Quarterly statement

as of March 31, 2023

Key figures TAKKT Group and divisions

	Q1/22	Q1/23	Change in %
TAKKT			
Sales in EUR million	328.4	321.8	-2.0 (-3.3*)
Gross profit margin in percent	39.7	40.0	
EBITDA in EUR million	32.7	30.2	– 7.7
EBITDA margin in percent	10.0	9.4	
EBIT in EUR million	22.4	20.9	– 6.6
Profit before tax in EUR million	21.3	18.6	– 12.7
Profit in EUR million	16.4	14.3	– 12.5
Earnings per share in EUR	0.25	0.22	– 12.5
TAKKT cash flow in EUR million	28.9	24.9	– 13.8
Free TAKKT cash flow in EUR million	10.2	17.8	74.5
Industrial & Packaging			
Sales in EUR million	189.7	180.1	-5.1 (-4.2*)
EBITDA in EUR million	27.0	26.9	– 0.4
EBITDA margin in percent	14.2	14.9	
Office Furniture & Displays			
Sales in EUR million	74.4	73.2	-1.6 (-5.8*)
EBITDA in EUR million	6.4	5.4	– 14.8
EBITDA margin in percent	8.6	7.4	
FoodService			
Sales in EUR million	64.3	68.5	6.5 (2.5*)
EBITDA in EUR million	4.3	2.6	– 39.0
EBITDA margin in percent	6.7	3.8	

* organic, i.e. adjusted for currency effects

TAKKT INCREASES GROSS PROFIT MARGIN AND FREE CASH FLOW IN FIRST QUARTER

- Focus on cash generation leads to strong increase in free TAKKT cash flow to EUR 17.8 (10.2) million
- Improvement in gross profit margin to 40.0 (39.7) percent
- Sales development (minus 2.0 percent) in line with expectations in a challenging economic environment
- EBITDA slightly below previous year at EUR 30.2 (32.7) million

Economic conditions in Europe and North America continued to decline at the beginning of the year, resulting in weaker demand from B2B customers. Following strong organic growth in the previous year, TAKKT generated sales of EUR 321.8 (328.4) million in the first quarter of 2023, down 2.0 percent compared to the first three months of 2022. Adjusted for currency effects, sales were 3.3 percent below the previous year's level. “The current market environment is volatile and regionally diverse. We continue to see good growth in the FoodService division, as well as in Scandinavia and Eastern Europe, while in other markets our customers are acting more restrained. We planned a cautious start to the new year and were right with this forecast,” says CEO Maria Zesch, assessing the development.

In the current environment, TAKKT continues to place a high priority on consistent inflation management and improving the gross profit margin. “In the first quarter, we improved our purchasing conditions for products, transport costs, discounting and pricing. The higher margin in the Industrial & Packaging and Office Furniture & Displays divisions more than compensated for the negative structural effect and the decline in the FoodService division. Overall, we were able to increase the gross profit margin to 40.0 (39.7) percent. This brings us back to our target of 40 percent for the Group,” says CFO Lars Bolscho. TAKKT has adjusted marketing costs to the weaker environment and reduced them compared to the previous year. Personnel expenses and other costs increased slightly, as expected, due to inflation and the further implementation of the integrated positioning. The Group generated EBITDA of EUR 30.2 (32.7) million in the first quarter. One-time expenses for the implementation of the transformation amounted to less than EUR 1 million in the first quarter, compared with just under EUR 2 million in the previous year. The EBITDA margin in the reporting period was 9.4 (10.0) percent.

“In addition to managing costs, our main focus in the current fiscal year is on consistent cash flow management. After the strong increase in net working capital last year, we were able to significantly increase free TAKKT cash flow by reducing inventories,” Lars Bolscho continued. Cash inflow increased significantly to EUR 17.8 (10.2) million in the first quarter.

