INVESTOR PRESENTATION

November 2016

TAKKT AG

AGENDA

BUSINESS MODEL

STRATEGY

VALUE-BASED FIGURES

KEY FINANCIALS 9M

OUTLOOK 2016

TAKKT IS A PORTFOLIO OF B2B-DIRECT MARKETING SPECIALISTS

1 PORTFOLIO

2 SEGMENTS

4 DIVISIONS

16 BRANDS

OVER **70** LOCATIONS WORLDWIDE

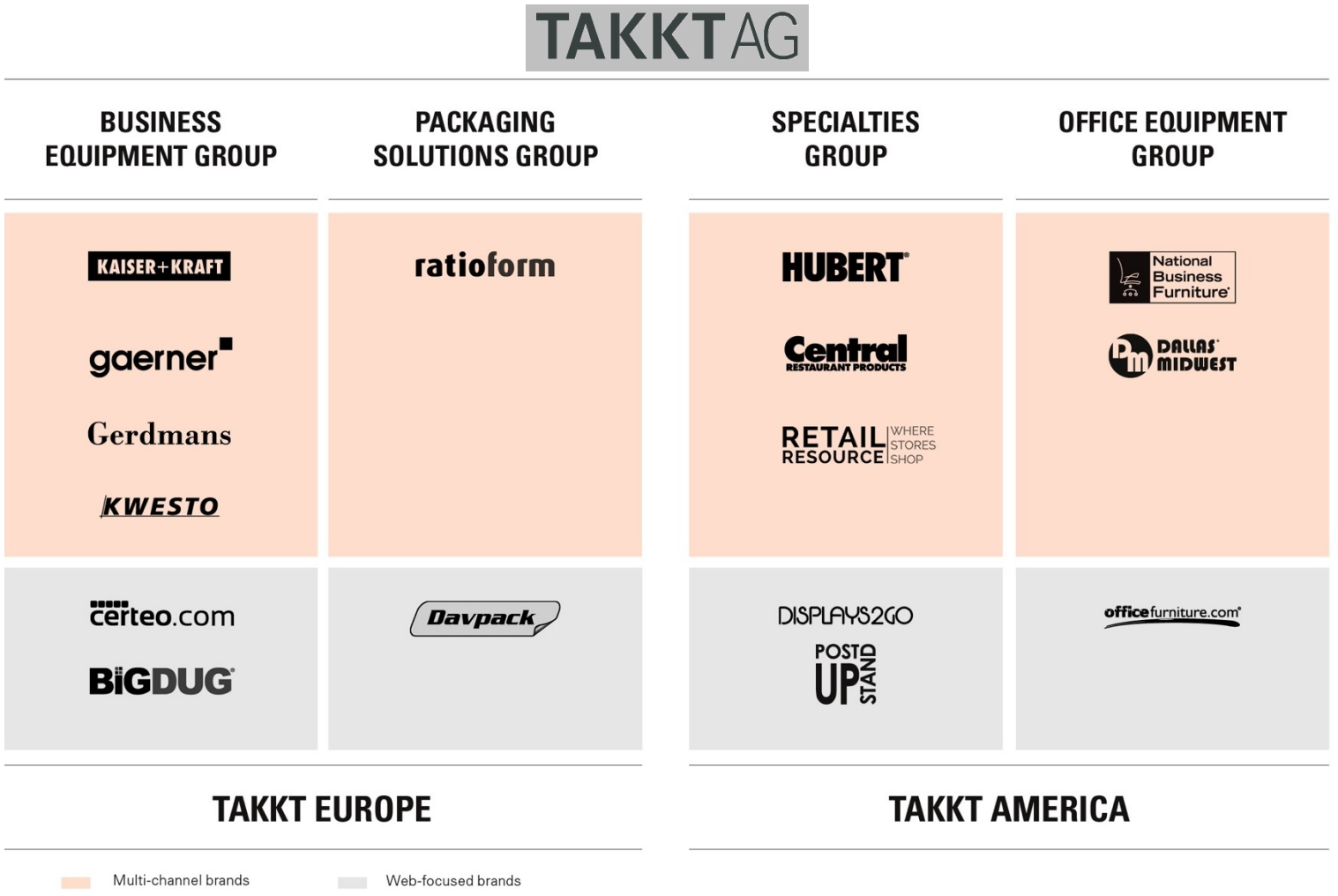
OVER **300,000** PRODUCTS

AROUND **3 MILLION** CUSTOMERS

1.1 BN € SALES IN 2015

14.8 % EBITDA MARGIN IN 2015

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



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

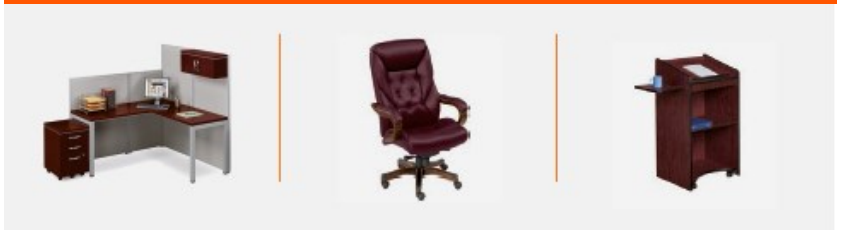
The Specialist for food service supplies and sales promotion

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 SUPPLIERS

FRAGMENTED SUPPLIER STRUCTURE:

- PLANT AND WAREHOUSE EQUIPMENT
- OFFICE EQUIPMENT
- PACKAGING SOLUTIONS
- DISPLAY ARTICLES
- FOOD SERVICE SUPPLIES AND SALES PROMOTION

SEVERAL HUNDRED SUPPLIERS PER DIVISION

OUR PORTFOLIO COMPANIES

ADDED VALUES:

