

# QUARTERLY STATEMENT

## AS OF MARCH 31, 2017

### LADIES AND GENTLEMEN,

TAKKT kicked off 2017 with good growth in the first three months. Group sales increased 5.5 percent to EUR 288.8 (273.7) million. Organic growth (i.e., adjusted for currency and portfolio effects) was at 4.1 percent, also due to a positive working day effect. While business in the US performed better last year, Europe is witnessing stronger momentum this year. The TAKKT EUROPE segment made a disproportionately high contribution to organic growth, with BEG and PSG on a comparable level. At TAKKT AMERICA, MEG observed weak demand, REG showed good growth, and DPG increased sales slightly. Furthermore, the office furniture business at OEG performed exceptionally once again. The gross profit margin came in at 43.7 (43.6) percent, close to the previous year's level. As expected, EBITDA decreased from EUR 47.2 to 44.9 million. A positive one-time gain in the first quarter of 2016 affected this figure. For 2017, expenses incurred by implementing the digital agenda have to be taken into account. The EBITDA margin was 15.6 (17.2) percent; adjusted for the one-time gain mentioned, the previous year's margin came to 16.0 percent.

TAKKT made good progress in the first quarter of 2017 implementing the digital agenda, which had been approved in 2016. KAISER+KRAFT, for example, has launched pruefplaner.de, a cloud-based solution for the administration of equipment that is subject to statutory inspections. The investment company TAKKT Beteiligungsgesellschaft subscribed to a convertible bond issued by Crowdfunder, an innovative marketplace for private and commercial customers.

TAKKT still expects organic growth of between two and five percent for 2017 overall. There are still economic and trade policy risks at play, such as Brexit or the possibility of the US introducing import duties.

TAKKT AG, Management Board

Dr. Felix A. Zimmermann

Dirk Lessing

Dr. Claude Tomaszewski

### KEY FIGURES TAKKT GROUP AND SEGMENTS

	Q1/16	Q1/17	Change in %
<b>TAKKT</b>			
Sales in EUR million	273.7	288.8	5.5 (4.1*)
Gross profit margin in percent	43.6	43.7	
EBITDA in EUR million	47.2	44.9	-4.7
EBITDA margin in percent	17.2	15.6	
EBIT in EUR million	39.8	38.0	-4.5
Profit before tax in EUR million	37.7	36.0	-4.5
Profit in EUR million	25.5	24.0	-5.9
Earnings per share in EUR	0.39	0.37	-5.9
TAKKT cash flow in EUR million	34.0	31.9	-6.2
<b>TAKKT EUROPE</b>			
Sales in EUR million	142.7	151.2	5.9 (6.6*)
EBITDA in EUR million	29.8	30.2	1.4
EBITDA margin in percent	20.9	20.0	
<b>TAKKT AMERICA</b>			
Sales in EUR million	131.1	137.7	5.0 (1.5*)
EBITDA in EUR million	20.8	17.6	-15.3
EBITDA margin in percent	15.8	12.8	

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

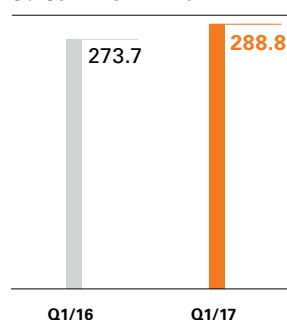
## SALES AND EARNINGS REVIEW

### FIRST QUARTER 2017

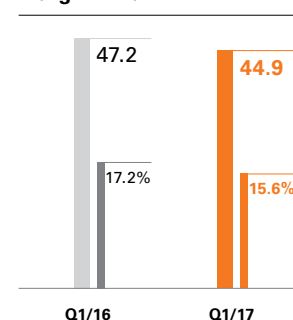
#### TAKKT

- Sales up by 5.5 percent.
- Positive currency effects of 1.4 percentage points.
- Organic sales growth of 4.1 percent.
- EBITDA margin at 15.6 (17.2) percent.
- The reduction of outstanding variable purchase price liabilities had a positive effect on the 2016 first-quarter earnings in the amount of EUR 3.3 million.
- Adjusted EBITDA margin at 15.6 (16.0) percent. The decrease in profitability can partly be attributed to higher expenses from digital agenda implementation.

