



Results of the first nine months of 2024
October 24, 2024

TAKKT Interim CEO: Findings and actions first 100 days

Got to know TAKKT:

Met customers & employees, toured offices & warehouses, spoke to investors

Solid foundations:

Attractive business model, strong brand portfolio, leading assortment, long-standing customer relations

Brand strategy and operational issues:

Declining sales due to not well executed brand consolidations and process and system migrations

Brand strategy adjusted:

Rewound Ratioform brand merger in I&P, stopped commercial integration of Hubert and Central in FS, started putting again our customer at the center of everything we do

Operational improvements initiated:

Introduced measures to solve significant internal process and system challenges, revert sales decline and strengthen cash performance, driving diligent execution drumbeat

Leadership strengthend:

Established new Executive Leadership Team composed of industry and technology experts operating close to the business, set clear ownership and accountability to deliver turnaround

TAK Division deep dive

What we're facing

I&P **Flawed strategy of discontinuing ratioform brand**

- › Loss of visibility in the market and of packaging sales expertise
- › Lower customer service level due to system migration issues

OF&D **Ineffective brand repositioning & assortment issues**

- › Fewer customer touchpoints after change in marketing approach
- › Lower government business due to selected assortment gaps driven by supplier operations

FS **Failed commercial merger of Hubert and Central**

- › Lingering ERP system impact and substantially reduced outbound sales team capacity
- › No meaningful participation in large tender projects during first half of the year

What we're doing

Leveraging brand power, winning back customers

- › Brought back ratioform as a category brand, extending commercial programs and visits
- › Addressing customer service backlog with added staff while fixing systems and processes

Refocusing go-to-market, upgrading assortment

- › Re-balanced omnichannel marketing mix and messaging, launching new webshop
- › Completing GSA eligible assortment and improving government go-to-market approach

Rebuilding sales and fulfillment excellence

- › Reinstating outbound sales team capacity and increasing system performance
- › Reactivated large project team, established coordinated push to convert order backlogs

TAK Executive summary Q3



MARKET ENVIRONMENT

Customer **buying behavior dampened** by continued **economic slowdown**, both in Germany and the US



OPERATING PERFORMANCE

Performance continues to be impacted by **system and process challenges** (esp. I&P and FS); initiated **improvements gain traction**



SALES

Organic sales development at **minus 14.1 percent, +490bps vs Q2**, also due to commercial actions introduced



EBITDA

Adj. EBITDA margin of **9.0 (9.7) percent, +240bps vs Q2**, **cost management efforts pay off** despite continued top line challenge



FREE CASH FLOW BALANCE SHEET

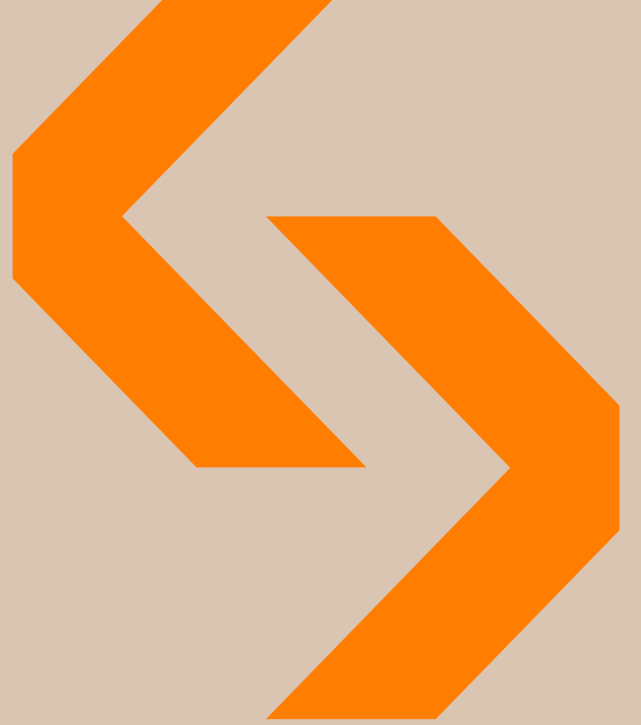
Free cash flow in the first nine months at **EUR 36.5m**, maintaining strong cash performance; **equity ratio** at **59.1 percent**



OUTLOOK

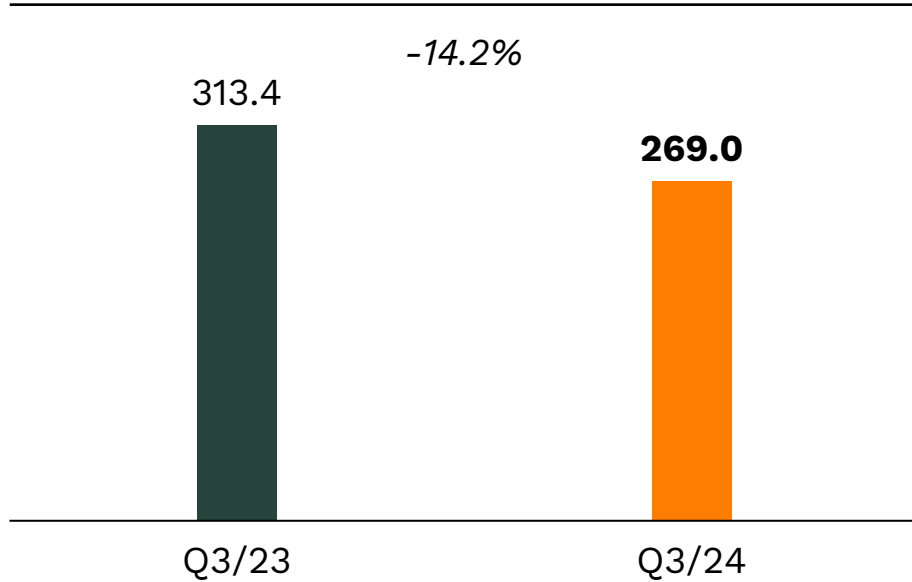
Building on progress to **accelerate turnaround**, ensuring the **right balance** between cost management, cash flow and growth investments

