

RATIONAL

Statement

on the first
quarter of 2022

Fast.
Precise.
Versatile.

Consistently
enhanced.



Landsberg am Lech, 11 May 2022

Key figures	04
RATIONAL AG records second highest quarterly sales revenues in company's history in first quarter of 2022	05
New orders again at record high — around 300 million euros of new orders taken in the first quarter of 2022	05
Sales revenues of 225 million euros in the first quarter of 2022 — second best sales revenue figure in the company's history	05
iCombi and iVario — the new standards in cooking technology	05
54.5% gross margin in the first quarter of 2022	05
21.2% EBIT margin after three months	06
–11 million euros in operating cash flow	06
Employees	07
Contract extensions in the Executive Board	07
Outlook	07
Statement of Comprehensive Income	08
Balance Sheet	09
Cash Flow Statement	10
Statement of Changes in Equity	11
Legal notice/disclaimer	12

Key figures

	3 months 2022	3 months 2021	Change absolute	In m EUR Change in %
Sales revenues by region				
Germany	32.4	19.1	+13.3	+70
Europe (excluding Germany)	102.5	71.9	+30.6	+43
North America	38.8	30.9	+7.9	+26
Latin America	10.4	7.3	+3.1	+41
Asia	29.6	29.4	+0.2	+1
Rest of the world	11.6	9.1	+2.5	+27
Sales revenues abroad (in %)	86	89	-3	-
Sales revenues by product group				
iCombi	195.1	149.9	+45.2	+30
iVario	30.1	17.8	+12.3	+69
Sales revenues and earnings				
Sales revenues	225.3	167.7	+57.6	+34
Cost of sales	102.5	73.8	+28.7	+39
Gross profit	122.8	93.9	+28.9	+31
as a percentage of sales revenues	54.5	56.0	-1.5	-
Sales and service expenses	53.4	42.5	+10.9	+25
Research and development expenses	11.5	11.4	+0.1	+1
General administration expenses	11.5	9.7	+1.8	+18
Earnings before financial result and taxes (EBIT)	47.8	32.2	+15.6	+48
as a percentage of sales revenues	21.2	19.2	+2.0	-
Profit or loss after taxes	36.2	24.4	+11.8	+48
Balance Sheet				
Total equity and liabilities	817.5	689.7	+127.8	+19
Equity	639.6	558.4	+81.2	+15
Equity ratio in %	78.2	81.0	-2.8	-
Cash flow				
Cash flow from operating activities	-11.0	13.5	-24.5	-
Cash-effective investments	8.8	4.0	+4.8	+121
Free cash flow ¹	-19.8	9.5	-29.3	-308
Number of employees as at 31 March				
	2,304	2,174	+130	+6
Key figures for RATIONAL shares				
Earnings per share (in EUR)	3.19	2.15	+1.04	+48
Quarter-end closing price ² (in EUR)	627.00	662.50	-35.50	-5
Market capitalisation ^{2 3}	7,129	7,533	-404	-5

¹ Cash flow from operating activities less expenditures ² Xetra ³ As at balance sheet date

RATIONAL AG records second highest quarterly sales revenues in company's history in first quarter of 2022

- › **New orders again at record high**
- › **Further rise in orders on hand since the end of the year**
- › **Sales revenues up 34% on previous year in the first quarter of 2022**
- › **21% EBIT margin in the first quarter of 2022**
- › **Outlook confirmed**

New orders again at record high — around 300 million euros of new orders taken in the first quarter of 2022

The order situation has continued to improve since March 2021. Catch-up effects, government support programmes, long delivery times and the announcement of price increases have pushed orders to a very high level. In the first quarter of 2022, RATIONAL achieved a new order record of around 300 million euros, representing year-on-year growth of almost 70%. All regions contributed to this excellent performance. In Germany, the value of orders received roughly doubled compared to the prior-year quarter. They rose by around 80% in Europe as a whole, by 60% in North America, by 130% in Latin America and by slightly less than 20% in Asia.

This pushed orders on hand to a new record high of 380 million euros.

Sales revenues of 225 million euros in the first quarter of 2022 — second best quarterly sales revenue figure in the company's history

Sales revenues of 225.3 million euros (2021: 167.7 million euros) made the first quarter of 2022 the second best in the company's history. The only time RATIONAL's sales revenues were higher was in the last pre-crisis quarter (Q4 2019). This represents sales revenue growth of 34% compared to the first quarter of 2021, in which Covid-19 restrictions had

still caused lower sales revenues, especially in January and February.

This encouraging performance, despite the tight supply situation, was possible because of higher supplies of control computers (CPU) by our primary supplier than in previous quarters and initial supplies by our secondary supplier. The resulting increase in production volumes led to the positive sales revenue performance.

Germany was also the regional frontrunner in terms of sales revenues, recording a rise of 70%, followed by Europe as a whole (+ 43%), Latin America (+ 41%) and North America (+ 26%). Asia was at the previous year's level; here the first quarter of 2021 had already exceeded the comparative 2019 figure.