After the expected subdued start to the new financial year, TAKKT anticipates an improvement in the second half of the year. “The economic environment remains very volatile. Our great advantage is our broad positioning along different customer segments and regions. We continue to expect demand to pick up in the second half of the year. In addition, the integration of the divisions gives us more opportunities for cross-selling, and our pricing and e-commerce initiatives offer further growth potential,” says Maria Zesch. As part of the implementation of the strategy and the focus on fewer brands, TAKKT will not continue the Certeo sales brand. The business had failed to meet our growth and earnings expectations. It most recently had a sales volume of around EUR 20 million and was not profitable. For the full year, the Group continues to expect stable organic sales development, an improvement in the gross profit margin and EBITDA of between EUR 120 and 140 million. Free TAKKT cash flow is expected to increase significantly.

GENERAL CONDITIONS

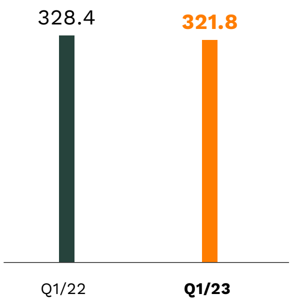
- The decline in economic conditions over the course of 2022 continued in the first quarter of 2023. In Europe and the US, economic development was subdued, mainly due to continued high inflation and the restrictive interest rate policy of the central banks.
- The Purchasing Managers' Indices (PMI) for the eurozone and Germany, which are of particular relevance to the European Industrial & Packaging division, continued to decline over the course of the first quarter and were clearly below the expansion threshold of 50 points. For the eurozone, the PMI for the manufacturing sector was 47.3 points in March, and 44.7 points for Germany.
- After the industry indicator relevant to Central and Hubert, the Restaurant Performance Index (RPI), declined significantly in the course of 2022, it remained virtually unchanged in the first quarter at 102.7 points. The current situation was rated as slightly better than expectations for the future.

SALES AND EARNINGS REVIEW

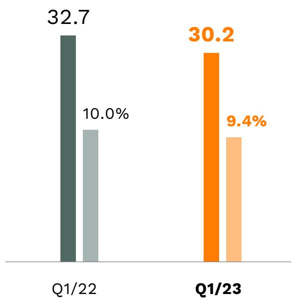
TAKKT

- Sales decreased slightly by 2.0 percent. A positive effect of 1.3 percentage points resulted from currency fluctuations.
- Organic growth was minus 3.3 percent. While the FoodService division achieved low single-digit percentage growth, business in the Industrial & Packaging and Office Furniture & Displays divisions declined by a mid-single-digit percentage.
- Gross profit margin improved to 40.0 (39.7) percent due to the continuation of successful inflation management. Higher gross profit margins in the Industrial & Packaging and Office Furniture & Displays divisions more than offset the negative structural effect from the higher share of US business and the decline in the FoodService division.
- TAKKT adjusted marketing expenses to the weaker environment and reduced them compared to the previous year. Personnel expenses and other costs increased slightly, as expected, due to inflation and the further implementation of the integrated positioning.
- EBITDA was EUR 30.2 (32.7) million and was impacted by one-time effects of less than EUR 1 million (previous year: just under EUR 2 million). The EBITDA margin was 9.4 (10.0) percent.

Sales in EUR million



EBITDA in EUR million/
margin in %

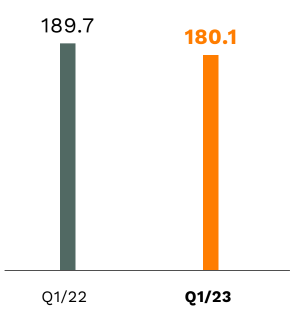


- Depreciation and amortization was down on the previous year at EUR 9.3 (10.3) million.
- The financial result was below prior year at minus EUR 2.3 (minus 1.1) million due to higher interest expenses.
- Income tax expense was slightly lower at EUR 4.3 (4.9) million due to the lower result.
- Profit for the period fell to EUR 14.3 (16.4) million, while earnings per share reached EUR 0.22 (0.25).

