



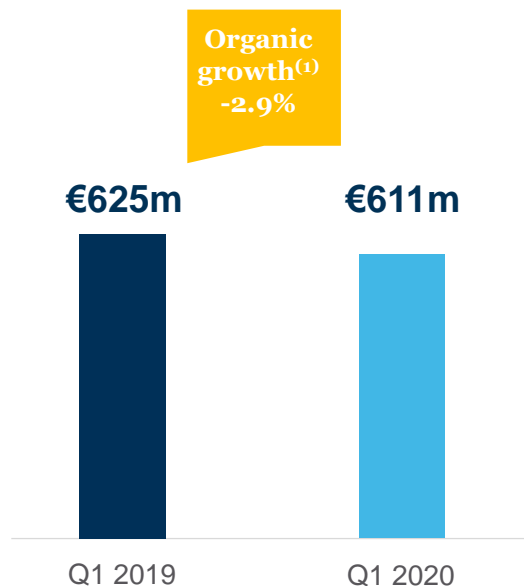
Investor  
Meetings

Q1 2020  
Financial  
Results

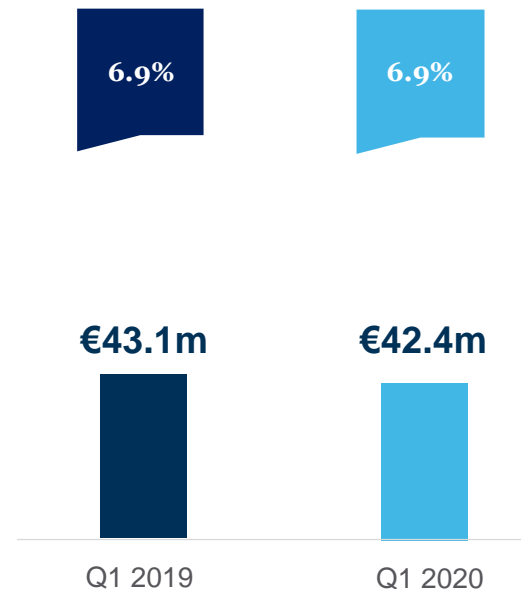
# Resilient Adjusted EBITDA in spite of slightly lower revenues

## Q1 2020 earnings

Net sales: -2.2%



Adjusted EBITDA<sup>(2)</sup> and margin



(1) Organic growth or like-for-like revenue 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).

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

# Covid-19 situation at Tarkett

As of April 28, 2020

## North America

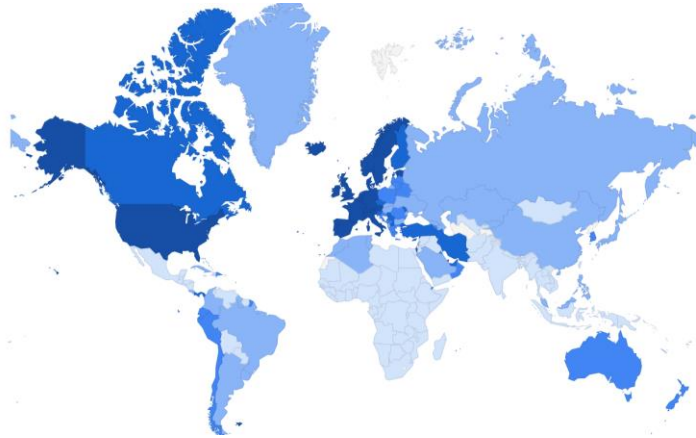
- All sites running except one in Canada (restart planned May 4<sup>th</sup>)
- 1 site in the US temporarily shut down early April, reopened since then
- Reduced capacity
- Furlough, home office

## Sports

- All sites running
- Home office

## Latin America

- Factory operating
- Home office



## EMEA

- All sites running, but one temporarily shut down late April
- Reduced capacity
- Short-time work, temporary lay-offs
- Home office

## CIS countries

- 2 sites in Russia temporarily stopped
- Reduced working time
- Home office

## APAC

- China : 2 sites resumed production late March
- Still some supply-chain disruptions
- Home office

