

INVESTOR PRESENTATION 2016



**OPPORTUNITIES OF
DIGITALIZATION**

**Berenberg and Goldman Sachs
GCC 2016**

AGENDA

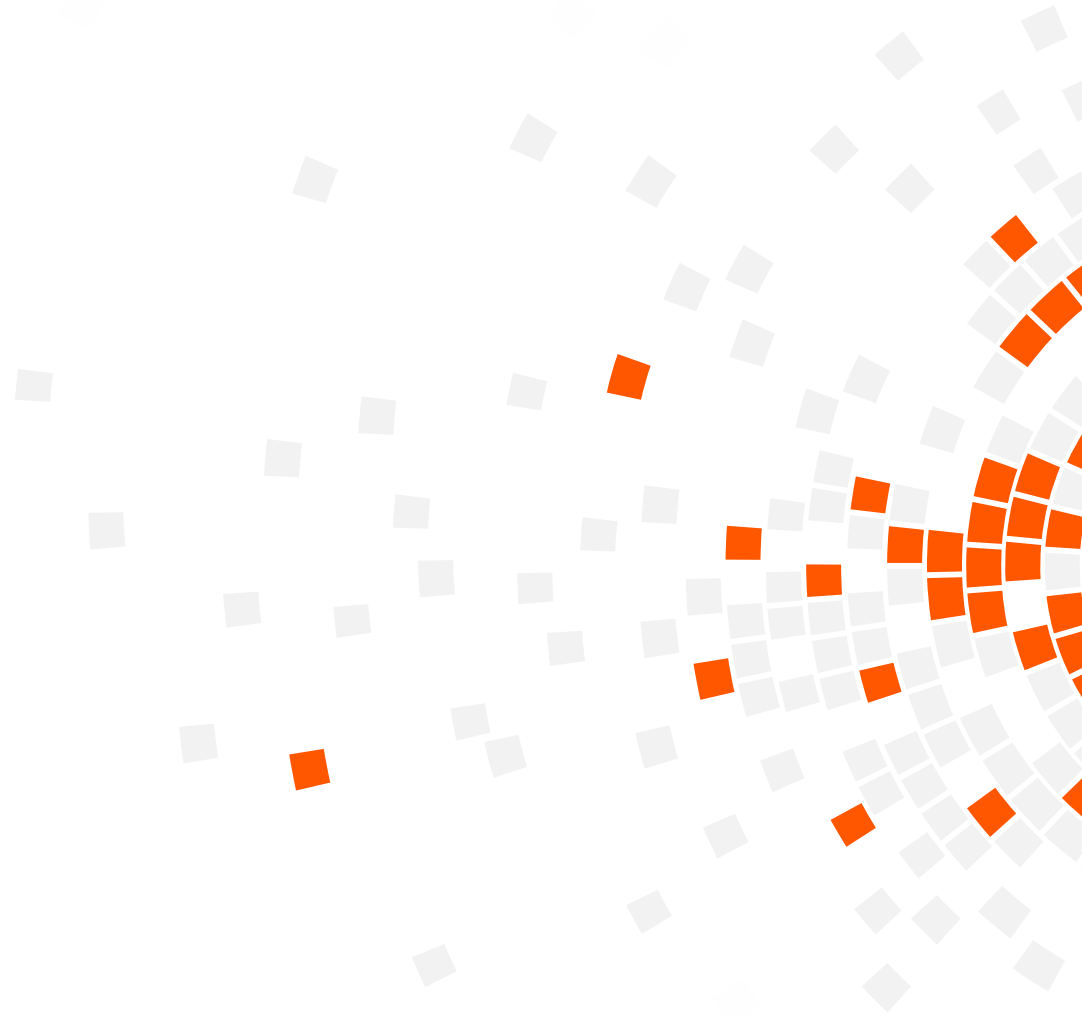
BUSINESS MODEL

STRATEGY

VALUE-BASED FIGURES

KEY FINANCIALS

OUTLOOK 2016

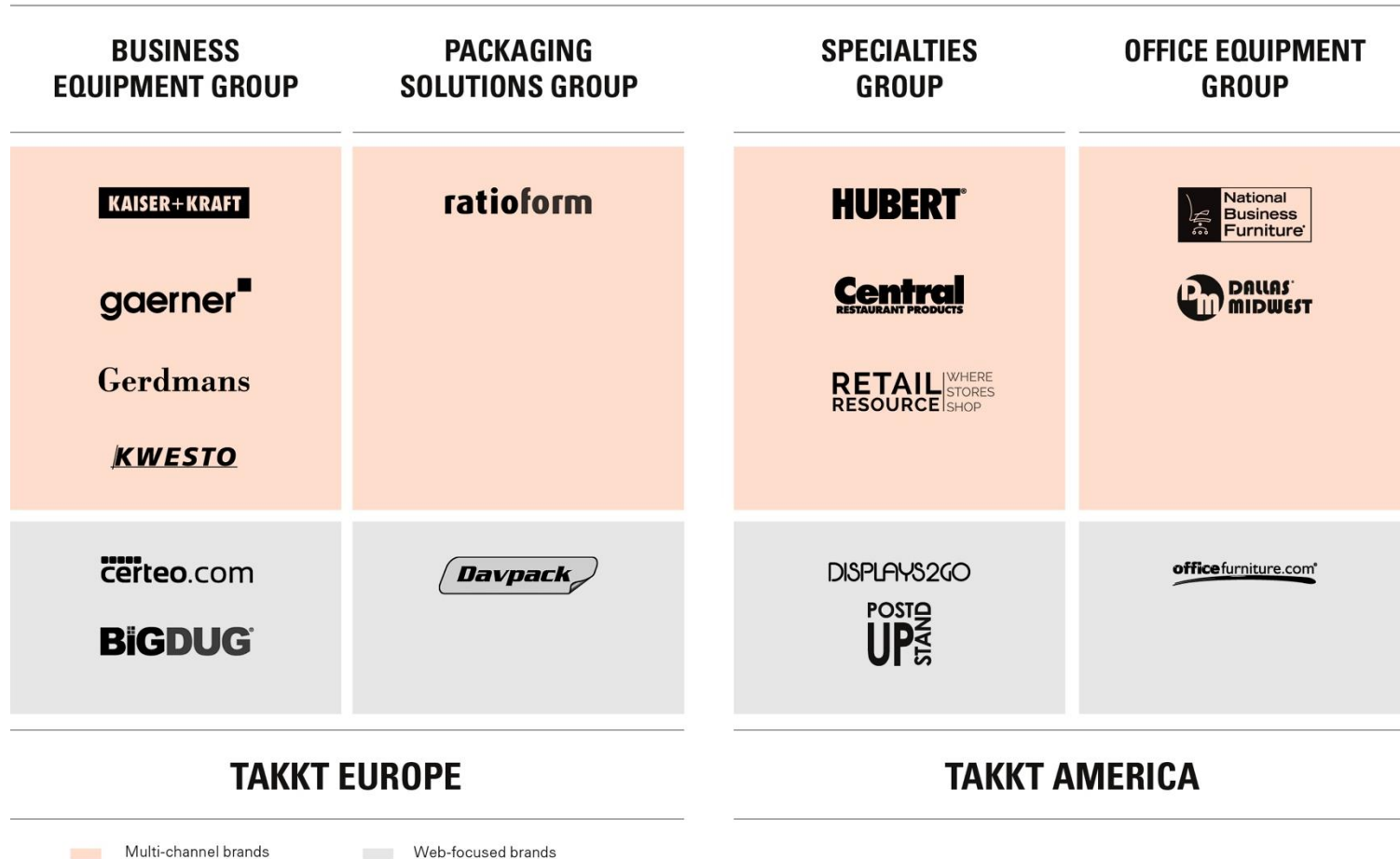


TAKKT IS A PORTFOLIO OF B2B-DIRECT MARKETING SPECIALISTS



THE PORTFOLIO IS DIVIDED IN 2 SEGMENTS WITH 4 DIVISIONS AND STEERED BY TAKKT AG AS MANAGEMENT HOLDING

TAKKT AG



OUR DIVISIONS ARE PRODUCT SPECIALISTS AND SELL EQUIPMENT AND SPECIALTIES WITH AN AVERAGE ORDER VALUE OF 480€

Business Equipment Group

The Specialist for plant, warehouse and office equipment

Product examples



Packaging Solutions Group

The Specialist for packaging solutions

Product examples



Specialties Group

The Specialist for food service supplies and sales promotion

