

# QUARTERLY STATEMENT

## AS OF MARCH 31, 2018

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### LADIES AND GENTLEMEN,

TAKKT benefited in the first quarter of 2018 from the acquisition of OfficeFurnitureOnline at the end of January and Mydisplays in mid-2017. The acquisitions made a positive 3.5 percentage point contribution to sales development in the first quarter. However, currency effects, primarily from the weaker US dollar, had a negative impact of 6.9 percentage points on the growth rate. Reported Group sales decreased by 4.4 percent to EUR 276.1 (288.8) million.

The varying momentum in the two segments TAKKT EUROPE and TAKKT AMERICA continued in the first quarter of 2018. While TAKKT was able to achieve slight organic growth in Europe, the downturn in development in the US continued. Compared to the corresponding quarter of the previous year, in which TAKKT achieved high sales growth, organic growth at the Group level was minus 1.0 percent. This was primarily caused by fewer working days in Europe (effect of about 1.5 percentage points) and sustained weak demand from customers of the Hubert group. As expected, the brand consolidations, which were started last year, also had a slight negative impact on sales development.

The gross profit margin decreased to 42.5 (43.7) percent. Contributing factors were, among others, a lower freight margin and the acquisition of OfficeFurnitureOnline, which was completed at the end of January and generates a gross profit margin below the previous TAKKT average as a result of the product range. EBITDA of EUR 33.4 (44.9) million was much lower than in the first quarter of 2017. About half of the earnings decline was attributable to currency or non-recurring effects. These include the weaker US dollar, the lower number of working days compared to the previous year's quarter in Europe and one-off costs at Hubert. The remaining decline resulted from weak sales growth together with simultaneously increasing costs as well as additional expenses for the digital transformation. The EBITDA margin was 12.1 (15.6) percent.

At the end of January, TAKKT acquired OfficeFurnitureOnline, a leading British online retailer, which is a product specialist offering office furniture such as desks, chairs and cabinets in its web shop. The company is part of the newport division, which was established at the beginning of the year. In February, the Group moreover invested in odoscope through the TAKKT investment company. The Cologne-based start-up offers a platform that delivers real-time, fully automated personalized content – even for anonymous users – on websites. More information about progress with the digital transformation can be found in the new publication “Digital Change,” which is available at [www.takkt.com/digital](http://www.takkt.com/digital).

Over the remainder of the year, TAKKT expects an improvement in organic growth rates in both segments and confirms the full-year forecast of organic growth between two and four percent and an EBITDA margin in the middle third of the target corridor of 12 to 15 percent.

TAKKT AG, Management Board

Dr. Felix A. Zimmermann

Dr. Heiko Hegwein

Dirk Lessing

Dr. Claude Tomaszewski

KEY FIGURES TAKKT GROUP AND SEGMENTS

	Q1/17	Q1/18	Change in %
<b>TAKKT</b>			
Sales in EUR million	288.8	276.1	-4.4 (-1.0*)
Gross profit margin in percent	43.7	42.5	
EBITDA in EUR million	44.9	33.4	-25.6
EBITDA margin in percent	15.6	12.1	
EBIT in EUR million	38.0	26.7	-29.7
Profit before tax in EUR million	36.0	25.1	-30.3
Profit in EUR million	24.0	18.3	-23.7
Earnings per share in EUR	0.37	0.28	-23.7
TAKKT cash flow in EUR million	31.9	25.5	-20.1
<b>TAKKT EUROPE</b>			
Sales in EUR million	151.2	160.0	5.8 (0.6*)
EBITDA in EUR million	30.2	27.2	-9.9
EBITDA margin in percent	20.0	17.0	
<b>TAKKT AMERICA</b>			
Sales in EUR million	137.7	116.2	-15.6 (-2.8*)
EBITDA in EUR million	17.6	10.5	-40.3
EBITDA margin in percent	12.8	9.1	

\* organic, i.e. adjusted for currency and portfolio effects

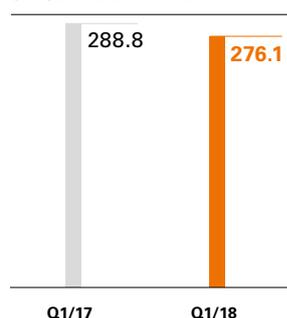
## SALES AND EARNINGS REVIEW

### FIRST QUARTER 2018

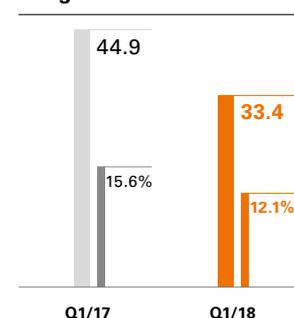
#### TAKKT

- Sales decrease by 4.4 percent with negative currency effects of 6.9 percentage points as well as a positive acquisition effect of 3.5 percentage points.
- Organic sales growth of minus 1.0 percent.
- Fewer working days than in the previous year's period in Europe; negative sales effect of around 1.5 percentage points.
- EBITDA margin at 12.1 (15.6) percent.
- The weaker US dollar, fewer working days and one-off costs at Hubert are responsible for about half of the decline in earnings. The lack of sales growth together with simultaneously increasing costs as well as additional expenses for the digital transformation also weighed on earnings.

