

# QUARTERLY STATEMENT AS OF SEPTEMBER 30, 2016

## LADIES AND GENTLEMEN,

TAKKT has good growth to show for the first nine months of 2016. Sales increased by 6.7 percent to EUR 841.8 (788.6) million. As expected, growth slowed down in the third quarter after excellent performance in the first half-year. Customers proved reticent to buy following the Brexit decision at the end of June – especially in nearly all of Europe. However, Scandinavia, as well as some parts of Southern Europe, have remained comparatively resilient. While most activities in North America recorded growth that was slightly weaker than in previous quarters, the office equipment business managed to maintain its strong growth. Group sales adjusted for currency and portfolio effects grew organically by 6.0 percent in the nine-month period of 2016 and 2.8 percent in the third quarter. The gross profit margin in the first nine months was slightly higher than in the corresponding previous year's period. EBITDA increased to EUR 137.4 (118.6) million and the EBITDA margin to 16.3 (15.0) percent. Positive one-time effects also contributed to earnings in both periods. Adjusted for these effects, profitability came in at 15.3 (14.6) percent.

As announced at the beginning of the year, TAKKT put together a digital agenda in the reporting period. It includes formulating a Vision 2020, and it defines specific measures in six focus areas. More information can be found in the publication released today, "Digital Transformation," which is available at [www.takkt.com/digital](http://www.takkt.com/digital).

For the remaining fourth quarter, TAKKT is expecting the current performance, which is rather subdued, to continue. This is also due to fewer working days in the fourth quarter which will have a negative impact of about two percentage points on growth. Overall, the Group is confirming the forecast of three to five percent organic growth for the full year 2016.

TAKKT AG, Management Board  
Dr. Felix A. Zimmermann

Dirk Lessing

Dr. Claude Tomaszewski

## KEY FIGURES TAKKT GROUP AND SEGMENTS

	Q3/15	Q3/16	Change in %	9M/15	9M/16	Change in %
<b>TAKKT</b>						
Sales in EUR million	282.7	287.6	1.8 (2.8*)	788.6	841.8	6.7 (6.0*)
Gross margin in percent	42.1	41.8		42.6	42.8	
EBITDA in EUR million	40.2	42.1	4.7	118.6	137.4	15.8
EBITDA margin in percent	14.2	14.6		15.0	16.3	
EBIT in EUR million	33.0	35.1	6.6	98.3	116.0	18.0
Profit before tax in EUR million	30.6	33.3	8.8	91.4	109.7	20.0
Profit in EUR million	19.9	22.6	13.6	61.7	75.0	21.6
Earnings per share in EUR	0.30	0.34	13.6	0.94	1.14	21.6
TAKKT cash flow in EUR million	27.7	31.0	11.9	86.8	100.1	15.3
<b>TAKKT EUROPE</b>						
Sales in EUR million	131.6	128.2	-2.5 (-0.9*)	390.8	413.9	5.9 (3.7*)
EBITDA in EUR million	19.3	19.8	2.8	69.2	81.9	18.3
EBITDA margin in percent	14.7	15.5		17.7	19.8	
<b>TAKKT AMERICA</b>						
Sales in EUR million	151.1	159.5	5.5 (6.0*)	398.0	428.1	7.6 (8.3*)
EBITDA in EUR million	23.9	25.8	7.6	56.7	65.3	15.2
EBITDA margin in percent	15.8	16.1		14.3	15.3	

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

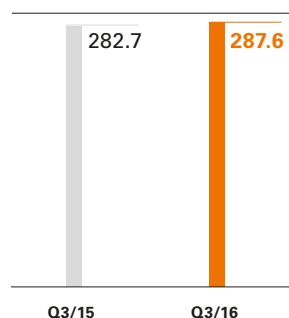
## SALES AND EARNINGS REVIEW

### THIRD QUARTER OF 2016

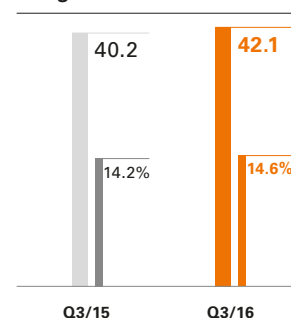
#### TAKKT

- Sales up by 1.8 percent.
- Negative currency effects of 1.0 percentage point.
- Organic sales growth of 2.8 percent.
- EBITDA margin at 14.6 (14.2) percent.
- A positive effect on earnings in the amount of EUR 1.3 million due to reduction of the outstanding variable purchase price liability for Post-Up Stand.
- Adjusted EBITDA margin at 14.2 (14.2) percent.

