

Re-imagined, re-invented

Thermal food preparation with RATIONAL

We are the global market and technology leader in innovative solutions for thermal food preparation in the professional kitchens of the world with a market share of around 50%. A key factor in our success is our strong orientation towards our customers. Our company's ethos: "We offer the greatest possible benefit to the people preparing hot food in the professional kitchens of the world."

The flagship product is the new iCombi Pro, launched in May 2020, the successor to the SelfCookingCenter, a combi-steamer with intelligent cooking processes. Heat is transferred via steam and hot air. The software controls the cooking process until the desired result is achieved. The iCombi Pro replaces conventional cooking appliances like the grill, stove or oven. As a complementary product, RATIONAL also offers the new iVario, also launched in 2020, the successor to the VarioCookingCenter. It cooks with contact heat or in liquid and can replace other traditional cooking appliances like deep-fat fryers, boiling pans or tilting frying pans.

Alongside our powerful, high-quality iCombi and iVario product groups, we offer a comprehensive range of services for the entire duration of the business relationship, enabling our customers to make the best possible use of their appliances at all times. With our ConnectedCooking online platform for professional chefs, we offer our customers a cloud-based connectivity solution. They can use it to connect their appliances, monitor and control them remotely, update them, and transfer cooking programs. In addition, with ConnectedCooking Pro, we offer our customers other fee-based digital applications to optimise their kitchen processes. We generate around 72% of our sales revenues with our multifunctional cooking appliances, and the rest with accessories, care products, service parts and services.

Our appliances are ideal for any organisation in which at least 20 warm dishes are prepared per meal. Our customer base ranges from restaurants and hotels to large-scale catering operations, such as company canteens, hospitals, schools, universities, military facilities, prisons and retirement homes, quick service restaurants, caterers, supermarkets, bakeries, snack outlets, butchers' shops, service stations and delivery services, including ghost kitchens, as they are known.

According to our estimates, the potential global market comprises more than four million customers, of which around 25% currently use combi-steamers. The vast majority are still using conventional cooking technologies. Since the iCombi can replace not only conventional cooking technology but also standard combi-steamers thanks to its cooking intelligence, we see additional untapped market potential. Whereas, with the iVario, we currently estimate the overall potential to be lower, given the relatively smaller number of two million potential customers. As the product has only been on the market for a few years, market penetration is still very low. We therefore consider the market potential of the iVario to be correspondingly low. However, this huge untapped market potential will allow us to grow as we further penetrate the market and as demand for replacements rises.

The coronavirus crisis took our company and especially our customers by surprise in the 2020 fiscal year. It led to severe disruption

and uncertainty in almost all of our customer groups, temporarily reducing the willingness and ability to invest. As a result, we are seeing accelerating changes among our customer groups (large-scale catering operations, restaurants with or without service, retail). We are glad today that we aligned our structures many years ago to business with a wide variety of customer groups. As a result, we are now well prepared for these changes.

With regard to the coronavirus crisis, we believe that the market's potential basically remains intact. The daily number of meals that have to be prepared worldwide is growing. And the places where they are prepared are changing. Many of the megatrends continue: population growth, urbanisation and rising prosperity continue unabated in some emerging economies. In-store cafés and restaurants, the delivery business, and ghost kitchens are expanding during this crisis.

It is part of our corporate philosophy to exploit this potential organically. We are frequently the trailblazers in developing new markets. This leads to increased brand recognition and makes a lasting contribution to consolidating and building on our position as the global market leader. Currently, we maintain a presence in over 120 countries through our own sales companies and independent sales partners.

One key foundation of our company's success is our focus on professional kitchens and on their core activity: cooking. Through this specialisation, we can offer our customers ever better solutions and thereby continuously increase their benefit. Our products set standards for cooking intelligence, cooking quality, user-friendliness, resource efficiency and connectivity. They can perform practically all cooking processes. They can grill, steam, gratinate, bake, proof, roast, braise, simmer, stew, poach, blanch, deep-fry, cook at low temperatures, and much more. As a result, they replace virtually all conventional cooking equipment in the professional kitchen and are winning over more and more customers worldwide.

Today, the RATIONAL combi-steamer is considered one of the most important cooking appliances in a professional kitchen. We are regarded as a provider of innovative solutions, supplying high-quality, reliable products accompanied by an outstanding level of service quality. According to our customer satisfaction surveys, more than 90% of our customers recommend RATIONAL to others. As a result, we continue to enjoy a significant market lead. In view of this, there is a reasonable prospect that RATIONAL will emerge stronger from the crisis. Our customers continue to be highly satisfied and loyal. Our latest product innovations have given our customers even greater benefits and even more reasons to upgrade or make an initial purchase. Especially in these uncertain times, we are proud to once again be setting new benchmarks with the global launch of our completely new cooking systems and, as a result, increasing the benefit for our customers once more.

