

BRINGING NEW WORLDS OF WORK TO LIFE

ODDO BHF Forum
January 9, 2023



Summary: Highlights of our new story



TAKKT's Vision: Bringing new Worlds of Work to life



B2B equipment market with huge growth opportunities due to trend shifts



Strategy based on three pillars:
Growth, OneTAKKT and Caring



2025 growth targets: EUR 2bn sales,
EUR 240m EBITDA and EUR 150m free cash flow



Committed to environmental resources,
people and customer success

Business model

BRINGING NEW WORLDS OF WORK TO LIFE

By caring about environmental resources,
people and customer success.



TAKKT supports customers in three specific worlds of work

Customers' industries

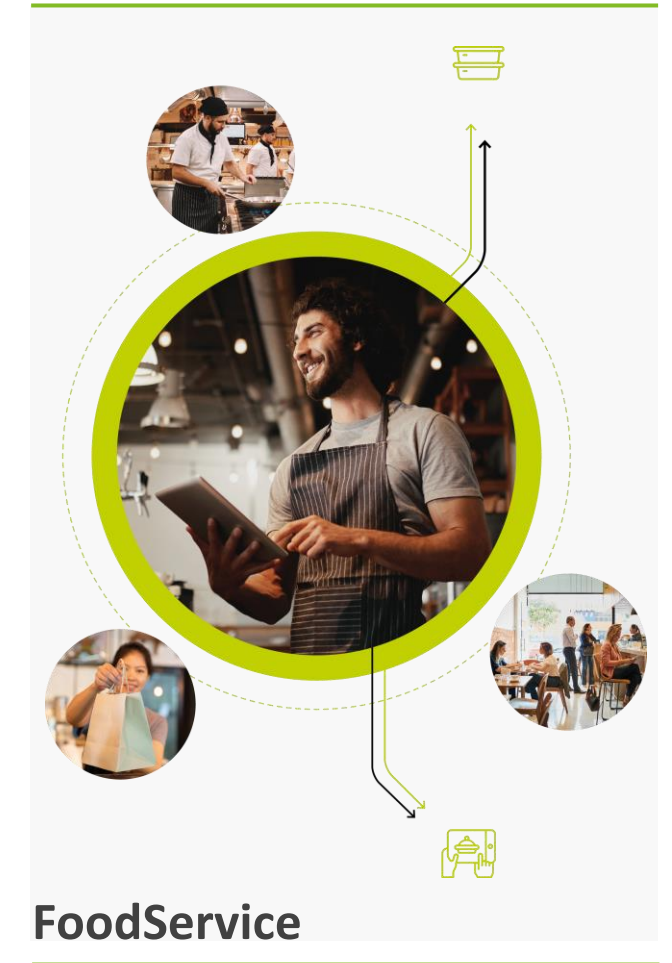
Manufacturing, Warehouse



Service Industry



Hotels, Restaurants, Catering

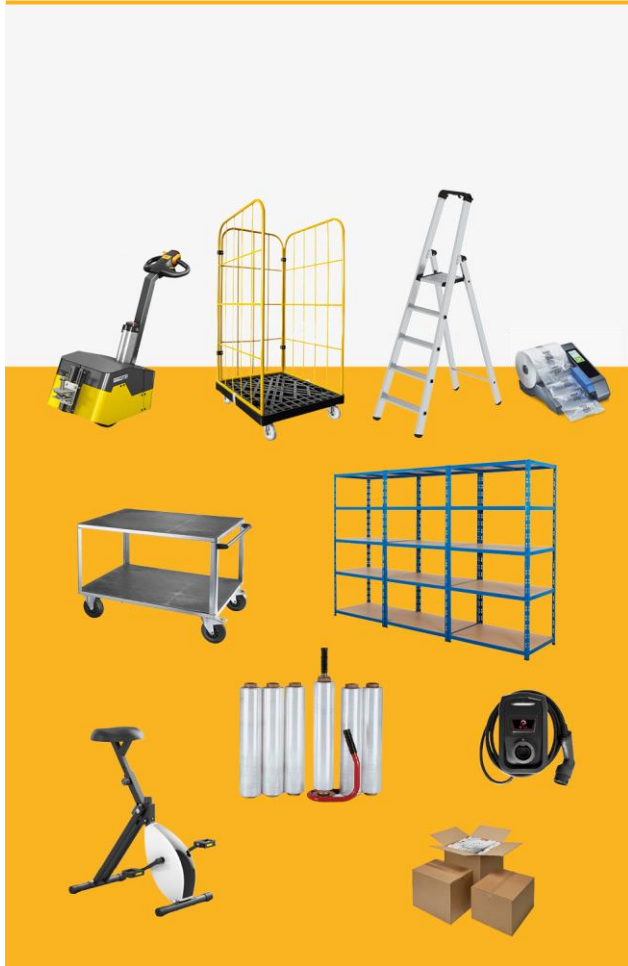


TAKKT's divisions

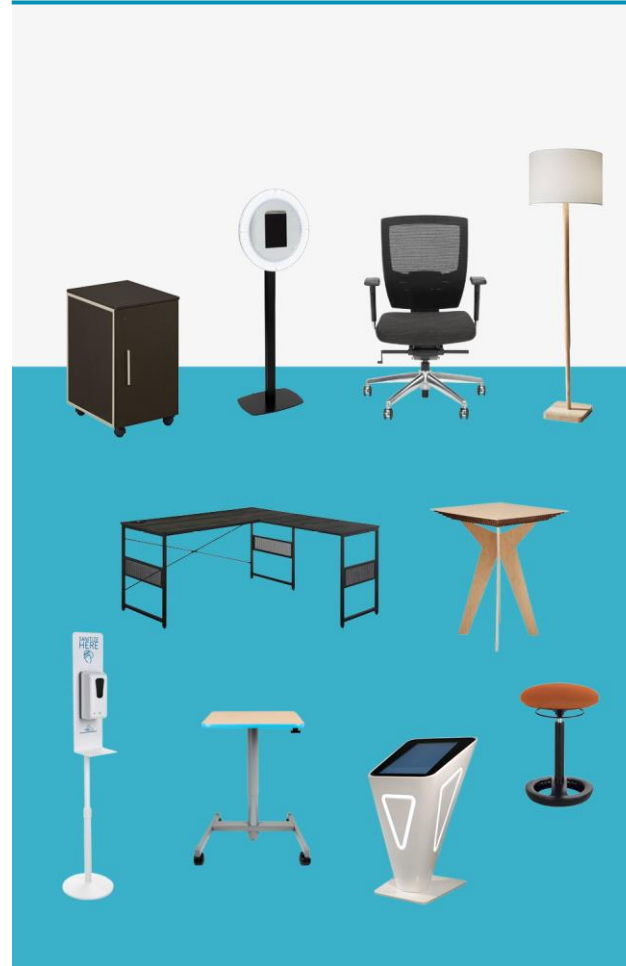
Our divisions are product specialists and sell equipment and specialties with an average order value of around EUR 500 in 2021

Divisions

Industrial & Packaging



Office Furniture & Displays



FoodService

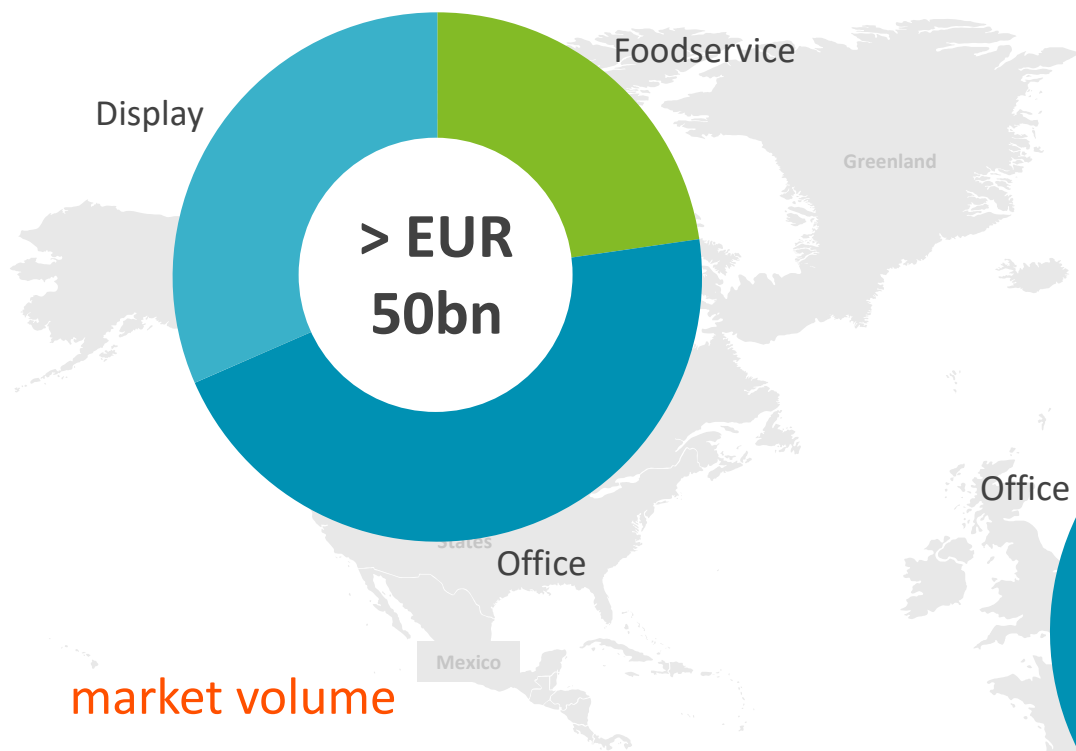


New organizational structure with three customer-oriented divisions and integrated Group functions



