

re-imagined
re-invented



Earnings Call – 9M 2021
Landsberg am Lech, 03 November 2021

Key figures 3M 2021

207 mEUR

Sales revenues

+23%

Increase in
sales revenues

55%

Gross
margin

24%

EBIT
margin

69 mEUR

Operating
cash flow

5 mEUR

Investments

76%

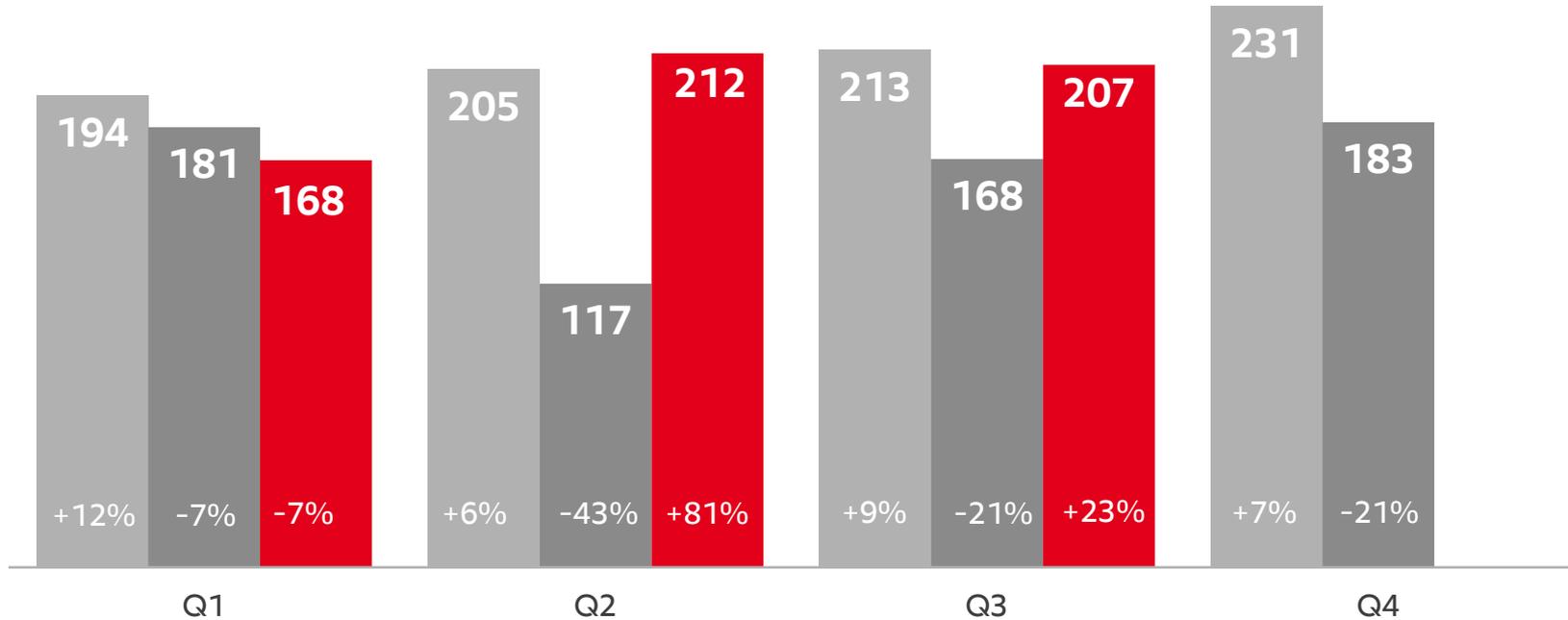
Equity
ratio

307 mEUR

Liquidity

Third quarter up 23% and slightly below pre-crisis level

Sales revenues per quarter



Sales revenues in mEUR
Sales revenues growth in %

2019 2020 2021

Key figures 9M 2021

586 mEUR

Sales revenues

+26%

Increase in
sales revenues

56%

Gross
margin

23%

EBIT
