

A modern office interior with large windows overlooking a city and water. A blue semi-transparent overlay covers the left side of the image, containing the title and date. The floor has a pattern of orange, blue, and grey rectangles. There are several black wire chairs on the right and a desk with an orange laptop on the left.

Q1 2018 Financial Results

April 25, 2018



Agenda

Q1 2018 Key Highlights

Q1 2018 Financial Results

Key Measures and
Initiatives

Conclusion and Outlook

Appendices

A modern office interior with large windows overlooking a city and water. The room features a desk with an orange laptop, a chair, and a large orange graphic overlay on the left side. The floor is covered with a patterned carpet in shades of orange and blue. The background shows a cityscape with buildings and a body of water.

Q1 2018 Key Highlights

Glen Morrison
CEO

Stable sales at constant exchange rates; adjusted EBITDA penalized by raw material prices and currency effects

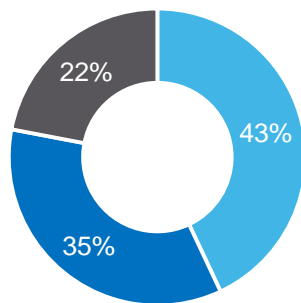
- Slight organic growth of 0.1%⁽¹⁾, net sales at €568m
- Lower than expected growth in EMEA (-4.6%)⁽¹⁾ and in North America (-1.6%)⁽¹⁾ including negative calendar effects
- Strong organic growth in Sports (+15.9%)⁽¹⁾ and CIS, APAC and Latin America segment (+5.0%)⁽¹⁾
- Adjusted EBITDA⁽²⁾ down to €30m versus €52m in Q1 2017
 - Raw material prices,
 - Currency effects,
 - Lower activity in EMEA and North America
- Clear set of actions, addressing both top line and costs
- Underlying markets sound

(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).

(2) Adjusted EBITDA: adjustments include expenses related to restructurings, acquisitions, and share-based payment expenses.

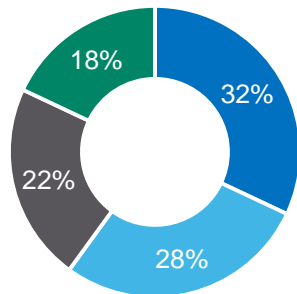
Tarkett benefits from balanced exposures

NET SALES BY GEOGRAPHIES



- North America (incl. Sports)
- EMEA (incl. Sports)
- CIS, APAC & LATAM

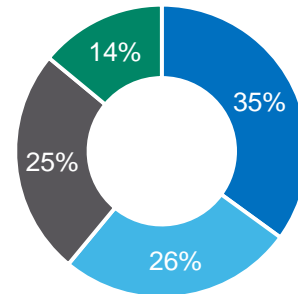
NET SALES BY REPORTING SEGMENTS



- EMEA
- North America
- CIS, APAC & LATAM
- Sports

A BALANCED PROFITABILITY PROFILE

Adjusted EBITDA⁽¹⁾ split by reporting segments



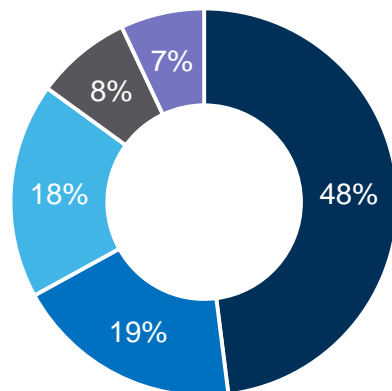
- EMEA
- North America
- CIS, APAC & LATAM
- Sports

Figures based on 2017 Net Sales and Adjusted EBITDA.

(1) Adjusted EBITDA: adjustments include expenses related to restructurings, acquisitions, and share-based payment expenses. Excluding central costs.









... and one of the broadest product offering providing resilience to industry cycles

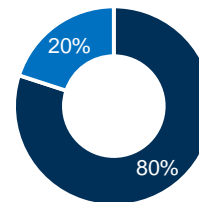
ONE OF THE BROADEST PRODUCT PORTFOLIOS IN THE FLOORING INDUSTRY



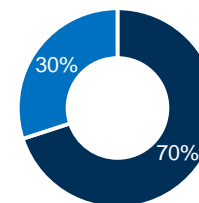
- Vinyl & Linoleum
- Commercial Carpet
- Sports
- Wood & Laminate
- Rubber & Accessories

ATTRACTIVE END-MARKETS EXPOSURE

	Education
	Health & Aged Care
	Workplace
	Stores & Shops
	Hospitality, Travel & Leisure
	Marine, Aviation & Transport
	Industry
	Sports & Wellness



- Renovation
- New



- Commercial
- Residential

Figures based on 2017 Net Sales.