New Group structure (as of January 1, 2022)

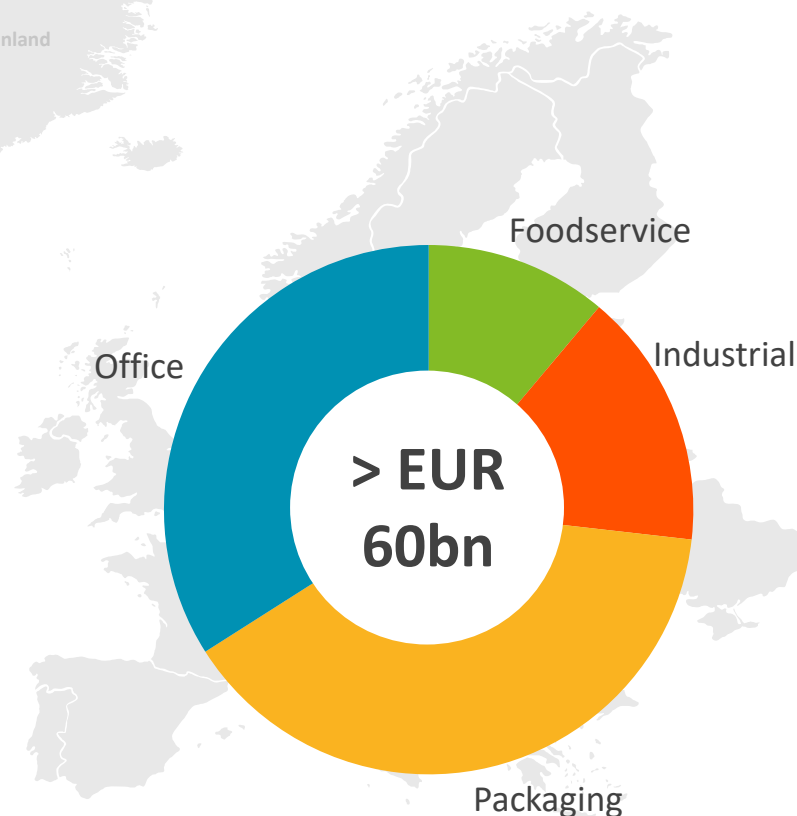
TAKKTs addressable market is > EUR 110bn in size and growing



market volume

> EUR 110bn

growing in line with
or above GDP

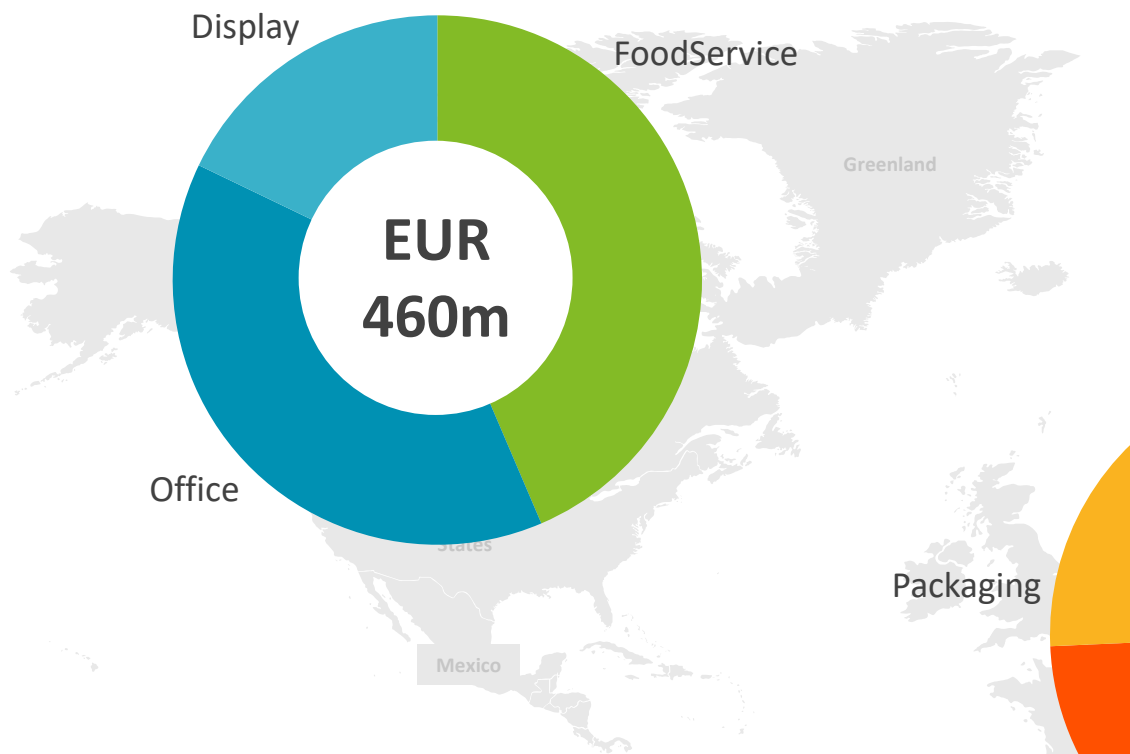


Market:

- Large addressable market
- Growth in line with or above GDP
- Fragmented supplier structure
- Fragmented competition
- Fragmented customer segments

Room to grow for **TAKKT**

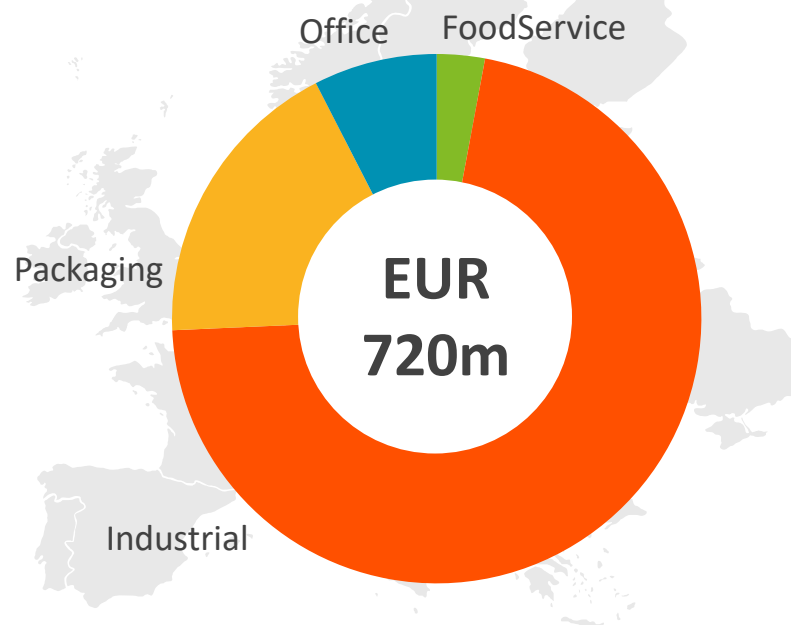
TAKKT's market share is currently around 1% leaving significant room for growth



