



## Contents

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- financial statements 2004
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# TAKKTAG

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BUSINESS EQUIPMENT SOLUTIONS

business model



C & M MOTORS, INC.

0 558 9966

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

## C & M PRODUCTS

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

## Catalog Request

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

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

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

## TAKKT: business overview

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### business activity

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

### geographic balance

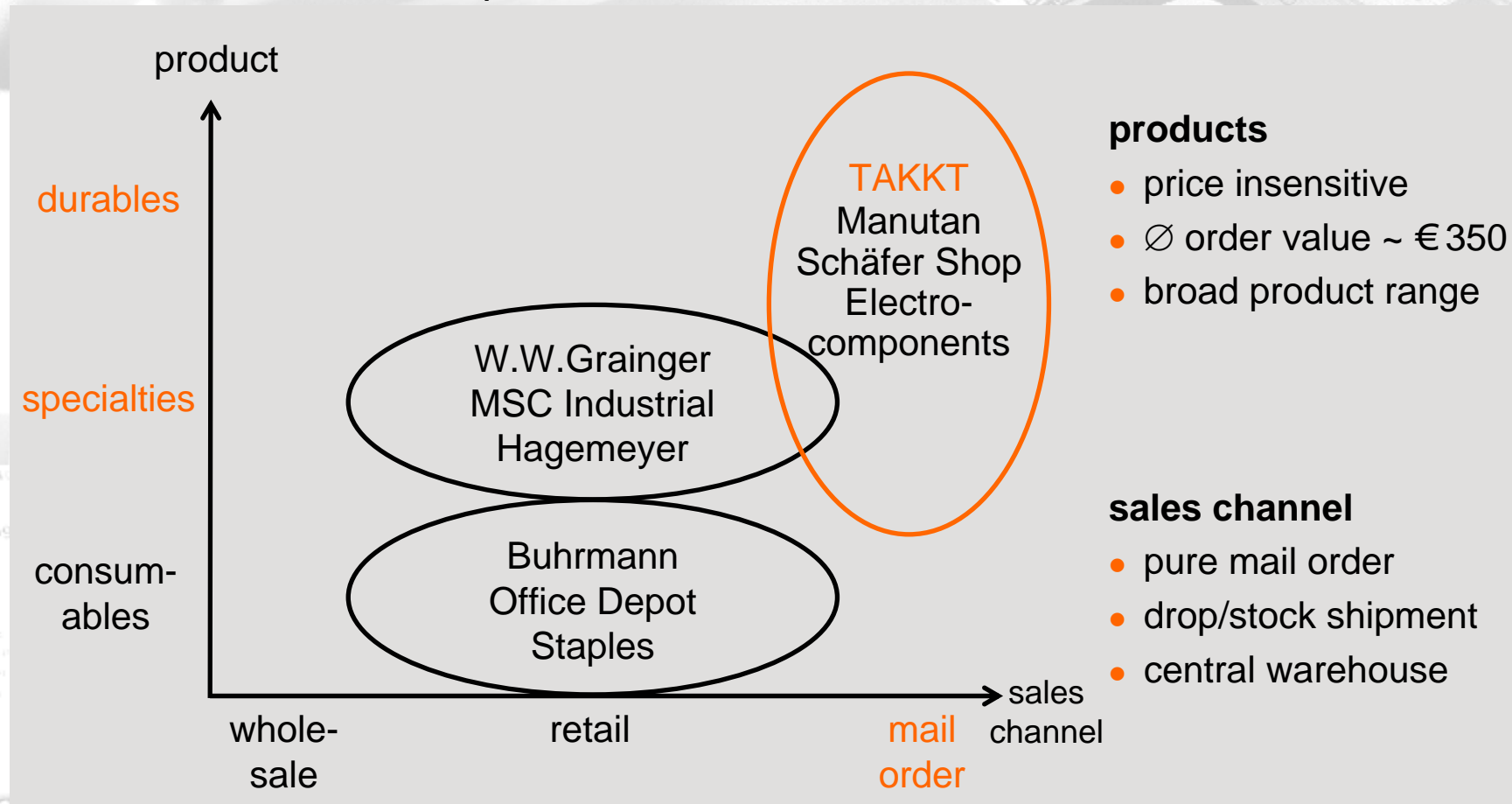
- regional diversification: more than 20 countries
- turnover by region: ~ 60% Europe/  
~ 40% North America

### key facts 2004

- sales: € 728m
- number of customers: 2.6m
- advertising media sent out per year: > 50m
- number of employees (fte): ~ 1,900

# TAKKT: market overview and business model

Focus on durables and specialties via mail order

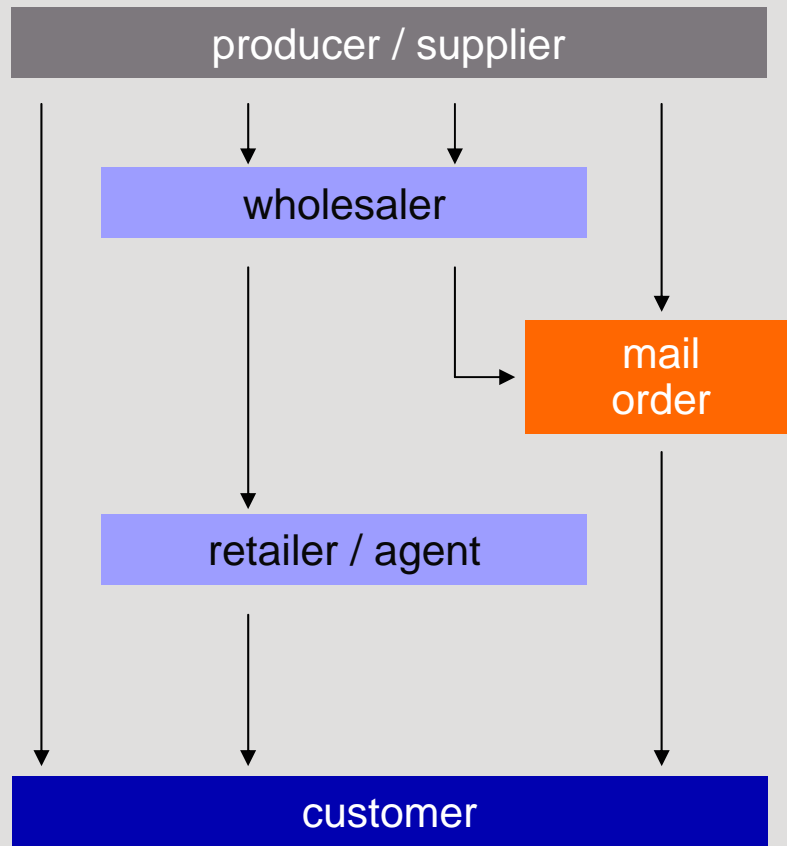


→ system business with stable gross profit margin

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## Sales channel: B2B mail order

The most efficient way to distribute equipment

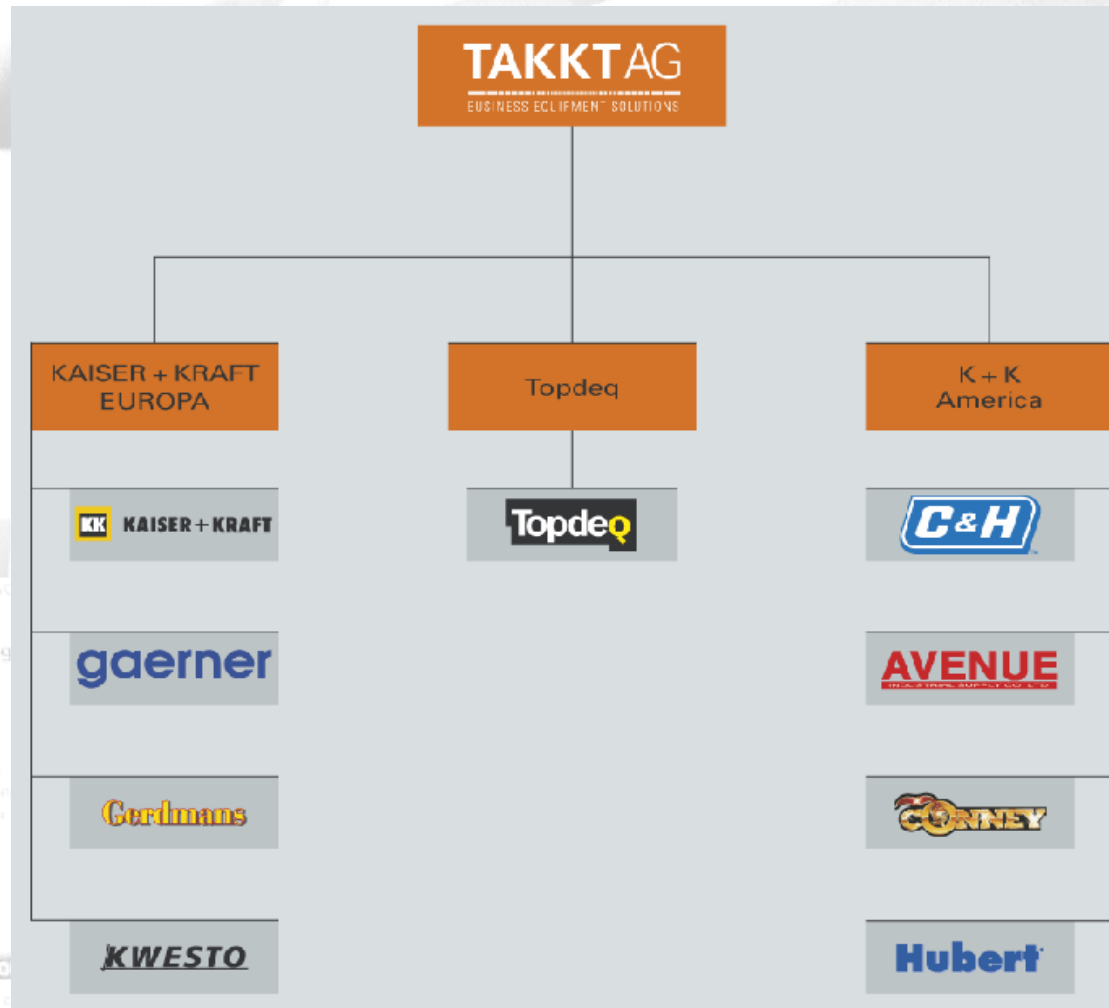


- fragmented supplier structure
  - mainly SME
  - low market entry barriers
- mail order advantages
  - direct marketing
  - less personnel cost intensive
  - no conflict of interests
- customers' advantages
  - convenient
  - efficient
  - broad selection

→ and is therefore winning market shares

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# The TAKKT group: centralised management and market proximity



- knowledge
- synergies / economies of scale

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

- distribution companies

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BUSINESS EQUIPMENT SOLUTIONS

mail order:

**B2B versus B2C**



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MOTORS, INC.

0 558 9966

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

### C & M PRODUCTS

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

### Catalog Request

First Name:  
Last Name:  
Company Name:  
Address:  
City:  
State:  
Zip:

Phone:  
Fax:

E-mail:  
Business Title:

Company Type:  
Company Size:

Product Interest:  
Comments:

Submit Request

## B2B vs. B2C: consistent duplication of system business

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TAKKT product range duplicable to other markets without customisation...



... other products need to be customised according to local market requirements

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## Advantages of B2B mail order versus B2C mail order

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Example: process efficiency

- less misdirected catalogues due to changed addresses

- logistics easier – more successful deliveries

- lower returns quota

- lower write-offs in trade receivables

# Transformation: mail order bundles volume, time, payment, guarantee

Example: delivery times for office chairs



→ bundling of conditions more important in B2B segment

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## B2B vs. B2C: customer expectations

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### B2B

- good product quality
- customised product
- service quality
- delivery time and flexibility
- guaranteed long term product availability
- one-stop-shop

### B2C

- “lucky buy”
- good product quality
- branded product

→ B2B: service and quality (TAKKT core competencies) more important than price

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BUSINESS EQUIPMENT SOLUTIONS

financial statements 2004



C & M MOTORS, INC.

