

# Statement

on the first  
quarter of 2023

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



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## Key Figures

In m EUR	3 months 2023	3 months 2022	Change absolute	Change in %
<b>Sales revenues by region</b>				
Germany	35.8	32.4	+3.4	+10
Europe (excluding Germany)	124.0	102.5	+21.5	+21
North America	54.6	38.8	+15.8	+41
Latin America	14.7	10.4	+4.3	+41
Asia	35.8	29.6	+6.2	+21
Rest of the world	17.5	11.6	+5.9	+51
Sales revenues generated abroad (in %)	87	86	+1	-
<b>Sales revenues by product group</b>				
iCombi	253.6	195.1	+58.5	+30
iVario	28.8	30.1	-1.3	-4
<b>Sales revenues and earnings</b>				
Sales revenues	282.4	225.3	+57.1	+25
Cost of sales	125.1	102.5	+22.6	+22
Gross profit	157.3	122.8	+34.5	+28
in % of sales revenues	55.7	54.5	+1.2	-
Sales and service expenses	63.8	53.4	+10.4	+19
Research and development expenses	13.0	11.5	+1.5	+13
General administration expenses	13.0	11.5	+1.5	+14
Earnings before financial result and taxes (EBIT)	66.5	47.8	+18.7	+39
in % of sales revenues	23.5	21.2	+2.3	-
Profit or loss after taxes	51.7	36.2	+15.5	+43
Return on capital employed (ROCE)	37.6	30.3	+7.3	-
<b>Balance sheet</b>				
Total equity and liabilities	934.1	817.5	+116.6	+14
Equity	728.3	639.6	+88.7	+14
Equity ratio in %	78.0	78.2	-0.3	-
<b>Cash flow</b>				
Cash flow from operating activities	43.3	-11.0	+54.3	-
Cash-effective investments	6.9	8.8	-1.9	-22
Free cash flow <sup>1</sup>	36.4	-19.8	+56.2	-
<b>Number of employees as at 31 March</b>				
	2,450	2,304	+146	+6
<b>Key figures for RATIONAL shares</b>				
Earnings per share (in EUR)	4.55	3.19	+1.36	+43
Quarter-end closing price <sup>2</sup> (in EUR)	617.00	627.00	-10.00	-2
Market capitalisation <sup>2 3</sup>	7,015	7,129	-114	-2

<sup>1</sup> Cash flow from operating activities less capital expenditures

<sup>2</sup> Xetra

<sup>3</sup> As of balance sheet date

# RATIONAL AG records growth of 25% in first quarter

- › Sales revenues rose by 25% to 282 million euros; best first quarter
- › North America continues to be the most important growth driver
- › EBIT expands by 39% – faster than sales revenues – with EBIT margin at 23.5%
- › Forecast for 2023 confirmed: sales revenue growth expected in high single-digit percentage range and EBIT margin slightly down on previous year

## Sales revenues rose by 25% to 282 million euros in the first quarter of 2023

At 282.4 million euros (2022: 225.3 million euros), RATIONAL's sales revenues in the first quarter of 2023 were 25% higher than in the prior-year quarter. Last year's price increases had a significant effect on growth, since most of them had not yet become effective in the first quarter of 2022.

As in the previous two quarters, another driver of this successful quarter was the continuing reduction of the elevated orders on hand. In view of the continued stable supply situation for electronics components and increased productivity in manufacturing, we almost reached the production level of the fourth quarter of 2022. This allowed us to further reduce orders on hand, which still stood at 200 million euros at the end of March 2023. Exchange rate movements had no significant influence on sales revenues.

## North America continues to be the most important growth driver – strong performance also in other regions

From a regional perspective, all countries performed well, with only few exceptions. Sales revenue growth in the first three months was particularly encouraging in North America (+41%). With the selective expansion of our sales activities and service network, we are reaching an increasing number of customers in street business there. Many of our customers use our intelligent appliances to counter the challenges of skills shortages and rising input prices. Latin America, which recorded an increase in sales revenues of 41%, was also significantly up on the previous year. Europe (excluding Germany) and Germany also performed well in the first three months, adding 21% and 10% respectively. Driven by strong sales revenues in Japan, South-East Asia and India, growth in Asia was 21%. Following the end of all coronavirus measures, our customers in China were still cautious in the first quarter, and sales revenues were therefore down on the level of the prior-year quarter. For the remainder of the year, we concur with the assessment by many companies and anticipate positive catch-up effects in China. Thanks to strong business performance in the Middle East, sales revenues in the rest of the world were 51% higher than in the prior-year period.