TAKKT revenues

EUR 1.2bn

out of > EUR 110 bn market



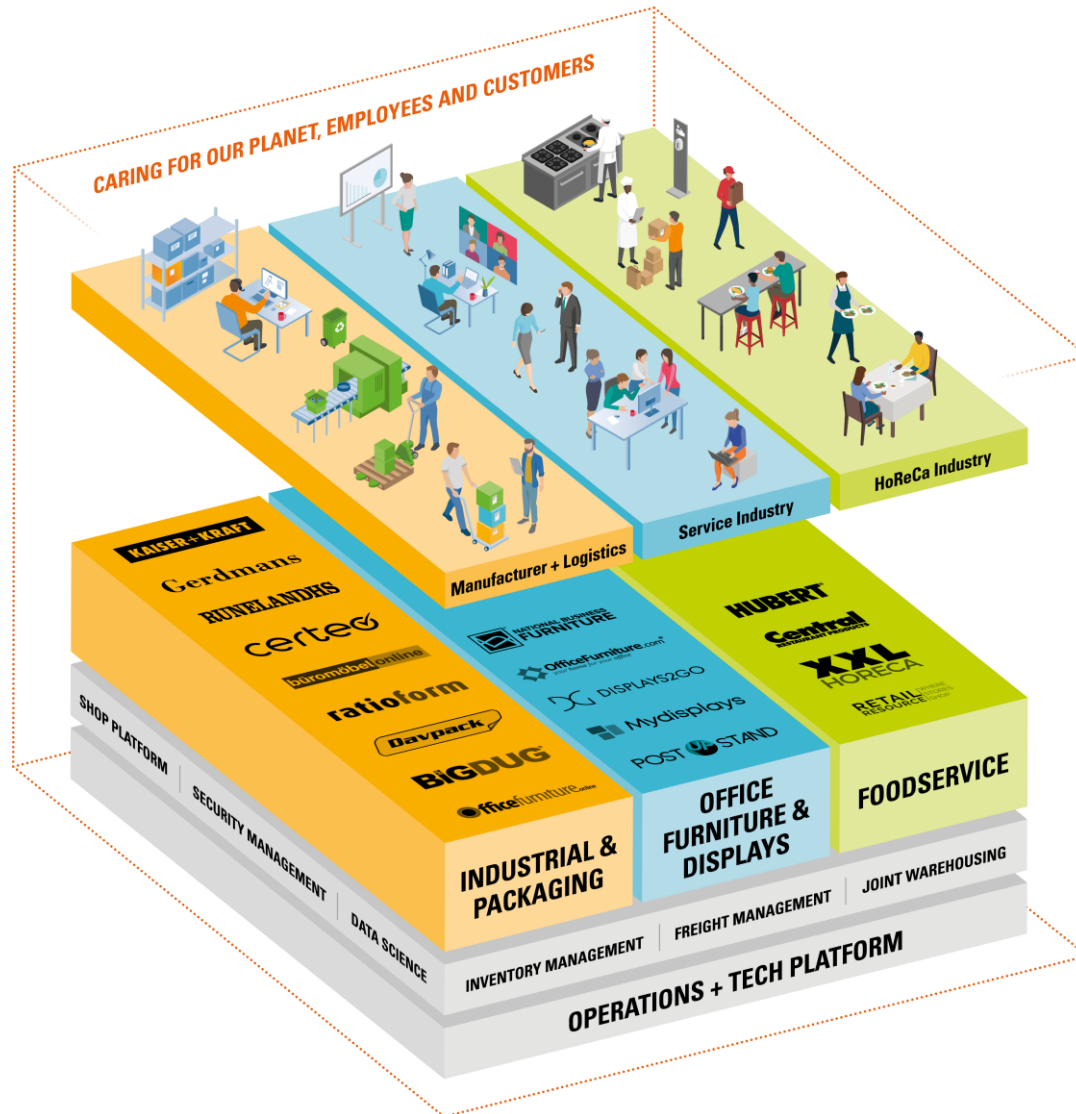
TAKKT

- Strong presence in all markets (top 10 position in each)
- Large assortment
- Strong and long-term relationship with customers
- Depth of suppliers globally, strong long-term relationships

Room to grow for **TAKKT**

Strategy

Strategy builds on three pillars Growth, OneTAKKT and Caring



TAKKT's strategic pillars

Growth:

- Three divisions for three worlds of work
- E-commerce excellence
- Smart pricing

OneTAKKT:

- Scalable platforms in supply chain & tech
- New collaboration and employee empowerment

Caring:

- Strong customer and employee focus
- “Enkelfähig” products & circular business models

We aim to deliver value via levers in Growth, OneTAKKT, and Caring

Growth

Opportunity through **customer focus** via new division set-up

- E-commerce excellence
- Smart pricing/margin management
- Cross-selling/SoW
- Reposition Displays2go, Hubert, E4W

OneTAKKT

Scalability and efficiency via **integration**

- Tech platform harmonization
- Integrated data platforms
- Global supply chain platform
- Integrated support functions

Caring

Growth enabling additional **business opportunities**

- Increase customer focus
- Employee engagement
- Expand assortment of sustainable products and new circular business models

M&A to further accelerate

Strategy implementation: Growth



- Successful integration of gaerner brand into KAISER+KRAFT
- Start of cross-selling in I&P by offering packaging products from ratioform brand to KAISER+KRAFT key accounts in September

FOUNDATION

Enable stronger growth

- **Division integration:**
 - OneTeam in largest division I&P (integrated sales, marketing, ..)
 - Brand harmonization: From 20+ to less than 10
- **E-com excellence:** Standardized e-com performance management
- **Pricing:** Inflation management & Pricing strategy

Strategy implementation: OneTAKKT



FOUNDATION

Increase cost
efficiency and
scalability

- Group-wide contract pooling and renegotiation of container shipping leads to cost savings in 2022
- Centralization of UK warehouses (less locations, better efficiency)
- Introduction of Group-wide collaboration tool

- **Operations:**
 - Integrated Supply Chain Management
 - Warehouse network strategy and roadmap
- **IT:**
 - IT organization set up for integrated I&P and Group functions
 - IT strategy and roadmap



FOUNDATION

Focus on customers,
employees and the
environment

- Rating of all products according to their sustainability impact in progress
- Around 20% of products in I&P already “enkelfähig”

- **Our vision:** Bringing New Worlds of Work to life
- **Customers:** Evaluation of product categories along new Worlds of Work and customer segmentation/customer demand analysis
- **Environment:** Increase product transparency and explore options for circular business models (e.g. office furniture)
- **Employees:** Employer branding along new Worlds of Work and Change Management

Financial and non-financial targets for 2025

Growth

Sales EUR 2bn

Organic growth: ø10% p.a.
Organic e-commerce
growth: ø15% p.a.



OneTAKKT

EBITDA EUR 240m
Free TAKKT cash flow
EUR 150m

Increase in profitability
by 2-3 percentage points



Caring

cNPS of 60
eNPS of 50

45% share of women in
leadership positions
40% share of
“enkelfähig” products

Financials

Update on key topics 2022



Economic environment and demand

While economic sentiment declined in Q3, demand was better than expected



Inflation management

Still a high priority topic, we continue to pass on price increases to customers



Managing the supply chain

Improved product availability due to inventory build-up in H1

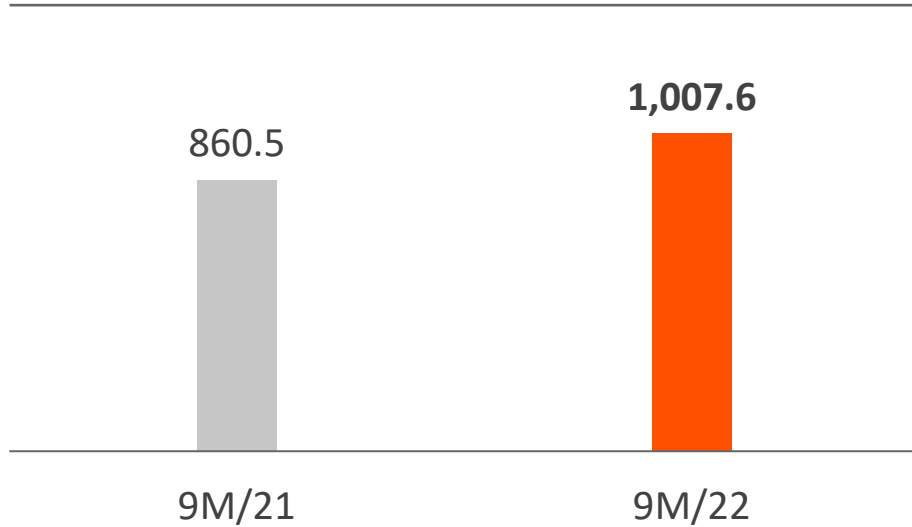


Implement new strategy: Growth, OneTAKKT, Caring

Focus on integration in I&P, harmonization of sales brands and build up of Group functions

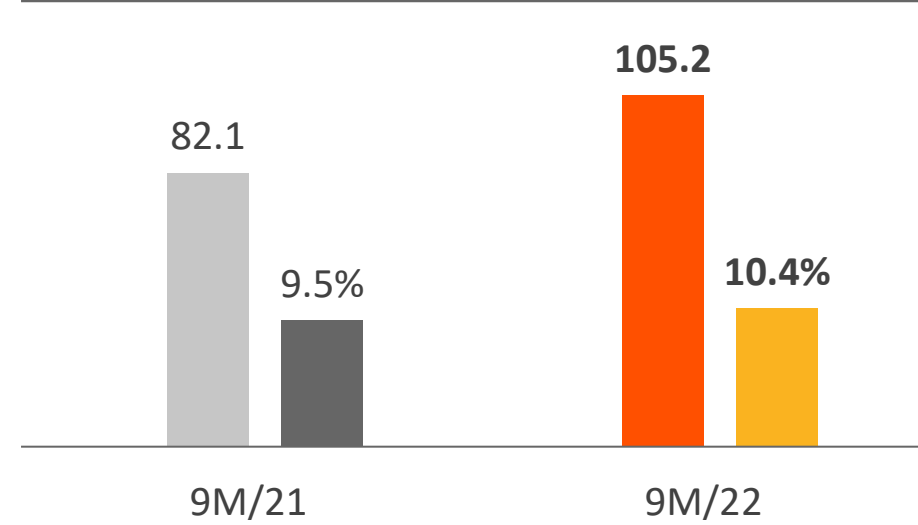
TAKKT Group: Strong performance in an increasingly challenging environment

Sales (in EUR million)



- Sales increase by 17.1% with positive effects from currency fluctuations (6.5%), primarily from a stronger US-Dollar
- Double-digit organic sales increase of 10.6%
- Especially dynamic growth in the US with Office Furniture & Displays and FoodService divisions

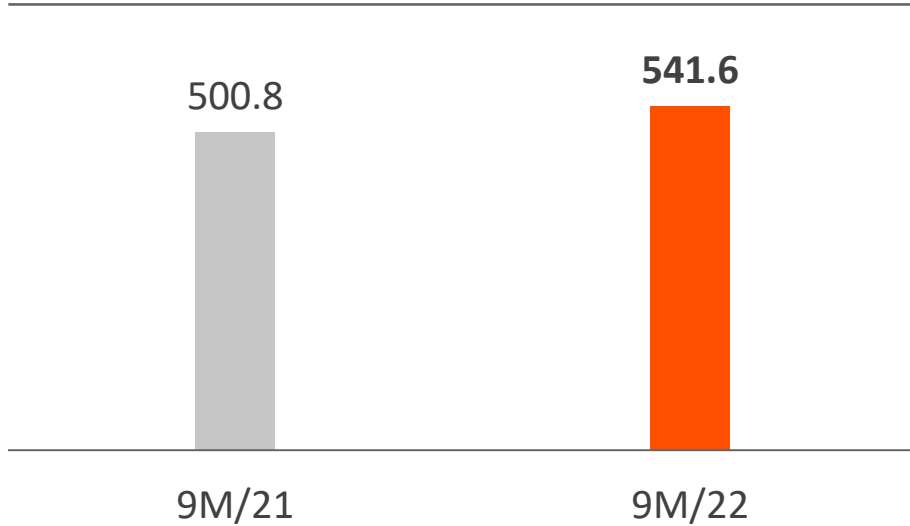
EBITDA (in EUR million) and margin (in %)



