
TAKKTAG

BUSINESS EQUIPMENT SOLUTIONS

German Equity Forum

12 November 2007
Dr Florian Funck, CFO

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- business model & strategic success factors
- disposal of Conney Safety Products
- key financial figures & forecast
- appendix

TAKKT AG

BUSINESS EQUIPMENT SOLUTIONS

TAKKT at a glance



0 558 9966

11

Product Name:
Product Description:
Product Number:
Product Category:

C & M PRODUCTS

- Printers & Copiers
- Shelving & Racks
- Material Storage
- Top Equipment
- Material Handling
- Various Products
- ... & Shipping

Catalog Request

First Name:
Last Name:
Company Name:

Address:
City:
State:
Zip:

Phone:
Fax:

E-mail:
Website:

Product of Interest:
Comments:

Country:
Language:

Submit Request

TAKKT: business overview

business activity

- sales channel: B2B mail order
- products: durables/specialties

geographic balance

- regional diversification: > 25 countries
- turnover by region: ~ 50% Europe/
~ 50% North America

key facts

- number of customers: ~ 3m
- advertising media sent out per year: ~ 70m
- number of employees (fte): ~ 2,000

financials

- turnover 2006: € 958m
- turnover growth (CAGR 1985 – 2006) 12% p.a.
- EBITDA margin (1985 – 2006) > 10%

TAKKT: broad product range based on three pillars

business equipment



office equipment

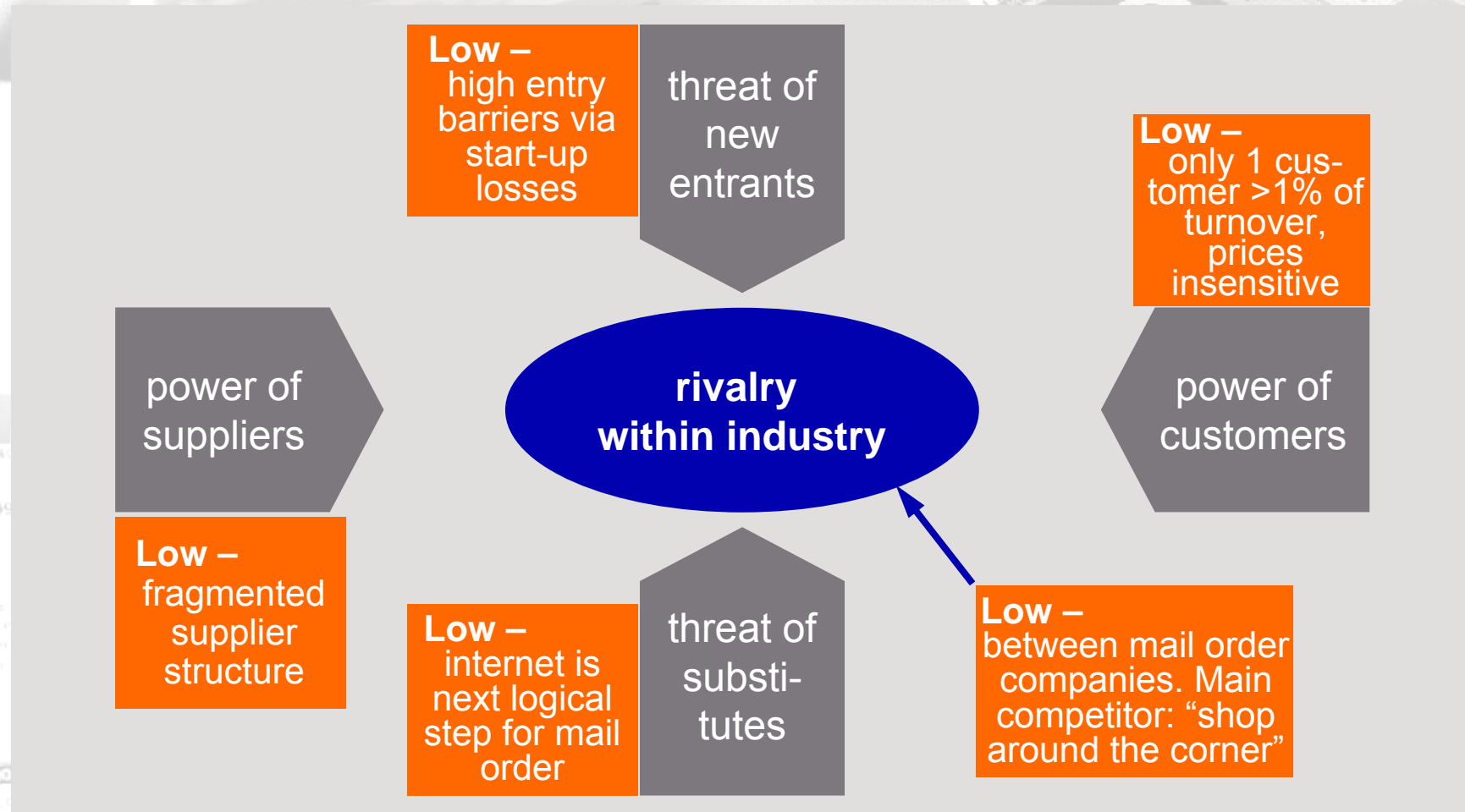


foodservice equipment



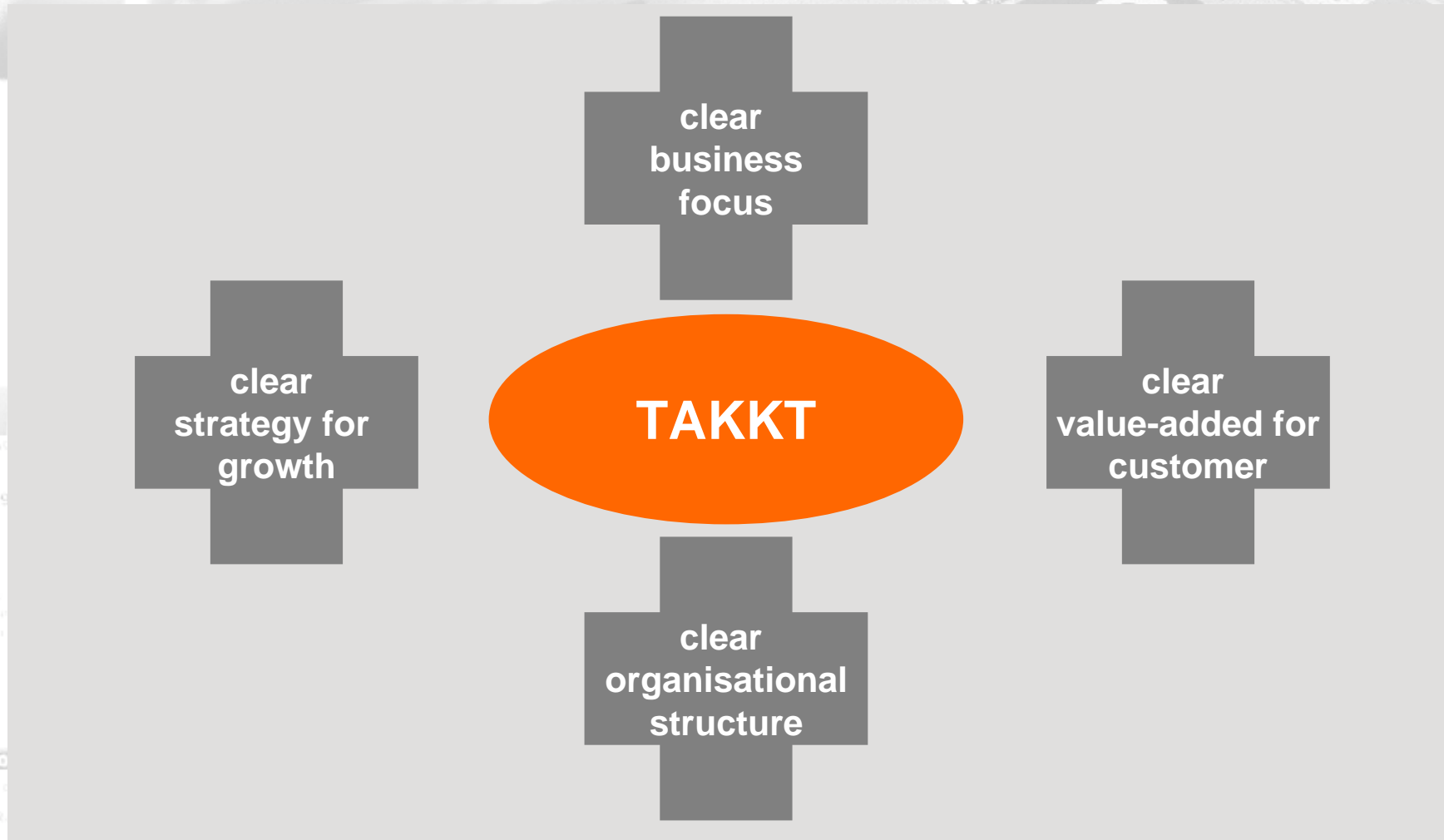
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TAKKT competes in a very attractive industry