FINANCIALS

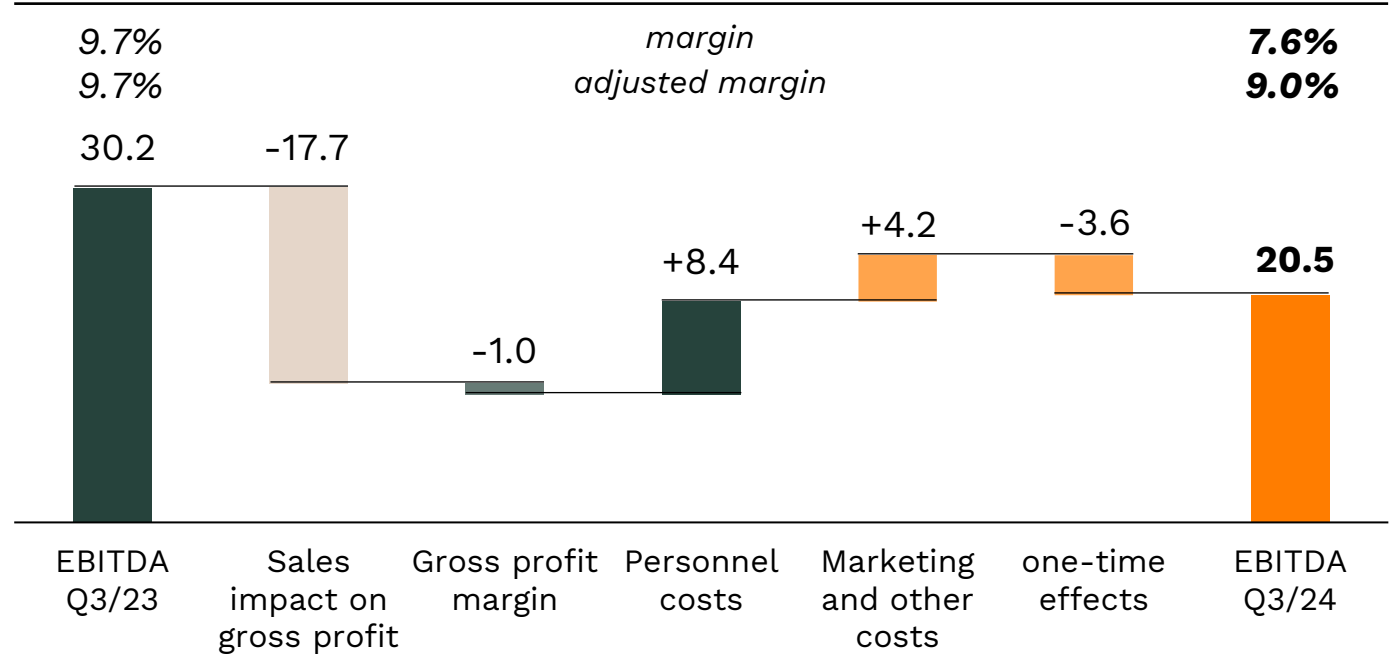


TAKKT Q3: TAKKT Group

Sales (in EUR million)



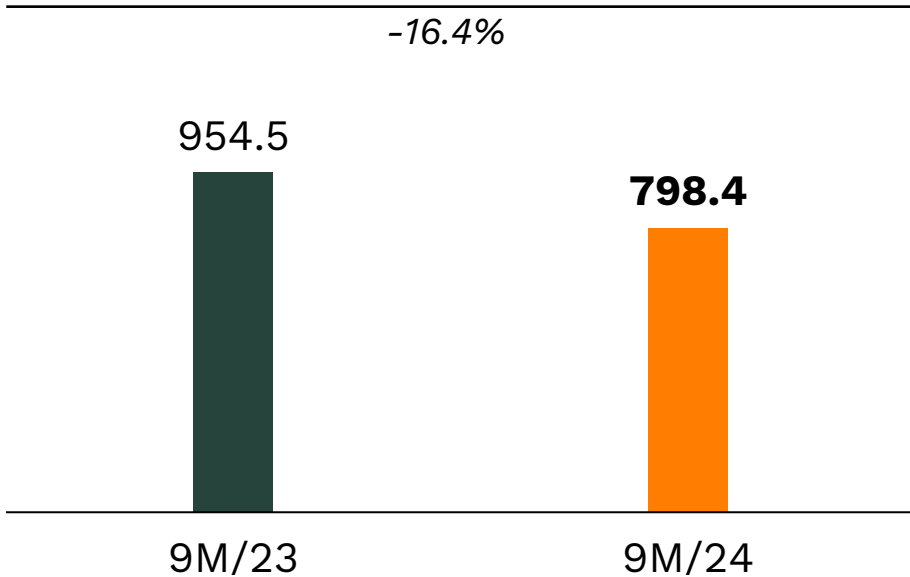
EBITDA development (in EUR million)