- Gross profit margin at 39.7% (40.3%) within the target range of around 40 percent
- EBITDA increased to EUR 105.2 (82.1) million
- Strong growth allowed for good operational leverage
- EBITDA margin improved to 10.4% (9.5%)
- Negative one-time effects of around EUR 4 million due to the organizational realignment (9M/21: slightly more than EUR 3 million)

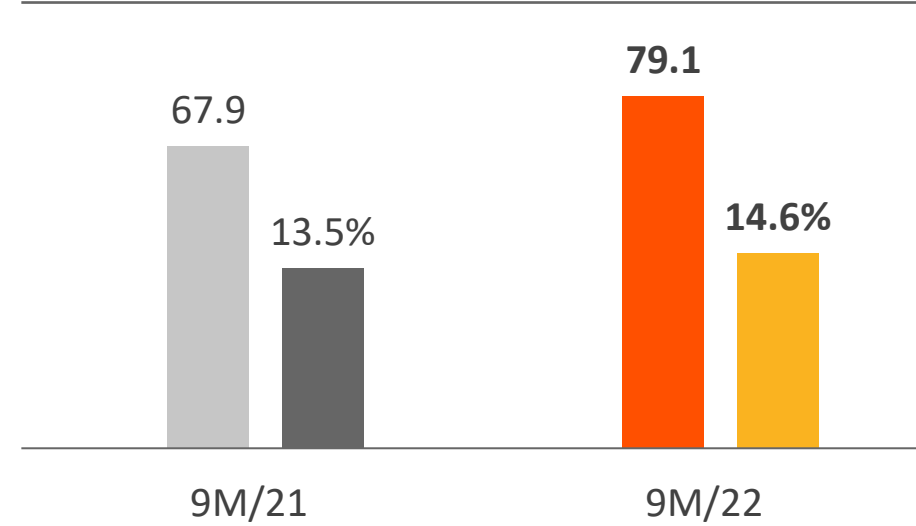
Industrial & Packaging: Good organic growth in European activities

Sales (in EUR million)



- Sales increase by 8.1% with positive currency effects of 1.1%
- Organic sales growth of 7.0%
- All regions contributed to growth except for UK
- Particularly strong sales growth in Eastern Europe

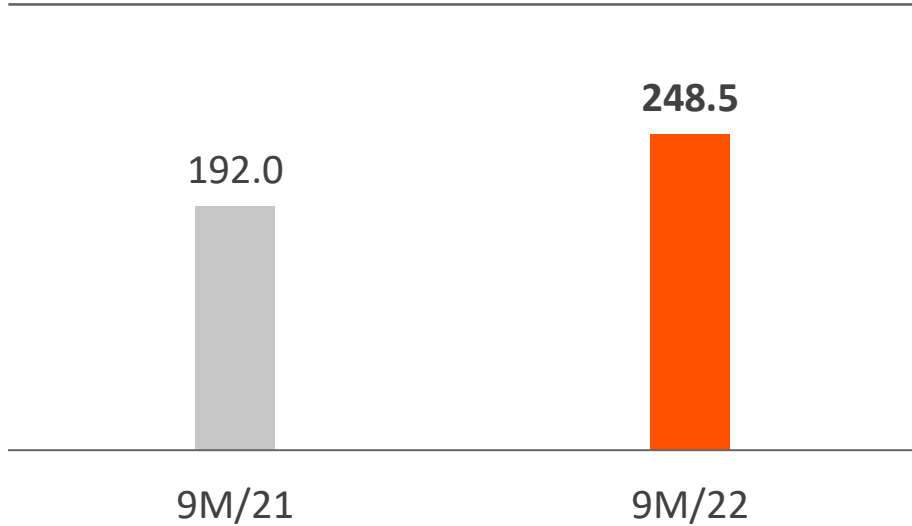
EBITDA (in EUR million) and margin (in %)



- EBITDA increased to EUR 79.1 (67.9) millions, EBITDA margin at 14.6% (13.5%)
- One-time costs of less than EUR 2 million due to structural adjustments

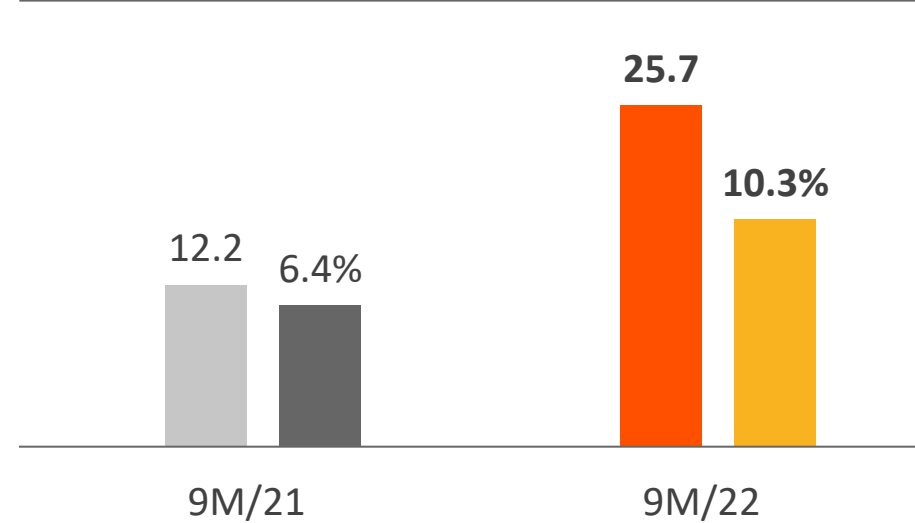
Office Furniture & Displays: Double-digit growth at furniture and displays business

Sales (in EUR million)



- Sales increase by 29.5% with positive effects from currency fluctuations (14.3%)
- Strong organic sales growth of 15.2%
- Both business units achieved double-digit organic growth

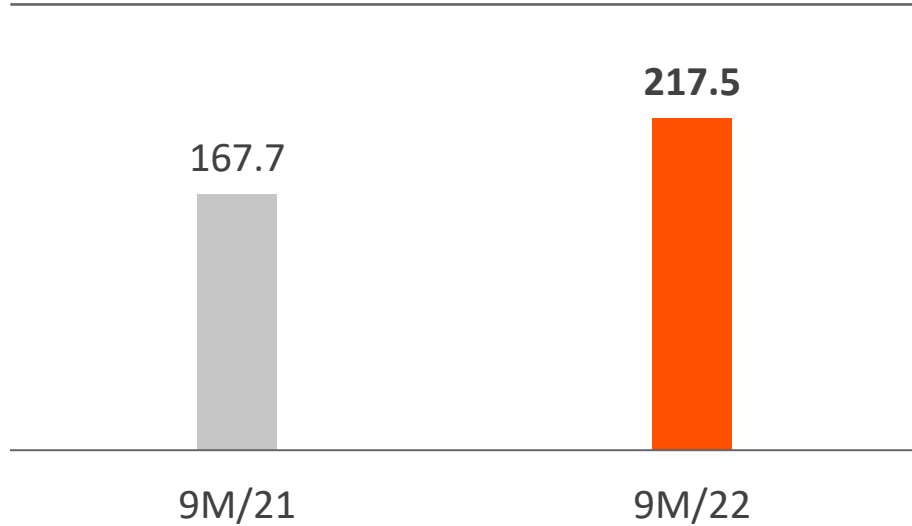
EBITDA (in EUR million) and margin (in %)



- EBITDA more than doubled to EUR 25.7 (12.2)
- Increase in earnings driven by strong growth, recovery in displays business and one-time costs of slightly more than EUR 3 million in the previous year
- EBITDA margin improved significantly to 10.3% (6.4%)

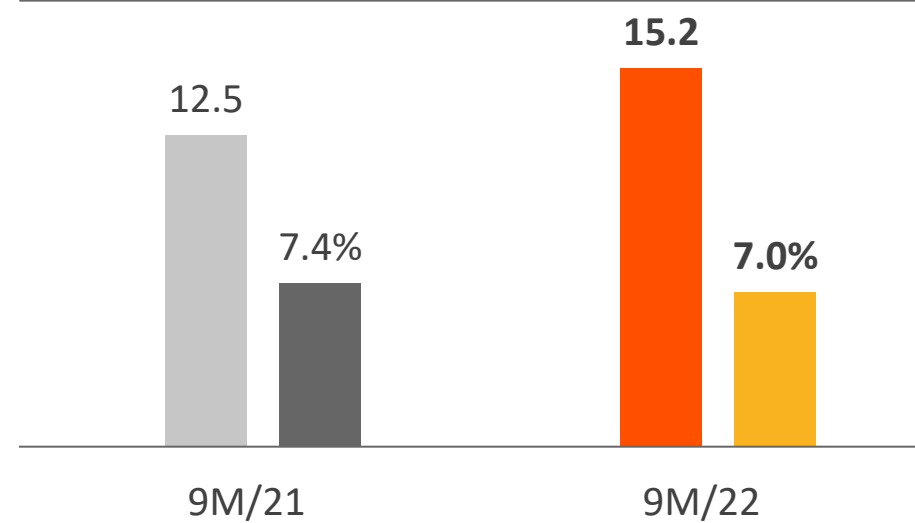
FoodService: Continued recovery in US restaurant and foodservice markets

Sales (in EUR million)



- Sales increase by 29.7%, positive currency effects from a stronger US-Dollar of 13.6%
- Strong organic sales growth of 16.1% supported by both business units