- PRESELECTION OF QUALITY PRODUCTS
- INDIVIDUAL QUOTES
- PROJECT CONSULTING
- CUSTOM-MADE PRODUCTS
- DIGITAL SOLUTIONS (E-PROCUREMENT)
- REAL-TIME TRACK AND TRACE
- SUSTAINABILITY

CUSTOMER SOLUTIONS ALONG THE VALUE CHAIN

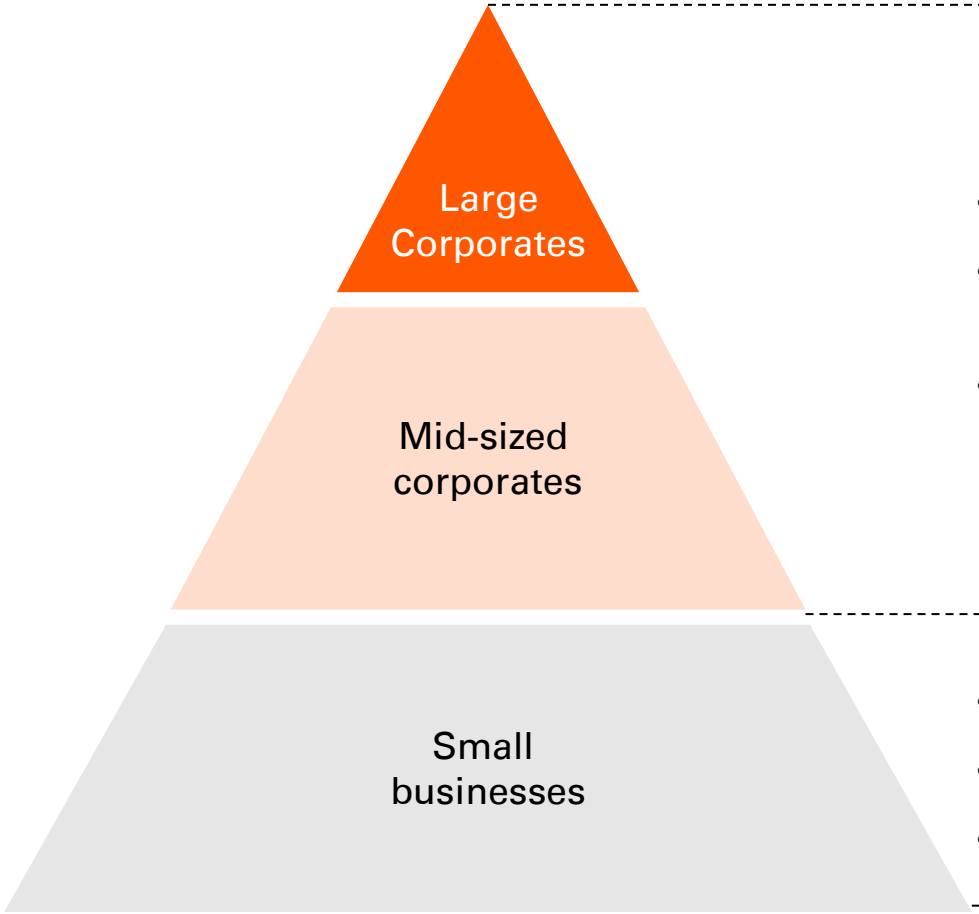
OUR CORPORATE CUSTOMERS

FRAGMENTED CUSTOMER STRUCTURE:

- CORPORATIONS
- MEDIUM-SIZED COMPANIES
- SMALL BUSINESSES

UP TO 1 MILLION CUSTOMERS PER DIVISION

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



Customer characteristics	Channels
• Frequent and regular demand • Focus on efficiency of procurement process and services • Customer lifetime value (loyal)	
• Less frequent, irregular demand • Focus on price • Transaction-oriented and less loyal	

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

Organic growth of 4 to 5% p.a. on average

- Efficency of direct marketing
- Implementation of multi-channel PLUS
- Shaping the digital transformation

Growth of 5% p.a. on average via acquisitions

- Well-established B2B market leaders in attractive niche markets
- Access to new products, markets, customers and business models

Diversify risk

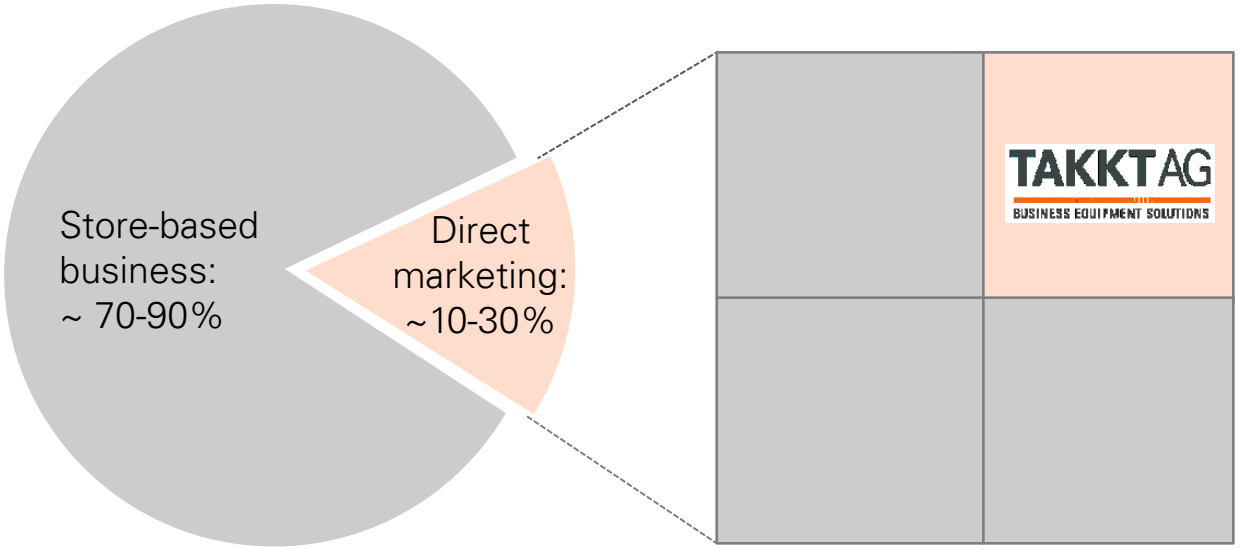
- Significant contributions to sales on at least two continents
- Diversified share of sales across customer groups
- Balanced product range