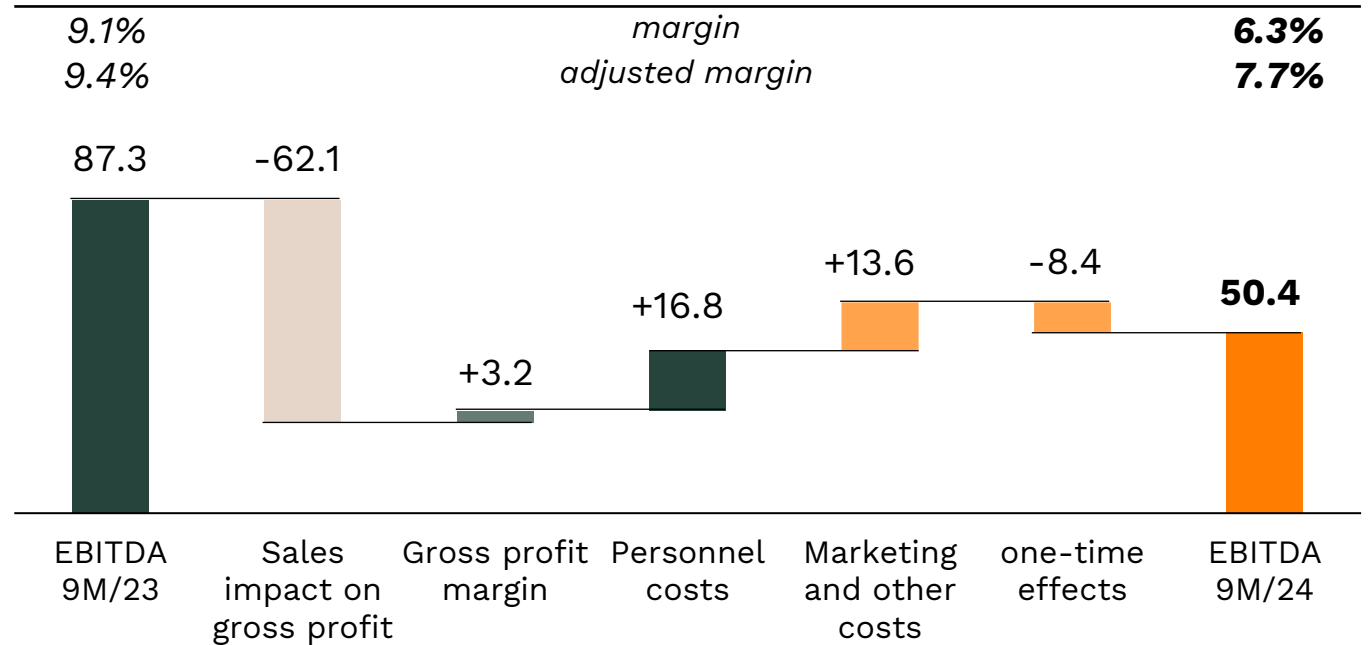
- Organic sales growth at minus 14.1%, positive contributions from backlog reduction
- Lingering impact from internal challenges, weak government business at OF&D and difficult markets
- Good cost compensation from marketing, other and personnel costs; positive contribution from lower variable pay
- One-time costs of EUR 3.6 million for structural adjustments
- Adjusted EBITDA margin below prior year, but significant improvement compared to Q2

TAKKT 9M: TAKKT Group

Sales (in EUR million)



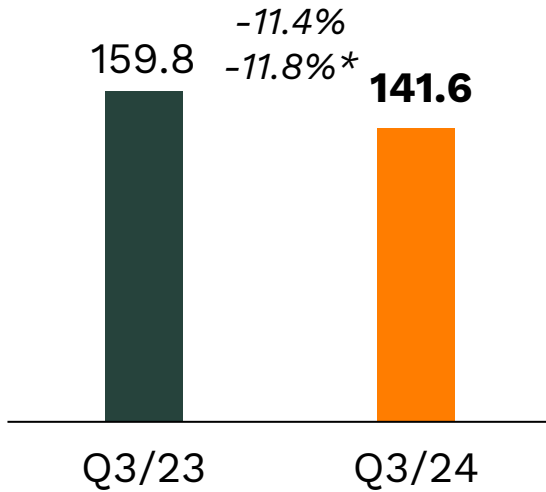
EBITDA development (in EUR million)