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Product Name:  
Product Description:  
Part Number:  
Quantity:

#### C & M PRODUCTS

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

Catalog Request

Product Name:  
Product Description:  
Part Number:  
Quantity:

Product Name:  
Product Description:  
Part Number:  
Quantity:

Product Name:  
Product Description:  
Part Number:  
Quantity:

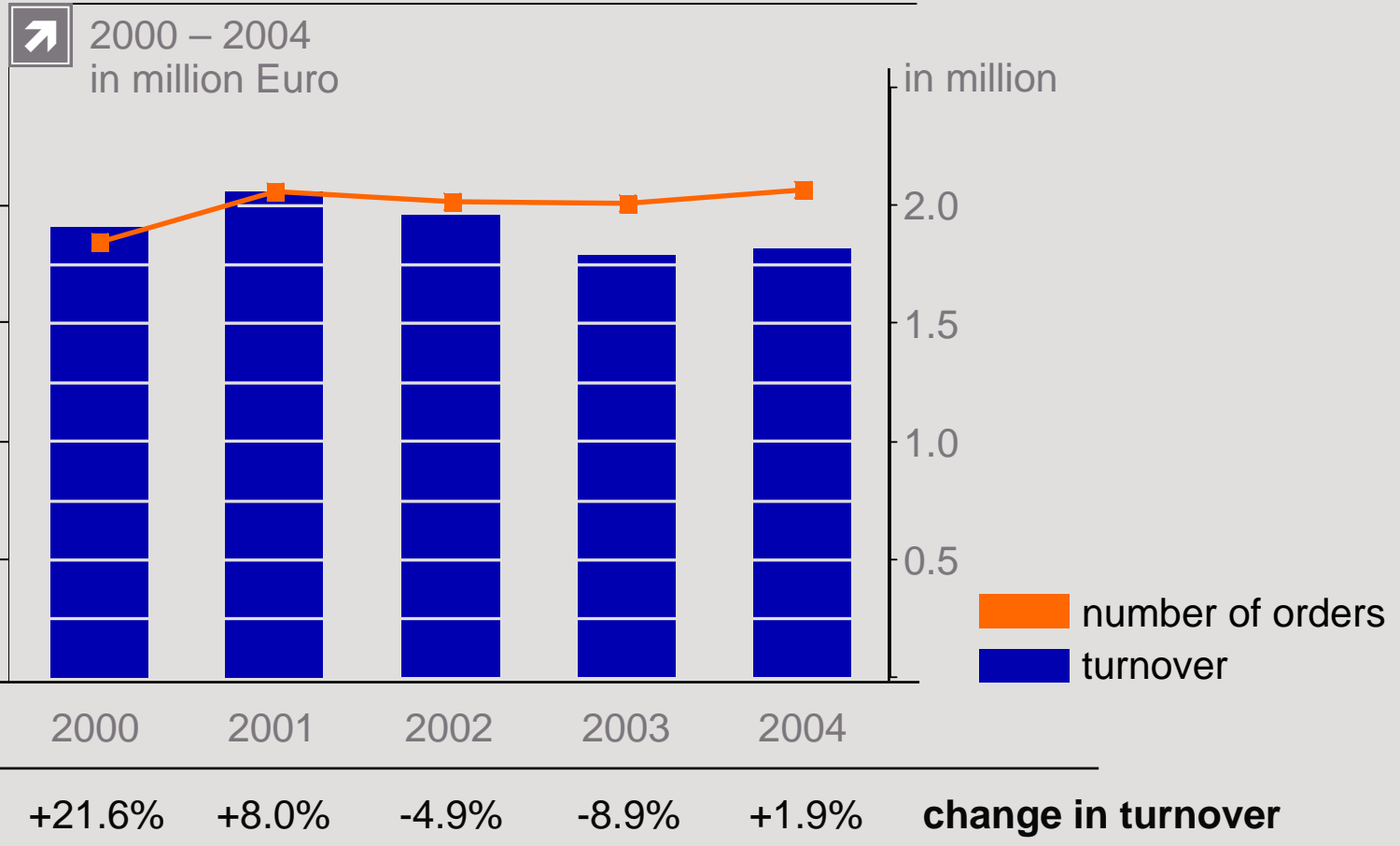
Product Name:  
Product Description:  
Part Number:  
Quantity:

Product Name:  
Product Description:  
Part Number:  
Quantity:

Product Name:  
Product Description:  
Part Number:  
Quantity:

# Turnover TAKKT group: currency adjusted organic growth by 5.8 percent

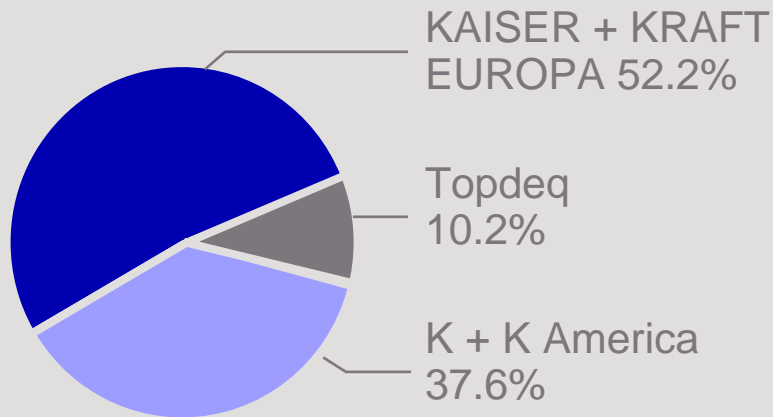
## TURNOVER / NO. OF ORDERS



# Turnover TAKKT group: diversified portfolio

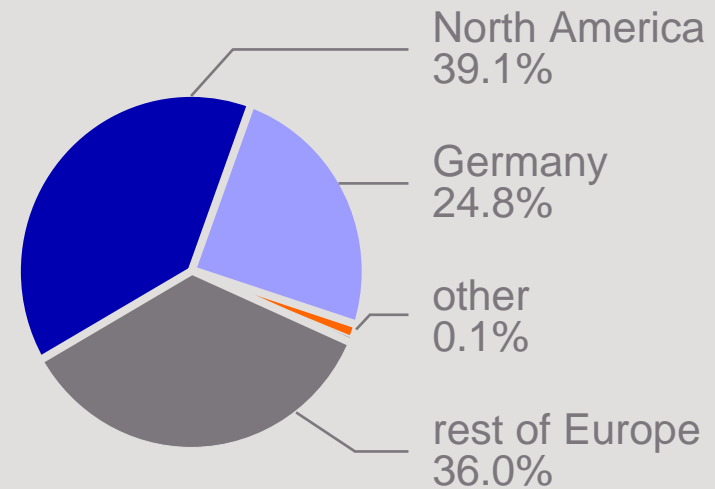
## TURNOVER by division

↗ 2004



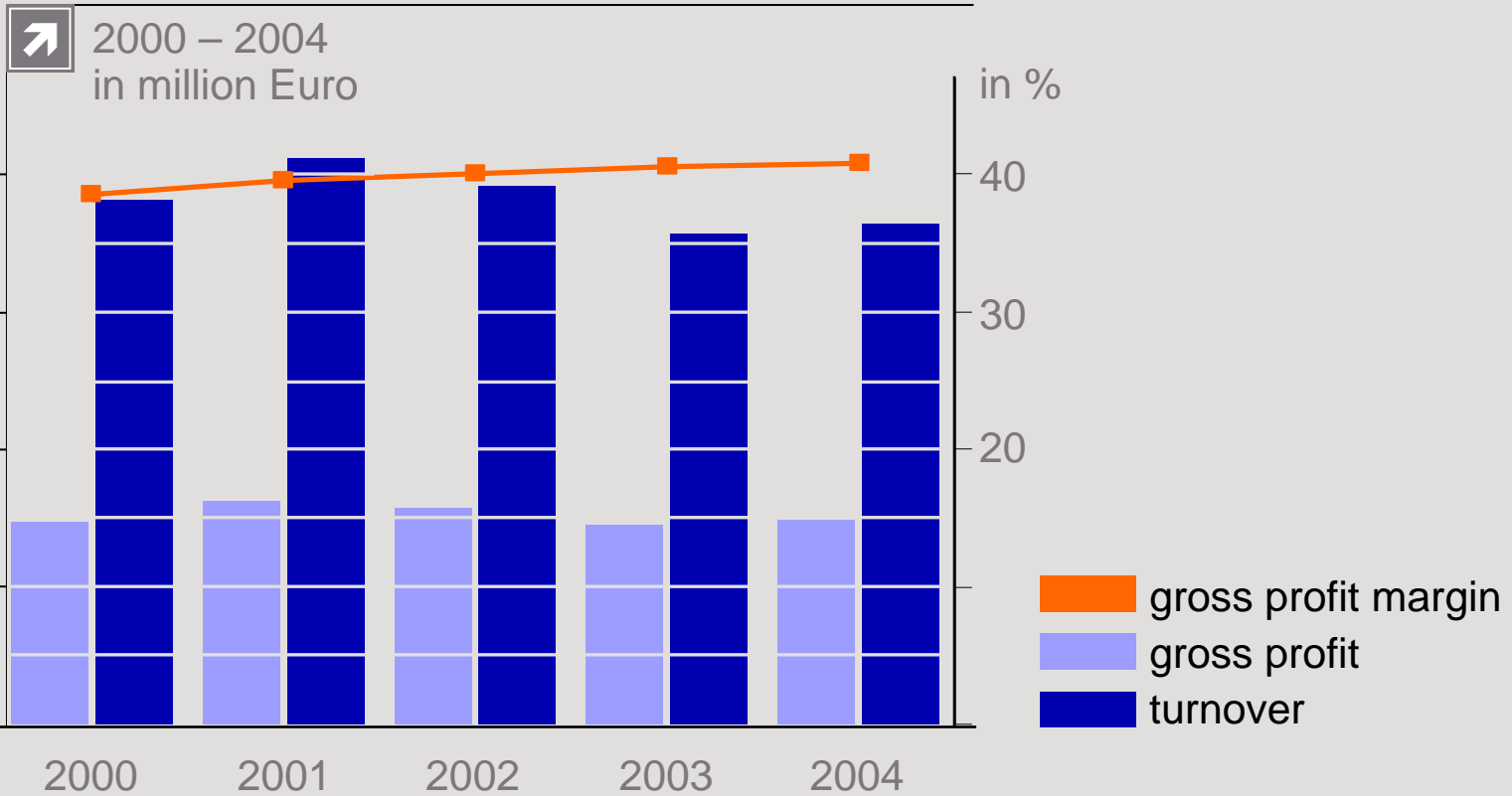
## TURNOVER by region

↗ 2004



# Gross profit: increase of margin to 40.8 percent

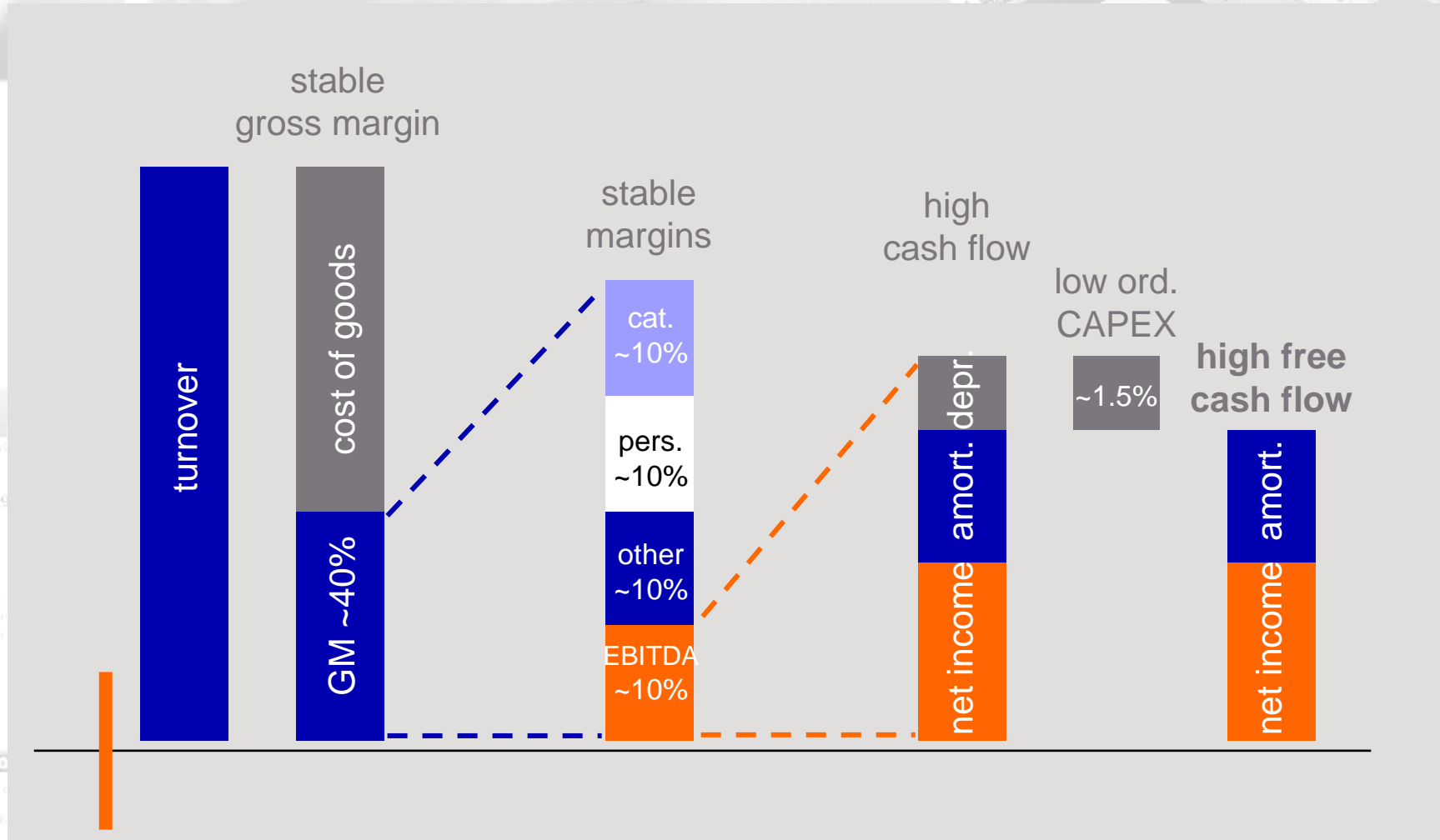
## GROSS PROFIT MARGIN



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# Cost structures: stable on average

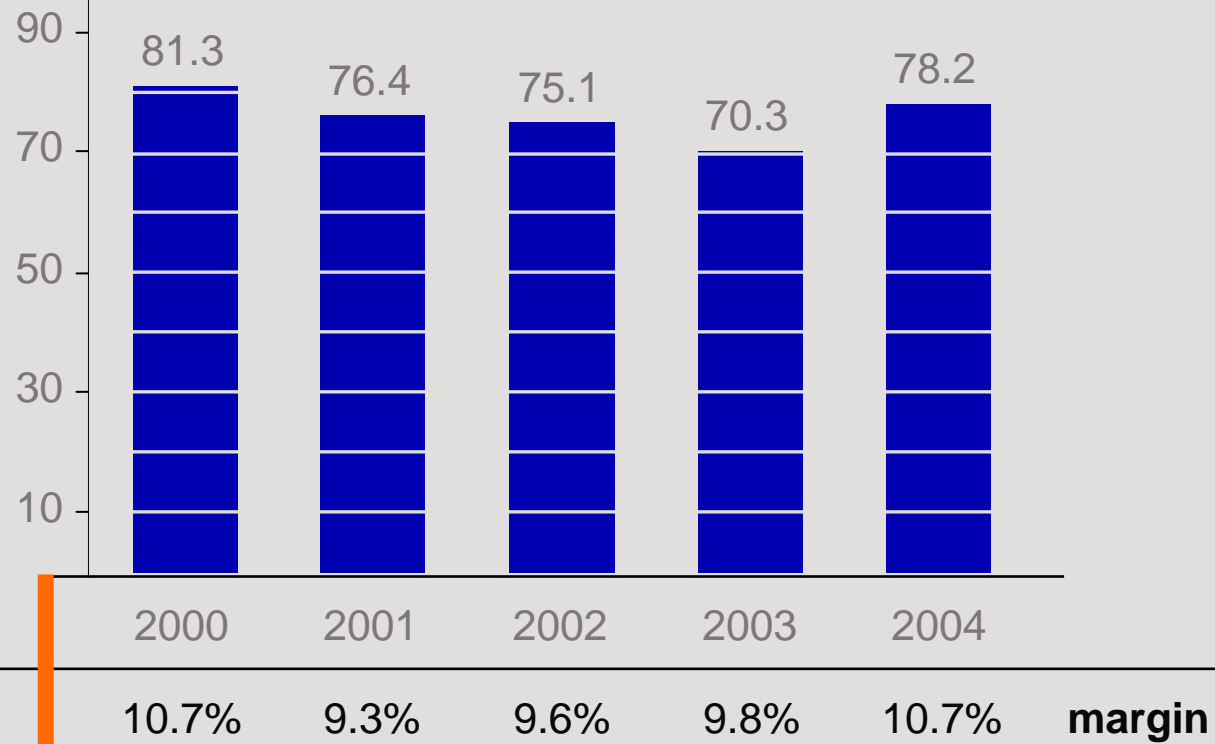
Business model generates high free cash flow



# EBITA: margin at upper end of target corridor of 9 to 11 percent

## EBITA

↗ 2000 – 2004  
in million Euro

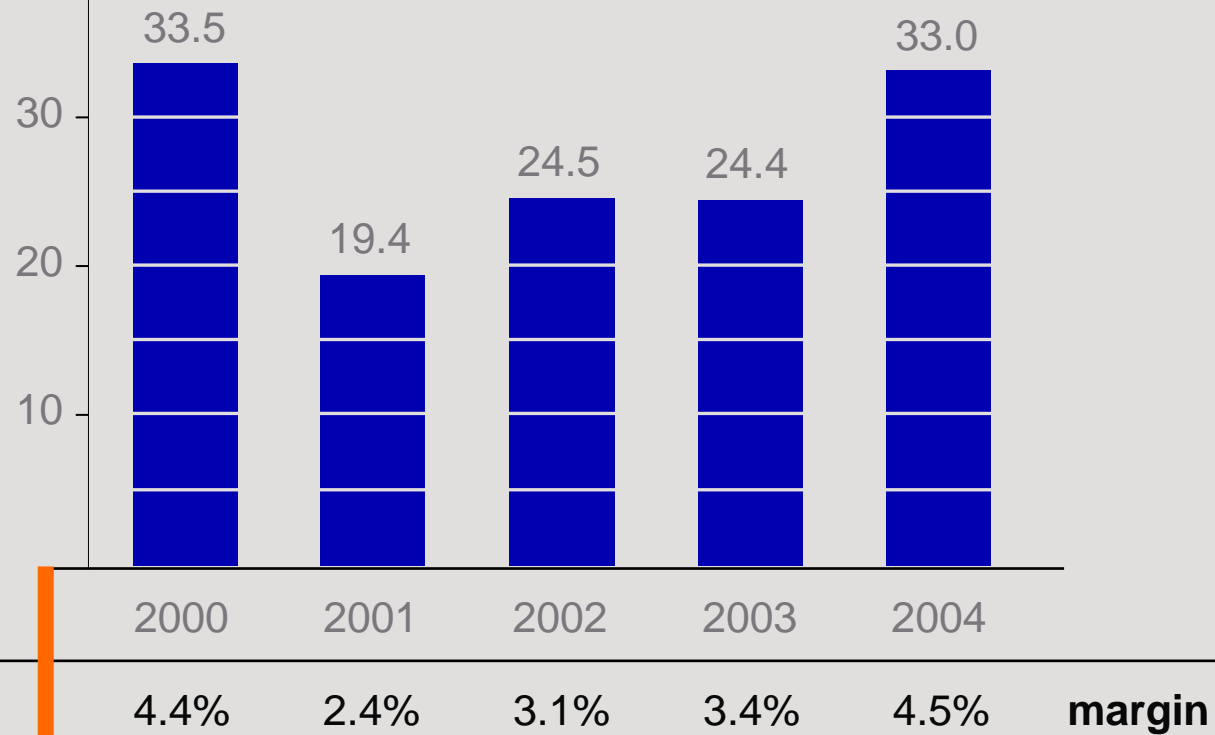


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## Net income before minority interest: increase at lower tax rate

### NET INCOME before minority interest

↗ 2000 – 2004  
in million Euro

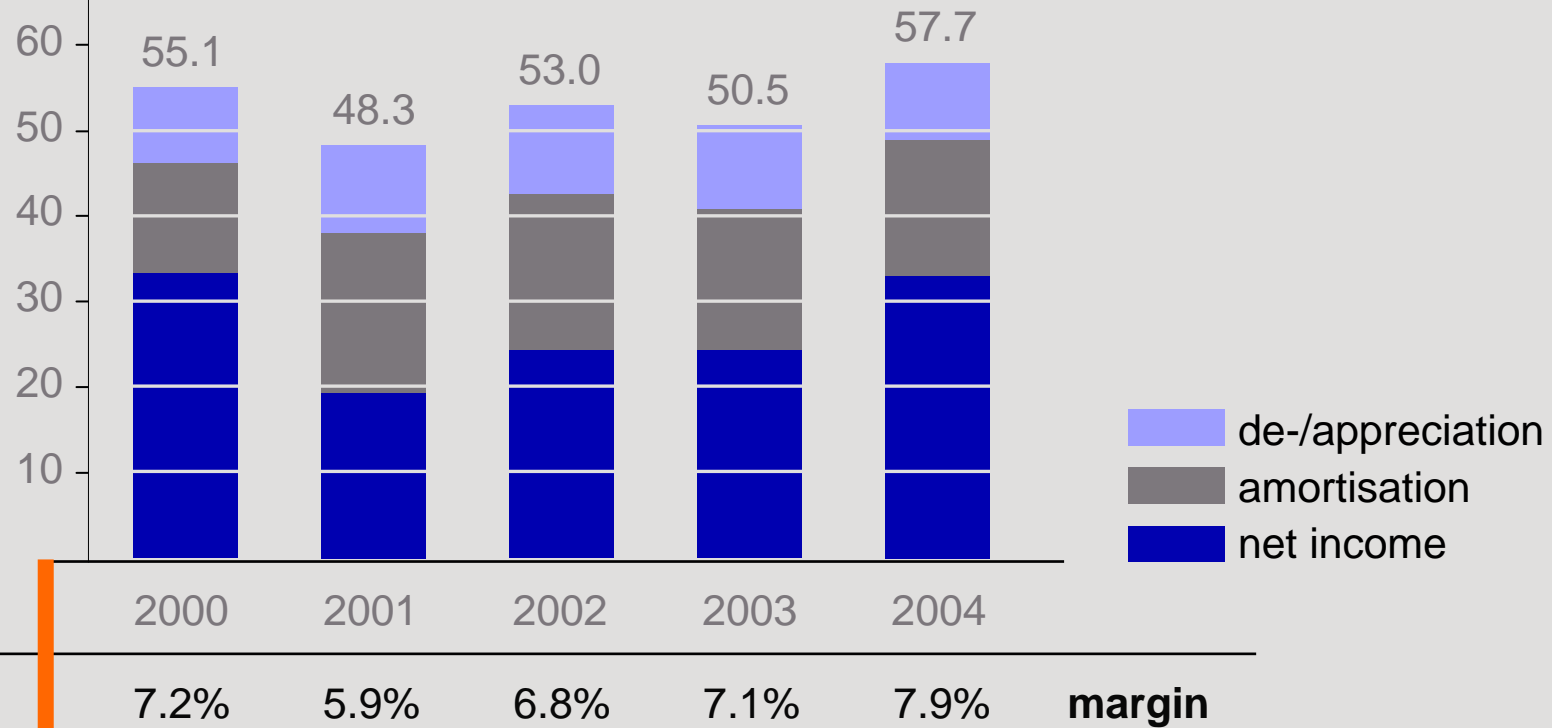


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# Cash flow: high level proves profitability