Act sustainably

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

EBITDA margin within corridor of 12-15%

ORGANIC GROWTH ABOVE GDP ALSO DUE TO EFFICIENCY OF DIRECT MARKETING MODEL



Total market volume of EUR 100bn+ with growth potential in line with GDP

Direct marketing is steadily gaining market share vs store-based business

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

dynamic

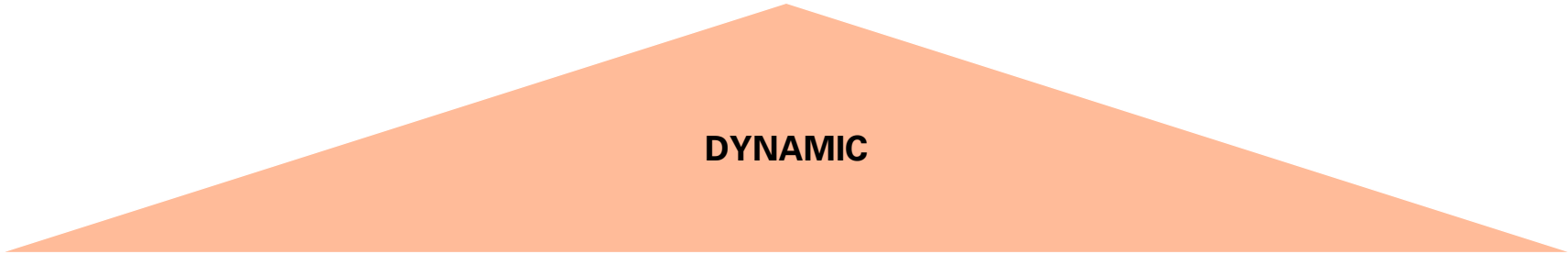
From 2016

DIGITAL TRANS-FORMATION

- Digitalization changes the purchasing behavior of customers and their order fulfillment expectations
- TAKKT creates its own digital agenda which includes concrete measures in six focus areas

digital@TAKKT

DYNAMIC: GROWTH AND MODERNIZATION INITIATIVE



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

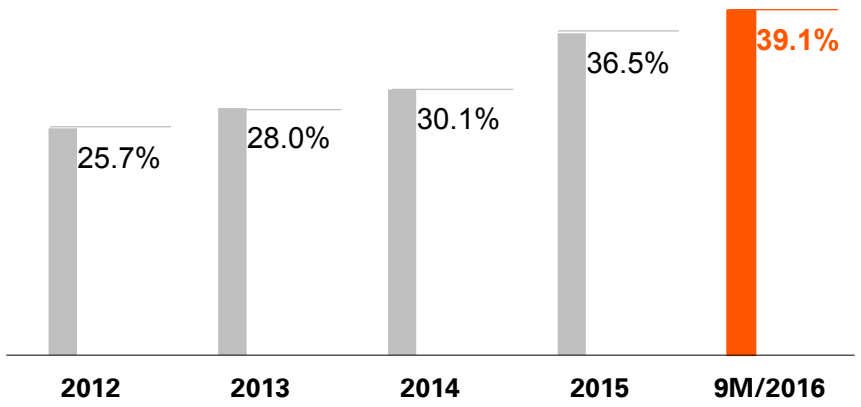
With the DYNAMIC program, TAKKT has already started to transform its digital setup

DYNAMIC: SPECIFIC GOALS HAVE BEEN SET IN 2012

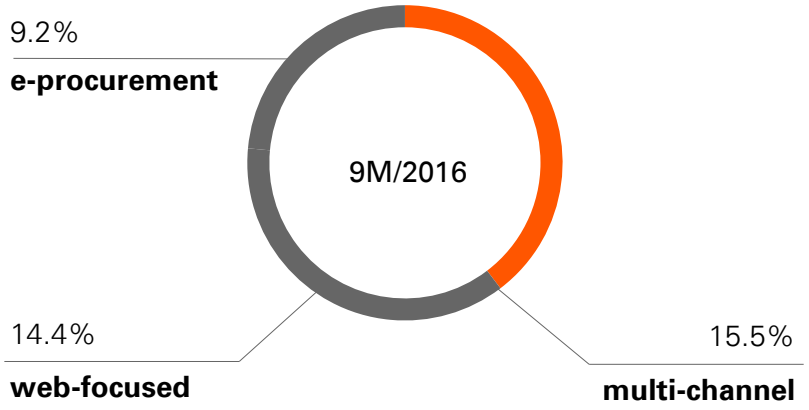
	KPIs	2013	2014	2015	Objectives 2016
Procure-ment	Share of new products in order intake	3.0%	9.0%	16.5%	20-25 percent
	Share of private labels in order intake	13.9%	14.7%	15.9%	20-25 percent
	Share of direct imports in purchase volume	9.6%	10.0%	12.1%	10-15 percent
Marketing	Share of web-only products 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

E-COMMERCE WITH STRONG INCREASE

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



Split between e-commerce channels



CREATING TAKKT'S OWN DIGITAL AGENDA

WHY?

- Critical analysis of our strengths and weaknesses
- Development of a strategic initiative
- Clear focus on customer centricity and digital talents.

WHAT?

Activities in six focus areas building on

- Digitalization along the entire value chain
- Agile models of organization
- Innovative business models

HOW?

