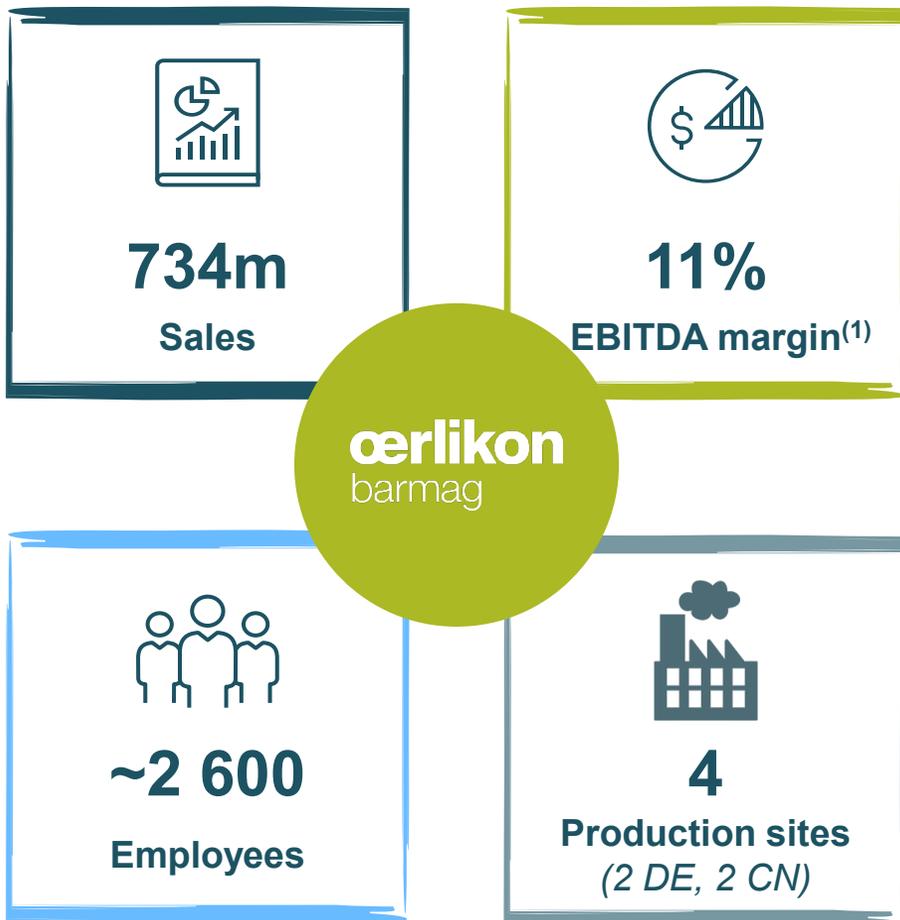


2 Overview of Barmag

Barmag is a Global Market Leader in Manmade Fiber Solutions



Key metrics (2024)



Source: Company information
Notes: (1) Adjusted EBITDA; (2) Bulk Continuous Filament

Company overview

- Barmag is a **major global player in the manmade fiber market**
- **Leading provider of filament spinning systems** for manufacturing manmade fibers, as well as texturing machines, BCF⁽²⁾ systems, staple fiber spinning, and nonwoven solutions
- Barmag acts as an **engineering services provider, offering solutions across the textile value chain**
- **Owner of strong and well-reputed brands** Oerlikon Barmag, Oerlikon Neumag, and Oerlikon Nonwoven
- **Strongly positioned** in global key markets

