



2016
FINANCIAL
RESULTS

February 10, 2017



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AGENDA

- > 2016 Key Highlights
- > 2016 Activity
- > Key Initiatives
- > Conclusion
- > Appendices



2016 KEY HIGHLIGHTS

Michel Giannuzzi

CEO

Strong FY 2016 Results

- > Net sales of €2,739m, up 0.9% vs. 2015 and organic growth of 1.7%⁽¹⁾
- > Positive organic growth in all segments in Q4 2016
- > 17% increase in adjusted EBITDA⁽²⁾ at €334m
- > Adjusted EBITDA⁽²⁾ margin of 12.2% vs. 10.5% in 2015
- > Net profit⁽³⁾ up 42% vs. 2015, to €119m
- > Strong cash flow generation: net debt/adjusted EBITDA of 1.1x vs. 1.7x at December 31, 2015
- > A dividend of €0.60 per share will be proposed at the AGM, vs. €0.52 last year

(1) Organic growth: At constant scope of consolidation and exchange rates (Note: in the CIS, price increases implemented in order to offset currency fluctuations are not included in organic growth. As a result, organic growth reflects only changes in volumes and the product mix. Including price increases in the CIS, organic growth would total +2.9%).

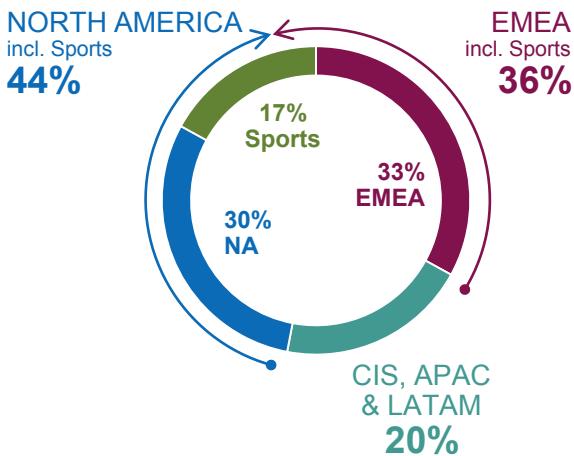
(2) Adjusted EBITDA: adjustments include expenses related to restructurings, acquisitions, and certain other non-recurring items.

(3) Net profit attributable to owners of the Company.

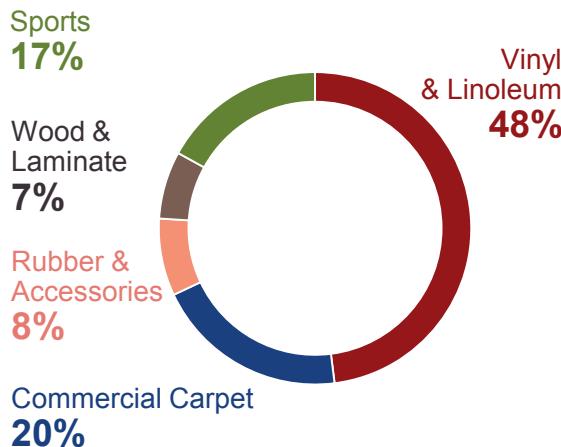
Tarkett benefits from balanced exposures providing resilience to industry cycles

BALANCED GEOGRAPHIC EXPOSURE

Sales in more than 100 countries



ONE OF THE BROADEST PRODUCT PORTFOLIOS IN THE FLOORING INDUSTRY



c. 80% renovation-driven

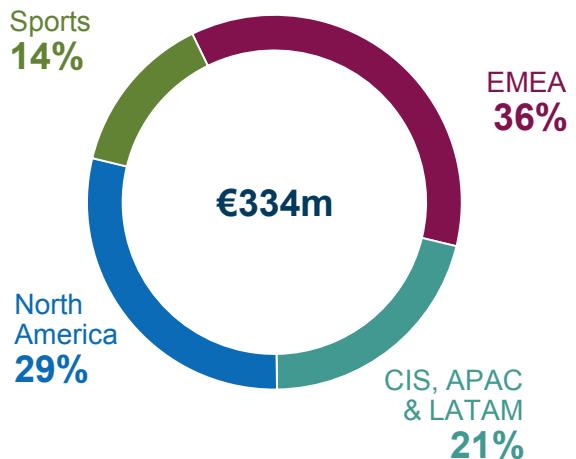
ATTRACTIVE END-MARKETS EXPOSURE



Figures based on 2016 Net Sales.

Tarkett in 2016: a balanced profitability profile

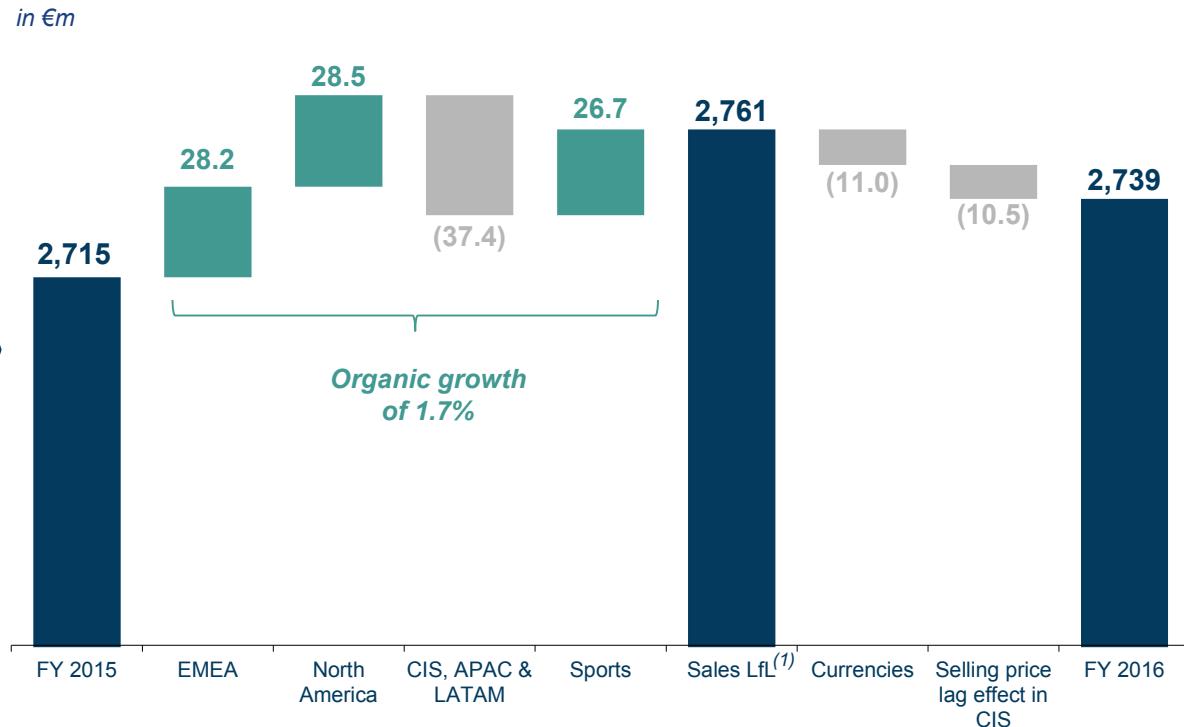
2016 ADJUSTED EBITDA BREAKDOWN





Net sales growth in 2016 by segment

- > Increase in organic sales in three segments
- > In the CIS, selling price lag effect limited in 2016 and even positive in H2 2016
- > Negative impact from other currencies, mainly driven by the British pound in H2



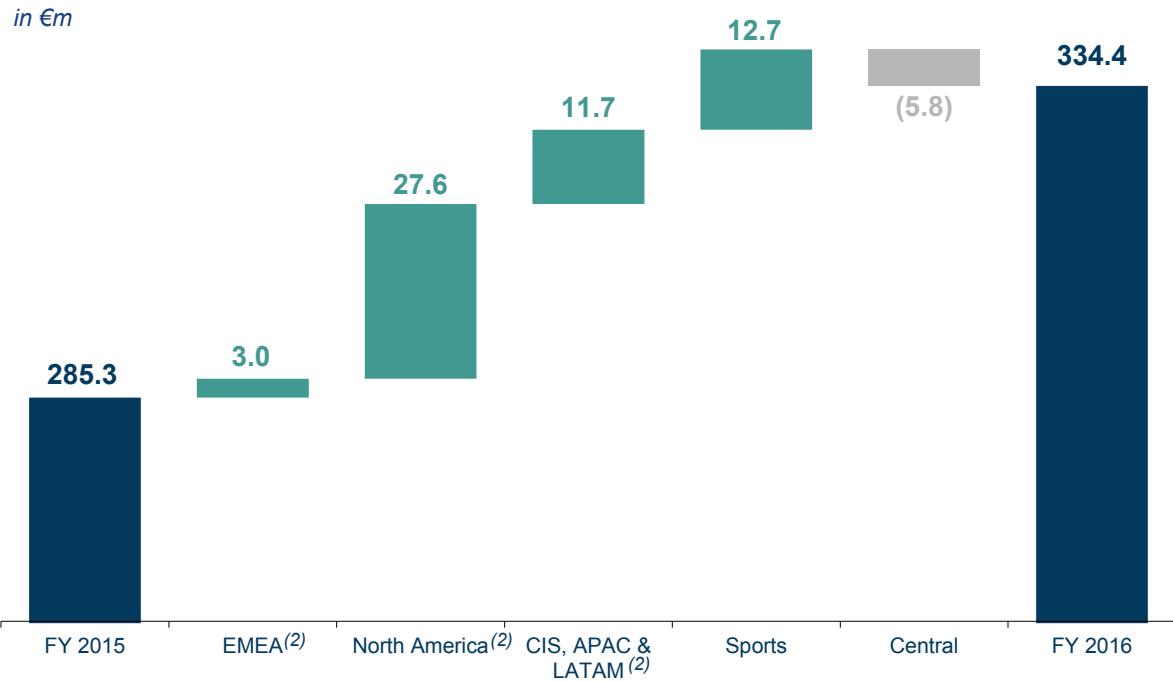
(1) Organic growth: At same perimeter and exchange rates. (NB: In the CIS, price increases implemented to offset currency fluctuations are not included in the organic growth. Organic growth in the CIS therefore reflects volume and mix variances only). Including price increases in the CIS, organic growth would total +2.9%.