## CASH FLOW

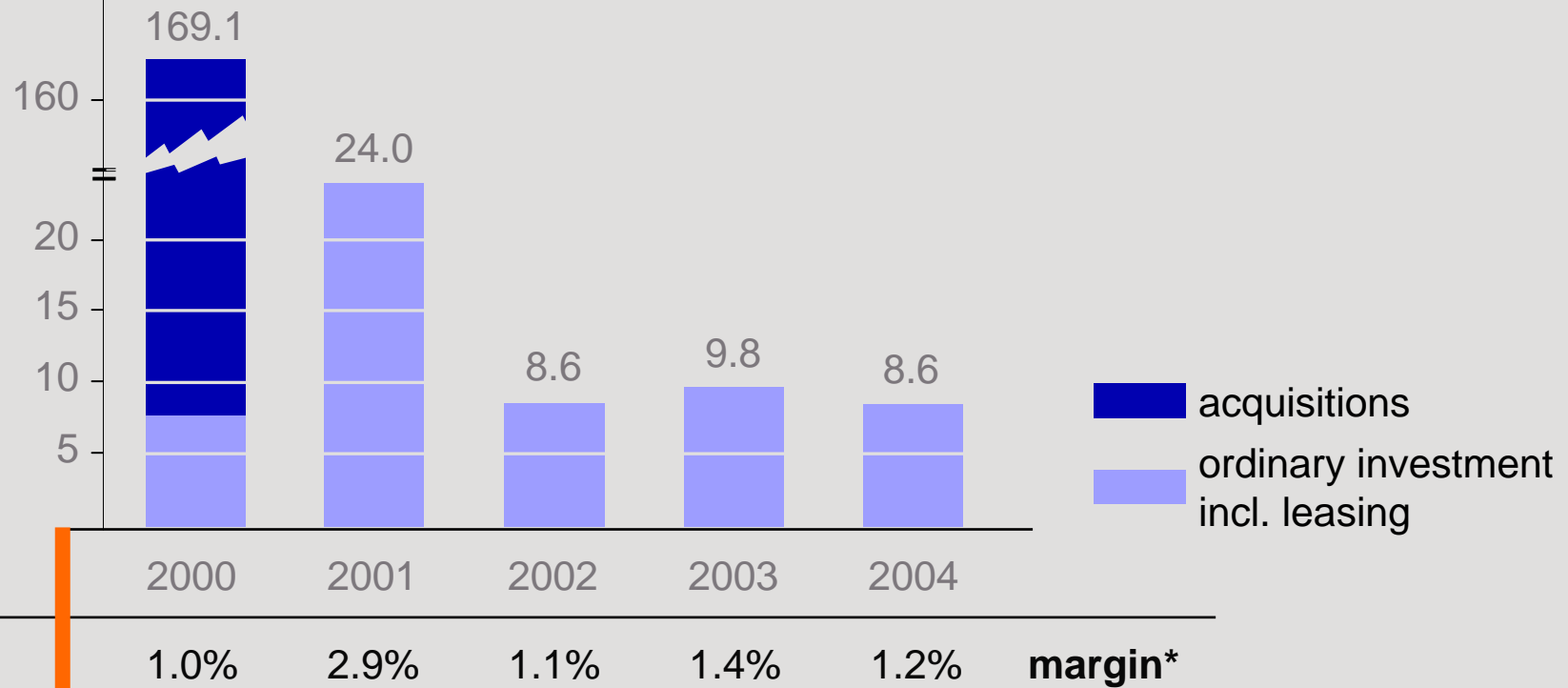
↗ 2000 – 2004  
in million Euro



# Capital expenditure: at normal level

## CAPITAL EXPENDITURE

↗ 2000 – 2004  
in million Euro

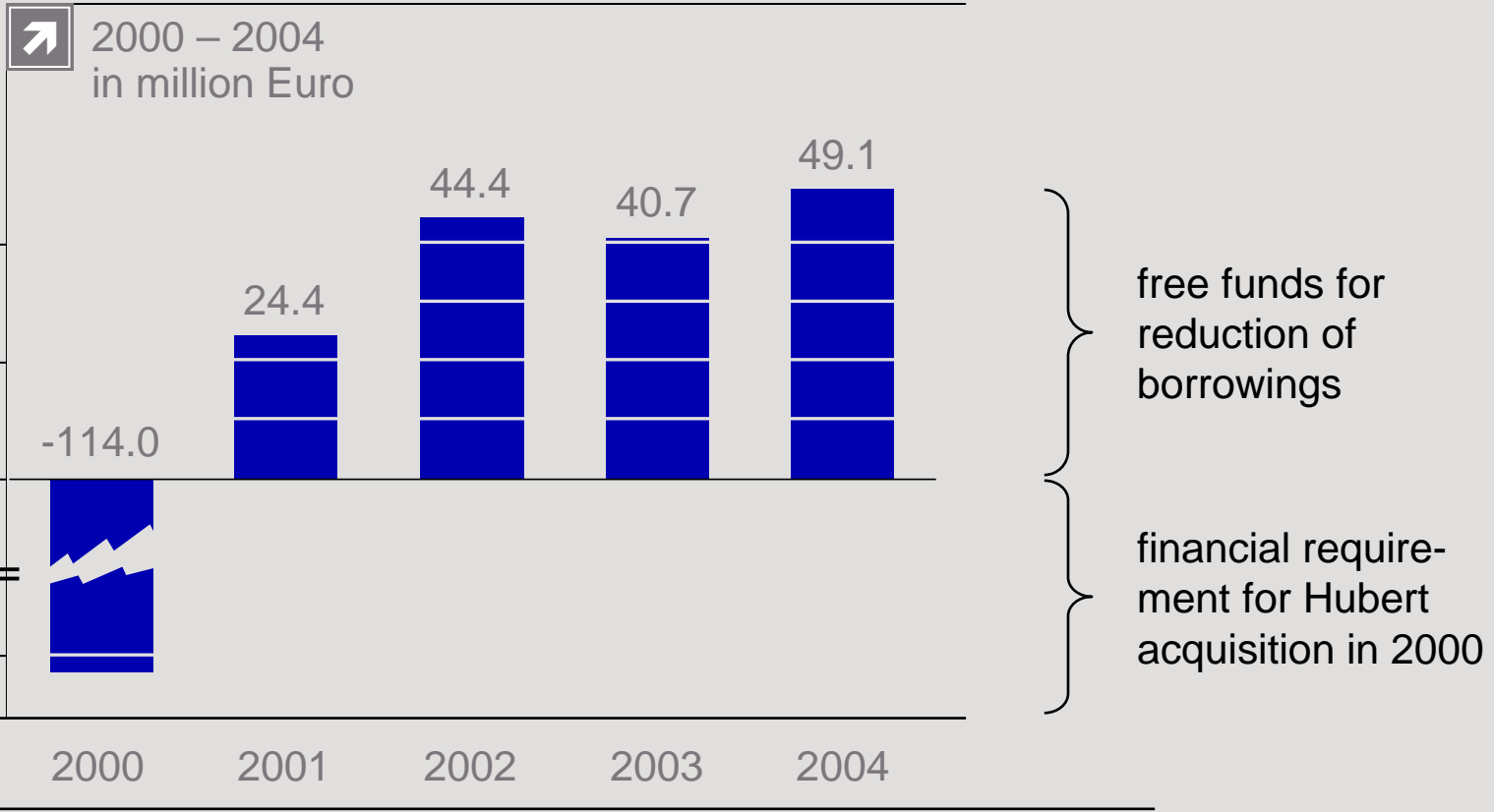


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\* margin: ordinary investment incl. leasing in percent of turnover

# Free cash flow: assured debt repayment and financing of future growth

## FREE CASH FLOW



## Consolidated balance sheet: write-offs and currency effects reduce total assets

### ASSETS

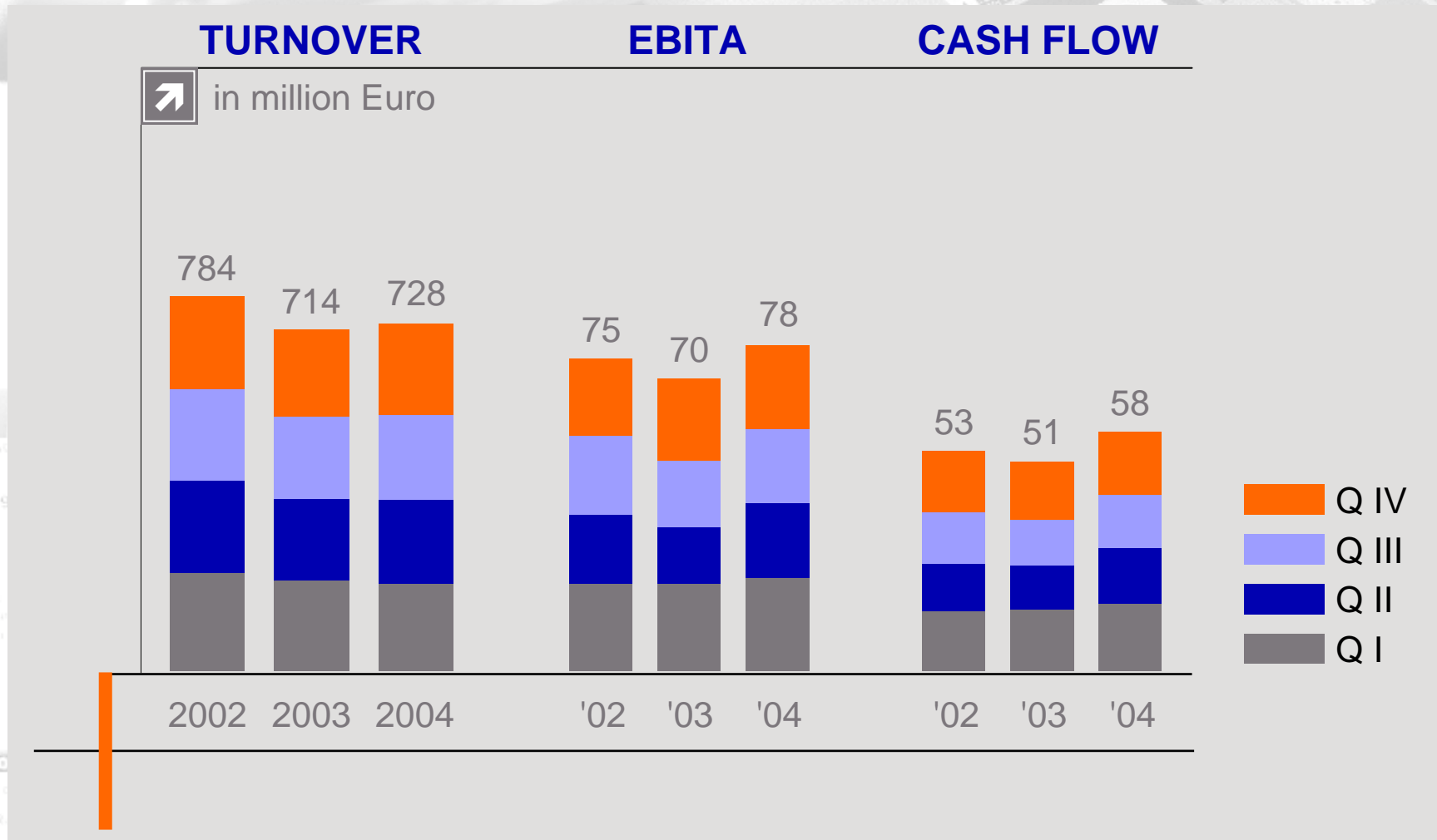
↗ in million Euro	on 31/12/04	%	on 31/12/03	%
<b>fixed assets</b>				
goodwill	211.4	46.2	235.1	49.0
other intangible assets	6.3	1.4	5.1	1.1
property, plant and equipment	68.0	14.9	71.5	14.9
financial assets	0.1	0.0	0.1	0.0
<b>non-current assets</b>	5.4	1.2	9.9	2.1
<b>current receivables and assets</b>				
inventories	56.7	12.4	55.3	11.5
receivables and assets	104.3	22.7	97.9	20.4
other	5.6	1.2	5.0	1.0
	<b>457.8</b>	<b>100.0</b>	<b>479.9</b>	<b>100.0</b>