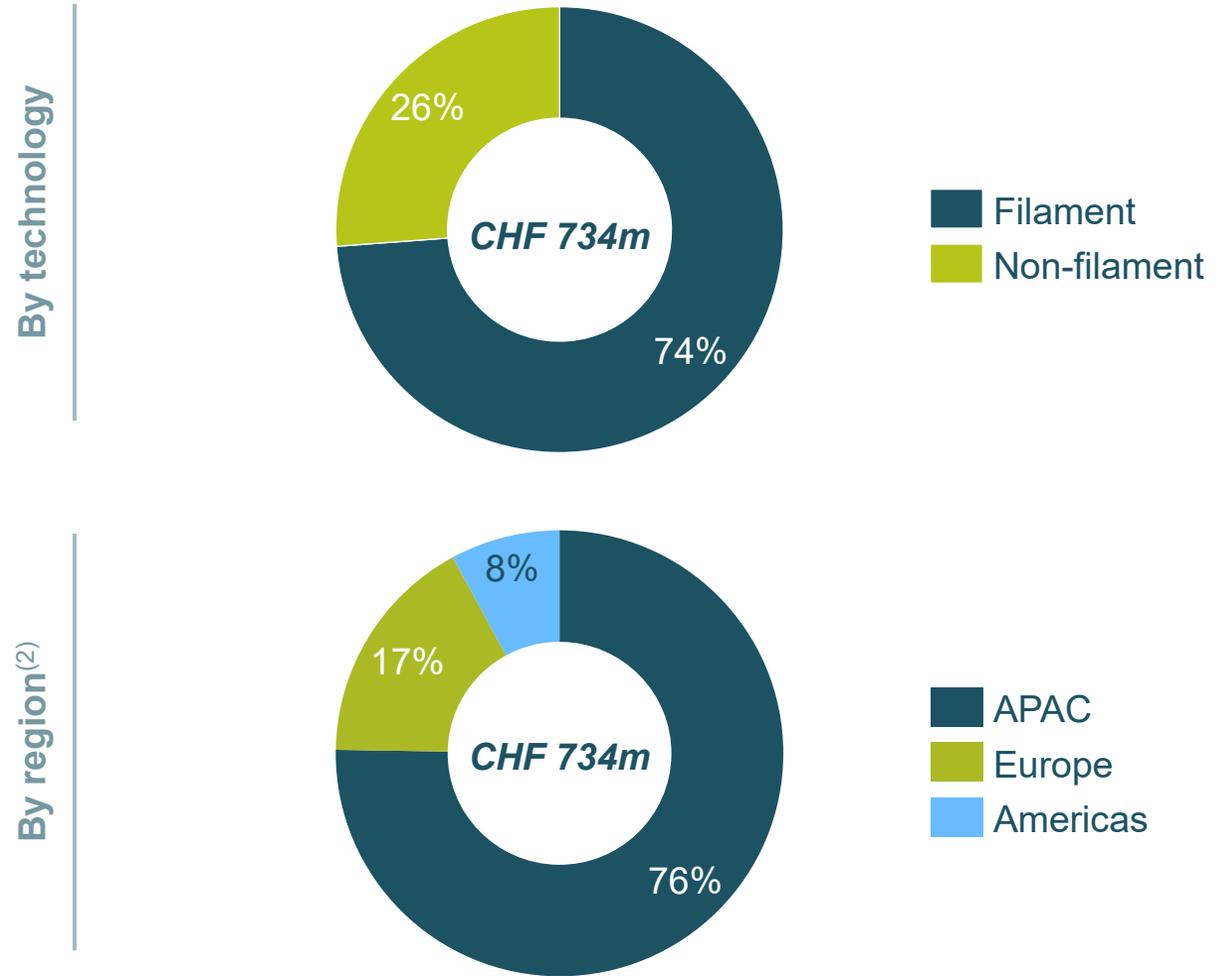
Diversified Product Offering Supported by Well Established Brands



Overview of product offering and brands

Filament		Spinning systems and texturing machines	<p>Product example</p>
		BCF⁽¹⁾ carpet yarn and synthetic staple fiber plants	<p>Product example</p>
Non-filament		Stand-alone machines and turnkey production lines for nonwoven products	<p>Product example</p>

Sales split 2024



Source: Company information

Notes: (1) Bulked Continuous Filament; (2) Geographical sales split incl. HRSflow (not in perimeter), Europe includes sales for Türkiye