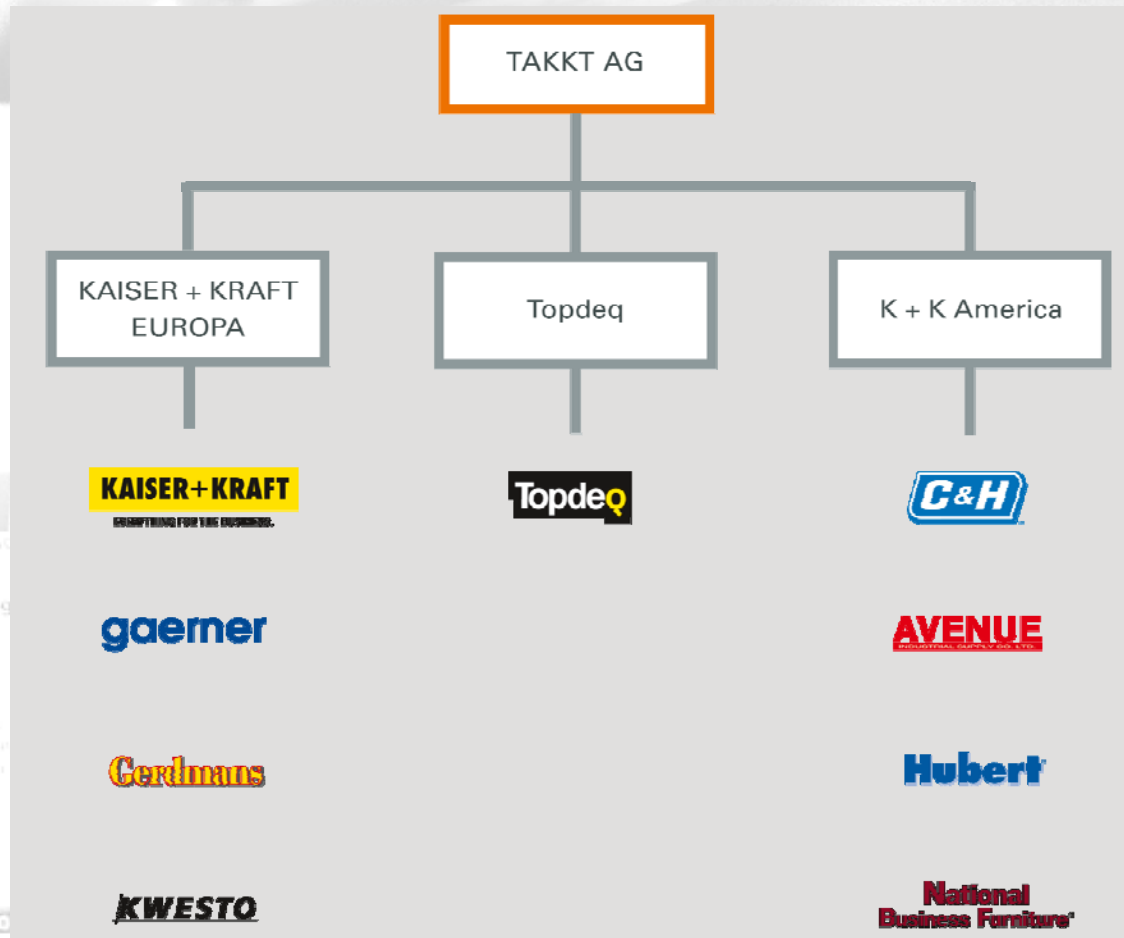


→ which should not change in near future

TAKKT: strategic success factors



TAKKT success factors: clear organisational structure



- knowledge
- synergies / economies of scale

- procurement / advertising
- logistics
- customer database
- e-commerce

- distribution companies

→ allows centralised management and market proximity

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TAKKT success factors: clear strategy for growth

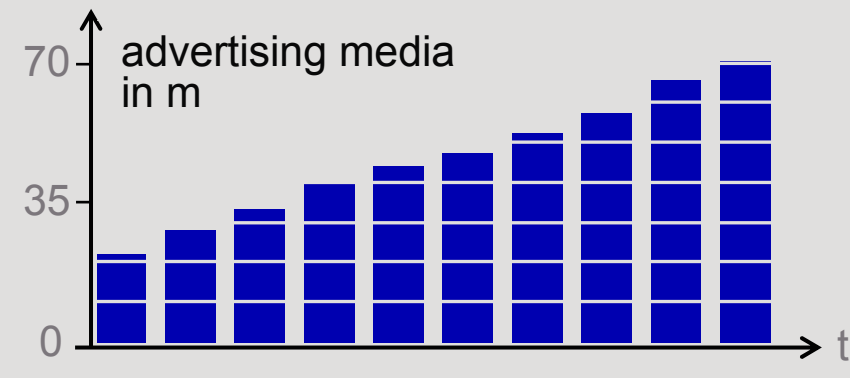
1. acquisitions (platform)

▪ Topdeq	1994
▪ Gerdmans	1998
▪ Hubert	2000
▪ NBF	2006

2. new foundations (roll out)

▪ e.g. KAISER + KRAFT China	2006
▪ e.g. Topdeq Austria	2006
▪ e.g. KAISER + KRAFT Slovakia	2007

3. increase of advertising media circulation and broader product range (market penetration)



→ in the past 15 years: at least 1 foundation or acquisition per year

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Conney: the company

- B2B provider for occupational safety and first aid consumables in USA
- number of articles: ~ 12,500 thousand; 95% from warehouse
- main customer base: companies from manufacturing sector
- established in 1946
- acquired by TAKKT in 1998; TAKKT started with US safety business in 1996
- key figures 2006
 - turnover ~ USD 76m
 - EBITDA margin: ~ 6%
 - employees (Ø fte): 149

Conney: reasons for TAKKT to sell

- market reasons
 - reduction of jobs in manufacturing sector as key industry for Conney
 - safety articles more and more viewed as commodity articles
 - ➔ pricing pressure

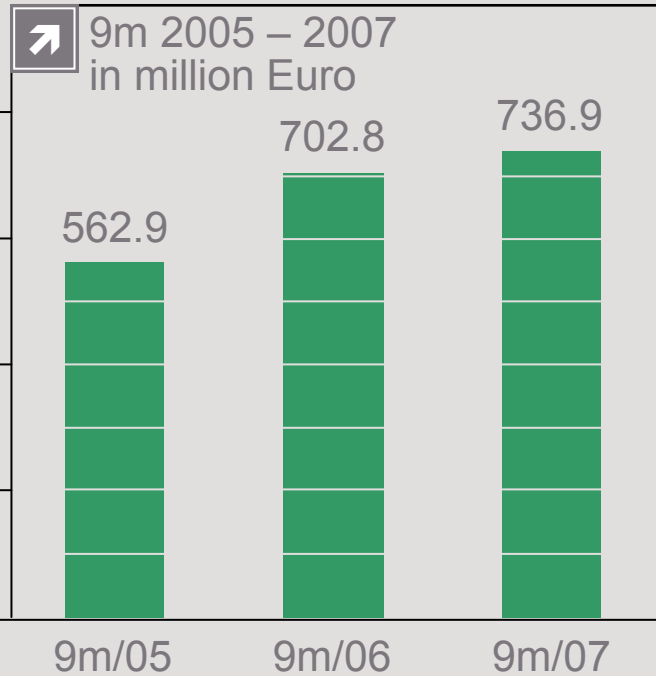
- internal reasons
 - due to limited size of Conney pricing pressure from market side could not be pushed down to suppliers
 - little synergies (contact persons, cross selling) between TAKKT equipment business and Conney
 - strategy: concentration on B2B durable equipment business

Conney: details of transaction

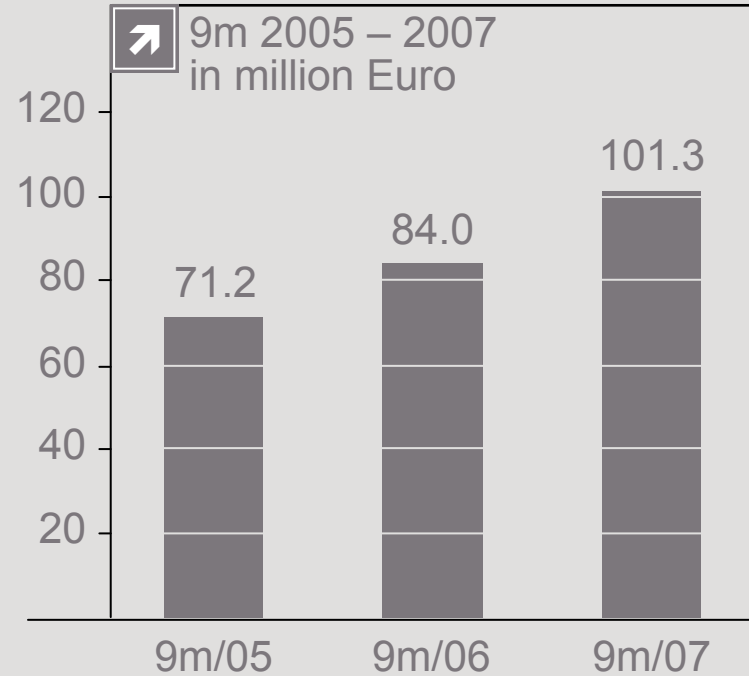
- sold to financial investor
- transaction closed as per 30 September 2007
- sales price (free of financial debts) ~ USD 48 million
- deconsolidation effect on operative results ~ EUR 1 million
- hardly negative impact on remaining North American companies expected
- profit margins of Conney below average of K + K America and TAKKT
➔ sale leads to structural improvement in margins of K + K America and TAKKT