## Consolidated balance sheet: strengthened equity ratio\* of 39.6 percent

### EQUITY AND LIABILITIES

↗ in million Euro	on 31/12/04	%	on 31/12/03	%
<b>total equity</b>				
shareholders' equity	181.1	39.6	157.2	32.8
minority interest	3.0	0.6	3.4	0.7
<b>non-current liabilities</b>				
borrowings	164.8	36.0	213.0	44.4
other	17.7	3.9	17.2	3.6
<b>current liabilities</b>				
borrowings	21.5	4.7	25.5	5.3
other	69.7	15.2	63.6	13.2
	<b>457.8</b>	<b>100.0</b>	<b>479.9</b>	<b>100.0</b>

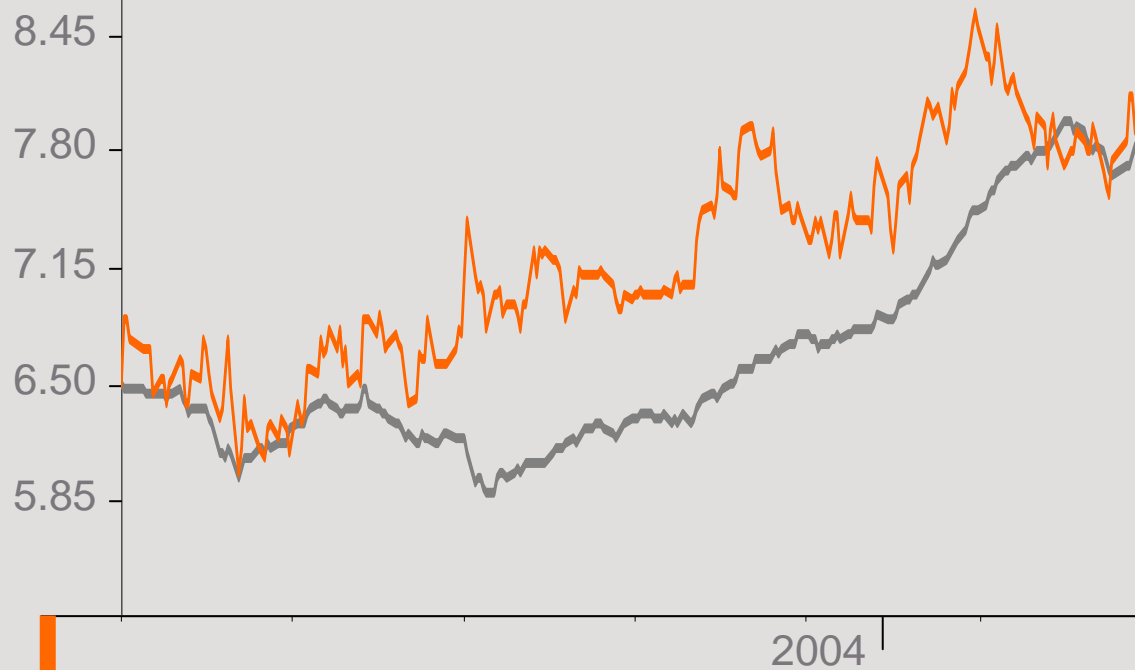
# Key figures: quarterly development



# TAKKT share: price advance reflects potential

## SHARE PRICE DEVELOPMENT

↗ in Euro  
52 week comparison



- Prime Standard since 01/01/2003
- 72.9 million shares
- market capitalisation: ~ Euro 575m
- shareholder structure:
  - free float: 27.3%
  - Franz Haniel & Cie. GmbH: 72.7%

- TAKKT share
- SDAX (indexed)

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## TAKKT: outlook 2005

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- GDP growth 2005:
  - Euro zone 1.8% (2004: 2.0%)
  - USA 3.3% (2004: 4.5%)
- currency adjusted organic turnover growth by at least 3 percent
- start-ups will affect profitability
- EBITA margin in upper half of target corridor of 9 to 11 percent
- capital expenditure higher due to IT project at K + K America, but still within long term average of 1 to 2 percent

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BUSINESS EQUIPMENT SOLUTIONS

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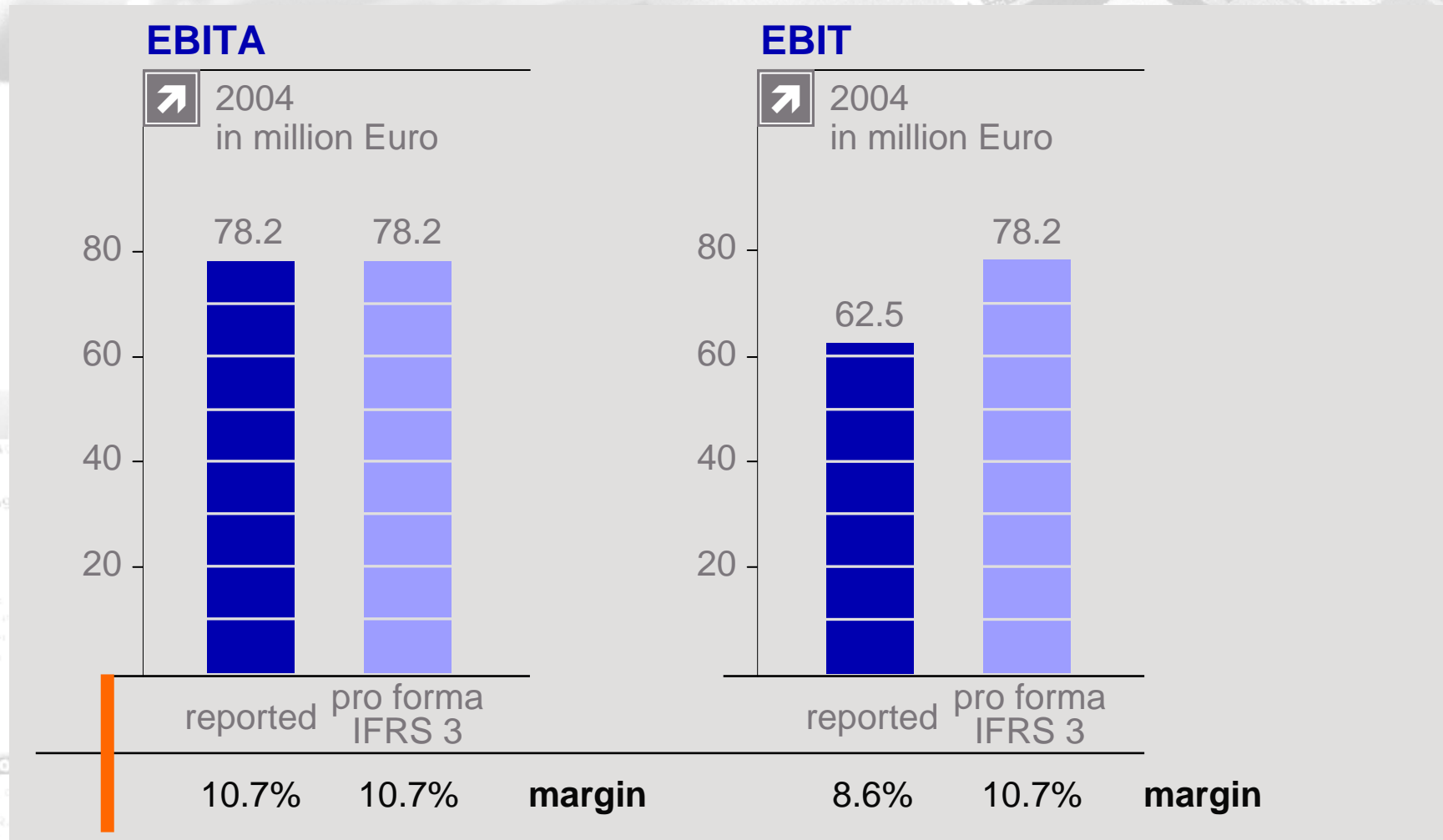
## Catalog Request