Adjusted EBITDA⁽¹⁾ increase in 2016: improvements in all segments

> Uplift in North America, Sports and CIS, APAC & Latam

> EMEA already at a good level

> Increase in central costs due to IT, customer experience investments and R&D



(1) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.

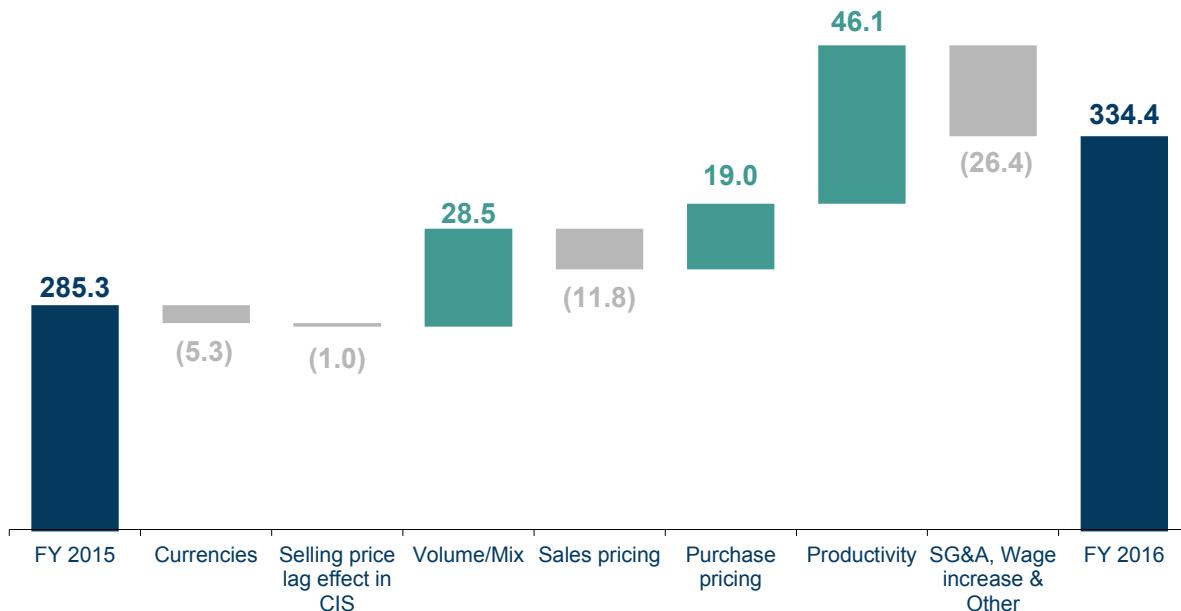
(2) Segment EBITDA variances are restated for the transfer of some of Desso's sales and related EBITDA. In 2016, Desso's non-EMEA EBITDA is now reported into North America and CIS, APAC & Latam segments.

Adjusted EBITDA⁽¹⁾ increase in 2016

in €m

- > Strong improvement in adjusted EBITDA thanks to significant productivity efforts, increasing volume/mix and gains on raw material prices

- > Selling price lag effect in CIS almost neutral on EBITDA

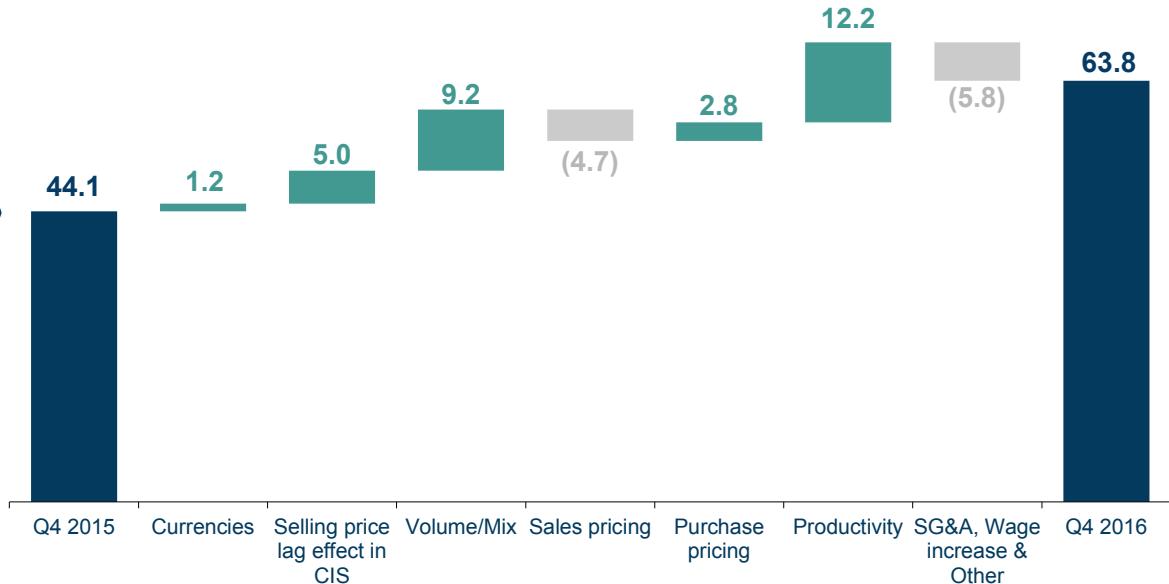


(1) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.

Adjusted EBITDA⁽¹⁾ increase in Q4 2016

in €m

- > Improvement in EBITDA thanks to productivity, positive selling price lag effect and volume/mix
- > Lower but still positive impact from purchase pricing
- > Tactical repositioning of selling prices

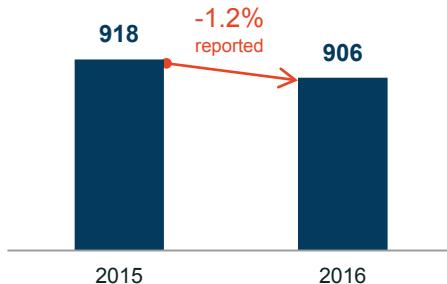


(1) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.

EMEA FY 2016

NET SALES

in €m

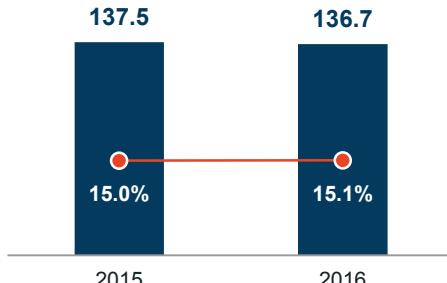


FY 2016
Net sales
organic growth⁽¹⁾ **+3.1%**

Q4 2016
Net sales
organic growth⁽¹⁾ **+0.2%**

ADJUSTED EBITDA and MARGIN EVOLUTION

in €m



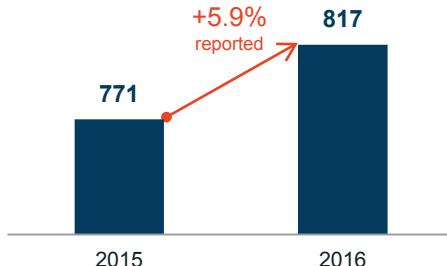
(1) Organic growth: At same perimeter and exchange rates.