Actively managing the transformation

- New forms of organization and new ways of working
- Significant investments in new technologies
- Empowerment of our employees and investment in new talents
- Establishing of new formats for an open exchange between experts

SHAPING THE DIGITAL TRANSFORMATION

We want to **double** our **e-commerce business** until 2020 by creating an outstanding customer experience through digitalization.

We strive to **transform** our **organization** in a step change by putting digital first and focusing on customer centricity.

We will **invest** up to **EUR 50 million** until 2020 in our people and new technologies.

The implementation of our Digital Agenda will **increase** our midterm organic sales **growth**.

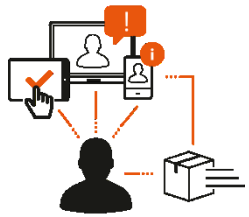
OUR SIX FOCUS AREAS OF THE DIGITAL AGENDA

Strategy & Innovation

We strictly align our business model with the digital age and take a critical look at the status quo.

Customer Decision Journey

We would like to learn more about and understand our customers' needs and decision making processes better.



Process Automation

Our processes will become faster and more efficient, manual activities will be further automated.

Organization, Management and Corporate Culture

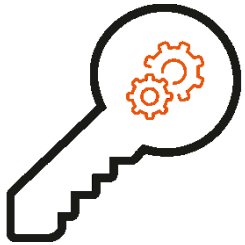
We adapt our organization and procedures in line with our goals to ensure successful implementation of our strategy.

Technology

We continue to focus on modernizing our existing IT systems and introducing new ones along the entire value chain.

Data and Analytics

The internet of things and new technological analysis open up additional growth opportunities.



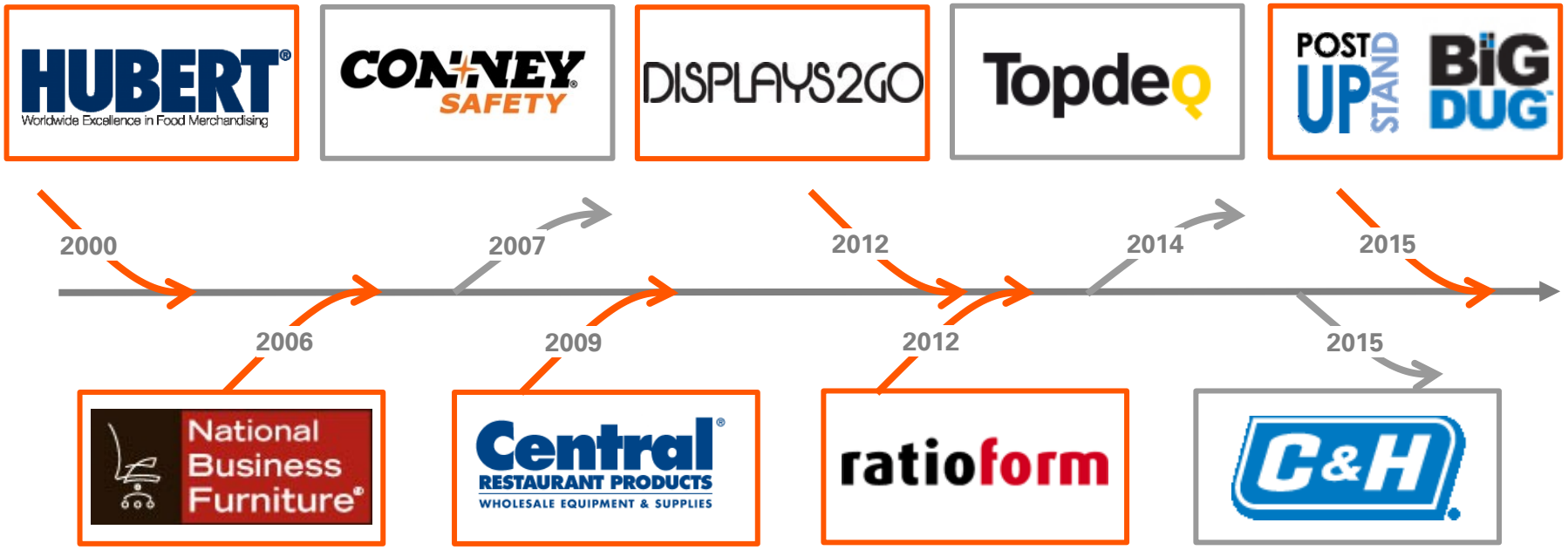
M&A ACTIVITY AS FURTHER DRIVER FOR GROWTH

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



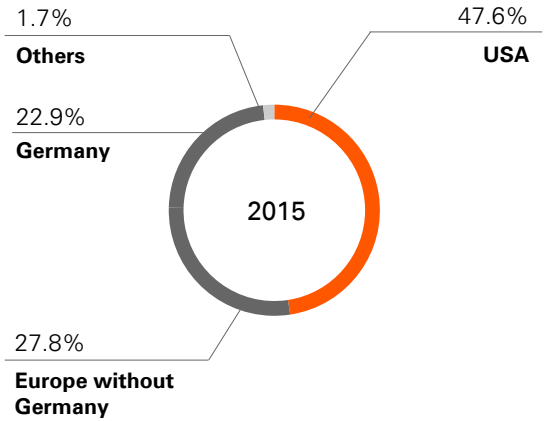
DIVERSIFICATION OF REGIONS, CUSTOMER GROUPS & PRODUCT RANGES

Balanced contributions to sales from two continents

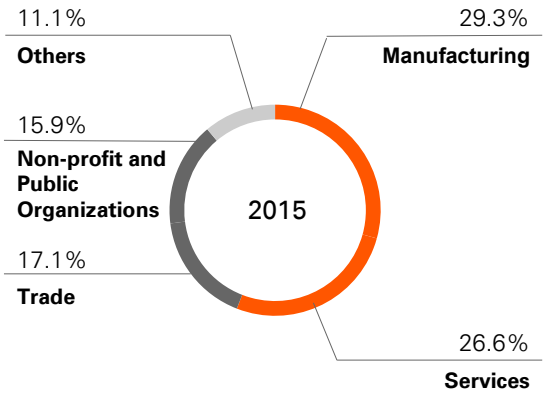
Low dependency from single customer groups