IFRS 3



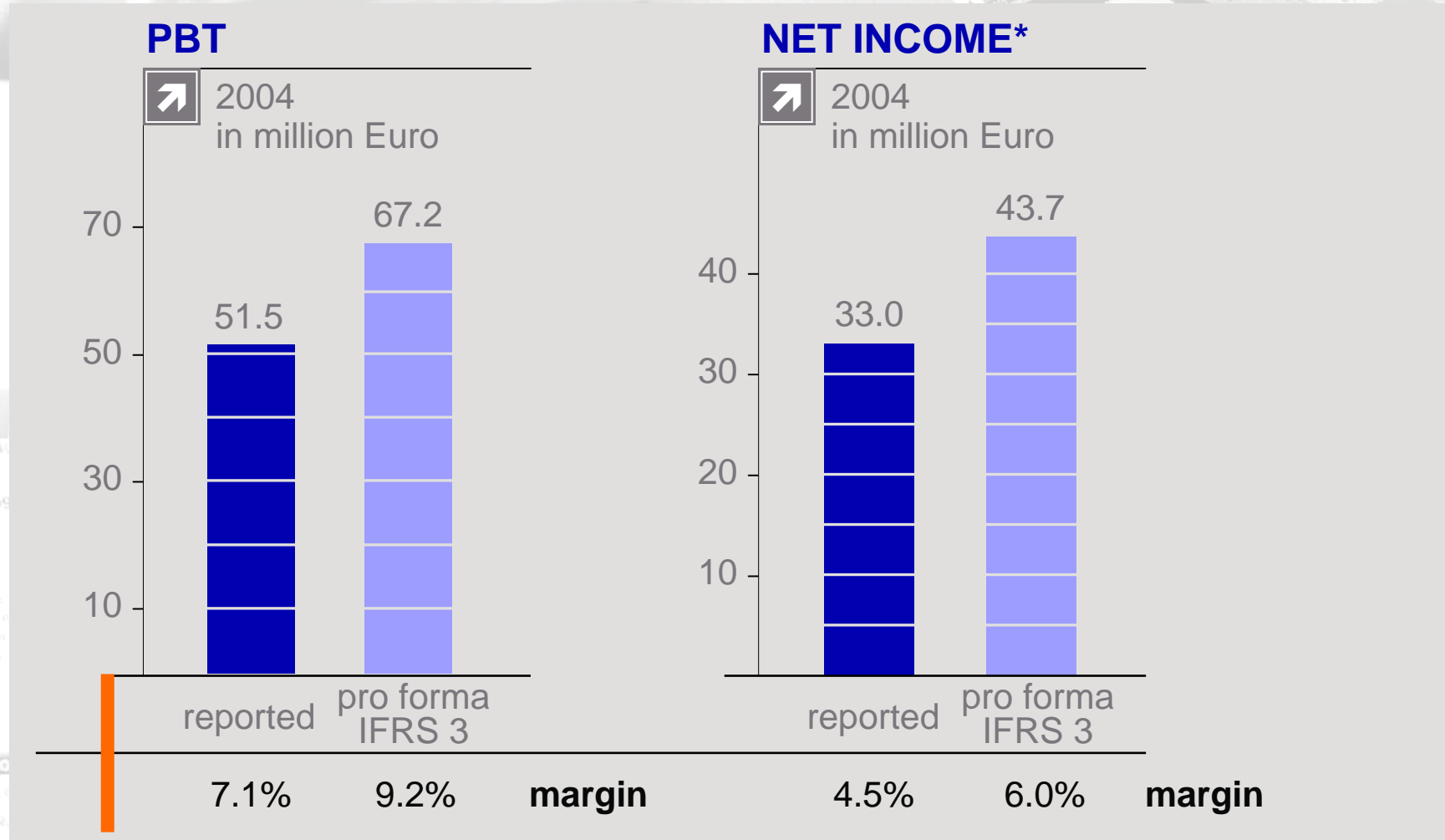
## IFRS 3: effect on EBITA and EBIT

Increase of profitability on EBIT level fully visible



# IFRS 3: effect on profit before tax and net income before minority interest

Net income\* does not increase as much as PBT due to deferred taxes



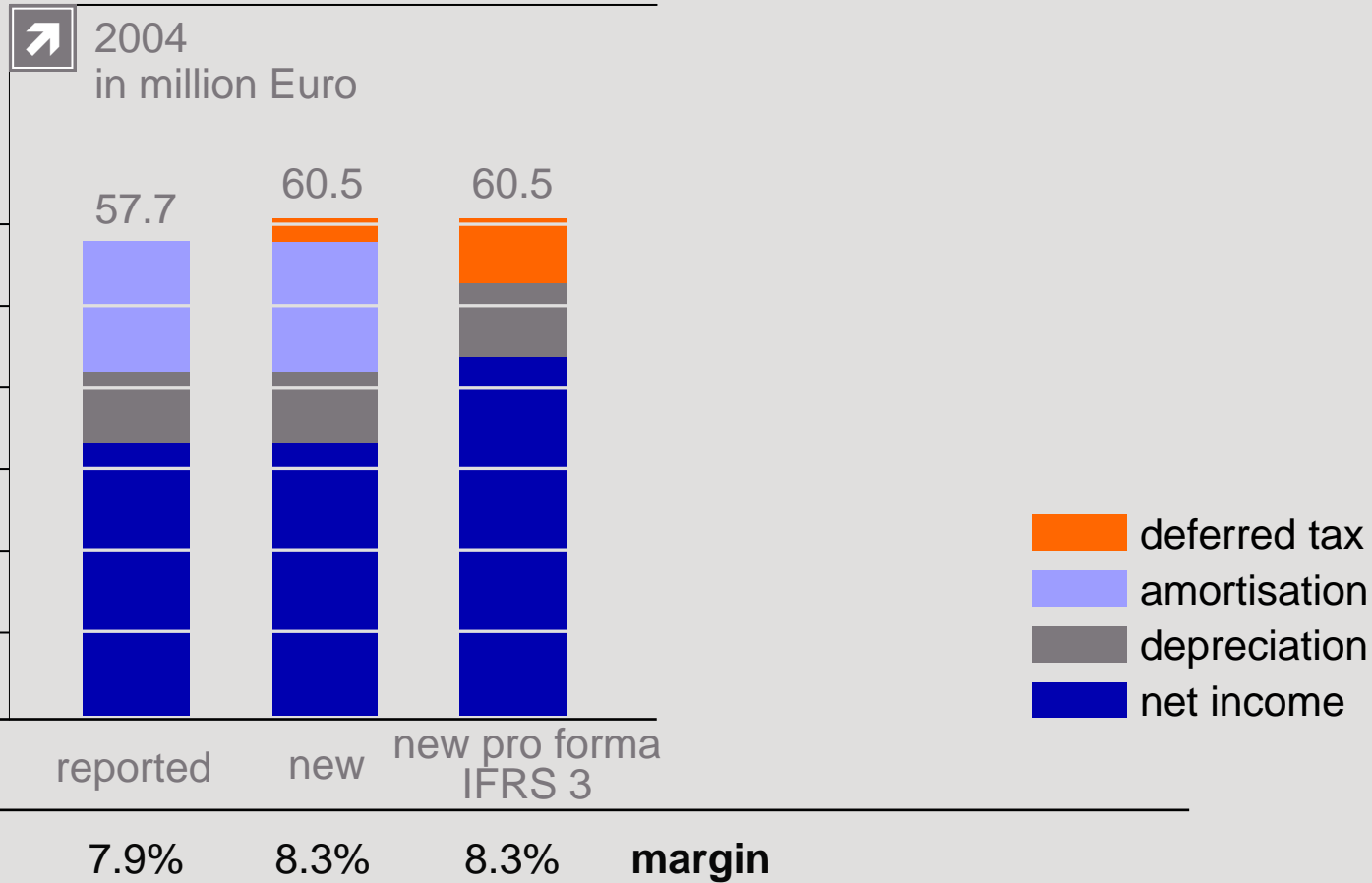
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\* before minority interest

## IFRS 3: adjusted new definition of cash flow needed

New cash flow calculation takes deferred taxes into account

### CASH FLOW



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# Winning new customers

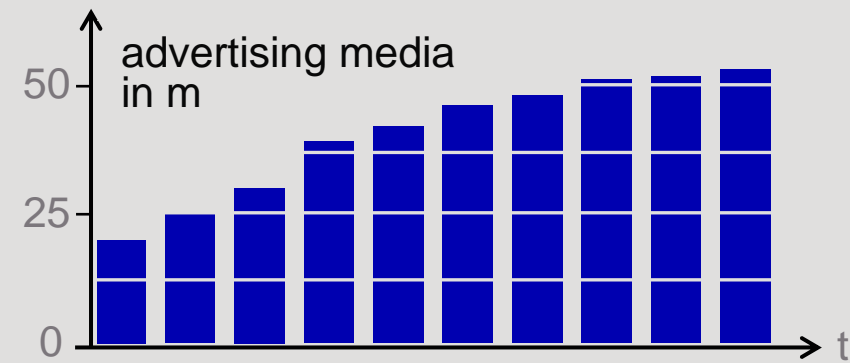
1. acquisitions (platform)

▪ Topdeq	1994
▪ Gerdmans	1998
▪ Conney	1998
▪ Hubert	2000

2. new foundations (roll out)

▪ Topdeq USA	2000
▪ KAISER + KRAFT Japan	2002
▪ Gerdmans Estonia	2004

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



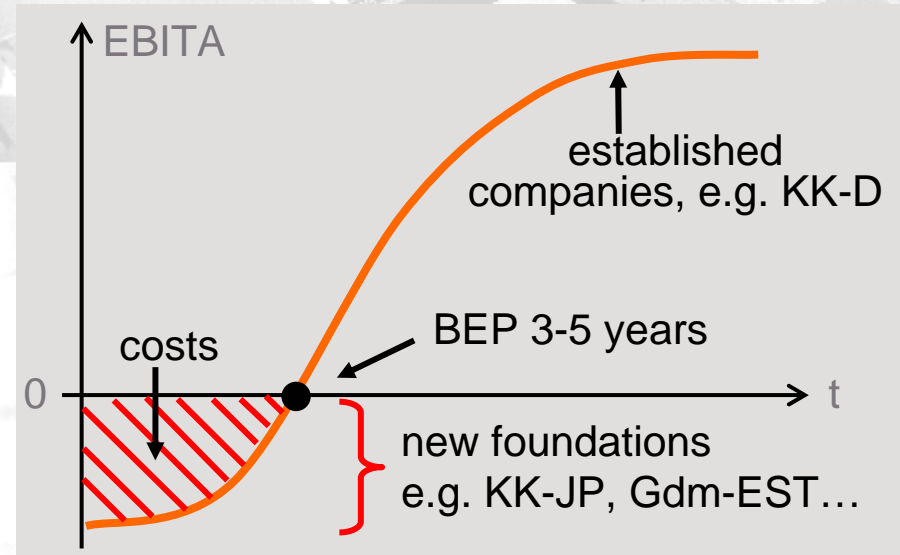
→ in the past 15 years: 1 foundation or acquisition per year

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# Winning new customers

new foundations are investments . . .