A modern office interior featuring a large, patterned carpet in shades of blue, yellow, and grey. In the foreground, there are two armchairs, one blue and one beige. To the right, a dark wood console table holds two white lamps. The background shows a dining area with blue chairs and a large window.

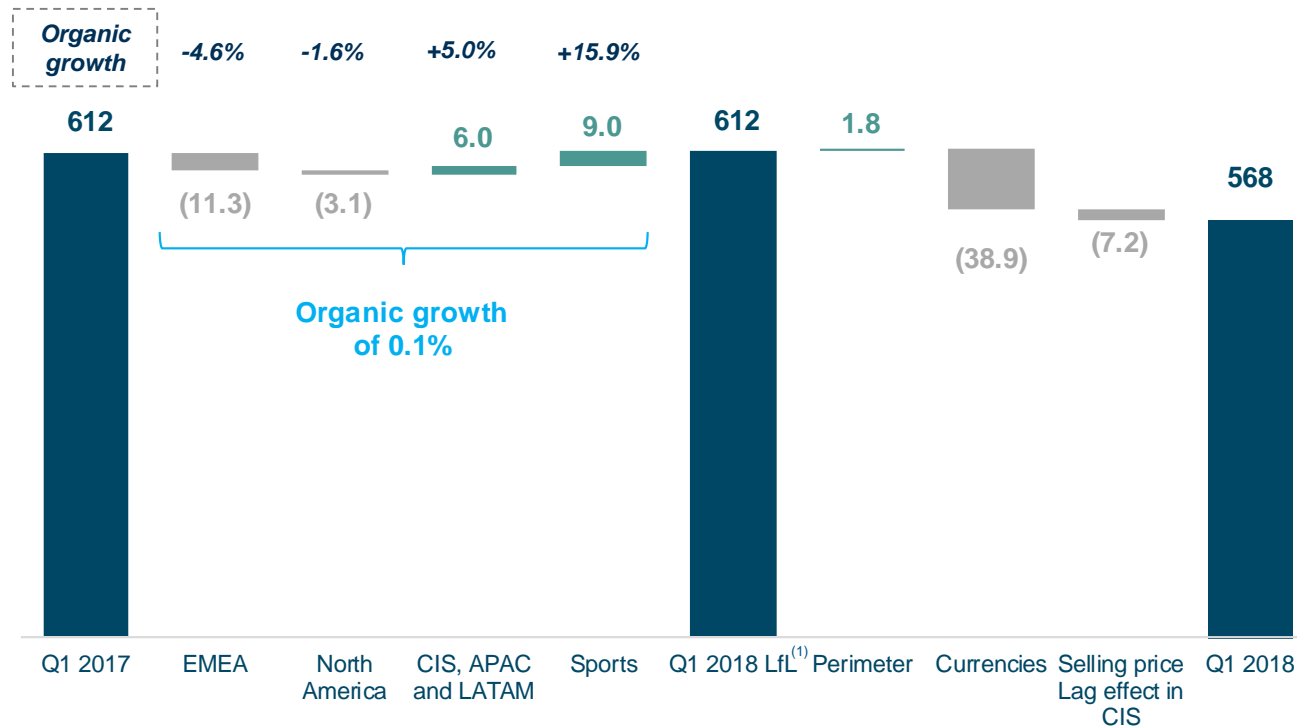
Q1 2018 Financial Results

Raphaël Bauer
CFO

Stable organic growth in Q1 2018

in €m

- Negative calendar effects
- Lower than expected trends in **EMEA**
- **Flat North America** at constant number of days
- Good start to the year for **CIS, APAC and Latin America**
- Strong organic growth in **Sports**



(1) Life for Like: 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).