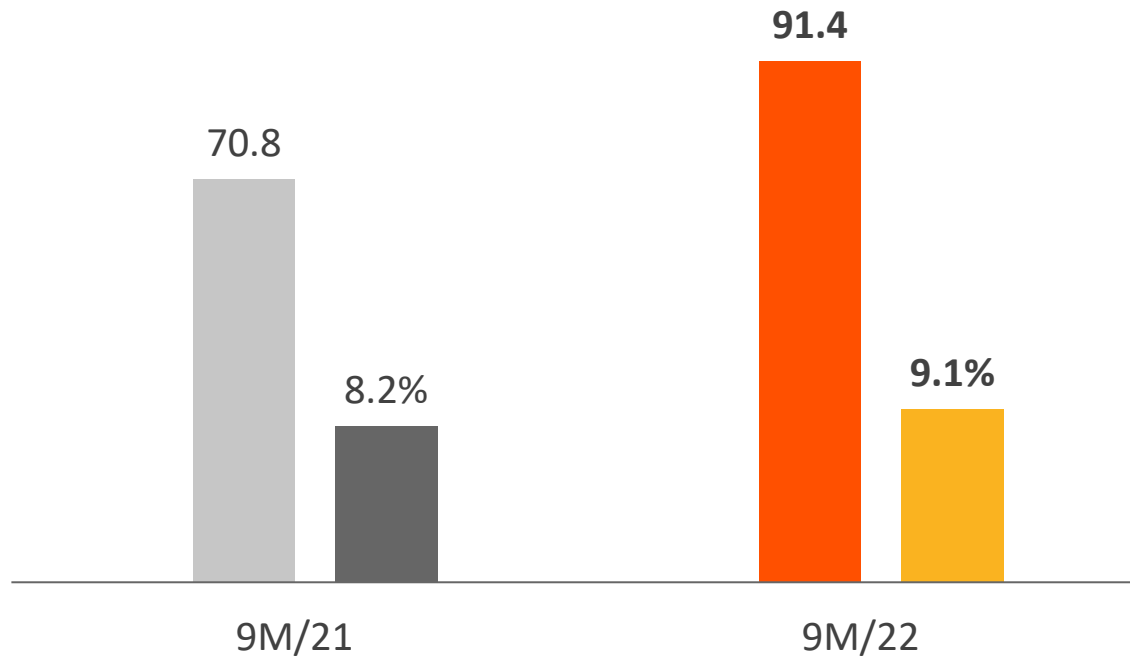
EBITDA (in EUR million) and margin (in %)



- EBITDA increased to EUR 15.2 (12.5) million due to the positive business development at Hubert
- EBITDA margin nearly stable at 7.0% (7.4%)

Increase in TAKKT cash flow similar to EBITDA

TAKKT cash flow (in EUR million) and margin (in %)



in EUR million

Profit

+ depreciation/impairment

+/- deferred taxes expense/income

+/- other non-cash expenses/income

+/- result from non-cur. asset disposal

TAKKT cash flow

9M/21

9M/22

41.6

46.6

+28.4

+41.5

+1.4

-0.3

+2.2

+3.5

-2.8

+0.1

70.8

91.4

in EUR million

EBITDA

- financial result

- current taxes

+/- other non-cash expenses/income

+/- result from non-cur. asset disposal

TAKKT cash flow

9M/21

9M/22

82.1

105.2

-0.1

-3.0

-10.6

-14.4

+2.2

+3.5

-2.8

+0.1

70.8

91.4

Strong free TAKKT cash flow generation in Q3

<i>in EUR million</i>	9M/21	9M/22	H1/22	Q3/22	
TAKKT cash flow	70.8	91.4	58.9	32.5	
Change in net working capital as well as other adjustments	-12.4	-58.0	-53.5	-4.5	• Significant increase in net working capital, due to build up of inventories to improve product availability and of trade receivables following growth
Cash flow from operating activities	58.4	33.4	5.4	28.0	
Capital expenditure in non-current assets	-11.8	-9.7	-6.9	-2.8	• Capital expenditure comparably low
Proceeds from disposal of non-current assets	+13.7	+0.3	+0.2	+0.1	• Cash inflow from sale of investments of EUR 13.4 million in prior year
Free TAKKT cash flow (for acquisitions, payout to shareholders and loan repayments)	60.3	24.0	-1.3	25.3	• Free TAKKT cash flow turned positive in Q3 and should further increase substantially in the last quarter

Outlook 2022

Organic sales growth

<i>Organic growth</i>	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	Q3/22	9M/22
TAKKT Group	-3.3%	24.6%	12.1%	14.4%	11.4%	18.9%	6.8%	7.0%	10.6%
Industrial & Packaging*	3.6%	30.3%	13.5%	13.7%	14.5%	12.6%	5.8%	2.7%	7.0%
Office Furniture & Displays*	-14.8%	25.7%	13.7%	13.1%	8.1%	24.3%	11.8%	11.1%	15.2%
FoodService*	-8.6%	10.8%	7.1%	18.6%	6.7%	35.6%	4.1%	13.7%	16.1%

* New division structure implemented at the beginning of 2022. The table shows the pro forma figures for 2021 in the new structure.

Outlook: TAKKT confirms organic growth and EBITDA guidance

Economic environment

- High inflation rates, uncertainties in energy supply, supply chain constraints and the more restrictive monetary policy deteriorate economic environment
- Fear of an upcoming recession could negatively impact customer sentiment and order behavior
- Risk of additional economic shocks, e.g., due to lack of gas in Europe

TAKKT's priorities in Q4

- **Growth and inflation management:** Continue to serve customer demand to keep on a growth path while staying disciplined in inflation management
- **Inventory management:** Focus on further cash generation
- **Contingency plan:** Prepare for a possible recession environment
- **Strategy:** Continue implementation of strategic initiatives Growth, OneTAKKT and Caring

FY forecast for key financials

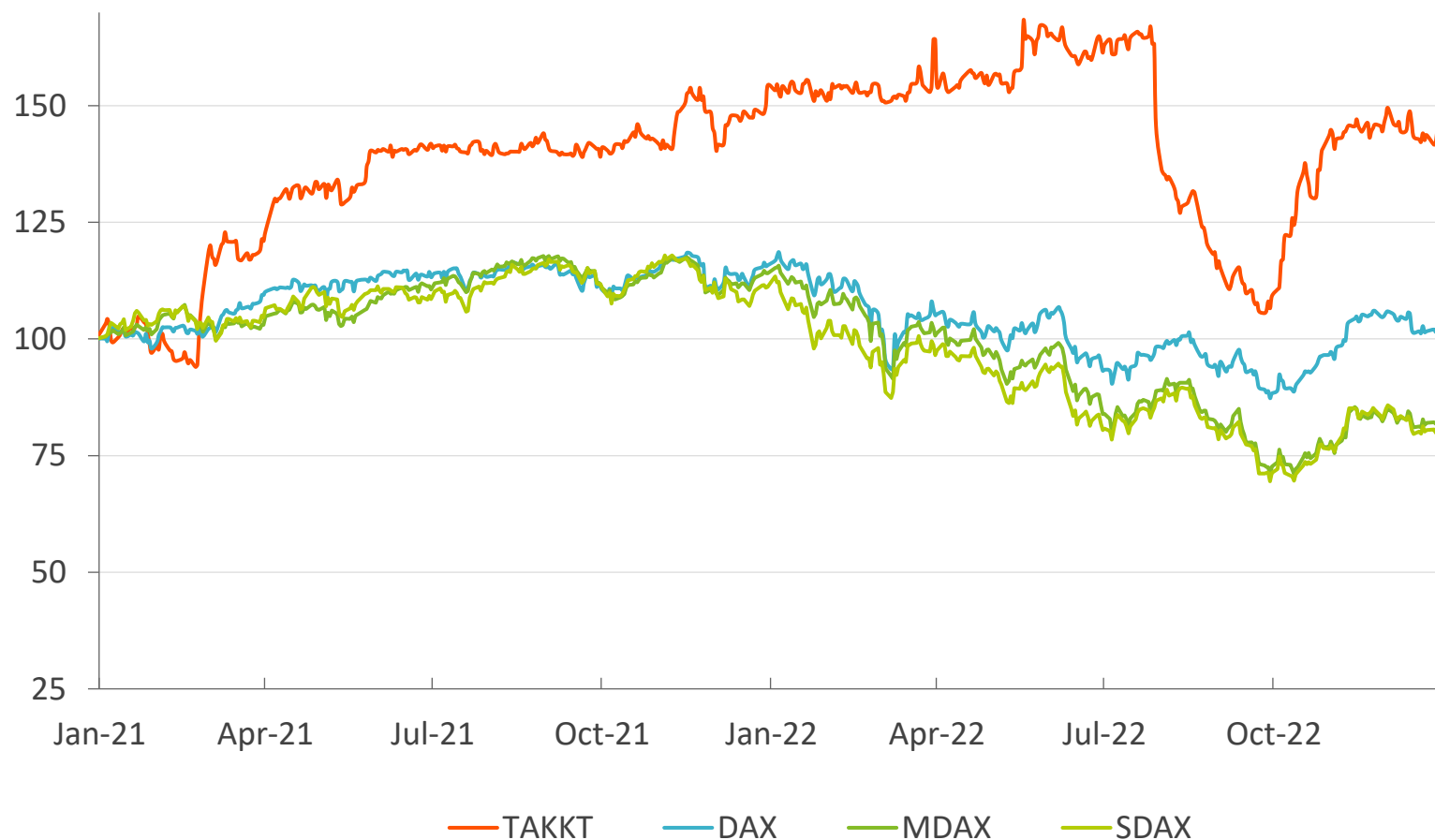
**high single-digit
organic sales growth**