## iCombi is key growth driver

In the iCombi product group, sales revenues were up significantly, by 30% year-on-year, in the first three months of 2023, at 253.6 million euros (2022: 195.1 million euros). In addition to strong growth in sales volumes, we also benefited from positive pricing effects.

In the iVario product group, we generated sales revenues of 28.8 million euros, slightly down on the strong prior-year quarter (30.1 million euros). Growth in that first quarter of 2022 was particularly strong, at 69%, since CPUs for the iVario became available sooner than for the iCombi, allowing us to reduce the high orders on hand sooner. Overall, we believe that the iVario is on an unbroken growth course, as confirmed by continuing high demand in the overseas markets.

## 55.7% gross margin in the first quarter of 2023

Cost of sales increased more slowly than sales revenues in the first three months, up 22% to 125.1 million euros (2022: 102.5 million euros); the gross margin improved to 55.7% (2022: 54.5%). In addition to pricing effects, which pushed up sales revenues, it was primarily the rise in productivity that had a positive impact. While the first quarter of 2022 had been severely affected by shortages of materials such as electronics components and the resulting production of partially finished appliances, good availability of parts meant production was normal in the first quarter of 2023. In combination with additional shifts, this led to high output quantities for our cooking systems. The prices of components, commodities and logistics stabilised at a high level in the first three months of 2023.

## 23.5% EBIT margin after three months

EBIT (earnings before financial result and taxes) for the first three months was 66.5 million euros, up around 39% on the previous year (2022: 47.8 million euros). The EBIT margin increased to 23.5% (2022: 21.2%), benefiting from the very healthy sales revenue performance in combination with cost levels that increased more slowly than sales revenues. While sales revenues rose by 25% year-on-year, operating costs were only 18% above the prior-year period. Total operating costs amounted to 89.8 million euros in the first three months of 2023 (2022: 76.3 million euros).

Operating costs in sales and service stood at 63.8 million euros in the first three months (2022: 53.4 million euros), a year-on-year increase of 19%. The higher costs were mainly attributable to the volume-related rise in international logistics costs and higher marketing and trade fair costs due to increased sales activities. Research and development expenses were 13% up on the previous year, at 13.0 million euros (2022: 11.5 million euros). Administration expenses went up by 14% to likewise 13.0 million euros (2022: 11.5 million euros).

Net currency losses of 1.4 million euros were incurred in the first quarter, compared with slight gains (0.5 million euros) making a positive contribution to EBIT in the previous year. Adjusted for all exchange rate effects, the EBIT margin was 24%.

## 43.3 million euros in operating cash flow

In the first three months, cash provided by operating activities amounted to 43.3 million euros (2022: cash used of 11.0 million euros). The significant increase in cash from operating activities is mainly attributable to the higher profit after taxes and the smaller rise in trade accounts receivable than in the prior-year quarter.

The cash flows from investing activities include investments in property, plant and equipment and in intangible assets. They amounted to 6.9 million euros in the first three months of 2023 (2022: 8.8 million euros) and related mostly to the expansion of the Landsberg and Wittenheim locations.

Cash flows from financing activities, a net outflow of 2.6 million euros (2022: 1.9 million euros), reflect primarily payments for lease liabilities in accordance with IFRS 16.

## Number of employees at new high

This encouraging result of the first quarter of 2023 would not have been possible without the active support of our employees, whom we refer to as “entrepreneurs in the company”. They once again demonstrated their full commitment in the service of our customers. At the end of March 2023, the RATIONAL Group employed 2,450 people worldwide. Of this total, around 1,400 were employed in Germany.

## Forecast confirmed

The successful first quarter benefited from positive special factors. The reduction in orders on hand and the effects of price increases had a significant influence. These effects will gradually decline in the subsequent quarters. This is why we have left our full-year sales revenues and earnings forecast unchanged.