Adjusted EBITDA penalized by raw material, lower activity in EMEA and North America and currencies

in €m

- As expected, significant headwinds from **raw material prices & currencies**
- Lower activity in EMEA and North America**



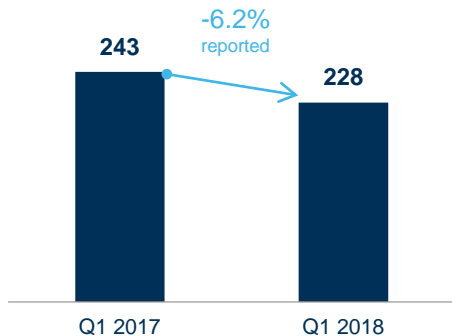
Adj EBITDA⁽¹⁾ margin

(1) Note: Adjusted EBITDA: adjustments include expenses such as restructuring, acquisitions and share-based payment expenses.

EMEA Q1 2018

in €m

Net sales



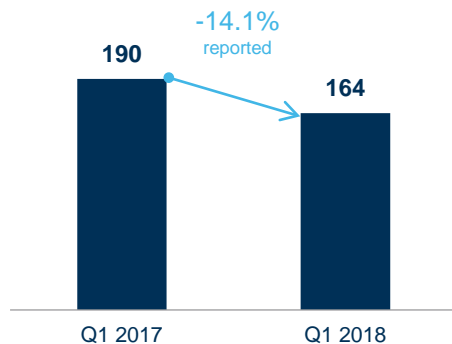
- **Negative calendar effect** (-1.6%)
- **Challenging basis of comparison**
- Destocking in **France** and **UK**
- **Nordics** slowing down
- Continued growth in **South Europe, Central Europe** and **NL**
- Good growth in **LVT**

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

North America Q1 2018

in €m

Net sales



Q1 2018
Net sales
organic
growth⁽¹⁾

-1.6%

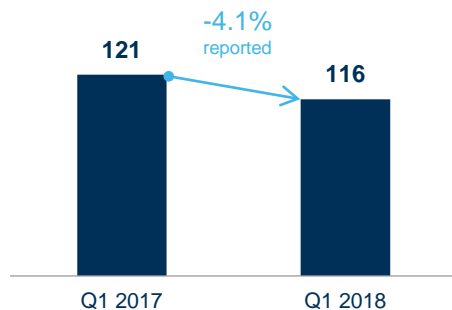
- **Negative calendar effect** (-1.6%)
- **Growth in resilient: rubber, accessories & VCT**
- Solid growth in **LVT**
- **Commercial carpet** slower than anticipated
- **Further selling price increase (+5 to +7%)** effective May 1st

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

CIS, APAC & Latam Q1 2018

in €m

Net sales



Q1 2018
Net sales
organic
growth⁽¹⁾

+5.0%

CIS countries

- Volumes and mix up
- Recent ruble volatility

APAC

- China up
- Slow start in Australia and SE Asia

Latin America

- Good growth in Brazil

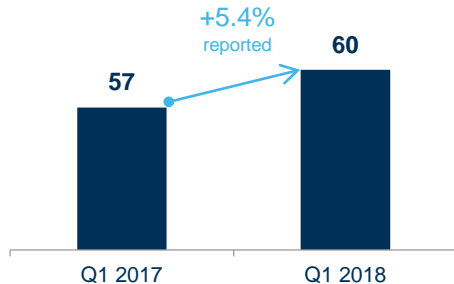
(1) Organic growth: At same perimeter and exchange rates.

(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).

Sports Q1 2018

in €m

Net sales



Q1 2018
Net sales
organic
growth⁽¹⁾

+15.9%

- Strong growth in **artificial turf in North America**
- Good development of **turnkey projects**
- Vigorous performance in **landscape applications**

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

Q1 2018 Key Take-aways

- Slow start to the year in EMEA
- Good growth in resilient, slower than expected commercial carpet sales in North America
- Robust growth in CIS countries
- Dynamic momentum in Sports
- Still headwinds from raw materials and currencies
- Recent ruble volatility





Key Measures and Initiatives

Glen Morrison
CEO

Key Measures and Initiatives

Cost Reduction

- > Immediate reduction in discretionary spend
- > Salary increase delayed
- > Non customer-facing hirings postponed
- > Ongoing review of cost structure

Selling Price Increase

- > Carry-over effect of 2017 selling price increases
- > North America
 - Further selling price increase (+5 to +7%) effective May 1st