margin

145 mEUR

Operating
cash flow

16 mEUR

Investments

76%

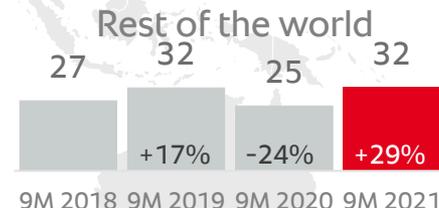
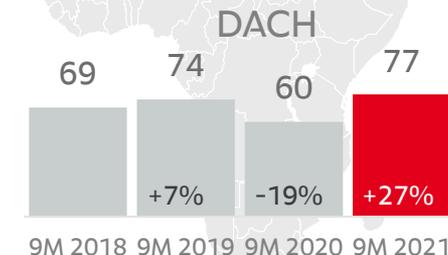
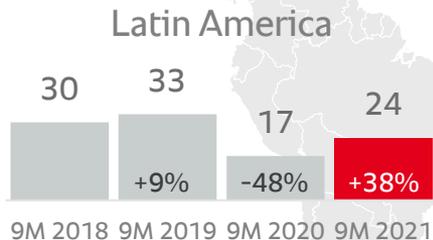
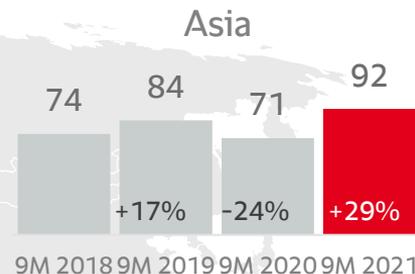
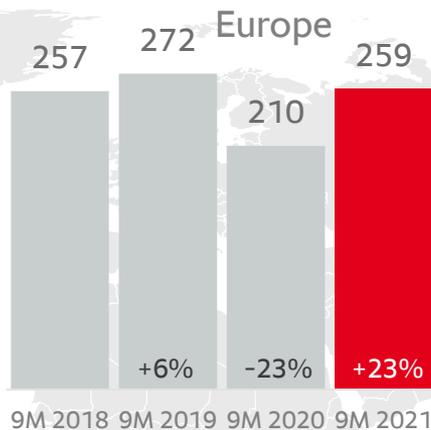
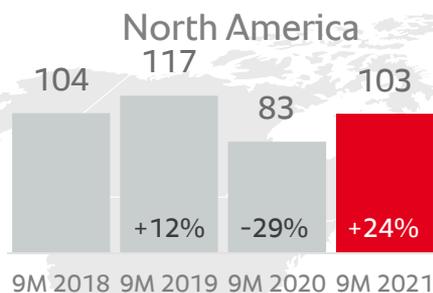
Equity
ratio

307 mEUR

Liquidity

Sales revenues 9M 2021 by region

Asia and DACH top pre-Covid19 level of 2019



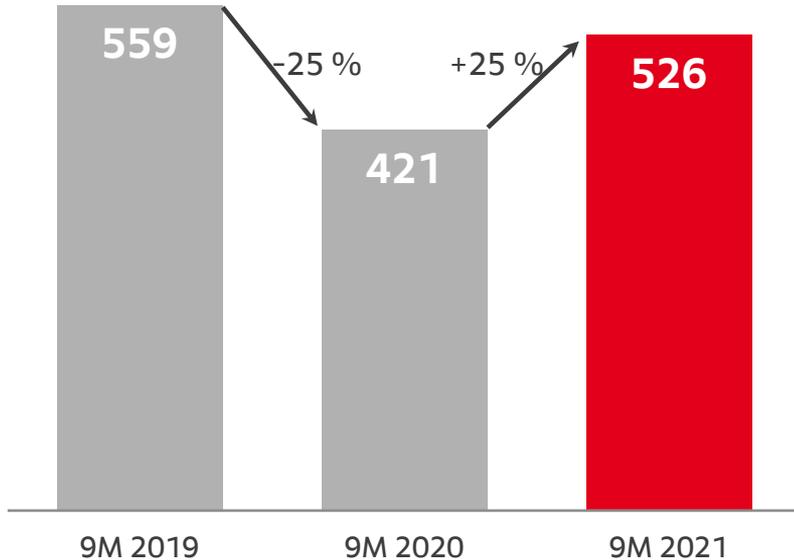
Sales revenues in mEUR
Sales revenues growth compared to previous year

Individual values and totals may differ in some cases due to rounding.