- > Sustained activity in **Nordic** countries
- > Growth in **Germany** and the **Netherlands**
- > **France** stable in 2016 thanks to positive Q4
- > **UK** overall stable, but declining in H2
- > **Spain** overall lower than in 2015 despite a positive Q4
- > **Middle East** and **Turkey** slowing down sharply in H2
- > Strong growth of **LVT**. New production line in **Poland** is operational

North America FY 2016

NET SALES

in €m

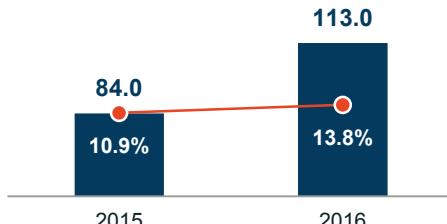


FY 2016
Net sales
organic growth⁽¹⁾ **+3.7%**

Q4 2016
Net sales
organic growth⁽¹⁾ **+0.1%**

ADJUSTED EBITDA and MARGIN EVOLUTION

in €m



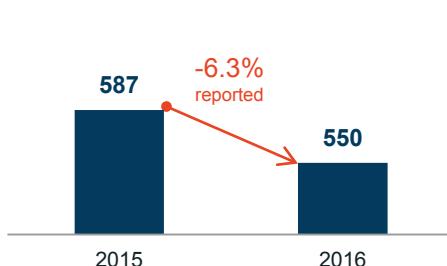
(1) Organic growth: At same perimeter and exchange rates.

- > Strong activity in **commercial** categories despite **weaker** demand for carpet in the **office** sector in H2
- > **Rubber and accessories** performed very well
- > Volumes in the **VCT** back to normal
- > **LVT** grew strongly
- > **Strong improvement in adjusted EBITDA margin** thanks to
 - higher volumes
 - greater operational efficiency
 - favorable raw material prices

CIS, APAC & Latam FY 2016

NET SALES

in €m

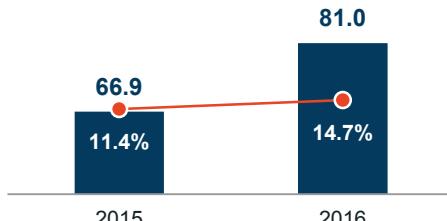


FY 2016
Net sales
organic growth⁽¹⁾ **-6.4%**

Q4 2016
Net sales
organic growth⁽¹⁾ **+0.7%**

ADJUSTED EBITDA and MARGIN EVOLUTION

in €m



(1) Organic growth: At same perimeter and exchange rates
(NB: In the CIS, price increases implemented to offset currency fluctuations are not included in the organic growth. Organic growth in the CIS therefore reflects volume and mix variances only).

CIS countries

- > Positive organic growth in Q4, thanks to end-of-year promotions in Russia
- > Mix improved in H2
- > +€12m lag effect on EBITDA in H2
- > Continued productivity actions

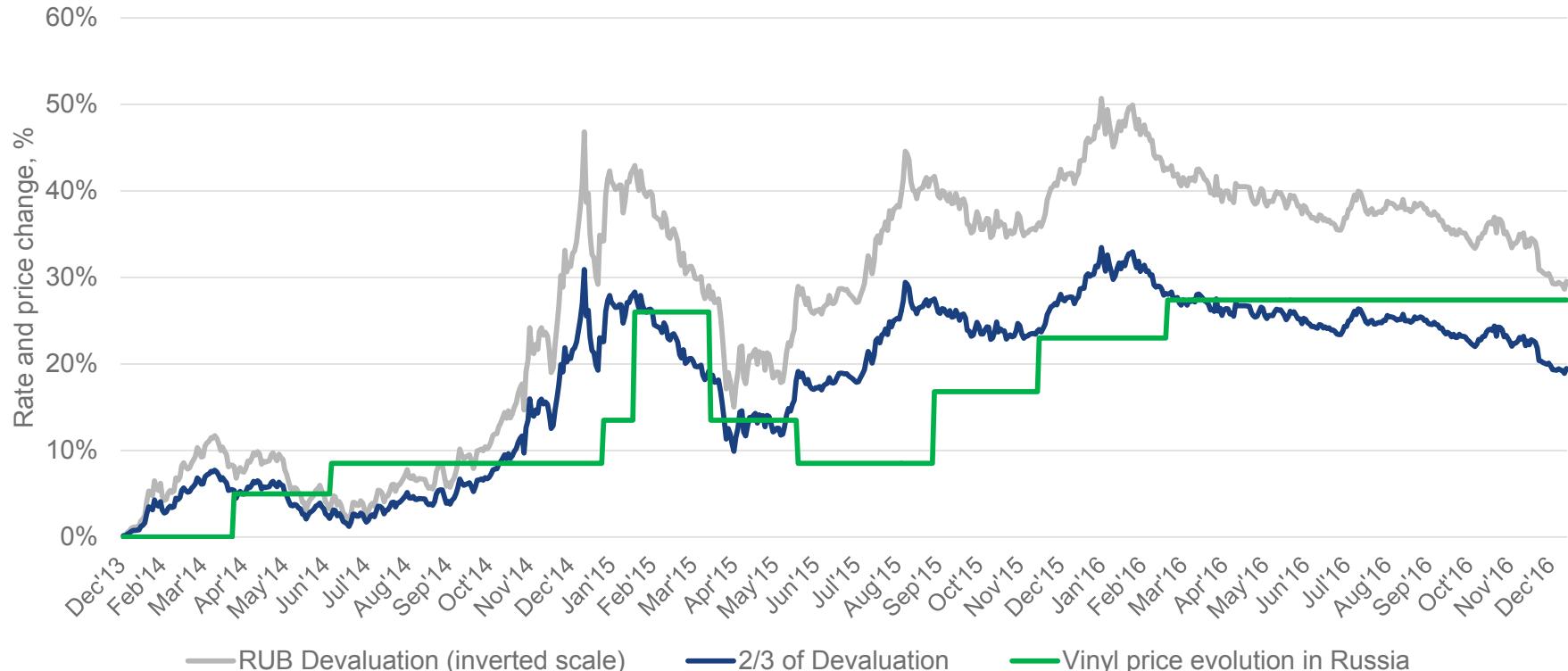
APAC

- > Lower sales in 2016 despite a positive Q4
- > Profitability improvement in H2 vs. H1

Latin America

- > Slight organic growth in 2016 but H2 negative due to Brazil

Positive net exchange rate effect after 3 years of active selling price management

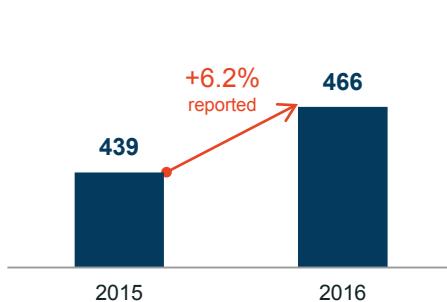


Sources: Reuters and Tarkett.

Sports FY 2016

NET SALES

in €m

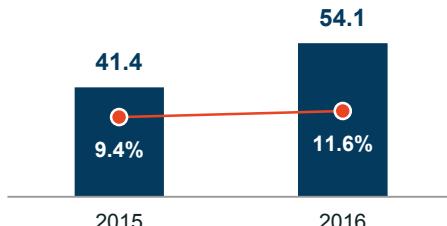


FY 2016
Net sales
organic growth⁽¹⁾ **+6.1%**

Q4 2016
Net sales
organic growth⁽¹⁾ **+10.6%**

ADJUSTED EBITDA and MARGIN EVOLUTION

in €m



(1) Organic growth: At same perimeter and exchange rates.

- Strong Q4 helped by favorable weather conditions allowing sport fields' installations until the end of the year
- Dynamic athletic tracks activity in North America
- Artificial grass in North America and in Europe well-oriented
- Strong improvement in adjusted EBITDA margin thanks to
 - organic growth
 - initiatives to improve productivity

Increased EBIT against a strong 2015 (one-off capital gain)



| €m | 2016 | 2015 |
|--------------------------------------|----------------|----------------|
| Net sales | 2,739.3 | 2,714.8 |
| Adjusted EBITDA⁽¹⁾ | 334.4 | 285.3 |
| % of net sales | 12.2% | 10.5% |
| Depreciation and amortization | (120.7) | (123.9) |
| Adjusted EBIT | 213.7 | 161.4 |
| % of net sales | 7.8% | 5.9% |
| Adjustments to EBIT | (23.0) | 3.2 |
| EBIT | 190.7 | 164.6 |
| % of net sales | 7.0% | 6.1% |

| €m | 2016 | 2015 |
|--|---------------|------------|
| Restructuring | (5.0) | (8.9) |
| Capital gain | - | 28.0 |
| Impairment charges & customer lists amortization | (2.4) | (1.4) |
| Costs related to M&A/ Earn-outs | (4.6) | (10.9) |
| Share-based compensation | (8.7) | (2.0) |
| Others | (2.3) | (1.6) |
| TOTAL ADJUSTMENTS TO EBIT | (23.0) | 3.2 |

(1) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.