# Ensuring business continuity

Complying with local regulations to run the business and serve our customers

## Focus on Health and Safety

- Social distancing measures
- Workplace and shift pattern adaptation
- Protective equipment and disinfection procedures deployed in all sites

## Enable all sites to keep shipping

- Social dialog and safety measures allowing to maintain operations
- Warehouses still open in temporarily closed production sites

## Maintain solid customer relationships

- Customer services fully available in all geographies
- Project specifications remotely conducted
- Expedite deliveries for field hospitals
- Focus on our customers' e-commerce channels and use of our BtoB portals

# Recently won projects

## Workplace

**2 large international  
companies  
Germany**

Carpet

Company 1: 34,000 m<sup>2</sup>  
Company 2: 18,000 m<sup>2</sup>



## Workplace

**Insurance & asset  
management company  
Rotterdam**

Carpet, ReStart & Recycling

~38,000 m<sup>2</sup>  
June 2020 – Dec 2021



## Sports

**University of  
Washington**

Dempsey indoor

FieldTurf Classic HD



## Workplace

**Large utility company  
USA**

Carpet, LVT, Wall base





# Tarkett equips covid-19 hospitals & care centers (1/2)



## China

Wuhan & Shenzhen

Emergency hospital built in only 20 days in Wuhan

Several other hospitals in Shenzhen



## Italy

Milano

Intensive Care Unit

**8,000 sqm**

200 beds

In addition: ~30,000 sqm of flooring installed in other hospitals across the country



## Spain

Madrid

Equipment of several medicalized hotels, including a donation of **1,000 sqm** of vinyl flooring (iQ Optima)



## UK

London

ExCeL Exhibition centre field hospital

**97,000 sqm**

4,000 beds facility  
Delivered in 48 hours

# Tarkett equips covid-19 hospitals & care centers (2/2)



## Serbia

Novi Sad - Fair converted into a field hospital

**4,000 sqm**

Floor installed by Tarkett employees



## USA

Cranston care facility – Rhode Island – NY

**8,500 sqm**

Delivered in 48 hours



## Turkey

2 hospitals (prefabricated)

**120,000 sqm**

2,000 beds



## USA

Sanitizer bottles produced by Beynon - Maryland

Medical gowns sewn at Kraft Drive –Georgia

# Strong focus on cost reduction and cash preservation in the wake of the coronavirus crisis

Mitigate negative impacts on the profitability

## Pursue strategic initiatives to reduce cost structure

- SG&A savings program on track
- Productivity gains and SG&A cost reduction of c. €8m in Q1
- Capex maintained for a selection of productivity projects (automation)

## Deploy actions to adapt to lower activity since mid-March

- Temporary lay-offs and reduction in working time
- Hiring freeze
- Drastic reduction of discretionary costs
- Cancellation of projects
- Reduction in top management compensation

## Preserve cash-flows through a vigorous set of measures

- Capex reduction: €80m vs. €125m in 2019, down 36%
- Deferral of taxes and social charges
- Strict management of working capital
- Cancellation of the initially proposed dividend



# Well-positioned to benefit from the recovery

- 1 **Balanced portfolio** between geographies, end markets and channels
- 2 **A local business model** – regional manufacturing & supply, low reliance on long-distance imports
- 3 **Flexible manufacturing processes**, allowing social distancing in plants and rapid production ramp up
- 4 **Leadership positions in Healthcare / Aged care** – key segments to benefit from increased public investment
- 5 Long term commitment to **circular economy**