Another key success factor is the principle of the "Entrepreneur in the Company" (U.i.U.[®]). The U.i.U. entrepreneurs operate as independent business people within their own area of responsibility, make the necessary decisions independently and take responsibility for them, always with the focus on customer benefit. Even during the coronavirus crisis, our U.i.U. entrepreneurs have skilfully adapted to the new situation and have done everything in their power to help our customers in the best possible way. At the end of 2020, we employed just under 2,200 people, over half of whom are in Germany.

We will continue to deal with the negative effects of the coronavirus crisis on the global economy and the food service sector in 2021. We expect the existing restrictions on our customers to continue in 2021, at least in part. We are taking some of the lessons learned from the 2020 crisis year on board and have structured our processes accordingly to ensure that we can be there for our customers even when contact and travel are subject to restrictions. We have successfully switched our sales, service and marketing processes to digital formats so that we can reach and inform our customers and business partners through, for example, webinars, live streams and uploaded videos. Both during and after the crisis, RATIONAL's solutions have helped overcome worsening staff shortages while satisfying greater demands for efficiency and stricter hygiene regulations.

One result of the high level of customer and employee satisfaction is our positive financial performance. Our exceptionally healthy balance sheet and good liquidity position means that even in a crisis we can continue to foster innovation and take good care of our customers, business partners, and employees. Our independence, endurance and freedom to act give us a decisive competitive edge and reflect our high level of commitment and stability in the crisis. We at RATIONAL, together with our employees, are striving to withstand the coronavirus so that we can also be at full strength for our customers after the crisis. After riding out the crisis, we believe that we will be able to return to growth rates in the high single-digit range with EBIT margins of around 25%, an equity ratio of around 80% and a payout ratio at the pre-crisis level.

Our product portfolio

Maximum customer benefit through easy handling, best cooking quality, maximum efficiency and state-of-the-art connectivity solution



iCombi®
The new standard

In May 2020, we launched the iCombi Pro, successor to the SelfCookingCenter®, and the iCombi Classic basic model, successor to the CombiMaster® Plus, onto the market. The iCombi Pro is a combi-steamer with intelligent cooking processes. The heat during cooking is transferred via steam, hot air or a combination of the two. The software used recognises the size and consistency of the food and independently determines the optimum cooking process, ensuring that the desired result is always achieved with the utmost precision. The chef can optimise the cooking process in terms of maximum speed, energy savings, or time. The iProductionManager of the iCombi does this by optimising the production processes for different dishes. The iCombi Pro has a 12-minute automatic cleaning program that helps boost capacity. Other unique selling points of the iCombi are its high resource efficiency, ease and flexibility of use as well as its minimal requirements for cleaning and care. That leaves the cook time for the essentials: creativity and the well-being of the guests. With seven appliance sizes, we can offer the right product for every customer. The iCombi is produced at the company's headquarters in Landsberg am Lech and distributed worldwide.



iVario®
The new performance class

The iVario, successor to the VarioCookingCenter®, is a multifunctional cooking appliance. It cooks in liquids or with contact heat and is significantly faster than comparable products, with far lower energy consumption. It can therefore replace conventional cooking appliances such as tilting frying pans, boiling pans, deep-fat fryers and pressure braising pans. The cooking intelligence controls the cooking process fully automatically and perfectly matches it to the desired results for the dishes. The chef is notified as soon as action should be taken. Nothing boils over, nothing burns. The patented iZoneControl allows the pan base to be divided into up to four zones so that different foods can be prepared simultaneously at different temperatures. Another new feature is that the appliance can be height-adjusted, which also improves the work ergonomics for the kitchen staff. From restaurant businesses to communal catering establishments, we offer the ideal solution for all markets and customer groups with the four different models in the iVario range. The iVario is manufactured in Wittenheim in France and has been marketed in almost all regions worldwide since June 2020.



ConnectedCooking
The innovative connectivity solution

With ConnectedCooking, we offer our customers an online portal for the professional kitchen, comprising a free, cloud-based connectivity solution. Our customers can use it to connect their appliances, control them remotely, update their software and transfer cooking programs.

With more than 120,000 members, ConnectedCooking is the biggest online platform for professional chefs. Since 2020, we have also been offering our customers other fee-based digital applications for hygiene, recipe and asset management with ConnectedCooking Pro, aimed at further simplifying the workflows in the day-to-day kitchen routine and providing even more safety and efficiency. The first customers in the German and Austrian markets are already using ConnectedCooking Pro. The services are aimed in particular at businesses that produce more than 1,000 meals a day or at several locations.