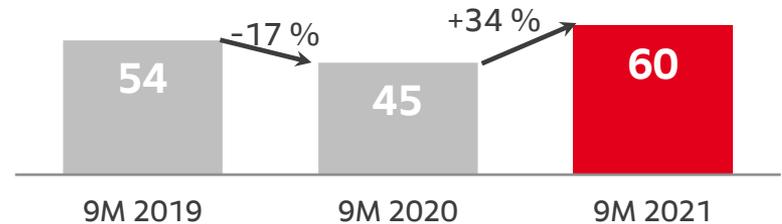
iCombi up 25% - iVario grows by 34%

iCombi and iVario set new standards in the markets

Sales revenues iCombi



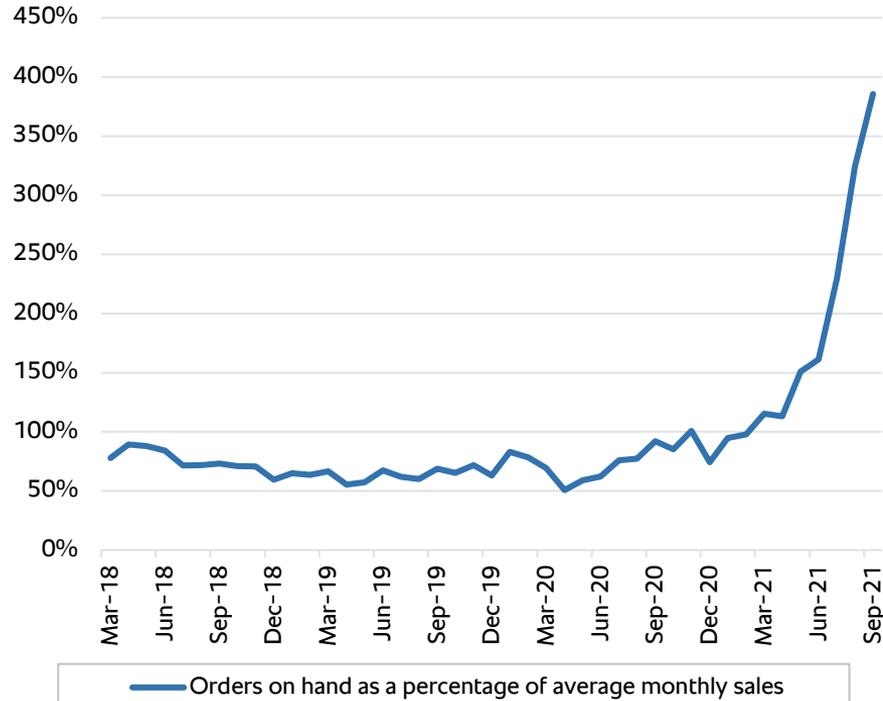
Sales revenues iVario



Sales revenues in mEUR
Sales revenue growth in %

Order backlog increased even further in Q3

Record levels of order intake



- 1. Catch-up effects:** Continuing investments in projects due to normalisation in the hospitality industry.
- 2. Higher delivery times:** Dealers and customers preorder to counteract existing or expected shortages.
- 3. Benefit from lower prices** in expectation of price increases.

