

When it  
tastes great,  
we all speak  
**the same  
language.**

Letter to the shareholders  
Fiscal Year 2022

# Foreword by the Supervisory Board

“The focus on our core skills and the uncompromising customer benefit orientation have been like a compass, guiding our company through even the most difficult times. Very much in the spirit of our company’s founder, Siegfried Meister, we will continue to pursue this strategy in future and, as a result, emerge stronger from any crises.”

**Walter Kurtz**

Chairman of the Supervisory Board of RATIONAL AG

## Ladies and Gentlemen,

For Siegfried Meister, the founder of our company, a company had the right to exist only if it was able to offer the best possible benefit to its customers. This benefit ultimately determines a company’s success or failure. It is the very reason that, ever since the company was established in 1973, we at RATIONAL have been working to offer our customers the greatest possible benefit and the best solutions. It is also why we can now look back on a 50-year success story.

We concentrate on what we do best: the preparation of hot food in professional kitchens. It is the heart of any professional kitchen — or, as Siegfried Meister once put it, also its biggest bottleneck. If it is not possible to prepare high-quality meals efficiently and sustainably while maintaining strict hygiene standards, the operation will cease to function or fail to be competitive in the long run. We address this bottleneck and offer our customers solutions that work best in the given context.

In doing so, we have always flexibly tailored our offering to customer requirements, providing solutions to our customers — from eateries and large-staff restaurants down to supermarkets and petrol stations — to help them resolve their biggest bottlenecks. No matter whether the bottleneck is due to food-quality requirements, training for frequent new recruits or unskilled staff, or cost pressure, we at RATIONAL are always working to produce the best technology or service.

The unprecedented difficulties of the past few years have shown how important it is to react to shifting challenges and to be able to support customers. Shortages of skilled professionals in the hotel and catering sector have worsened further in the past three years, and dramatic rises in food and energy prices have added to the efficiency pressure on our customers.

To ensure their continued existence, commercial kitchens of the future need resource-efficient, durable cooking appliances that are easy to operate. In combination with ConnectedCooking, the iCombi and iVario show their full potential, especially in times like these. The interaction of high-quality hardware with our cooking intelligence helps our customers to operate the modern kitchen efficiently and sustainably while laying the foundation for a long-term business relationship.

The focus on our core skills and the uncompromising customer benefit orientation have been like a compass, guiding our company through even the most difficult times. This is part of the DNA of each and every entrepreneur in the company (U.i.U.) at RATIONAL. Very much in the spirit of our company's founder, Siegfried Meister, we will continue to pursue this strategy in future and, as a result, emerge stronger from any crises.

After this challenging year, I want to thank in particular all our customers for their loyalty. Special thanks also go to our suppliers and employees. Thanks to their maximum commitment and flexibility, they successfully contained the impact of supply-chain disruptions and kept production running at all times. And of course I want to thank our shareholders for their trust in our company.

For the Supervisory Board

A handwritten signature in black ink, appearing to read "Walter Kurtz". The signature is written in a cursive style with some flourishes.

**Walter Kurtz**  
Chairman of the Supervisory Board  
of RATIONAL AG

# Letter from the Executive Board



“Sales revenues of one billion euros are the result of top levels of satisfaction among our customers and employees. We attained these levels together in the past few years.”

**Dr Peter Stadelmann**  
CEO of RATIONAL AG

## Dear Shareholders, Customers and Business Partners,

After two difficult years during the pandemic, nobody could have expected 2022 to become even more challenging. But that is how it turned out. It makes us proud and satisfied that together we nevertheless achieved the best fiscal year in the company's history. For the first time ever, we exceeded the one-billion-euro mark. That is the result of two other record-breaking achievements: firstly our customers' satisfaction with our products and services, and secondly our employees' satisfaction with RATIONAL.

### Customer satisfaction increases from a very high level despite tense supply situation

Our lean production process means that we make to order. Supplies of all the necessary components are self-managed according to the Japanese Kanban principle, so we can respond to customer requirements quickly and efficiently. It only takes us a few short weeks from order placement to delivery to the customer, and if something is needed urgently, we deliver from our plants within 24 hours. The prestigious “Factory of the Year” award, which we won in Landsberg in 2022, is proof of our exceptional operating efficiency.

However, due to a lack of electronic components, the supply situation was tense for an extended period from September 2021 onwards. This caused delivery times to increase to up to nine months. Customer orders had to be pushed back repeatedly, and delivery dates postponed. For many of the customers affected, that was very unpleasant and unexpected, because they know RATIONAL as an extremely reliable supplier. The shortage of components also led to additional work for us along the entire value chain — from the sale to the dispatch of a cooking system.

Through their enormous efforts, our colleagues — or, as we refer to them, our entrepreneurs in the company (U.i.U.s) — worked fully in accordance with our philosophy, with a complete focus on service, with honesty and in close proximity to the customer. The result of their hard work and effort was that, in the satisfaction survey we carried out among more than 2,000 customers in the first half of 2022, we were rated even better than in 2021. With a net promoter score of 64, we exceeded the previous score by three points and were therefore rated twice as high as companies in our peer groups. We continue to be among the best companies overall, and that is the aim we pursue.