Sales in EUR million



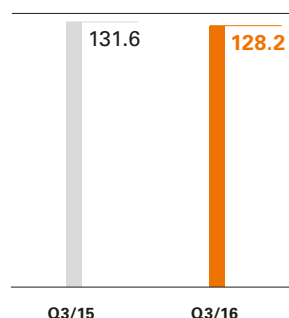
EBITDA in EUR million/  
margin in %



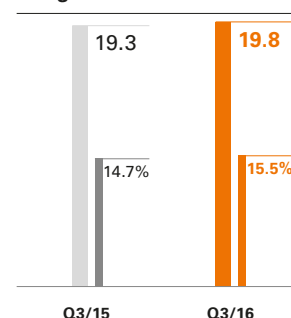
#### TAKKT EUROPE

- Sales down 2.5 percent.
- Negative currency effects of 1.6 percentage points.
- Organic sales performance at minus 0.9 percent. BEG takes slight dip; PSG shows slight growth.
- EBITDA margin climbs to 15.5 (14.7) percent.

Sales in EUR million



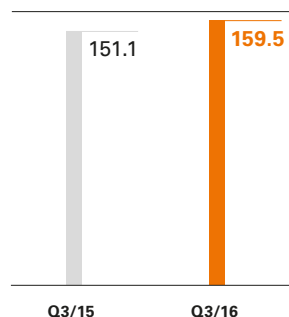
EBITDA in EUR million/  
margin in %



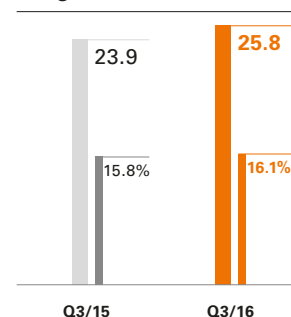
#### TAKKT AMERICA

- Sales up by 5.5 percent.
- Negative currency effects of 0.5 percentage points.
- Organic sales growth of 6.0 percent. SPG contributed to growth in the mid-single-digit percentage range and OEG with low double-digit figures.
- EBITDA margin at 16.1 (15.8) percent.
- Positive effect on earnings due to reduction of outstanding variable purchase price liability for Post-Up Stand.
- Adjusted EBITDA margin at 15.4 (15.8) percent.

Sales in EUR million



EBITDA in EUR million/  
margin in %

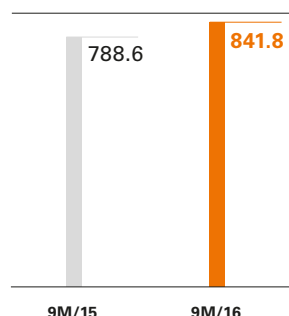


FIRST NINE MONTHS 2016

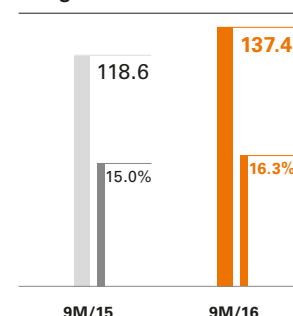
**TAKKT**

- Sales up by 6.7 percent.
- Negative currency effects of 0.9 percentage points, positive portfolio effects of 1.6 percentage points.
- Organic sales growth of 6.0 percent.
- EBITDA margin at 16.3 (15.0) percent.
- Positive contribution to earnings of EUR 3.3 million in the first nine months of 2015 from the deconsolidation of PEG. Positive effect in the first nine months of 2016 from adjustments of outstanding variable purchase price liabilities for Post-Up Stand and BiGDUG totaling EUR 8.7 million.
- EBITDA margin at 15.3 (14.6) percent when adjusted for these effects .

Sales in EUR million



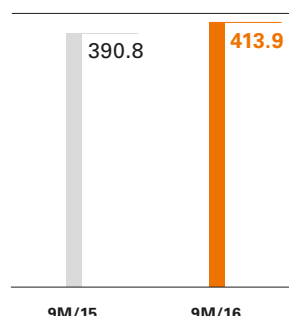
EBITDA in EUR million/  
margin in %



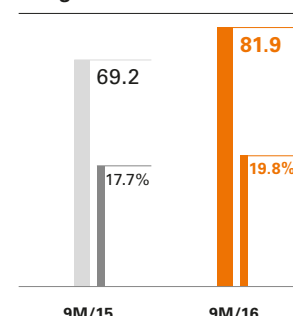
**TAKKT EUROPE**

- Sales up by 5.9 percent
- Negative currency effects of 1.5 percentage points as well as positive portfolio effects of 3.7 percentage points due to the contribution of BiGDUG, which has been consolidated since July 2015
- Organic sales growth of 3.7 percent, comparable performance at BEG and PSG
- EBITDA margin at 19.8 (17.7) percent and 18.7 (17.7) percent when adjusted for the one-time effect resulting from the adjustment of the purchase price liability for BiGDUG.

