Q1 2017 Results:
Good start to the year
Organic growth at 2.8%
Adjusted EBITDA up 14.6%

Highlights **Paris, April 25, 2017**

- **Net sales up 6.1% year-on-year at €612m, including organic growth of 2.8%(1)**
- **Robust organic growth in EMEA (up 7.0%)(1) and a good start to the year for the CIS, APAC and Latin America segment (up 2.0%)(1)**
- **Adjusted EBITDA(2) up 14.6% at €52m versus €45m in Q1 2016**
- **Adjusted EBITDA margin up 62 bps to 8.4% (versus 7.8% in Q1 2016)**

Net sales at constant scope of consolidation and exchange rates advanced **2.8%** in Q1 2017. The EMEA segment delivered an excellent performance in the quarter (up 7.0%), while the Sports segment continued to enjoy good momentum (up 3.6%). The CIS, APAC and Latin America segment started the year well, posting 2.0% organic growth. In North America, like-for-like(1) sales were down 2.1%, penalized by a high comparison basis.

Reported sales were up **6.1%** on Q1 2016. Exchange rates accounted for 3.3% sales growth, as the positive impact of a stronger ruble (partly countered by a selective promotions strategy) and gains in the US dollar against the euro more than offset weakness in pound sterling. The February 2017 acquisition of AlternaScapes had a negligible scope impact.

Adjusted EBITDA was **14.6%** higher at **€52m** versus €45m in Q1 2016. The **adjusted EBITDA margin gained 62 bps year-on-year at 8.4%**. The CIS, APAC and Latin America segment posted strong adjusted EBITDA growth. For the Group as a whole, the continuous improvement measures helped unlock further productivity gains of €8m. As expected however, raw material prices had a €2m negative impact on adjusted EBITDA.

Commenting on these results, **Michel Giannuzzi, CEO,** said:

"We have made a good start to the year. The performance of our EMEA segment confirms our solid positions in several countries. I am pleased to note the steadily improving situation in CIS countries. Only North America was down, affected by tough prior-year comparatives. Despite the rise in raw material prices, margin growth shows the strength of our productivity efforts under our World Class Manufacturing Program."

(1) Organic growth: at constant scope of consolidation and exchange rates (note that in the CIS segment, price increases implemented to offset currency fluctuations are not included in organic growth, which only reflects changes in volumes and the product mix). See the definition of alternative performance indicators at the end of this press release.
(2) Adjusted EBITDA: adjustments include expenses relating to restructuring, acquisitions and certain other non-recurring items. See the definition of alternative performance indicators at the end of this press release.

Net sales by segment

€ million	Q1 2017	Q1 2016	% Change	o/w organic growth[1]
EMEA	243.4	232.4	+4.7%	+7.0%
North America	190.3	187.2	+1.6%	-2.1%
CIS, APAC & Latin America	121.3	103.5	+17.2%	+2.0%
Sports	56.7	53.2	+6.6%	+3.6%
Total Group	**611.7**	**576.3**	**+6.1%**	**+2.8%**

Adjusted EBITDA[2]

€ million	Q1 2017	Q1 2016	Change
Adjusted EBITDA *% of net sales*	51.5 *8.4%*	45.0 *7.8%*	+14.6% *+62 bps*

Comments by reporting segment

Europe, Middle East and Africa (EMEA)

EMEA delivered bullish **7.0% organic growth** in Q1 2017. Nordic countries posted vigorous growth and Germany remained upbeat. France confirmed the recovery begun in Q4 2016. The UK performed well after a slowdown in H2 2016. Southern Europe (Italy, Spain and Portugal) also delivered good growth over the quarter. Only the Middle East saw sales decline on the back of continuing macro-economic difficulties in the region.

Luxury vinyl tiles (LVT) continued to report robust trading in both the residential and commercial sectors.

Sales advanced **4.7%** on a **reported basis,** hit by unfavorable exchange rate fluctuations (mainly pound sterling).

North America

In North America, Q1 2017 like-for-like[1] **sales** were **down 2.1%**, as the strong performance in the comparative Q1 2016 period (11.4% organic growth) weighed on the segment's results. Q1 2016 had been boosted by a number of large-scale projects and by the impact of stockbuilding by a new customer among other factors.

The luxury vinyl tiles (LVT) business reported vigorous growth and Tarkett continues to invest in this category to maintain its development going forward.

Reported sales moved up **1.6%**, spurred by gains in the US dollar against the euro.

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(2) Adjusted EBITDA: adjustments include expenses relating to restructuring, acquisitions and certain other non-recurring items. See the definition of alternative performance indicators at the end of this press release.