TAKKT 9m/2007: diversification pays out – positive trend continues

TURNOVER



EBITDA

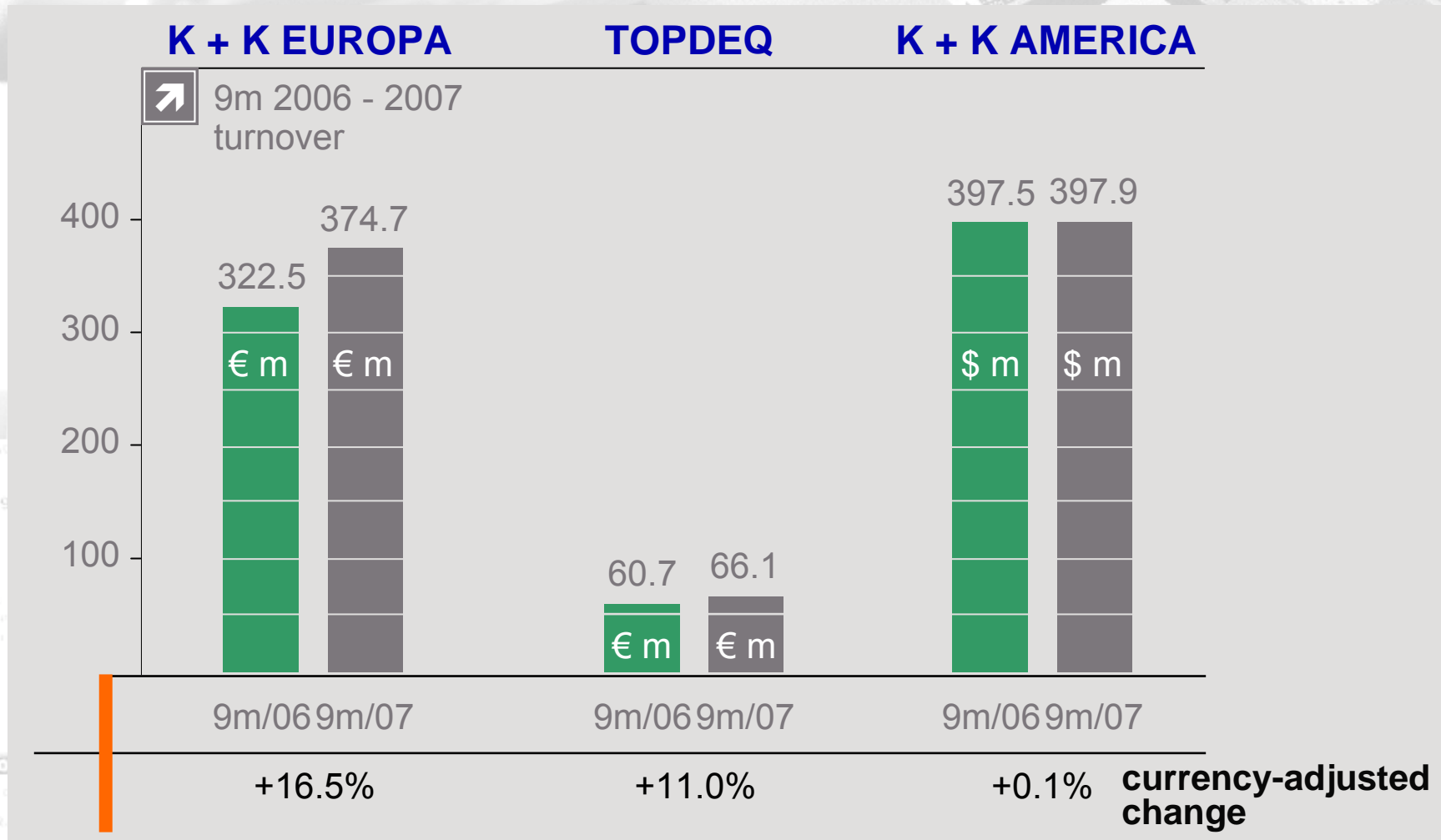


growth 4.9%
currency-adjusted 8.5%

margin 12.6% 12.0% 13.7%

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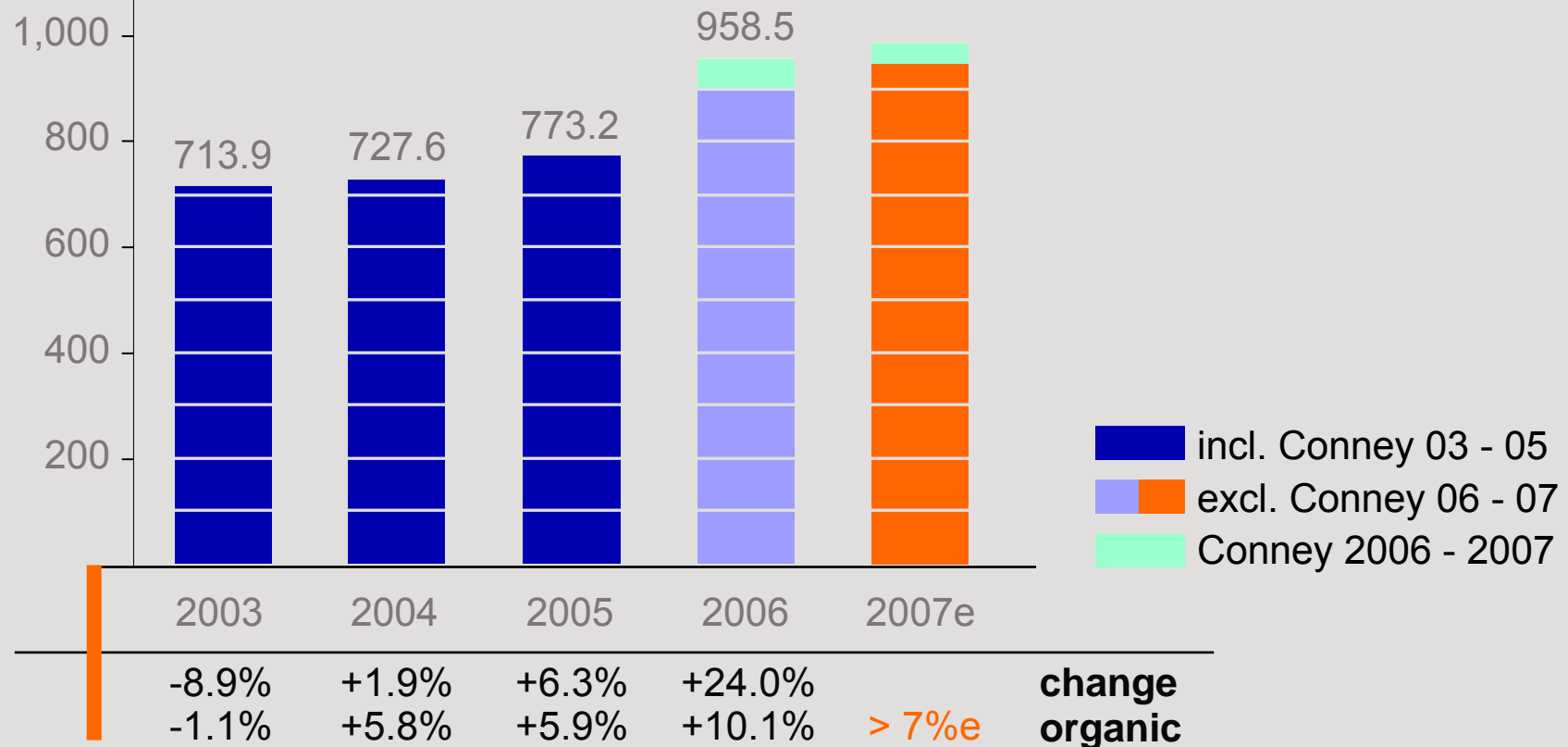
TAKKT 9m/2007: mixed economic conditions



Turnover: guidance raised again

TURNOVER TAKKT GROUP

↗ 2003 – 2007e
in million Euro

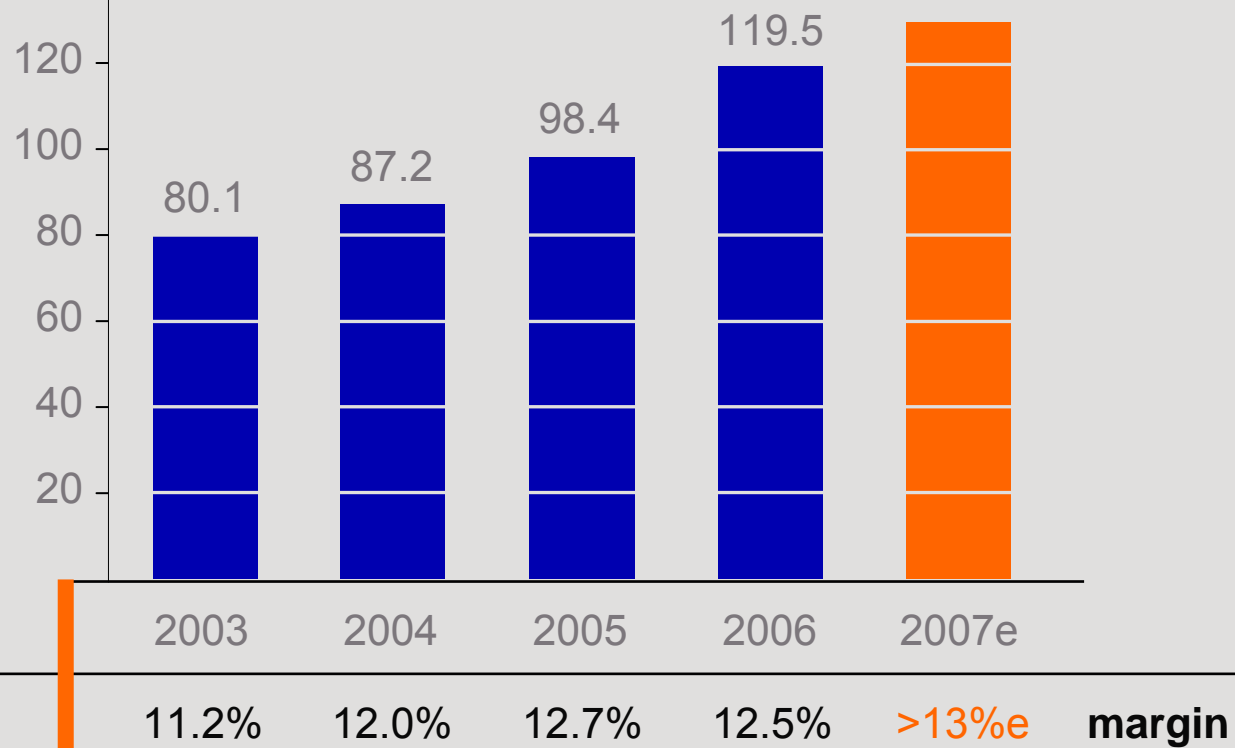


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EBITDA: margin above target corridor of 11 to 13 percent

EBITDA

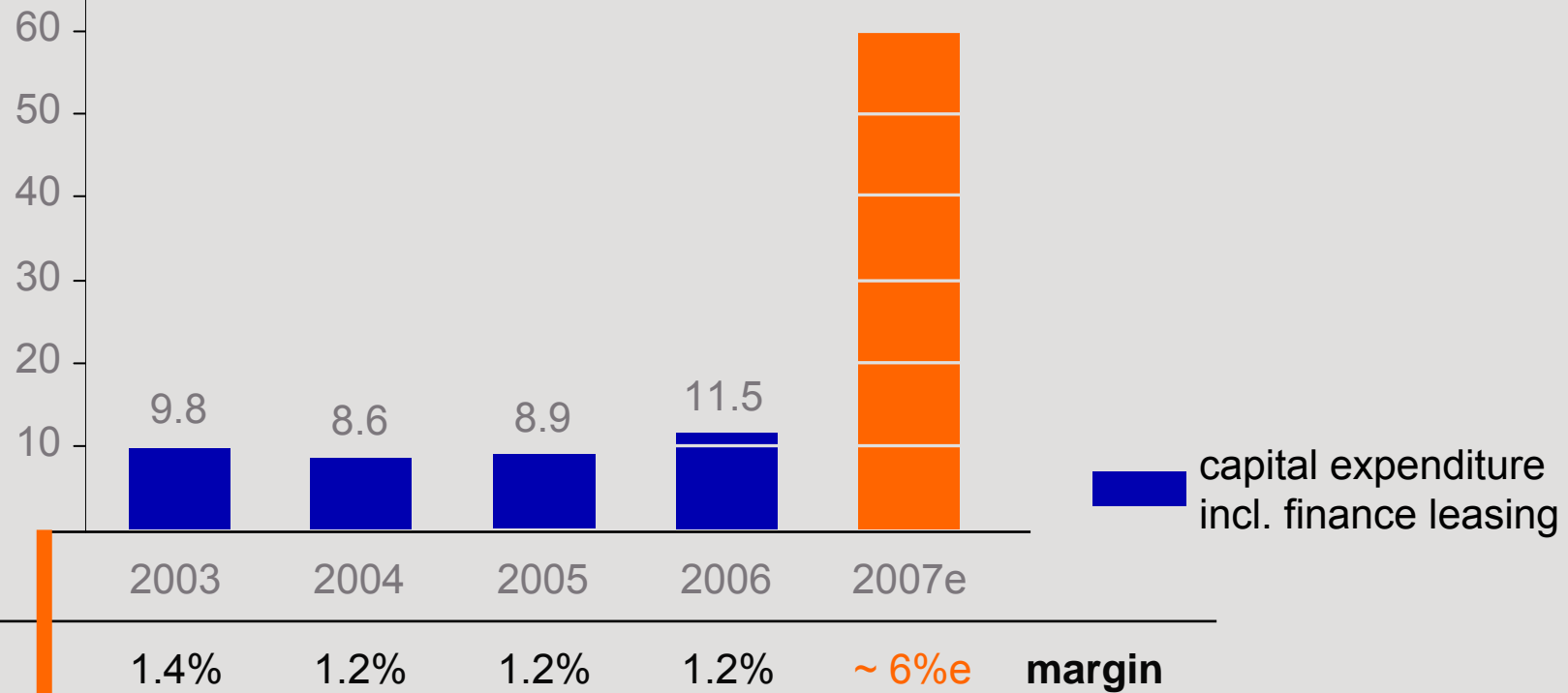
↗ 2003 – 2007e
in million Euro



Capital expenditure (ex acquisition): higher due to logistics projects

CAPITAL EXPENDITURE (ex acquisition)