Strong increase in net income (+42%)

The diagram illustrates the calculation of net profit from EBIT, with a focus on financial income and expenses.

| | 2016 | 2015 |
|--|---------------|---------------|
| €m | | |
| EBIT | 190.7 | 164.6 |
| % of net sales | 7.0% | 6.1% |
| Financial income and expenses | (21.0) | (31.9) |
| Profit before income tax | 172.3 | 132.4 |
| Income tax | (53.0) | (48.9) |
| Effective tax rate | 31.2% | 36.9% |
| Net profit | 119.3 | 83.5 |
| Net profit (attributable to owners) | 118.6 | 83.3 |
| Earnings per share (Basic, €) | 1.87 | 1.31 |

| | 2016 | 2015 |
|---|---------------|---------------|
| €m | | |
| Interest incomes and expenses | (9.3) | (12.3) |
| Bank commission expenses | (5.5) | (5.7) |
| Foreign exchange gains or losses and derivative impacts | (0.4) | (8.8) |
| Pensions & others | (5.8) | (5.1) |
| TOTAL FINANCIAL INCOME & EXPENSES | (21.0) | (31.9) |

Decrease essentially due to application of IAS 12.41: exchange rate differences in the CIS on non-monetary assets and liabilities of entities whose functional currencies are different from the local currency

Solid Free Cash Flow generation

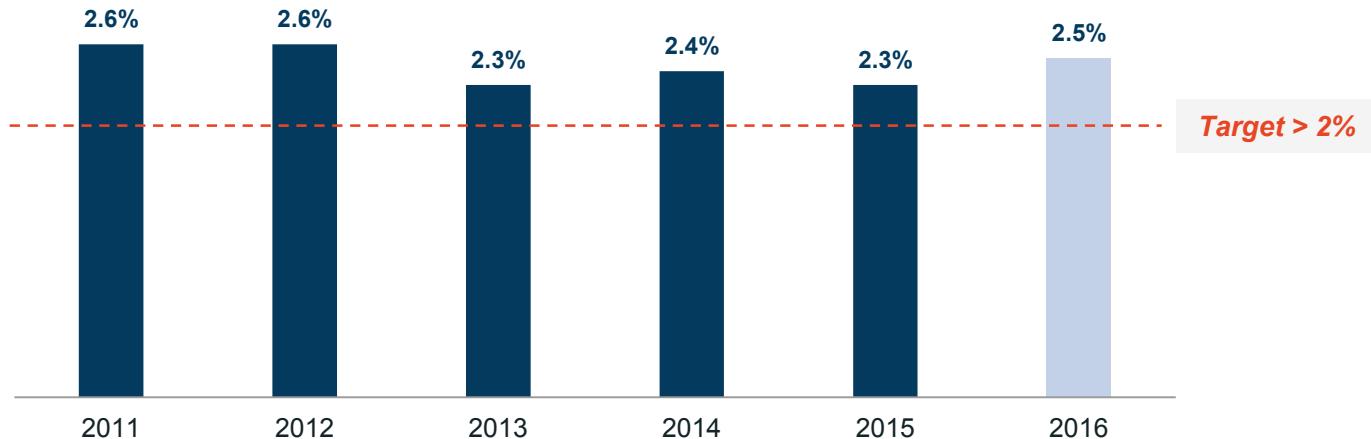
| €m | 2016 | 2015 |
|--|---------------|---------------|
| Cash generated from operations | 297.3 | 271.4 |
| On-going Capital Expenditure | (91.5) | (79.3) |
| <i>% of net sales</i> | 3.3% | 2.9% |
| Net cash flow from operations | 205.8 | 192.2 |
| Net interest and net taxes paid | (56.4) | (55.6) |
| Miscellaneous operating items | (2.1) | 0.7 |
| Proceeds from sale of property, plant and equipment | 0.7 | 36.2 |
| Free Cash Flow | 148.0 | 173.4 |

Sale of Houston property

Productivity: ongoing savings thanks to World Class Manufacturing

PRODUCTIVITY GAINS

Productivity as a % of Cost of sales⁽¹⁾



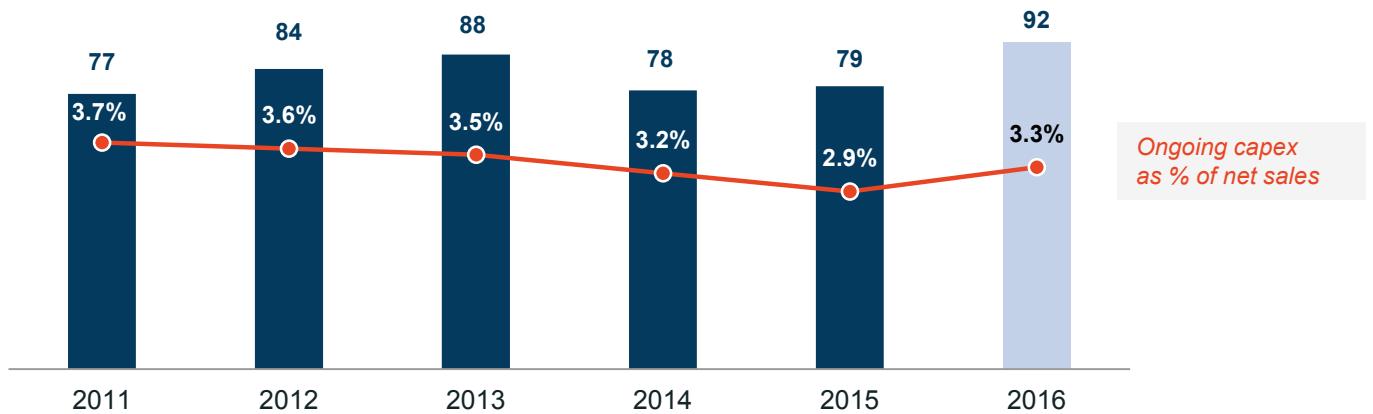
► Objective: €40m / year minimum

(1) Cost of sales minus depreciation of industrial assets.

Well-invested and managed industrial assets

INVESTMENTS

Ongoing capex (€m)

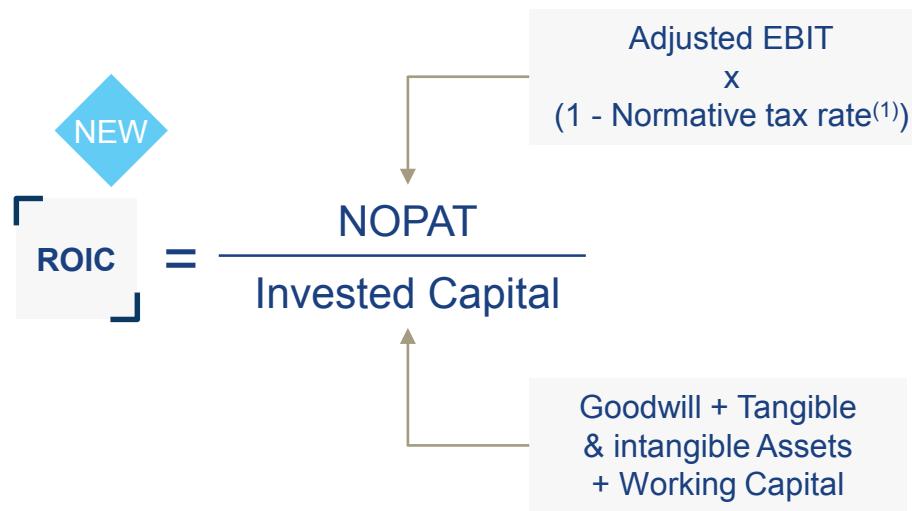


Ongoing capex
as % of net sales

Objectives: ~ 3.5% of sales



Solid Return On Invested Capital (ROIC)

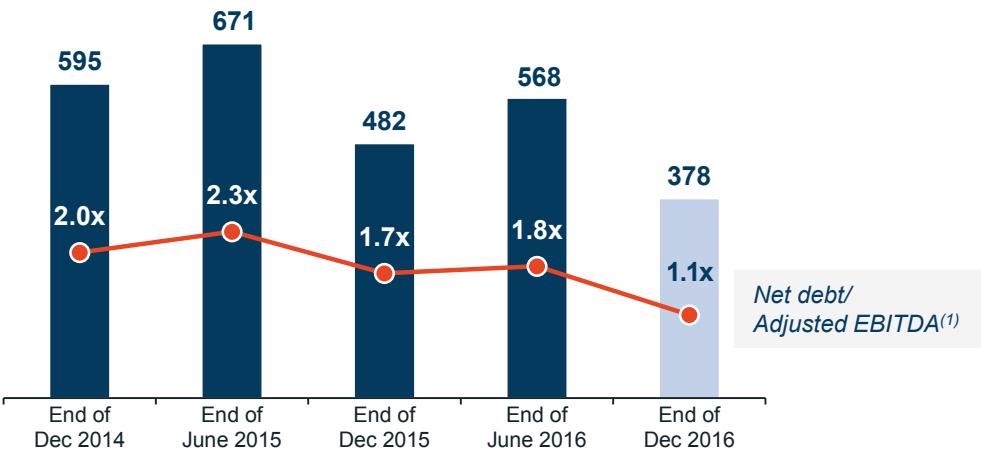


(1) 35.0%.