The exchange rates of the most important currencies moved favourably in the first three months of the current fiscal year. The US dollar and the Chinese yuan, in particular, had a positive impact on sales revenue performance and the EBIT margin. Changes in exchange rates boosted sales revenue growth by around three percentage points.

iCombi and iVario — the new standards in cooking technology

Both product groups performed equally successfully. In the iCombi product group, sales revenues were up 30% year-on-year in the first three months of 2022, at 195.1 million euros (2021: 149.9 million euros). In the iVario product group, sales revenues rose by an encouraging 69% to a new record level of 30.1 million euros (2021: 17.8 million euros).

54.5% gross margin in the first quarter of 2022

Cost of sales increased faster than sales revenues in the first three months, up 39% to 102.5 million euros (2021: 73.8 million euros). As a result, the gross margin contracted to 54.5% in this period (2021: 56.0%). The main reasons were higher commodity, primary product and logistics costs.

21.2% EBIT margin after three months

EBIT (earnings before financial result and taxes) in the first three months of the current fiscal year was 47.8 million euros, up by around half compared with the same period of 2021 (2021: 32.2 million euros). The EBIT margin was 21.2% (2021: 19.2%).

This year's EBIT margin in the first three months benefited from the very healthy sales revenue performance in combination with cost levels that increased more slowly than sales revenues. While sales revenues rose by 34% year-on-year, operating costs were only 20% above the prior-year level. Total operating costs amounted to 76.3 million euros in the first quarter of 2022 (2021: 63.6 million euros).

Operating costs in sales and service stood at 53.4 million euros in the first three months of 2022 (2021: 42.5 million euros), a year-on-year increase of 25%. Due to an increase in activities, the costs incurred, especially for sales events and business travel, rose again. Research and development expenses were virtually unchanged in the same period, at 11.5 million euros (2021: 11.4 million euros). Administration expenses went up by 18% year-on-year, to 11.5 million euros (2021: 9.7 million euros).

After three months of the current fiscal year, net currency gains amounted to 0.5 million euros (2021: gains of 1.5 million euros). Adjusted for all currency effects, the EBIT margin after three months in 2022 was 19.7%.

-11 million euros in operating cash flow

While operating activities accounted for a cash inflow of 13.5 million euros of the first three months of the previous year, a cash outflow of 11.0 million euros was recorded in the first quarter of 2022. The decline in the cash flow is mainly attributable to changes in trade accounts receivable. After generating over 40% of quarterly sales revenues in March, the high level of accounts receivable is a reporting date effect. The number of days sales outstanding (DSO) continues at the usual good level.

The cash flow from investing activities includes investments in property, plant and equipment and in intangible assets. These amounted to 8.8 million euros in the first quarter of 2022 (2021: 4.0 million euros). The main drivers are investments in the expansion of the Wittenheim location.

The cash flow from financing activities, a net outflow of 1.8 million euros, mainly represents the repayment of principal and interest in connection with bank loans (-0.4 million euros) and payments for lease liabilities in accordance with IFRS 16 (-2.2 million euros).

Employees

As a sustainable company, RATIONAL continued to invest in the first quarter of 2022 in maintaining and expanding the foundation of our success: our employees. Employees joined the company, especially in sales and product development, in order to be close to our customers and develop products and services tailored to our customers. In doing so, we sustainably secure our market and technology leadership. At the end of March 2022, the RATIONAL Group employed 2,304 people worldwide. Of this total, 1,319 were employed in Germany.

Contract extensions in the Executive Board

The Supervisory Board of RATIONAL AG has extended the contract with Dr Peter Stadelmann as Chief Executive Officer by another five years to November 2027. Dr Stadelmann joined the Executive Board at the end of 2012 and took over as Chief Executive Officer a year later. Likewise, the Supervisory Board extended the contract with Peter Wiedemann, Chief Technology Officer, until he retires at the end of 2024. Mr Wiedemann has worked for the company for 34 years, since 1999 as a member of the Executive Board. Both contract extensions highlight RATIONAL's business philosophy, which is aimed at stability and sustainability.

Outlook

Thanks to the strong sales development in the first quarter, we confirm the outlook for full-year 2022, with high orders on hand being the main contributing factor. New risks of gaps in supplies for electronic components make for a volatile environment. So far, we have been able to minimise the impact of these bottlenecks. We will only be able to fully assess the further consequences of the Ukraine crisis and the new lockdowns in China in the course of the year.

In 2022, we expect sales revenue growth of 10 to 15 percent compared with the previous year and an EBIT margin slightly up on the previous year. Should the aforementioned risks materialise more strongly than they did in the first four months, we expect lower revenue growth and an EBIT margin below the level recorded in the previous year.

