HALF-YEAR FINANCIAL REPORT 2018
FIRST SIX MONTHS

LADIES AND GENTLEMEN,

as expected, the business development in the second quarter of 2018 noticeably improved. In organic terms, i.e., adjusted for acquisition and currency effects, sales growth amounted to 4.7 percent. Both TAKKT EUROPE and TAKKT AMERICA achieved good organic growth. After four quarters of declining development, business in the US was again able to achieve solid growth, while growth in Europe was even stronger. In spite of negative currency effects, sales in the reporting currency of euros grew by 5.4 percent to EUR 291.2 (276.2) million because of the acquisition of Mydisplays, OfficeFurnitureOnline und Runelandhs. The EBITDA margin fell from 13.4 to 12.2 percent due mainly to a lower gross profit margin primarily resulting from increased freight costs.

In the first half of the year, sales increased 0.4 percent to EUR 567.2 (565.0) million. The aforementioned acquisitions contributed to growth with a total of 4.5 percentage points, while negative currency effects caused a decrease of 5.9 percentage points. Organic sales growth was 1.8 percent. In the first half of 2018, the EBITDA margin of 12.2 (14.5) percent was considerably below the level of the previous year due to restrained growth, increased freight costs and planned higher expenditures for the implementation of the digital agenda.

For the second half of the year, TAKKT assumes a continuation of the improved growth from the second quarter and confirms the forecast of organic growth between two and four percent for 2018. At the same time, the TAKKT Management expects an increase in profitability for the second half of the year. In addition to growth that is expected to be stronger in comparison to the first half of the year, contributing factors will include measures for cost management and price adjustments as a result of the increased freight costs. The Group anticipates an EBITDA margin at the lower end of the corridor of the 13 to 14 percent projected at the beginning of the year. Depending on the further course of the trade conflicts that are increasing worldwide, an EBITDA margin of slightly under 13.0 percent cannot be entirely excluded.

SIGNIFICANT DEVELOPMENTS IN THE FIRST HALF OF 2018

- Noticeable organic sales growth in the second quarter (+4.7 percent) after a difficult start in the financial year
- Acquisitions of OfficeFurnitureOnline at the end of January and of Runelandhs at the end of May
- Group sales increased in the first half-year by 0.4 percent to EUR 567.2 (565.0) million; acquisitions contributed to sales in the amount of 4.5 percentage points, negative currency effects in the amount of 5.9 percentage points and organic growth in the amount of 1.8 percent
- Gross profit margin decreased to 41.9 (43.1) percent, mainly because of increased freight costs
- EBITDA margin significantly lower than the previous year at 12.2 (14.5) percent because of restrained growth, increased freight costs and planned higher expenditures for the implementation of the digital agenda
- Earnings per share at EUR 0.58 (0.64)

INTERIM MANAGEMENT REPORT OF TAKKT GROUP

BUSINESS DEVELOPMENT AND STRATEGY

The strategic goals of the Group are profitable growth, the digitalization of the business model, diversification of risks and acting sustainably. The Group was able to make significant progress here in the first half of the year.

For example, TAKKT achieved important milestones in the first half of 2018 for the implementation of its digital agenda. One of those milestones was the creation of the newport group at the beginning of the year as a new division within the TAKKT EUROPE segment. With Certeo, BiGDUG, OfficeFurnitureOnline and Mydisplays, this is where business models that especially address the needs of smaller companies by focusing mainly on e-commerce are anchored. The organizational structure of newport is enabling a more agile and targeted market positioning of these business models. Management responsibility at newport is carried by Heiko Hegwein, who was appointed as the fourth member of the TAKKT Management Board on February 1, 2018.

In addition to the aforementioned brands, the TAKKT investment company (TBG), with its investments in innovative start-ups, also belongs to newport. With its stake in Cologne-based odoscope GmbH, the TBG has now invested in seven start-ups. odoscope enables the fully automated presentation of content to anonymous website users that is personalized in real-time and therefore particularly relevant. In addition to this most recent investment, TBG further expanded its engagement in previously existing shareholdings during the first half of 2018 in order to support their development prospects. This was done within the framework of growth financing. A key goal of TBG is supporting cooperation between the start-ups and various sales brands in the Group. For example, adnymics is helping Certeo send individualized package inserts to customers, and Ratioform is successfully using the parcelLab solution to communicate with customers after an order has been received.

With 51.2 percent in the first half of 2018, e-commerce business comprised more than half of the Group's order entry for the first time (previous year's period: 45.7 percent). In addition to an organic growth of e-commerce amounting to 10.2 percent, the acquisitions also contributed to this result. As part of the digital agenda, TAKKT is additionally planning to hire around 100 new employees with highly developed digital skills, particularly in the areas of online marketing, web development and data & analytics. In the meantime, it has been possible to fill 88 of these positions. More information about the progress of the digital transformation can be found in the publication "Digital Change" on the TAKKT website.

TAKKT continues to pursue the goal of increasing the share of private labels and direct imports. In the first half of the year, the Group achieved a slight expansion of its private label business, which increased its share of order intake compared to the previous year's period to 20.8 (19.4) percent. The share of direct imports increased significantly to 18.2 (14.9) percent of the purchasing volume.

With two completed acquisitions, the TAKKT Group was able to strengthen its market position in important European markets in the first half of 2018. At the end of January, TAKKT acquired Equip4Work Ltd., a leading British online retailer that sells office furniture with its primary sales brand OfficeFurnitureOnline. This was followed by the purchase of the Swedish company Runelandhs Försäljnings AB in May. Runelandhs sells around 15,000 products from the area of business and office equipment through a multi-channel approach and will be part of the KAISER+KRAFT group. Together with the already existing sales brand Gerdmans, Runelandhs will become one of the leading distance sellers for business and office equipment in Sweden.

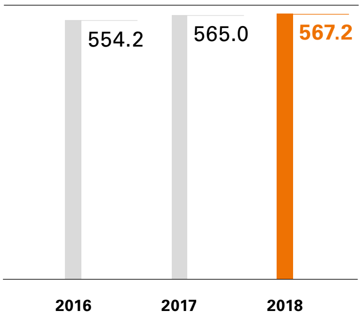
Systematically diversifying risks continues to be of high priority for TAKKT. In the first half of the year, the TAKKT EUROPE and TAKKT AMERICA segments each contributed around 50 percent to Group sales. In addition to this regional diversification, the Group is also broadly positioned with respect to customer and product groups.