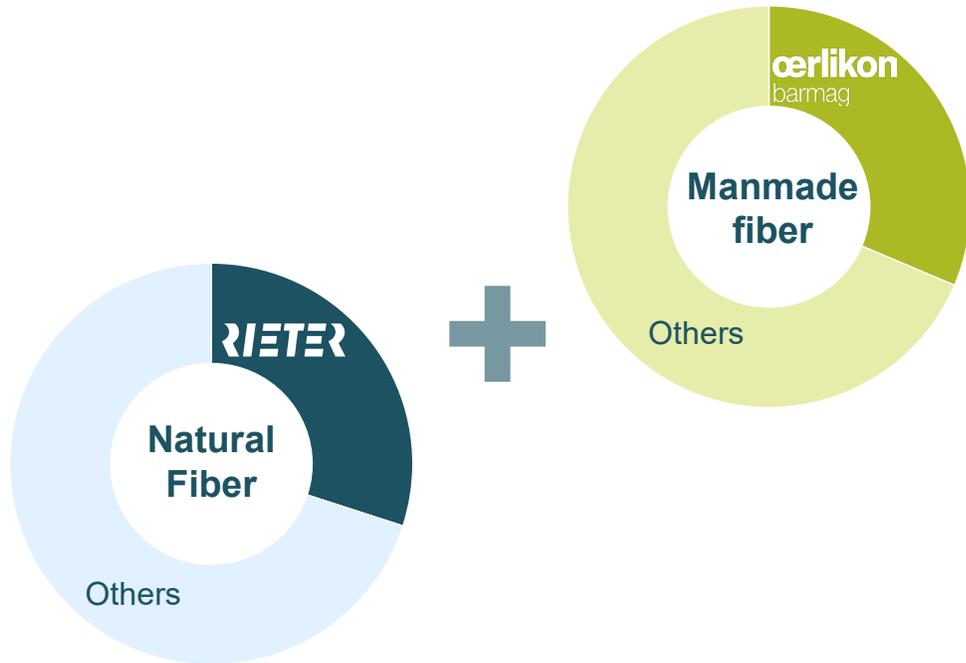


3 Strategic Rationale

Offering Complemented with Expansion into Higher Growth MMF

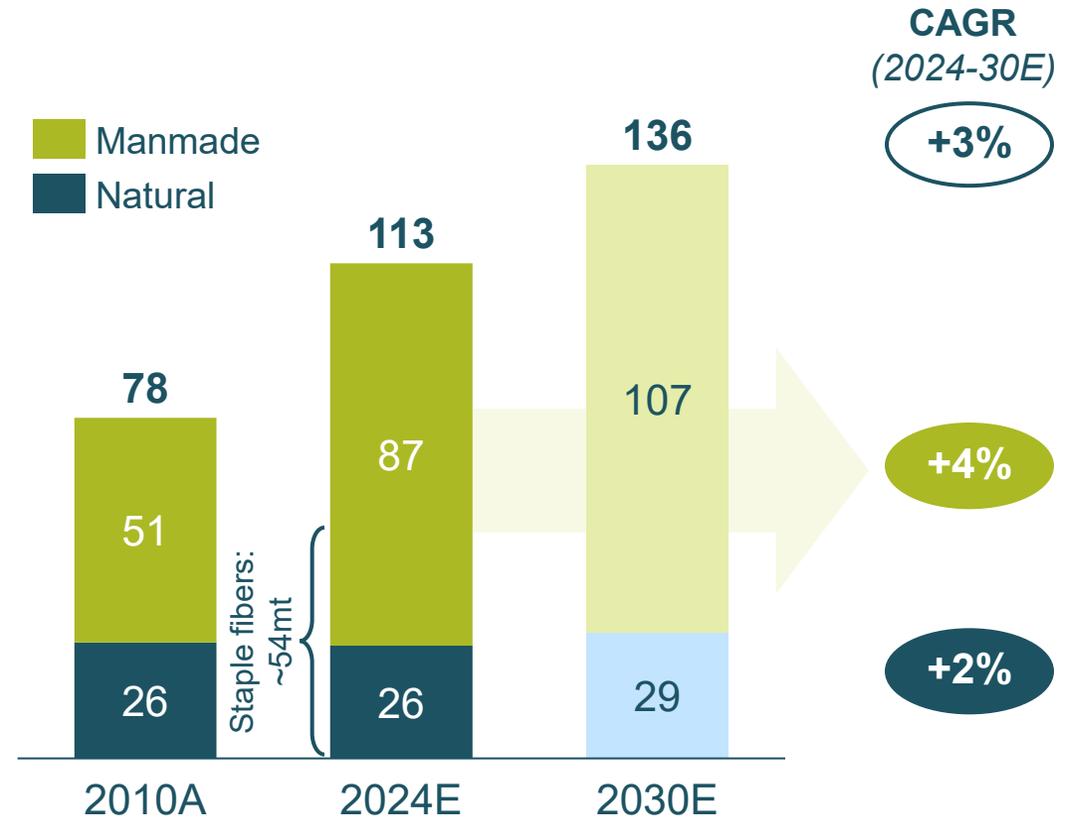