**EBITDA between
EUR 120 and 130 million**

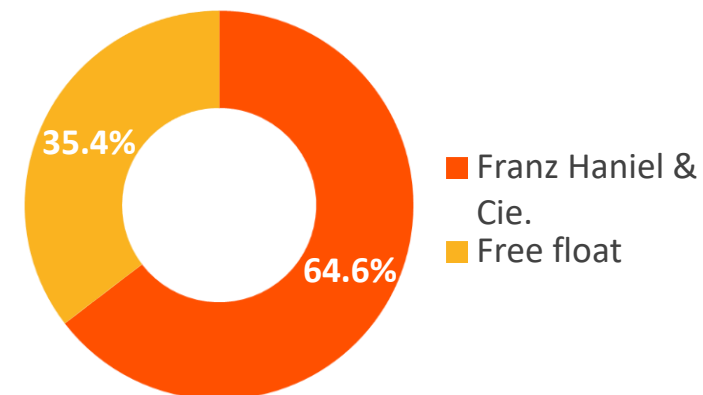
TAKKT share and dividend policy

TAKKT share performance, shareholder structure and analyst recommendations

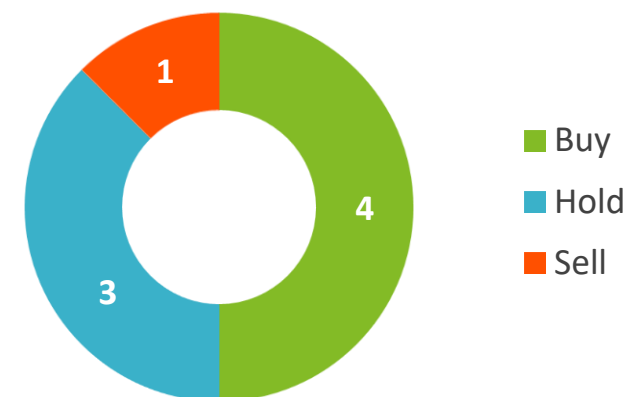
Total Shareholder Return: TAKKT and indices



Shareholder structure



Analyst recommendations



Average price target of EUR 14.7

Share buyback started in October; dividend policy remains unchanged

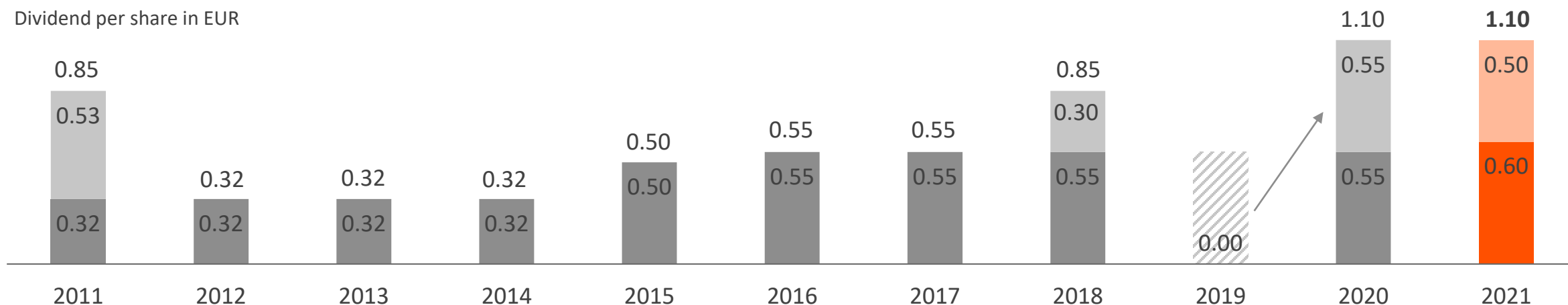
Share buyback

- Share buyback program for up to three percent of the current share capital and with a volume of up to EUR 25 million
- Started on October 6, 2022 and will run until June 30, 2023 at the latest

Dividend proposal & policy

- Dividend payment of EUR 1.10 per share for 2021
- TAKKT commits to pay out at least a base dividend of EUR 0.60 per share in the coming years
- Possibility of special dividend when equity ratio is high and funds cannot be reinvested

Dividend per share in EUR



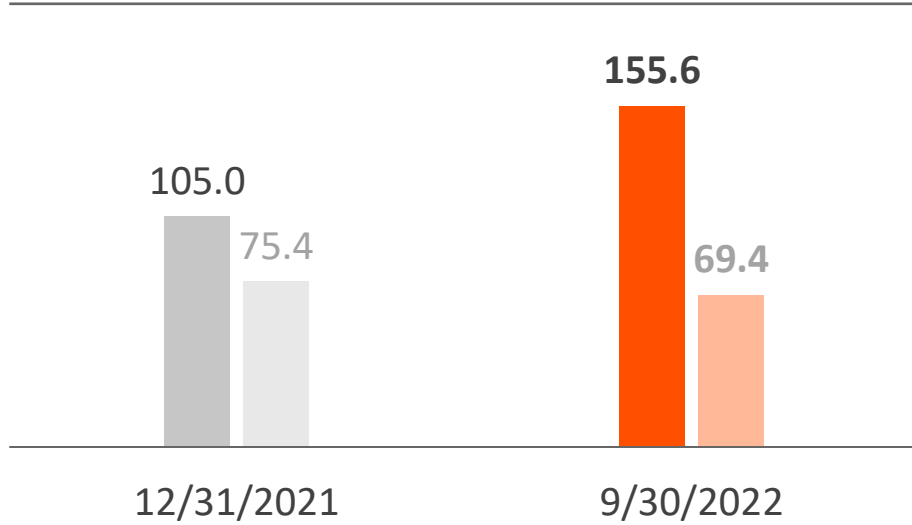
Appendix

Appendix: Structure of sales development

<i>in %</i>	Q1/22	Q2/22	Q3/22	9M/22
TAKKT Group in EUR	23.3%	13.0%	15.6%	17.1%
organic	18.9%	6.8%	7.0%	10.6%
currency	4.4%	6.2%	8.6%	6.5%
acquisition/divestment	-	-	-	-
Industrial & Packaging in EUR	14.0%	6.6%	3.8%	8.1%
organic	12.6%	5.8%	2.7%	7.0%
currency	1.4%	0.8%	1.1%	1.1%
acquisition/divestment	-	-	-	-
Office Furniture & Displays in EUR	33.4%	26.1%	29.4%	29.5%
organic	24.3%	11.8%	11.1%	15.2%
currency	9.1%	14.3%	18.3%	14.3%
acquisition/divestment	-	-	-	-
FoodService in EUR	45.1%	16.5%	31.1%	29.7%
organic	35.6%	4.1%	13.7%	16.1%
currency	9.5%	12.4%	17.4%	13.6%
acquisition/divestment	-	-	-	-

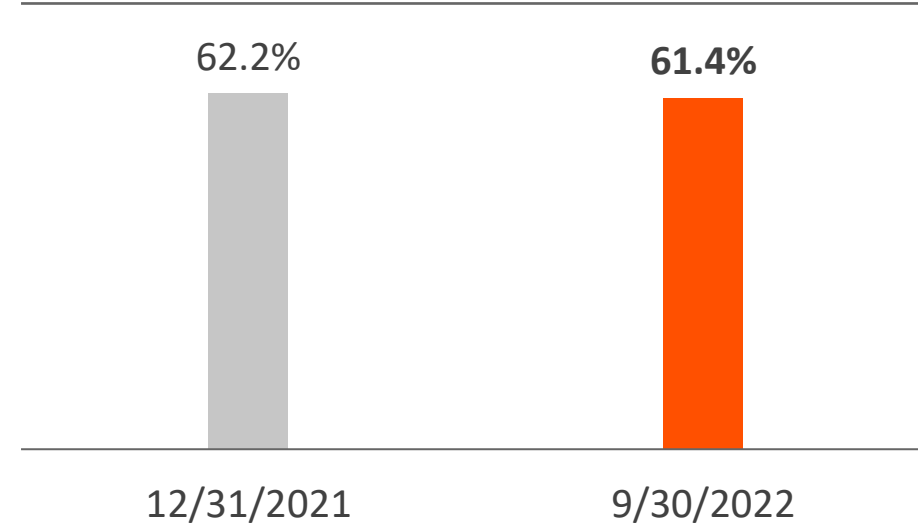
Balance sheet

Net financial liabilities (of which lease liabilities)
(in EUR million)



- Increase in net financial liabilities
- Significant reduction of financial liabilities expected until year-end