. . . in winning new customers by leveraging the existing infrastructure

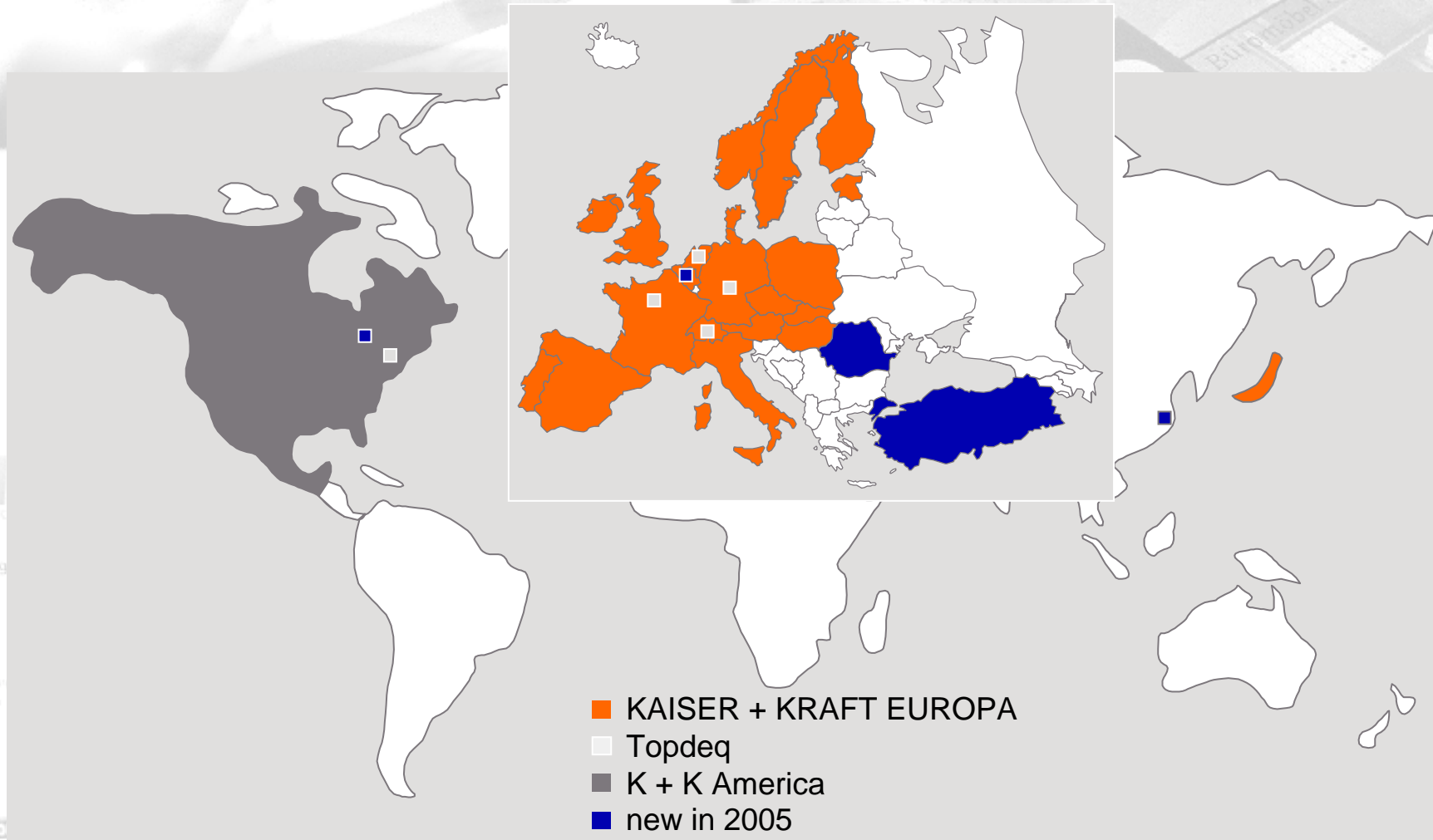


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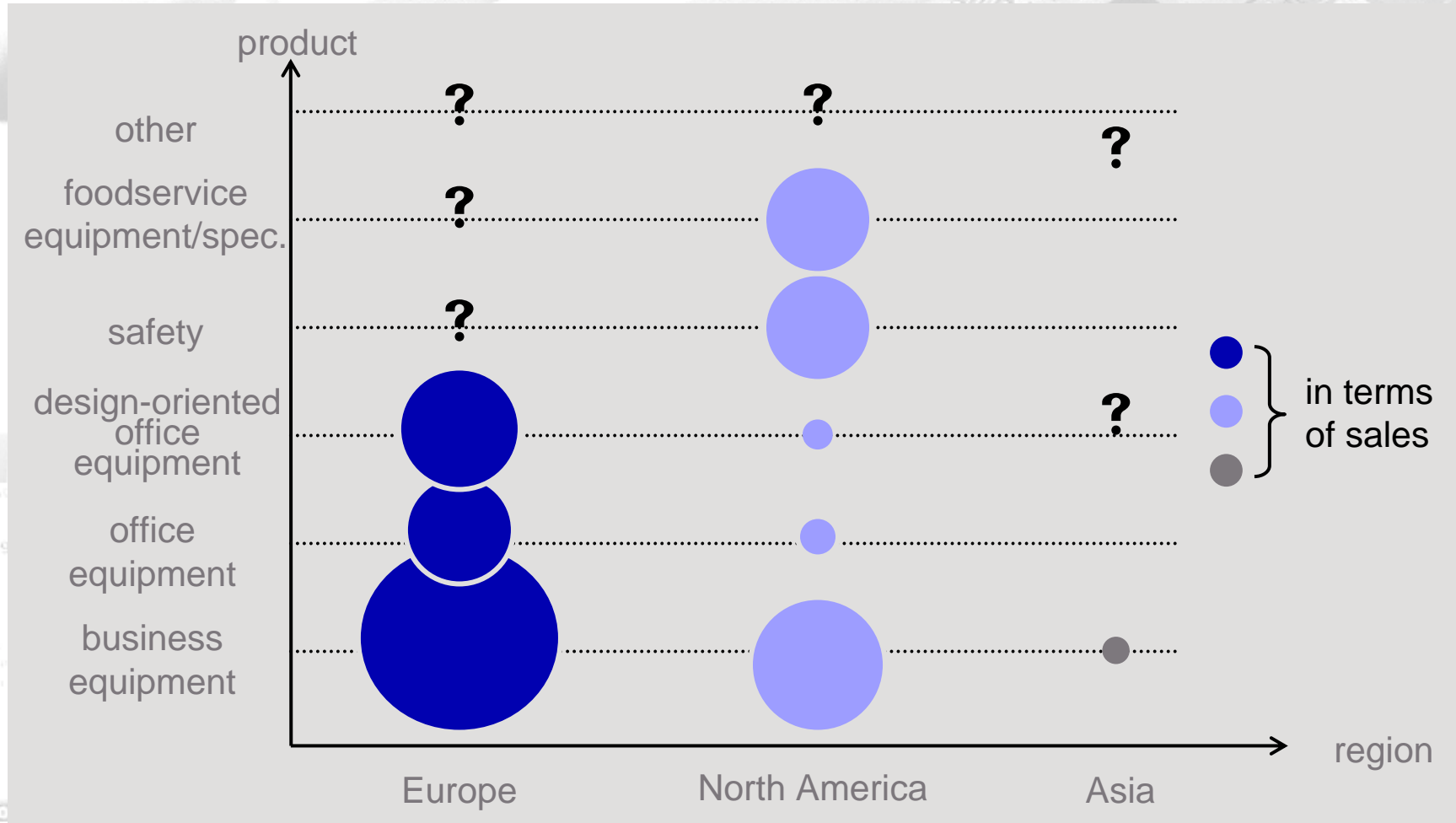
■ new customers ■ old customers

# Consistent duplication of system business

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# Growth potential for TAKKT's system business



➔ objective: diversified product portfolio via duplication of system business

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## That's why invest in TAKKT

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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 EBITA margin
- high (free) cash flow

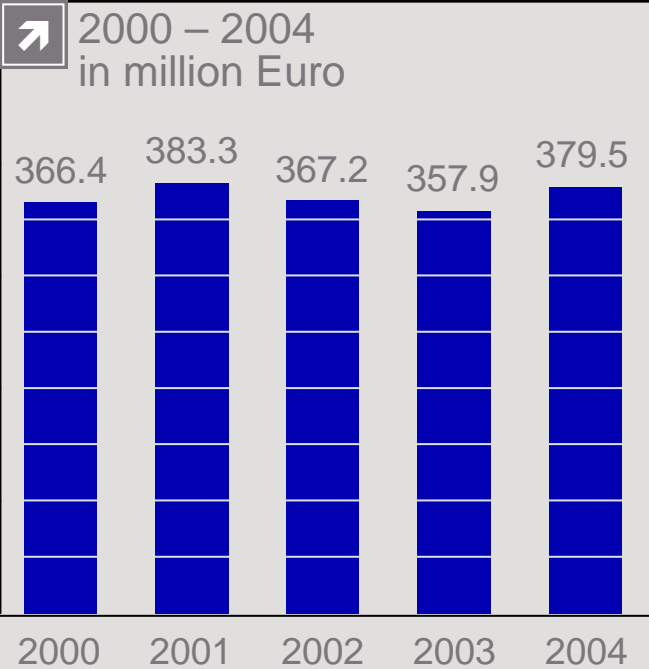
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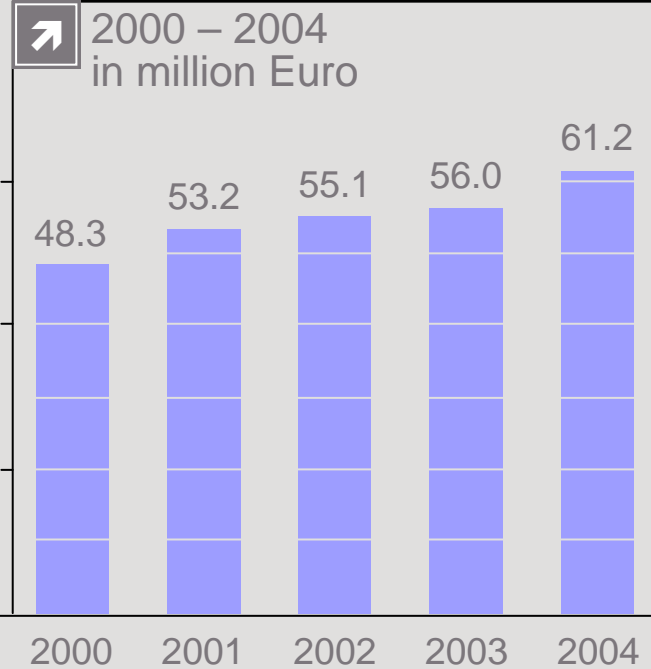


