

## COMPANY PERFORMANCE

TAKKT provides information on the development of the key performance figures in the Company performance section. As described in the Management system section starting on page 42, the key figures that are relevant for controlling were partially revised as part of the organizational and strategic realignment process, and target values were adjusted to reflect the new ambition. As the new key figures were not yet relevant performance indicators in 2021, the information below is based on the management system explained in the 2020 annual report. TAKKT also provides information on the key figures for the order situation, as well as product range and value-based key figures, in the Corporate performance section. TAKKT benefited from the ongoing economic recovery in the year under review and achieved a significant overall improvement in the financial and value-based figures compared to the previous year. The product range key figures improved or remained stable. TAKKT achieved a partial improvement in its sustainability indicators.

### SIGNIFICANT IMPROVEMENT IN FINANCIAL KEY FIGURES

The year-on-year development of the key figures of organic sales development, organic e-commerce development, gross profit margin and EBITDA is explained in the Sales and earnings review section of this annual report. The TAKKT cash flow, the free TAKKT cash flow and capital expenditure ratio are described in the Financial position section.

Looking back over a longer period, organic sales development was shaped by the economic conditions of the individual fiscal years. In 2017 and 2019, the growth rates were below the target values due to difficult economic conditions; in 2020, the coronavirus pandemic had a significant negative impact. In the course of the economic rebound and the associated dynamic development in

demand, TAKKT once again achieved a significant increase in organic sales in the year under review.

The organic growth in order intake via e-commerce has surpassed the organic development in sales and order intake in all fiscal years. TAKKT was able to increase the e-commerce share in five years from around 47 percent to around 61 percent in the last fiscal year.

The number of orders and average order value, the two relevant factors influencing the order situation, were in line with expectations up until 2019. Aside from structural and currency effects, there was little change in the average order value, whereas the number of orders developed according to the economic conditions. In 2020, the pandemic-related change in customers' ordering behavior led to a decline in both indicators. In 2021, TAKKT increased the average order value considerably, while the number of orders remained constant.

The gross profit margin has decreased in recent years, also due to structural effects resulting from acquisitions. In addition, TAKKT now pays slightly higher freight costs or generates lower freight margins than a few years ago. This effect was exacerbated by global supply chain problems last year. Compared to 2020, when the margin was hit by effects from the valuation of inventories, TAKKT increased the gross profit margin to over 40 percent again.

The development of EBITDA is influenced by the economic environment as well as one-time gains and expenses. EBITDA was stable at EUR 150 million for a long time. Beginning in 2019, reported EBITDA has benefited from the adoption of IFRS 16 by around EUR 10 million. In 2020, it declined noticeably due to the weak sales development as a result of the pandemic. Thanks to the positive growth trend, TAKKT was able to increase its earnings significantly again in the year under review.

### Development of financial key figures

	2017	2018	2019	2020	2021
Organic sales development	0.4%	3.4%	-1.4%	-11.8%	11.4%
Organic growth in order intake via e-commerce	7.9%	11.6%	2.0%	-3.6%	16.3%
Number of orders in thousands	2,465	2,676	2,642	2,535	2,500
Average order value in EUR	458	449	460	425	491
Gross profit margin	42.5%	41.5%	41.3%	39.7%	40.2%
EBITDA in EUR million	150.3	150.1	150.2	92.6	112.6
TAKKT cash flow in EUR million	109.1	120.8	120.4	82.0	94.3
Free TAKKT cash flow in EUR million	73.0	82.7	107.1	129.8	51.9
Capital expenditure ratio	2.1%	1.8%	1.8%	1.2%	1.6%

The high level and stable development of the TAKKT cash flow over the past years, with the exception of 2020, which was dominated by the pandemic, are an indicator of the Group's high internal financing capability. The free TAKKT cash flow has also remained at a high level overall over the past few years. While the drop in net working capital had a positive impact on the free TAKKT cash flow in the previous year, the latter indicator fell considerably in the year under review due to the increase in trade receivables and the buildup of inventories. In 2018, 2020 and 2021, the TAKKT cash flow also benefited from proceeds from the sale of property or investments.

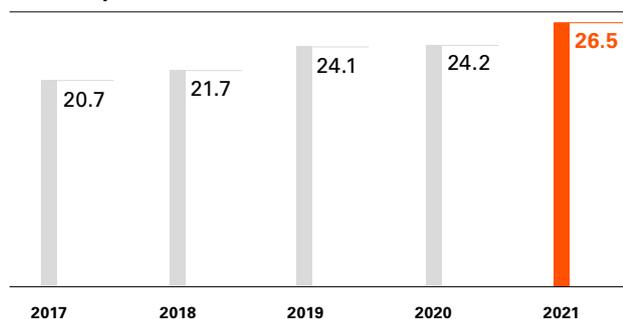
The investment requirement in the past five years – measured as the capital expenditure ratio as a percentage of sales – was between one and two percent. The long-term average target value was thus achieved.

#### PRODUCT RANGE KEY FIGURES SHOW POSITIVE LONG-TERM TREND

TAKKT wants to expand its business with private labels as well as direct imports in the long term. In the past two years, changes in the demand behavior of customers and the impact of the crisis on delivery routes partially resulted in a different composition in the product mix of the business units.