Product examples



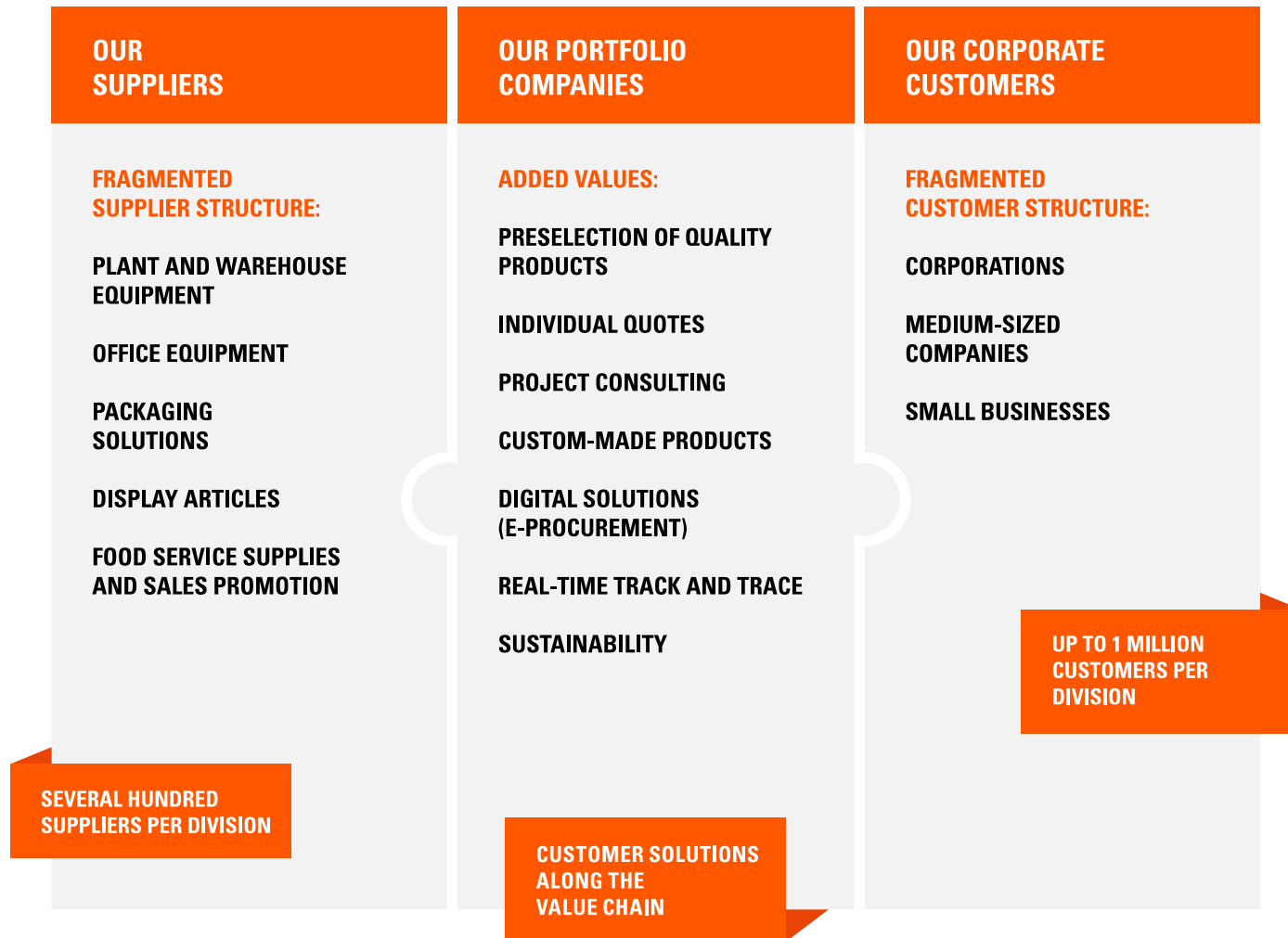
Office Equipment Group

The Specialist for office equipment

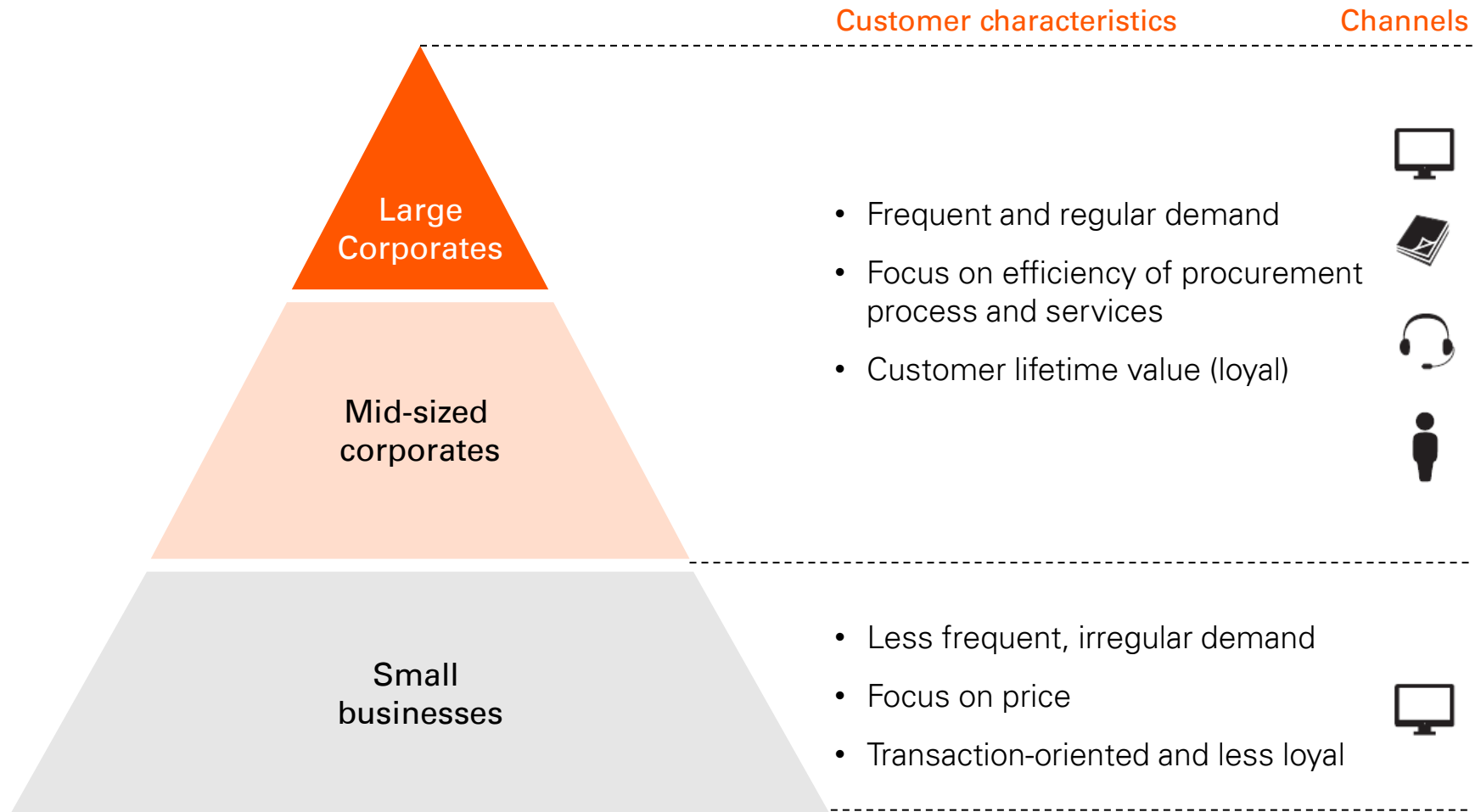
Product examples



OUR ROLE IN THE MARKET – VALUE-ADD SERVICES FOR CUSTOMERS AND SUPPLIERS BEYOND PURE DISTRIBUTION



OUR MULTI-CHANNEL STRATEGY OFFERS MULTIPLE TOUCH POINTS FOR OUR CUSTOMERS ACCORDING TO INDIVIDUAL PREFERENCES



B2B DIRECT MARKETING: BUSINESS MODEL AT A GLANCE

- Most efficient way to market and distribute in the B2B market
- Constant gain of market share versus local, store-based retail network
- Clear business model which will benefit from the trends towards e-commerce and digitalization
- High profitability (EBITDA margin >10%) with a comparably low capital intensity (cashflow margin > 8%)