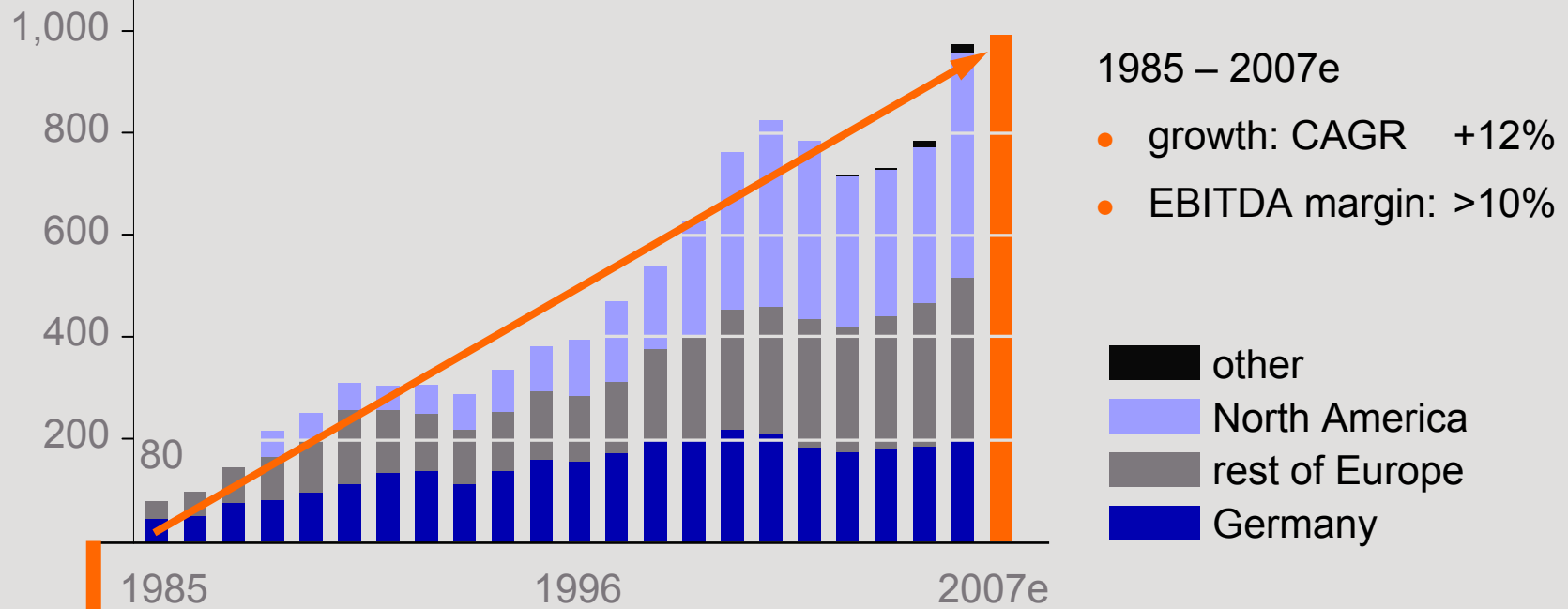
↗ 2003 – 2007e
in million Euro



TAKKT: long-term growth path

TURNOVER TAKKT GROUP

1985 – 2007e
in million Euro



→ growth: ~ 1/2 organic, ~ 1/2 acquisitions

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That's why invest in TAKKT

balanced
risk portfolio

- product diversification
- independence from customers and suppliers
- regional diversification

sustainable
growth potential

- duplicable system business
- entering new markets / product groups
- expansion / penetration of established markets

high + stable
profitability

- stable gross profit margin
- stable EBITDA margin
- high (free) cash flow

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BUSINESS EQUIPMENT SOLUTIONS

appendix



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Product Name:
Product Description:
Part Number:
Quantity:

C & M PRODUCTS

- Printers & Copiers
- Shelving & Racks
- Material Storage
- Shop Equipment
- Material Handling
- Various Products
- ... & Shipping

Catalog Request

Product Name:
Product Description:
Part Number:
Quantity:

Product Name:
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Part Number:
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Product Description:
Part Number:
Quantity:

Product Name:
Product Description:
Part Number:
Quantity:

Product Name:
Product Description:
Part Number:
Quantity:

Financial calendar 2007 / 2008

- 30/10/2007 interim report for the first nine months 2007
- November autumn roadshows
- **12/11/2007 German Equity Forum, Frankfurt**
- 21/01/2008 Cheuvreux German Corporate Conference, Frankfurt
- 14/02/2008 preliminary figures 2007
- 20/03/2008 financial statements press conference + analyst presentation
- April 2008 spring roadshows
- 29/04/2008 interim report for the first quarter 2008
- 07/05/2008 annual general meeting, Ludwigsburg
- 31/07/2008 interim report for the first half-year 2007
- 30/10/2008 interim report for the first nine months 2008

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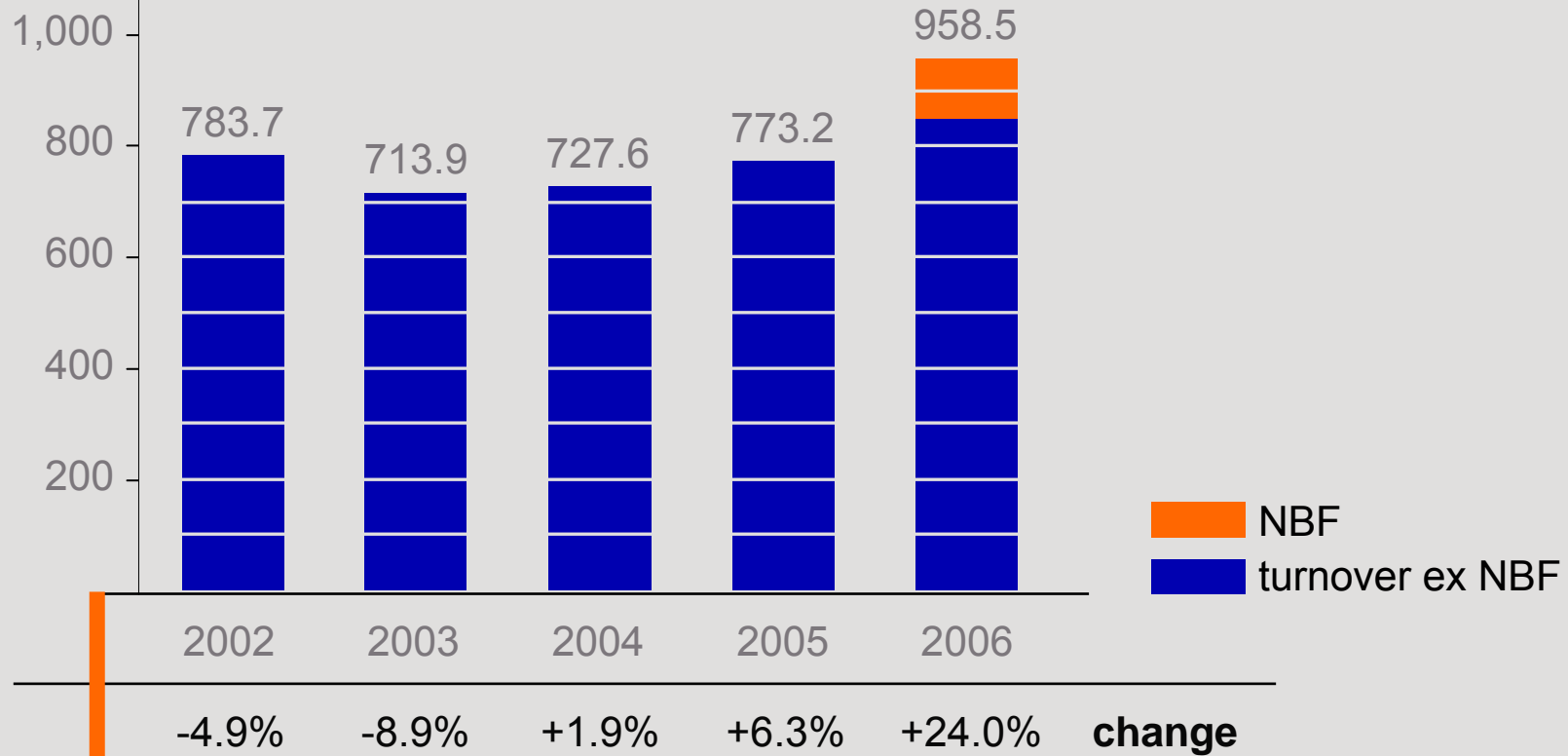
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Turnover: currency-adjusted growth by 24.4% and by 10.1% ex NBF

TURNOVER TAKKT GROUP

↗ 2002 – 2006
in million Euro

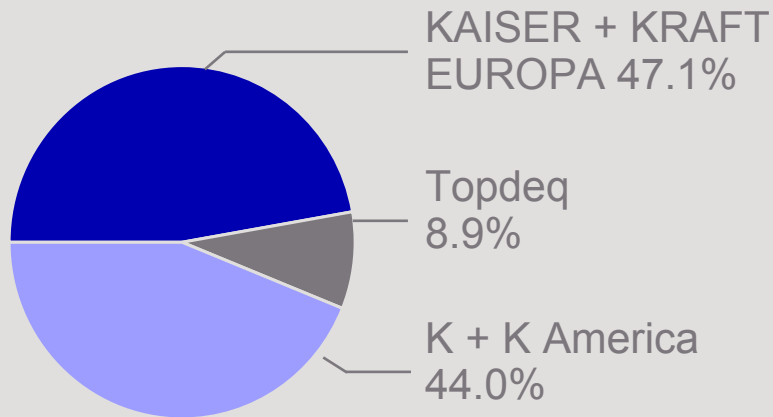


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Turnover: portfolio further diversified due to NBF acquisition