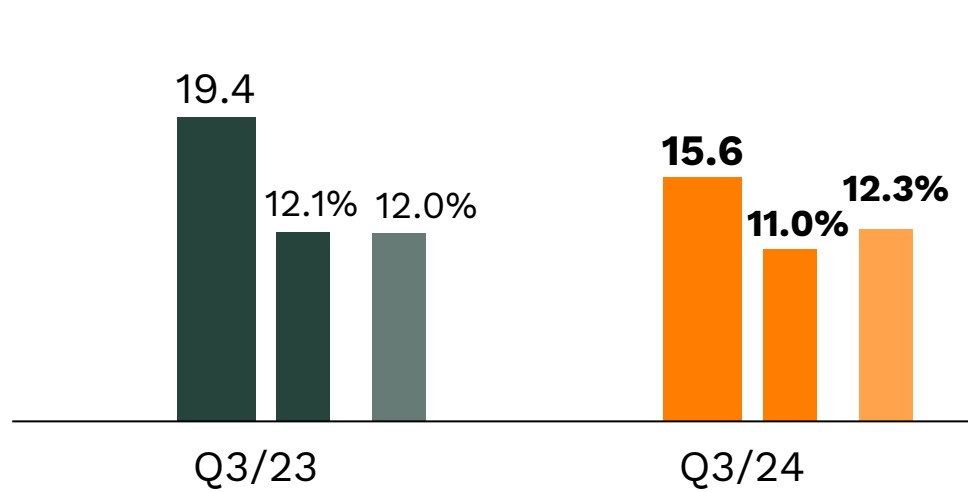
- › Organic sales growth at minus 16.5%, impacted by internal challenges and weak markets
- › Gross profit margin increased to 40.2% (39.7%); slightly below prior year in Q3 after increase in Q1 and Q2
- › Cost management: marketing, personnel and other costs below prior year
- › One-time costs of EUR 10.8 (2.4) million
- › Profitability impacted by weak top line and internal issues; EBITDA margin significantly below ambition

TAK Industrial & Packaging

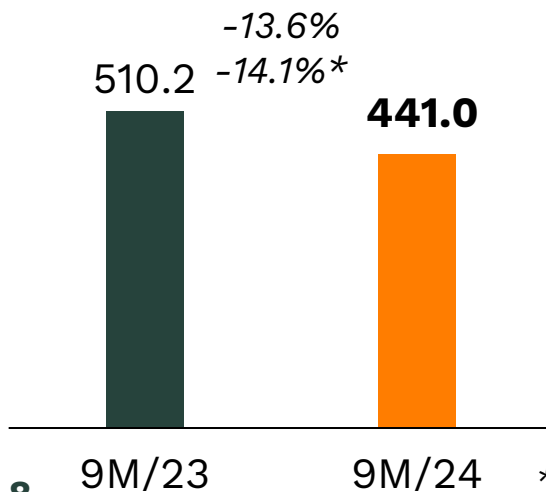
Sales Q3 (in EUR million)



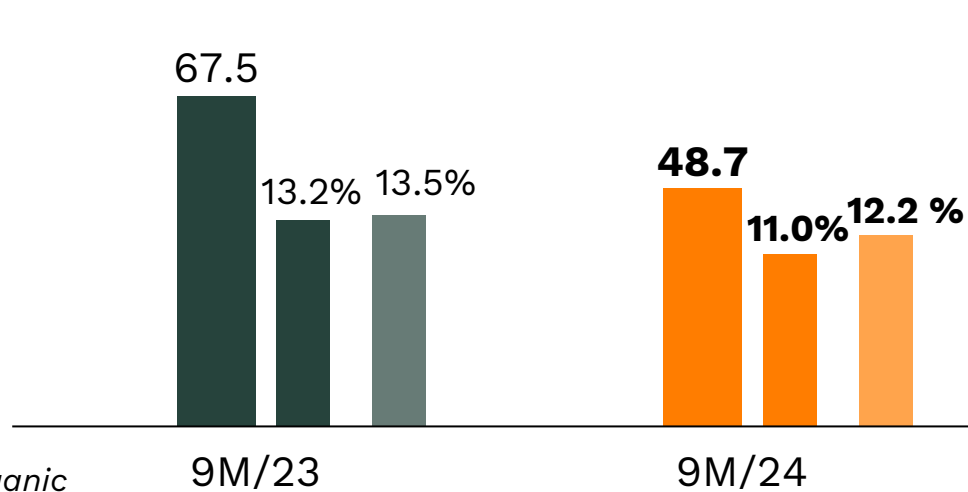
EBITDA Q3 (in EUR million), margin, adj. margin (in %)



Sales 9M (in EUR million)



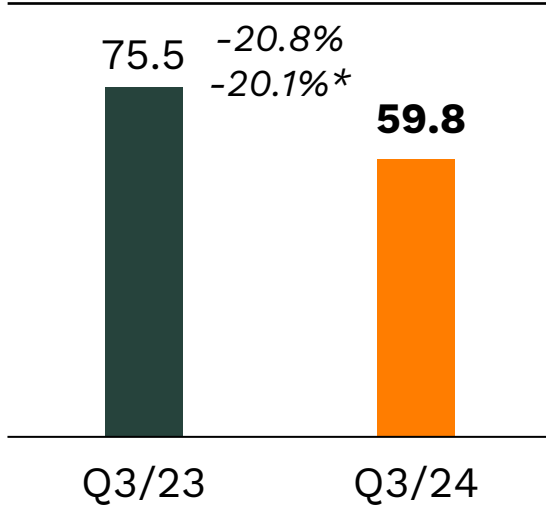
EBITDA 9M (in EUR million), margin, adj. margin (in %)