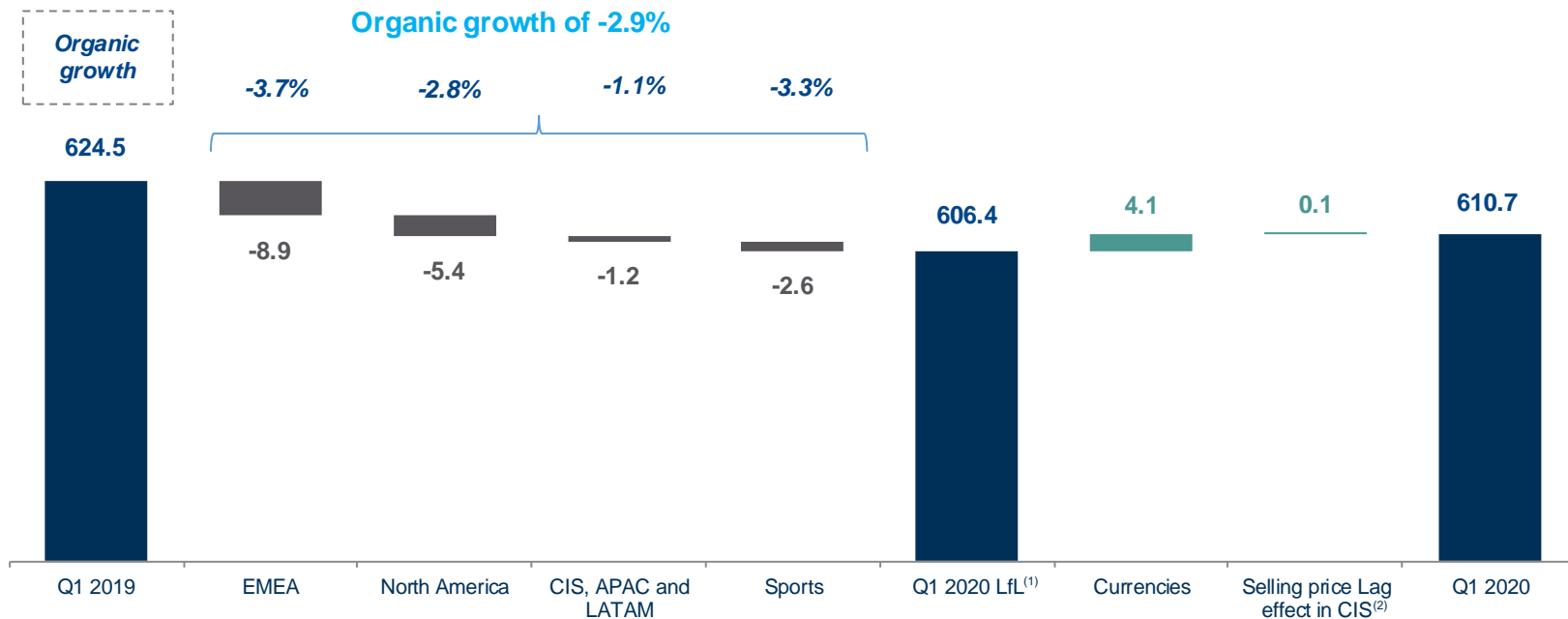
A modern office interior featuring a wide hallway with a light-colored wood-look laminate floor. On the right, a curved glass railing with a light wood slat infill overlooks a lower level. The background shows a hallway with glass doors and a reception area with a patterned wall. A dark blue semi-transparent box is overlaid on the left side of the image.

# Financials

Raphaël Bauer  
CFO

# Q1 organic growth penalized at the end of March: -2.9%

in €m



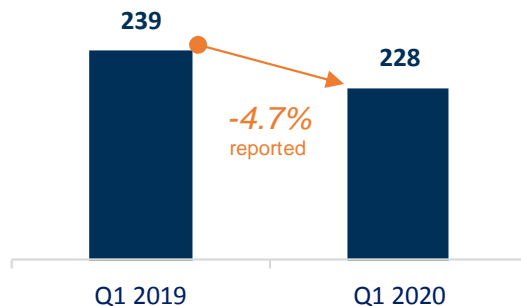
(1) Like for Like: At same perimeter and exchange rates. (NB: In the CIS, price increases implemented to offset currency fluctuations are not included in the organic growth. Organic growth in the CIS therefore reflects volume and mix variances only).