A further important component of TAKKT's company strategy is the focus on sustainable business. TAKKT is convinced that long-term company success is possible only through the responsible handling of the resources available to the company. Across all levels and divisions of the TAKKT Group, diverse measures are being developed to further expand the company's leading position within the industry in regards to sustainable business practices. Within the Group, KAISER+KRAFT Germany is taking on a leading role in this process. Since January 2018, the company has been operating completely carbon-neutral. By consistently focusing on establishing processes that are resource-efficient, emissions are being kept as low as possible. The remaining share of unavoidable emissions are compensated by supporting a certified climate protection project. KAISER+KRAFT Germany is the first B2B direct marketing company for business equipment to have a fully balanced climate record.

SALES REVIEW

In the first half of 2018, TAKKT increased its sales by 0.4 percent to EUR 567.2 (565.0) million. The acquisitions of Mydisplays, OfficeFurnitureOnline and Runelandhs contributed to growth with a total of 4.5 percentage points. In contrast, negative currency effects, mainly tied to the US dollar, had a negative impact of 5.9 percentage point. Organic sales growth was 1.8 percent. Following the expected weak start at the beginning of the year, organic sales growth in the second quarter improved significantly in both segments, reaching 4.7 percent overall.

Sales *in EUR million*
First half-year TAKKT Group



In the context of the good business development and through the additional contributions from the acquisitions, **TAKKT EUROPE** achieved a significant growth of 10.3 percent in the first half of the year. Sales increased to EUR 319.5 (289.6) million. The segment grew organically by 3.2 percent. The KAISER+KRAFT group achieved solid organic sales growth. While the activities of the sales brands KAISER+KRAFT, Gerdmans and Kwesto were able to achieve good growth, the merger of the gaerner brands had a negative effect on growth in some domestic markets, as had been expected. With a high single-digit growth rate, the development of the Ratioform group was very favorable. The newport group, which was newly founded at the beginning of the year, was able to more than double its sales through the acquisition of OfficeFurnitureOnline. Organic sales growth was negative because of a realignment but improved in the second quarter.

In the second quarter, the sales development in all three divisions at TAKKT EUROPE was significantly better than in the previous three months. Organic growth amounted to 5.9 percent. Improvements in comparison to the previous quarter were due in part to effects from the number of workings days in addition to stronger demand.

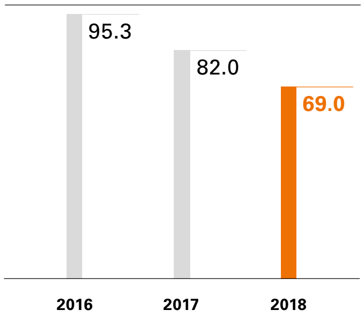
Because of the weaker US dollar in the first half of 2018 in comparison to the corresponding period of the previous year, reported sales at **TAKKT AMERICA** decreased by 10.0 percent to EUR 247.9 (275.6) million. Adjusted for the negative currency effect, the segment achieved, in contrast, a slight organic sales growth of 0.4 percent by the end of June. While the activities of Central, D2G and NBF showed good development and achieved organic growth rates in the low to mid-single-digits, development at Hubert continued to be unsatisfactory. In comparison to the first quarter, sales development from April to June somewhat improved but continued to be negative. As another measure toward the realignment of the Hubert business, TAKKT decided to wind down the activities of Hubert Europe in the second half-year, as the development of earnings and sales was less than expected. In 2017, Hubert Europe had realized sales in the range of high single-digit millions of euros and a significantly negative EBITDA.

In the second quarter, organic growth at TAKKT AMERICA was significantly positive at 3.5 percent. In this context, all divisions showed improvement in comparison to the previous quarter. NBF made an especially strong contribution to growth.

EARNINGS REVIEW

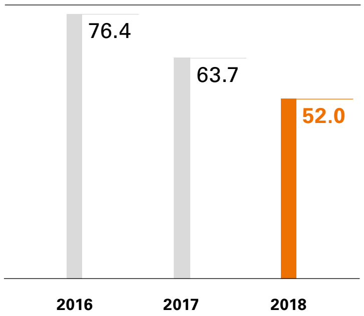
Gross profit margin decreased to 41.9 (43.1) percent in the first half of 2018. Increased freight costs and low freight revenue contributed substantially to this decline. In addition, the gross profit margin was negatively impacted by the acquisitions of OfficeFurnitureOnline and Runelandhs, which generate a gross profit margin below the previous TAKKT average as a result of the product range. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 69.0 (82.0) million. The EBITDA margin decreased to 12.2 (14.5) percent. This is due on hand to the lower development of the gross profit margin described above and on the other hand to increased cost ratios. The cost ratios have mainly increased due to the planned higher expenditures for the implementation of the digital agenda and the only slight increase in sales growth.

EBITDA *in EUR million*
First half-year TAKKT Group



EBITDA at TAKKT EUROPE in the first half of the year amounted to EUR 53.3 (55.3) million, while the margin came to 16.7 (19.1) percent. The decrease in profitability resulted mainly from a lower gross profit margin. Among other reasons, the acquisitions contributed to this decline generating structurally lower gross profit margins. Besides this, the costs for the implementation of the digital agenda as planned were higher than in the corresponding previous year's period. TAKKT AMERICA achieved an EBITDA of EUR 23.4 (32.6) million. This decline in comparison to the previous year was caused by negative currency effects in the amount of approximately EUR three million. The EBITDA margin fell to 9.4 (11.8) percent. The main reasons for the decrease in profitability were a lower gross profit margin and higher cost ratios. The gross profit margin was affected in all divisions mainly due to higher freight costs. In addition, a newly concluded framework contract with a larger customer of the Hubert group led to the decline of the gross profit margin. The cost ratios have mainly increased due to the weak organic sales growth.

Profit before tax *in EUR million*
First half-year TAKKT Group

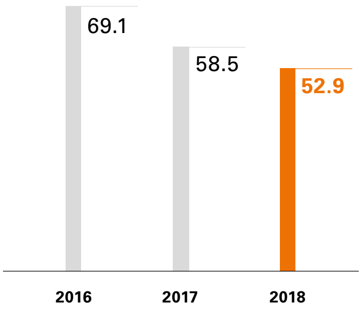


The depreciation and amortization of EUR 14.1 (13.9) million was at a similar level to the previous year. EBIT amounted to EUR 54.9 (68.1) million, and the EBIT margin came to 9.7 (12.1) percent. At minus EUR 2.9 (minus 4.4) million, the financial result was better than in the previous year due to, among other things, the replacement of a promissory note (Schuldschein) at a higher interest rate through more favorable loans in the meantime. Profit before tax reached EUR 52.0 (63.7) million. At 27.1 (33.6) percent, the tax ratio was significantly lower than in the previous year and benefited from the lowered US tax rates. The profit for the period came to EUR 37.9 (42.3) million, and the earnings per share to EUR 0.58 (0.64).