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STRONG BUSINESS MODEL WITH CLEARLY DEFINED FINANCIAL TARGETS

GROW PROFITABLY

- 4-5% p.a. organic growth (on average)
- Efficiency of direct-marketing
- Implementation of strategic initiative DYNAMIC 1
- Seizing the opportunities of digitalization 2
- 5% p.a. growth via acquisitions (on average) 3

DIVERSIFY RISK

4

- Significant contributions to sales on at least two continents
- Diversified share of sales across customer groups
- Balanced product range

ACT SUSTAINABLY

5

- Industry role model for sustainability
- Sustainability as “built-in” rather than an “add-on”

EBITDA margin within corridor of 12-15%

2 MAJOR INITIATIVES TO ADAPT TO CHANGING CUSTOMER NEEDS

From 2013

MULTI-CHANNEL



- Transformation of the business model
- Integrated use of 4 marketing and sales channels
Print, Online, Tele and Field



From 2016

DIGITALIZATION

- Digitalization changes the purchasing behavior of customers and their order fulfillment expectations
- TAKKT businesses will develop more digital solutions to enhance the value proposition for their customers and suppliers



1

DYNAMIC: GROWTH AND MODERNIZATION INITIATIVE TO ACHIEVE ORGANIC GROWTH TARGETS WHILE MAINTAINING PROFITABILITY



The diagram illustrates the DYNAMIC initiative structure. At the top is a large orange triangle with the word 'DYNAMIC' centered inside it. Below this triangle are three light gray rectangular boxes, each representing a functional area. The first box on the left is titled 'Procurement' and lists three bullet points: 'Expansion of product range', 'Increased share of private label sales', and 'Increase of direct imports'. The middle box is titled 'Marketing Sales' and lists two bullet points: 'Strengthening of e-commerce' and 'Additional tele- and fieldsales activities'. The third box on the right is titled 'IT' and lists one bullet point: 'Modernization of IT-infrastructure'.

DYNAMIC

Procurement

- Expansion of product range
- Increased share of private label sales
- Increase of direct imports

Marketing Sales

- Strengthening of e-commerce
- Additional tele- and fieldsales activities

IT

- Modernization of IT-infrastructure

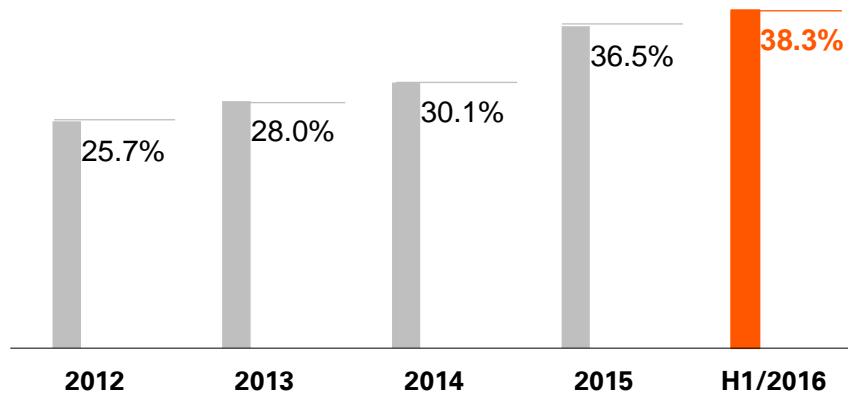
With the DYNAMIC program, TAKKT has already started to transform its digital setup

1 DYNAMIC: SPECIFIC GOALS HAVE BEEN SET IN 2012

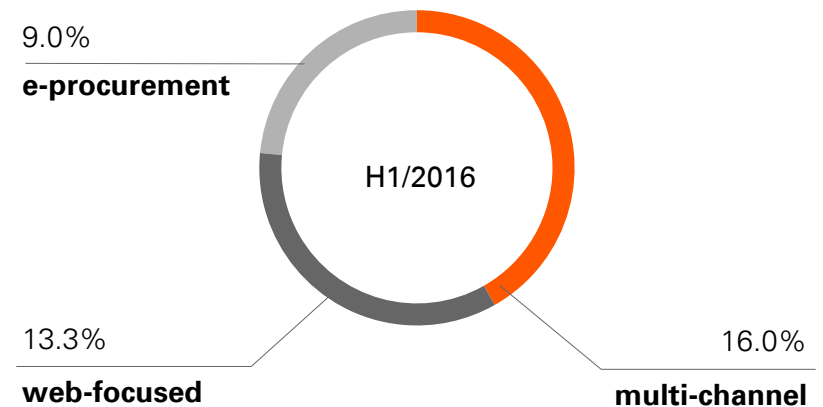
	KPIs	2013	2014	2015	Objectives 2016
Procurement	Share of new products in order intake	3.0%	9.0%	16.5%	20-25 percent
	Share of private labels in order intake	13.9%	14.7%	15.9%	20-25 percent
	Share of direct imports in purchase volume	9.6%	10.0%	12.1%	10-15 percent
Marketing	Share of web-only products in entire product range	29.6%	42.0%	58.7%	40-60 percent
	Share of SEO in order intake via search engines	32.1%	32.1%	33.7%	30-35 percent
Sales	Share of e-commerce in order intake	28.0%	30.1%	36.5%	35-45 percent
	Share of telesales/field sales in order intake	14.2%	16.4%	16.7%	20-25 percent

1 E-COMMERCE WITH STRONG INCREASE

Share of e-commerce in order intake *in %*



Split between e-commerce channels



2

TAKKT WILL CONTINUE TO EXPLORE THE OPPORTUNITIES OF DIGITALIZATION TO INCREASE THE CUSTOMER EXPERIENCE

Digitalization

WHY?

- Digitalization is transforming whole industries
- Competitive landscape is changing
- B2B customers more and more demand digital offerings and services and a fully digitalized customer experience

WHAT?