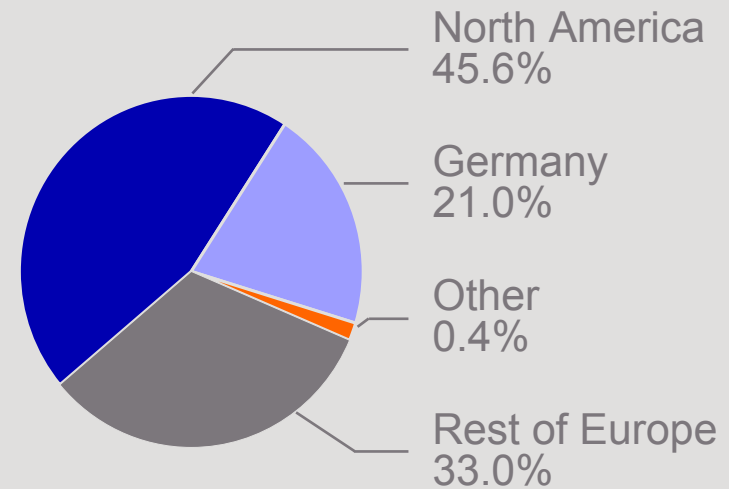
TURNOVER by division

↗ 2006



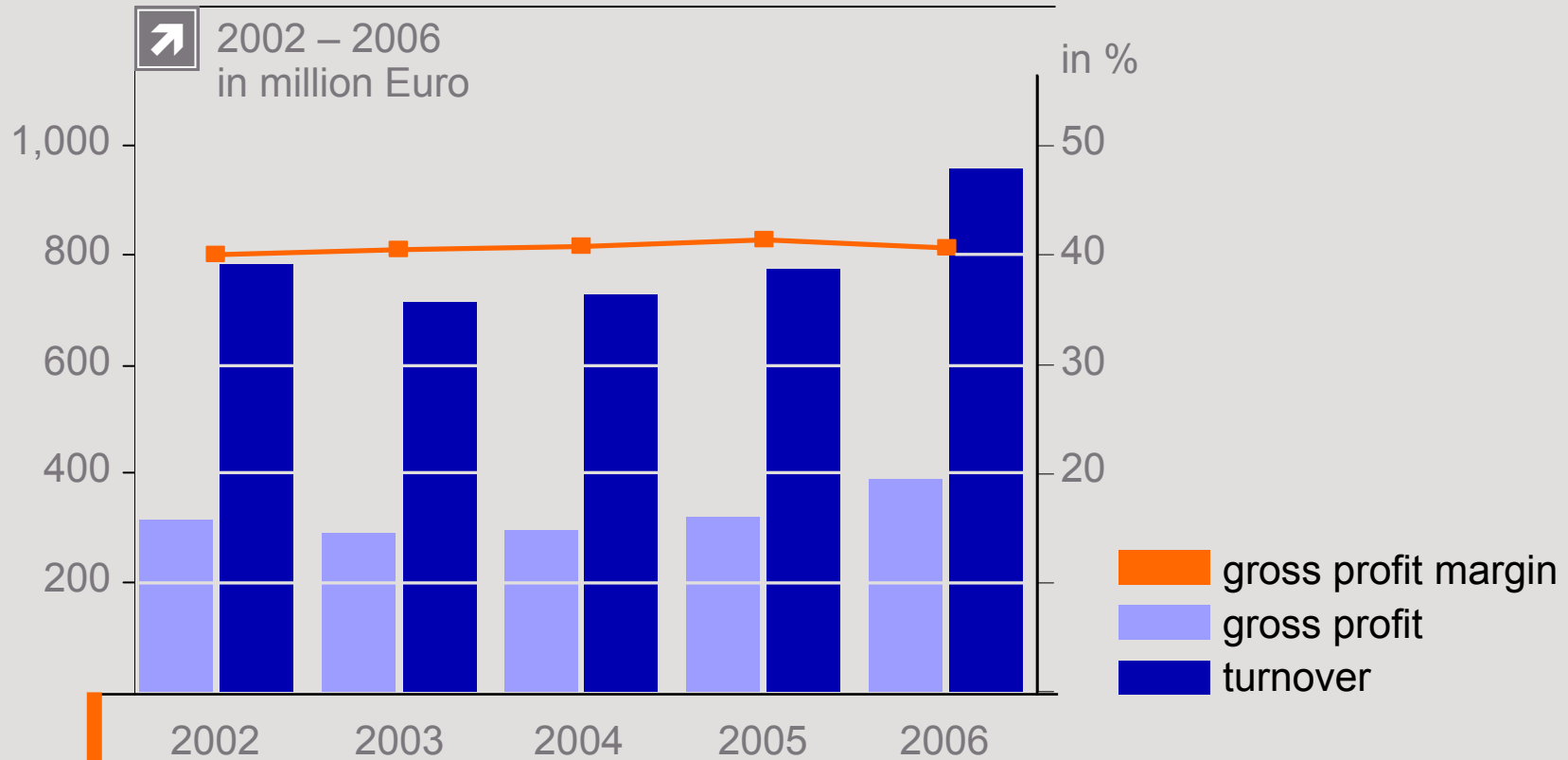
TURNOVER by region

↗ 2006



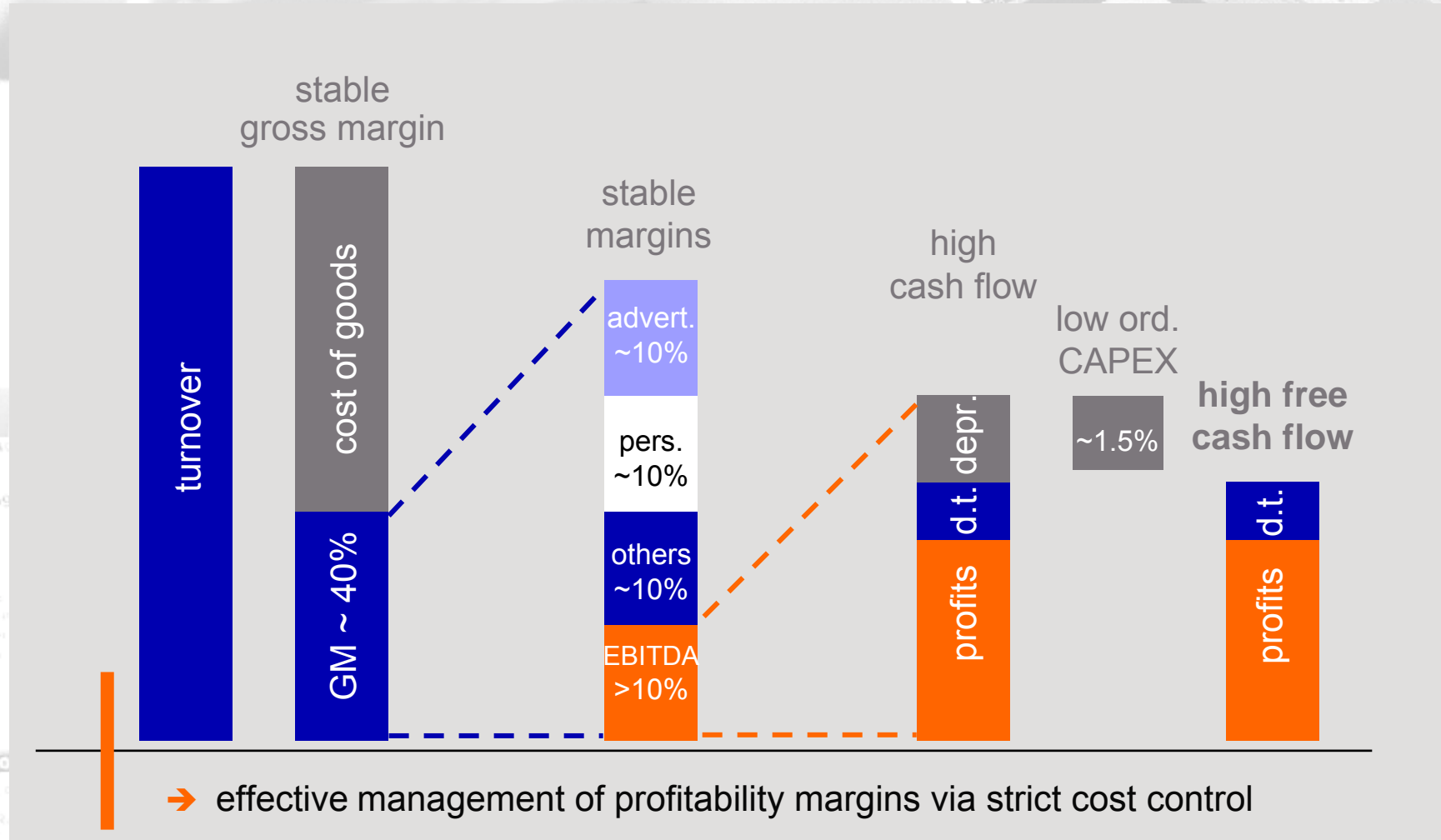
Gross profit: margin above 40 percent even after NBF acquisition