FINANCIAL POSITION

In the first half of 2018, the Group generated a TAKKT cash flow (defined as the profit for the period plus depreciation and amortization, impairment of non-current assets and deferred taxes affecting profit) of EUR 52.9 (58.5) million and a cash flow margin of 9.3 (10.4) percent. While the declining EBITDA had a negative impact on the TAKKT cash flow, the decline in earnings could be partially compensated through the improved financial result and lower current taxes also due to the lowered US tax ratio. The TAKKT cash flow per share was EUR 0.81 (0.89).

TAKKT cash flow *in EUR million*
First half-year TAKKT Group



The cash flow from operating activities decreased approximately EUR 20 million, from EUR 63.5 million to EUR 43.4 million. In addition to the lower TAKKT cash flow, a further reason for this was in particular the different dynamics in the second quarter in comparison to the previous year. This resulted in a negative effect of nearly EUR ten million in inventories and trade receivables.

At EUR 13.4 (13.3) million, investments in the first half of 2018 were of a similar scale as in the previous year. Important investments were made in the ERP systems of KAISER+KRAFT and Hubert, the renovation of the office spaces at the headquarters in Stuttgart and growth financing of investments of TBG. After deducting the investments in non-current assets as well as cash inflows from disposals, the remaining free TAKKT cash flow amounted to EUR 30.2 million (50.3) million.

The free TAKKT cash flow was offset in the first half of 2018 by the purchase price payment for the acquisition of OfficeFurnitureOnline (EUR 38.6 million) and Runelandhs (EUR 16.5 million), the settlement of purchase price liability outstanding for the acquisition of Post-Up Stand (EUR 2.4 million) and the payment of a dividend of EUR 36.1 million. In addition to currency effects, this resulted in a total increase in net financial liabilities to EUR 201.0 million, compared to EUR 135.2 million at the end of 2017.

More detailed information about the generation and use of cash flow can be found in the cash flow statement of this half-year financial report. As of mid-2018, the TAKKT Group had access to unused credit lines in the amount of EUR 132.9 (12/31/2017: 160.2) million.

ASSETS POSITION

The total assets of the TAKKT Group increased especially because of the acquisitions executed in the first half-year from EUR 928.5 million to EUR 1,018.3 million. Around EUR 73 million of that increase was attributable to the initial consolidation of OfficeFurnitureOnline and Runelandhs. Currency effect had a slightly positive effect on the asset side of approximately EUR ten million.

In non-current assets, the acquisitions had a positive impact of approximately EUR 60 million, of which approximately EUR 42 million contributed to the increase of goodwill and approximately EUR 15 million to that of the intangible assets identified as part of the purchase price allocation.

Acquisitions and currency effects influenced by approximately EUR four million each the increase of inventories to EUR 114.9 (102.1) million and of trade receivables to EUR 113.2 (102.9) million. The remaining increase was caused by the operating business in the first half-year.

The payment behavior of TAKKT's customers remained reliable as usual. The average accounts receivable term during the reporting period remained unchanged at 31 days (first half of 2017: 31) and the average write-off rate continued to remain under 0.2 percent.

The structure of assets did not change in the first half-year. Non-current assets comprise approximately 75 percent of total assets. Goodwill thereby stands for 55 percent of total assets.

As for equity and liabilities, shareholders' equity increased slightly because the profit for the period of EUR 37.9 million, together with the positive effect from changes in exchange rates in the amount of EUR 6.6 million and the remeasurement of pension provisions of EUR 1.1 million, was higher than the sum of the dividend payment in the amount of EUR 36.1 million. The equity ratio nevertheless decreased to 56.7 (61.2) percent because of the increased total assets.

The share of non-current liabilities declined from 24.0 to 17.3 percent, while the share of current liabilities increased significantly from 14.8 to 26.0 percent. This change resulted primarily from shifting the usage of long-term revolving credit lines by drawing on less expensive short-term credit lines.

RISK AND OPPORTUNITIES REPORT

The risks and opportunities for the TAKKT Group currently remain unchanged from those explained in the 2017 annual report from page 83 onwards. The Management Board does not believe that there are any substantial individual risks to the Group as a going concern, either now or in the forecast period.

The most significant risk for the TAKKT Group, which is also a noteworthy opportunity, continues to be the development of the economy. In the course of the first half of 2018, the risks for the economy have increased because of the growing intensification of the trade conflicts between the US and other countries. In addition, there is also the risk that sales and gross profit could be negatively affected by the entry of new aggressive web-focused providers and marketplace models. Another important risk is the effect of currency translation on sales and profit figures due to currency fluctuations, in particular with the US dollar, as well as risks in connection with the implementation of the digital agenda if goals of projects or measures are achieved late or if the results turn out to be unsatisfactory. Also significant, but with a possibility of occurrence, are risks resulting from the integration and continuation of an acquired company not progressing as positively as expected. Risks resulting from the failure or introduction of IT systems should also be classified as important, even though their probability of occurrence is very minimal.

As pointed out in the 2017 annual report, the opportunities for TAKKT occur as a result of improved economic conditions, the implementation of the digital agenda and new sales opportunities with online channels and e-procurement. Furthermore, the Group should continue to be able to benefit from further acquisitions or start-ups and an increasing diversification of the business model. Other opportunities relate to the sustainability initiative, further development of the IT applications, increased use of new technologies and good access to capital.

FORECAST REPORT

The TAKKT Group's business is particularly subject to the economic development and cycles of the core markets of the US and Europe. Several key economic indicators are crucial for forecasting the business development of the Group: In addition to the GDP growth forecasts in the target markets, the most notable ones include market and industry indexes such as the Purchasing Managers' Index (PMI) for the KAISER+KRAFT group and the Restaurant Performance Index (RPI) for the Hubert group and the Central group.

In early July, the International Monetary Fund (IMF) slightly lowered its economic expectations for Europe and now expects GDP growth for the Eurozone and for Germany of 2.2 percent. It continues to expect GDP growth of 2.9 percent for the US. At the same time, it points to the increased economic risks that have resulted from the intensifying customs conflicts between the US and various trade partners, such as China and the European Union. The PMI values for the Eurozone decreased constantly since the beginning of the year but continued to remain significantly above the threshold of 50. In the months of January to May 2018, the RPI was slightly above the level of 100, which indicates market growth. Overall, economic indicators remain favorable, even if risks have significantly increased.