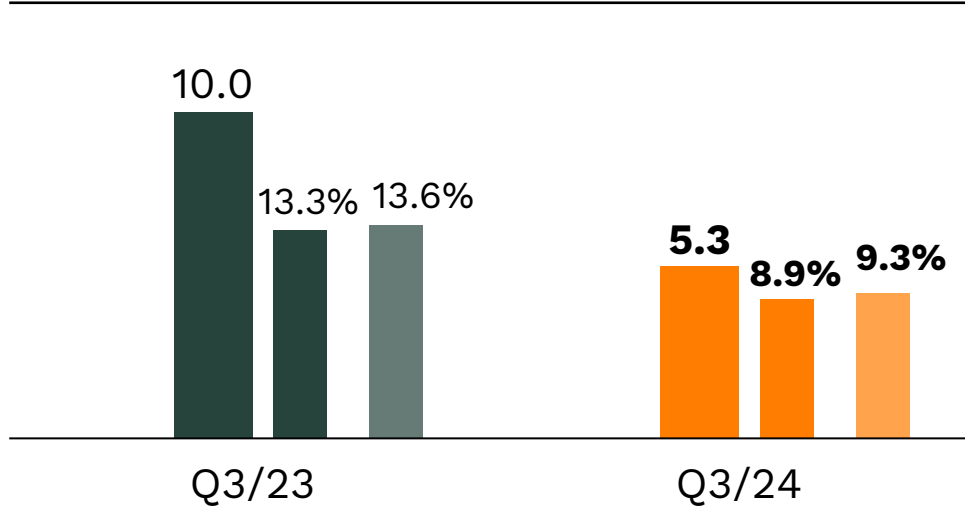
- > Sales performance Q3 and YTD affected by weak market environment and impacts from temporary discontinuation of ratioform brand
- > Positive sales contribution from backlog reduction in Q3
- > Gross profit margin consistently above prior year
- > Increasing cost savings realized as the year progresses
- > Marketing, personnel and other costs below previous year
- > One-time costs:
 - > Q3: EUR 1.8 (-0.2) million
 - > 9M: EUR 5.1 (1.4) million
- > Adjusted EBITDA margin in Q3 above prior year due to higher gross profit margin and good impact out of cost measures

TAKKT Office Furniture & Displays

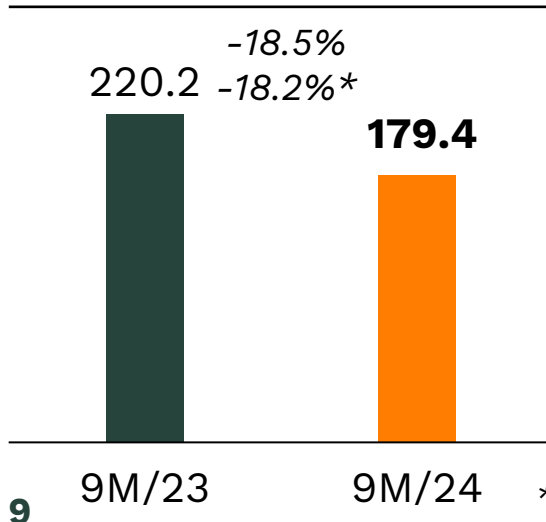
Sales Q3 (in EUR million)



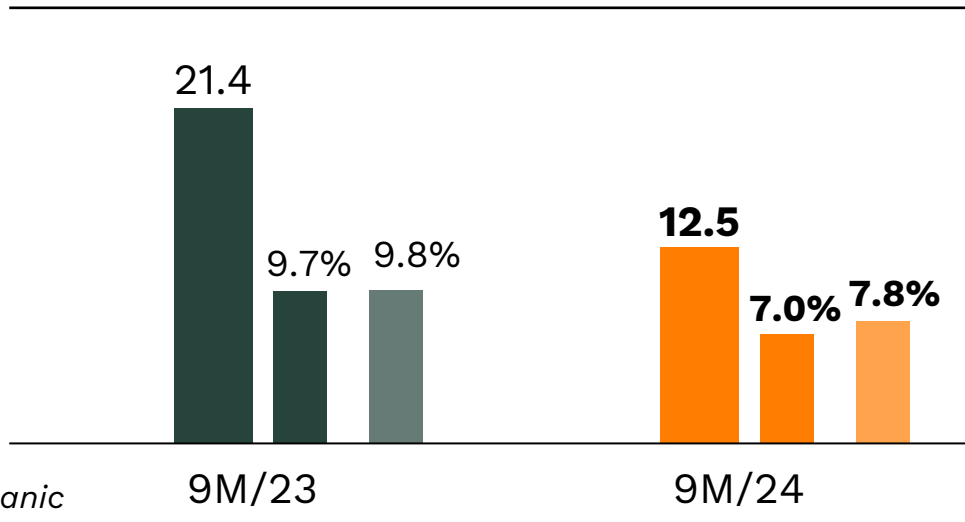
EBITDA Q3 (in EUR million), margin, adj. margin (in %)



Sales 9M (in EUR million)



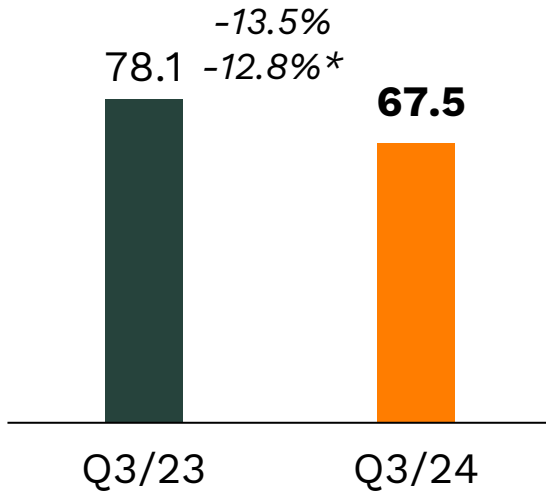
EBITDA 9M (in EUR million), margin, adj. margin (in %)