Order and delivery situation

Global raw material and component shortage affects our business

- › **Since March** we are **actively managing the shortage of raw material and components** with high effort in purchasing, production, logistics and R&D. The **supply** of units was working **quite successfully** with longer lead-times **until August**.
- › Since beginning of **September**, we are **also affected** by the **shortages of electrical components** and new orders are accepted with shipping date in 2022 only.
- › In order to **avoid stop in production**, we are currently producing **semi-finished products**, that we either store centrally or we ship to our overseas warehouse locations.
- › When we have the **missing components on hand**, we will **complete the units** and thus keep the **effects to our customers** – especially in overseas markets – **as low as possible**.
- › In the meantime, we are **working to qualify a second supplier for processors**, and we expect the supply situation to normalise early in 2022.

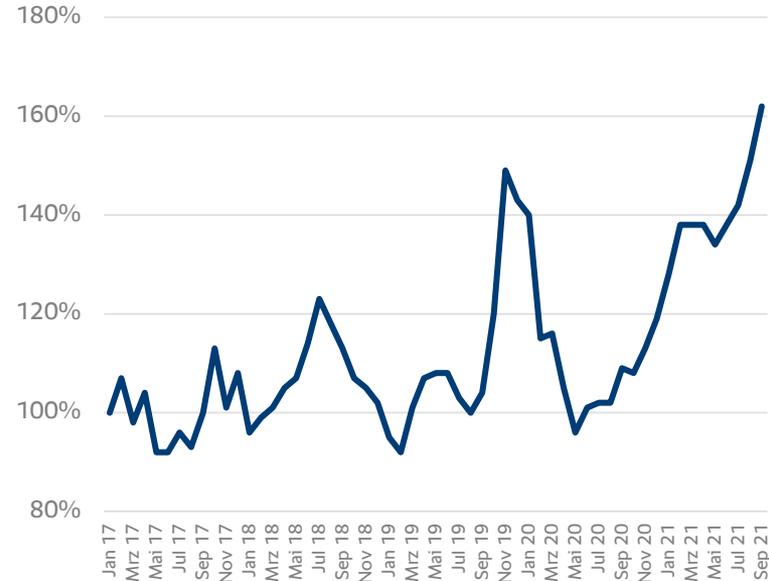
Drastically rising prices for raw materials

Price increases by suppliers prompt RATIONAL to adjust prices

- › **Gross margin in 2021 negatively impacted by higher COGS compared to 2019.**
- › **Volatility in the steel market continues to increase.**
- › **Global shortfalls in raw materials such as nickel and aluminum.**
- › **Steep price increase of logistics costs.**
- › **RATIONAL reacts to the higher input costs with an increase in prices by an average of 6%.**