Sales in EUR million



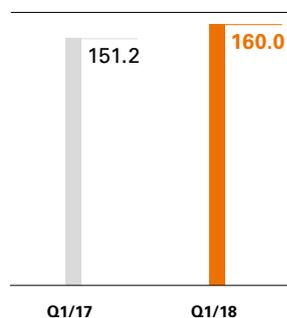
EBITDA in EUR million/  
margin in %



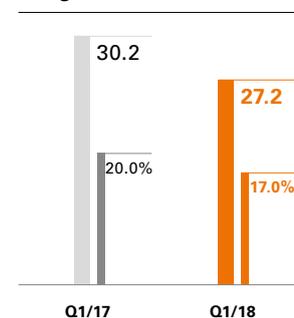
#### TAKKT EUROPE

- Sales increase of 5.8 percentage points with negative currency effects of 1.6 percentage points as well as a positive acquisition effect of 6.8 percentage points.
- Organic sales growth of 0.6 percent. Lower number of working days has a negative impact of about 2.5 percentage points. KAISER+KRAFT with slight and Ratioform with mid-single-digit organic growth. newport doubles sales due to the contribution of the OfficeFurnitureOnline acquisition, negative organic growth.
- EBITDA margin at 17.0 (20.0) percent.
- The lack of sales growth, primarily due to fewer working days, adversely affects earnings.

Sales in EUR million



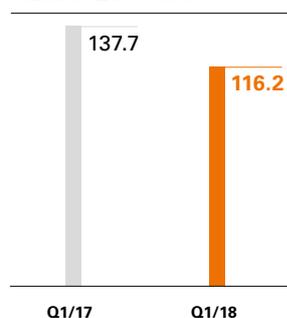
EBITDA in EUR million/  
margin in %



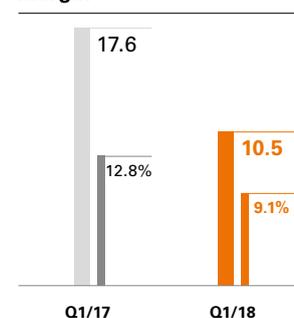
#### TAKKT AMERICA

- Sales decrease by 15.6 percent with negative currency effects of 12.8 percentage points.
- Organic sales growth of minus 2.8 percent. Central and D2G group with good to mid-single-digit organic growth, NBF with a slight decline due to a very high level in the previous year. Hubert with a double-digit percentage decline.
- EBITDA margin at 9.1 (12.8) percent.
- A weaker US dollar, negative sales development and one-off costs at Hubert reduce earnings.

Sales in EUR million



EBITDA in EUR million/  
margin in %



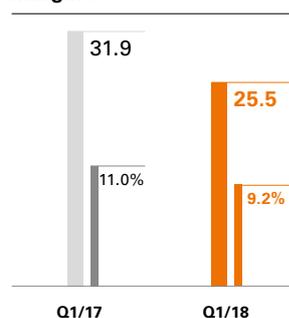
## FINANCIAL POSITION

- The TAKKT cash flow decreased from EUR 31.9 million to EUR 25.5 million, and so did the corresponding margin – from 11.0 to 9.2 percent.
- After accounting for the change in working capital, the cash flow from operating activities came to EUR 28.6 (31.0) million.
- Investments of EUR 6.5 (6.1) million were slightly higher than in the previous year.
- Free cash flow of EUR 22.2 (24.9) million was offset by total payments of EUR 41.0 million for the acquisition of OfficeFurnitureOnline and for an outstanding purchase price liability for the acquisition of Post-Up Stand.
- Net financial liabilities increased to EUR 151.2 million, compared to EUR 135.2 million at the end of 2017.