Offering as global textile player complemented



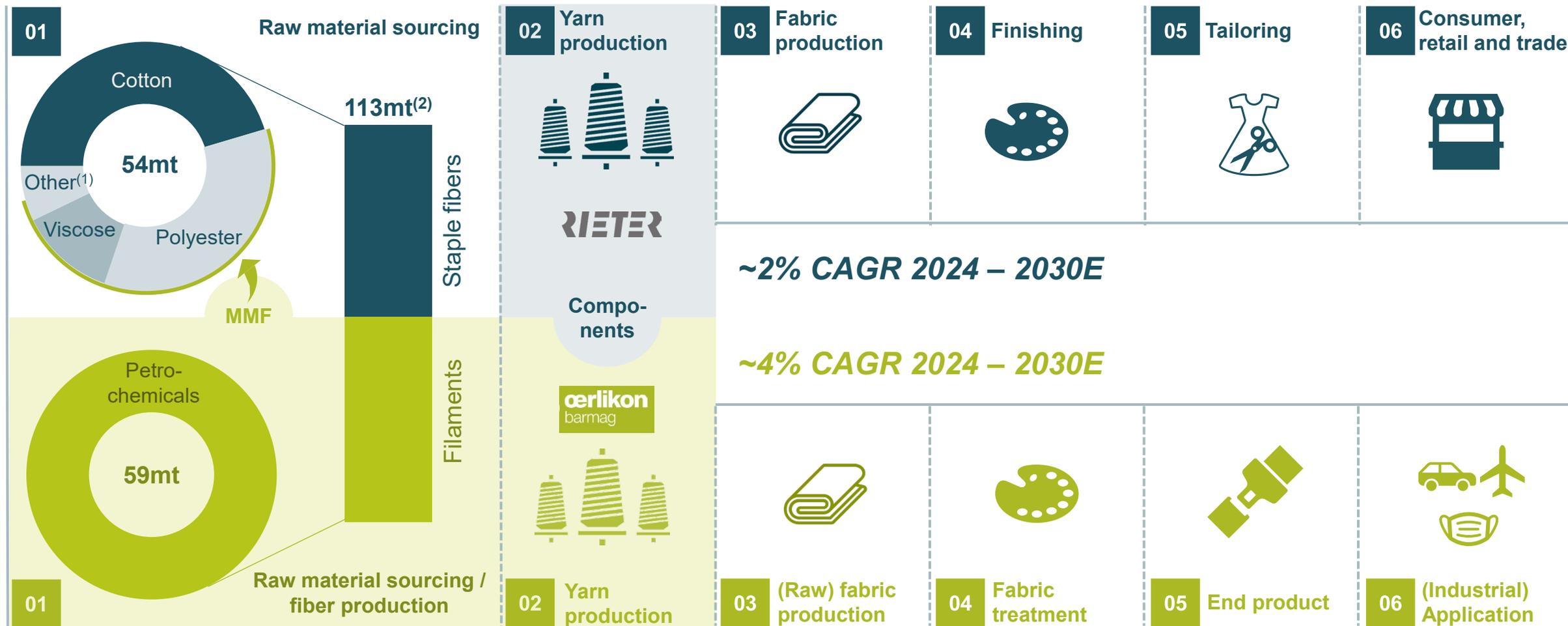
With manmade fiber offering higher growth opportunities

