

Update on Q4 trading in North America 2019 outlook revised

Paris, December 5, 2019.

Tarkett announced upon release of its third quarter results that the implementation in October of the Group's ERP system (SAP) in commercial carpet in North America would negatively affect revenues in the region in Q4 2019.

The production ramp-up after implementing SAP took longer than Tarkett has previously experienced with similar projects in North America. Although the situation has improved regularly throughout the month of November, this will have a more negative impact on Q4 sales in the region than anticipated. Besides, Lexmark sales are down compared to last year as announced previously. In North America, Tarkett therefore expects sales on a like-for-like basis down around 25% and a significant decrease in adjusted EBITDA in Q4 2019 compared to last year.

As a result, Tarkett anticipates in 2019 an Adjusted EBITDA before IFRS 16 application slightly below the 2018 level, resulting in a margin lower than last year's level (versus previous expectation of "an adjusted EBITDA slightly up compared to 2018, with a margin globally in line with last year's level"; 2018 adjusted EBITDA: €249 million / 8.8% of net revenues). Tarkett maintains its objective of net debt to adjusted EBITDA ratio of around 2.5x at end December 2019 (before IFRS 16 application).

Production of commercial carpet in North America is now back to normal. The Group estimates that sales will progressively improve over the coming months supported by Tarkett's sales action plan for the region. This plan, presented upon the release of Q3 earnings, aims at regaining top line momentum and includes the shift to single branding and the introduction of new products. The Group has also launched several actions to improve the cost structure in North America, which are progressing on schedule. The division will therefore benefit from the industrial footprint reorganization and an ongoing SG&A cost savings program in 2020.

Other divisions are performing in line with management's expectations. The implementation of Change to Win strategic plan is progressing well. The key top line initiatives have been successfully rolled out in 2019. The cost savings program is on track and will generate this year the targeted annualized savings of €30 million in 2019.

An analysts' conference call will be held on December 5, 2019 at 6:30pm CET and an audio webcast service (live and replay) will be available on <https://edge.media-server.com/mmc/p/kdoxewry>

*To connect to the live audio conference call: **Code : 1879765***

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Financial calendar

- February 13, 2020: Full Year 2019 financial results – *press release after close of trading on the Paris market and conference held the following meeting*
- April 28, 2020: Q1 2020 financial results - *press release after close of trading on the Paris market and conference call the following morning*

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Forward Looking Statements

This press release may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report registered in France with the French Autorité des Marchés financiers available on its website (www.tarkett.com). These statements do not reflect the future performance of the Company, which may differ significantly. The Company does not undertake to provide updates of these statements.

About Tarkett

With a history of 135 years, Tarkett is a worldwide leader in innovative flooring and sports surface solutions, with net sales of more than €2.8 billion in 2018. Offering a wide range of products including vinyl, linoleum, rubber, carpet, wood, laminate, artificial turf and athletics tracks, the Group serves customers in over 100 countries across the globe. Tarkett has 13,000 employees and 34 industrial sites, and sells 1.3 million square meters of flooring every day, for hospitals, schools, housing, hotels, offices, stores and sports fields. Committed to change the game with circular economy, the Group has implemented an eco-innovation strategy based on Cradle to Cradle® principles, with the ultimate goal of contributing to people's health and wellbeing, and preserving natural capital. Tarkett is listed on Euronext Paris (compartment A, ISIN: FR0004188670, ticker: TKTT) and is included in the following indices: SBF 120 and CAC Mid 60.

Further information about Tarkett is available from its website www.tarkett.com.