Alloy surcharge development

Jan. 2017-Sept. 2021



Further margin improvement in 9M 2021

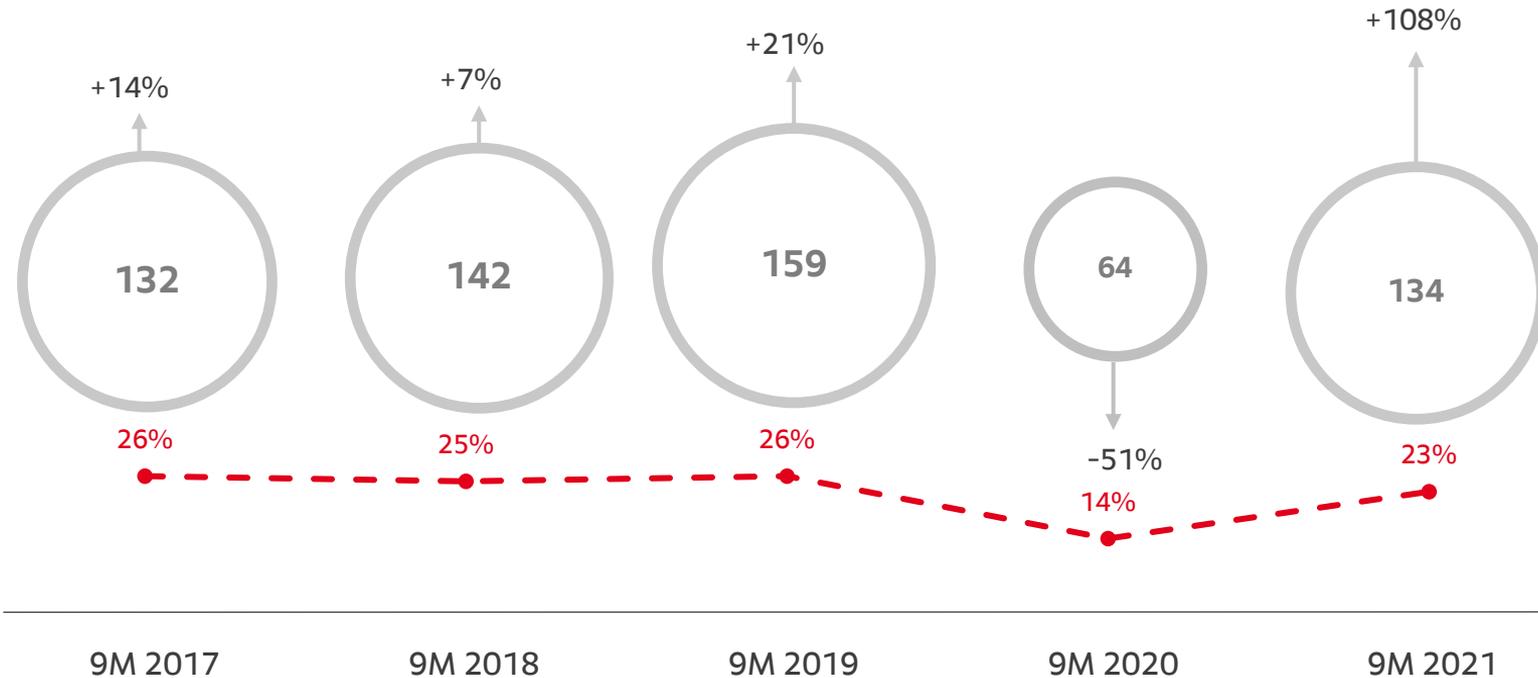
High sales growth with stable operating expenses

| in mEUR | 9M 2021 | 9M 2020 | 9M 2019 | 2021 vs. 2020 | |
|---------------------------|-------------|-------------|-------------|---------------|---------------|
| | | | | Change | Margin Impact |
| sales revenue | 586 | 466 | 613 | +26% | --- |
| COGS | -258 | -209 | -251 | +23% | +1% |
| Gross Profit | 328 | 257 | 362 | +28% | --- |
| Gross Margin | 56% | 55% | 59% | --- | --- |
| Sales and Service | -135 | -126 | -147 | +7% | +4% |
| R&D | -33 | -31 | -30 | +9% | +1% |
| Administration | -29 | -28 | -28 | +5% | +1% |
| Operating Expenses | -198 | -185 | -205 | +7% | +6% |
| Other operating inc./exp. | 1 | 0 | 1 | --- | +0% |
| Currency Result | 2 | -8 | 2 | --- | +2% |
| EBIT | 134 | 64 | 160 | +108% | --- |
| EBIT Margin | 23% | 14% | 26% | --- | +9% |

- > **COGS:** Improved productivity compared to the launch phase in 2020.
- > **Sales and Service:** Still low personnel costs, marketing activities and travel expenses.
- > **R&D:** R&D activities on a continuing high level.
- > **Administration:** Stable administration organization.
- > **Currency result:** Positive currency effects in 2021, negative in 2020.