Sales in EUR million



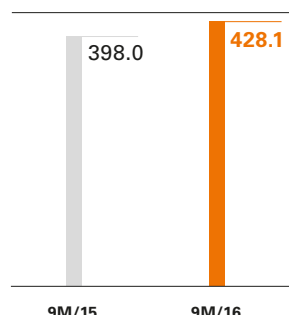
EBITDA in EUR million/  
margin in %



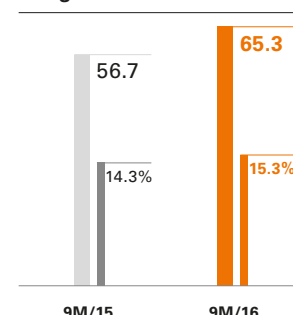
**TAKKT AMERICA**

- Sales up by 7.6 percent.
- Negative currency effects of 0.3 percentage points as well as negative portfolio effects of 0.4 percentage points due to the loss of PEG sales, which were mostly offset by the contribution of Post-Up Stand, which has been consolidated as of April 2015.
- Organic sales increase of 8.3 percent; SPG achieved high single-digit growth, and for OEG it was nearly in the double-digit percentage range.
- EBITDA margin at 15.3 (14.3) percent and 14.3 (13.4) percent when adjusted for the one-time effects resulting from the deconsolidation of PEG and the adjustment of the purchase price liability for Post-Up Stand.

Sales in EUR million



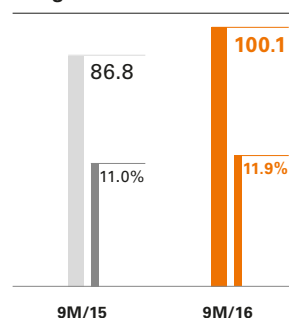
EBITDA in EUR million/  
margin in %



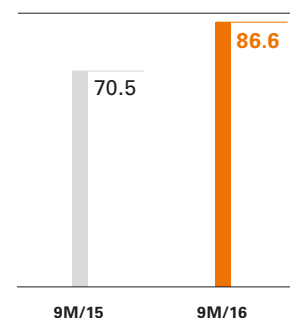
## FINANCIAL POSITION

- The TAKKT cash flow increased from EUR 86.8 to EUR 100.1 million, and so did the corresponding margin – from 11.0 to 11.9 percent.
- After accounting for the change in working capital, the cash flow from operating activities came to EUR 96.0 (64.4) million. Adjusted for a one-time effect resulting from the deferred payment of a purchase price liability for GPA in early 2015, the cash flow from operating activities in the previous year's period came to EUR 80.6 million.
- Capital expenditures increased slightly over the previous year to EUR 11.2 (10.8) million.
- Cash inflows from the disposal of non-current assets and consolidated companies came to EUR 1.8 (16.9) million, which was mainly attributable to the sale of PEG.
- The free TAKKT cash flow came to EUR 86.6 (70.5) million and was mainly used for the dividend payment of EUR 32.8 million as well as the repayment of financial liabilities in the amount of EUR 52.4 million.
- Net financial liabilities decreased to EUR 183.4 million, compared to EUR 244.0 million at the end of 2015.

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



**Free TAKKT cash flow**  
in EUR million



## CREATING A DIGITAL AGENDA

- TAKKT views the trend towards digitalization as a major opportunity. The Group has prepared a digital agenda with specific measures over the past few months. One important component of this is the Vision 2020. It includes doubling the e-commerce business, sustainably changing the organization, investing up to EUR 50 million in employees and new technologies, and increasing sales growth organically over the medium term.
- The agenda defines six focus areas that will enable the digital transformation to be implemented successfully: strategy and innovation, customer decision journey, process automation, organization, management and corporate culture, technology and data and analytics.
- More information can be found in the publication released today, "Digital Transformation," which is available at [www.takkt.com/digital](http://www.takkt.com/digital). On its website, TAKKT will also publish the latest news and the progress made in implementing the digital agenda.