Sales in EUR million



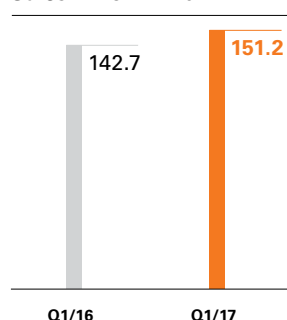
EBITDA in EUR million/  
margin in %



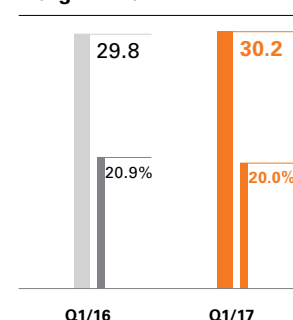
#### TAKKT EUROPE

- Sales up by 5.9 percent.
- Negative currency effects of 0.7 percentage points.
- Organic sales growth of 6.6 percent. The number of working days this quarter positively affected this figure. Comparable growth for BEG and PSG.
- EBITDA margin at 20.0 (20.9) percent.
- The reduction of the outstanding variable purchase price liability for BiGDUG had a positive effect on the 2016 first-quarter earnings in the amount of EUR 1.6 million.
- Adjusted EBITDA margin at 20.0 (19.8) percent.

Sales in EUR million



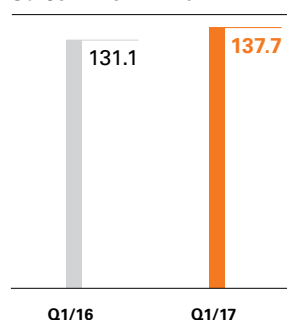
EBITDA in EUR million/  
margin in %



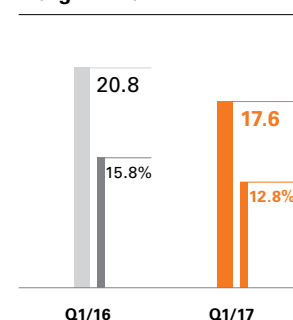
#### TAKKT AMERICA

- Sales up by 5.0 percent.
- Positive currency effects of 3.5 percentage points.
- Organic sales growth of 1.5 percent. Significant decline in sales for MEG, good growth for REG and a slight increase for DPG. OEG's growth percentage still in the low double digits.
- EBITDA margin at 12.8 (15.8) percent.
- The reduction of the outstanding variable purchase price liability for Post-Up Stand had a positive effect on the 2016 first-quarter earnings in the amount of EUR 1.7 million.
- Adjusted EBITDA margin at 12.8 (14.5) percent. The decrease in profitability can partly be attributed to weak sales at MEG.

Sales in EUR million



EBITDA in EUR million/  
margin in %



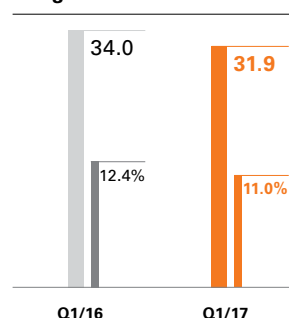
## FINANCIAL POSITION

- The TAKKT cash flow decreased from EUR 34.0 to 31.9 million, also due to the aforementioned positive one-time effect of EUR 3.3 million in the first quarter of 2016. The cash flow margin was 11.0 (12.4) percent.
- After accounting for the change in net working capital, the cash flow from operating activities came to EUR 31.0 (32.7) million.
- Capital expenditures of EUR 6.1 (3.3) million increased significantly year over year, also due to a office and warehouse move at GPA and the expected costs for BEG's planned new ERP system.
- The free TAKKT cash flow came to EUR 24.9 (31.1) million, which was primarily used for the repayment of financial liabilities.
- Net financial liabilities decreased from EUR 177.5 million at the end of 2016 to EUR 151.5 million.