(2) Lag effect: Net of currency impact and selling prices adjustments in the CIS countries

# EMEA Q1 2020

in €m

## Net sales



Q1 2020  
Net sales  
organic  
growth<sup>(1)</sup>

-3.7%

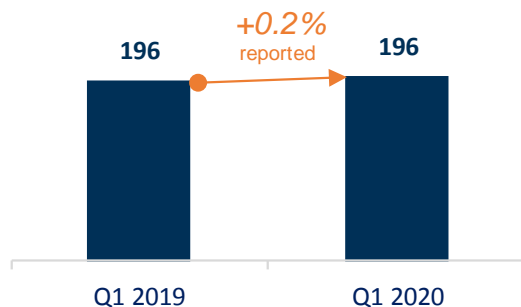
- **Organic growth** in line with expectations until mid-March (flat+)
- **Second part of March affected by lockdown measures**, particularly in Southern Europe (France, Spain, Italy)
- Nordic region remained dynamic and Germany grew slightly during the quarter
- Several manufacturing sites temporarily shutdown late March
- All sites but one running as of April 28<sup>th</sup> but operating at lower capacity

(1) Organic growth: At same perimeter and exchange rates.  
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# North America Q1 2020

in €m

## Net sales



Q1 2020  
Net sales  
organic  
growth<sup>(1)</sup>

**-2.8%**

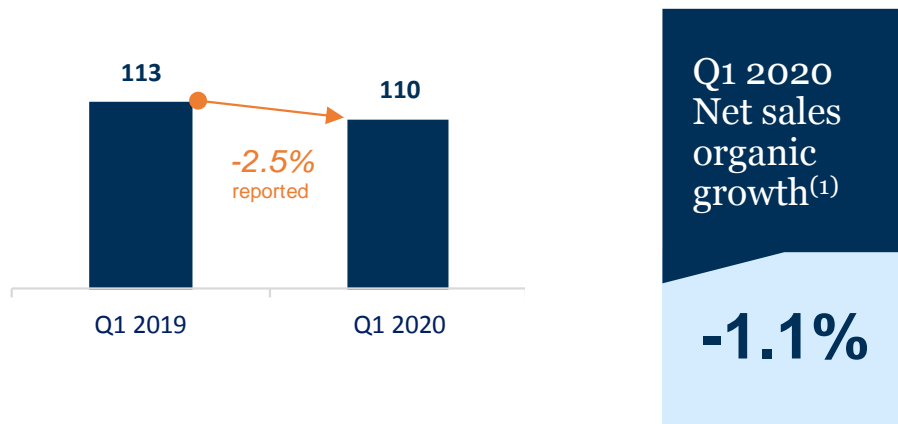
- **Like-for-like revenues slightly better than anticipated**
- **Improving trends in volume and mix** during Q1 after a depressed Q4 2019
- **Growth in commercial carpet** excluding hospitality, already hit by travel restrictions in Q1
- **Residential activities down year-over-year**
- **Limited impact of the lockdown measures** implemented late March - Construction considered essential in many states
- Manufacturing site in Canada stopped and one site in the US temporarily closed mid-April, reopened since then



# CIS, APAC & Latam Q1 2020

in €m

## Net sales



### ■ Russia & CIS

- Stable activity
- Selling prices maintained, offsetting currency effect
- No impact of the coronavirus crisis as lockdown started in April

### ■ Latin America

- Dynamic sales until mid-March
- Selling price increases to mitigate Brazilian real depreciation
- End of quarter penalized by lockdown measures

### ■ Asia-Pacific

- China down in February, but started recovering in March
- Reopening of the manufacturing sites in March

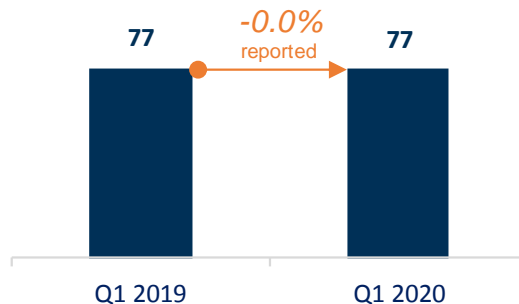
(1) Organic growth: At same perimeter and exchange rates.