GROSS PROFIT MARGIN



Cost structures: stable throughout the economic cycle

Business model generates high free cash flow

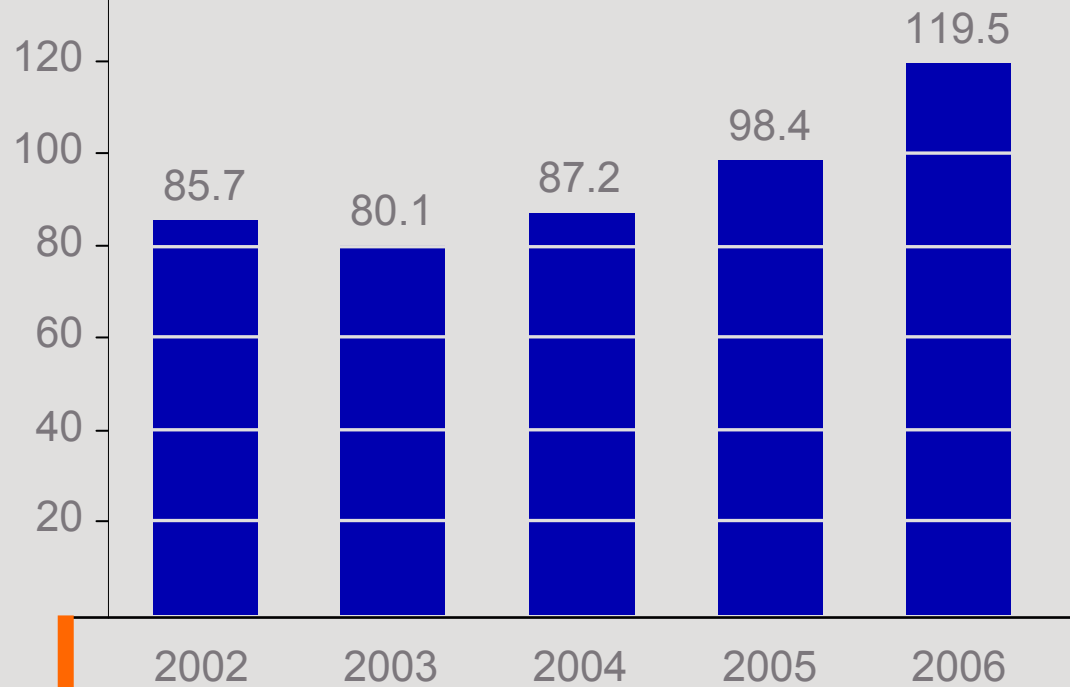


→ effective management of profitability margins via strict cost control

EBITDA: margin above prior target corridor of 10 to 12 percent

EBITDA

↗ 2002 – 2006
in million Euro



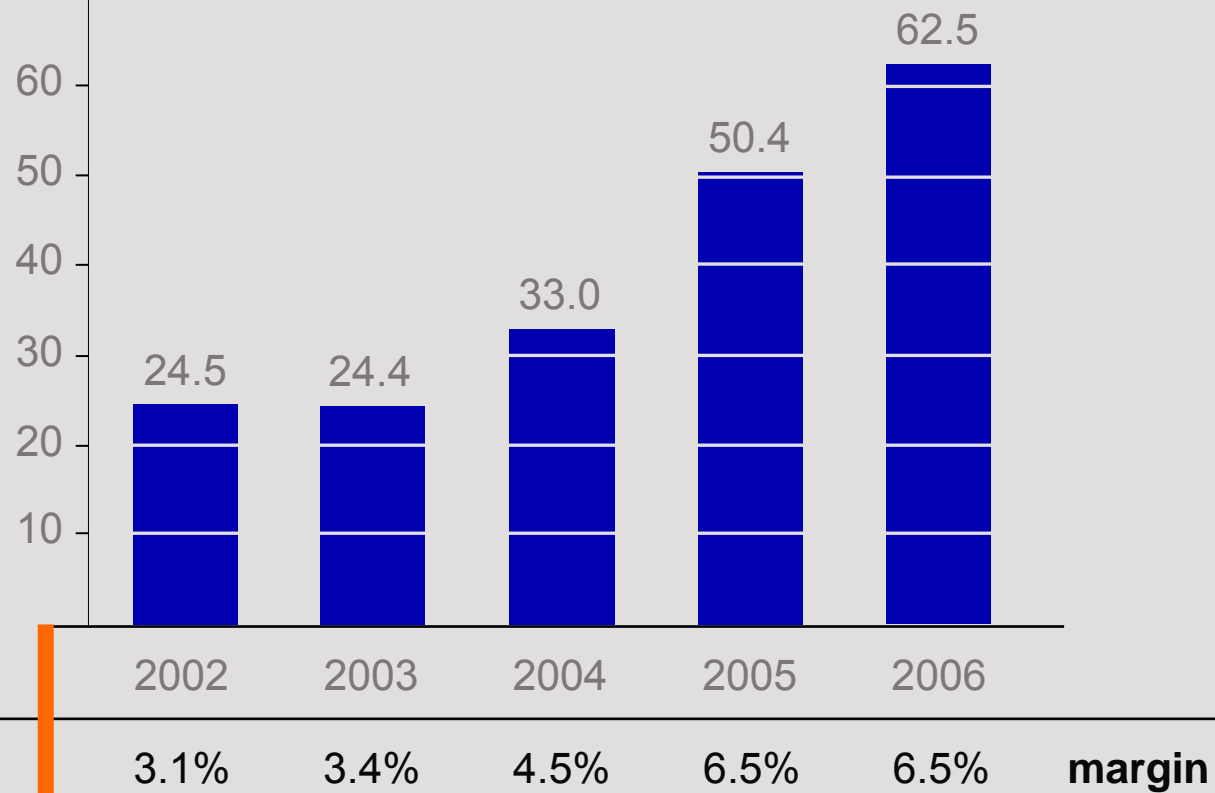
- new target corridor EBITDA margin: 11 – 13%

Year	EBITDA Margin
2002	10.9%
2003	11.2%
2004	12.0%
2005	12.7%
2006	12.5%

Profit: profitability maintained at high level

PROFIT

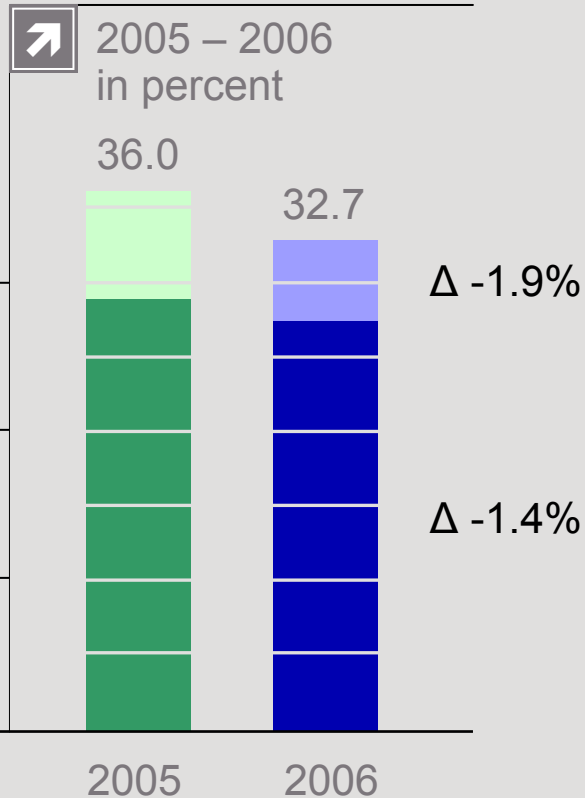
↗ 2002 – 2006
in million Euro



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Tax rate: explanation of decrease

TAX RATE



decrease in tax rate due to

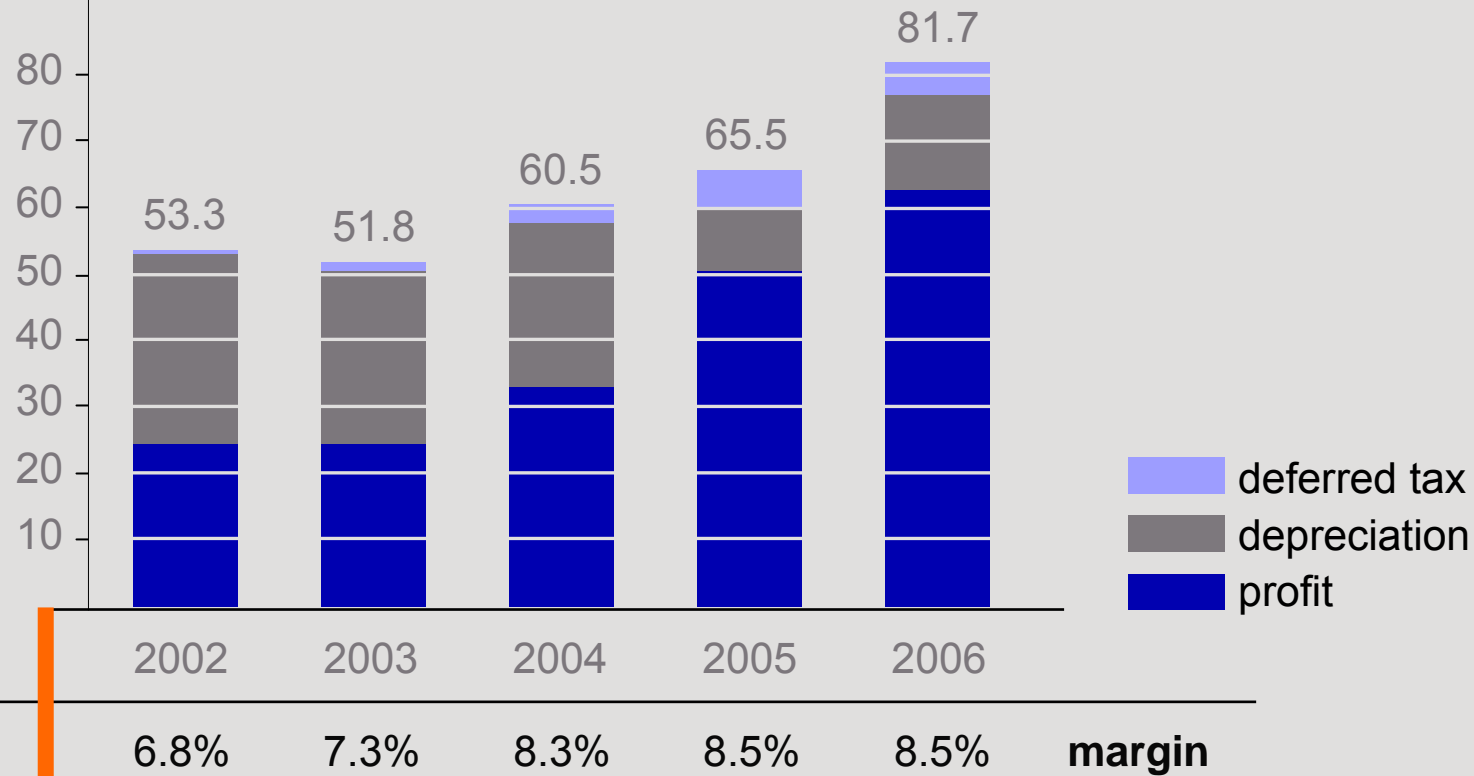
- reversals of write-downs of deferred tax assets on loss carry-forwards
- structure effects
 - higher share of KAISER + KRAFT EUROPA at Group's pre-tax profit
 - lower tax rates in various European countries than in North America