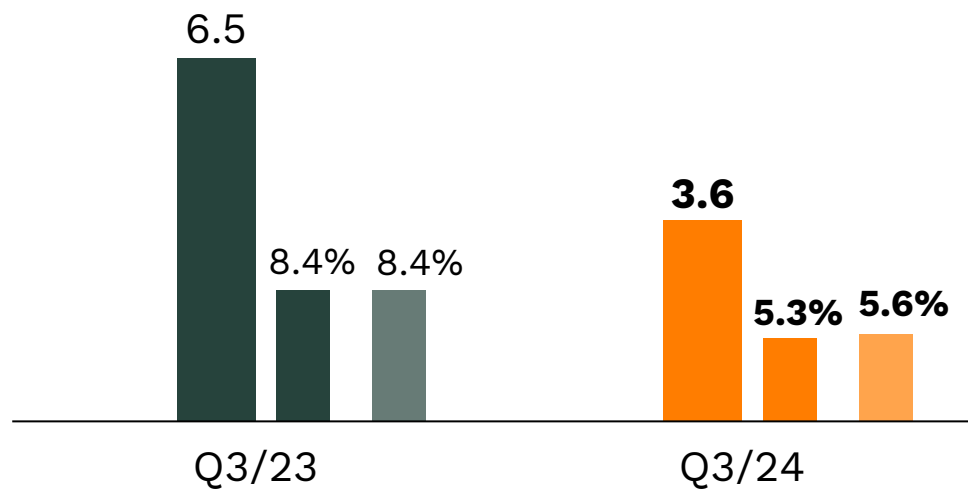
- > Organic sales significantly below prior year also due to ineffective brand positioning; negative trend over the course of the year
- > Q3 impacted by weaker government business and difficulties at major supplier
- > Gross profit margin of 43.4% (46.7%) in Q3 returned to more sustainable levels
- > Cost base adjusted to lower sales level
- > One-time costs:
 - > Q3: EUR 0.2 (0.2) million
 - > 9M: EUR 1.4 (0.2) million
- > Profitability below prior year due to weak top line and lower gross profit margin

TAKKT FoodService

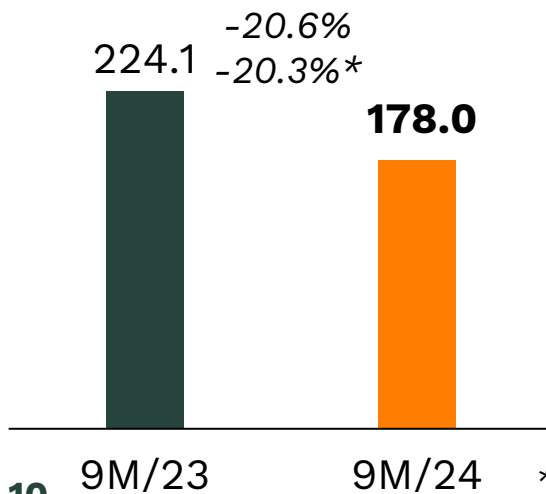
Sales Q3 (in EUR million)



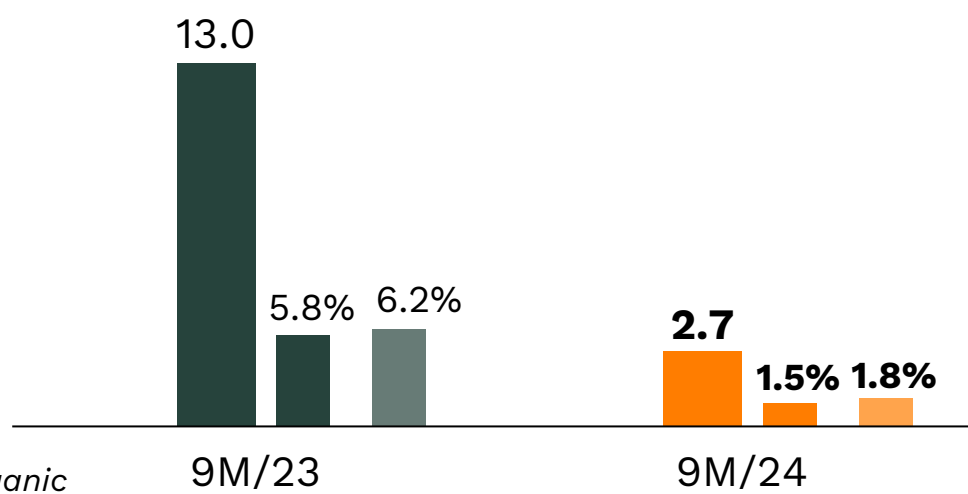
EBITDA Q3 (in EUR million), margin, adj. margin (in %)



Sales 9M (in EUR million)



EBITDA 9M (in EUR million), margin, adj. margin (in %)



- > Organic sales still clearly below prior year, but significantly improved in Q3 after a very weak Q2
- > Positive impact from measures to solve merger issues and out of backlog reduction in Q3
- > Sales still affected by lingering impact from ERP migration
- > Cost management: Personnel spend below prior year; marketing costs down YTD but more stable in Q3; increase in other costs due to merger issue
- > One-time costs:
 - > Q3: EUR 0.2 (0.0) million
 - > 9M: EUR 0.4 (0.8) million
- > Strong increase in Q3 profitability compared to Q2 but EBITDA margin still at low level and significantly below prior year