The first half of 2018 also showed significant fluctuations in the exchange rate of the dollar. The spring of 2018 was marked by a strengthening of the euro and exchange rates of around 1.24 US dollar per euro. In May and June, the euro weakened, and by the end of the first half of the year the exchange rate stood at 1.16 US dollar. Assuming current exchange rates, currency effects from the US dollar should be lower in the second half of the year than in the first. In addition to currency effects, acquisitions will also impact reported sales in the second half of the year. Among the recently executed company acquisitions, OfficeFurnitureOnline and Runelandhs will continue to make additional contributions to sales from July to December.

For the second half of the year, TAKKT assumes a continuation of the improved growth from the second quarter and confirms the forecast of organic growth between two and four percent for 2018. At the same time, the TAKKT Management expects an increase in profitability for the second half of the year. In addition to growth that is expected to be stronger in comparison to the first half of the year, contributing factors will include measures for cost management and price adjustments as a result of the increased freight costs. The Group anticipates an EBITDA margin at the lower end of the corridor of the 13 to 14 percent projected at the beginning of the year. Considering the trade conflicts that are increasing worldwide, an EBITDA margin of slightly under 13.0 percent cannot be entirely excluded.

Depending on the sales and earnings development, ROCE and TAKKT value added will be lower than in the previous year. Expectations regarding further key performance indicators are unchanged compared to the original forecast.

SUBSEQUENT EVENTS

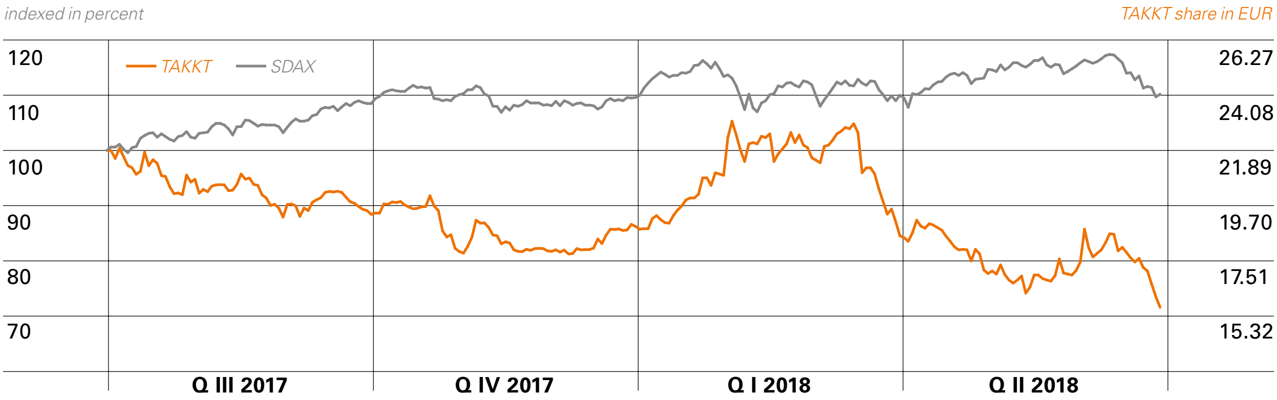
There were no significant events that had any meaningful impact on the assets position, financial position and earnings situation after the end of the reporting period.

TAKKT SHARE

TAKKT seeks to communicate regularly and transparently with institutional and private investors, financial analysts, potential investors and financial journalists. In the first half-year 2018, TAKKT participated in the capital market conferences of ODDO BHF in Lyon, of Kepler Cheuvreux and Unicredit in Frankfurt, and at the ESN European Conference in Paris, the Germany conference of the Bankhaus Lampe, the Lang & Schwarz Small Cap Conference in Düsseldorf and the Berenberg European Conference in Tarrytown, New York. In addition, the company held numerous discussions with investors at roadshows in London and Frankfurt and at the company headquarters in Stuttgart.

During the first six months of 2018, the mood in the markets was marked, among other things, by the trade conflict between the US and both China and Europe. At times, the expectation of higher base rates in the US also had negative effects on the share performance. The DAX and SDAX indexes developed differently in the first half of 2018. The DAX lost 4.7 percent through the end of June, while the SDAX was able to increase slightly by 0.5 percent. The TAKKT share price decreased by 17.0 percent in the reporting period and closed at EUR 15.66 (year-end 2017: EUR 18.87) in Xetra trading on June 29, 2018. Following a very positive share performance in the first months of the year, the restrained business development of the first quarter had a negative impact on the price performance. Including the dividends paid in May 2018 of 0.55 per share, the return on TAKKT shares for the first half of 2018 was minus 14.1 percent.

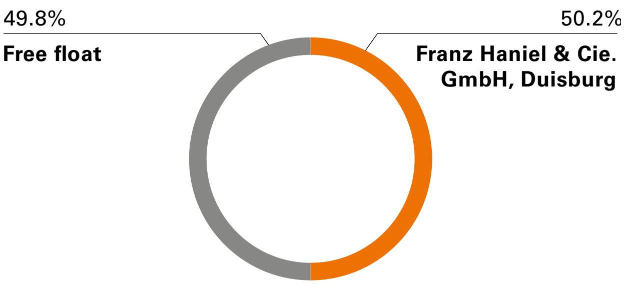
Performance of the TAKKT share *(52-week comparison, SDAX as benchmark)*

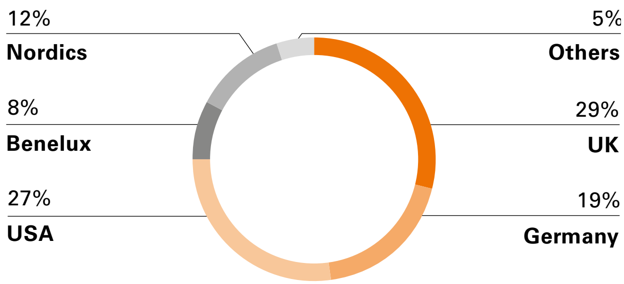


Franz Haniel & Cie GmbH continues to hold just over 50 percent of shares in TAKKT AG. The regional distribution of free-float shares of institutional investors remained stable in the reporting period.

The TAKKT share is currently being observed by ten analysts. In the first half of the year, the Bankhaus Metzler again initiated coverage. As of the printing deadline, four of these analysts recommended buying TAKKT shares and six recommended holding them. None recommended selling them.