EBIT doubles year on year

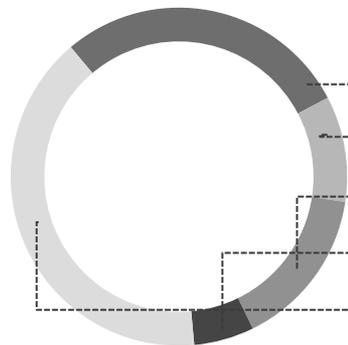
EBIT margin at 23%



EBIT in mEUR
EBIT growth in %
EBIT margin in %

Solid balance sheet provides security and flexibility

High equity ratio and liquidity



in mEUR

Non-current assets

Inventories

Trade receivables

Other assets

Liquid funds

Total assets

9M 2021

9M 2020

216

212

77

79

117

101

44

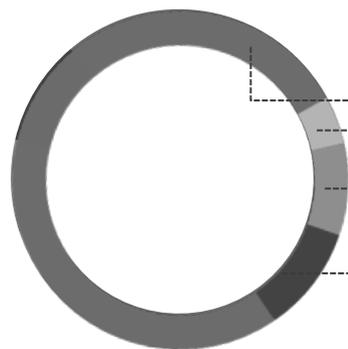
53

307

201

761

646



Equity

Non-current liabilities

Current provisions

Current liabilities

Equity & liabilities (total)

581

501

35

33

67

50

78

62

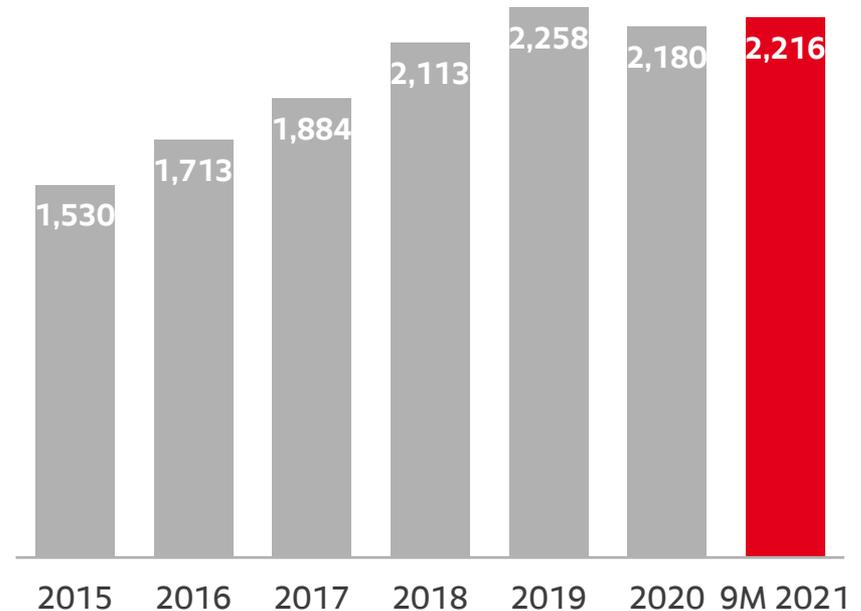
761

646

Stable headcount important building block for quick recovery

Further headcount increase in Q3 (+30 employees)

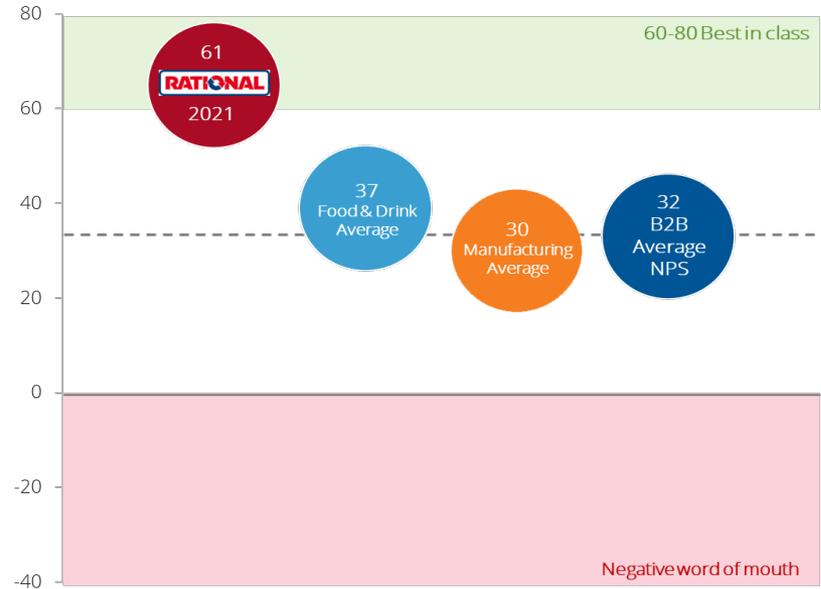
- › **Keeping** the qualified and motivated **team** during the crisis enables us to **recover quickly**.
- › **Short-time work ended** in almost all areas of the company.
- › In the **sales process**, we increase real visits and cooking live events.
- › **Many vacancies** to continue investing and further innovate our organisation.