Broad product portfolio – multi-purpose use

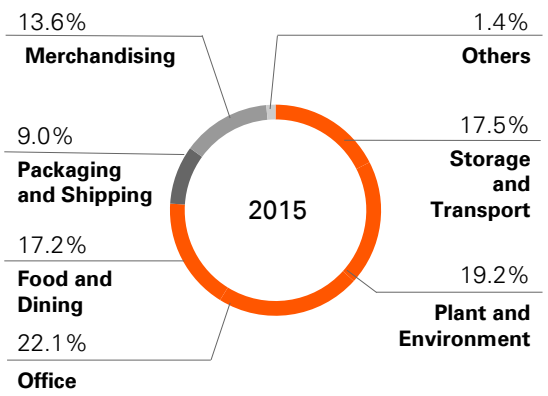
Regions



Customer groups



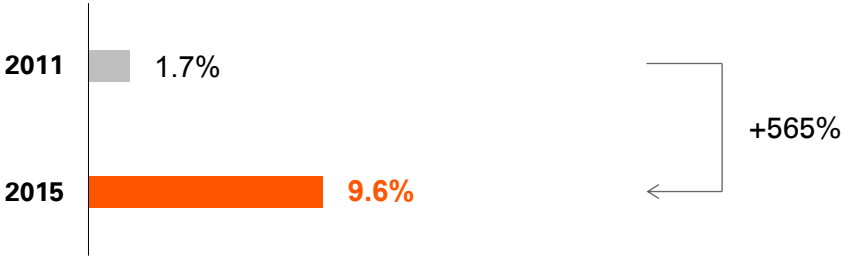
Product ranges



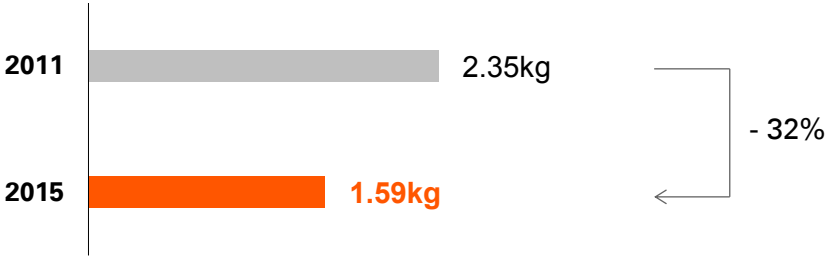
SUSTAINABILITY: BEING A ROLE MODEL IN OUR INDUSTRY BY 2016

Examples:

Percentage of sales from sustainable product ranges



CO2-emissions per kg paper advertising materials



- 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

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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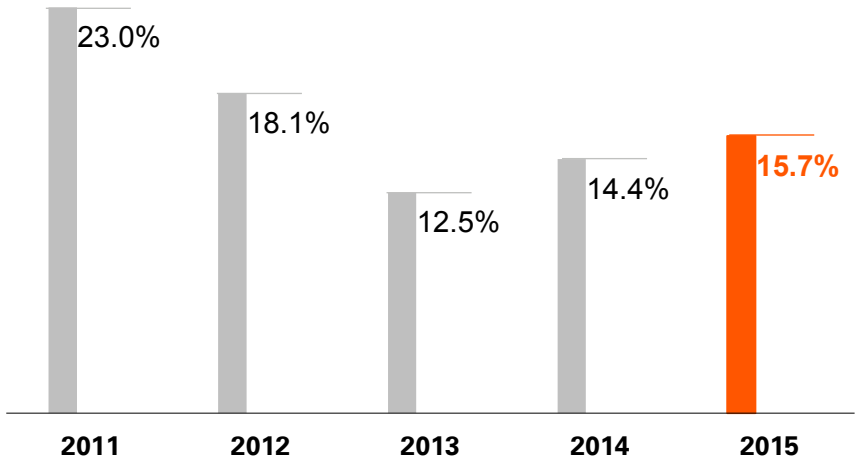
OUTLOOK 2016

OVERALL GOOD DEVELOPMENT OF KEY FINANCIAL INDICATORS

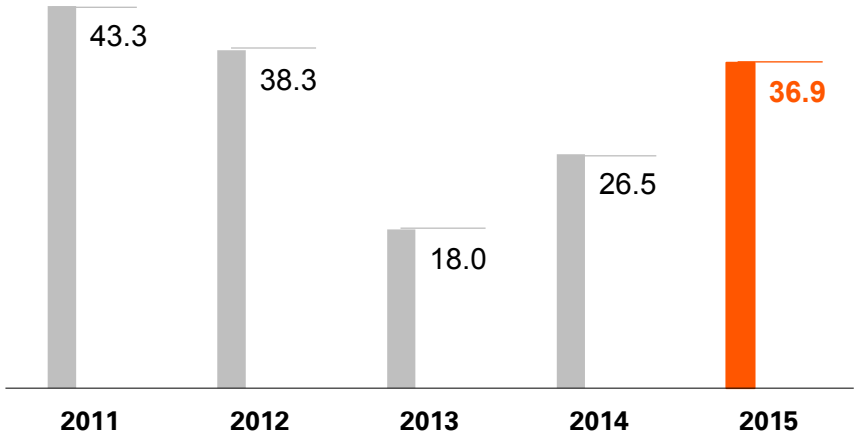
	2011	2012	2013	2014	**2015**
Organic sales development in percent	7.3	-2.8	-2.6	5.5	4.7
Number of orders in thousand	1,780	2,016	2,171	2,182	2,225
Average order value in EUR	479	465	440	450	482
Gross margin in percent	43.3	43.3	43.6	42.6	42.6
EBITDA margin in percent	14.2	14.2	12.9	14.0	14.8
TAKKT cash 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 %*