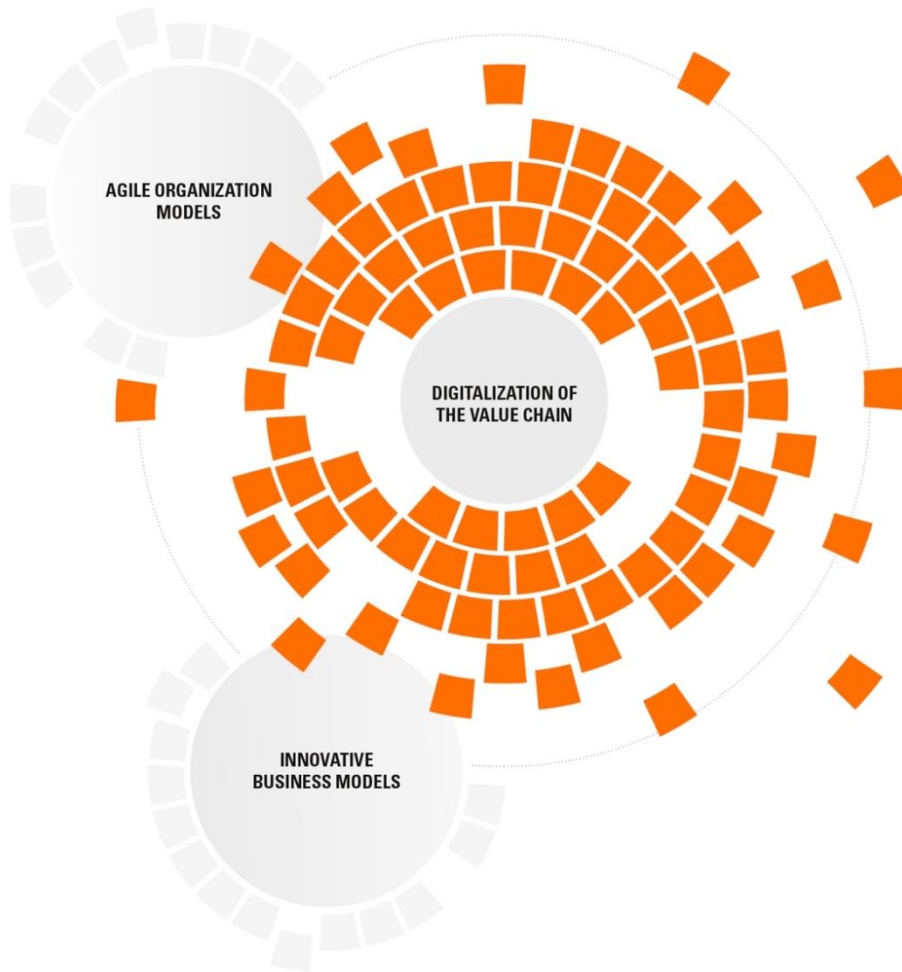
- TAKKT differentiates its digitalization activities in 3 key areas:
- Digitalization of the value chain
 - Agile organization models
 - Innovative business models

HOW?

- Encouraging new ways of working
- Speeding-up IT and driving implementation with agility
- Definition of quantitative, measureable targets

TAKKT will prioritize its digital activities in a digital Agenda in 2016

2 SEIZING THE OPPORTUNITIES OF DIGITALIZATION



Digitalization of the value chain:

Identification of the potential of digitalization in each step of the value chain

(e.g. digital front-end and back-end processes)

Agile organization models:

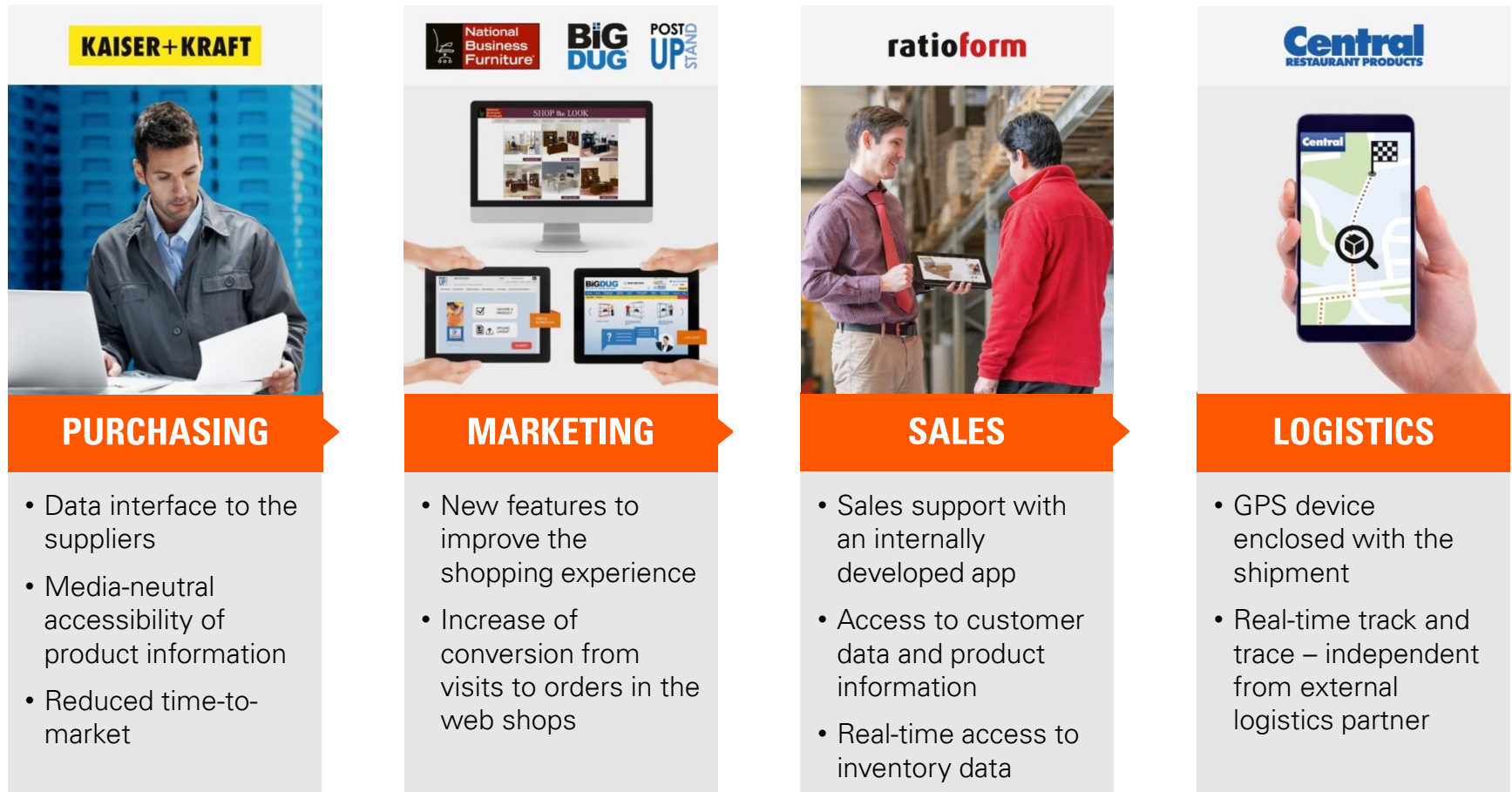
Implementation of a favorable organizational environment, developing the necessary internal digital competencies and a modern, powerful IT architecture

(e.g. hiring digital talents, cross-functional teams, advanced analytics, agile IT)

Innovative business models:

Establishing new business models

EXAMPLES OF A DIGITALIZED VALUE CHAIN THAT HAVE ALREADY BEEN IMPLEMENTED



TAKKT is setting up a digital agenda with specific digitalization initiatives. These will be carried out in a decentralized manner across all divisions.