Statement of Comprehensive Income

RATIONAL Group

Period: 1 January – 31 March	in kEUR	
	3 months 2022	3 months 2021
Sales revenues	225,250	167,699
Cost of sales	-102,459	-73,798
Gross profit	122,791	93,901
Sales and service expenses	-53,364	-42,528
Research and development expenses	-11,503	-11,370
General administration expenses	-11,459	-9,683
Other operating income	7,014	3,940
Other operating expenses	-5,716	-2,088
Earnings before financial result and taxes (EBIT)	47,763	32,172
Interest income	81	53
Interest expense	-160	-192
Other financial result	-305	-150
Earnings before taxes (EBT)	47,379	31,883
Income taxes	-11,161	-7,493
Profit or loss after taxes	36,218	24,390
Items that may be reclassified to profit and loss in the future: Differences from currency translation	5	-1,051
Other comprehensive income	5	-1,051
Total comprehensive income	36,223	23,339
Average number of shares (undiluted/diluted)	11,370,000	11,370,000
Earnings per share (undiluted/diluted) in euros, based on profit or loss after taxes and the number of shares	3.19	2.15

Balance Sheet

RATIONAL Group

Assets

	in kEUR		
	31 Mar 2022	31 Mar 2021	31 Dec 2021
Non-current assets	222,299	215,058	218,569
Intangible assets	10,226	6,204	8,303
Property, plant and equipment	197,434	192,668	196,078
Other financial assets	1,104	1,171	1,040
Deferred tax assets	10,396	13,178	9,973
Other assets	3,139	1,837	3,175
Current assets	595,208	474,594	565,269
Inventories	101,585	79,108	97,288
Trade accounts receivable	145,295	100,833	108,787
Other financial assets	68,120	13,153	84,877
Income tax receivables	7,316	10,141	7,691
Other assets	22,250	20,075	12,931
Cash and cash equivalents	250,642	251,284	253,695
Total equity and liabilities	817,507	689,652	783,838

Equity and liabilities

	in kEUR		
	31 Mar 2022	31 Mar 2021	31 Dec 2021
Equity	639,553	558,430	603,330
Subscribed capital	11,370	11,370	11,370
Capital reserves	28,058	28,058	28,058
Retained earnings	605,595	524,680	569,377
Other components of equity	-5,470	-5,678	-5,475
Non-current liabilities	34,535	31,970	34,345
Pension and similar obligations	5,819	6,650	5,785
Other provisions	10,902	9,128	10,780
Financial debt	708	1,771	944
Other financial liabilities	13,621	13,421	13,963
Deferred tax liabilities	1,153	30	677
Income tax liabilities	1,532	497	1,532
Other liabilities	800	473	664
Current liabilities	143,419	99,252	146,163
Other provisions	51,938	36,414	63,041
Financial debt	1,805	2,145	1,181
Trade accounts payable	32,991	22,949	28,440
Other financial liabilities	11,200	9,029	15,923
Income tax liabilities	7,492	5,513	9,077
Other liabilities	37,993	23,202	28,501
Liabilities	177,954	131,222	180,508
Total equity and liabilities	817,507	689,652	783,838

Cash Flow Statement

RATIONAL Group

	in kEUR	
Period: 1 January – 31 March	3 months 2022	3 months 2021
Earnings before taxes (EBT)	47,379	31,883
Cash flow from operating activities	-11,040	13,517
Capital expenditures in intangible assets and property, plant and equipment including proceeds from asset disposals	-8,752	-3,964
Cash flow from financial investments	18,157	12,902
Cash flow from investing activities	9,405	8,938
Cash flow from financing activities	-1,824	-2,890
Effects of exchange rate fluctuations in cash and cash equivalents	406	591
Change in cash and cash equivalents	-3,053	20,156
Cash and cash equivalents as at 1 January	253,695	231,128
Cash and cash equivalents as at 31 March	250,642	251,284

Statement of Changes in Equity

RATIONAL Group

in kEUR

	Subscribed capital	Capital re- serves	Retained earn- ings	Other components of equity		Total
				Differences from cur- rency translation	Actuarial gains and losses	
Balance as at 1 January 2021	11,370	28,058	500,290	- 3,078	- 1,549	535,091
Dividend	-	-	-	-	-	-
Profit or loss after taxes	-	-	24,390	-	-	24,390
Other comprehensive income	-	-	-	- 1,051	-	- 1,051
Balance as at 31 March 2021	11,370	28,058	524,680	- 4,129	- 1,549	558,430
Balance as at 1 January 2022	11,370	28,058	569,377	- 4,630	- 845	603,330
Dividend	-	-	-	-	-	-
Profit or loss after taxes	-	-	36,218	-	-	36,218
Other comprehensive income	-	-	-	5	-	5
Balance as at 31 March 2022	11,370	28,058	605,595	- 4,625	- 845	639,553

Legal notice and contact

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Disclaimer

This quarterly statement contains forward-looking statements that are based on assumptions and expectations at the time the report went to press (2 May 2022). They are subject to risks and uncertainties and the actual results may differ significantly from those in the forward-looking statements. Many of these risks and uncertainties are determined by factors that are outside the influence of RATIONAL AG and cannot be assessed reliably at present. They include future market conditions and economic trends, the actions of other market players, and legal and political decisions. RATIONAL AG is also not obligated to publish revisions to these forward-looking statements in order to reflect events or circumstances that have occurred after they were published.