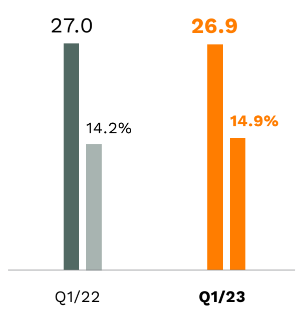
Industrial & Packaging

- Sales were 5.1 percent below the previous year, with negative currency effects of 0.9 percentage points.
- Organic sales development was minus 4.2 percent. Business in Eastern Europe and Scandinavia recorded positive growth rates.
- Despite the decline in sales, the Industrial & Packaging division was able to keep EBITDA stable at EUR 26.9 (27.0) million. In addition to one-time expenses of around EUR 1 million in the previous year, this was due to an improved gross profit margin, lower marketing costs and a slight decrease in personnel expenses. The EBITDA margin rose to 14.9 (14.2) percent.

Sales in EUR million



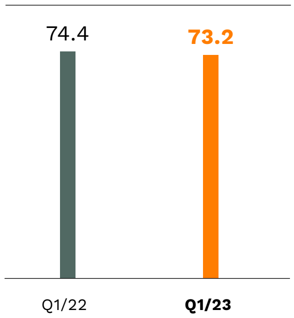
EBITDA in EUR million/ **margin** in %



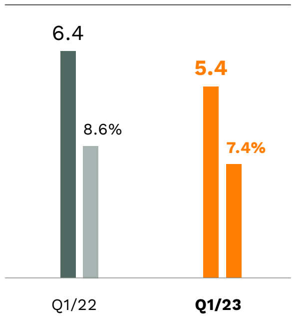
Office Furniture & Displays

- Sales decreased slightly by 1.6 percent. Currency effects had a positive impact of 4.2 percentage points.
- Organic sales development was minus 5.8 percent. The display business recorded growth in the mid-single-digit percentage range. Sales of office equipment had benefited from the reduction in orders in hand in the previous year. Compared with this high level, sales declined by a high single-digit percentage.
- The significant improvement in the gross profit margin partially compensated for the higher cost ratios. EBITDA was EUR 5.4 (6.4) million and the margin was 7.4 (8.6) percent.

Sales in EUR million



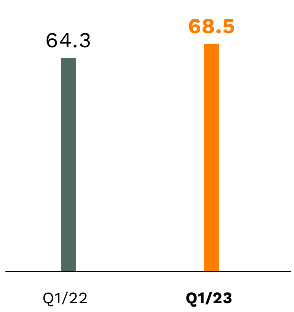
EBITDA in EUR million/ **margin** in %



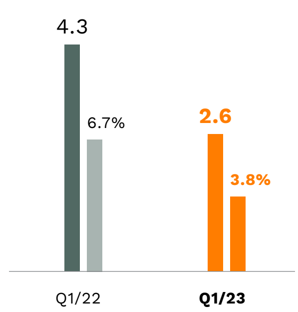
FoodService

- Sales increased by 6.5 percent. Currency effects contributed 4.0 percentage points to growth.
- Organic sales growth was 2.5 percent. While Hubert achieved high single-digit percentage growth, business at Central declined by a low single-digit percentage.
- As expected, lower gross profit margin at Central, influenced by reduction of inventories. In addition, higher costs due to inflation and one-time expenses of less than EUR 1 million impacted earnings.
- Overall, EBITDA amounted to EUR 2.6 (4.3) million. The margin decreased to 3.8 (6.7) percent.