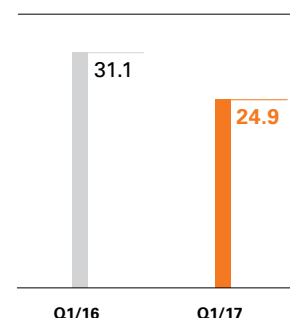
## IMPLEMENTING THE DIGITAL AGENDA

- E-commerce accounted for 46.2 percent of order intake, which is higher than the figure of 38.4 percent for the first quarter 2016. In part this increase stems from how BEG is able to better allocate individual order types for e-commerce. If the improved allocation logic had been applied in the first quarter 2016, the e-commerce share would have been 42.7 percent.
- KAISER+KRAFT launched pruefplaner.de at the end of March. The website represents a cloud-based solution for the administration of products in operation and storage subject to statutory inspections. Swiftly developed with pilot customers, it was recently launched on the market.
- TAKKT plans to recruit up to 100 new employees with strong digital skills. The company has filled 42 of these positions by the end of March, primarily in the areas of online marketing and web development.
- The investment company TAKKT Beteiligungsgesellschaft subscribed to a convertible bond issued by Crowdfx GmbH. The bond is expected to be converted in the next round of financing. Crowdfx is an innovative marketplace where vendors can present their products without the usual commission fees. After registering, customers get access to attractively priced products.
- More information about the individual projects and measures 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 has increased global growth forecasts slightly in April. There are still economic and trade policy risks at play, such as Brexit or the possibility of the US introducing import duties.
- The eurozone Purchase Managers' Index (PMI) figures lie well above the expansion threshold of 50; they recently increased further.
- Industry indexes in the US are mixed: Consumer confidence is high; however, the Restaurant Performance Index, a reliable indicator for the food service industry, stands just slightly above the reference value of 100.
- TAKKT continues to anticipate organic sales growth of two to five percent for 2017 as a whole.
- The EBITDA margin is still expected in the middle 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 2017 half-year financial report on July 27.

## STATEMENT OF PROFIT OR LOSS

in EUR million

	1/1/2017 – 3/31/2017	1/1/2016 – 3/31/2016
Sales	288.8	273.7
Changes in inventories of finished goods and work in progress	-0.2	-0.1
Own work capitalized	0.3	0.3
<b>Gross performance</b>	<b>288.9</b>	<b>273.9</b>
Cost of sales	-162.8	-154.6
<b>Gross profit</b>	<b>126.1</b>	<b>119.3</b>
Other income	1.8	5.5
Personnel expenses	-42.6	-39.9
Other operating expenses	-40.4	-37.7
<b>EBITDA</b>	<b>44.9</b>	<b>47.2</b>
Depreciation, amortization and impairment of property, plant and equipment and other intangible assets	-6.9	-7.4
Impairment of goodwill	0.0	0.0
<b>EBIT</b>	<b>38.0</b>	<b>39.8</b>
Income from associated companies	0.0	0.0
Finance expenses	-2.0	-2.2
Other finance result	0.0	0.1
<b>Financial result</b>	<b>-2.0</b>	<b>-2.1</b>
<b>Profit before tax</b>	<b>36.0</b>	<b>37.7</b>
Income tax expense	-12.0	-12.2
<b>Profit</b>	<b>24.0</b>	<b>25.5</b>
attributable to owners of TAKKT AG	24.0	25.5
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)	0.37	0.39
Diluted earnings per share (in EUR)	0.37	0.39