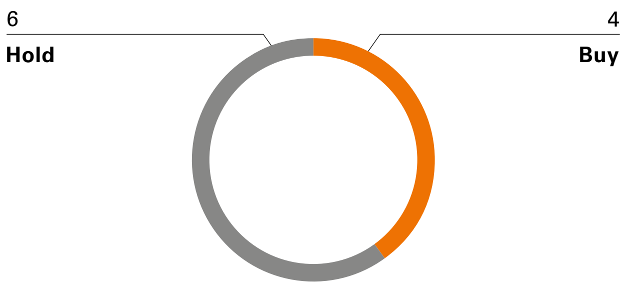
Shareholder structure and regional distribution of free-float shares of institutional investors as of June 30, 2018*





** For regional distribution approximation values, based on Bloomberg data*

Institution	Analyst
Bankhaus Lampe	Christoph Schlienkamp
Bankhaus Metzler	Tom Diedrich
Berenberg Bank	James Letten
Commerzbank	Sabrina Taneja
DZ Bank	Thomas Maul
Equinet	Christian Bruns
Hauck & Aufhäuser	Christian Salis
Kepler Cheuvreux	Craig Abbott
Landesbank Baden-Württemberg	Thomas Hofmann
M.M. Warburg	Thilo Kleibauer



SHAREHOLDERS' MEETING

At this year's Shareholders' Meeting in Ludwigsburg, the shareholders of TAKKT AG agreed on May 8, 2018 to the payment of a dividend in the unchanged volume of EUR 36.1 million overall. The payout ratio equaled 37.5 percent of the profit for the period and was within the target corridor of between 35 percent and 45 percent of the profit for the period. Adjusted for a non-cash one-time gain from the US tax reform, the payout ratio amounted to 46.3 percent.

In addition to the decision on profit appropriation, items on the agenda included the discharge of the Management Board and Supervisory Board and the selection of the auditor. The Shareholders' Meeting ratified all of the items on the agenda by a large majority. The detailed voting results from the Shareholders' Meeting 2018 can be viewed on the website of TAKKT AG in the Investor Relations section.

TAKKT will publish the figures for the first nine months on October 25, 2018.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated statement of income of the TAKKT Group *in EUR million*

	4/1/2018 – 6/30/2018	4/1/2017 – 6/30/2017	1/1/2018 – 6/30/2018	1/1/2017 – 6/30/2017
Sales	291.2	276.2	567.2	565.0
Changes in inventories of finished goods and work in progress	0.3	–0.3	0.2	–0.5
Own work capitalized	0.5	0.4	0.9	0.7
Gross performance	**292.0**	**276.3**	**568.3**	**565.2**
Cost of sales	–171.5	–158.8	–330.6	–321.6
Gross profit	**120.5**	**117.5**	**237.7**	**243.6**
Other operating income	1.2	2.0	2.2	3.8
Personnel expenses	–43.1	–41.8	–85.7	–84.4
Other operating expenses	–43.0	–40.6	–85.2	–81.0
EBITDA	**35.6**	**37.1**	**69.0**	**82.0**
Depreciation, amortization and impairment of property, plant and equipment and other intangible assets	–7.4	–6.9	–14.1	–13.9
Impairment of goodwill	0.0	0.0	0.0	0.0
EBIT	**28.2**	**30.2**	**54.9**	**68.1**
Income from associated companies	–0.2	–0.2	–0.4	–0.2
Finance expenses	–1.3	–2.3	–2.8	–4.3
Other finance result	0.2	0.0	0.3	0.1
Financial result	**–1.3**	**–2.5**	**–2.9**	**–4.4**
Profit before tax	**26.9**	**27.7**	**52.0**	**63.7**
Income tax expense	–7.3	–9.4	–14.1	–21.4
Profit	**19.6**	**18.3**	**37.9**	**42.3**
attributable to owners of TAKKT AG	19.6	18.3	37.9	42.3
attributable to non-controlling interests	0.0	0.0	0.0	0.0
Weighted average number of issued shares in million	65.6	65.6	65.6	65.6
Basic earnings per share (in EUR)	0.30	0.28	0.58	0.64
Diluted earnings per share (in EUR)	0.30	0.28	0.58	0.64

Consolidated statement of comprehensive income of the TAKKT Group *in EUR million*

	4/1/2018 – 6/30/2018	4/1/2017 – 6/30/2017	1/1/2018 – 6/30/2018	1/1/2017 – 6/30/2017
Profit	**19.6**	**18.3**	**37.9**	**42.3**
Actuarial gains and losses resulting from pension provisions recognized in equity	1.3	0.3	1.5	2.1
Deferred tax on actuarial gains and losses resulting from pension provisions	–0.4	0.0	–0.4	–0.6
Other comprehensive income after tax for items that will not be reclassified to profit and loss in future	**0.9**	**0.3**	**1.1**	**1.5**
Income and expenses from the subsequent measurement of cash flow hedges recognized in equity	–0.2	–0.1	0.2	–0.1
Income recognized in the income statement	0.0	0.2	–0.4	0.2
Deferred tax on subsequent measurement of cash flow hedges	0.1	0.0	0.1	0.0
Other comprehensive income after tax resulting from the subsequent measurement of cash flow hedges	**–0.1**	**0.1**	**–0.1**	**0.1**
Income and expenses from the adjustment of foreign currency reserves recognized in equity	12.5	–14.2	6.6	–17.4
Income recognized in the income statement	0.0	0.0	0.0	0.0
Other comprehensive income after tax resulting from the adjustment of foreign currency reserves	**12.5**	**–14.2**	**6.6**	**–17.4**
Other comprehensive income after tax for items that are reclassified to profit and loss	**12.4**	**–14.1**	**6.5**	**–17.3**
Other comprehensive income (Changes to other components of equity)	**13.3**	**–13.8**	**7.6**	**–15.8**
attributable to owners of TAKKT AG	13.3	–13.8	7.6	–15.8
attributable to non-controlling interests	0.0	0.0	0.0	0.0
Total comprehensive income	**32.9**	**4.5**	**45.5**	**26.5**
attributable to owners of TAKKT AG	32.9	4.5	45.5	26.5
attributable to non-controlling interests	0.0	0.0	0.0	0.0

Consolidated statement of financial position of the TAKKT Group *in EUR million*

Assets	**6/30/2018**	12/31/2017
Property, plant and equipment	103.9	100.9
Goodwill	562.7	513.9
Other intangible assets	81.3	69.2
Investment in associated companies	1.0	0.8
Other assets	7.7	5.5
Deferred tax	1.9	2.3
Non-current assets	**758.5**	**692.6**
Inventories	114.9	102.1
Trade receivables	113.2	102.9
Other receivables and assets	21.5	20.6
Income tax receivables	6.3	7.2
Cash and cash equivalents	3.9	3.1
Current assets	**259.8**	**235.9**
Total assets	**1,018.3**	**928.5**