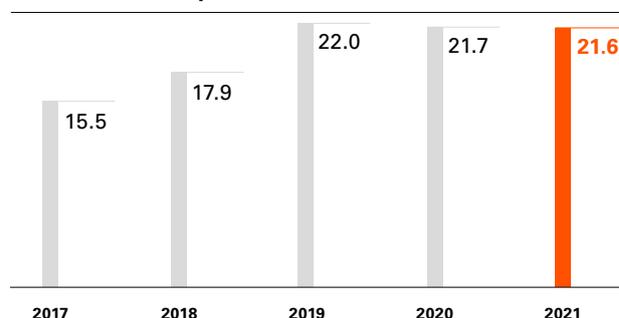
The share of sales attributable to private labels rose further in the year under review and now stands at 26.5 (24.2) percent. KAISER+KRAFT in particular contributed to the improvement last year. The positive trend of previous years is expected to continue in the coming years.

#### Share of private labels *in %*



In the year under review, the share of direct imports remained stable overall despite supply chain restrictions. Whereas the share of direct imports declined at KAISER+KRAFT in 2021, Newport and NBF were able to increase their shares. At the Group level, the overall share of direct import sales came to 21.6 (21.7) percent. TAKKT expects the volume of direct imports to increase again in the future and the trend of the previous years to continue.

#### Share of direct imports *in %*

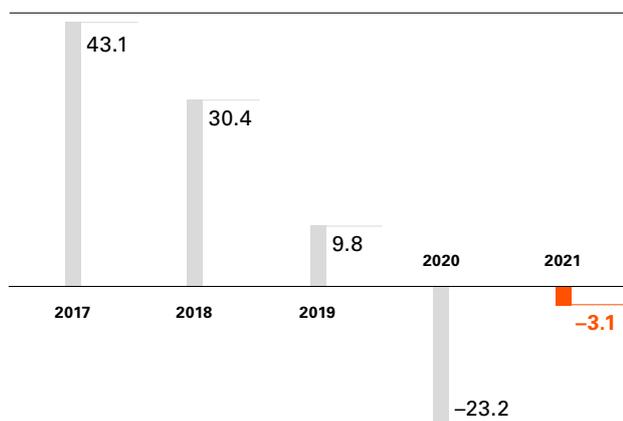


#### VALUE-BASED FIGURES: TAKKT VALUE ADDED AND ROCE UP YEAR-ON-YEAR

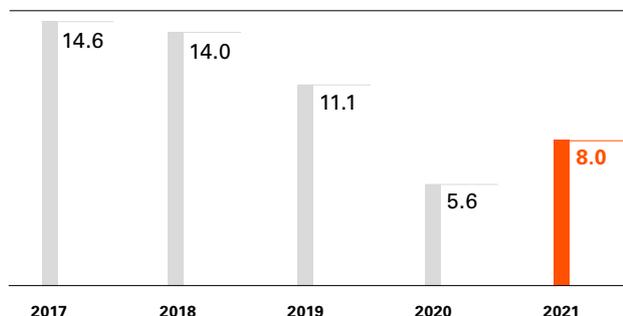
In 2020 and 2021, the TAKKT Value Added was affected to a considerable degree by the lower earnings as a result of the pandemic. The increase in earnings in the year under review saw the TAKKT Value Added improve as well, bringing it to minus EUR 3.1 (minus 23.2) million.

The resulting operating result after tax generated for calculation of the TAKKT Value Added increased over the previous year by a total of EUR 18.8 million and amounted to EUR 61.0 (42.2) million. The average capital employed also dropped slightly. The weighted average cost of capital (WACC) after tax used to calculate the total cost of capital remained unchanged at 7.5 (7.5) percent. TAKKT assumed a value-based capital structure of 70 percent equity and 30 percent debt capital for this. The cost of shareholders' equity was nine percent. An imputed cost of four percent was used for debt capital. Total cost of capital in 2021 thus came to EUR 64.2 (65.4) million.

Prior to 2020 and 2021, two years that were impacted by the consequences of the pandemic, TAKKT generated a significantly positive TAKKT Value Added. The very high figure achieved in 2017 was also attributable to positive one-time gains in that year.

**TAKKT value added** in EUR million

The return on capital employed (ROCE) of 8.0 (5.6) percent in the year under review was significantly higher than the figure for the previous year. This is due to the marked improvement in earnings in the year under review.

**ROCE** in %**EMPLOYEE AND CUSTOMER PERSPECTIVE**

Since 2020, all of the business units have been gathering key figures, which provide information about the current development of the customer and employee perspective. For customers, it is

the cNPS and for employees the eNPS. The definition and calculation method used for these key figures is described in detail in the Management system section starting on page 43. In 2021, TAKKT achieved an average cNPS of 58 (57) and an eNPS of 16 (12) at the Group level, marking an improvement in both key figures.

**SUSTAINABILITY INDICATORS PARTIALLY IMPROVED**

TAKKT takes various sustainability indicators into account in its management system. Their definition and calculation is shown on page 44 in the Management system section. The relevant indicators have improved significantly during the last few years. In the year under review, TAKKT was partially able to make additional progress.