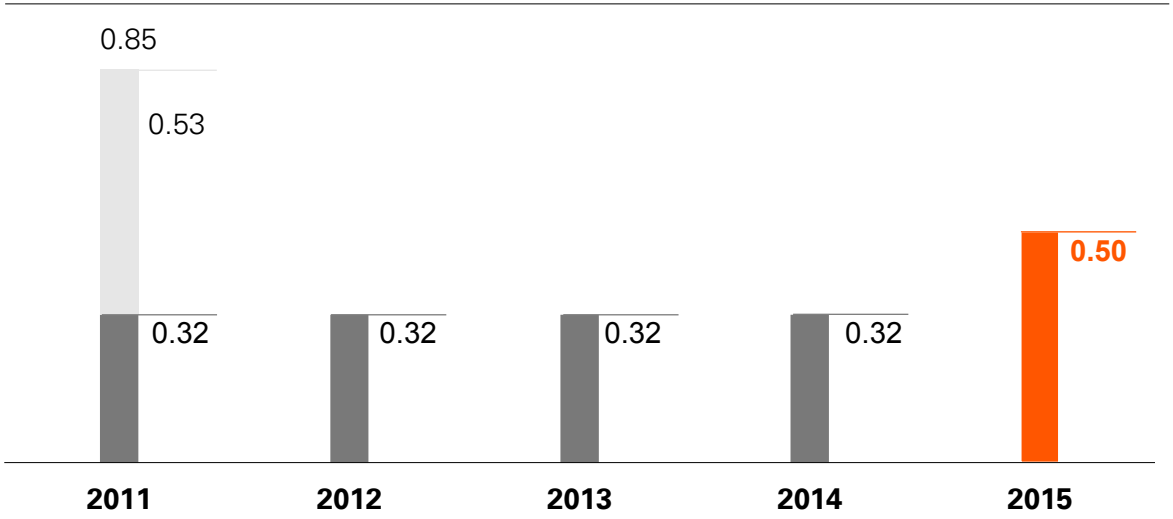
TAKKT value added* *in EUR million*



* 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
- 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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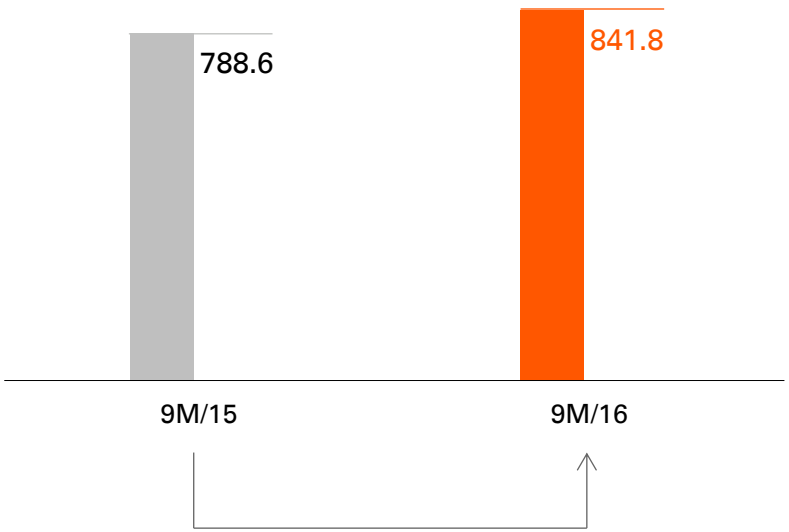
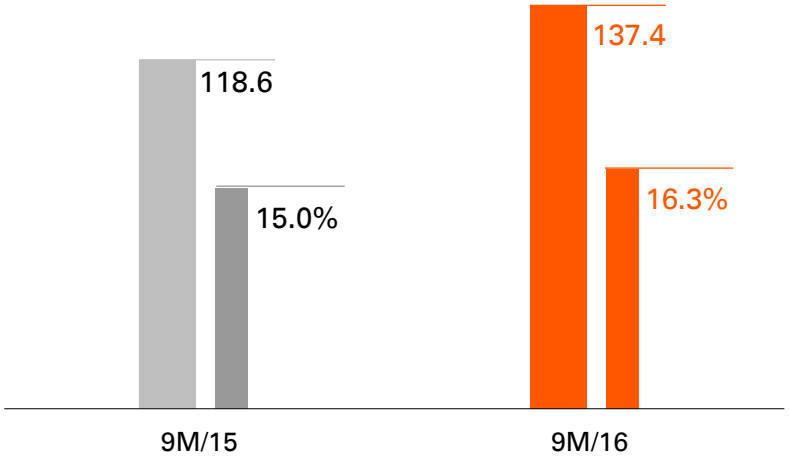
OUTLOOK 2016

TAKKT GROUP WITH GOOD GROWTH AND INCREASE IN PROFITABILITY

Sales *in EUR million*



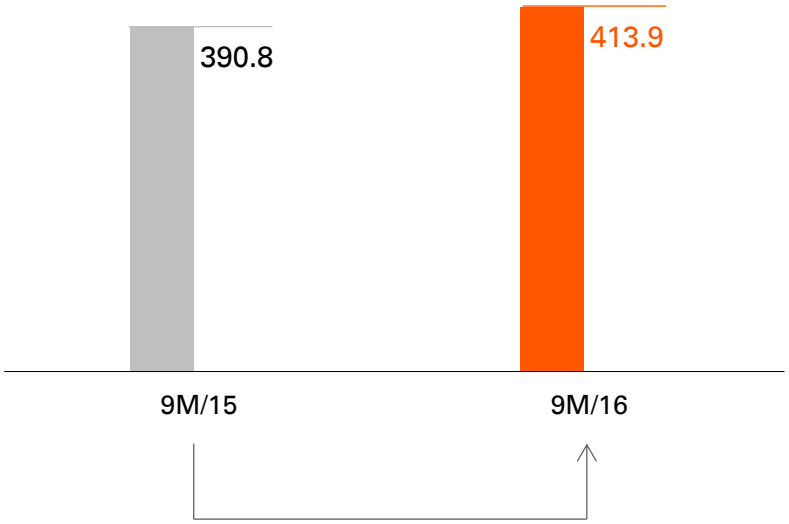
EBITDA *in EUR million* and margin *in %*