(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 2020

in €m

## Net sales



Q1 2020  
Net sales  
organic  
growth<sup>(1)</sup>

-3.3%

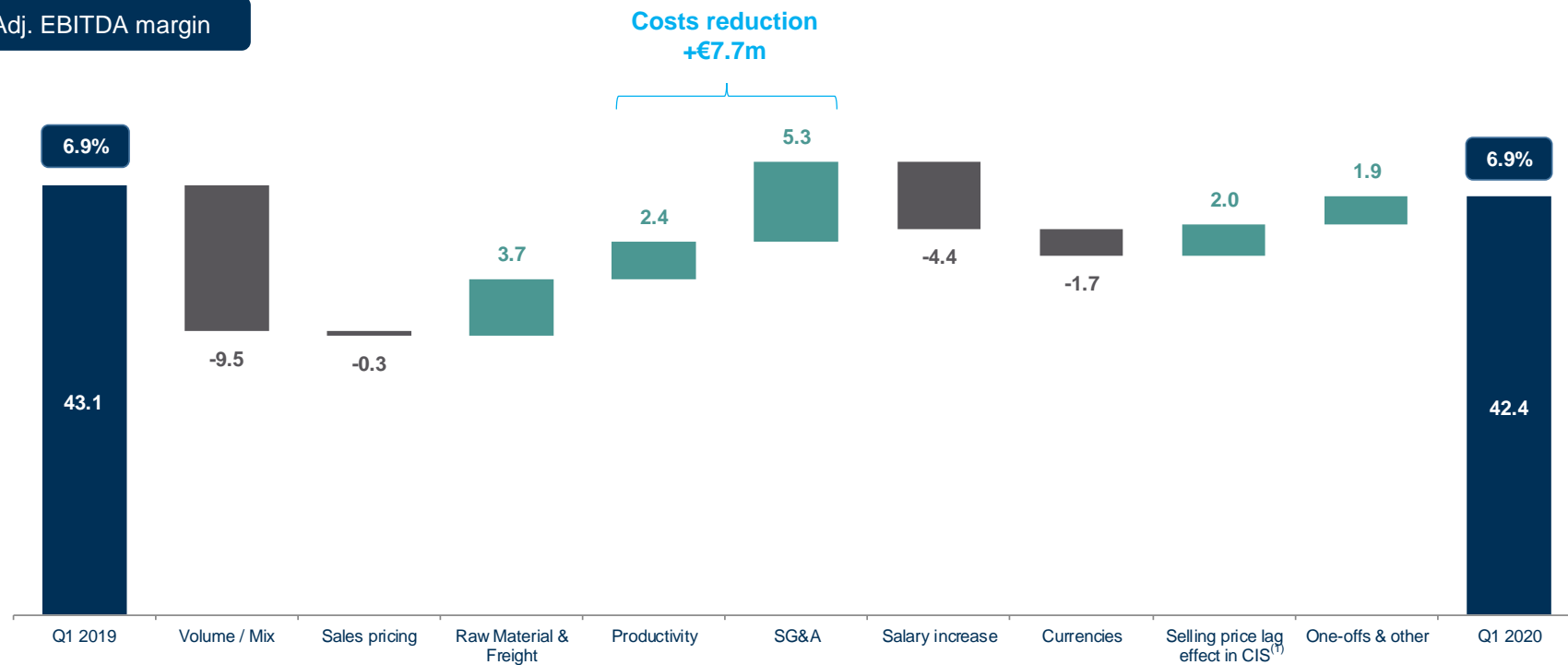
- **Like-for-like revenues down 3% in this seasonally low quarter**
- **Slight growth in North America** in spite of a tough comparison basis and some delays due to weather conditions
- **EMEA activity affected by the covid-19 outbreak** with several projects halted in the second half of March
- Slowdown in Australia due to bush fires and lockdown measures

(1) Organic growth: At same perimeter and exchange rates.  
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# Q1 Adjusted EBITDA: stable year-over-year

in €m

Adj. EBITDA margin



(1) Lag effect: Net of currency impact and selling prices adjustments in the CIS countries

# Solid level of liquidity

in €m

## CREDIT LINES AS OF 31/03/2020:

	Capacity	Utilisation
Syndicated Revolving Credit Facility	700	257
Private Placement Schuldschein	614	614
Uncommittted credit lines	101	16
<b>Gross Debt (excl. IFRS16 lease liability)</b>	<b>1,413</b>	<b>887</b>
Cash		-217
<b>(Net Debt excl. IFRS 16 lease liability)</b>		<b>670</b>

<b>Unused credit capacity</b>	<b>526</b>	
o/w confirmed undrawn credit lines	443	
<b>Total cash and confirmed lines</b>	<b>660</b>	