Final consumer demand (in megatons)



Sources: Company information, Wood Mackenzie, third-party research

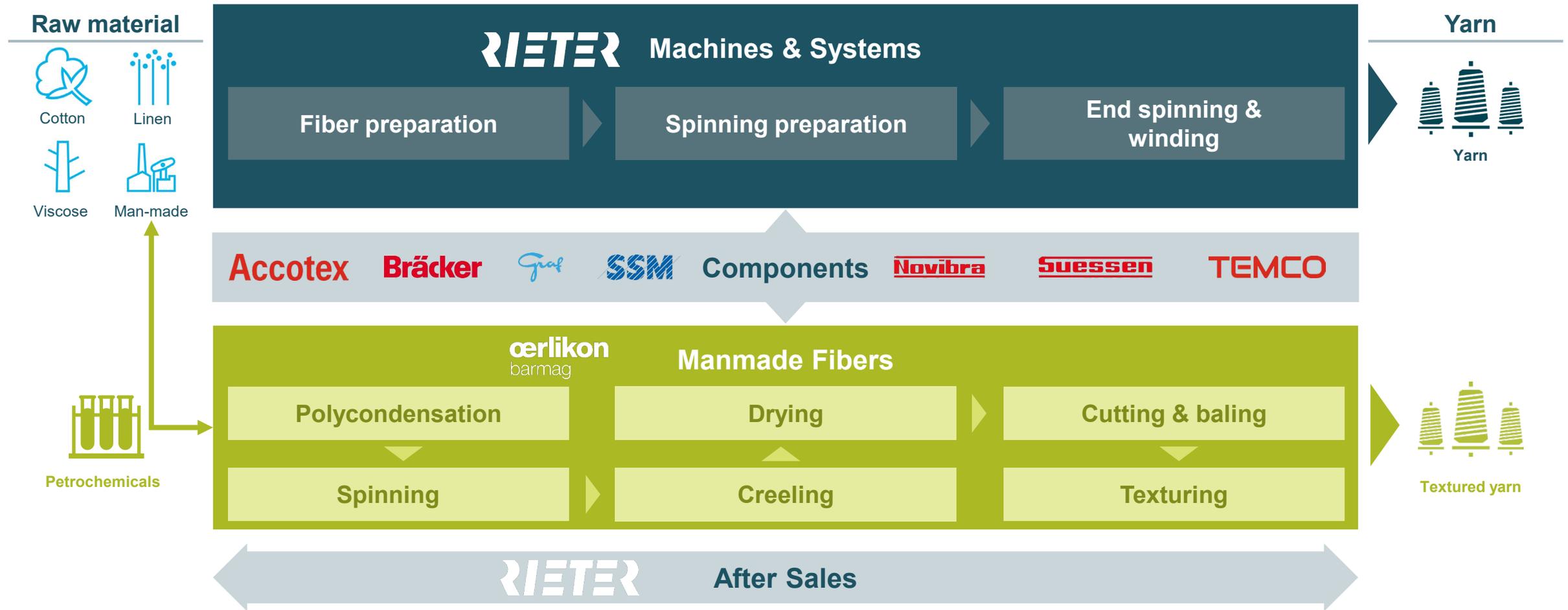
Untapping the World of Manmade Fibers for Broad Applications



Sources: Company information, Wood Mackenzie
 Note: (1) Other includes wool, acrylic, nylon, polypropylene; (2) Final consumer demand in Megatons (2024)