## STATEMENT OF FINANCIAL POSITION

in EUR million

<b>Assets</b>	<b>3/31/2017</b>	<b>12/31/2016</b>
Property, plant and equipment	105.5	105.8
Goodwill	542.0	545.8
Other intangible assets	72.4	74.6
Investment in associated companies	0.5	0.5
Other assets	2.1	1.2
Deferred tax	1.8	1.9
<b>Non-current assets</b>	<b>724.3</b>	<b>729.8</b>
Inventories	108.7	108.2
Trade receivables	110.1	103.7
Other receivables and assets	17.1	25.3
Income tax receivables	2.5	4.6
Cash and cash equivalents	3.6	2.3
<b>Current assets</b>	<b>242.0</b>	<b>244.1</b>
<b>Total assets</b>	<b>966.3</b>	<b>973.9</b>
<b>Equity and liabilities</b>	<b>3/31/2017</b>	<b>12/31/2016</b>
Share capital	65.6	65.6
Retained earnings	483.3	459.3
Other components of equity	10.9	12.8
<b>Total equity</b>	<b>559.8</b>	<b>537.7</b>
Financial liabilities	31.1	98.0
Other liabilities	0.5	6.7
Pension provisions and similar obligations	54.0	55.1
Other provisions	7.0	6.5
Deferred tax	77.7	77.1
<b>Non-current liabilities</b>	<b>170.3</b>	<b>243.4</b>
Financial liabilities	124.0	81.8
Trade payables	28.3	33.9
Other liabilities	57.4	47.9
Provisions	17.6	20.1
Income tax payables	8.9	9.1
<b>Current liabilities</b>	<b>236.2</b>	<b>192.8</b>
<b>Total equity and liabilities</b>	<b>966.3</b>	<b>973.9</b>

## STATEMENT OF CASH FLOWS

in EUR million

	1/1/2017 – 3/31/2017	1/1/2016 – 3/31/2016
Profit	24.0	25.5
Depreciation, amortization and impairment of non-current assets	6.9	7.4
Deferred tax expense	1.0	1.1
<b>TAKKT cash flow</b>	<b>31.9</b>	<b>34.0</b>
Other non-cash expenses and income	1.4	-3.3
Profit and loss on disposal of non-current assets and consolidated companies	0.0	0.0
Change in inventories	-1.6	0.3
Change in trade receivables	-7.4	-6.7
Change in other assets not included in investing and financing activities	9.8	6.5
Change in short- and long-term provisions	-1.3	-2.7
Change in trade payables	-5.4	-0.9
Change in other liabilities not included in investing and financing activities	3.6	5.5
<b>Cash flow from operating activities</b>	<b>31.0</b>	<b>32.7</b>
Proceeds from disposal of non-current assets	0.0	0.2
Capital expenditure on non-current assets	-6.1	-3.3
Proceeds from the disposal of consolidated companies (less cash and cash equivalents sold)	0.0	1.5
Cash outflows for the acquisition of consolidated companies (less acquired cash and cash equivalents)	-0.4	-0.4
<b>Cash flow from investing activities</b>	<b>-6.5</b>	<b>-2.0</b>
Proceeds from Financial liabilities	40.8	35.9
Repayments of Financial liabilities	-64.0	-61.7
Payments to owners of TAKKT AG (dividends)	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-23.2</b>	<b>-25.8</b>
Cash and cash equivalents at 1/1	2.3	3.3
Increase/decrease in Cash and cash equivalents	1.3	4.9
Non-cash increase/decrease in Cash and cash equivalents	0.0	-0.1
<b>Cash and cash equivalents at 3/31</b>	<b>3.6</b>	<b>8.1</b>

## SEGMENT REPORTING BY DIVISION

in EUR million

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	17.6	47.8	-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

1/1/2016 – 3/31/2016	TAKKT EUROPE	TAKKT AMERICA	Segments total	Others	Consolidation	Group total
Sales to third parties	142.6	131.1	273.7	0.0	0.0	273.7
Inter-segment sales	0.1	0.0	0.1	0.0	-0.1	0.0
Segment sales	142.7	131.1	273.8	0.0	-0.1	273.7
EBITDA	29.8	20.8	50.6	-3.4	0.0	47.2
EBIT	24.6	18.6	43.2	-3.4	0.0	39.8
Profit before tax	23.6	17.7	41.3	-3.6	0.0	37.7
Profit	17.4	10.7	28.1	-2.6	0.0	25.5
Average no. of employees (full-time equivalent)	1,316	970	2,286	34	0	2,320
Employees at the closing date (full-time equivalent)	1,315	964	2,279	34	0	2,313

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## **ADDITIONAL INFORMATION**

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