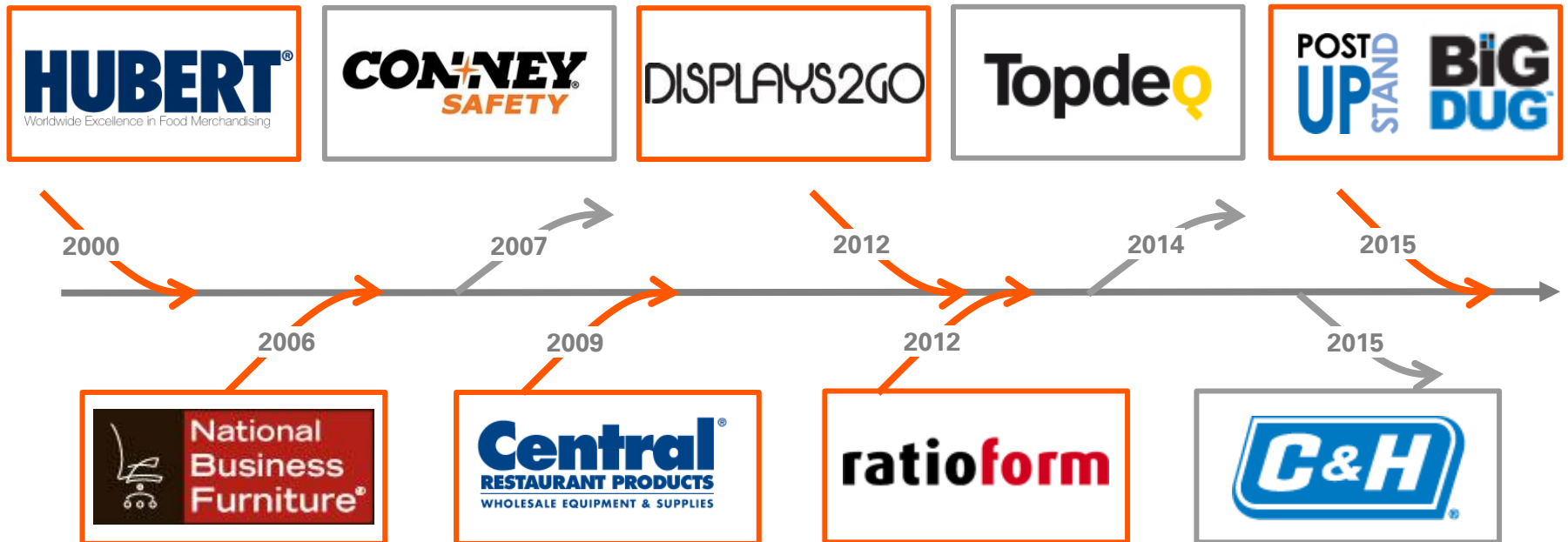
3 M&A ACTIVITY AS FURTHER DRIVER FOR GROWTH

Acquisition criteria

- mainly medium-sized companies (and also smaller ones as add-on acquisitions)
- high EBITDA and gross margins
- well established market leaders
- ensure diversification and gain new expertise for the group

Divestment criteria

- strategic fit
- growth potential
- profitability expectations



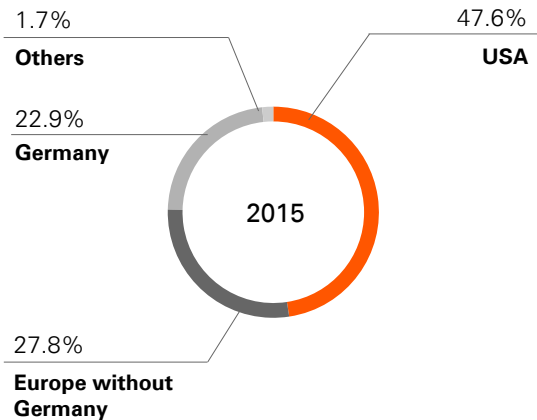
DIVERSIFICATION OF REGIONS, CUSTOMER GROUPS & PRODUCT RANGES

Balanced contributions to sales from two continents

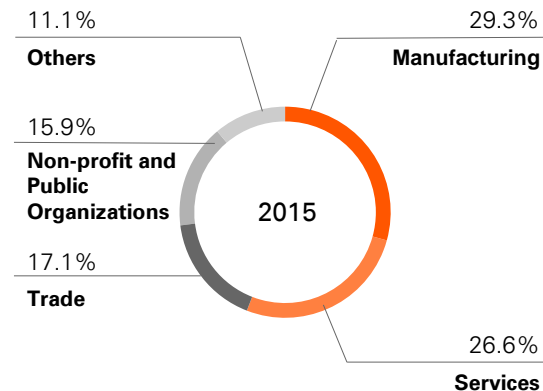
Low dependency from single customer groups

Broad product portfolio – multi-purpose use

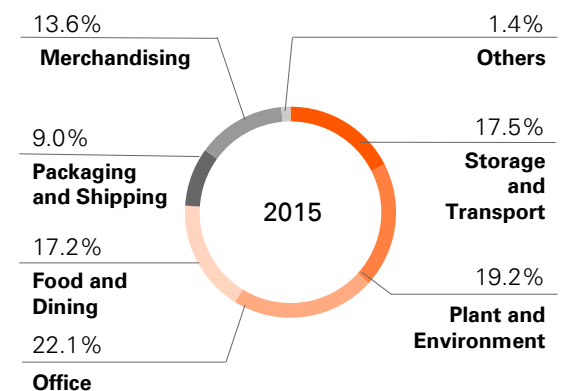
Regions



Customer groups



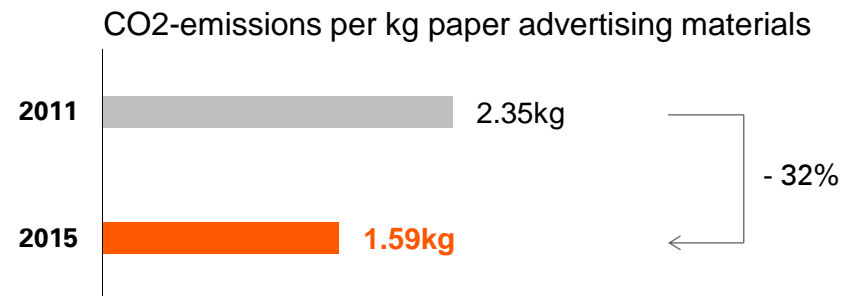
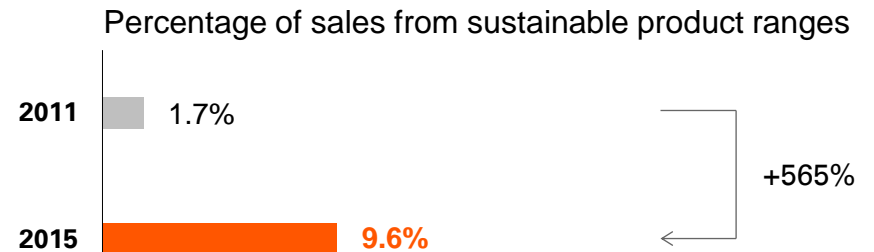
Product ranges



5 SUSTAINABILITY: BEING A ROLE MODEL IN OUR INDUSTRY BY 2016



Examples:



- Sustainability report informs about the current status of the sustainability indicators
- Corporate customers are more and more interested in managing their supply chain in a sustainable way

5 IMPROVED SUSTAINABILITY INDICATORS

Focus area	Key figure	2011	2012	2013	2014	2015
Sourcing	Share of certified suppliers			Pilot project launched	1.9%	3.1%
	Share of purchase volume from certified suppliers			Pilot project launched	23.7%	36.3%
	Percentage of sales from sustainable product ranges	1.7%	3.1%	4.4%	6.6%	9.6%
Marketing	Paper use per EUR million sales	34.9t	29.2t	24.9t	20.8t	18.2t
	Percentage of paper advertising materials from certified sustainable sources	57.0%	77.2%	88.5%	95.3%	98.9%
	Carbon emissions per kg of paper advertising materials	2.35kg	2.17kg	1.56kg.	1.80kg	1.59kg
Logistics	Number of EU countries in which carbon neutral shipping is offered	0	15	15	15	15
Resources and Climate	Major companies with carbon footprints	1	1	7	7	10
	Major companies with a certified environmental management system	1	1	1	1	3
	Energy use in thousand gigajoules (at German and US locations already in existence in 2011)	114.9	103.4	106.5	98.9	66.4
Employees	Expansion of talent promotion			New program launched	Program partially implemented	Group-wide rollout launched
Society	Percentage of employees who have the opportunity to take a paid leave of absence to engage in volunteer work	5.9%	4.5%	8.5%	18.4%	37.9%