Fast deleveraging

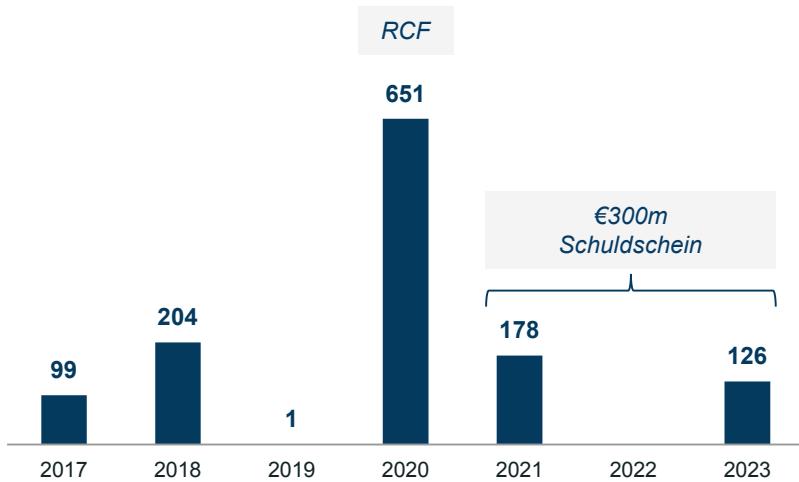
NET FINANCIAL DEBT AND LEVERAGE RATIO

Net debt in €m



MATURITY OF AVAILABLE CREDIT LINES

in €m



Objective: < 2.5x

Extended maturity

(1) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items, and adjusted EBITDA of Desso in 2014.



KEY INITIATIVES

Michel Giannuzzi
CEO

 **Tarkett**
THE ULTIMATE FLOORING EXPERIENCE

COP 21 (climate change) and UN Sustainable Development Goals



PARIS 2015
UN CLIMATE CHANGE CONFERENCE
COP21 · CMP11

Lead in Sustainability – Dialog with our stakeholders

> World Economic Forum

- Michel Giannuzzi promotes “Responsive and Responsible Leadership” in Davos (January 2017)
- Contribution to the Forum’s debates in Climate Change, Circular Economy, Future of Construction



> Positive Economy Forum

- Michel Giannuzzi shares with leaders and a large public his vision for a collaborative circular economy model (September 2016 – France – Le Havre)



> Environmental conference of the European Commission

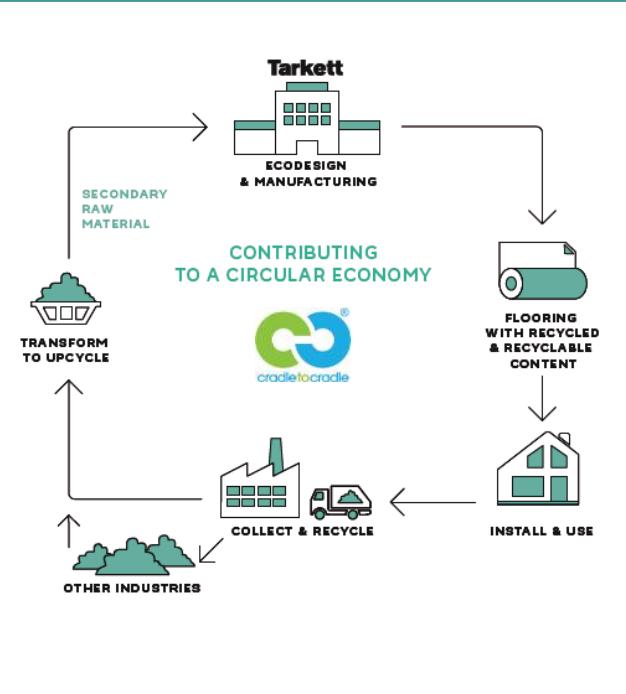
- Anne-Christine Ayed, EVP Research, Innovation & Environment shared Tarkett's experience on the transition towards circular economy, at the Slovakian presidency at a panel discussion (September 2016)



Lead in Sustainability – Moving towards circular economy powered by Cradle to Cradle (C2C) principles

Eco-design:
select “good materials” that respect people’s health and the environment

- **C2C assessment:** 95% of raw materials
~ 2,700 ingredients since 2010
- **Indoor air quality:** 92% of flooring products with low VOC
- **Resource protection:** 68% of materials do not contribute to resource scarcity (mineral abundant, renewable, recycled)



Reuse and Recycle:
Transform waste into resources

- **Recycled content:** ~80,000 tons of recycled materials used as resources
6% of material purchased in volume
- **Collect after use:** 8,900 tons of products collected for recycling (installation surplus and post-usage) via ReStart program

Lead in Sustainability – Reduce our manufacturing impact on climate change

Optimize and reduce energy consumption

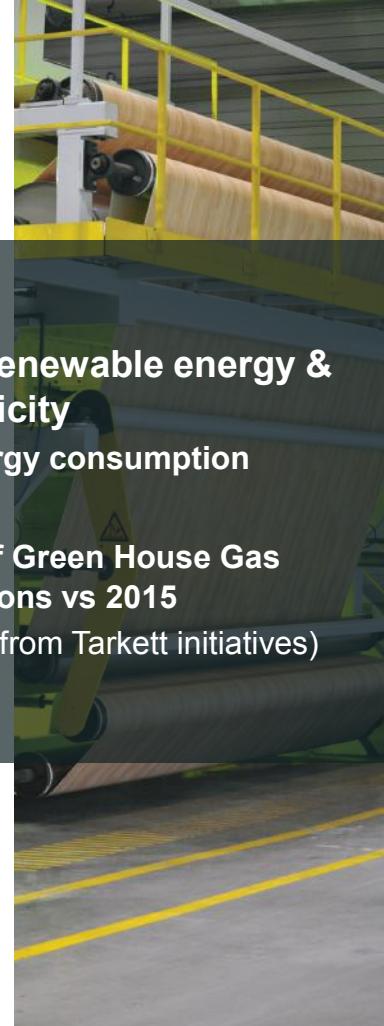
- > - 3% vs. 2015 (GWh and kWh/m²)

Increase the use of renewable energy and electricity

- > 5 production sites with 100% renewable electricity (Waalwijk and Goirle in NL, Dendermonde in Belgium, Narni in Italy, Jacarei in Brazil)
- > Partnership with Engie in North America to offset all electricity usage with renewable energy certificates at Ohio sites, USA (HQ and production sites)

26% renewable energy & electricity of energy consumption

**-8% of Green House Gas emissions vs 2015
(-3.8% from Tarkett initiatives)**





CONCLUSION

Michel Giannuzzi

CEO

 **Tarkett**
THE ULTIMATE FLOORING EXPERIENCE

Key Take-aways

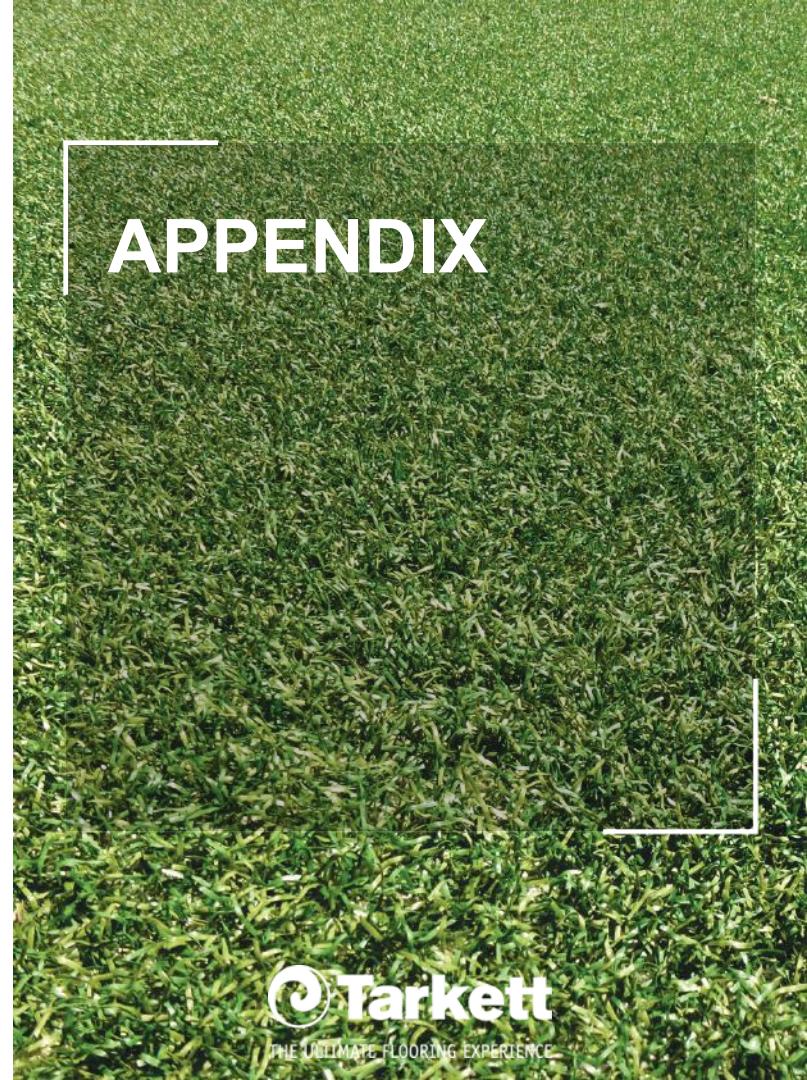
2016 Take-aways

Outlook

- > Positive organic growth in EMEA, North America and Sports in 2016 and in all segments in Q4 2016
- > Strong improvement in EBITDA
- > +42% rise in net income
- > Strong cash flow generation enabling rapid deleveraging to 1.1x leverage ratio
- > EMEA, North America and Sports should remain well oriented but challenging basis of comparison in H1
- > Trough should have been reached in CIS countries
- > Raw material prices began to rise
- > Actively seek out accretive acquisitions