We will reduce orders on hand further in the second quarter. From the third quarter of 2023 onwards, we anticipate that new orders and sales revenues will be at similar levels, as they had been in the past. For the subsequent quarters, we project sales revenues at about the same level as in the first quarter. As a result of the base effect, this will mean declining sales revenue growth rates compared to the respective prior-year quarters. We confirm the overall sales revenue forecast for fiscal year 2023, expecting growth in the high single-digit percentage range.

In the further course of the year, we anticipate unchanged high cost levels, with a risk of further rises in costs, especially for primary products. Although energy and commodity costs have retreated slightly from their highs, energy costs are going up significantly for many of our suppliers compared to 2022. Wage inflation has also stabilised in the meantime. These effects are reflected firstly in our own operating costs, and secondly we are also confronted by further price demands from suppliers, who are in a similar situation. Rising operating costs for increased sales capacities and activities are also having an effect on the cost base. Conversely, we are seeing productivity gains in production. Based on these factors, we confirm overall our forecast, made at the end of March, of an EBIT margin slightly down on the previous year.

# Statement of Comprehensive Income

## RATIONAL Group

in kEUR

Period: 1 January – 31 March	3 months 2023	3 months 2022
Sales revenues	282,449	225,250
Cost of sales	-125,139	-102,459
<b>Gross profit</b>	<b>157,310</b>	<b>122,791</b>
Sales and service expenses	-63,752	-53,364
Research and development expenses	-13,024	-11,503
General administration expenses	-13,012	-11,459
Other operating income	2,974	7,014
Other operating expenses	-4,032	-5,716
<b>Earnings before financial result and taxes (EBIT)</b>	<b>66,464</b>	<b>47,763</b>
Interest income	1,121	81
Interest expenses	-252	-160
Other financial result	-204	-305
Gain or loss on the net monetary position in accordance with IAS 29	15	-
<b>Earnings before taxes (EBT)</b>	<b>67,144</b>	<b>47,379</b>
Income taxes	-15,444	-11,161
<b>Profit or loss after taxes</b>	<b>51,700</b>	<b>36,218</b>
Items that may be reclassified to profit and loss in the future:		
Differences from currency translation	341	5
Differences from IAS 29 Hyperinflation	3	-
Items that will not be reclassified to profit and loss:		
Actuarial gains and losses from defined benefit obligations	-	-
<b>Other comprehensive income</b>	<b>344</b>	<b>5</b>
<b>Total comprehensive income</b>	<b>52,044</b>	<b>36,223</b>
Average number of shares (undiluted/diluted)	11,370,000	11,370,000
<b>Earnings per share (undiluted/diluted) in euros, based on profit or loss after taxes and the number of shares</b>	<b>4.55</b>	<b>3.19</b>

# Balance Sheet

## RATIONAL Group

### Assets

in kEUR	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>Non-current assets</b>	<b>244,285</b>	<b>237,293</b>	<b>222,299</b>
Intangible assets	17,723	15,978	10,226
Property, plant and equipment	205,927	203,917	197,434
Other financial assets	1,229	1,158	1,104
Deferred tax assets	16,921	14,040	10,396
Other assets	2,485	2,200	3,139
<b>Current assets</b>	<b>689,831</b>	<b>661,929</b>	<b>595,208</b>
Inventories	117,794	116,297	101,585
Trade accounts receivable	174,919	174,663	145,295
Other financial assets	238,579	133,757	68,120
Income tax receivables	300	1,004	7,316
Other assets	21,369	28,307	22,250
Cash and cash equivalents	136,870	207,901	250,642
<b>Total equity and liabilities</b>	<b>934,116</b>	<b>899,222</b>	<b>817,507</b>