## FORECAST

- The International Monetary Fund significantly reduced its growth forecast for the US in October and raised the outlook for the eurozone slightly.
- Purchasing Managers' Index figures for European economies are looking more favorable again following the post-Brexit decline.
- Industry indexes in the US were ambiguous. The Restaurant Performance Index fell slightly below the reference value of 100.
- For 2016 as a whole, TAKKT continues to expect organic sales growth of three to five percent.
- The EBITDA margin should be in the upper third of the target corridor of 12 to 15 percent.
- No significant change in the forecast of other key figures such as cash flows, capital expenditure, ROCE or TAKKT value added.

TAKKT will publish the preliminary figures for the 2016 financial year on February 16, 2017.

## STATEMENT OF PROFIT OR LOSS

in EUR million

	7/1/2016 – 9/30/2016	7/1/2015 – 9/30/2015	1/1/2016 – 9/30/2016	1/1/2015 – 9/30/2015
Sales	287.6	282.7	<b>841.8</b>	788.6
Changes in inventories of finished goods and work in progress	0.0	-0.1	-0.1	-0.1
Own work capitalized	0.2	0.3	0.9	0.6
<b>Gross performance</b>	<b>287.8</b>	<b>282.9</b>	<b>842.6</b>	<b>789.1</b>
Cost of sales	-167.6	-163.9	-481.9	-453.3
<b>Gross profit</b>	<b>120.2</b>	<b>119.0</b>	<b>360.7</b>	<b>335.8</b>
Other operating income	3.2	1.7	14.4	8.9
Personnel expenses	-41.4	-39.4	-121.5	-115.2
Other operating expenses	-39.9	-41.1	-116.2	-110.9
<b>EBITDA</b>	<b>42.1</b>	<b>40.2</b>	<b>137.4</b>	<b>118.6</b>
Depreciation, amortization and impairment of property, plant and equipment and other intangible assets	-7.0	-7.2	-21.4	-20.3
Impairment of goodwill	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>35.1</b>	<b>33.0</b>	<b>116.0</b>	<b>98.3</b>
Income from associated companies	0.0	0.0	0.0	0.0
Finance expenses	-2.0	-2.3	-6.3	-6.6
Other finance result	0.2	-0.1	0.0	-0.3
<b>Financial result</b>	<b>-1.8</b>	<b>-2.4</b>	<b>-6.3</b>	<b>-6.9</b>
<b>Profit before tax</b>	<b>33.3</b>	<b>30.6</b>	<b>109.7</b>	<b>91.4</b>
Income tax expense	-10.7	-10.7	-34.7	-29.7
<b>Profit</b>	<b>22.6</b>	<b>19.9</b>	<b>75.0</b>	<b>61.7</b>
attributable to owners of TAKKT AG	22.6	19.9	75.0	61.7
attributable to non-controlling interests	0.0	0.0	0.0	0.0
Weighted average number of issued shares in million	65.6	65.6	65.6	65.6
Earnings per share in EUR	0.34	0.30	1.14	0.94

## STATEMENT OF FINANCIAL POSITION

in EUR million

<b>Assets</b>	<b>9/30/2016</b>	<b>12/31/2015</b>
Property, plant and equipment	105.0	108.8
Goodwill	530.3	540.3
Other intangible assets	75.0	83.7
Investment in associated companies	0.6	0.0
Other assets	0.6	0.8
Deferred tax	2.2	2.0
<b>Non-current assets</b>	<b>713.7</b>	<b>735.6</b>
Inventories	103.6	103.8
Trade receivables	105.4	94.0
Other receivables and assets	20.1	25.7
Income tax receivables	0.3	1.8
Cash and cash equivalents	4.2	3.3
<b>Current assets</b>	<b>233.6</b>	<b>228.6</b>
<b>Total assets</b>	<b>947.3</b>	<b>964.2</b>
<b>Equity and liabilities</b>	<b>9/30/2016</b>	<b>12/31/2015</b>
Share capital	65.6	65.6
Retained earnings	443.0	400.8
Other components of equity	-9.7	7.0
<b>Total equity</b>	<b>498.9</b>	<b>473.4</b>
Financial liabilities	65.6	173.7
Other liabilities	6.1	14.5
Pension provisions and similar obligations	65.2	51.2
Other provisions	5.3	5.3
Deferred tax	70.0	70.1
<b>Non-current liabilities</b>	<b>212.2</b>	<b>314.8</b>
Financial liabilities	122.0	73.6
Trade payables	32.1	27.9
Other liabilities	56.5	45.7
Provisions	15.4	18.8
Income tax payables	10.2	10.0
<b>Current liabilities</b>	<b>236.2</b>	<b>176.0</b>
<b>Total equity and liabilities</b>	<b>947.3</b>	<b>964.2</b>