Growth Initiatives

- > EMEA
 - ECOBASE backing: leadership in sustainability in commercial carpet → significant volume growth in Q1'18
 - Renewal of LVT commercial core ranges → strong pick-up in Click Collections
- > North America
 - ProGen success (semi-rigid board) → residential LVT sales almost doubled in Q1'18
 - iQ Optima: Education & Healthcare high perf. vinyl → sales up significantly in Q1'18

A Robust New Products Pipeline in H1 2018

Lead in design, innovation & sustainability

iD & Starfloor Click Ultimate
HE collection renewal

**Modularity
& Leadership
in Design**

**LVT & Vinyl
EMEA**

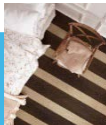


- Rigid LVT: new innovative class of flooring combining the strength and feel of hardflooring solution with all the advantages of vinyl
- Launch of the new heterogeneous high-end ranges: design renewal and product upgrade

Gallery & Dynasty

**Leadership
in design &
innovation**

**Laminate
TEE**



- After successful launch in May 2017, further extension of the product offer, combining several widths & lengths
- Tarkett, first to propose this modularity solutions
- Reinforces Tarkett's position in the laminate high-end segment
- Full offer available in May 2018

Double Boucle

**Luxurious
texture
Affordable
price**

**Carpet
TNA**



- Intended to work in Healthcare, Workplace and Education segments
- Constructed for budget projects, this product is priced for volume without sacrificing aesthetics
- Ethos backing with Omnicot technology to mitigate adverse flooring conditions and the need for quick installations
- Launched end-Q1 2018

PureSelect

**Game
Changing
Alternatives**

**Infill Turf
Sports**



- Continued growth in North America alternative infill segment (10%) YOY
- Growth of the alternative infill offering with introduction of PureSelect, patented revolutionary natural infill: comfort and easy maintenance
- Launched Q1 2018

A modern office interior featuring a multi-level design. In the foreground, a light-colored sofa sits on a carpeted floor next to a low, illuminated coffee table with decorative plants. In the background, a glass-enclosed staircase leads to an upper level. The walls are a mix of light and dark tones, with some sections featuring wavy, illuminated patterns. Large windows on the right side provide natural light.

Conclusion and Outlook

Glen Morrison
CEO

Conclusion and Outlook

- Slower than expected sales in EMEA and North America
- Markets remain well oriented
- Immediate cost measures taken contributing to EBITDA going forward
- Further selling price increases announced in North America, Russia selling prices will be adjusted
- Positive response to new product launches, strong pipeline in place fueling growth





Appendices

Sales and adjusted EBITDA performance in Q1

Sales performance by quarter

€m	Q1 2018	Q1 2017	% growth	Organic growth ¹
EMEA	228.3	243.4	-6.2%	-4.6%
North America	163.5	190.3	-14.1%	-1.6%
CIS, APAC & LATAM	116.3	121.3	-4.1%	+5.0%
Sports	59.8	56.7	+5.4%	+15.9%
TOTAL NET SALES	567.9	611.7	-7.2%	+0.1%

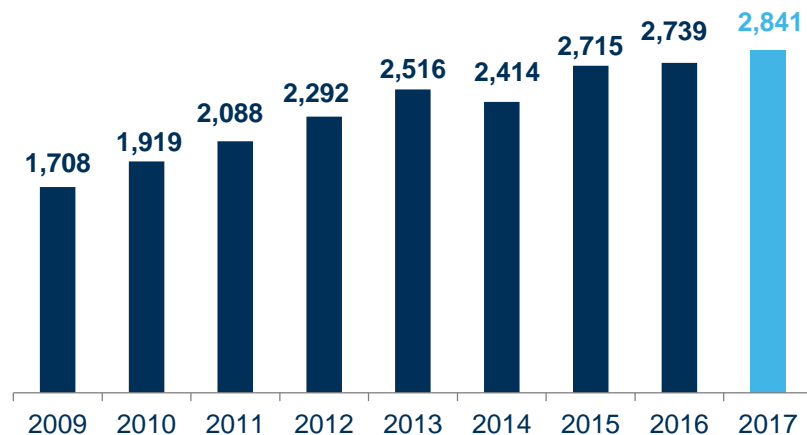
€m	Q1 2018	Q1 2017	Q1 2018 Margin	Q1 2017 Margin
Adjusted EBITDA²	29.8	51.5	5.2%	8.4%

