ACATIS GANÉ Value Event Fonds UI (WKN A0X754)

Investment Report September 2016 **Aschaffenburg, 5th October 2016**

We invest in winners. That means we invest in strong companies that create value for their shareholders with sustainable business models, solid balance sheets and high margins. We keep the risks low and invest when our position is fuelled by a positive event. We refer to that as the combination of value and event.

TAKKT AG

In May 2012, we introduced the market leader in specialised B2B mail orders for business equipment in our investment report. Since then, the Stuttgart-based company was able to successfully further develop its portfolio consisting of multi-channel and web-focused brands. Today, TAKKT generates annual sales of EUR 1.1 billion with 16 brands, 300,000 products and three million customers in 25 countries. While TAKKT Europe consists of the two segments Business Equipment (operations, storage, office) and Packaging Solutions (packaging), TAKKT America is comprised of the segments Specialties (food service, sales promotion) and Office Equipment.

TAKKT is characterised by a high degree of customer focus, customised solutions and a first-class product offering. With regard to the greatly fragmented supplier basis, its attractive feature is the access to considerable sales potential and the ability to bypass the sort of difficulties that result from different currencies, languages and legal environments. The business model is protected with barriers to market entry. A new competitor would have to make considerable investments in marketing, IT and logistics, put up with multi-year start-up losses and build up a large customer base and corresponding repeat rate before being able to realise the typical industry margins. At the same time, the trend towards digitisation along the value chain also strengthens existing business relationships, for example through eProcurement systems.

TAKKT generates a considerable return on equity of almost 20%. Between 2000 and 2015, the company generated 11.5 euros per share (after taxes). Of this amount, TAKKT distributed 5.5 euros and retained 6.0 euros. Earnings per share grew by 0.8 euros (7% p.a.) to 1.2 euros during the same time period. This means that retained earnings in 2015 generated an internal yield of 13%.

Sales are supposed to grow by 10% p.a. on average over the coming years, with one half through acquisitions and the other half through organic growth. Financing is provided from a stable gross profit margin of 40% and a free cash flow margin of 8%. It guarantees that acquisition-related liabilities are repaid promptly. TAKKT wants to become more independent of economic cycles, expand the strategic portion of the service sector and increase the focus of the group's resources on developing the group into an integrated multi-channel group with extensive eCommerce competence. As a consequence, TAKKT sold the not very profitable third America segment (Plant Equipment) and subsequently acquired four established brands with GPA (display articles), Ratioform (packaging), Post-up Stand (advertising materials) and BiGDUG (business equipment). Additional acquisitions are likely. We would like to continue to support the company on this course.

Sincerely yours

J. Henrik Muhle Dr. Uwe Rathausky