

Letter from the Executive Board on the first quarter of 2024



“Our innovations seek to find even better ways to fulfil the purpose of our business: to help people preparing food in commercial kitchens in the best possible way.”

Dr Peter Stadelmann
CEO RATIONAL AG

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

Major achievements do not happen overnight. They require a lot of strength and even greater staying power. Every small step, every effort, and every commitment will ultimately contribute to success.

In 1976, Siegfried Meister was the first to launch combi-steamer technology on the market. We have been providing intelligent combi-steamers since 2004 – and we are still the only ones. Our iCombi Pro recognises the volume load and food temperature and chooses the right cooking profiles, temperatures and times to achieve the cooking result the user wants.

We achieved similar results with the VarioCookingCenter in 2005. The development of a conventional tilting frying pan into an intelligent, multifunctional cooking system for boiling, frying and roasting marked another milestone for the commercial kitchen industry.

In 2024, after around 10 years of development, we took the next step in revolutionising the commercial kitchen: the iHexagon. It is the latest best solution for kitchens where speed and superior cooking quality are of great importance. It is the first and only cooking system in the market that can intelligently combine convection, steam and microwave on six rack levels at the same time. The steam helps chickens stay succulent, convective heat makes the outsides crispy, and microwave helps to reach the chef's intended cooking result up to 30% faster.

It is not only the major milestones that are important to us. To be able always to offer customers the cooking technology that suits them best, we also regularly improve our existing product range. One challenge that was on the minds of our development teams for a long time was how to store larger quantities of solid cleaning product and in this way achieve the most efficient kind of intelligent self-cleaning? The answer is iCareSystem AutoDose. With up to 4 cartridges for cleaner and descaler, it has an unbeatable range of up to 90 days, depending on the cleaning intensity. In March 2024, it won the prestigious Future Award at Internorga, the leading industry trade fair in Hamburg.

What stood out for the jury was that the iCareSystem AutoDose makes everyday work in professional kitchens easier and minimises occupational risk, while at the same time achieving a considerable waste reduction compared to conventional cleaners.

Today's innovation sows the seeds for future success. In pursuit of this, we are becoming even more sustainable by developing even more energy-efficient cooking systems. We are becoming even more digital by offering ConnectedCooking to allow our customers to use their appliances in even better ways. We are becoming even more efficient by optimising worldwide service part supplies from Landsberg with a highly automated warehousing and shipping facility. And we are becoming more local by developing and distributing a combi-steamer in China specifically for the needs of Chinese customers. As a result, customers who are satisfied today will remain satisfied in the future.

Our financial success is the result of our uncompromising focus on customer benefit. We have again got off to a good start in 2024. Sales revenues amounted to 286 million euros in the first quarter. Following an increase of 25% to 282 million euros in the prior-year quarter, they are slightly up on the high level of the previous year. EBIT stood at 71 million euros, also up slightly on the previous year. The EBIT margin improved to 24.8% (2023: 23.5%). For the 2024 fiscal year as a whole, we anticipate a return to our long-term growth trend and an increase in sales revenues in the mid- to high single-digit percentage range.

As you have come to expect from us, appropriate participation of our shareholders is another of our concerns. We are therefore pleased that we will be able to welcome our shareholders in person to this year's General Meeting of Shareholders on 8 May 2024 at the Messe Augsburg exhibition centre, where they can look forward to culinary treats. A dividend of 13.50 euros per share has been proposed to the General Meeting of Shareholders, which represents a distribution ratio of around 70% of net profit.

Lastly, I want to thank you, our shareholders, for your loyalty and trust in our company. You can rest assured that all entrepreneurs in the company (U.i.U.s) at RATIONAL will continue to work in the future to help our customers in the best possible way to resolve their many challenges. I would like to express my greatest appreciation to all my colleagues at RATIONAL.

The economic and geopolitical situation is set to remain challenging in the future. We are nevertheless convinced that our focus on a basic human need and on the best possible customer benefit as well as our innovations will continue to ensure our successful development. We would be delighted if you, our shareholders, stay with us on this successful journey ahead.

Best regards,



Peter Stadelmann
CEO RATIONAL AG