- **Targeted leverage ratio (1.6x to 2.6x at end of the year) suspended for 2020**, as announced on April 8<sup>th</sup>

## ONGOING DISCUSSIONS WITH BANKS:

- **Waiver of financial covenants** under discussion for June and December 2020
- **Short term credit facility** under review with key banks
- **PGE** (Prêt garanti par l'Etat) under preparation. Expected amount of €70 million

A modern office interior with a vibrant, multi-colored geometric carpet in shades of yellow, pink, and grey. Large, metallic, dome-shaped pendant lights hang from the ceiling. In the background, there is a large glass wall and a curved reception desk. The space is bright and open.

# 2020 Outlook

Fabrice Barthélemy  
CEO



# 2020 Outlook

## ■ Tarkett Outlook 2020

- Activity penalized by pandemic spread and lockdown, in particular in Q2
- Revenues expected to be down around -40% in April
- Cost reduction and raw material prices to mitigate negative impacts of reduced demand and production disruptions
- Adjusted EBITDA to be affected in Q2 and FY 2020, leverage ratio target suspended for 2020 as announced on April 8th

## ■ Tarkett key priorities for 2020

- Protect the health and safety of employees and partners
- Ensure the continuity of production with the required level of service to customers
- Drastically reduce costs to mitigate negative impacts on the profitability
- Manage cash tightly to preserve liquidity
- Pursue strategic initiatives of the Change to Win plan, including long term commitment to circular economy