TAKKT Cash flow generation

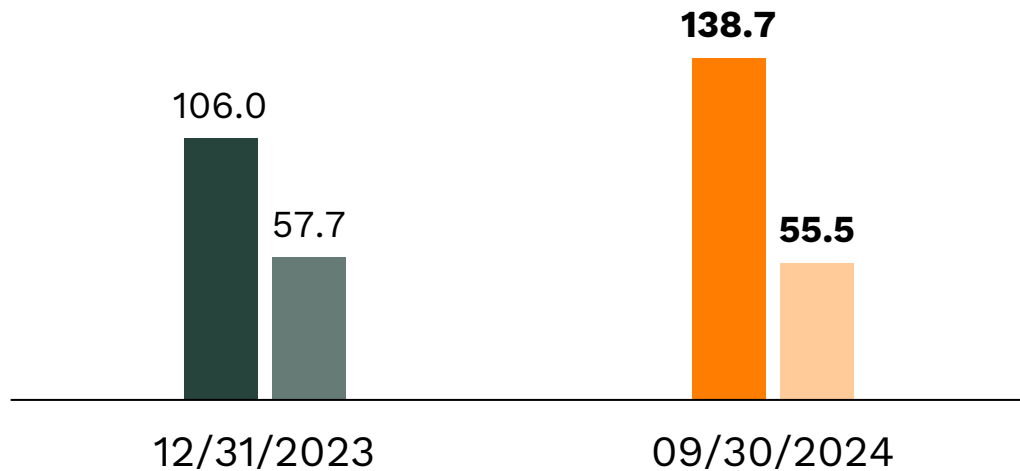
Free cash flow development

<i>in EUR million</i>	9M/23	9M/24
Cash flow before change of net working capital	67.5	40.3
Change in net working capital as well as other adjustments	+4.8	+15.2
Cash flow from operating activities	72.3	55.5
Operating capital expenditure in non-current assets	-11.4	-9.0
Proceeds from disposal of non-current assets	+0.7	+0.5
Repayment of lease liabilities	-11.5	-10.5
Free cash flow	50.1	36.5

- Cash flow before change of net working capital significantly below prior year due to weak sales development
- Net working capital: Strong contribution to cash flow from continued release of inventories and improvement of payment terms
- Slightly lower capital expenditure
- Free cash flow below prior year at EUR 36.5 (50.1) million but with much more stable development than EBITDA

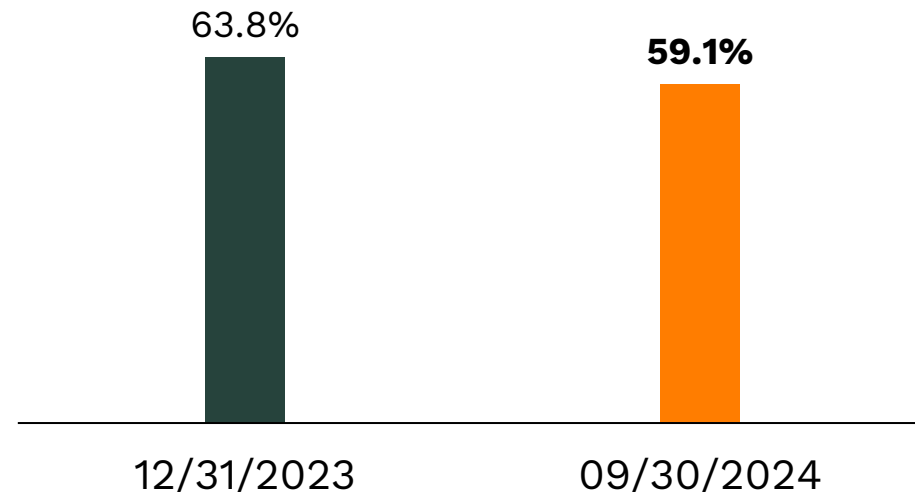
TAKKT Balance sheet

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



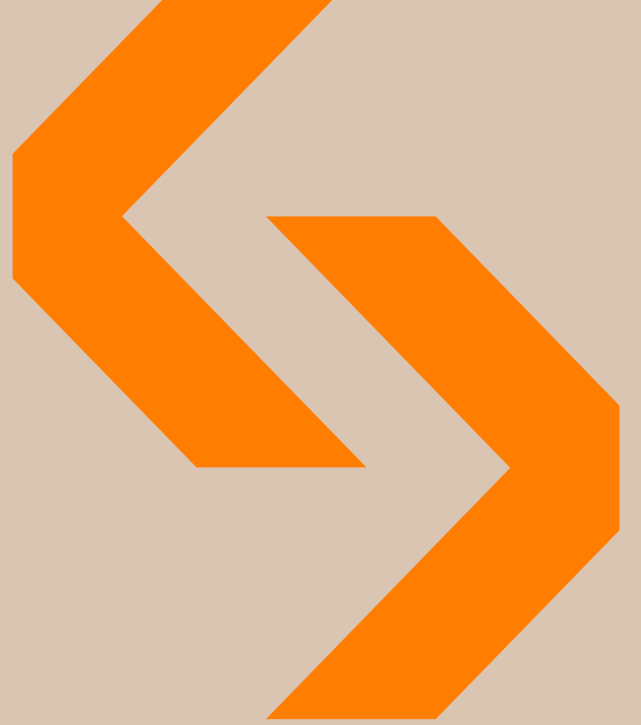
› Increase in net financial liabilities due to dividend payout and share buyback