The Group is convinced of the added value of having mixed management teams and considers it a Group-wide duty to ensure the same career development opportunities for women and men. It increased the share of women in top executive positions to 18.6 (14.0) percent in the year under review.

The share of sales attributable to sustainable products increased further, to 11.7 (10.8) percent. As part of its quest to combat climate change, TAKKT has significantly increased the share of carbon-neutral activities in recent years. The advertising materials were completely carbon-neutral also in 2021. Following an increase in the previous year, the share of carbon-neutral parcel delivery declined slightly to 91.1 (93.5) percent and the share of carbon-neutral general cargo delivery declined to 77.2 (87.1) percent. The lower share of carbon-neutral general cargo delivery is primarily the result of a sharp increase in corresponding shipments at ratioform, which have not been offset to date.

Additional information on the development of sustainability key figures is presented in the sustainability report. The non-financial statement for the TAKKT Group can be found on the following website: <http://www.takkt.de/nfs>

**Sustainability indicators\* in %**

Key figure	2017	2018	2019	2020	2021
Share of women in top executive position	10.5	12.3	15.1	14.0	18.6
Share of sales from sustainable products	9.3	9.5	9.5	10.8	11.7
Share of carbon-neutral advertising materials per year	12.1	19.9	60.5	100.0	100.0
Share of carbon-neutral parcel delivery	91.4	93.5	92.2	93.5	91.1
Share of carbon-neutral general cargo delivery from distribution center	44.7	48.9	54.8	87.1	77.2

\* The Newport companies are only included in the sustainability indicators for the proportion of women.

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## COMPARISON OF ACTUAL AND FORECAST DEVELOPMENT

TAKKT had expected the 2021 fiscal year to bring significantly positive growth rates in the eurozone and North America in the wake of the economic recovery and, on this basis, predicted organic growth of between seven and twelve percent and EBITDA in the range of EUR 100 to 120 million. The forecast was, however, subject to the further course of the pandemic and its economic impact. Higher prices due to inflation prompted TAKKT to lift the organic growth forecast to between twelve and 17 percent in July. After the global supply chain problems became more pronounced, TAKKT adjusted its organic sales growth target to between ten and 13 percent and specified its earnings target as being in the range of EUR 105 to 115 million. The other key figures were largely as expected at the beginning of the year.

While organic sales growth was adjusted to reflect the economic conditions during the year, the other key financial performance indicators, such as organic growth of order intake via e-commerce, EBITDA, the TAKKT cash flow, the free TAKKT cash flow and the capital expenditure ratio developed as expected. The gross profit

margin also developed in line with the forecast, although it was hit by effects of the pandemic. In particular, the hike in freight prices had a negative impact on the gross profit margin in the year under review.

The key figures for the customer and employee perspective also developed as expected. eNPS, which provides information about the attractiveness of the TAKKT Group as an employer, showed slight positive development. The cNPS, which indicates a customer's willingness to recommend, was roughly on a par with the previous year, as expected.

The development of the sustainability indicators in 2021 was only partly in line with the forecast. TAKKT succeeded in increasing the share of women in top executive positions. The share of sales of sustainable products also increased. With regard to the share of carbon-neutral activities, the expectation of a positive development of the key figures was not met. As in the previous year, TAKKT was again able to achieve complete carbon-neutrality for advertising materials. However, the share of carbon-neutral parcel delivery and general cargo delivery from the central warehouse declined.

## Comparison of actual and forecast development

	2020	Forecast for 2021	Actual performance in 2021
<b>Organic growth</b>			
Organic sales growth in percent	-11.8	Organic growth between seven and twelve percent In July 2021, increase to between twelve and 17 percent due to inflation In October 2021, adjustment to between ten and 13 percent due to supply chain constraints	11.4
Organic growth in order intake via e-commerce in percent	-3.6	Above-average growth	16.3
<b>Costs and earnings</b>			
Gross profit margin in percent	39.7	Increase in gross profit margin to over 40 percent	40.2
EBITDA in EUR million	92.6	In the range of EUR 100 to 120 million In October 2021 specification to EUR 105 to 115 million	112.7
<b>Cash</b>			
TAKKT cash flow in EUR million	82.0	Significant increase to EUR 80 to 100 million	94.3
Free TAKKT cash flow in EUR million	129.8	Significantly below the previous year's level	51.9
Capital expenditure ratio in percent	1.2	Between one and two percent of sales or slightly higher	1.6
<b>Customer and employee perspective</b>			
cNPS	57	At previous year's level	58
eNPS	12	Slight improvement	16
<b>Sustainability*</b>			
Share of women in top executive position in percent	14.0		18.6
Share of sales from sustainable products in percent	10.8		11.7
Share of carbon-neutral advertising materials per year in percent	100.0	Positive development	100.0
Share of carbon-neutral parcel delivery in percent	93.5		91.1
Share of carbon-neutral general cargo delivery from distribution center in percent	87.1		77.2

\* The Newport companies are only included in the sustainability indicators for the proportion of women.