Key Figures

	in m EUR			
	2020	2019	Change absolute	Change in %
Sales revenues by region				
Germany	83.9	99.6	-15.7	-16
Europe (excluding Germany)	295.0	376.7	-81.7	-22
North America	112.0	158.8	-46.8	-29
Latin America	24.1	46.7	-22.6	-48
Asia	102.2	119.6	-17.4	-15
Rest of the world	32.4	42.1	-9.7	-23
Sales revenues abroad (in %)	87	88	-1	-
Sales revenues by product group				
Combi-steamer	580.6	769.1	-188.5	-25
VarioCookingCenter/iVario	69.0	74.5	-5.5	-7
Sales and earnings				
Sales revenues	649.6	843.6	-194.0	-23
Cost of sales	289.5	346.1	-56.6	-16
Gross profit	360.1	497.6	-137.5	-28
as a percentage of sales revenues	55.4	59.0	-3.6	-
Sales and service expenses	166.9	198.1	-31.2	-16
Research and development expenses	41.7	42.0	-0.3	-1
General administration expenses	36.6	37.3	-0.7	-2
Earnings before interest and taxes (EBIT)	106.8	223.4	-116.6	-52
as a percentage of sales revenues	16.4	26.5	-10.1	-
Net income	80.1	171.6	-91.5	-53
Balance sheet				
Balance sheet total	670.7	698.7	-28.0	-4
Equity	535.1	517.4	+17.7	+3
Equity ratio (in %)	79.8	74.0	+5.8	-
Cash flow				
Cash flow from operating activities	92.7	198.6	-105.9	-53
Cash-effective investments	33.4	40.7	-7.3	-18
Free cash flow ¹	59.3	158.0	-98.7	-62
Employees				
Number of employees as at 31 Dec	2,180	2,258	-78	-3
Number of employees (average)	2,242	2,221	+21	+1
Key figures RATIONAL shares				
Earnings per share (in EUR)	7.04	15.09	-8.05	-53
Year-end closing price ² (in EUR)	761.50	717.00	+44.50	+6
Market capitalisation ^{2 3}	8,658	8,152	+506	+6

¹ Cash flow from operating activities less investments

² Xetra ³ As at balance sheet date

Global presence

Sales revenues by region in 2020



Key figures for RATIONAL shares

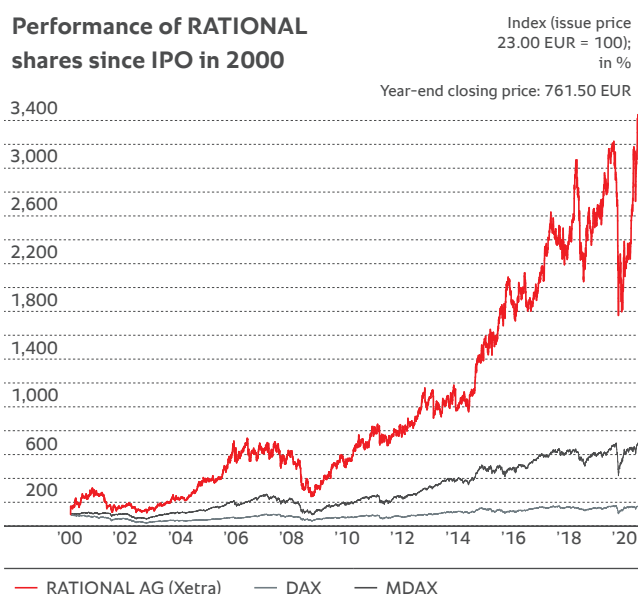
Key figures

		2020	2019
Maximum price last 12 months ²	EUR	792.50	726.00
Minimum price last 12 months ²	EUR	377.20	487.00
Year-end closing price ²	EUR	761.50	717.00
Market capitalisation ^{1,2}	m EUR	8,658	8,152
Dividend yield ³	%	0.6	0.8
Beta factor (one year) as of 28 Dec ⁴	%	0.95	0.78
Sales revenues per share	EUR	57.13	74.20
Price-to-sales ratio ¹		13.3	9.7
Earnings per share	EUR	7.04	15.09
Price-earnings ratio ¹		108.1	47.5
Cash flow per share	EUR	8.15	17.47
Price-cash flow ratio ¹		93.4	41.0

¹ As at balance sheet date ² Xetra ³ In relation to the year-end closing price

⁴ In relation to the MDAX

Performance of RATIONAL shares since IPO in 2000



RATIONAL shares – basic information

Number of outstanding shares	11,370,000
Shareholder structure	Holding shares 55.2%, free float 44.8%
ISIN	DE0007010803
WKN	701 080
Market abbreviation	RAA
Status:	2 March 2021