CIS, APAC and Latin America

Sales at constant scope of consolidation and exchange rates climbed **2.0%** in Q1 2017 (excluding price increases in the CIS countries). The Q1 performance is in line with the trends observed at the end of 2016 and reflects the ongoing improvement in CIS countries. As in December 2016, a selective promotions strategy was put in place in the first quarter. Q1 2017 also confirmed the improvement in the product mix first seen in H2 2016.
Sales in the **Asia-Pacific** region further advanced in Q1 2017. The economic slowdown in Brazil continued to affect **Latin America** however, which reported a fall in quarterly sales at constant scope of consolidation and exchange rates.

Sports

Sports posted good **3.6% organic growth** for Q1 2017, with strong development in athletic tracks. Given the seasonality of this segment, the activity of the first quarter is structurally at a low level. Several high-profile projects were awarded in the first three months of the year, including the artificial turf pitch at the Mercedes-Benz Stadium in Atlanta, Georgia (US), set to host matches of NFL team the "Falcons".

Private placement (Schuldschein)

The average maturity of the Group's credit lines was optimized following the issuance of a €300m private placement in April 2017 (tranches with maturities of 5 and 7 years). This transaction enabled Tarkett to benefit from current attractive market conditions and confirms investors' confidence in the Group's credit quality as the placement was largely oversubscribed.

Outlook

Market trends in EMEA and North America and in the Sports segments should remain favorable throughout the rest of 2017. However, Tarkett will face a high basis for comparison in H1, with these segments having reported very strong organic growth in H1 2016. Political uncertainty should also weigh on business in these regions.

The CIS region should stabilize or recover slightly in 2017.

At this stage and based on current prices, the rise in raw material costs is expected to have a negative impact on adjusted EBITDA of between €10m to 20m over the year. This will be offset by the Group's productivity efforts.

Given its very strong balance sheet, Tarkett is actively seeking out opportunities for acquisitions that create value for its customers and its shareholders.

In light of this Q1 performance, the Group is confident looking ahead to the rest of the year.

The conference for analysts will be held at 11:00am CET on Wednesday April 26 and an audio webcast (live and replay, in English) will also be available on www.tarkett.com.

Financial calendar - *publications will be released after close of trading on the Paris market*

- April 27, 2017: Annual General Meeting
- July 26, 2017: H1 financial results – *press release after close of trading on the Paris market and presentation in person the following morning*
- October 24, 2017: Q3 financial results – *press release after close of trading on the Paris market and conference call the following morning*

About Tarkett

With net sales of more than €2.7bn in 2016, Tarkett is a worldwide leader of innovative flooring and sports surface solutions. Offering a wide range of products including vinyl, linoleum, rubber, carpet, wood and laminate flooring, artificial turf and athletics tracks, the Group serves customers in over 100 countries across the globe. With 12,500 employees and 34 industrial sites, Tarkett sells 1.3 million square meters of flooring every day, for hospitals, schools, housing, hotels, offices, stores and sports fields. Committed to sustainable development, the Group has implemented an eco-innovation strategy and promotes a circular economy. Tarkett is listed on Euronext Paris (compartment A, ISIN: FR0004188670, ticker TKTT) as well as on the SBF 120 and CAC Mid 60 indexes. www.tarkett.com

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Definition of alternative performance indicators
(not defined by IFRS)

The Tarkett Group uses the following non-IFRS financial indicators:

- Organic growth
- Adjusted EBITDA

These indicators are calculated as described below.

- **Organic growth:**
  - Organic growth measures the change in net sales as compared with the same period in the previous year, at constant scope of consolidation and exchange rates.
  - The exchange rate effect is calculated by applying the previous year's exchange rates to sales for the current year and calculating the difference as compared with sales for the current year. It also includes the impact of price adjustments in CIS countries intended to offset movements in local currencies against the euro.
  - The scope effect reflects:
    - current-year sales for entities not included in the scope of consolidation in the same period in the previous year, up to the anniversary date of their consolidation;
    - the reduction in sales relating to discontinued operations that are not included in the scope of consolidation for the current year but were included in sales for the same period in the previous year, up to the anniversary date of their disposal.

  - Year-on-year net sales trends can be analyzed as follows:

€ million	**Q1 2017**	**Q1 2016**	% change	*o/w exchange rate effect*	*o/w scope effect*	*o/w organic growth*
Total Group	611.7	576.3	+6.1%	*+3.3%*	*0.0%*	*+2.8%*

- **Adjusted EBITDA**:
  - Adjusted EBITDA is calculated by deducting the following income and expenses from operating income before depreciation and amortization:
    - restructuring costs intended to increase the Group's future profitability;
    - capital gains and losses recognized on significant asset disposals;
    - provisions and provision reversals for loss in value;
    - costs arising on corporate and legal restructuring;
    - share-based payment expenses;
    - other one-off items considered non-recurring owing to their nature.