APPENDIX



 **Tarkett**
THE ULTIMATE FLOORING EXPERIENCE

Sales and adjusted EBITDA performance by quarter (Q1 & Q2)

| Sales performance by quarter | | | | | | | | |
|------------------------------------|--------------|--------------|----------------|-----------------------------|--------------|--------------|----------------|-----------------------------|
| €m | Q1 2016 | Q1 2015 | % growth | Organic growth ¹ | Q2 2016 | Q2 2015 | % growth | Organic growth ¹ |
| EMEA | 232.4 | 226.5 | +2.6% | +5.5% | 239.3 | 236.0 | +1.4% | +6.0% |
| North America | 187.2 | 162.8 | +15.0% | +11.4% | 223.9 | 210.8 | +6.2% | +5.2% |
| CIS, APAC & LATAM | 103.5 | 126.4 | -18.1% | -11.0% | 131.4 | 151.3 | -13.1% | -5.3% |
| Sports | 53.2 | 45.5 | +17.0% | +14.1% | 127.3 | 114.5 | +11.2% | +10.7% |
| TOTAL | 576.3 | 561.2 | +2.7% | +4.2% | 721.8 | 712.7 | +1.3% | +4.2% |
| €m | Q1 2016 | Q1 2015 | Q1 2016 Margin | Q1 2015 Margin | Q2 2016 | Q2 2015 | Q2 2016 Margin | Q2 2015 Margin |
| Adjusted EBITDA² | 45.0 | 31.8 | 7.8% | 5.7% | 106.5 | 96.2 | 14.8% | 13.5% |

(1) Organic growth: At same perimeter and exchange rates (NB: In the CIS, price increases implemented to offset currency fluctuations are not included in the organic growth. Organic growth in the CIS therefore reflects volume and mix variances only).

(2) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.

Sales and adjusted EBITDA performance by quarter (Q3 & Q4)

| Sales performance by quarter | | | | | | | | |
|------------------------------------|--------------|--------------|----------------|-----------------------------|--------------|--------------|----------------|-----------------------------|
| €m | Q3 2016 | Q3 2015 | % growth | Organic growth ¹ | Q4 2016 | Q4 2015 | % growth | Organic growth ¹ |
| EMEA | 222.9 | 230.9 | -3.5% | +1.1% | 211.9 | 224.1 | -5.4% | +0.2% |
| North America | 216.6 | 214.1 | +1.1% | -0.6% | 189.1 | 183.5 | +3.0% | +0.1% |
| CIS, APAC & LATAM | 157.7 | 164.6 | -4.2% | -10.1% | 157.1 | 144.3 | +8.9% | +0.7% |
| Sports | 197.2 | 199.2 | -1.0% | -0.9% | 88.8 | 80.1 | +10.9% | +10.6% |
| TOTAL | 794.3 | 808.8 | -1.8% | -2.1% | 646.9 | 632.1 | +2.3% | +1.6% |
| €m | Q3 2016 | Q3 2015 | Q3 2016 Margin | Q3 2015 Margin | Q4 2016 | Q4 2015 | Q4 2016 Margin | Q4 2015 Margin |
| Adjusted EBITDA² | 119.2 | 113.2 | 15.0% | 14.0% | 63.7 | 44.1 | 9.8% | 7.0% |

(1) Organic growth: At same perimeter and exchange rates (NB: In the CIS, price increases implemented to offset currency fluctuations are not included in the organic growth. Organic growth in the CIS therefore reflects volume and mix variances only).

(2) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.

Sales and adjusted EBITDA performance in H1

| | Net Sales | | | | Adjusted EBITDA ² | | | |
|------------------------------|----------------|----------------|--------------|-----------------------------|------------------------------|--------------|----------------|----------------|
| €m | H1 2016 | H1 2015 | % growth | Organic growth ¹ | H1 2016 | H1 2015 | H1 2016 Margin | H1 2015 Margin |
| EMEA | 471.6 | 462.6 | +2.0% | +5.7% | 74.8 | 70.1 | 15.9% | 15.1% |
| North America | 411.1 | 373.6 | +10.0% | +7.9% | 59.3 | 33.6 | 14.4% | 9.0% |
| CIS, APAC & LATAM | 234.9 | 277.7 | -15.4% | -7.9% | 24.8 | 37.0 | 10.6% | 13.3% |
| Sports | 180.5 | 160.0 | +12.8% | +11.7% | 18.2 | 9.9 | 10.1% | 6.2% |
| Central Costs | - | - | - | - | (25.7) | (22.6) | - | - |
| TOTAL | 1,298.1 | 1,273.9 | +1.9% | +4.2% | 151.4 | 128.1 | 11.7% | 10.1% |

(1) Organic growth: At same perimeter and exchange rates (NB: In the CIS, price increases implemented to offset currency fluctuations are not included in the organic growth. Organic growth in the CIS therefore reflects volume and mix variances only).

(2) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.

Sales and adjusted EBITDA performance in H2

| | Net Sales | | | | Adjusted EBITDA ² | | | |
|------------------------------|----------------|----------------|--------------|-----------------------------|------------------------------|--------------|----------------|----------------|
| €m | H2 2016 | H2 2015 | % growth | Organic growth ¹ | H2 2016 | H2 2015 | H2 2016 Margin | H2 2015 Margin |
| EMEA | 434.9 | 455.0 | -4.4% | +0.7% | 61.9 | 67.4 | 14.2% | 14.8% |
| North America | 405.6 | 397.6 | +2.0% | -0.3% | 53.7 | 50.4 | 13.2% | 12.7% |
| CIS, APAC & LATAM | 314.7 | 308.9 | +1.9% | -5.0% | 56.2 | 29.9 | 17.9% | 9.7% |
| Sports | 286.0 | 279.3 | +2.4% | +2.3% | 35.9 | 31.4 | 12.6% | 11.3% |
| Central Costs | - | - | - | - | (24.7) | (21.9) | - | - |
| TOTAL | 1,441.2 | 1,440.9 | +0.0% | -0.5% | 183.0 | 157.2 | 12.7% | 10.9% |

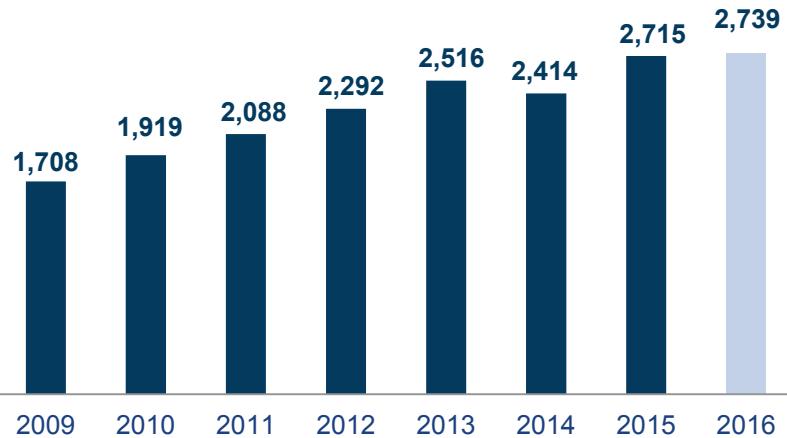
(1) Organic growth: At same perimeter and exchange rates (NB: In the CIS, price increases implemented to offset currency fluctuations are not included in the organic growth. Organic growth in the CIS therefore reflects volume and mix variances only).

(2) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.

Long term profitable growth

NET SALES

in €m



ADJUSTED EBITDA⁽¹⁾

in €m



+7.0% CAGR 2009-2016

+7.0% CAGR 2009-2016

(1) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.