light green deferred tax
green cash tax

Cash flow: new record value proves profitability

CASH FLOW

↗ 2002 – 2006
in million Euro

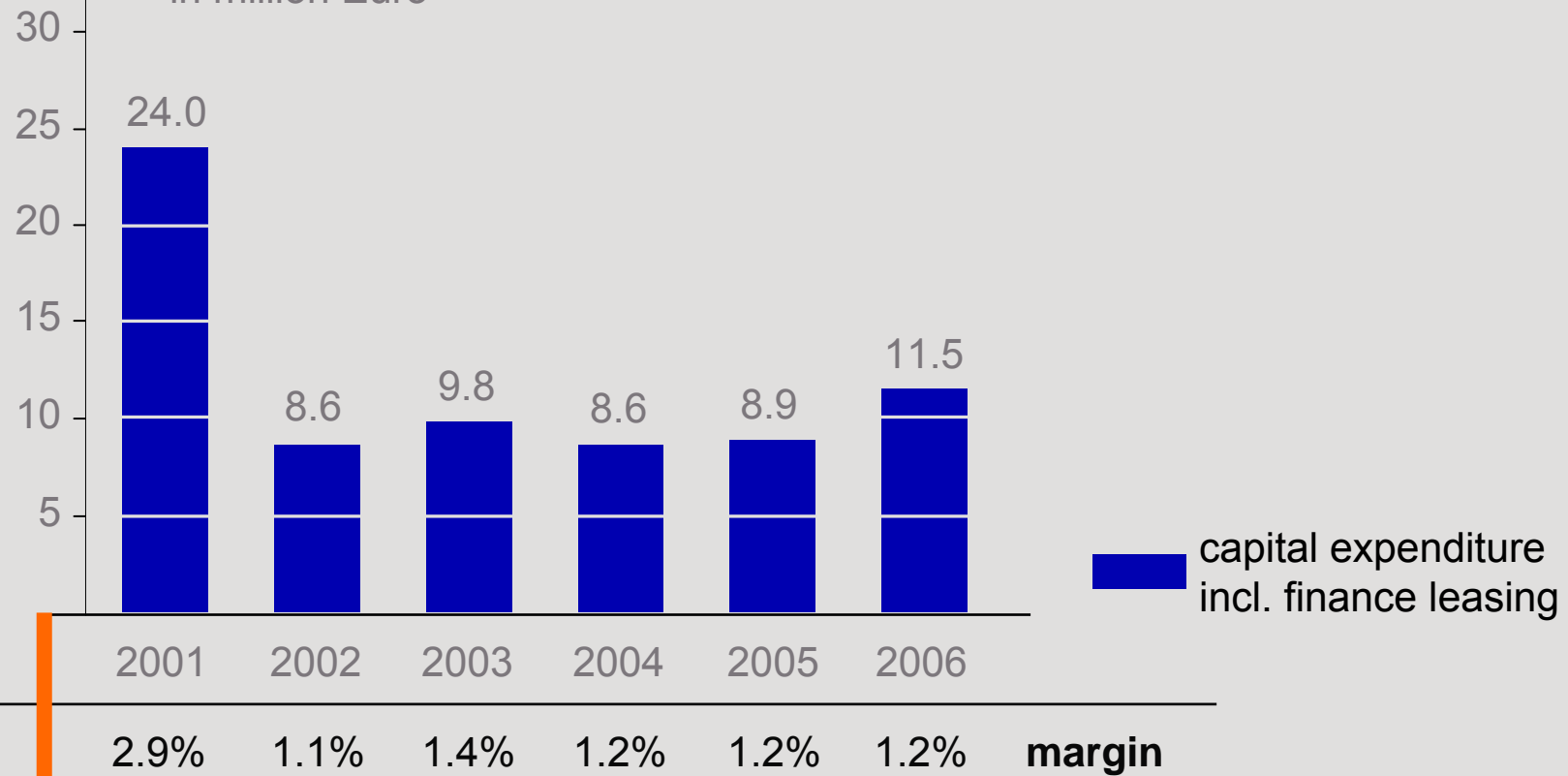


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Capital expenditure (ex acquisition): in long-term corridor

CAPITAL EXPENDITURE (ex acquisition)

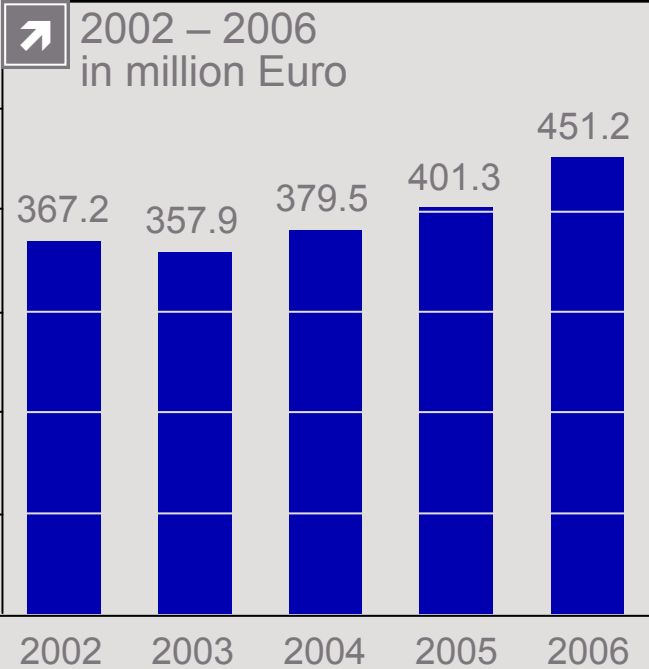
↗ 2001 – 2006
in million Euro



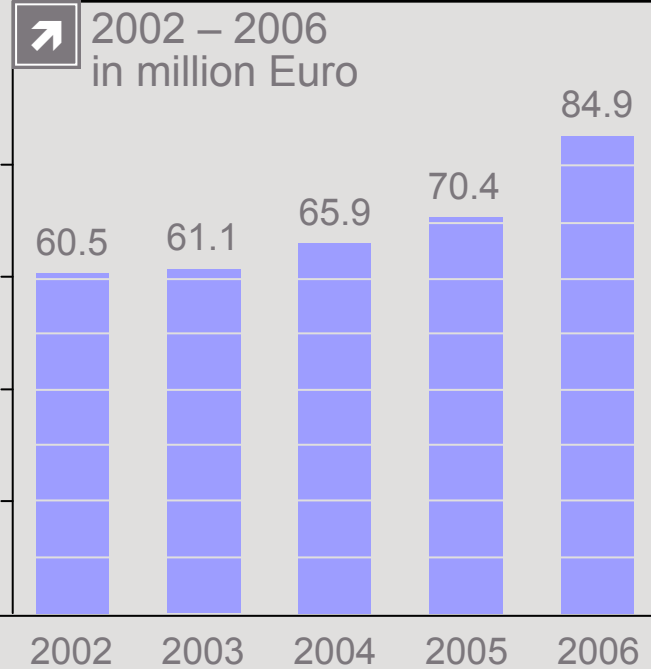
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KAISER + KRAFT EUROPA: main contributor to turnover, high profitability

TURNOVER



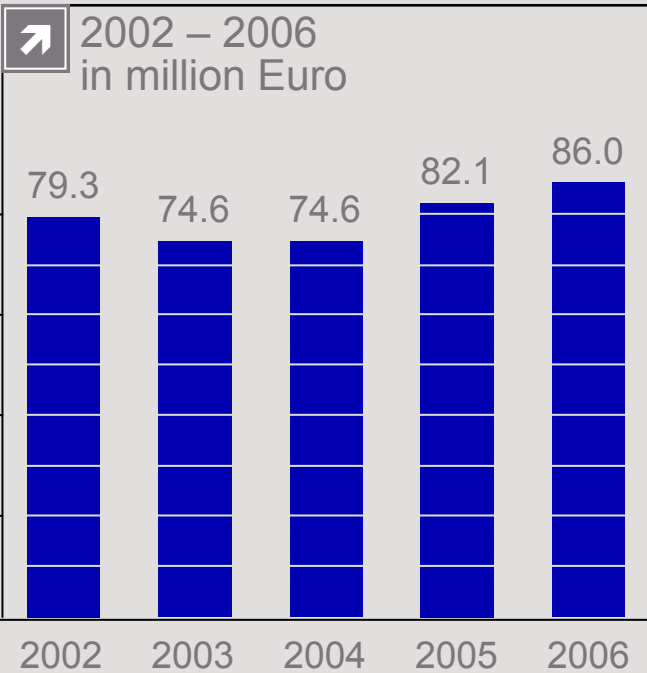
EBITDA



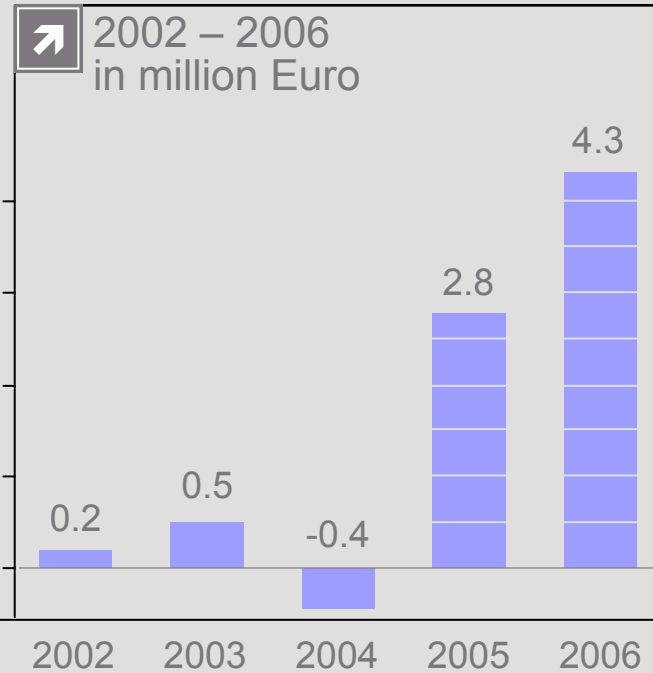
margin 16.5% 17.1% 17.4% 17.5% 18.8%

Topdeq: repositioning shows results

TURNOVER



EBITDA

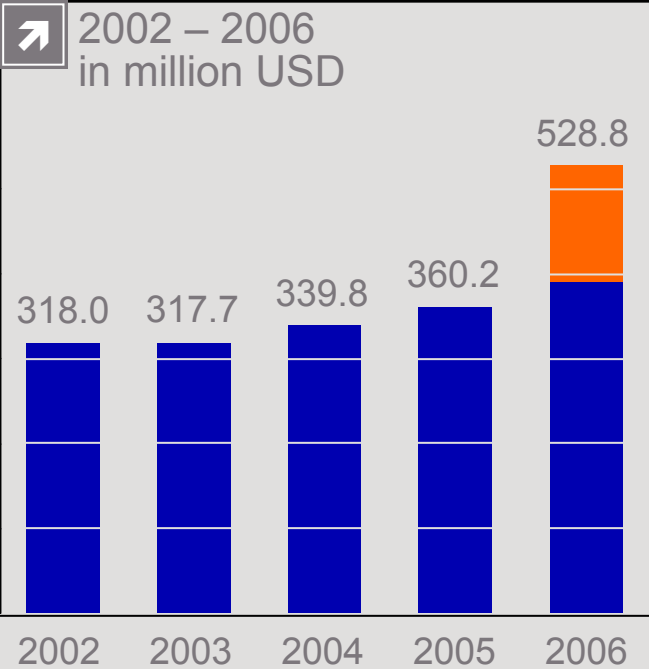


margin

0.2% 0.7% -0.6% 3.4% 5.0%

K + K America in USD: strong increase – also due to NBF acquisition

TURNOVER



EBITDA



margin

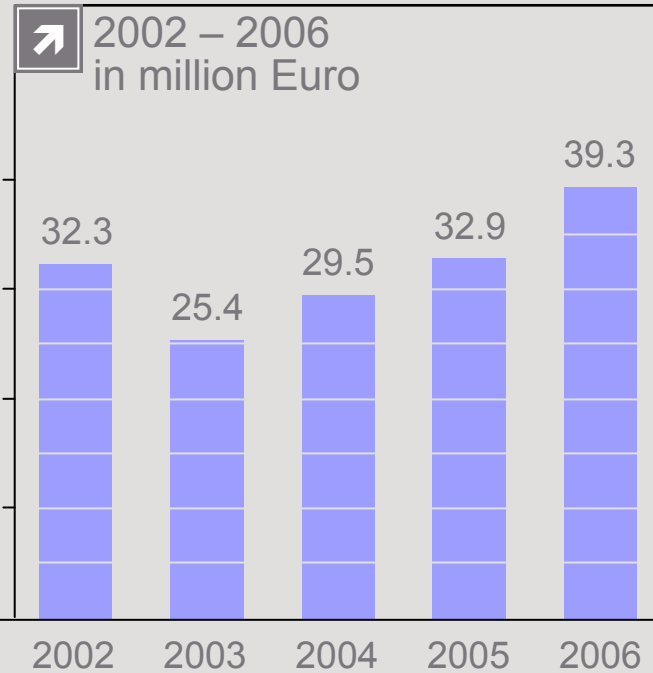
9.6% 9.0% 10.8% 11.3% 9.3%

K + K America: hardly any currency effects

TURNOVER



EBITDA



margin

9.6% 9.0% 10.8% 11.3% 9.3%

Balance sheet: increased total assets due to NBF acquisition

ASSETS

↗ in million Euro	on 31/12/06	%	on 31/12/05	%
Non-current assets				
property, plant and equipment	64.4	11.2	68.0	13.5
goodwill	250.4	43.7	227.5	45.5
other intangible assets	30.7	5.4	9.3	1.9
other	0.7	0.1	0.4	0.1
deferred tax	6.3	1.1	5.1	1.0
Current assets				
inventories	64.7	11.3	66.0	13.2
trade receivables	118.4	20.6	95.9	19.2
other	37.5	6.6	27.7	5.6
	573.1	100.0	499.9	100.0