Sales in EUR million



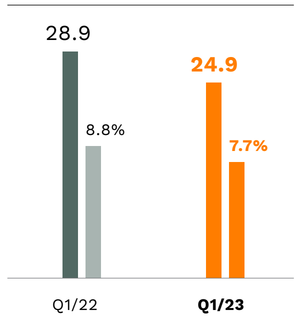
EBITDA in EUR million/ **margin** in %



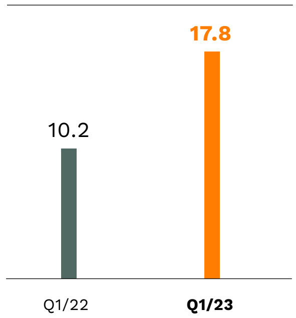
FINANCIAL AND ASSETS POSITION

- TAKKT cash flow was slightly down compared to the previous year at EUR 24.9 (28.9) million.
- Following the significant increase in net working capital last year, TAKKT reduced inventories in the first quarter in a targeted manner, thereby partially compensating for the cash outflow from changes in trade receivables and payables. As a result, net working capital increased only slightly by EUR 4.3 million. In the previous year, the build-up of inventories in particular led to a significant increase in net working capital by a total of EUR 15.5 million.
- As a result, cash flow from operating activities increased significantly to EUR 20.6 (13.4) million.
- At EUR 3.0 (3.3) million, capital expenditures were at a similar level to the previous year.
- Free TAKKT cash flow increased significantly to EUR 17.8 (10.2) million.

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

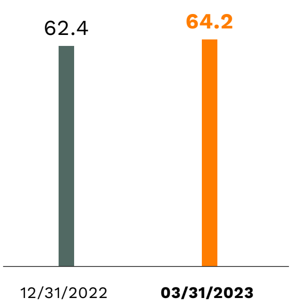


Free TAKKT cash flow in EUR million

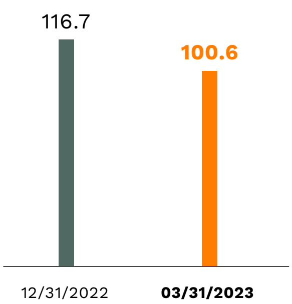


- Net financial liabilities decreased to EUR 100.6 million compared to EUR 116.7 million at the end of 2022.
- Total assets decreased slightly in the reporting period, while the balance sheet structure remained largely unchanged. The equity ratio increased to 64.2 percent (year-end 2022: 62.4 percent).
- At the end of March, TAKKT had committed free credit lines of around EUR 200 million.

Equity ratio
in percent



Net financial liabilities
in EUR million



RISKS AND OPPORTUNITIES

- TAKKT's risks and opportunities are explained in detail starting on page 67 of the 2022 annual report. The general risks and opportunities for the TAKKT Group did not change significantly in the first quarter of 2023. Based on the information currently available, the Management Board does not believe that there are any risks at present or in the forecast period that may be a risk to the Group as a going concern.
- The most significant risk for the TAKKT Group, which is also a noteworthy opportunity, continues to be the economic development. This is closely linked to the further development of inflation and interest rate policy of the central banks as well as the further course of the war in Ukraine.
- In addition, the entry of new providers and online marketplace models or a change in the behavior of established providers could lead to a more aggressive competitive environment and a consequent negative impact on sales and gross profit. TAKKT addresses the risk with an even more customer-oriented market positioning, the expansion of cross-selling offers and a clear focus on sustainable products in order to stand out from the competition. In addition, TAKKT differentiates itself through focused positioning of the various brands.
- TAKKT also deems the risk from structural changes in demand to be significant. The trend towards new forms of collaboration and virtual or hybrid event formats has been accelerated by the consequences of the coronavirus pandemic. This could result in long-term market changes. As a result, there is the risk of decreased demand for office equipment and displays in the medium term. TAKKT is observing these trends and the demand behavior of customers and is continuously adapting the product ranges to the new circumstances. For example, the TAKKT companies offer products for new office concepts, remote work and to facilitate working from home. TAKKT also has a diversified positioning both internationally and in terms of its products. This reduces dependence on individual product groups such as office equipment or displays.
- Limited product availability and rising purchasing prices also represent a significant risk for TAKKT. For example, if sales and earnings are delayed due to limited product availability and/or cannot be fully recognized or rising purchasing prices cannot be passed on in full. To minimize this risk, TAKKT continuously monitors the order backlog and, if necessary, adjusts its own purchasing behavior and inventories. TAKKT will also adjust its prices at shorter intervals than usual if necessary.
- The acceleration of the company's transformation into a more integrated and customer-oriented group offers a significant opportunity. During the course of this restructuring, the risk also exists that goals or steps might be reached later or that results are unsatisfactory.