(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

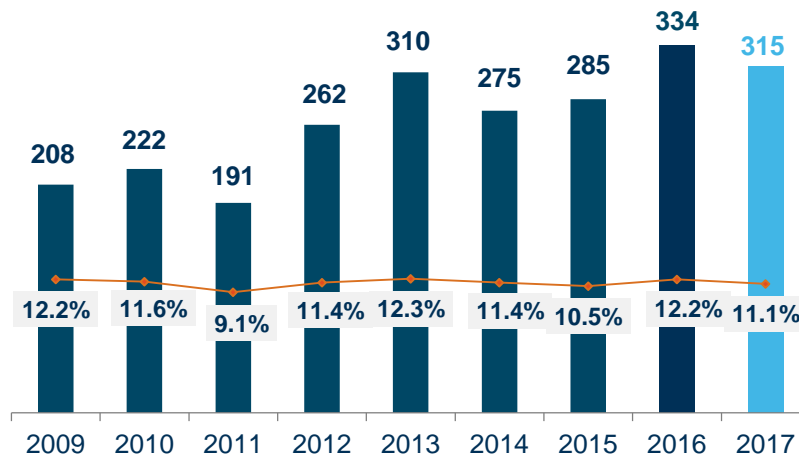
NET SALES



+6.6% CAGR 2009-2017

ow 2.8% organic and 3.3% perimeter

ADJUSTED EBITDA⁽¹⁾



+5.4% CAGR 2009-2017

(1) Adjusted EBITDA: adjustments include expenses such as restructuring, acquisitions and share-based payment expenses.