Adjusted for one-offs, the margin in 9M was 15.3% (14.6%)

DEVELOPMENT IN EUROPE IN Q3 IMPACTED BY BREXIT VOTE

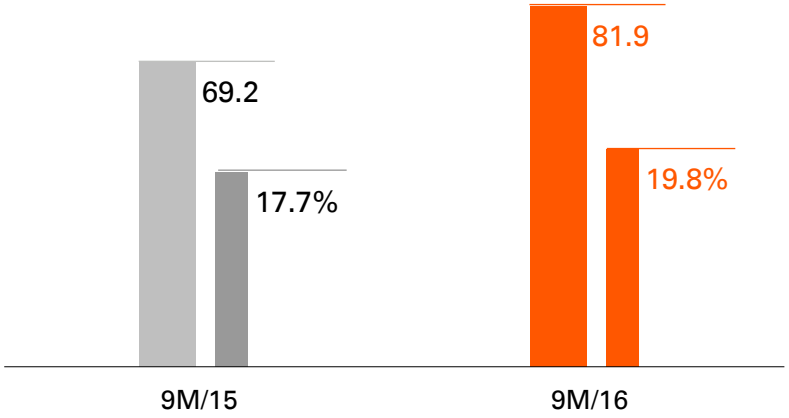
Sales *in EUR million*



+5.9% growth

+3.7% organic growth

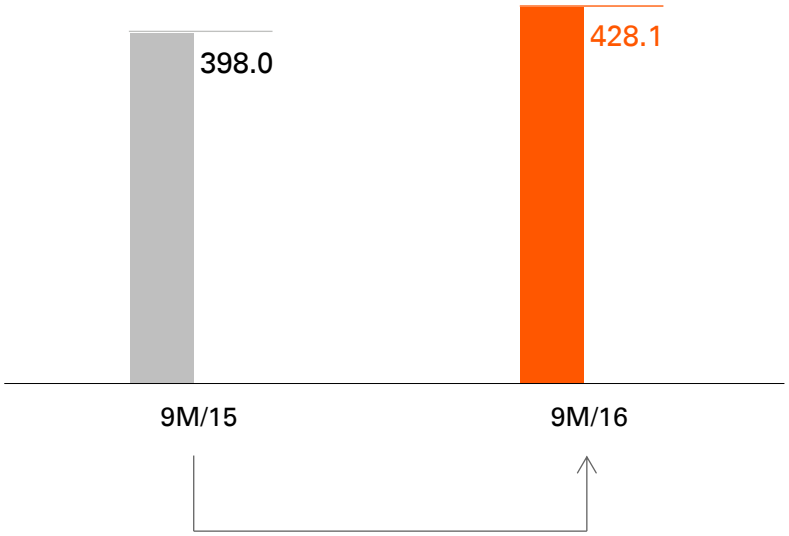
EBITDA *in EUR million* and margin *in %*



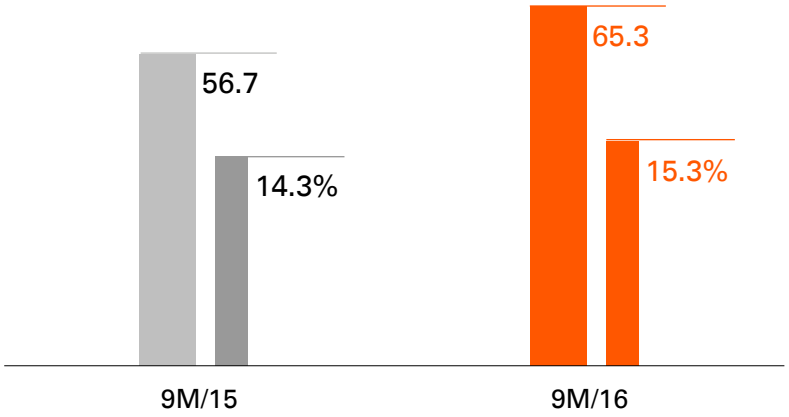
Adjusted for one-offs, the margin in 9M/16 was 18.7%

GROWTH AT TAKKT AMERICA IS SLOWING DOWN IN Q3 AS EXPECTED

Sales *in EUR million*



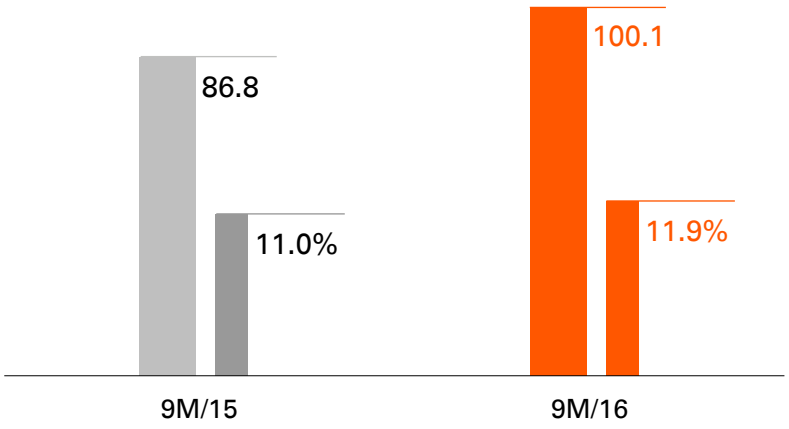
EBITDA *in EUR million* and margin *in %*