Exchange Rate Impacts

Currency variation impacts (Y-o-Y)
€m

| | 2016 | 2015 |
|--|------|------|
|--|------|------|

In the CIS countries (net of selling price increases)

| | | |
|--|--------|--------|
| Impact on Net Sales | (10.5) | (82.9) |
| Impact on Adjusted EBITDA ⁽¹⁾ | (1.0) | (48.8) |

Rest of the World

| | | |
|--|--------|--------|
| Impact on Net Sales | (11.0) | +172.7 |
| Impact on Adjusted EBITDA ⁽¹⁾ | (5.3) | +16.1 |

Total Currencies Impact

| | | |
|--|--------|--------|
| Impact on Net Sales | (21.5) | +89.8 |
| Impact on Adjusted EBITDA ⁽¹⁾ | (6.3) | (32.7) |

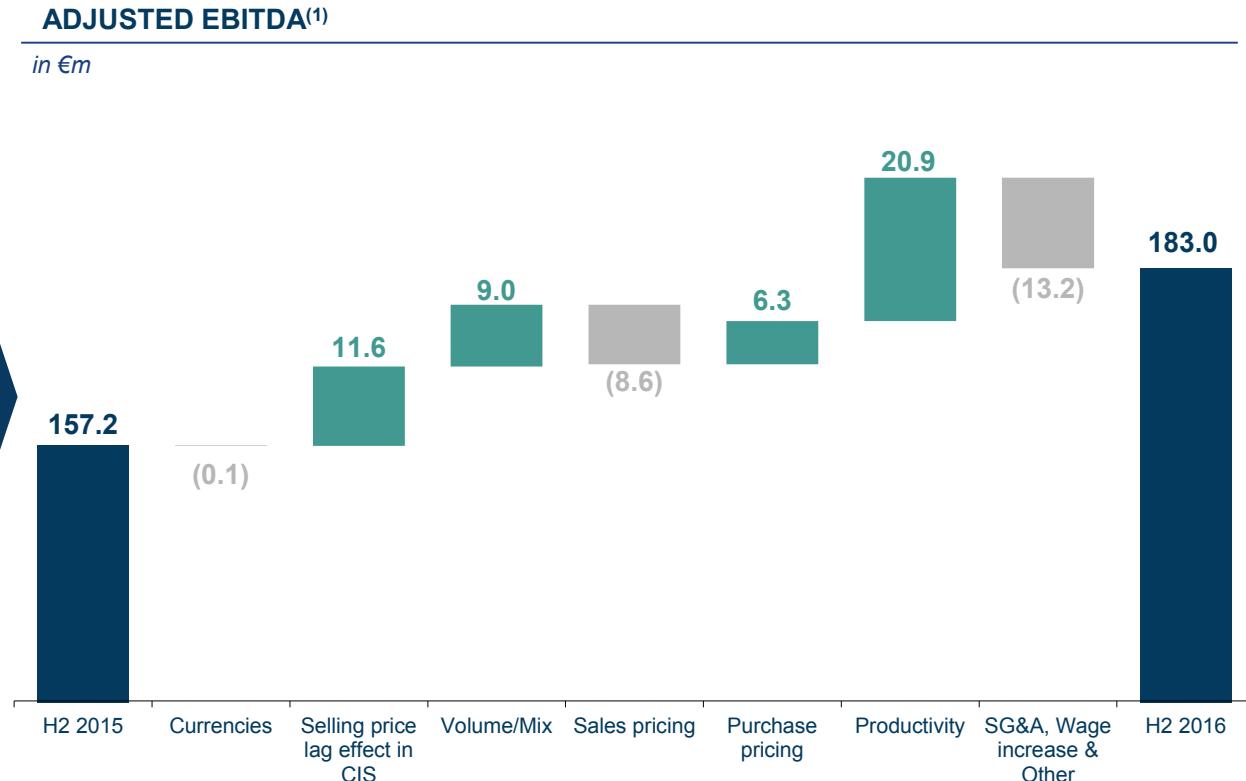
> Negative impact from the British pound devaluation in H2 2016

> Progressive strengthening of the ruble throughout the year

(1) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.

Adjusted EBITDA increase in H2 2016

- > Improvement in EBITDA in H2 thanks to productivity, positive lag effect and volume/mix (mainly mix in CIS)
- > Lower but still positive impact from purchase pricing



(1) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.

Material consumption in 2016

As of December 2016

COGS BREAKDOWN

Others
18%

Transport
and logistics
10%

Payroll
17%



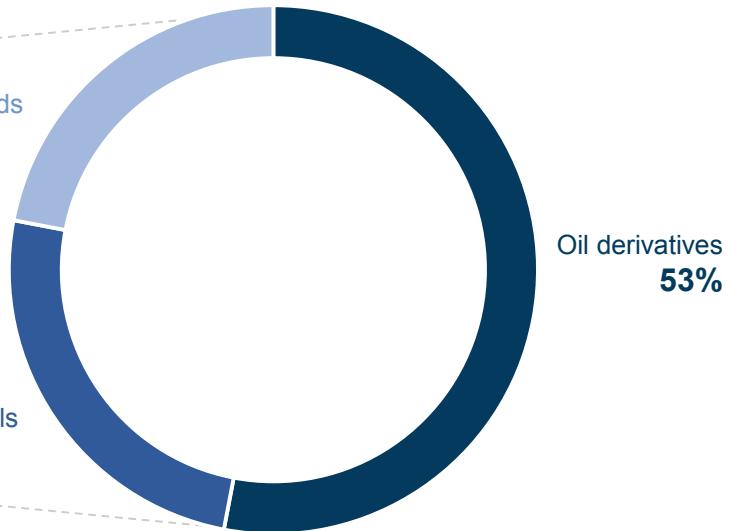
Total COGS
€1,996m

Raw materials
55%

MATERIAL CONSUMPTION DETAIL

Traded goods
22%

Other raw materials
25%



Strong liquidity

As of December 31, 2016

| €m | Utilization | Credit Lines |
|---------------------------|-------------|--------------|
| Syndicated Facility (RCF) | 0 | 650 |
| Private Placement | 304 | 304 |
| 2013 Term Loan | 150 | 150 |
| Asset-backed financing | 0 | 50 |
| Other | 17 | 105 |
| Total Borrowings | 471 | 1,259 |
| Cash and cash equivalent | (93) | |
| Net Debt | 378 | |

ROIC Calculation

| €m | 2016 | 2015 |
|---|--------------|--------------|
| Result from operating activities (EBIT) | 190.7 | 164.6 |
| <u>Adjustments</u> | | |
| Restructuring costs | 5.0 | 9.0 |
| Gains (losses) on disposal of fixed assets/Impairment | 2.4 | (26.6) |
| Adjustments for business combinations | 4.6 | 10.9 |
| Share-based payments | 8.7 | 2.0 |
| Advisory fees and other provisions | 2.3 | 1.5 |
| Adjusted EBIT | 213.7 | 161.4 |
| Normative tax rate | 35% | 35% |
| Net operating profit after taxes (NOPAT) (A) | 138.9 | 104.9 |

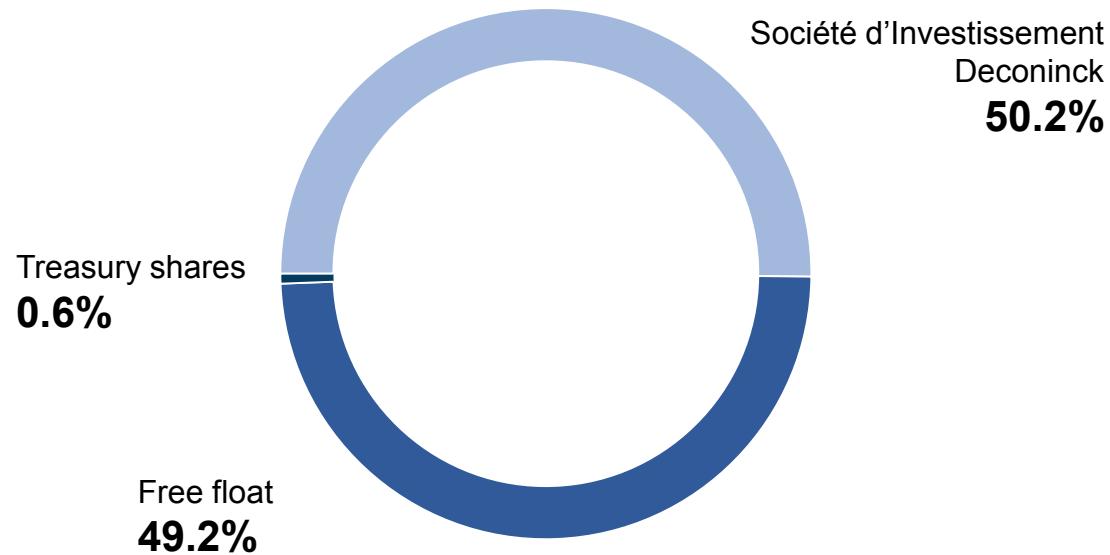
| €m | 2016 | 2015 |
|-----------------------------------|----------------|----------------|
| Property, plant and equipment | 488.6 | 499.4 |
| Intangible assets | 108.5 | 124.2 |
| Goodwill | 550.4 | 538.4 |
| Working capital ⁽¹⁾ | 347.8 | 327.3 |
| Total invested capital (B) | 1,495.3 | 1,489.3 |

| €m | 2016 | 2015 |
|--|-------------|-------------|
| Return on invested capital (ROIC) (A/B) | 9.3% | 7.0% |

(1) Working capital includes inventory, trade and other receivables, deferred tax assets and liabilities, trade payables, other liabilities, and other short-term provisions, restated for financial items (€8.7m) and for amounts payable on fixed assets (€4.5m).

Shareholder composition

As of December 2016



International and entrepreneurial teams

Operational leaders



Fabrice Barthélémy
President EMEA
Member of the Management Board



Glen Morrison
President North America



Slavoljub Martinovic
President Eastern Europe



Eric Daliere
President Sports



Executive Management Committee



Michel Giannuzzi
CEO
& Chairman of the
Management Board



Functional leaders



Raphaël Bauer
CFO



Sharon MacBeath
Human Resources
Member of the Management Board



Wendy Kool-Foulon
General Counsel



Antoine Prevost
Operations



Anne-Christine Ayed
Research, Innovation & Environment



Gilles Lebret
VP Customers Operations & Group CIO



- > **Decentralized and aligned organization**
 - Empowered and accountable teams
 - Lean and agile organization
- > Compensation aligned with financial targets
- > Customer-driven culture

Organization effective as of February 13, 2017.