FORECAST

- Key factors for further economic development in 2023 include the continued inflation and the interest rate policy of the central banks as well as the further course of the war in Ukraine. Current economic forecasts anticipate low economic growth in the regions relevant to TAKKT.
- After the expected subdued start to the new financial year, TAKKT anticipates an improvement in the second half of the year. The economic environment remains very volatile. A major advantage is the Group's broad positioning along different customer segments and regions. TAKKT continues to expect demand to pick up in the second half of the year.

In addition, the integration of the divisions will create more opportunities for cross-selling, and further growth potential will result from pricing and e-commerce initiatives.

- For the full year, the Group continues to expect stable organic sales development, an improvement in the gross profit margin and EBITDA of between EUR 120 and 140 million. Free TAKKT cash flow is expected to increase significantly.

TAKKT will publish the 2023 half-year financial report on July 27.

Consolidated statement of income of the TAKKT Group in EUR million

	1/1/2023 – 3/31/2023	1/1/2022 – 3/31/2022
Sales	**321.8**	**328.4**
Changes in inventories of finished goods and work in progress	– 0.2	0.1
Own work capitalized	0.1	0.3
Gross performance	**321.7**	**328.8**
Cost of sales	– 192.9	– 198.5
Gross profit	**128.8**	**130.3**
Other income	1.0	0.8
Personnel expenses	– 53.3	– 51.2
Other operating expenses	– 46.3	– 47.2
EBITDA	**30.2**	**32.7**
Depreciation, amortization and impairment of property, plant and equipment and other intangible assets	– 9.3	– 10.3
EBIT	**20.9**	**22.4**
Finance expenses	– 2.3	– 1.1
Other finance result	0.0	0.0
Financial result	**– 2.3**	**– 1.1**
Profit before tax	**18.6**	**21.3**
Income tax expense	– 4.3	– 4.9
Profit	**14.3**	**16.4**
attributable to owners of TAKKT AG	14.3	16.4
attributable to non-controlling interests	0.0	0.0
Weighted average number of issued shares in million	65.1	65.6
Basic earnings per share (in EUR)	0.22	0.25
Diluted earnings per share (in EUR)	0.22	0.25

Consolidated statement of financial position of the TAKKT Group in EUR million

Assets	**3/31/2023**	12/31/2022
Property, plant and equipment	109.8	113.9
Goodwill	597.7	602.8
Other intangible assets	42.6	45.4
Other assets	14.1	13.9
Deferred tax	5.9	5.5
Non-current assets	**770.1**	**781.5**
Inventories	151.7	163.1
Trade receivables	140.7	135.9
Other receivables and assets	28.1	30.4
Income tax receivables	2.2	3.0
Cash and cash equivalents	9.8	7.6
Current assets	**332.5**	**340.0**
Total assets	**1,102.6**	**1,121.5**

Equity and liabilities	**3/31/2023**	12/31/2022
Share capital	65.6	65.6
Treasury shares	– 7.0	– 6.5
Retained earnings	622.2	607.8
Other components of equity	26.8	32.9
Total equity	**707.6**	**699.8**
Financial liabilities	75.0	74.2
Pension provisions and similar obligations	49.9	51.0
Other provisions	8.1	8.0
Deferred tax	80.2	80.4
Non-current liabilities	**213.2**	**213.6**
Financial liabilities	35.4	50.1
Trade payables	55.2	63.0
Other liabilities	72.1	69.9
Provisions	16.2	20.5
Income tax payables	2.9	4.6
Current liabilities	**181.8**	**208.1**
Total equity and liabilities	**1,102.6**	**1,121.5**