Equity and liabilities	**6/30/2018**	12/31/2017
Share capital	65.6	65.6
Retained earnings	521.4	519.6
Other components of equity	–9.8	–17.4
Total equity	**577.2**	**567.8**
Financial liabilities	49.6	101.6
Other liabilities	0.7	0.6
Pension provisions and similar obligations	58.7	58.8
Other provisions	6.0	5.8
Deferred tax	61.0	56.1
Non-current liabilities	**176.0**	**222.9**
Financial liabilities	155.3	36.7
Trade payables	36.8	30.2
Other liabilities	55.2	47.4
Provisions	11.6	17.7
Income tax payables	6.2	5.8
Current liabilities	**265.1**	**137.8**
Total equity and liabilities	**1,018.3**	**928.5**

Consolidated statement of changes in total equity of the TAKKT Group *in EUR million*

	Share capital	Retained earnings	Other components of equity	**Total equity**
Balance at 1/1/2018	**65.6**	**519.6**	**–17.4**	**567.8**
Transactions with owners	0.0	–36.1	0.0	–36.1
thereof dividends paid	0.0	–36.1	0.0	–36.1
Total comprehensive income	0.0	37.9	7.6	45.5
thereof Profit	0.0	37.9	0.0	37.9
thereof Other comprehensive income (Changes to other components of equity)	0.0	0.0	7.6	7.6
Balance at 6/30/2018	**65.6**	**521.4**	**–9.8**	**577.2**

	Share capital	Retained earnings	Other components of equity	Total equity
Balance at 1/1/2017	**65.6**	**459.4**	**12.8**	**537.8**
Transactions with owners	0.0	–36.1	0.0	–36.1
thereof dividends paid	0.0	–36.1	0.0	–36.1
Total comprehensive income	0.0	42.3	–15.8	26.5
thereof Profit	0.0	42.3	0.0	42.3
thereof Other comprehensive income (Changes to other components of equity)	0.0	0.0	–15.8	–15.8
Balance at 6/30/2017	**65.6**	**465.6**	**–3.0**	**528.2**

Consolidated statement of cash flows of the TAKKT Group *in EUR million*

	1/1/2018 – 6/30/2018	1/1/2017 – 6/30/2017
Profit	37.9	42.3
Depreciation, amortization and impairment of non-current assets	14.1	13.9
Deferred tax expense	0.9	2.3
TAKKT cash flow	**52.9**	**58.5**
Other non-cash expenses and income	2.5	2.1
Profit and loss on disposal of non-current assets and consolidated companies	0.0	–0.1
Change in inventories	–8.8	–1.2
Change in trade receivables	–7.1	–5.1
Change in other assets not included in investing and financing activities	1.3	8.7
Change in short- and long-term provisions	–3.0	–6.0
Change in trade payables	0.7	–0.6
Change in other liabilities not included in investing and financing activities	4.9	7.2
Cash flow from operating activities	**43.4**	**63.5**
Proceeds from disposal of non-current assets	0.2	0.1
Capital expenditure on non-current assets	–13.4	–13.3
Proceeds from the disposal of consolidated companies (less cash and cash equivalents sold)	0.0	0.0
Cash outflows for the acquisition of consolidated companies (less acquired cash and cash equivalents)	–57.5	–4.0
Cash flow from investing activities	**–70.7**	**–17.2**
Proceeds from Financial liabilities	117.1	61.2
Repayments of Financial liabilities	–52.8	–70.0
Payments to owners of TAKKT AG (dividends)	–36.1	–36.1
Cash flow from financing activities	**28.2**	**–44.9**
Cash and cash equivalents at 1/1	3.1	2.3
Increase/decrease in Cash and cash equivalents	0.9	1.4
Non-cash increase / decrease in Cash and cash equivalents	**–0.1**	**–0.1**
Cash and cash equivalents at 6/30	**3.9**	**3.6**

EXPLANATORY NOTES

Reporting principles
The condensed interim consolidated financial statements of TAKKT Group as of June 30, 2018 were prepared in accordance with section 115 of the German Securities Trading Act (WpHG) as well as IAS 34 "Interim Financial Reporting" and German Accounting Standard DRS 16 "Interim Financial Reporting". All International Financial Reporting Standards (IFRS) and related interpretations of the IFRS Interpretations Committee (IFRS IC) adopted by the European Union (EU) were considered. The interim financial statements and management report have not been audited in accordance with section 317 of the German Commercial Code (HGB) nor been subject to an audit review.

Accounting and valuation principles
With the exception of the changes described below, the same accounting and valuation principles have been applied as for the consolidated financial statements for the 2017 financial year. The interim financial statements should be read in conjunction with the 2017 annual report, page 115 et seqq.

IFRS 9 Financial Instruments
In July 2014, the IASB published the final version of IFRS 9 Financial instruments. IFRS 9 replaces the previous standard IAS 39 Financial Instruments: Recognition and Measurement as well as all previously published versions of IFRS 9. IFRS 9 includes new requirements for hedge accounting, classification and measurement, and the impairment of financial instruments. The standard is applied from January 01, 2018. TAKKT did not adjust the previous year's figures in accordance with the transition requirements. The first-time application of IFRS 9 did not have a material impact on the net assets, financial position and results of operations. Fist-time adoption entails extended disclosures in the notes.

IFRS 15 Revenue from Contracts with Customers
In May 2014, the IASB published the new standard IFRS 15 Revenue from Contracts with Customers. IFRS 15 completely supersedes the previous requirements for revenue recognition, consisting of the standards IAS 18 Revenue and IAS 11 Construction Contracts as well as various standard interpretations. Based on a five-step model, IFRS 15 includes detailed guidelines on the timing and amount of the revenue recognition. The standard is applied from January 01, 2018. TAKKT did not adjust the previous year's figures in accordance with the transition requirements. First-time adoption did not lead to any impact on timing and amount of the revenue recognition. Previously, the right to return was considered within the statement of financial position and the statement of income by recognizing the provision for customer credit notes on a net basis with offsetting expected amounts for the credit notes to be issued with the expected value of the returned goods. Now, these two components are recognized on a gross basis. This change resulted in a one-off effect of EUR 0.9 million on total assets and liabilities and a marginal effect on sales and cost of sales. Fist-time adoption entails extended disclosures in the notes.

None of the new or amended IFRS that have to be applied for the first time in the current financial year have any material impact on net assets, financial position and results of operations of the Group or the presentation of the interim financial statements.