Comprehensive Solutions From Fiber and Melt to Yarn

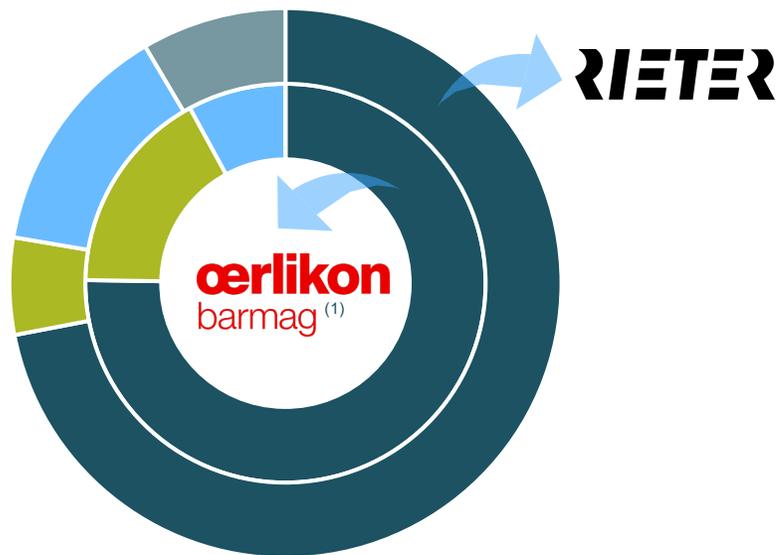




Complementary Footprint, Technologies and End-Markets

Strengthening footprint in key markets

Geographical sales split 2024



APAC
 Europe
 Americas
 Others

Diversifying end-market exposure

	RIETER	Barmag
Apparel and Functional Wear	●	●
Automotive		●
Transportation		●
Flooring and Infrastructure		●
Packaging		●
Medical and Filters		●

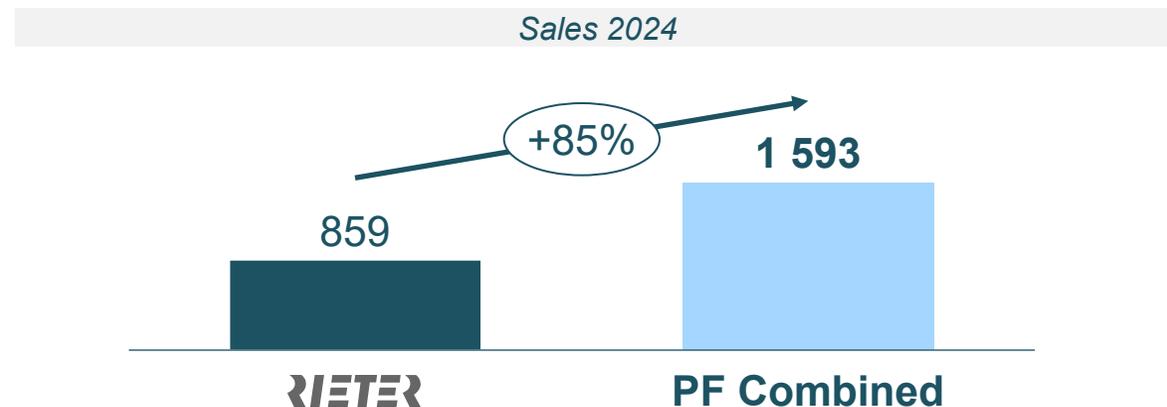
Sources: Company information

Notes: (1) Barmag sales split based on sales incl. HRSflow (not in perimeter); Europe includes sales for Türkiye