Financial calendar 2021

Financial Figures Fiscal Year 2020 and Balance Sheet Press Conference Fiscal Year 2020	Virtual	24 Mar '21
RATIONAL Analysts' Day 2021	TBD	TBD
Financial Figures Q1 2021	Virtual	6 May '21
General Shareholders' Meeting 2021	Virtual	12 May '21
Financial Figures Half Year 2021	Virtual	05 Aug '21
Financial Figures 9 Months 2021	Virtual	03 Nov '21

The Executive Board

Dr Peter Stadelmann, CEO

Peter Wiedemann, CTO

Markus Paschmann, CSO

Jörg Walter, CFO

The Supervisory Board

Walter Kurtz, Chairman

Dr Hans Maerz, Deputy Chairman

Dr Gerd Lintz

Werner Schwind

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10-year overview

Key figures

Earnings situation		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Sales revenues	m EUR	650	844	778	702	613	564	497	461	435	392
Sales revenues abroad	%	87	88	88	87	87	87	87	87	86	85
Sales revenues combi-steamer	m EUR	581	769	712	646	567	529	467	436	413	372
Sales revenues VarioCookingCenter/iVario	m EUR	69	75	66	58	47	39	33	28	26	23
Gross profit ¹	m EUR	360	498	457	421	379	349	304	281	262	234
as a percentage of sales revenues		55	59	59	60	62	62	61	61	60	60
EBITDA	m EUR	136	248	219	199	176	169	154	136	130	109
as a percentage of sales revenues		21	29	28	28	29	30	31	30	30	28
EBIT	m EUR	107	223	205	188	167	160	145	128	123	102
as a percentage of sales revenues		16	26	26	27	27	28	29	28	28	26
Profit or loss after taxes	m EUR	80	172	157	143	127	122	110	97	93	79
as a percentage of sales revenues		12	20	20	20	21	22	22	21	21	20
Earnings per share (basic)	EUR	7.04	15.09	13.84	12.58	11.18	10.71	9.68	8.55	8.20	6.93
Return on equity (after taxes) ²	%	15	35	36	35	34	37	38	38	42	35
Return on invested capital (ROIC) ³	%	15	34	34	33	31	34	34	35	38	33
Asset situation											
Total assets	m EUR	671	699	604	571	540	483	423	377	326	283
Equity	m EUR	535	517	456	425	397	356	311	269	237	207
Equity ratio	%	80	74	75	74	74	74	73	71	73	73
Liabilities to banks	m EUR	5	10	12	14	28	28	33	34	25	19
Cash and cash equivalents (including fixed deposits)	m EUR	256	231	192	267	278	267	225	200	166	121
Net financial position ⁴	m EUR	251	222	180	253	250	239	193	166	141	102
Fixed assets	m EUR	203	191	152	127	102	79	69	61	56	54
Investments	m EUR	31	40	40	43	25	19	17	12	9	6
Working capital (excluding liquid funds) ⁵	m EUR	152	161	150	118	108	99	93	84	75	79
as a percentage of sales revenues		23	19	19	17	18	17	19	18	17	20
Cash flow/investments											
Cash flow from operating activities	m EUR	93	199	144	146	130	143	113	103	111	68
Cash flow from investing activities	m EUR	38	-55	-56	77	-97	-11	-39	-28	-38	61
Cash flow from financing activities	m EUR	-79	-119	-128	-128	-87	-83	-71	-57	-57	-106
Employees											
Number of employees as at year-end		2,180	2,258	2,113	1,884	1,713	1,530	1,424	1,341	1,263	1,224
RATIONAL shares											
Year-end closing price ⁶	EUR	761.50	717.00	496.00	537.20	424.00	419.90	259.75	241.10	218.00	168.20
Year-end market capitalisation	m EUR	8,658	8,152	5,640	6,108	4,821	4,774	2,953	2,741	2,479	1,912
Payout ⁷	m EUR	55	65	108	125	114	85	77	68	65	63
Dividend per share ⁷	EUR	4.80	5.70	9.50	8.80	8.00	7.50	6.80	6.00	5.70	5.50
Special dividend per share ⁷	EUR	-	-	-	2.20	2.00	-	-	-	-	-

¹ Since 2018 reporting of costs incurred in connection with the installation and set-up of appliances under cost of sales, 2017 had been adjusted accordingly, under sales and service expenses up until 2016

² Earnings after tax in relation to average equity for the respective fiscal year

³ Profit after tax less finance costs divided by the invested capital (equity + interest-bearing borrowings)

⁴ Liquid funds less liabilities to banks

⁵ Total inventories and trade receivables less trade accounts payable and advance payments received

⁶ Xetra

⁷ Payout in the following year, dividend for 2020 subject to approval by the 2021 General Meeting of Shareholders