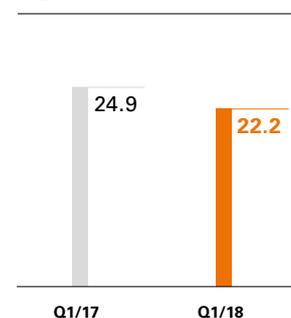
## IMPLEMENTING THE DIGITAL AGENDA

- At the beginning of the year, TAKKT created a new division in Europe with the name newport. It bundles young, web-focused businesses that cater primarily to the needs of small and medium-sized corporate customers in different European countries and product areas. Heiko Hegwein, a proven digital and retail expert, was appointed to the Management Board in early February and is responsible for newport.
- In February, the TAKKT investment company invested in the Cologne-based start-up odoscope, a platform that delivers real-time, fully automated personalized content – even for anonymous users – on websites.
- TAKKT has filled 85 new positions as part of the digital agenda, primarily in the areas of web development, data & analytics and online marketing.
- For the first time, more than half of order intake in the reporting period related to e-commerce. The increase was particularly strong in Europe.
- More information about progress with the digital transformation can be found in the new publication “Digital Change,” which is available at [www.takkt.com/digital](http://www.takkt.com/digital).

**TAKKT cash flow**  
in EUR million/  
margin in %



**Free TAKKT cash flow**  
in EUR million



## FORECAST

- The International Monetary Fund recently raised the growth forecasts for Europe and the US slightly, but simultaneously referred to escalating risks for the global economy, including through international trade conflicts.
- The Purchase Managers’ Index (PMI) figures for European economies remain well above the expansion threshold of 50 points but declined somewhat in recent months.
- Indices in the US are mixed. While consumer confidence is good, the Restaurant Performance Index, a significant indicator for the catering industry and restaurants, stands just slightly above the reference value of 100.
- TAKKT expects an increase in organic growth rates in both segments over the remainder of the year, also in view of business development during 2017. A very strong first quarter in the previous year was followed by a more restrained business performance in the three remaining quarters.
- Therefore, the Group continues to anticipate organic sales growth of two to four percent for 2018 as a whole.
- The EBITDA margin is expected to remain in the middle third of the target corridor of 12 to 15 percent.
- There are no significant changes to report in the forecast of other key figures such as TAKKT cash flow, capital expenditure, ROCE or TAKKT value added.

TAKKT will publish the 2018 half-year financial report on July 26.

## STATEMENT OF PROFIT OR LOSS

in EUR million

	1/1/2018 – 3/31/2018	1/1/2017 – 3/31/2017
Sales	276.1	288.8
Changes in inventories of finished goods and work in progress	-0.1	-0.2
Own work capitalized	0.4	0.3
<b>Gross performance</b>	<b>276.4</b>	<b>288.9</b>
Cost of sales	-159.1	-162.8
<b>Gross profit</b>	<b>117.3</b>	<b>126.1</b>
Other income	1.0	1.8
Personnel expenses	-42.6	-42.6
Other operating expenses	-42.3	-40.4
<b>EBITDA</b>	<b>33.4</b>	<b>44.9</b>
Depreciation, amortization and impairment of property, plant and equipment and other intangible assets	-6.7	-6.9
Impairment of goodwill	0.0	0.0
<b>EBIT</b>	<b>26.7</b>	<b>38.0</b>
Income from associated companies	-0.2	0.0
Finance expenses	-1.5	-2.0
Other finance result	0.1	0.0
<b>Financial result</b>	<b>-1.6</b>	<b>-2.0</b>
<b>Profit before tax</b>	<b>25.1</b>	<b>36.0</b>
Income tax expense	-6.8	-12.0
<b>Profit</b>	<b>18.3</b>	<b>24.0</b>
attributable to owners of TAKKT AG	18.3	24.0
attributable to non-controlling interests	0.0	0.0
Weighted average number of issued shares in million	65.6	65.6
Basic earnings per share (in EUR)	0.28	0.37
Diluted earnings per share (in EUR)	0.28	0.37

## STATEMENT OF FINANCIAL POSITION

in EUR million

<b>Assets</b>	<b>3/31/2018</b>	<b>12/31/2017</b>
Property, plant and equipment	100.9	100.9
Goodwill	541.2	513.9
Other intangible assets	77.6	69.2
Investment in associated companies	0.9	0.8
Other assets	7.1	5.5
Deferred tax	2.0	2.3
<b>Non-current assets</b>	<b>729.7</b>	<b>692.6</b>
Inventories	105.8	102.1
Trade receivables	106.9	102.9
Other receivables and assets	18.1	20.6
Income tax receivables	5.6	7.2
Cash and cash equivalents	6.2	3.1
<b>Current assets</b>	<b>242.6</b>	<b>235.9</b>
<b>Total assets</b>	<b>972.3</b>	<b>928.5</b>
<b>Equity and liabilities</b>	<b>3/31/2018</b>	<b>12/31/2017</b>
Share capital	65.6	65.6
Retained earnings	537.9	519.6
Other components of equity	-23.1	-17.4
<b>Total equity</b>	<b>580.4</b>	<b>567.8</b>
Financial liabilities	44.1	101.6
Other liabilities	3.4	0.6
Pension provisions and similar obligations	59.3	58.8
Other provisions	5.9	5.8
Deferred tax	57.3	56.1
<b>Non-current liabilities</b>	<b>170.0</b>	<b>222.9</b>
Financial liabilities	113.3	36.7
Trade payables	36.9	30.2
Other liabilities	49.3	47.4
Provisions	15.8	17.7
Income tax payables	6.6	5.8
<b>Current liabilities</b>	<b>221.9</b>	<b>137.8</b>
<b>Total equity and liabilities</b>	<b>972.3</b>	<b>928.5</b>

