

Letter from the Executive Board on the first quarter of 2025



“Our close focus on food, which is a basic need, makes our business model more resilient than those of the majority of companies in other industries.”

Dr Peter Stadelmann
CEO RATIONAL AG

**Dear Shareholders,
Customers and Business Partners,**

The most important effect of free markets is that, as if by themselves, they ensure that companies and economies are competitive. In order to survive in free trade, companies must be innovative and efficient so that they can permanently offer high quality at attractive prices. They thus provide real benefit for their customers and improve their customers' competitive capability and economic agility and their own.

With its aggressive tariff policy, the United States is currently putting free world trade at risk. This behaviour is hitting an ailing economy in China and in parts of the European Union. But economists expect it to have a negative impact especially on the economy and consumers in the United States.

Our cooking systems are manufactured in Germany and France and exported to the United States. This means that we will also be affected by the new US tariffs, as will most of our competitors, who are largely based in Europe. And the few US-based competitors will also indirectly be impacted by tariffs on imported primary products such as stainless steel.

It remains to be seen how the commercial kitchen industry will respond. It is, however, to be expected that at least some of the additional costs will be passed on by way of price adjustments. In the United States, the prices of kitchen equipment already went up slightly shortly after the tariffs were announced, even before they took effect. That means that eating out is also likely to become more expensive for guests in restaurants and canteens.

Ladies and gentlemen, as you know, we at RATIONAL generally try to avoid price increases and offset higher costs through greater efficiency – in other words, greater competitiveness. We differ from most competitors in this regard.

By the editorial deadline for this publication, it was not possible to reliably estimate the actual tariffs and their specific impact. We are therefore closely following the volatile situation and preparing respective measures according to the various scenarios.

Our close focus on food, which is a basic need, makes our business model more resilient than those of companies in other industries. If the trade dispute leads to a recession in the United States and other key markets, we could also be affected. If that materialises – which we do not currently anticipate – it would also be more difficult for us to meet our targets.

We are therefore all the more pleased with the results of the first quarter of 2025. Sales revenues increased by 3% and, at 295 million euros, we generated the highest sales revenues ever in a first quarter – even though we are comparing them to a strong previous year, which had seen major orders in Japan and China in the first quarter of 2024. The EBIT margin of 24.4% met our expectations.

That makes us confident for the remainder of the year. We assume that we have returned to normal seasonality, leading to a weaker first quarter. In the past, the first quarter has on average accounted for 23% of annual sales revenues. Also for this reason, we anticipate that we will achieve the target formulated in the annual report of growth in the mid-single-digit percentage range and an EBIT margin of around 26%. The order situation in April has also confirmed our assessment.

We give our best for our customers every day. And our customers in turn give everything for their guests to offer them good service and delicious, healthy food. I want to tell you a success story relating to our new iHexagon to illustrate this. For all those feeling hungry early in the morning or late at night but do not have time to cook, our customer PC Tank in Luxembourg is there to help. No matter whether early bird or night owl, everyone can find delicious food at PC Tank. Like at RATIONAL, customer satisfaction is one of PC Tank's top corporate goals.

The chain of service stations operates 24 outlets in Luxembourg, all of which are renowned for good food – regardless of their size. With its own brand, Gourmet Rapide, it has set a new standard in the market, and customers can look forward to the same quality of food in all its outlets. This success leads to higher demand and calls for greater speed – without compromising on quality. After all, guests should not have to wait long. PC Tank solved this bottleneck with our iHexagon. The rapid preparation and post-preparation of top-quality food ensures that consistent standards are maintained in the different outlets. The speed of the iHexagon guarantees that every customer is served quickly, enabling them to continue their journey well fed and happy. With success stories such as this one, we can look into the future with confidence.

We reached another milestone with our connectivity solution, ConnectedCooking. Over 100,000 appliances are now connected around the world. ConnectedCooking enables our customers to optimise their processes and make more efficient, more sustainable use of their cooking systems. This positive development also shows us that not only high-quality cooking performance but also the supporting services are important decision factors for our customers that underpin our strong market position.

We remain confident about the long term. Our healthy balance sheet and high liquidity give us decisive competitive advantages and help us to foster innovation and take good care of our customers, business partners and employees, even in a difficult environment. We believe that growth rates in the mid to high single-digit percentage range and an EBIT margin of around 25% to 26% are achievable on a lasting basis.

And we want to let you, our shareholders, have an appropriate share of the company's success. The Supervisory Board and Executive Board of RATIONAL AG will therefore propose to the 2025 General Meeting of Shareholders to distribute a dividend of 15.00 euros per share. This is in line with our dividend policy to distribute an average of around 70% of our consolidated net profits as dividends to our shareholders.

I would be delighted to continue to have you among our shareholders and look forward to shaping a successful future jointly with you.

Best regards,

A handwritten signature in black ink, appearing to read "P. Stadelmann". The signature is fluid and cursive, with a stylized "S" at the end.

Peter Stadelmann
CEO RATIONAL AG