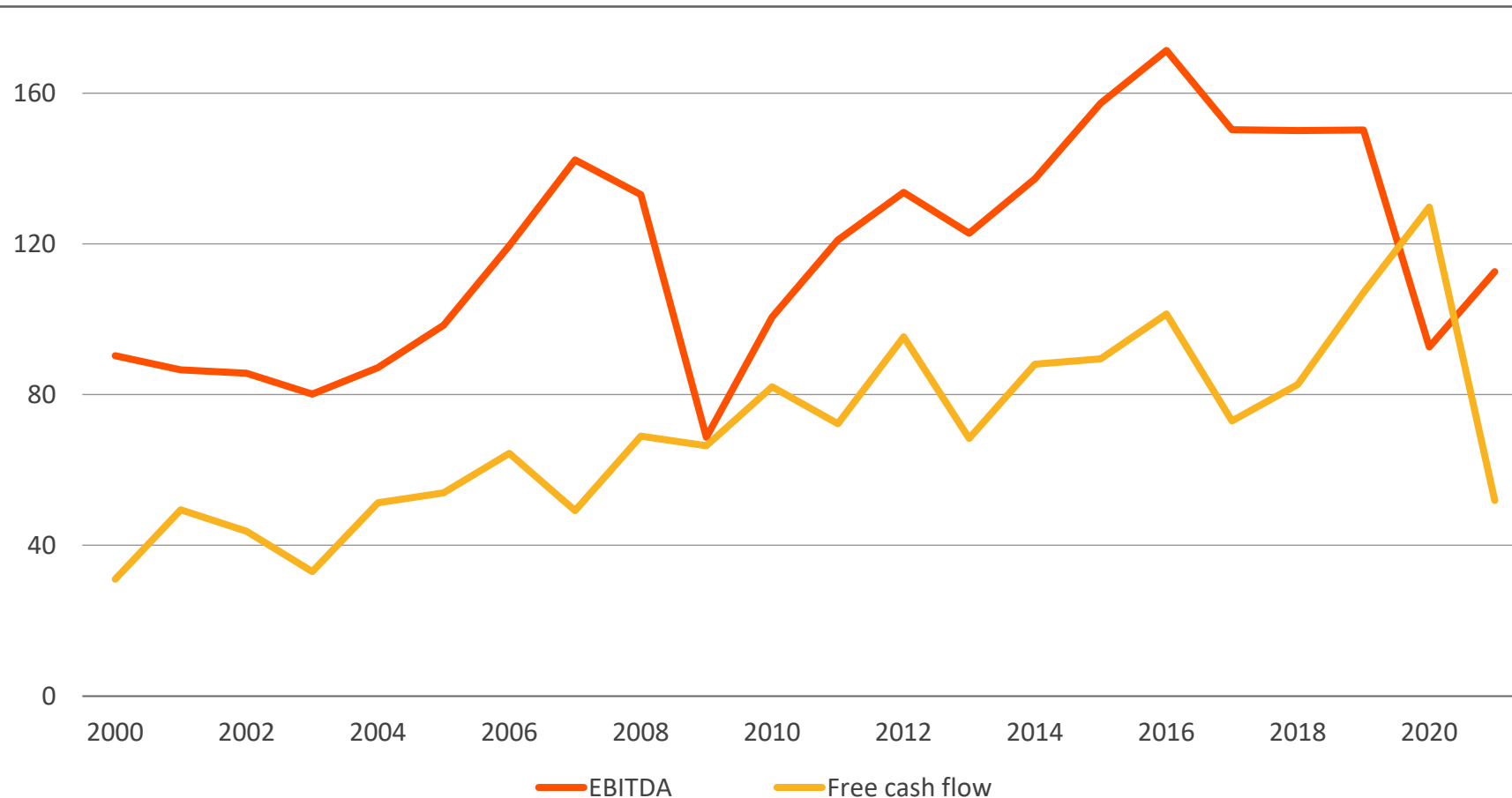
Equity ratio (in %)



- Equity ratio above the target corridor of 30 to 60 percent

Free cash flow with a stable long-term development and a positive trend

Development of EBITDA and free cash flow (in EUR million)



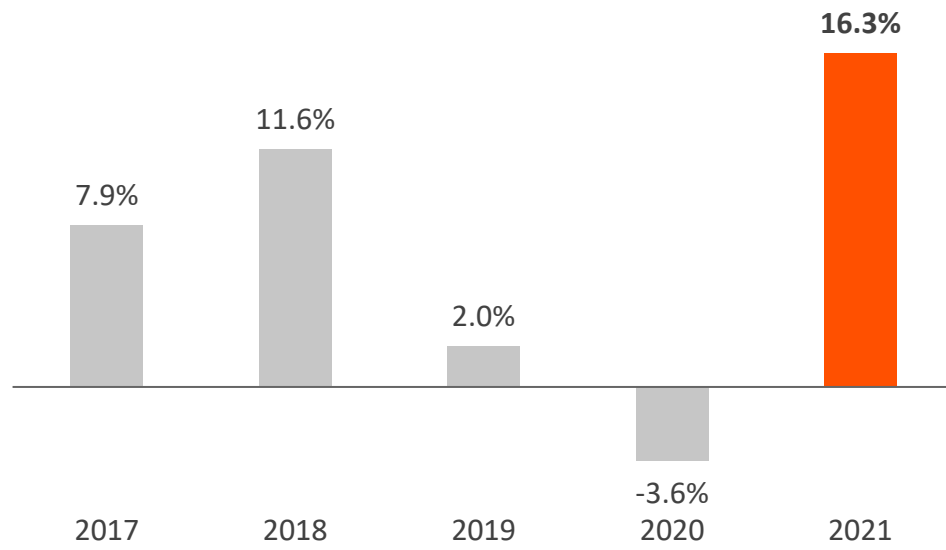
- Lower free cash flow in 2021 due to increase in net working capital (trade receivables and inventories) compared to significant reduction in the prior year

Financial key figures

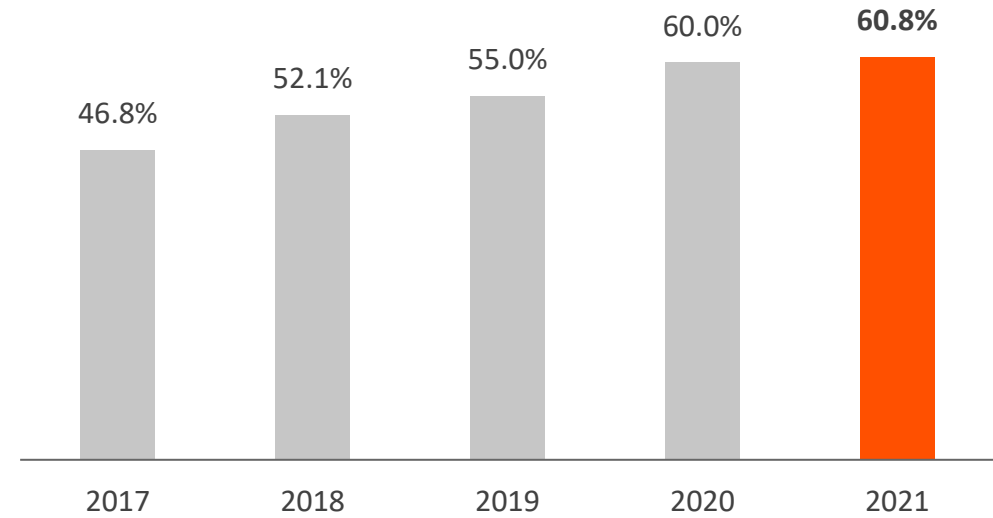
	2017	2018	2019	2020	2021
Organic sales development in percent	0.4	3.4	-1.4	-11.8	11.4
Organic growth in order intake via e-commerce in percent	7.9	11.6	2.0	-3.6	16.3
Number of orders in thousand	2,465	2,676	2,642	2,535	2,500
Average order value in EUR	458	449	460	425	491
Gross profit margin in percent	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 in percent	2.1	1.8	1.8	1.2	1.6

E-com growth and share

Organic e-commerce growth of order intake (in %)

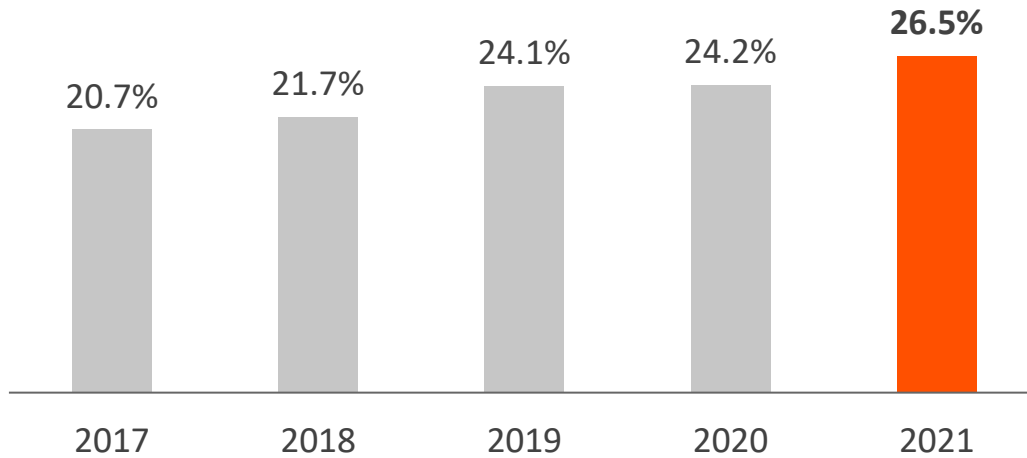


Share of e-commerce in order intake (in %)

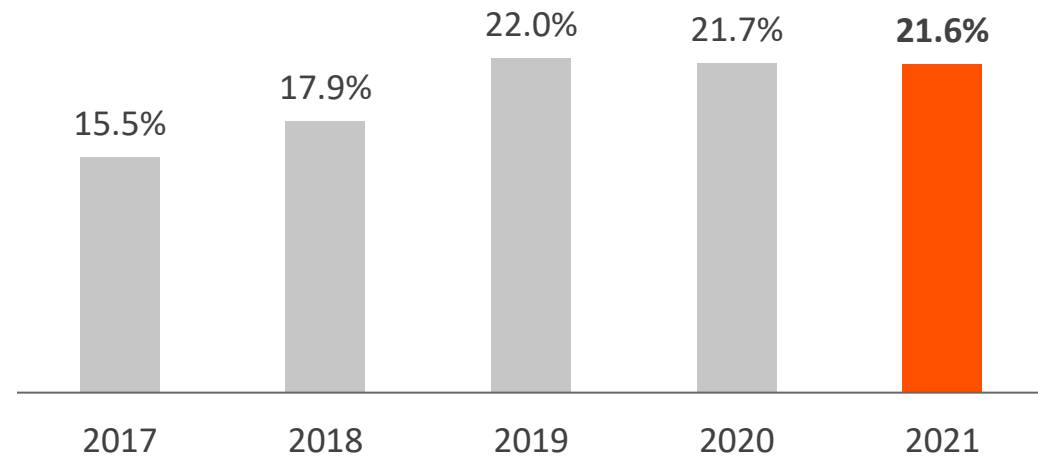


Product range figures

Share of private labels* (in %)