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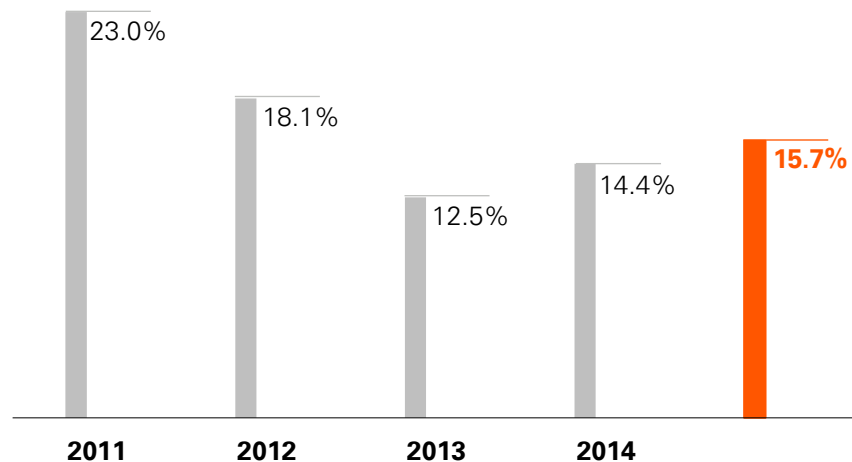
OUTLOOK 2016

OVERALL GOOD DEVELOPMENT OF KEY FINANCIAL INDICATORS

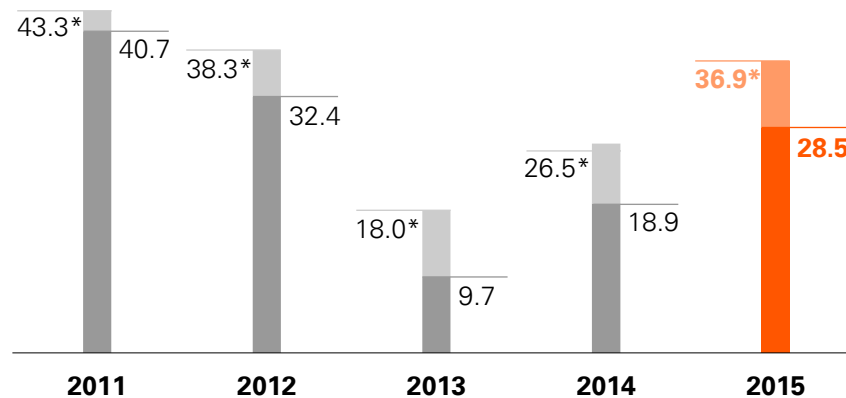
	2011	2012	2013	2014	2015
Organic sales development in percent	7.3	-2.8	-2.6	5.5	4.7
Number of orders in thousand	1,780	2,016	2,171	2,182	2,225
Average order value in EUR	479	465	440	450	482
Gross margin in percent	43.3	43.3	43.6	42.6	42.6
EBITDA margin in percent	14.2	14.2	12.9	14.0	14.8
TAKKT cash flow in EUR million	87.8	92.7	83.4	98.7	114.2
Capital expenditure ratio in percent	1.1	0.9	1.0	1.4	1.3
ROCE (return on capital employed) in percent	23.0	18.1	12.5	14.4	15.7
TAKKT value added in EUR million	40.7	32.4	9.7	18.9	28.5

IMPROVED VALUE-BASED KPIs

Return on capital employed *in %*



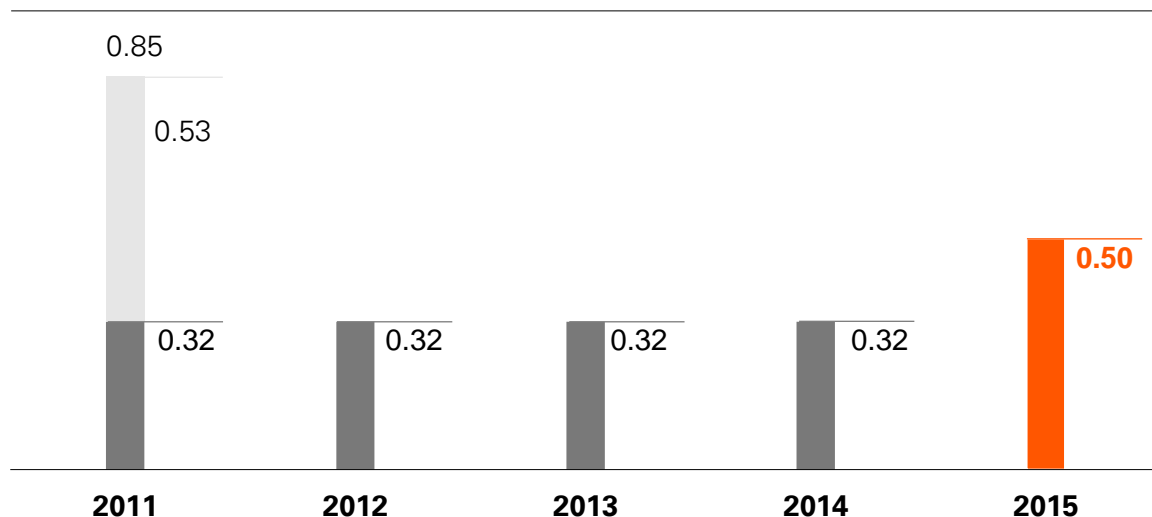
TAKKT value added *in EUR million*



* Adjusted for amortization of intangible assets resulting from acquisitions and the related tax effect.

DIVIDEND POLICY

Dividend per share *in EUR*



- Dividend policy: payout ratio between 35 and 45 percent of the profit for the period
- With this policy TAKKT aims for a consistent and reliable dividend stream and a strong participation of shareholders in TAKKT's success
- Dividend for the 2015 financial year was EUR 0.50 per share which corresponds to a payout ratio of 40 percent

AGENDA

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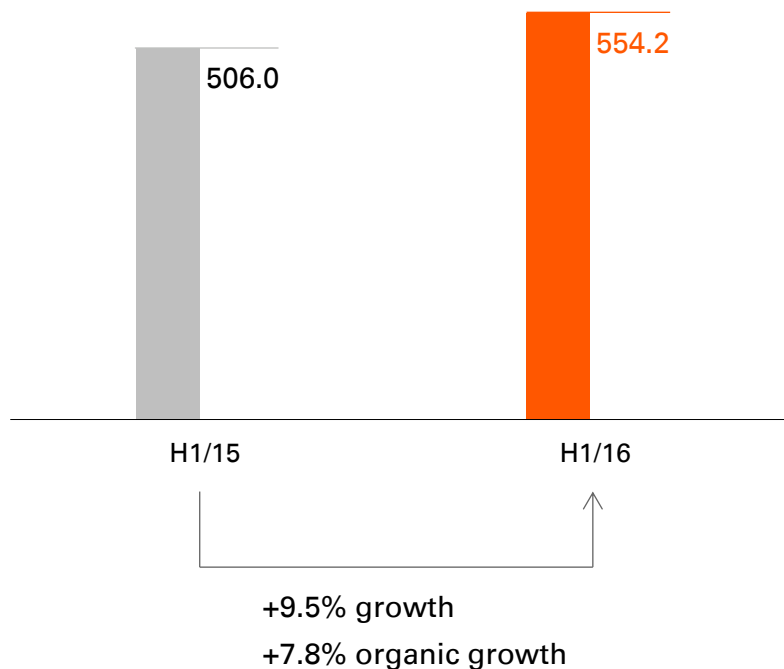
VALUE-BASED FIGURES