Consolidated statement of cash flows of the TAKKT Group in EUR million

	1/1/2023 – 3/31/2023	1/1/2022 – 3/31/2022
Profit	14.3	16.4
Depreciation, amortization and impairment of non-current assets	9.3	10.3
Deferred tax expense	0.3	0.7
Other non-cash expenses and income	1.0	1.5
Result from disposal of non-current assets	0.0	0.0
TAKKT cash flow	**24.9**	**28.9**
Change in inventories	9.4	– 19.7
Change in trade receivables	– 6.5	– 15.1
Change in trade payables and similar liabilities	– 6.4	14.2
Change in provisions	– 4.5	– 2.3
Change in other assets / liabilities	3.7	7.4
Cash flow from operating activities	**20.6**	**13.4**
Proceeds from disposal of non-current assets	0.2	0.1
Capital expenditure on non-current assets	– 3.0	– 3.3
Cash outflows for the acquisition of consolidated companies	0.0	0.0
Cash flow from investing activities	**– 2.8**	**– 3.2**
Proceeds from Financial liabilities	34.3	10.0
Repayments of Financial liabilities	– 49.2	– 19.5
Dividend payments to owners of TAKKT AG	0.0	0.0
Payments to owners of TAKKT AG (share buy-back)	– 0.7	0.0
Cash flow from financing activities	**– 15.6**	**– 9.5**
Cash and cash equivalents at 1/1	7.6	2.8
Increase / decrease in Cash and cash equivalents	2.2	0.7
Non-cash increase / decrease in Cash and cash equivalents	0.0	0.0
Cash and cash equivalents at 3/31	**9.8**	**3.5**

Segment reporting by division in EUR million

1/1/2023 – 3/31/2023	Industrial & Packaging	Office Furniture & Displays	Food Service	**Segments total**	Others	Consoli-dation	**Group total**
Sales to third parties	180.1	73.2	68.5	321.8	0.0	0.0	321.8
Inter-segment sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Segment sales	180.1	73.2	68.5	321.8	0.0	0.0	321.8
EBITDA	26.9	5.4	2.6	34.9	– 4.7	0.0	30.2
EBIT	20.9	3.5	1.6	26.0	– 5.1	0.0	20.9
Profit before tax	19.3	2.7	0.5	22.5	– 3.9	0.0	18.6
Profit	14.8	2.0	0.3	17.1	– 2.8	0.0	14.3
Average no. of employees (full-time equivalent)	1,471	521	395	2,387	64	0	2,451
Employees at the closing date (full-time equivalent)	1,459	523	402	2,384	67	0	2,451

1/1/2022 – 3/31/2022	Industrial & Packaging	Office Furniture & Displays	Food Service	Segments total	Others	Consoli-dation	Group total
Sales to third parties	189.7	74.4	64.3	328.4	0.0	0.0	328.4
Inter-segment sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Segment sales	189.7	74.4	64.3	328.4	0.0	0.0	328.4
EBITDA	27.0	6.4	4.3	37.7	– 5.0	0.0	32.7
EBIT	20.0	4.4	3.2	27.6	– 5.2	0.0	22.4
Profit before tax	19.1	3.9	3.0	26.0	– 4.7	0.0	21.3
Profit	14.7	2.9	2.2	19.8	– 3.4	0.0	16.4
Average no. of employees (full-time equivalent)	1,563	507	378	2,448	56	0	2,504
Employees at the closing date (full-time equivalent)	1,555	507	382	2,444	57	0	2,501

ADDITIONAL INFORMATION

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