Russia: Selling price strategy to adapt to the exchange rate evolution

Evolution of Tarkett Vinyl prices in Russia and EUR/RUB exchange rate



Sources: Reuters and Tarkett

Material consumption in 2017

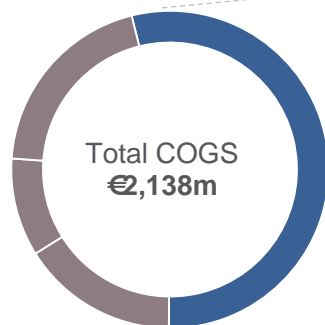
As of December 2017

COGS BREAKDOWN

Others
20%

Transport
and logistics
10%

Payroll
16%

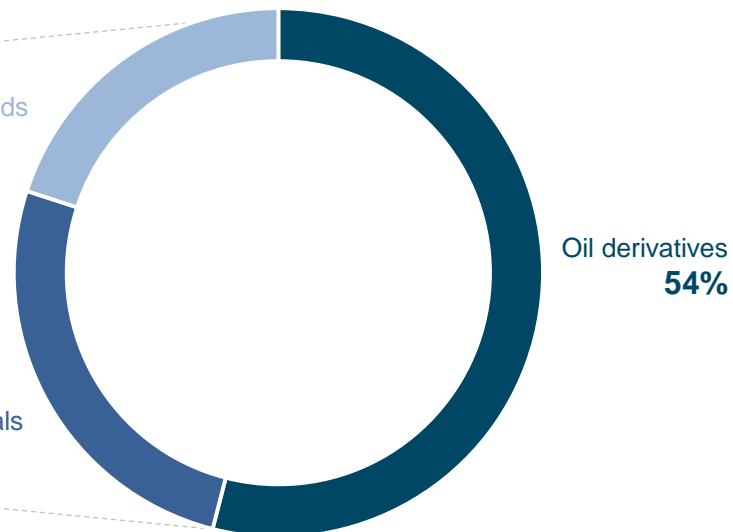


Raw materials
54%

MATERIAL CONSUMPTION DETAIL

Traded goods
20%

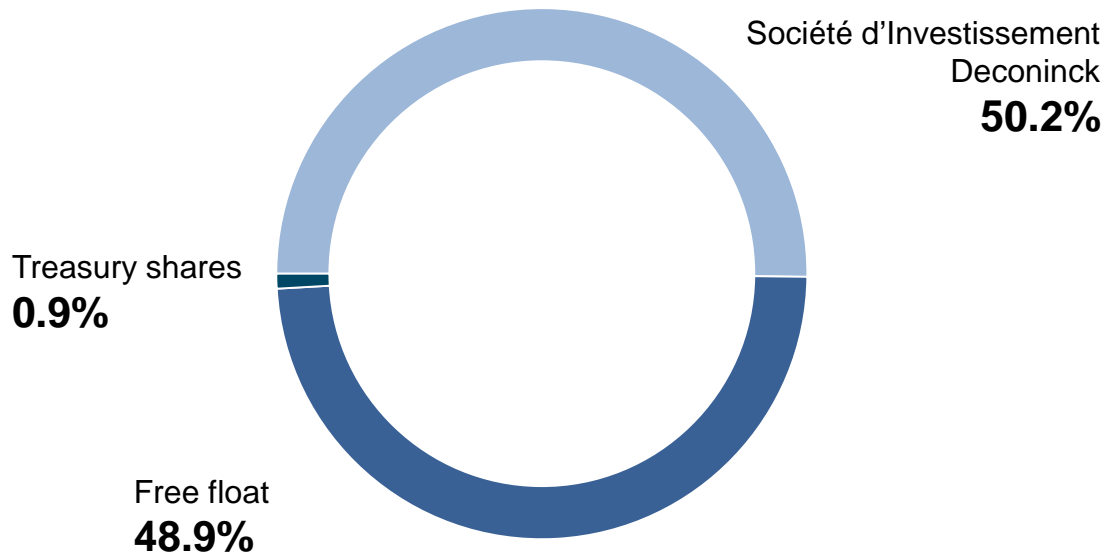
Other
raw materials
26%



Oil derivatives
54%

Shareholder composition

As of March 30, 2018



Executive Management Committee

International and entrepreneurial teams

Operational leaders



Fabrice Barthélemy
President EMEA & LATAM
Member of the Management Board



Andrew Bowman
President North America



Slavoljub Martinovic
President of Eastern Europe



Eric Daliere
President Sports



Glen Morrison
CEO
& Chairman of the
Management Board



Customer-
driven culture

Decentralized
and aligned
organization

Compensation