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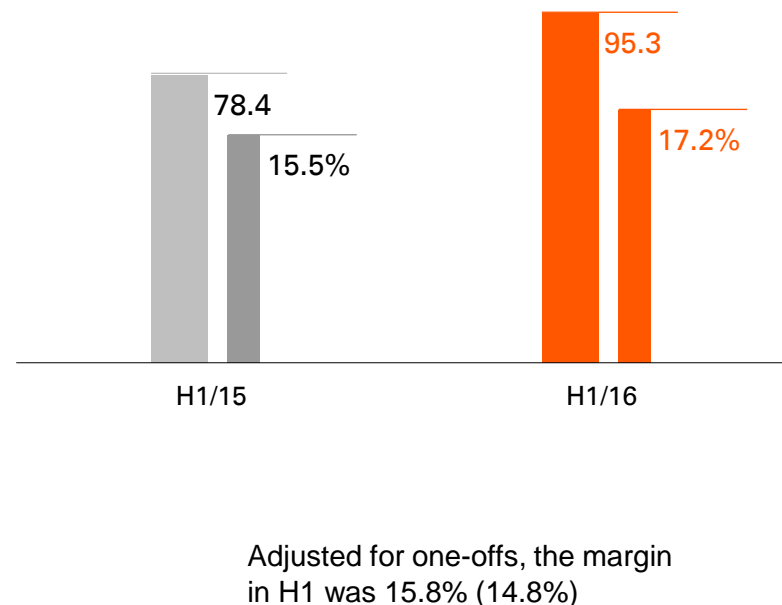
OUTLOOK 2016