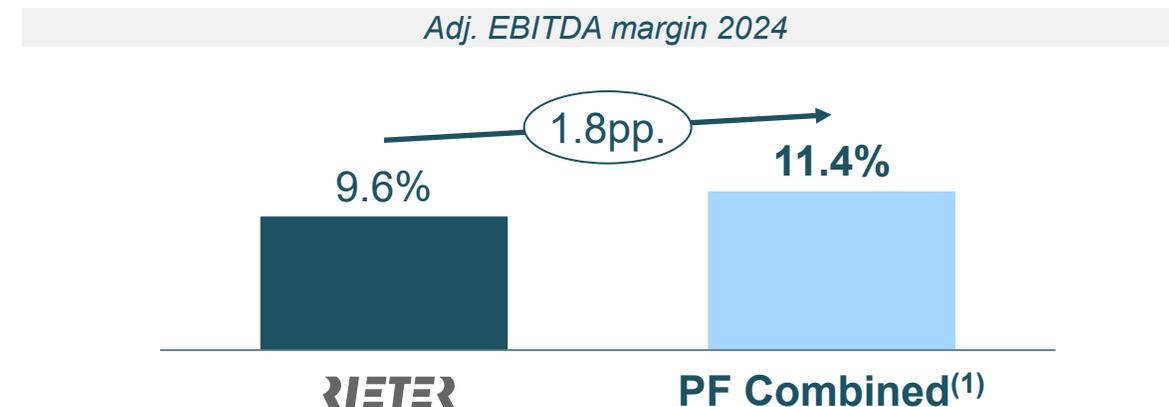


Transaction with Attractive Valuation Improves Financial Profile

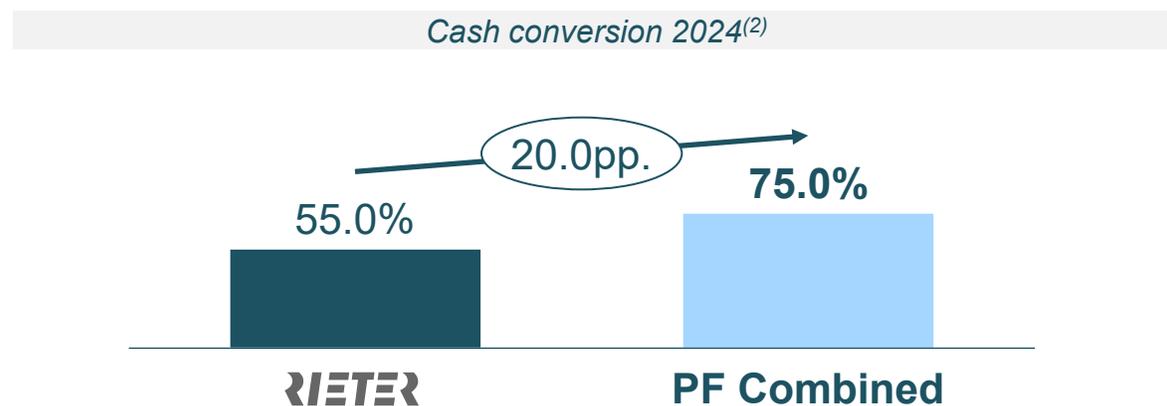
Almost doubling in scale...



with increased margins...



and enhanced cash generation...



while valuation paid below Rieter's multiple



Notes: "PF Combined" refers to preliminary, unaudited combined financials for FY 2024

(1) Adjusted EBITDA (for Barmag incl. stand-alone adjustments) and incl. run-rate synergies of CHF 20 million, but excl. transaction-related costs; (2) Calculated as (EBITDA (pre-IFRS) – CAPEX) / EBITDA (pre-IFRS) for PF Combined incl. incl. run-rate synergies of CHF 20 million, but excl. transaction-related costs; (3) EV and EBITDA excluding leasing; (4) EV based on 60d-VWAP of CHF 75.85 as per 2-May-25 (SIX); (5) Based on EV of CHF 850 million; (6) Incl. expected run-rate EBITDA synergies of CHF 20 million