Customer satisfaction @ RATIONAL

Survey shows the appeal of RATIONAL equipment

- › We surveyed more than **2,600 customers** from **15 countries**.
- › **The Methodology:** To further improve customer satisfaction, RATIONAL decided to measure the **Net Promoter Score (NPS)**.
- › **Quality, reliability and user-friendliness** are the most important factors for professional kitchens to buy RATIONAL products.



NPS divides customers in three groups: promoters, passives and detractors

Encore Catering & Banquet Center

Chef Bobby and his team in action

Quote:

“All of us were excited to cook with it. We still are. Every time we get a new item that we haven't prepared in the iCombi Pro, it's exciting. We made poached eggs in it the other day just because we wanted to try the poached egg setting.”

Chef Bobby Nahra, Chef and Owner
Encore Catering and Banquet Center
Detroit, Michigan
USA



Kaunertaler and Pitztaler Gletscherbahnen

Store photos and impressions

Quote:

“Our top priority was optimization.”

Janina Teichert, Restaurant Manager,
Kaunertaler Gletscherbahnen, Tirol,
Austria



Labor shortage in hospitality – number 1 challenge

Restaurants are struggling to meet customer demands

- › US, CAN, FRA, UK and NL state staff shortage as number 1 challenge (Global State of the Hospitality Industry Report 2021).
- › Hospitality industry in Germany reported around **28,000 job vacancies** in August.
- › Due to the working hours and physical strain in the hospitality industry, **vacancies are expected to remain at a high level.**

RATIONAL helps industry to ...

... meet guests' demands through efficient cooking processes.

... replace lacking chefs' skills with intelligent cooking systems.

... guarantee hygienic, healthy and reproducible results.



Sustainability @ RATIONAL

Using Active Green cleaner tabs in combi steamers

- › To actively **minimise the impact on our environment**, self cleaning of combi steamers now operates with green cleaning tabs.
- › The quantity of tabs required stays the same and in addition by using **6% fewer chemicals**, customers can also expect less costs.
- › Depending on size, cleaning program selected and cooking system condition, users can also enjoy **water and electricity savings of up to 20%** by selecting light, medium, or strong cleaning.



Forecast and outlook 2021

Expectation unchanged

Due to the pleasing second and third quarters and the high order backlog, we confirm our outlook for 2021.

We also remain cautious about the following risks:

- New restrictions for our customers in Q4 (rather unlikely).
- Ongoing supply chain disruptions.

| Scenarios | Sales revenue growth | EBIT margin |
|-----------------------------|----------------------|-------------------|
| Risks are materialising | High single-digit | Around 20 percent |
| Risks are not materialising | 15-20 percent | Above 20 percent |

General outlook beyond 2021

Bright future for RATIONAL



- › Worldwide population growth.
- › Varying catering locations.
- › Increasing purchasing power in developing countries.
- › Increasing hygiene requirements in kitchens.
- › Increased meaning of efficient kitchen processes.
- › Demand for healthier nutrition and a wider range of dishes.
- › Increasing share of single households.
- › Increasing energy, labour, occupancy costs.
- › Chef's profession becoming even less attractive.



Please send us your questions via email (ir@rational-online.com)