TAKKT GROUP WITH A STRONG FIRST HALF 2016

Sales in EUR million

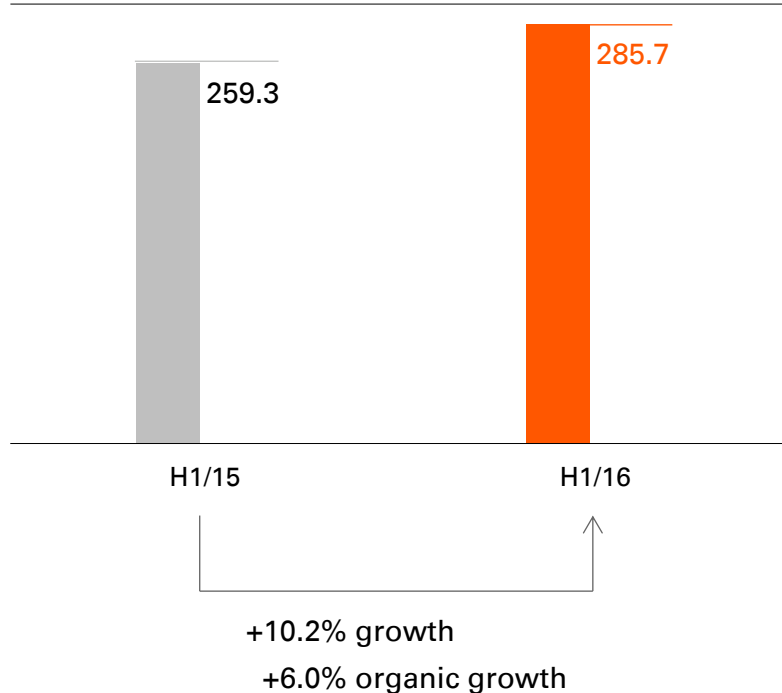


EBITDA in EUR million and margin in %

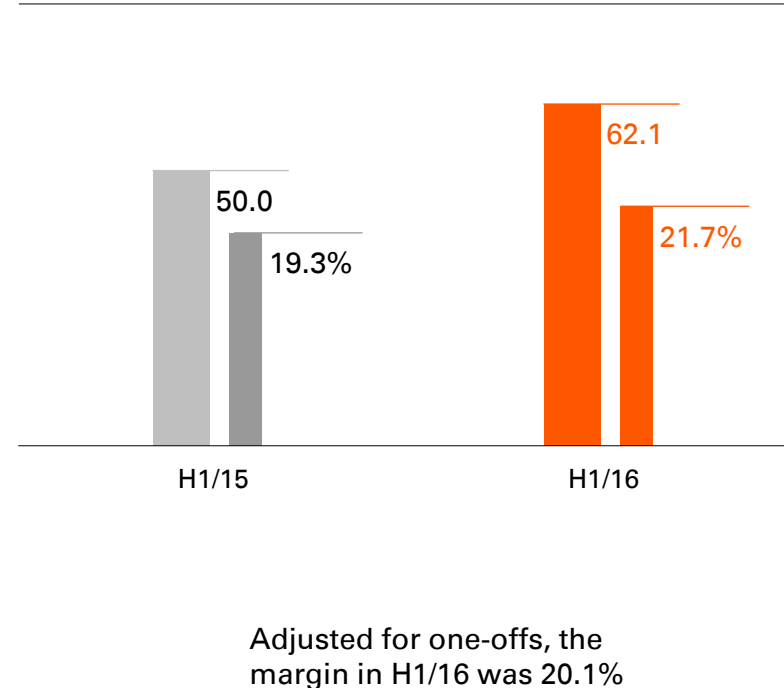


GOOD GROWTH AND PROFITABILITY AT TAKKT EUROPE

Sales in EUR million

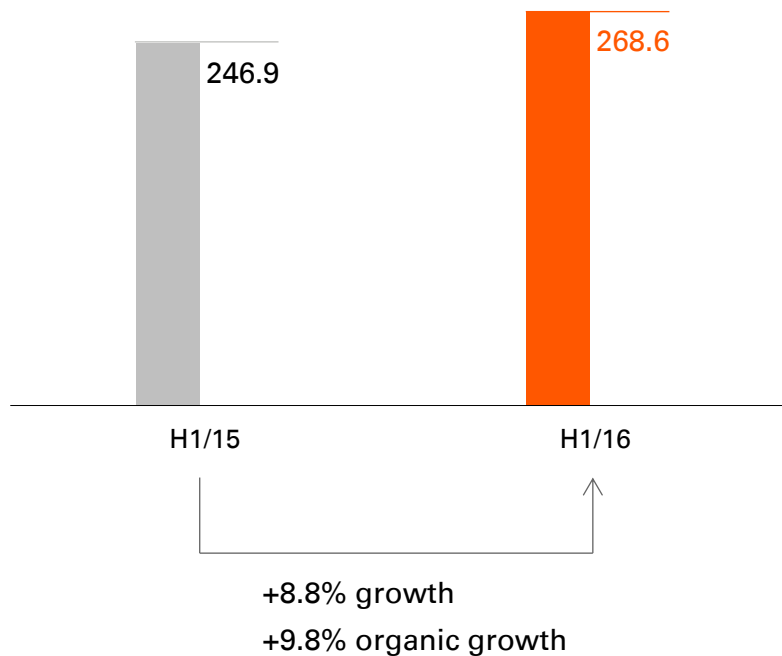


EBITDA in EUR million and margin in %

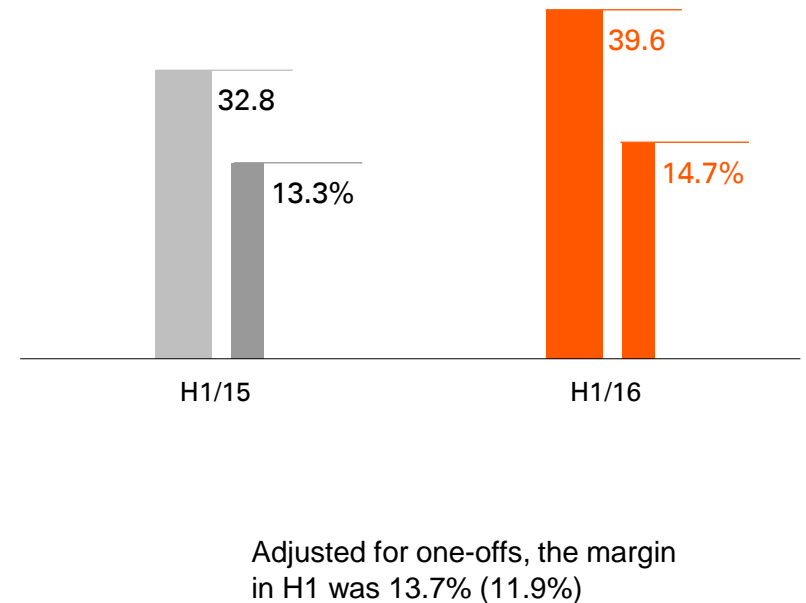


TAKKT AMERICA CONTINUES SUCCESSFUL DEVELOPMENT

Sales in EUR million

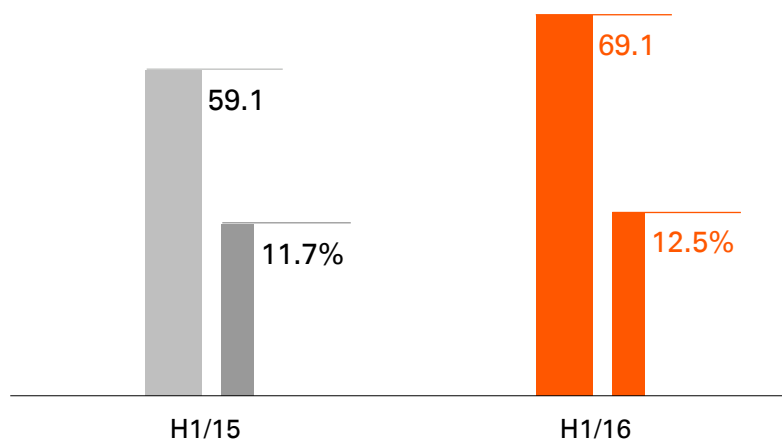


EBITDA in EUR million and margin in %



HIGH CASH FLOW MARGIN

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



<i>in EUR million</i>	H1/15	H1/16
profit	41.8	52.4
+ depreciation	+13.1	+14.4
+ deferred taxes	+4.2	+2.3
TAKKT CF	59.1	69.1

<i>in EUR million</i>	H1/15	H1/16
EBITDA	78.4	95.3
- net interest exp.	-4.5	-4.5
- current taxes	-14.8	-21.7
TAKKT CF	59.1	69.1

STRONG CASH FLOW GENERATION

	H1/15	H1/16
TAKKT cash flow	59.1	69.1
Change in net working capital as well as other adjustments	-20.1	-2.4
Cash flow from operating activities	39.0	66.7
Capital expenditure on non-current assets	-7.2	-7.5
Proceeds from the disposal of non-current assets	+0.2	+0.2
Proceeds from the disposal of consolidated companies	+17.4	+1.5
Free TAKKT cash flow (for acquisitions, payout to shareholders and loan repayments)	49.4	60.9

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VERY GOOD SECOND QUARTER 2016

Organic growth	2015	Q1/16	Q2/16	H1/16
TAKKT Group	+4.7%	+5.7%	+9.9%	+7.8%
TAKKT EUROPE	+0.7%	+1.6%	+10.9%	+6.0%
TAKKT AMERICA	+10.0%	+10.8%	+8.9%	+9.8%

OUTLOOK

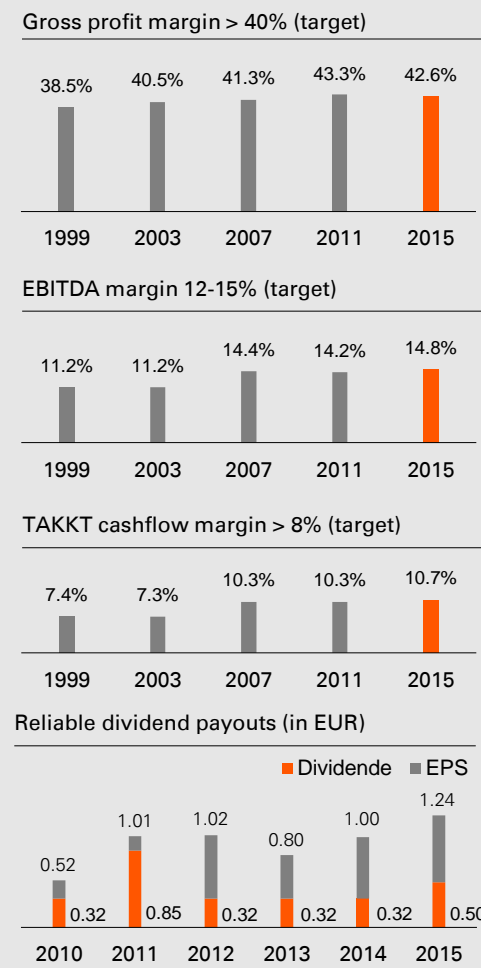
	weaker economy	main scenario	stronger economy
GDP growth rates compared to 2015	below	slightly higher	unexpectedly strong
Organic turnover growth	lower	3 - 5%	higher

- Organic growth was strong in the first half of 2016. However, due to an increased economic and political uncertainty as well as lower number of working days in the second half year, TAKKT expects a slower pace of growth for the rest of the year.
- Stable or only slightly declining gross profit margins at the segment level.
- In the main scenario the EBITDA margin should come in at the upper third of the target corridor of 12-15 percent.
- If the business environment is worse than expected, an EBITDA margin in the lower half of the target corridor cannot be ruled out. In the event that business performance exceeds expectations, the margin could reach the upper end of the target corridor.

TAKKT EQUITY STORY AT A GLANCE

Strong historic performance

- 1 TAKKT is a worldwide, diversified portfolio of B2B direct-marketing specialists for business equipment
- 2 Group companies are market-leaders in attractive niche markets with high margins
- 3 Growth opportunities through organic initiatives (multi-channel plus and digitalization) as well as upside from acquisitions
- 4 Profitable growth with c. 10% average annual growth and EBITDA margin between 12 and 15%
- 5 Business model generates high free cash flows and allows stable dividend payouts
- 6 Stable, long-term oriented shareholder structure with Franz Haniel & Cie. GmbH as majority shareholder
- 7 Built-in approach to sustainability as a competitive advantage



TAKKT INVESTOR RELATIONS

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TAKKT AG is headquartered in Stuttgart, Germany.

Upcoming Events 2016

September

21.09. Berenberg & Goldman Sachs German Corporate Conference, Munich

October

31.10 Results of the first 9 months 2016

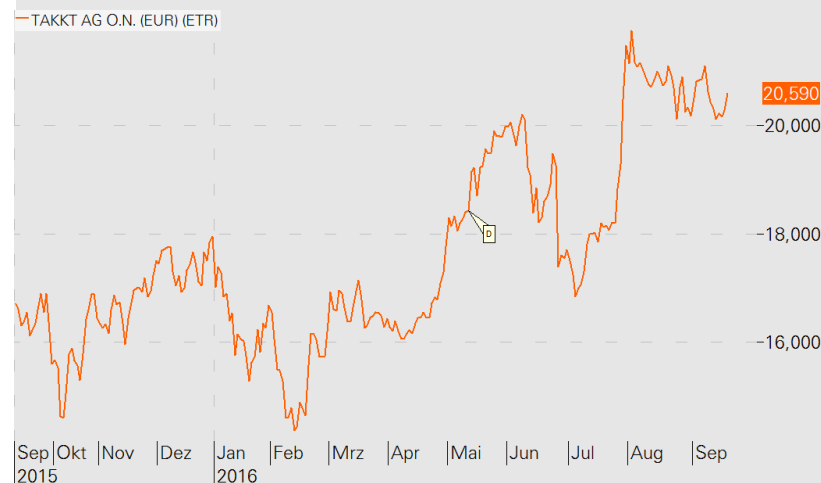
November

14.-17.11. Fall Roadshow
21.11. Eigenkapitalforum Deutsche Börse, Frankfurt am Main

Basic data TAKKT share

ISIN / WKN	DE0007446007 / 744600
Ticker symbol	TTK
No. shares	65,610,331
Type	No-par-value bearer shares
Share capital	EUR 65,610,331
Listing	September 15, 1999
Index	SDAX, prime standard
Designated sponsors	Oddo Seydler Bank Kepler Capital Markets Hauck & Aufhäuser

Historic share price development (Xetra)



TAKKT AG

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