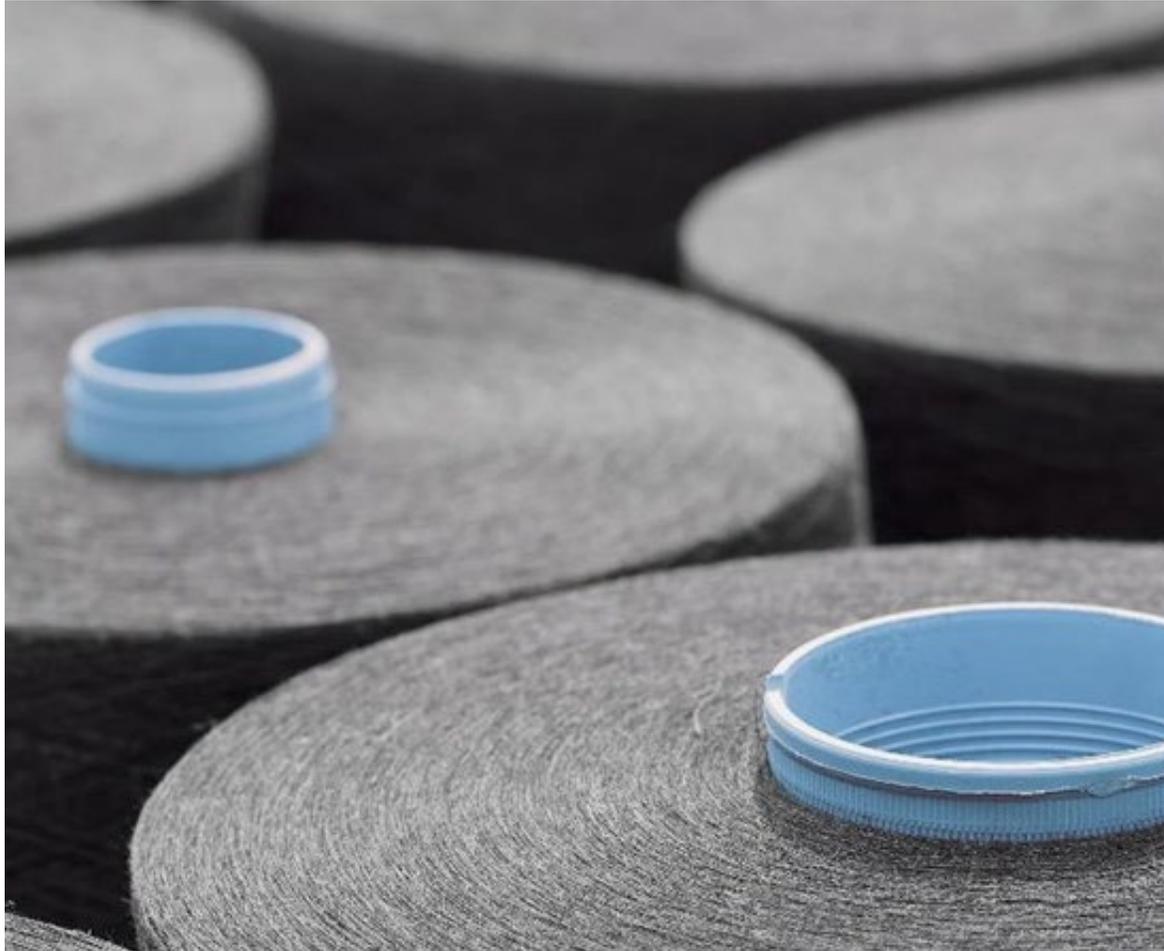
4 Summary and Process



Concluding Remarks

- **Unique opportunity for highly strategic acquisition** of a market leader in higher growing manmade fiber market
- **Accelerating Rieter's growth strategy by complementing offering as a global textile player**
- **Attractive valuation** at through-the-cycle EV / EBITDA⁽¹⁾ multiple of 6.3x below Rieter's own multiple
- **Financing secured** via bridge loans, with solid permanent capital structure after refinancing comprising of mix of cash-on-hand, syndicated loans and capital increase to maintain sustainable leverage
- Capital increase by way of **rights issue and private placement, backed by Rieter's two largest shareholders**
- Extraordinary General Meeting to obtain **shareholder approval for the capital increase planned for Q3 or Q4 2025**
- Transaction **subject to customary regulatory approval, envisaged closing in Q4 2025**

Notes: (1) Based on adjusted EBITDA for the financial years 2017-2024



5 Q&A

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