Scope of consolidation
Compared to the scope of consolidation at December 31, 2017, the consolidated group has changed as follows: within the TAKKT EUROPE division Equip4Work Ltd., Dumfries/Great Britain, and Runelandhs Försäljnings AB, Kalmar/Sweden, have been acquired. Furthermore, newport.takkt GmbH, Stuttgart/Germany, was founded. The dormant companies Shelving 247 Ltd., Gloucester/Great Britain, Racking.com (UK) Ltd., Gloucester/Great Britain, und Speedyshelving Ltd., Gloucester/Great Britain were shut down. There was no change in the TAKKT AMERICA division.

Acquisition of Equip4Work Ltd.
TAKKT AG has acquired one hundred percent of the shares of Equip4Work Ltd., Dumfries/Great Britain. Signing and closing of the transaction took place on January 29, 2018. The company generated sales of roughly GBP 40 million and an EBITDA margin in the low double-digit percentage range in 2017. It is part of the newport group within the TAKKT EUROPE segment.

A purchase price including cash of GBP 40 million was agreed on. It was paid in cash at the execution of the transaction. In addition to that, a further contingent and variable purchase price component of up to GBP ten million was agreed. This contingent consideration depends on the achievement of certain performance goals for the company over the next three years, and would be payable in 2021 in cash. No contingent consideration was recognized.

The following fair values of the assets and liabilities were recognized as first-time consolidation amounts of the company acquired in the first quarter of 2018:

	Fair value at acquisition date (in EUR million)
Assets	**23.4**
Other intangible assets	11.5
Property, plant and equipment	1.4
Inventories	1.7
Trade receivables	1.8
Other assets	0.2
Cash and cash equivalents	6.8
Liabilities	**8.3**
Trade payables	4.4
Other liabilities	3.9
Net assets acquired	**15.1**

The intangible assets identified as part of the purchase price allocation with a total value of EUR 11.3 million and their expected useful lives are listed in the following table:

	Fair value at acquisition date (in EUR million)	Useful life (in years)
Domain names	8.5	10
Customer relationships	1.1	5
Website	0.7	3
Online content	1.0	3
	11.3	

No contingent liabilities were recognized. The remaining excess of the consideration made for the company amounting to EUR 44.9 million over the fair values of the acquired assets and liabilities that can be individually identified and measured is recognized as goodwill amounting to EUR 29.8 million. The goodwill as well as the identified intangible assets are not tax deductible.

At the time of acquisition the fair value of the receivables acquired is EUR 2.0 million. Mainly trade receivables are included, with a net value of EUR 1.8 million, including an allowance amounting to EUR 0.1 million.

Following the transfer of control in the end of January 2018, Equip4Work contributed sales of EUR 21.9 million and a profit of EUR 0.9 million to the consolidated income statement. If the transaction had already been completed by January 01, 2018, the consolidated sales in the first half-year 2018 would have been higher by EUR 26.4 million and profit by EUR 1.1 million.

Incidental acquisition costs of EUR 0.6 million incurred as a result of the transaction were recognized under Other operating expenses and resulted in a lower profit. The former executives will continue to manage the business of Equip4Work after completion of the transaction.

Acquisition of Runelandhs Försäljnings AB
The TAKKT Group company Gerdmans Inredningar AB has acquired one hundred percent of the shares of Runelandhs Försäljnings AB. The transaction took place on May 31, 2018. Runelandhs is expected to generate sales of over SEK 145 million and an EBITDA margin at the lower end of the TAKKT target corridor of 12 to 15 percent in the 2017/2018 financial year, which will close at the end of July. The company will be a part of the KAISER+KRAFT group within the TAKKT EUROPE segment.

The purchase price, free of financial debt and cash, amounts to SEK 174 million and was paid in cash at the execution of the transaction.

Owing to the proximity of the acquisition to the date of the Consolidated Financial Statements, the purchase price allocation is not finalized and therefore, the reported figures are provisional values. The following preliminary fair values of the assets and liabilities were recognized as first-time consolidation amounts of the company acquired in the second quarter of 2018:

	Fair value at acquisition date (in EUR million)
Assets	**7.6**
Other intangible assets	3.6
Property, plant and equipment	1.4
Inventories	0.1
Trade receivables	1.6
Other assets	0.2
Cash and cash equivalents	0.7
Liabilities	**2.6**
Trade payables	1.2
Other liabilities	1.4
Net assets acquired	**5.0**

The intangible assets identified as part of the preliminary purchase price allocation with a total value of EUR 3.5 million and their expected useful lives are listed in the following table:

	Fair value at acquisition date (in EUR million)	Useful life (in years)
Trademark	1.1	5
Customer relationships	2.1	5
Website	0.2	3
Catalog/Online content	0.1	1
	3.5	

No contingent liabilities were recognized up to now. The remaining excess of the consideration made for the company amounting to EUR 17.4 million over the provisional fair values of the acquired assets and liabilities that can be individually identified and measured is recognized as goodwill amounting to EUR 12.4 million. The goodwill as well as the identified intangible assets are not tax deductible.

At the time of acquisition the fair value of the receivables acquired is EUR 1.8 million. Mainly trade receivables are included, with a gross and net value of EUR 1.6 million.

Following the transfer of control in May 2018, Runelandhs contributed sales of EUR 1.1 million and a profit of EUR 0.0 million to the consolidated income statement. If the transaction had already been completed by January 01, 2018, the consolidated sales in the first half-year 2018 would have been higher by EUR 7.3 million and profit by EUR 0.0 million.

Incidental acquisition costs of EUR 0.1 million incurred as a result of the transaction were recognized under Other operating expenses and resulted in a lower profit.