## STATEMENT OF CASH FLOWS

in EUR million

	1/1/2016 – 9/30/2016	1/1/2015 – 9/30/2015
Profit	75.0	61.7
Depreciation, amortization and impairment of non-current assets	21.4	20.3
Deferred tax expense	3.7	4.8
<b>TAKKT cash flow</b>	<b>100.1</b>	<b>86.8</b>
Other non-cash expenses and income	-7.5	3.9
Profit and loss on disposal of non-current assets and consolidated companies	-0.1	-3.3
Change in inventories	-1.2	-8.3
Change in trade receivables	-13.4	-17.3
Change in other assets not included in investing and financing activities	3.6	7.7
Change in short- and long-term provisions	-1.3	-0.1
Change in trade payables	4.9	-2.9
Change in other liabilities not included in investing and financing activities	10.9	-2.1
<b>Cash flow from operating activities</b>	<b>96.0</b>	<b>64.4</b>
Proceeds from the disposal of non-current assets	0.3	0.2
Capital expenditure on non-current assets	-11.2	-10.8
Proceeds from the disposal of consolidated companies (less cash and cash equivalents sold)	1.5	16.7
Cash outflows for the acquisition of consolidated companies (less cash and cash equivalents acquired)	-0.4	-92.4
<b>Cash flow from investing activities</b>	<b>-9.8</b>	<b>-86.3</b>
Proceeds from Financial liabilities	33.5	114.4
Repayments of Financial liabilities	-85.9	-71.1
Payments to owners of TAKKT AG (dividends)	-32.8	-21.0
<b>Cash flow from financing activities</b>	<b>-85.2</b>	<b>22.3</b>
Cash and cash equivalents at 1/1	3.3	4.0
Cash and cash equivalents classified as Assets held for sale at 1/1	0.0	0.2
Increase/decrease in Cash and cash equivalents	1.0	0.4
Non-cash increase/decrease in Cash and cash equivalents	-0.1	-0.1
<b>Cash and cash equivalents classified as Assets held for sale at 9/30</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash and cash equivalents at 9/30</b>	<b>4.2</b>	<b>4.5</b>

## SEGMENT REPORTING BY DIVISION

in EUR million

1/1/2016 – 9/30/2016	TAKKT EUROPE	TAKKT AMERICA	Segments total	Others	Consolidation	Group total
Sales to third parties	413.7	428.1	841.8	0.0	0.0	841.8
Inter-segment sales	0.2	0.0	0.2	0.0	-0.2	0.0
Segment sales	413.9	428.1	842.0	0.0	-0.2	841.8
EBITDA	81.9	65.3	147.2	-9.8	0.0	137.4
EBIT	66.8	59.2	126.0	-10.0	0.0	116.0
Profit before tax	63.7	56.5	120.2	-10.5	0.0	109.7
Profit	47.0	34.1	81.1	-6.1	0.0	75.0
Average no. of employees (full-time equivalent)	1,311	973	2,284	35	0	2,319
Employees at the closing date (full-time equivalent)	1,298	985	2,283	37	0	2,320

1/1/2015 – 9/30/2015	TAKKT EUROPE	TAKKT AMERICA	Segments total	Others	Consolidation	Group total
Sales to third parties	390.6	398.0	788.6	0.0	0.0	788.6
Inter-segment sales	0.2	0.0	0.2	0.0	-0.2	0.0
Segment sales	390.8	398.0	788.8	0.0	-0.2	788.6
EBITDA	69.2	56.7	125.9	-7.3	0.0	118.6
EBIT	55.5	50.3	105.8	-7.5	0.0	98.3
Profit before tax	52.0	47.8	99.8	-8.4	0.0	91.4
Profit	36.5	30.9	67.4	-5.7	0.0	61.7
Average no. of employees (full-time equivalent)	1,253	970	2,223	34	0	2,257
Employees at the closing date (full-time equivalent)	1,291	984	2,275	34	0	2,309



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## **ADDITIONAL INFORMATION**

### **Address and contact**

TAKKT AG  
Presselstraße 12  
70191 Stuttgart  
Germany

### **Investor Relations**

phone +49 711 3465-8222  
fax +49 711 3465-8104  
investor@takkt.de  
www.takkt.de