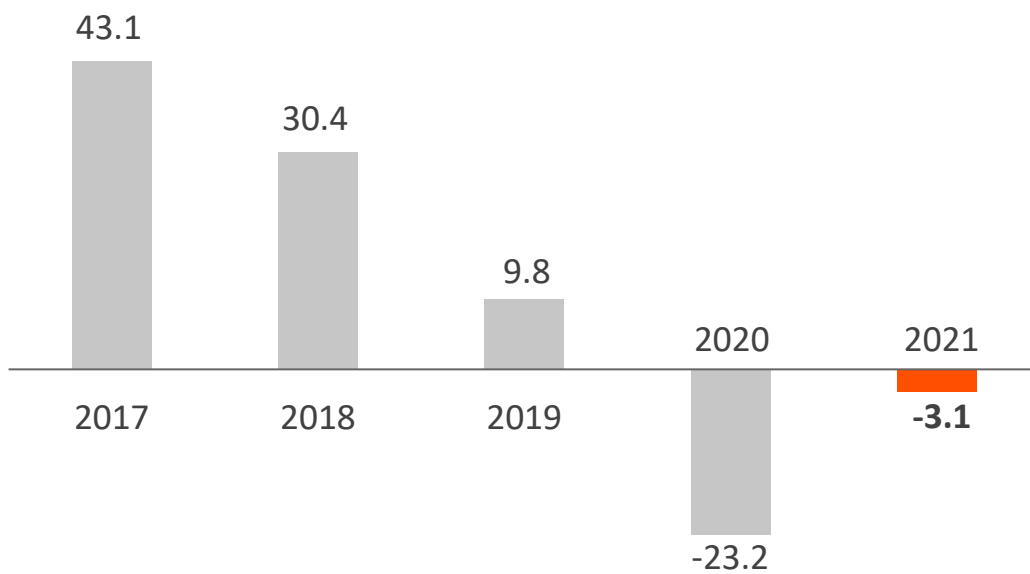
Share of direct imports* (in %)



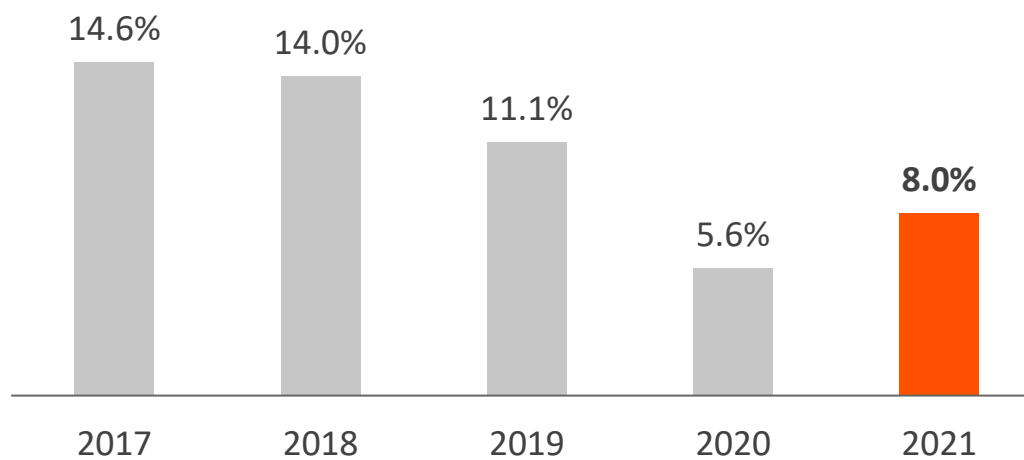
* The figures have only been reported as shares of sales since 2019. For prior years, they are shown as shares of order intake (private label) and purchase volume (direct imports).

Value-based figures

TAKKT value added (in EUR million)

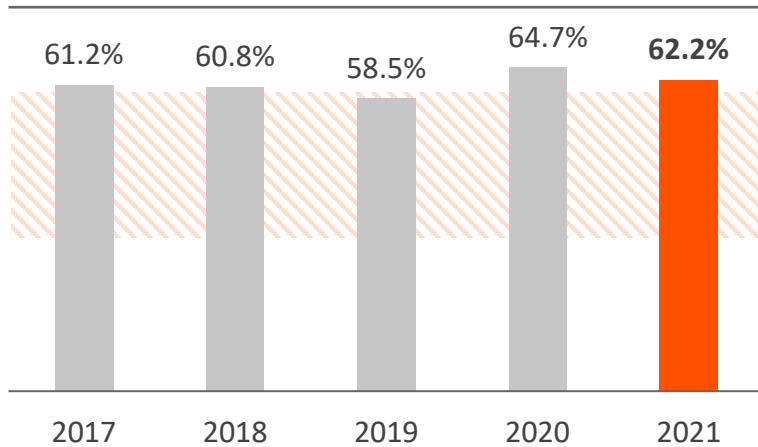


Return on Capital Employed (in %)

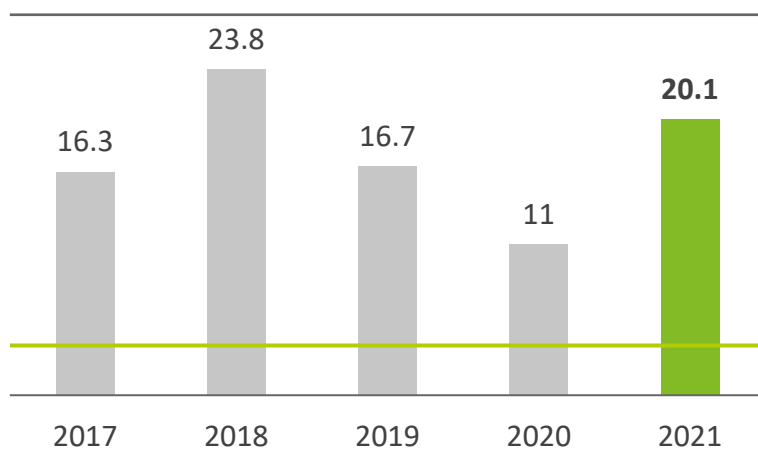


Internal covenants within or exceeding the target range

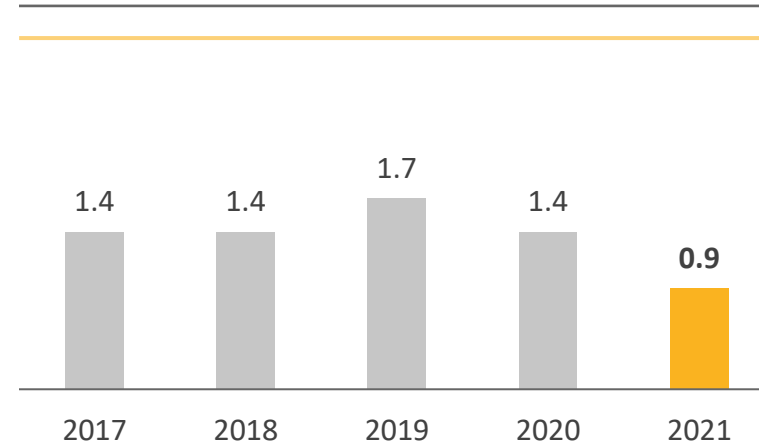
Equity ratio (in %)



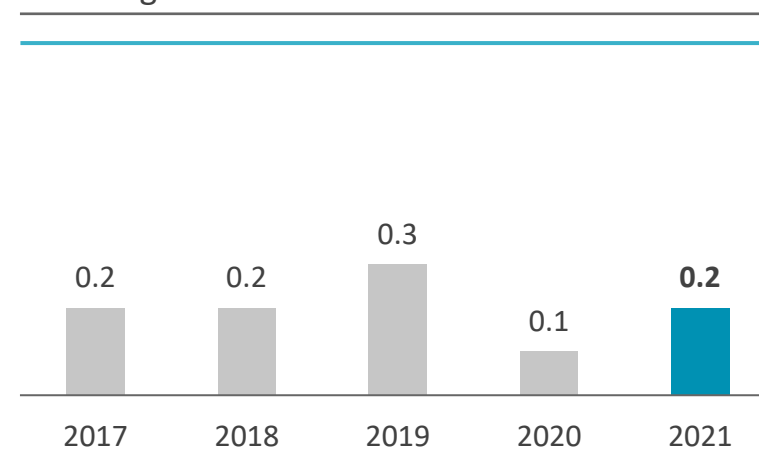
Interest cover



Debt repayment period (in years)



Gearing



TAKKT investor relations

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TAKKT AG is headquartered in Stuttgart, Germany.

Upcoming Events

January

18. Kepler Cheuvreux & UniCredit GCC, Frankfurt

February

23. Preliminary results 2022

Basic data TAKKT share

ISIN / WKN / Ticker	DE0007446007 / 744600 / TTK
No. shares	65,610,331
Type	No-par-value bearer shares
Share capital	EUR 65,610,331
Listing	September 15, 1999
Designated sponsors	Hauck Aufhäuser Lampe, ODDO BHF

Historic share price development (Xetra)