Segment reporting by division of the TAKKT Group *in EUR million*

1/1/2018 – 6/30/2018	TAKKT EUROPE	TAKKT AMERICA	**Segments total**	Others	Consolidation	**Group total**
Sales to third parties	319.3	247.9	567.2	0.0	0.0	567.2
Inter-segment sales	0.2	0.0	0.2	0.0	–0.2	0.0
Segment sales	319.5	247.9	567.4	0.0	–0.2	567.2
EBITDA	53.3	23.4	76.7	–7.7	0.0	69.0
EBIT	43.2	19.5	62.7	–7.8	0.0	54.9
Profit before tax	41.5	18.2	59.7	–7.7	0.0	52.0
Profit	30.2	13.2	43.4	–5.5	0.0	37.9
Average no. of employees (full-time equivalent)	1,453	989	2,442	42	0	2,484
Employees at the closing date (full-time equivalent)	1,484	1,000	2,484	43	0	2,527

1/1/2017 – 6/30/2017	TAKKT EUROPE	TAKKT AMERICA	Segments total	Others	Consolidation	Group total
Sales to third parties	289.4	275.6	565.0	0.0	0.0	565.0
Inter-segment sales	0.2	0.0	0.2	0.0	–0.2	0.0
Segment sales	289.6	275.6	565.2	0.0	–0.2	565.0
EBITDA	55.3	32.6	87.9	–5.9	0.0	82.0
EBIT	45.6	28.5	74.1	–6.0	0.0	68.1
Profit before tax	43.9	26.3	70.2	–6.5	0.0	63.7
Profit	31.8	15.8	47.6	–5.3	0.0	42.3
Average no. of employees (full-time equivalent)	1,331	984	2,315	39	0	2,354
Employees at the closing date (full-time equivalent)	1,349	989	2,338	41	0	2,379

Sales *in EUR million*
In the following table, revenue from contracts with customers is further broken down:

	1/1/2018 – 6/30/2018	1/1/2017 – 6/30/2017
Germany	135.0	128.0
Europe without Germany - EU	148.0	124.9
Europe without Germany - Non-EU	39.6	41.1
USA	240.6	266.7
Canada	4.0	4.3
Sales by Region	**567.2**	**565.0**

For a detailed breakdown of sales by segments, please refer to the segment reporting. Sales in the regions Germany and Europe without Germany - EU and Non-EU - mainly relate to the segment TAKKT EUROPE. Sales in the region USA and Canada are entirely attributable to the segment TAKKT AMERICA.

Financial instruments – Fair value measurement
For a detailed overview of financial risks and their management along with the financial instruments held by TAKKT, please refer to the consolidated financial statements 2017. This section provides information about the fair value of financial instruments, the respective input factors and valuation methods. It also explains the classification of financial instruments into the levels within the fair value hierarchy of IFRS 13.

The input factors used for the valuation techniques to measure fair value are divided into the following levels:

Level 1: Quoted prices in active markets accessible to the company for the identical asset or liability.
Level 2: Input factors other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Input factors for the asset or liability that are unobservable.

Financial instruments at TAKKT recognized at fair value relate to investments, derivative financial instruments and contingent considerations. They are subject to a recurring fair value measurement. Derivative financial instruments are included in current Other receivables and assets as well as in current Other liabilities and relate to level 2. The investments as well as the contingent considerations are included in current and non-current Other liabilities and relate to level 3.

When level 2 and 3 assets and liabilities are measured at fair value on a recurring basis, the discounted cash flow method is used. This means that the future cash flows which the financial instruments are expected to generate are discounted using maturity-matched market interest rates. The creditworthiness of the respective debtor is taken into account by considering risk premiums depending on rating and term in the discount factors. The risk premiums are determined using prices for fixed-income securities observable on markets.

Should it prove necessary to reclassify assets and liabilities carried at fair value on a recurring basis into a different level – for example because an asset is no longer traded on an active market or is being traded for the first time – they are reclassified at the end of the reporting period. There were no reclassifications necessary during the reporting period.

On the reporting date, the fair value of derivative financial instruments listed under current Other receivables and assets stood at EUR 0.6 million (EUR 0.6 million as of December 31, 2017) and the fair value of derivative financial instruments within current Other liabilities totaled EUR 0.2 million (EUR 0.1 million as of December 31, 2017).

For reconciliation details to the fair value of contingent considerations please refer to the section Changes in contingent considerations. The contingent considerations´ fair value is calculated by risk-adjusted discounting the most likely value for the amount to be paid.

The book values of all financial instruments not carried at fair value in the balance sheet represent appropriate approximate values for the fair values as of the closing date of the reporting period. Significant deviations between book values and fair values could arise with regard to the liabilities under finance lease contracts and other non-current financial liabilities.

The following information is disclosed for these financial liabilities as of June 30, 2018:

Financial liabilities by book value and fair value *in EUR million*

	Book Value 6/30/2018	**Fair Value 6/30/2018**	Book Value 12/31/2017	Fair Value 12/31/2017
Finance leases	27.7	34.5	28.8	36.5
Other non-current liabilities	6.3	8.2	4.6	6.2
	34.0	**42.7**	**33.4**	**42.7**

In these cases, fair value is determined using the same method assigned to level 2 as for assets and liabilities that are measured at fair value on a recurring basis applying the discounted cashflow-method.

Changes in contingent considerations *in EUR million*

The contingent considerations agreed in connection with company acquisitions changed as follows during the reporting period:

	2018	2017
Balance at 1/1	**0.0**	**3.4**
Additions	0.0	0.0
Disposals	0.0	−3.5
Currency translation	0.0	−0.2
Accrued interest	0.0	0.5
Revaluation	0.0	−0.2
Balance at 6/30 / 12/31	**0.0**	**0.0**

Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit by the weighted average number of shares issued. So-called potential shares (mainly stock options and convertible bonds), which could dilute the earnings per share, were not issued. The diluted and undiluted earnings per share are therefore identical.

Related party disclosures

Related parties in the sense of IAS 24 include the Management and Supervisory Boards of TAKKT AG (including any and all persons related to these Boards), TAKKT Group's associated companies and the majority shareholder Franz Haniel & Cie. GmbH, Duisburg / Germany (including its subsidiaries, associated companies, Management and Supervisory Board members). Related-party transactions mainly relate to the cash management system, ongoing delivery and settlement transactions and service contracts. By participating in Haniel Group's cash management system, TAKKT Group benefits from potential economies of scale. All transactions with related parties are contractually agreed and performed on terms that are customary for transactions with third parties.

Events after the reporting period

There were no significant events which had any meaningful impact on the net assets, financial position and results of operations after the reporting date.

Other disclosures

As at the last balance sheet date there were no material contingent liabilities and receivables. There were no other unusual business transactions within the meaning of IAS 34.16A(c) or other issues relevant for disclosure.

Responsibility statement by the Management Board

To the best of our knowledge and in accordance with the applicable accounting principles for interim financial reporting, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The interim management report of the Group includes a fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining financial year.

Stuttgart, July 26, 2018

TAKKT AG
Management Board

Dr Felix A. Zimmermann   Dr Heiko Hegwein   Dirk Lessing   Dr Claude Tomaszewsk

ADDITIONAL INFORMATION

Address and contact

TAKKT AG
Presselstraße 12
70191 Stuttgart
Germany

Investor Relations
phone +49 711 3465-8222
fax +49 711 3465-8104
investor@takkt.de
www.takkt.de