## STATEMENT OF CASH FLOWS

in EUR million

	1/1/2018 – 3/31/2018	1/1/2017 – 3/31/2017
Profit	18.3	24.0
Depreciation, amortization and impairment of non-current assets	6.7	6.9
Deferred tax expense	0.5	1.0
<b>TAKKT cash flow</b>	<b>25.5</b>	<b>31.9</b>
Other non-cash expenses and income	1.1	1.4
Profit and loss on disposal of non-current assets and consolidated companies	0.0	0.0
Change in inventories	-3.2	-1.6
Change in trade receivables	-3.6	-7.4
Change in other assets not included in investing and financing activities	4.5	9.8
Change in short- and long-term provisions	0.7	-1.3
Change in trade payables	2.6	-5.4
Change in other liabilities not included in investing and financing activities	1.0	3.6
<b>Cash flow from operating activities</b>	<b>28.6</b>	<b>31.0</b>
Proceeds from disposal of non-current assets	0.1	0.0
Capital expenditure on non-current assets	-6.5	-6.1
Proceeds from the disposal of consolidated companies (less cash and cash equivalents sold)	0.0	0.0
Cash outflows for the acquisition of consolidated companies (less acquired cash and cash equivalents)	-41.0	-0.4
<b>Cash flow from investing activities</b>	<b>-47.4</b>	<b>-6.5</b>
Proceeds from Financial liabilities	59.4	40.8
Repayments of Financial liabilities	-37.5	-64.0
Payments to owners of TAKKT AG (dividends)	0.0	0.0
<b>Cash flow from financing activities</b>	<b>21.9</b>	<b>-23.2</b>
Cash and cash equivalents at 1/1	3.1	2.3
Increase/decrease in Cash and cash equivalents	3.1	1.3
Non-cash increase/decrease in Cash and cash equivalents	0.0	0.0
<b>Cash and cash equivalents at 3/31</b>	<b>6.2</b>	<b>3.6</b>

## SEGMENT REPORTING BY DIVISION

in EUR million

1/1/2018 – 3/31/2018	TAKKT EUROPE	TAKKT AMERICA	Segments total	Others	Consolidation	Group total
Sales to third parties	159.9	116.2	276.1	0.0	0.0	276.1
Inter-segment sales	0.1	0.0	0.1	0.0	-0.1	0.0
Segment sales	160.0	116.2	276.2	0.0	-0.1	276.1
EBITDA	272	10.5	377	-4.3	0.0	33.4
EBIT	22.4	8.7	31.1	-4.4	0.0	26.7
Profit before tax	21.5	8.0	29.5	-4.4	0.0	25.1
Profit	15.5	5.8	21.3	-3.0	0.0	18.3
Average no. of employees (full-time equivalent)	1,434	978	2,412	43	0	2,455
Employees at the closing date (full-time equivalent)	1,460	975	2,435	42	0	2,477

1/1/2017 – 3/31/2017	TAKKT EUROPE	TAKKT AMERICA	Segments total	Others	Consolidation	Group total
Sales to third parties	151.1	137.7	288.8	0.0	0.0	288.8
Inter-segment sales	0.1	0.0	0.1	0.0	-0.1	0.0
Segment sales	151.2	137.7	288.9	0.0	-0.1	288.8
EBITDA	30.2	176	478	-2.9	0.0	44.9
EBIT	25.4	15.5	40.9	-2.9	0.0	38.0
Profit before tax	24.5	14.6	39.1	-3.1	0.0	36.0
Profit	17.8	8.8	26.6	-2.6	0.0	24.0
Average no. of employees (full-time equivalent)	1,321	979	2,300	36	0	2,336
Employees at the closing date (full-time equivalent)	1,324	980	2,304	37	0	2,341

## ADDITIONAL INFORMATION

### Address and contact

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