Adjusted for one-offs, the margin in 9M was 14.3% (13.4%)

HIGH CASH FLOW MARGIN

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



in EUR million	9M/15	9M/16
profit	61.7	75.0
+ depreciation	+20.3	+21.4
+ deferred taxes	+4.8	+3.7
TAKKT CF	**86.8**	**100.1**

in EUR million	9M/15	9M/16
EBITDA	118.6	137.4
- net interest exp.	-6.9	-6.3
- current taxes	-24.9	-31.0
TAKKT CF	**86.8**	**100.1**

STRONG CASH FLOW GENERATION

	9M/15	9M/16
TAKKT cash flow	**86.8**	**100.1**
Change in net working capital as well as other adjustments	-22.4	-4.1
Cash flow from operating activities	**64.4**	**96.0**
Capital expenditure on non-current assets	-10.8	-11.2
Proceeds from the disposal of non-current assets	+0.2	+0.3
Proceeds from the disposal of consolidated companies	+16.7	+1.5
Free TAKKT cash flow (for acquisitions, payout to shareholders and loan repayments)	**70.5**	**86.6**

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ORGANIC SALES GROWTH

Organic growth	2015	Q1/16	Q2/16	Q3/16	9M/16
TAKKT Group	**+4.7%**	**+5.7%**	**+9.9%**	**+2.8%**	**+6.0%**
TAKKT EUROPE	+0.7%	+1.6%	+10.9%	-0.9%	+3.7%
TAKKT AMERICA	+10.0%	+10.8%	+8.9%	+6.0%	+8.3%

OUTLOOK FOR 2016

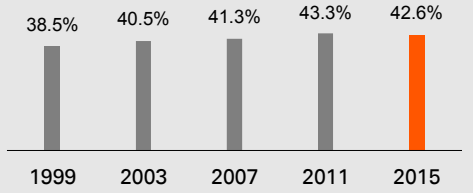
	weaker economy	main scenario	stronger economy
GDP growth rates compared to 2015	below	**slightly higher**	unexpectedly strong
Organic sales growth	lower	**3 - 5%**	higher

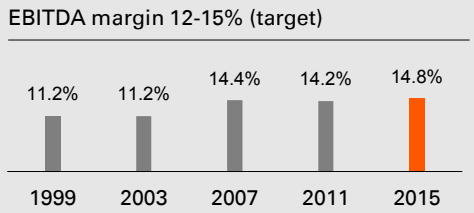
- After good organic growth in the first nine months, TAKKT expects a more restrained development for the remaining quarter, also due to less working days compared to the prior year (impact of ca. two percentage points for Q4).
- Stable or only slightly declining gross profit margins at the segment level.
- The EBITDA margin should come in at the upper third of the target corridor of 12-15 percent.

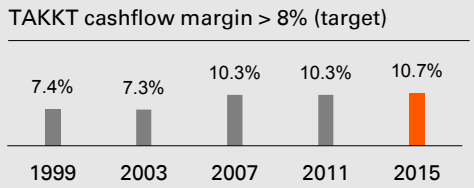
TAKKT EQUITY STORY AT A GLANCE

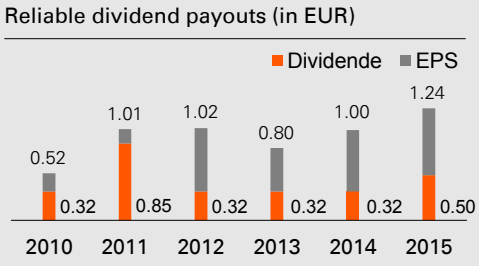
1. TAKKT is a worldwide, diversified portfolio of B2B direct-marketing specialists for business equipment
2. Group companies are market-leaders in attractive niche markets with high margins
3. Growth opportunities through organic initiatives (multi-channel plus and digitalization) as well as upside from 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

Strong historic performance









TAKKT INVESTOR RELATIONS

IR Contact

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TAKKT AG is headquartered in Stuttgart, Germany.

Upcoming Events

November

14.-16.11.	Fall Roadshow
21.11.	Eigenkapitalforum Deutsche Börse, Frankfurt am Main

January

18.01.	KeplerCheuvreux GCC Frankfurt am Main

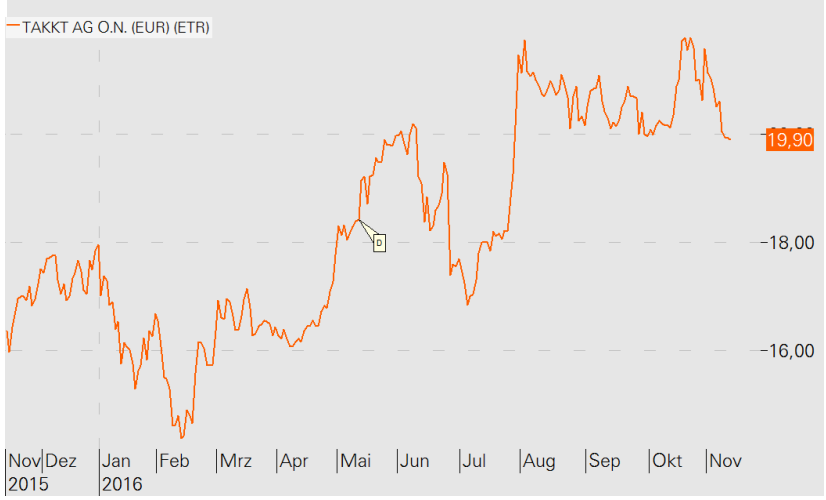
February

16.02.	Preliminary results 2016

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)



THANK YOU FOR YOUR KIND ATTENTION