aligned with
financial targets

Functional Leaders



Raphaël Bauer
CFO



Sharon MacBeath
Human Resources
Member of the Management Board



Wendy Kool-Foulon
General Counsel



Anne-Christine Ayed
Research, Innovation & Environment



Antoine Prevost
Operations



Gilles Lebret
VP Customers Operations & Group CIO



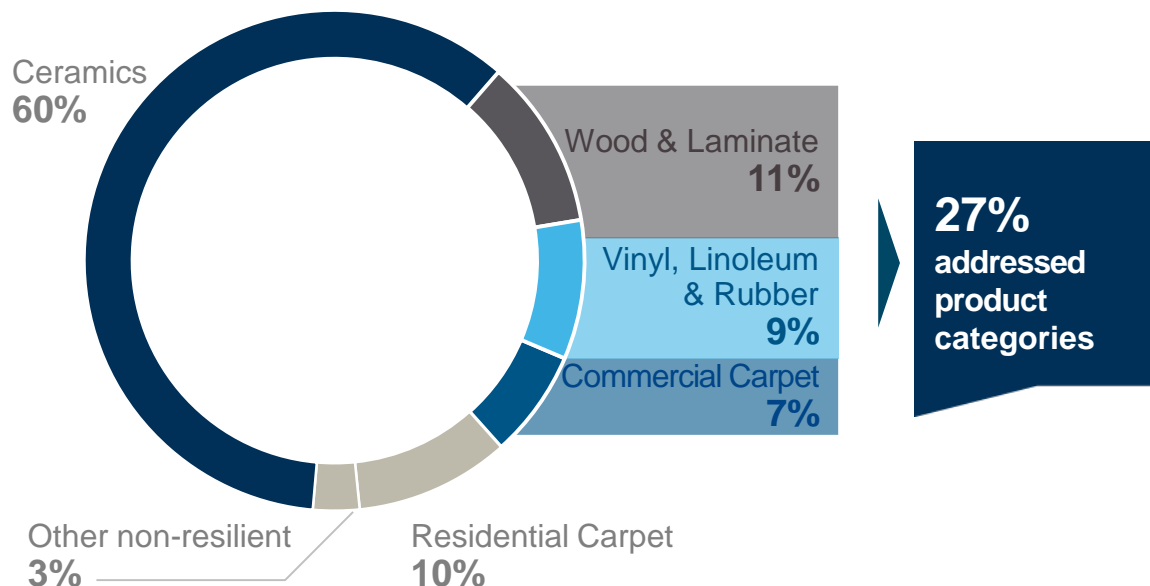
Global flooring market

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**

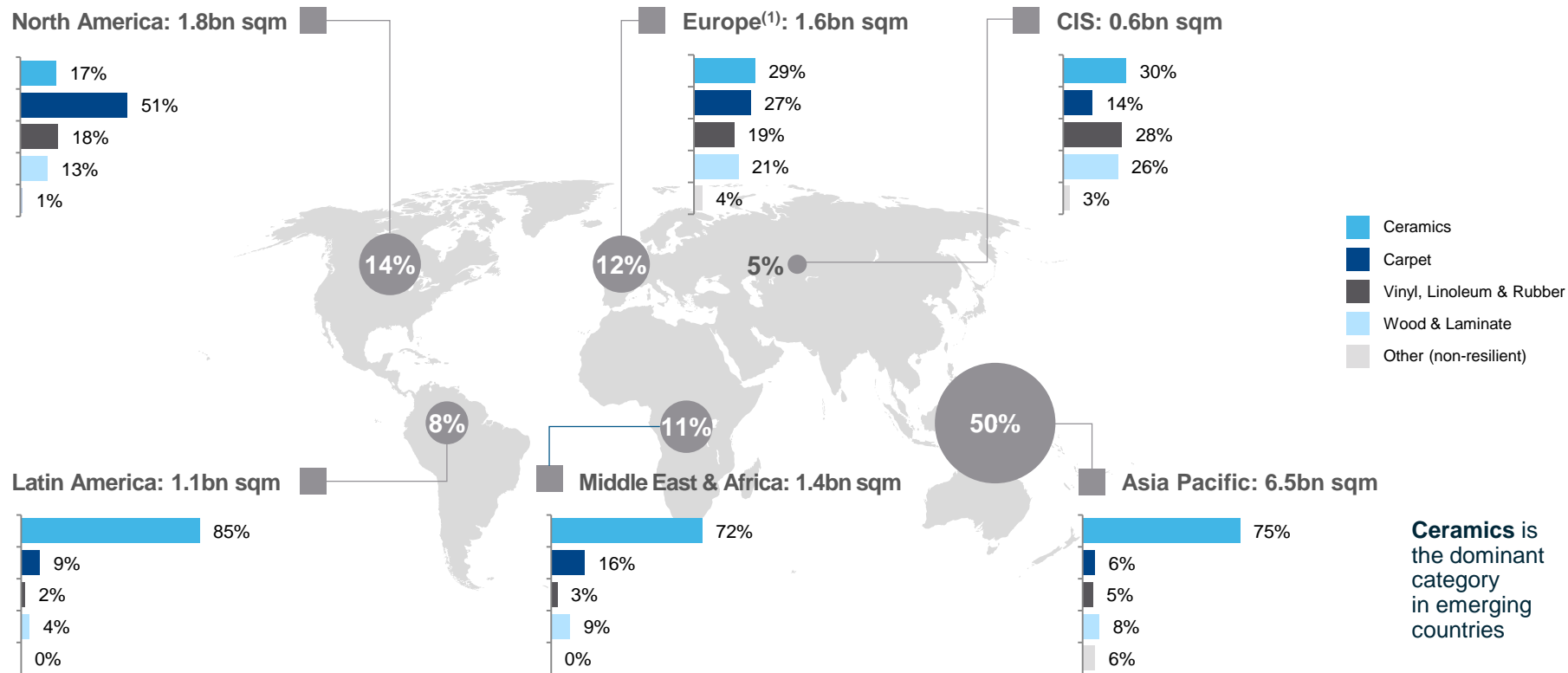
Flooring market is a **very traditional industry** where customers value **reputation** and **long-term relationships**

World flooring market = 12.9bn sqm⁽¹⁾



(1) 2016 breakdown of volume demand by product. Source: Tarkett estimate (World Flooring Report - July 2017).

Flooring preferred categories vary greatly across world



Source: Tarkett estimate (World Flooring Report - July 2017). (1) Excluding Turkey.

Tarkett - Q1 2018 Financial Results - April 25, 2018

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