Balance sheet: strengthened equity ratio excl. minorities of 47.7 percent

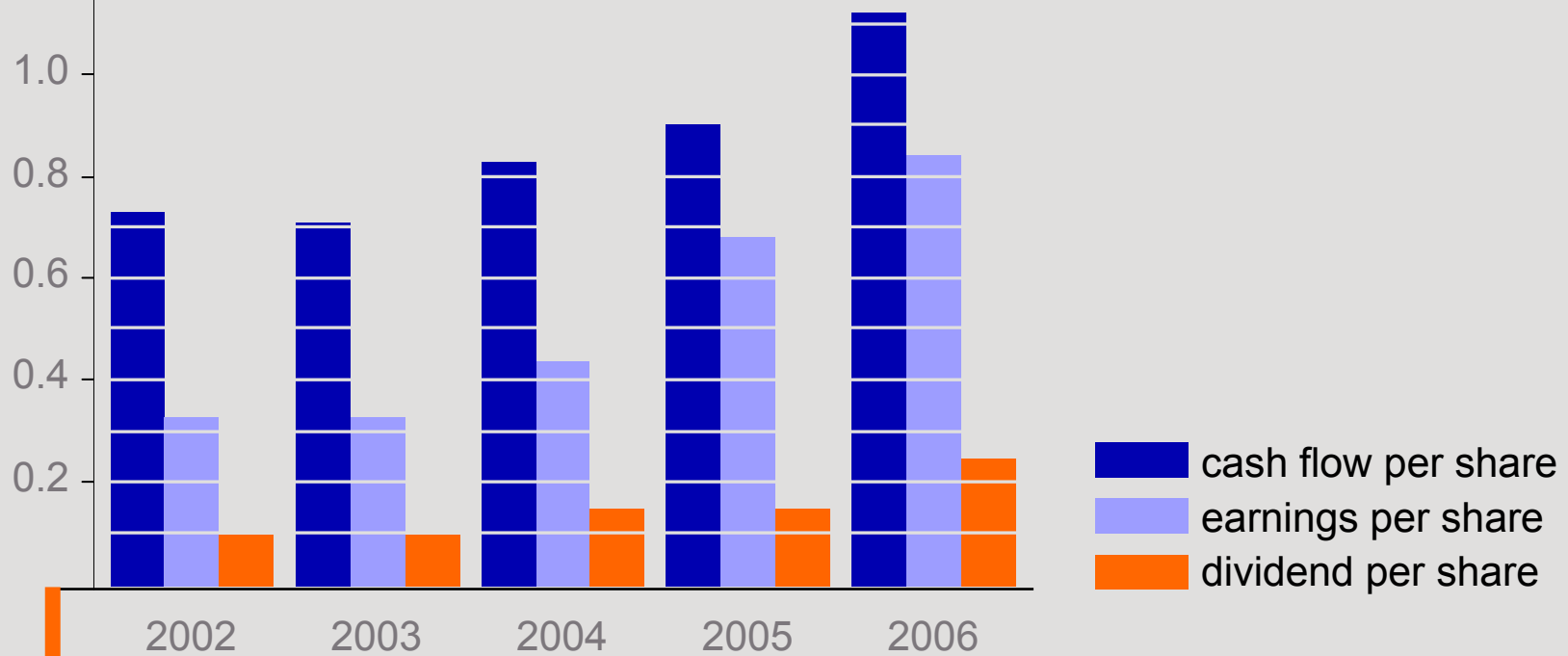
EQUITY AND LIABILITIES

↗ in million Euro	on 31/12/06	%	on 31/12/05	%
total equity				
shareholders' equity	273.2	47.7	230.6	46.1
minority interest	2.3	0.4	2.4	0.5
pension provisions	12.8	2.2	9.9	2.0
other provisions	17.3	3.0	12.9	2.6
borrowings	168.7	29.4	162.2	32.5
trade payables	32.4	5.7	28.2	5.6
other liabilities	66.4	11.6	53.7	10.7
	573.1	100.0	499.9	100.0

Key figures per share: clearly increased earnings and dividend

KEY FIGURES PER SHARE

↗ 2002 – 2006
in Euro



31%

31%

34%

22%

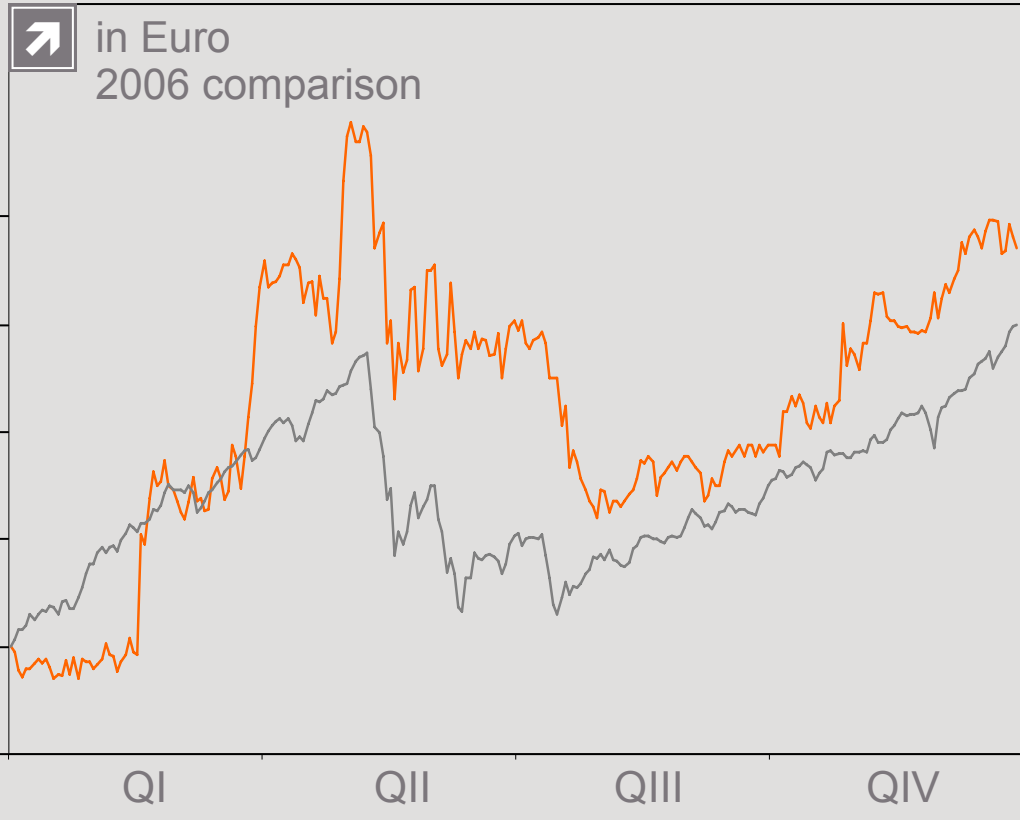
30%

dividend rate

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TAKKT share: another good year for investors

SHARE PRICE DEVELOPMENT



- Prime Standard since 01/01/2003
- 72.9 million shares
- market capitalisation: ~ Euro 959m
- shareholder structure:
 - free float: 27.3%
 - Franz Haniel & Cie. GmbH: 72.7%

- TAKKT share
- SDAX (indexed)

Key figures

P&L

↗ in million Euro	2002	2003	2004	2005	2006
turnover	783.7	713.9	727.6	773.2	958.5
EBITDA	85.7	80.1	87.2	98.4	119.5
EBITA	75.1	70.3	78.2	88.9	105.2
EBIT	57.0	53.9	62.5	88.9	105.2
profit before tax	39.0	40.6	51.5	78.7	92.9
profit	24.5	24.4	33.0	50.4	62.5
cash flow	53.3	51.8	60.5	65.5	81.7
free cash flow	44.7	42.0	51.9	56.6	9.7
EPS (in EUR)	0.33	0.33	0.44	0.68	0.84
CEPS / CFPS (in EUR)	0.73	0.71	0.83	0.90	1.12
dividend rate (in %)	30.7	30.8	33.8	22.0	29.6


Key figures

balance sheet / covenants

↗ in million Euro / other	2002	2003	2004	2005	2006
Ø net borrowings	-321.7	-260.4	-211.8	-170.2	-188.7
net borrowings (ye)	-285.7	-234.3	-182.3	-156.5	-164.8
CAPEX	8.6	9.8	8.6	8.9	72.0
change in working capital	-0.3	7.8	2.8	11.5	14.5
gearing	1.9	1.5	1.0	0.7	0.6
interest cover	4.2	5.3	7.2	8.6	8.7
debt repayment period (y)	6.0	5.0	3.5	2.6	2.3
equity ratio in % *	27.7	32.8	39.6	46.1	47.7

Key figures

personnel

 in thousand Euro / other	2002	2003	2004	2005	2006
employees (full-time Ø)	1,932	1,888	1,851	1,848	2,016
turnover per employee	406	378	393	418	475
personnel costs per empl.	52.3	50.3	51.7	53.3	57.2
cash flow per employee	27.6	27.5	32.7	35.5	40.5
employees (f.-time at 31/12)	1,914	1,860	1,840	1,868	2,027

TAKKT 2006: Corporate Social Responsibility

- for TAKKT commercial success and social responsibility are interlinked
- besides many local initiatives at subsidiaries, in 2006 TAKKT defined groupwide activities which it aims to support
- objective: to fund projects that train and educate children and adolescents; creating jobs
- focus of support activities on Mumbai as twin city of Stuttgart
- supported projects are e.g.
 - funding interior of an orphanage for child aid project Prem Dan
 - funding of a training centre for orphans and street children

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