Global flooring market

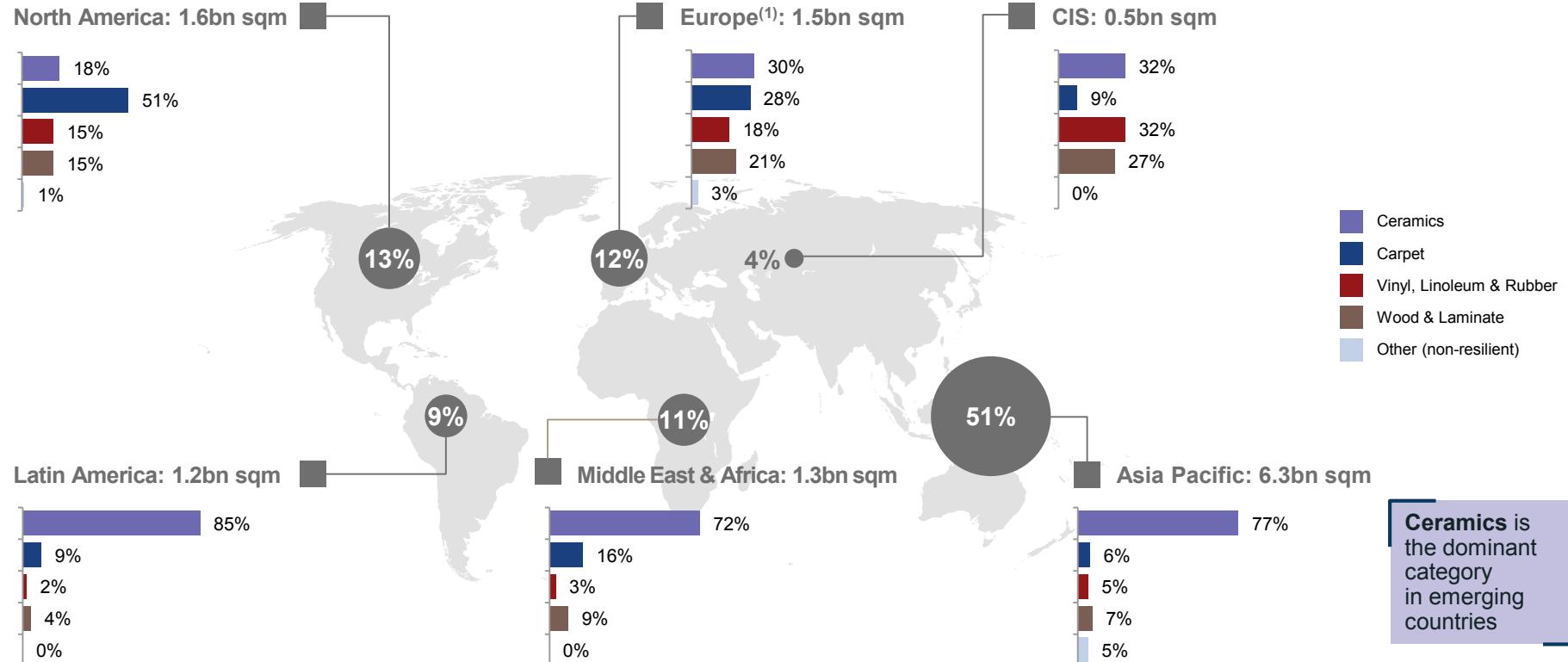
- > Flooring market is growing more or less in line with **GDP growth**, with specificities by region and product
- > Flooring market (excluding ceramics) is ~80% exposed to **renovation**
- > Flooring market is a **very traditional industry** where customers value **reputation** and **long-term relationships**

World flooring market = 12.5bn sqm⁽¹⁾



(1) 2015 breakdown of volume demand by product. Source: Tarkett estimate (World Flooring Report - July 2016).

Flooring preferred categories vary greatly across the world



Source: Tarkett estimate (World Flooring Report - July 2016). (1) Excluding Turkey.

Consolidated income statement

| €m | 2016 | 2015 |
|---|----------------|----------------|
| Net sales | 2,739.3 | 2,714.8 |
| Cost of sales | (1,996.4) | (2,045.4) |
| Gross profit | 742.9 | 669.4 |
| Other operating income | 13.0 | 39.0 |
| Selling and distribution expenses | (318.7) | (304.4) |
| Research and development expenses | (37.3) | (34.8) |
| General and administrative expenses | (188.9) | (185.4) |
| Other expenses | (20.3) | (19.2) |
| Result from operating activities | 190.7 | 164.6 |
| Financial income | 1.4 | 2.1 |
| Financial expenses | (22.4) | (34.0) |
| Net financial costs | (21.0) | (31.9) |
| Share of profit on equity accounted investees (net of income tax) | 2.6 | (0.3) |
| Profit before income tax | 172.3 | 132.4 |
| Income tax expense | (53.0) | (48.9) |
| Profit for the period | 119.3 | 83.5 |
| Attributable to owners of the Company | 118.6 | 83.3 |
| Attributable to non-controlling interests | 0.7 | 0.2 |

Consolidated cash flow statement

| €m | 2016 | 2015 |
|---|----------------|----------------|
| Net profit before tax | 172.3 | 132.4 |
| Depreciation, financial expenses and other | 142.2 | 130.3 |
| Operating profit before working capital changes | 314.5 | 262.7 |
| Effects of changes in assets and liabilities | (17.2) | 8.7 |
| Cash generated from operations | 297.3 | 271.4 |
| Other operating items | (58.5) | (54.9) |
| NET CASH FROM OPERATING ACTIVITIES | 238.8 | 216.5 |
| Acquisition of subsidiaries net of cash acquired | (0.1) | (2.3) |
| Acquisition of property, plant and equipment | (91.9) | (80.6) |
| <i>o/w On-going Capex</i> | <i>(91.5)</i> | <i>(79.2)</i> |
| Others | 0.3 | 36.6 |
| NET CASH FROM INVESTING ACTIVITIES | (91.7) | (46.2) |
| Acquisition of non-controlling interests | (4.2) | (8.0) |
| Proceeds from loans and borrowings | 491.0 | 510.5 |
| Repayment of loans and borrowings | (567.3) | (719.0) |
| Payment of finance lease liabilities | (0.1) | 0.2 |
| Acquisition of treasury shares | (9.1) | - |
| Dividends paid | (33.0) | (24.1) |
| NET CASH FROM FINANCING ACTIVITIES | (122.7) | (240.4) |
| Net increase (decrease) in cash and cash equivalents | 24.4 | (70.2) |
| Cash and cash equivalents, beginning of period | 67.9 | 135.1 |
| Effect of exchange rate fluctuations on cash held | 0.8 | 3.0 |
| Cash and cash equivalents, end of period | 93.1 | 67.9 |

Consolidated balance sheet

| €m | December 31, 2016 | December 31, 2015 |
|--|-------------------|-------------------|
| ASSETS | | |
| Non-current assets | | |
| Goodwill | 550.4 | 538.4 |
| Intangible assets | 108.5 | 124.2 |
| Property, plant and equipment | 488.6 | 499.4 |
| Financial assets | 34.9 | 28.7 |
| Deferred tax assets | 94.0 | 103.1 |
| Other non-current assets | 0.2 | 0.3 |
| Non-current assets | 1,276.6 | 1,294.1 |
| Inventories | 396.3 | 376.5 |
| Trade receivables | 343.4 | 322.0 |
| Other receivables | 58.8 | 60.5 |
| Cash and cash equivalent | 93.1 | 67.9 |
| Current assets | 891.6 | 826.9 |
| TOTAL ASSETS | 2,168.2 | 2,121.0 |
| EQUITY AND LIABILITIES | | |
| Share capital | 318.6 | 318.6 |
| Share premium and reserves | 145.8 | 145.8 |
| Retained earnings | 349.9 | 287.0 |
| Net result for the year | 118.6 | 83.3 |
| Equity attributable to equity holders of the parent | 932.9 | 834.8 |
| Minority interest | 2.3 | 1.9 |
| Total equity | 935.2 | 836.7 |
| Interest-bearing loans and borrowings | 460.0 | 540.6 |
| Other financial liabilities | 4.1 | 4.4 |
| Deferred tax liabilities | 38.6 | 47.9 |
| Employee benefits | 154.1 | 145.5 |
| Provisions and other non-current liabilities | 58.7 | 46.9 |
| Non-current liabilities | 715.5 | 785.2 |
| Trade payables | 270.3 | 247.7 |
| Other liabilities | 193.5 | 191.9 |
| Interest-bearing loans and borrowings | 11.3 | 9.5 |
| Other financial liabilities | 4.4 | 5.5 |
| Provision and other current liabilities | 38.0 | 44.4 |
| Current liabilities | 517.5 | 499.0 |
| TOTAL EQUITY AND LIABILITIES | 2,168.2 | 2,121.0 |