### Equity and liabilities

in kEUR	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>Equity</b>	<b>728,284</b>	<b>676,240</b>	<b>639,553</b>
Subscribed capital	11,370	11,370	11,370
Capital reserves	28,058	28,058	28,058
Retained earnings	693,099	641,399	605,595
Other components of equity	-4,243	-4,587	-5,470
<b>Non-current liabilities</b>	<b>33,319</b>	<b>31,430</b>	<b>34,535</b>
Pension and similar obligations	4,018	4,025	5,819
Other provisions	10,310	10,600	10,902
Financial debt	–	–	708
Other financial liabilities	13,382	11,423	13,621
Deferred tax liabilities	4,194	3,704	1,153
Income tax liabilities	820	820	1,532
Other liabilities	595	858	800
<b>Current liabilities</b>	<b>172,513</b>	<b>191,552</b>	<b>143,419</b>
Other provisions	63,059	79,050	51,938
Financial debt	984	944	1,805
Trade accounts payable	35,920	36,352	32,991
Other financial liabilities	14,269	21,971	11,200
Income tax liabilities	23,665	21,821	7,492
Other liabilities	34,616	31,414	37,993
<b>Liabilities</b>	<b>205,832</b>	<b>222,982</b>	<b>177,954</b>
<b>Total equity and liabilities</b>	<b>934,116</b>	<b>899,222</b>	<b>817,507</b>

# Cash Flow Statement

## RATIONAL Group

in kEUR

Period: 1 January – 31 March	3 months 2023	3 months 2022 <sup>1</sup>
Earnings before taxes (EBT)	67,144	47,379
Depreciation and amortisation	7,869	7,635
Other	1,683	896
Net interest	-869	79
Changes in		
Inventories	-1,497	-5,315
Trade accounts receivable and other assets	1,655	-47,788
Provisions	-16,288	-10,948
Trade accounts payable and other liabilities	-1,127	9,437
Income taxes paid	-15,287	-12,317
<b>Cash flow from operating activities</b>	<b>43,283</b>	<b>-10,942</b>
Capital expenditures in intangible assets and property, plant and equipment	-6,865	-8,765
Proceeds from asset disposals	4	13
Change in fixed deposits	-105,081	18,066
Interest received	641	91
<b>Cash flow from investing activities</b>	<b>-111,301</b>	<b>9,405</b>
Dividends paid		
Repayment of liabilities to banks	-236	-354
Change in other liabilities to banks	276	742
Payments for lease liabilities	-2,402	-2,150
Interest paid	-252	-160
<b>Cash flow from financing activities</b>	<b>-2,614</b>	<b>-1,922</b>
Effects of exchange rate fluctuations in cash and cash equivalents	-399	406
<b>Change in cash and cash equivalents</b>	<b>-71,031</b>	<b>-3,053</b>
<b>Cash and cash equivalents as at 1 January</b>	<b>207,901</b>	<b>253,695</b>
<b>Cash and cash equivalents as at 31 March</b>	<b>136,870</b>	<b>250,642</b>

1 Prior-year figures adjusted in accordance with IAS 8.14. For further details, please refer to the 2022 Annual Report.

# Statement of Changes in Equity

## RATIONAL Group

in kEUR	Subscribed capital	Capital reserves	Retained earnings	Other components of equity			Total
				Differences from currency translation	Actuarial gains and losses	Other changes (e.g. acc. to IAS 29)	
<b>Balance as at 1 January 2022</b>	<b>11,370</b>	<b>28,058</b>	<b>569,377</b>	<b>-4,630</b>	<b>-845</b>	<b>-</b>	<b>603,330</b>
Dividend	-	-	-	-	-	-	-
Profit or loss after taxes	-	-	36,218	-	-	-	36,218
Other comprehensive income	-	-	-	5	-	-	5
<b>Balance as at 31 March 2022</b>	<b>11,370</b>	<b>28,058</b>	<b>605,595</b>	<b>-4,625</b>	<b>-845</b>	<b>-</b>	<b>639,553</b>
<b>Balance as at 1 January 2023</b>	<b>11,370</b>	<b>28,058</b>	<b>641,399</b>	<b>-5,278</b>	<b>934</b>	<b>-243</b>	<b>676,240</b>
Dividend	-	-	-	-	-	-	-
Profit or loss after taxes	-	-	51,700	-	-	-	51,700
Other comprehensive income	-	-	-	341	-	3	344
<b>Balance as at 31 March 2023</b>	<b>11,370</b>	<b>28,058</b>	<b>693,099</b>	<b>-4,937</b>	<b>934</b>	<b>-240</b>	<b>728,284</b>

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**Disclaimer**

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