### **Employee satisfaction at a very high level despite unprecedented challenges**

The successes of the past year are due to our highly motivated workforce. They never gave up, and instead looked for different ways to improve production. Our U.i.U.s go the extra mile for our customers. And as a socially responsible company, we go the extra mile for our employees. We attach great importance to their health and satisfaction, so we ensure that our U.i.U.s are never put at a disadvantage by all the additional demands placed on them. We want to be a good employer for our motivated workforce. We achieve that by assigning meaningful, challenging tasks and inviting employees to contribute to the success of a sustainable company. A respectful, approachable corporate culture, modern working conditions and workspaces, gym subsidies, healthy food in our staff restaurants, and employee events or other offerings for our U.i.U.s make us an extremely attractive employer. In the middle of 2022, we increased salaries in Germany by an average of 5.1% to help compensate for the high rate of inflation. By paying a worldwide inflation premium — 2,000 euros per head in Germany — we expressed again in November how much we appreciate our dedicated U.i.U.s. In the biennial employee satisfaction survey, U.i.U. Compass, 87% of our employees confirmed to us in 2022 that they are proud to work at RATIONAL. For questions, for example, on the employment relationship per se, on respectful and open interaction based on trust, or on cooperation in their own team, we repeatedly achieved top ratings worldwide. In areas covered by the survey where the results were weaker because of the pandemic and the supply problems (such as workload and stress), we have taken measures for improvement.

### **Dividend of 11.00 euros and special dividend of 2.50 euros proposed**

Our dividend policy specifies that we should let our shareholders have a share of the company's success through a distribution ratio of about 70%. The Executive Board and Supervisory Board therefore propose a basic dividend of 11.00 euros. Since a reduced dividend had been paid in fiscal year 2020, we distributed a special dividend of 2.50 euros last year. For fiscal year 2022, the Executive Board and Supervisory Board will again propose a special dividend of 2.50 euros to the General Shareholders' Meeting. This will completely make up for the reduction in the 2020 dividend payment prompted by the pandemic. Even after the proposed dividend, which will total 13.50 euros per share and represent a distribution ratio of 85%, there will still be sufficient liquidity in the company.

### **Outlook on 2023: high single-digit sales revenue growth and EBIT margin slightly below prior-year level expected**

Our strategy of focus and customer centricity as well as the RATIONAL culture once again proved their effectiveness. They will also help us in 2023, where there may be some short-term uncertainties. We are absolutely convinced, however, of the enormous free-market potential for our cooking systems. Only about a quarter of the potential customers that can afford a combi-steamer from RATIONAL, meet the technical requirements, and have a compatible food menu currently use a combi-steamer to prepare meals. Market penetration of the iVario is only just beginning. Only 4% of the 1.6 million customers that we can address work with a multifunctional cooking system. Our task is to convert these kitchens from traditional technology to our multifunctional intelligent cooking systems. Since we continually enhance our cooking systems and their cooking intelligence and tap into new customer groups, we are very confident that we will be able to maintain our past growth trend in the medium to long term.

After three years with many exogenous fluctuations, we expect sales revenues to grow in 2023 by a high single-digit percentage from the previous year. We expect the EBIT margin to be slightly below the prior-year level, considering the persistently high material costs, including follow-on costs in some cases, as well as future investments required for market development, our production, IT, and the sales team.

These investments include those in a combi-steamer tailored to customers from China. To achieve higher penetration of the Chinese market, we have resolved to have a RATIONAL combi-steamer developed by a local team with support from Landsberg and to manufacture and sell the appliance in China from 2025 onwards. Due to the local cost advantages, this combi-steamer will be more affordably priced while still exceeding the quality standards of its target customers. For many kitchens in regions of China that are still less developed, those containing many of the tier-3 and tier-4 cities, we are thus creating opportunities for the early adoption of a modern RATIONAL cooking system, combined with significant improvements in their sustainability, efficiency and food quality. As part of this initiative, we will recruit 40 to 50 employees by 2025 and invest around 25 million euros in a manufacturing facility in the Shanghai area.

On behalf of the entire Executive Board, I want to thank all our customers and business partners. We appreciate your loyalty — despite some inconveniences. I likewise want to thank our U.i.U.s, who once again mastered unexpected and unprecedented demands in 2022. We are also immensely grateful to our shareholders for their trust during challenging times. Together, we have not only overcome these challenges, but also drawn strength in the process.

We are celebrating our 50-year anniversary in 2023. I look forward to celebrating this event together with our business partners, shareholders and U.i.U.s and to shaping the future of our company in a way that ensures the highest levels of satisfaction among our customers.

Best regards



**Dr Peter Stadelmann**  
CEO of RATIONAL AG