Equity ratio (in %)



› Equity ratio at the upper end of target corridor (30 to 60 percent)

OUTLOOK



TAKKT Adjusted outlook 2024

Current trading and expectations Q4

- No improvement in external market conditions expected
- Business performance continues to be impacted by internal challenges
- October with limited uplift in order intake
- Non-recurrence of positive sales and earnings contributions in Q4

Priorities

- Focus on resolution of internal challenges
- Keep the right balance between short-term cost and cashflow improvements, and investments into growth, systems and processes
- Avoid purely temporary and unsustainable earnings measures that would negatively impact turnaround progress

FY forecast key financials

Organic sales growth between minus 15 and minus 17 percent

EBITDA margin adjusted: 6.3% to 7.1%

one-time expenses of EUR 15 to 20 million

Further release of net working capital

Free cash flow significantly more stable than reported EBITDA

TAKKT Priorities next 100 days and beyond

Short-term focus confirmed:

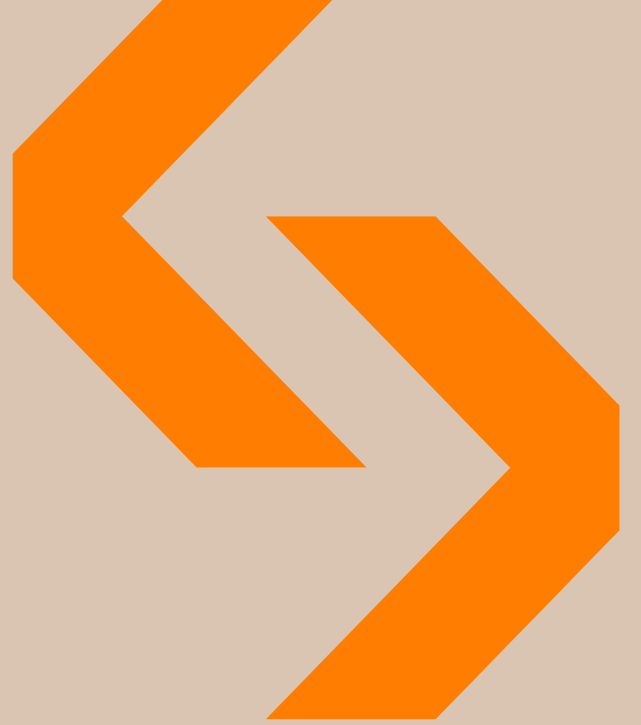
1. Actively add **order intake initiatives** to respond to market dynamics and win-back customers
2. Diligently execute **process and system improvements** to overcome internal issues
3. Persistently realize **cash, cost efficiency and business simplification** potentials

Mid-term priorities defined:

1. Extend customer touchpoints online and offline with “**house of brands**” and upgraded assortment
2. Strengthen **end-to-end customer processes** and systems
3. Initiate **strategy review**, results to be shared in early 2025

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APPENDIX



TAKKT Organic sales growth

<i>Organic growth</i>	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24	Q2/24	Q3/24	9M/24
TAKKT Group	-3.3%	-1.8%	-7.1%	-11.3%	-5.9%	-16.5%	-19.0%	-14.1%	-16.5%
Industrial & Packaging	-4.2%	-4.3%	-7.5%	-11.5%	-6.9%	-15.0%	-15.4%	-11.8%	-14.1%
Office Furniture & Displays	-5.8%	-10.3%	-12.2%	-12.2%	-10.8%	-16.7%	-17.9%	-20.1%	-18.2%
FoodService	2.5%	14.9%	-0.6%	-6.8%	2.3%	-20.2%	-27.8%	-12.8%	-20.3%

TAKKT Structure of sales development

	Q1/24	Q2/24	Q3/24	9M/24
TAKKT Group in EUR	-16.4%	-18.5%	-14.2%	-16.4%
organic	-16.5%	-19.0%	-14.1%	-16.5%
currency	+0.1%	+0.5%	-0.1%	+0.1%
acquisition/divestment	-	-	-	-
Industrial & Packaging in EUR	-14.1%	-15.1%	-11.4%	-13.6%
organic	-15.0%	-15.4%	-11.8%	-14.1%
currency	+0.9%	+0.3%	+0.4%	+0.5%
acquisition/divestment	-	-	-	-
Office Furniture & Displays in EUR	-17.7%	-17.0%	-20.8%	-18.5%
organic	-16.7%	-17.9%	-20.1%	-18.2%
currency	-1.0%	+0.9%	-0.7%	-0.3%
acquisition/divestment	-	-	-	-
FoodService in EUR	-21.1%	-27.2%	-13.5%	-20.6%
organic	-20.2%	-27.8%	-12.8%	-20.3%
currency	-0.9%	+0.6%	-0.7%	-0.3%
acquisition/divestment	-	-	-	-

TAKKT investor relations

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TAKKT AG is headquartered in Stuttgart, Germany.

Upcoming Events

November 21, CIC Forum Market Solutions
November 26, Deutsches Eigenkapitalforum
February 13, 2025, Q4/24 Earnings Call

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)