# KAISER + KRAFT EUROPA: main contributor to turnover, high profitability

## TURNOVER



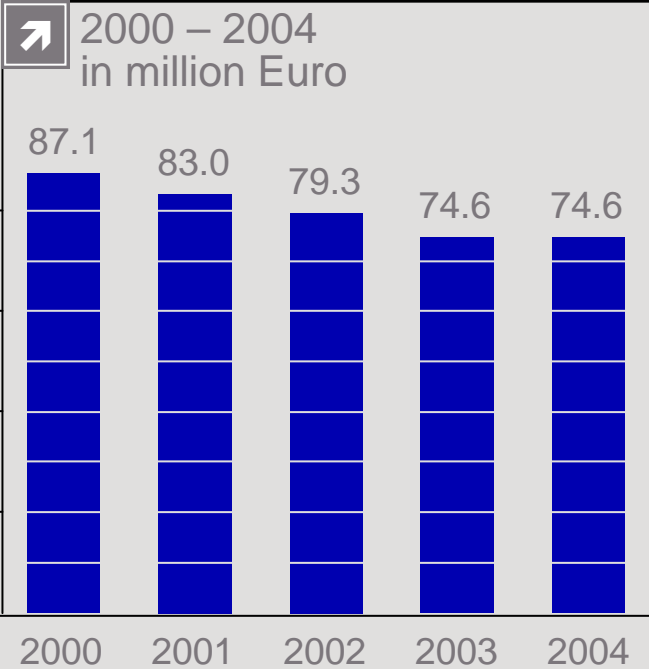
## EBITA



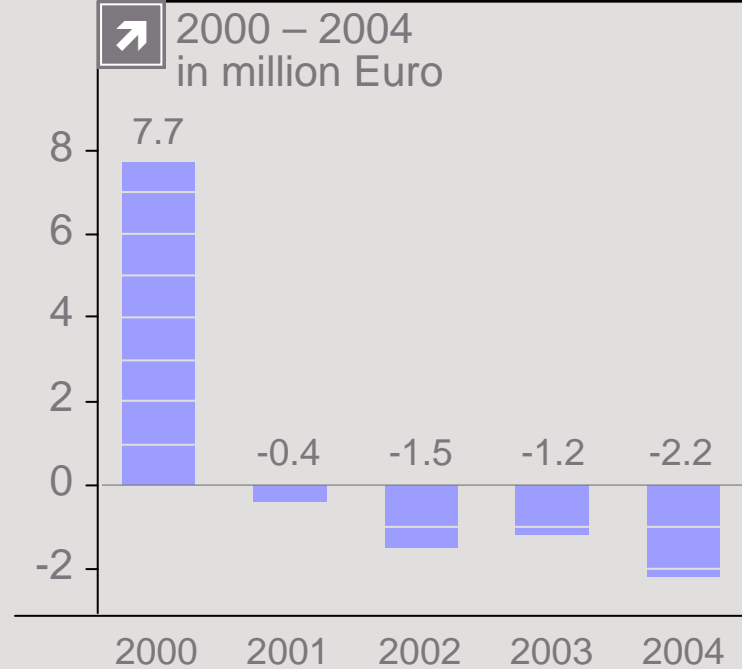
margin 13.2% 13.9% 15.0% 15.7% 16.1%

# Topdeq: costs for repositioning

## TURNOVER



## EBITA

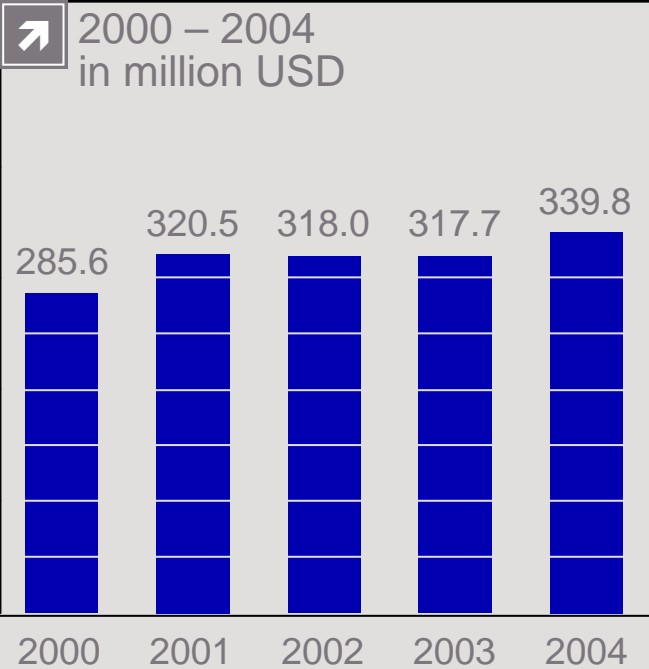


margin

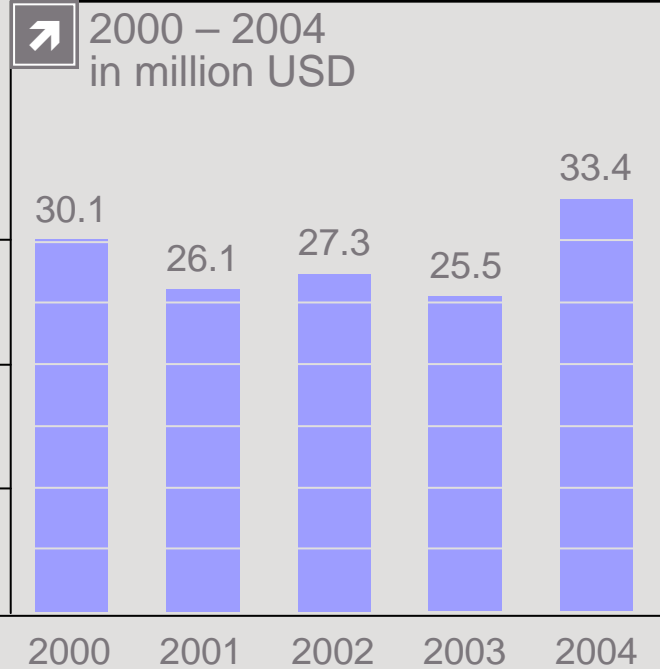
8.8% -0.5% -1.9% -1.6% -2.9%

# K + K America in USD: increased turnover and profitability

## TURNOVER



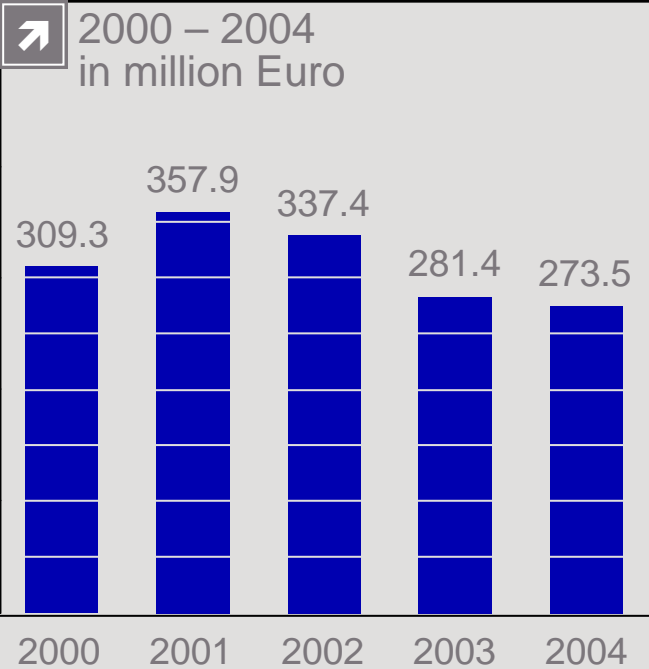
## EBITA



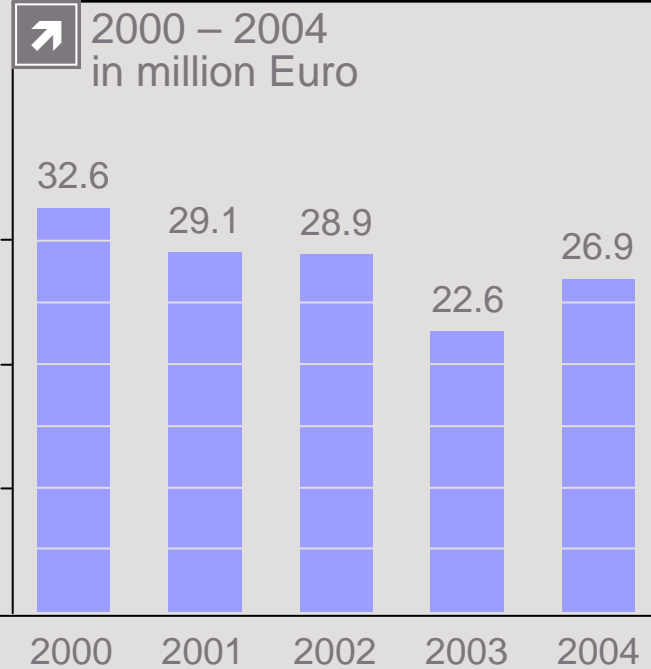
margin 10.6% 8.1% 8.6% 8.0% 9.8%

# K + K America: decline in turnover due to currency effect

## TURNOVER



## EBITA



margin 10.6% 8.1% 8.6% 8.0% 9.8%

# Key figures

# P&L

↗ in million Euro	2000	2001	2002	2003	2004
<b>turnover</b>	762.8	824.1	783.7	713.9	727.6
<b>EBITDA</b>	90.3	86.6	85.7	80.1	87.2
<b>EBITA</b>	81.3	76.4	75.1	70.3	78.2
<b>EBIT</b>	68.6	57.7	57.0	53.9	62.5
<b>profit before tax</b>	55.5	35.5	39.0	40.6	51.5
<b>net income*</b>	33.5	19.4	24.5	24.4	33.0
<b>cash flow</b>	55.1	48.3	53.0	50.5	57.7
<b>free cash flow</b>	47.4	24.4	44.4	40.8	49.2
<b>EPS (in EUR)</b>	0.45	0.26	0.33	0.33	0.44
<b>CEPS / CFPS (in EUR)</b>	0.75	0.65	0.72	0.68	0.78
<b>pay out ratio (in %)</b>	22.3	39.0	30.7	30.8	33.8


## Key figures

## balance sheet / covenants

↗ in million Euro / other	2000	2001	2002	2003	2004
Ø net borrowings	-231.5	-363.3	-321.7	-260.4	-211.8
net borrowings (ye)	-374.0	-353.0	-285.7	-234.3	-182.3
CAPEX	7.7	24.0	8.6	9.8	8.6
change in working capital	16.6	-16.2	2.5	9.5	-0.3
gearing	2.8	2.4	1.9	1.5	1.0
interest cover	6.2	3.4	4.2	5.3	7.2
debt repayment period (y)	4.2	7.5	6.1	5.2	3.7
equity ratio in % *	22.6	24.8	27.7	32.8	39.6

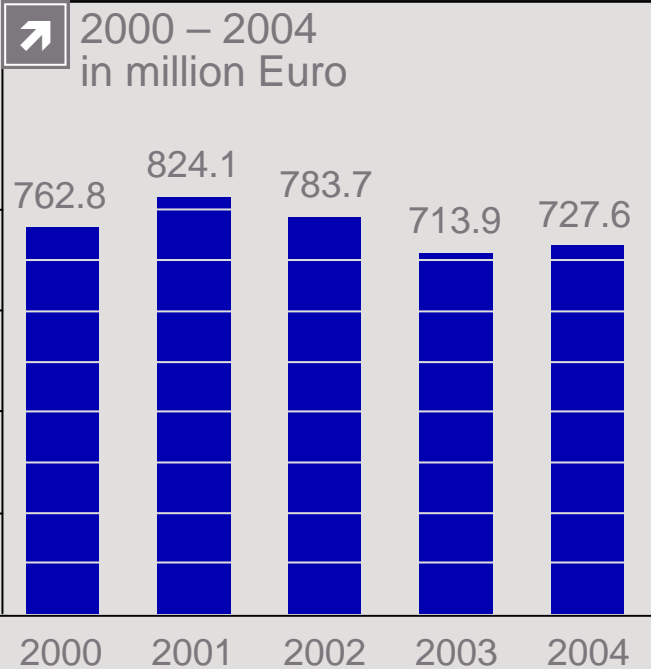
## Key figures

## personnel

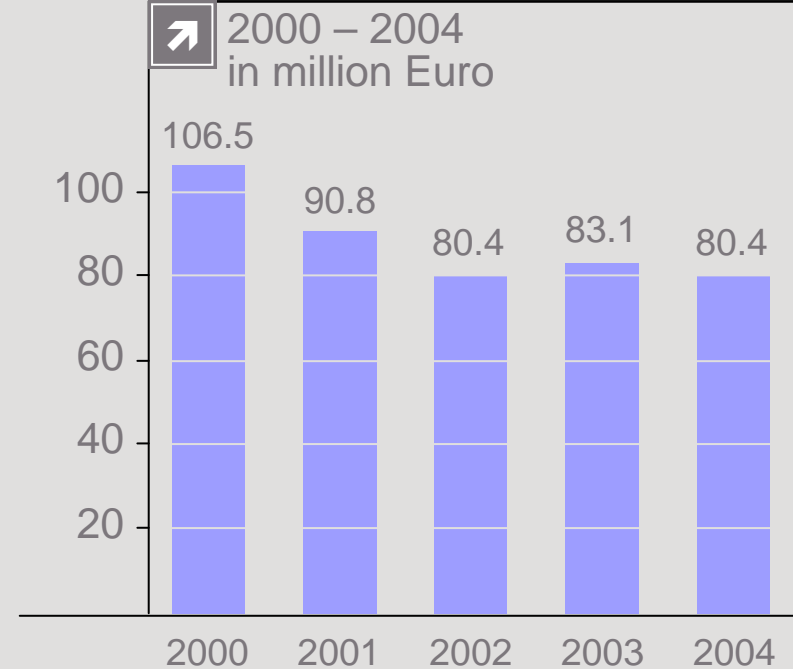
 in thousand Euro / other	2000	2001	2002	2003	2004
employees (full-time Ø)	1,674	1,973	1,932	1,888	1,851
turnover per employee	456	418	406	378	393
personnel costs per empl.	51.0	50.8	52.3	50.3	51.7
cash flow per employee	32.9	24.5	27.4	26.8	31.2
employees (f.-time at 31/12)	1,931	1,964	1,914	1,860	1,840

# Working capital: tight management

## TURNOVER TAKKT GROUP



## NET WORKING CAPITAL



- trade receivables linked directly to business development
- level of stocks linked to service level

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## Financial calendar 2005

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- 17/01/2005 Cheuvreux German Corporate Conference
- 17/02/2005 preliminary results 2004
- 23/03/2005 financial statements press conference + DVFA analyst presentation
- **April road shows Frankfurt, Paris, London**
- 28/04/2005 interim report for the first quarter 2005
- 03/05/2005 annual general meeting, Ludwigsburg
- May road show Edinburgh
- 04/08/2005 interim report for the first half year 2005
- 03/11/2005 interim report for the first nine months 2005

## Contact

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