# Q&A Session

Fabrice Barthélemy  
CEO

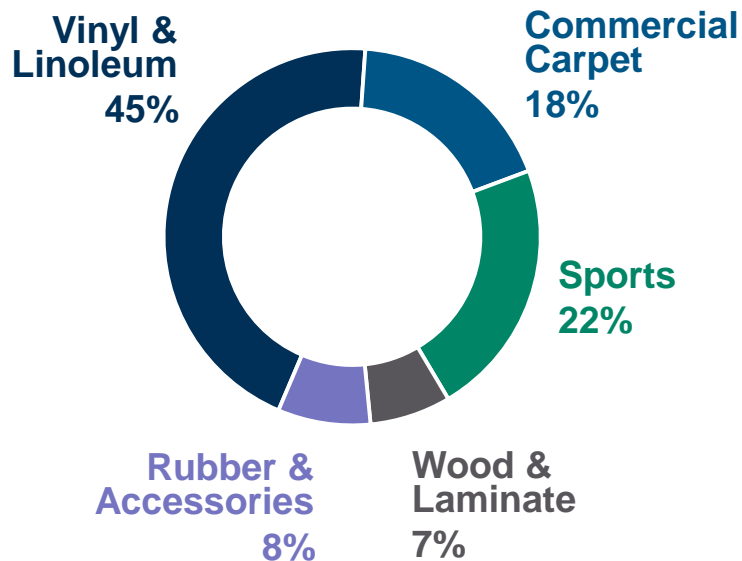




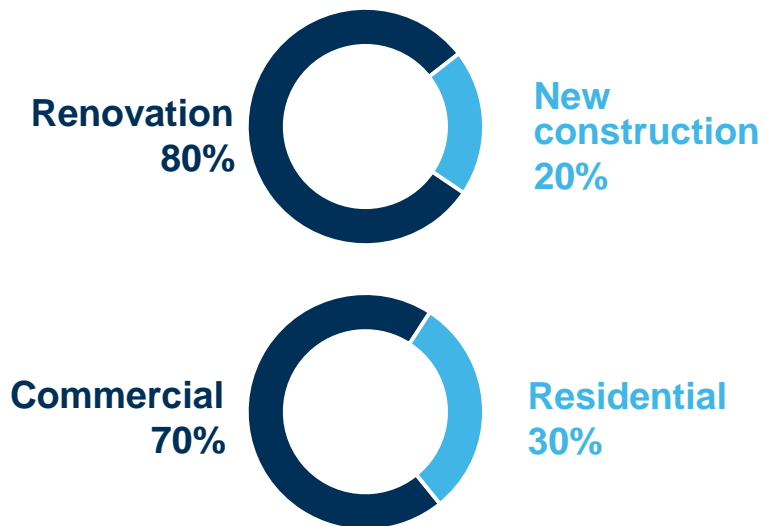
# Appendices

# Complementary products and attractive end-markets exposure

Net sales  
by product categories



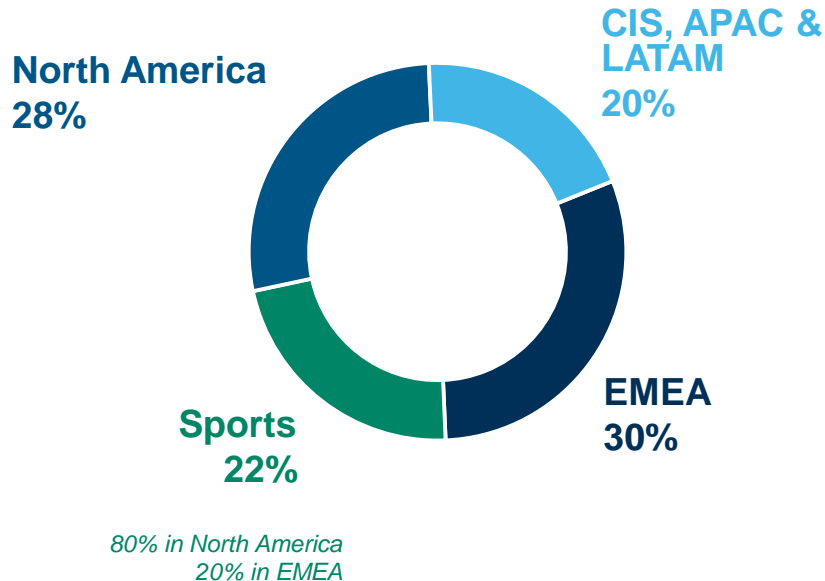
Net sales  
by end-markets



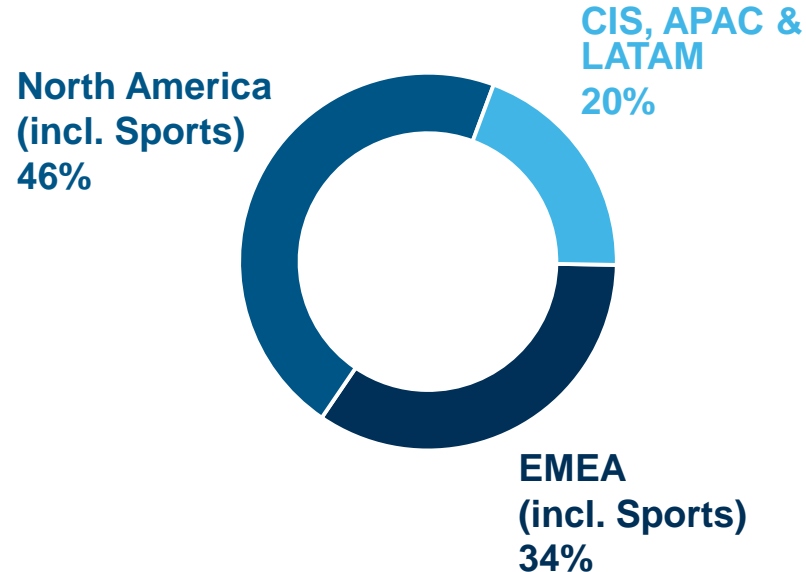
# Net sales by segment and geographies

in % 2019 turn over

Net sales  
by reporting segments

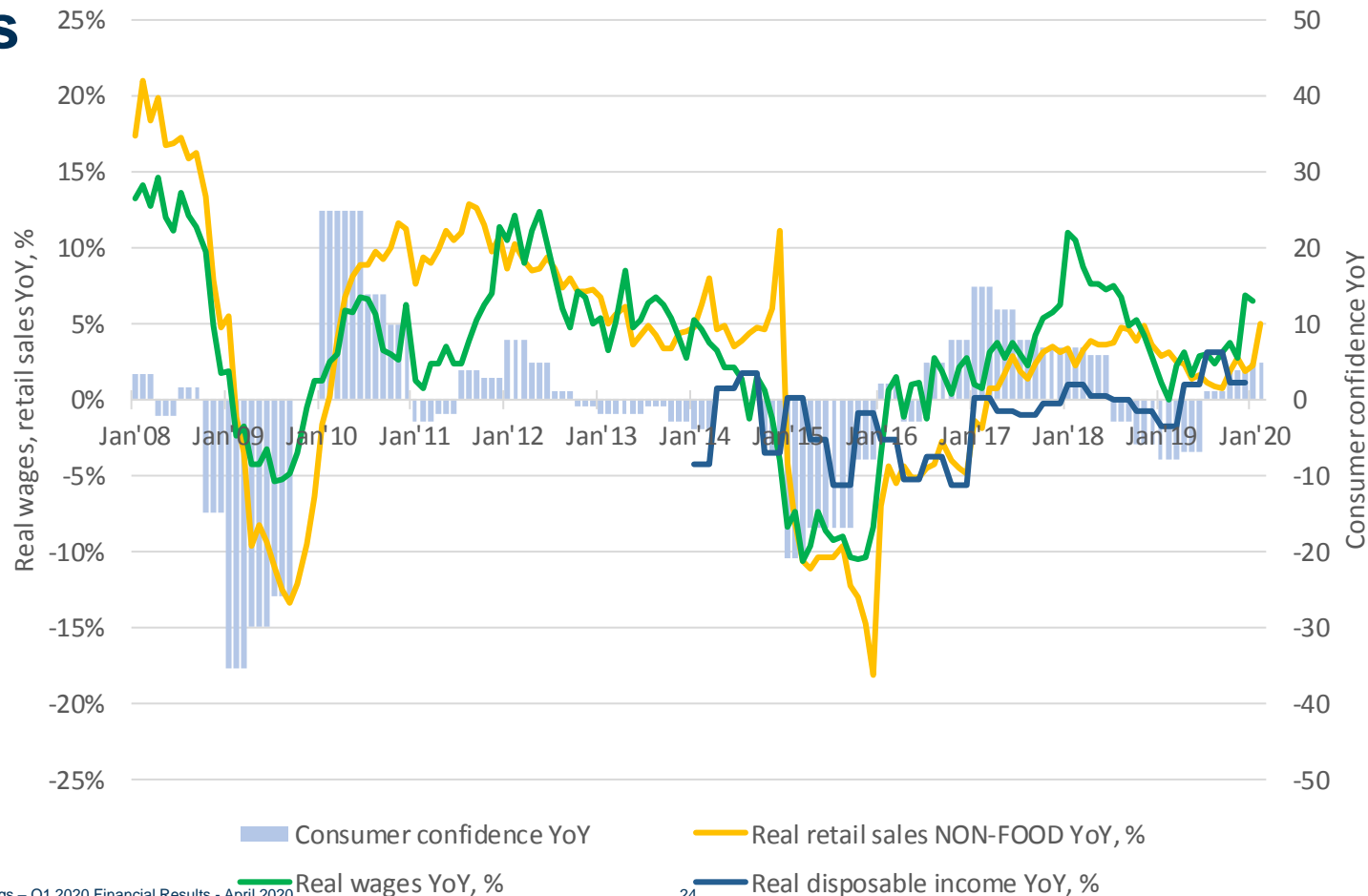


Net sales  
by geographies





# Russia: consumer confidence, real retail sales and real wages



Source: Rosstat.

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# Sales performance and adjusted EBITDA by quarter

in €m

Sales performance by Quarter				
€m	Q1 2020	Q1 2019	% growth	Organic growth
EMEA	227.7	239.0	-4.7%	-3.7%
North America	196.1	195.8	+0.2%	-2.8%
CIS, APAC & LATAM	109.7	112.5	-2.5%	-1.1%
Sports	77.1	77.2	-0.0%	-3.3%
<b>TOTAL</b>	<b>610.7</b>	<b>624.5</b>	<b>-2.2%</b>	<b>-2.9%</b>
€m	Q1 2020	Q1 2019	Q1 2020 Margin	Q1 2019 Margin
<b>Adjusted EBITDA</b>	<b>42.4</b>	<b>43.1</b>	<b>6.9%</b>	<b>6.9%</b>

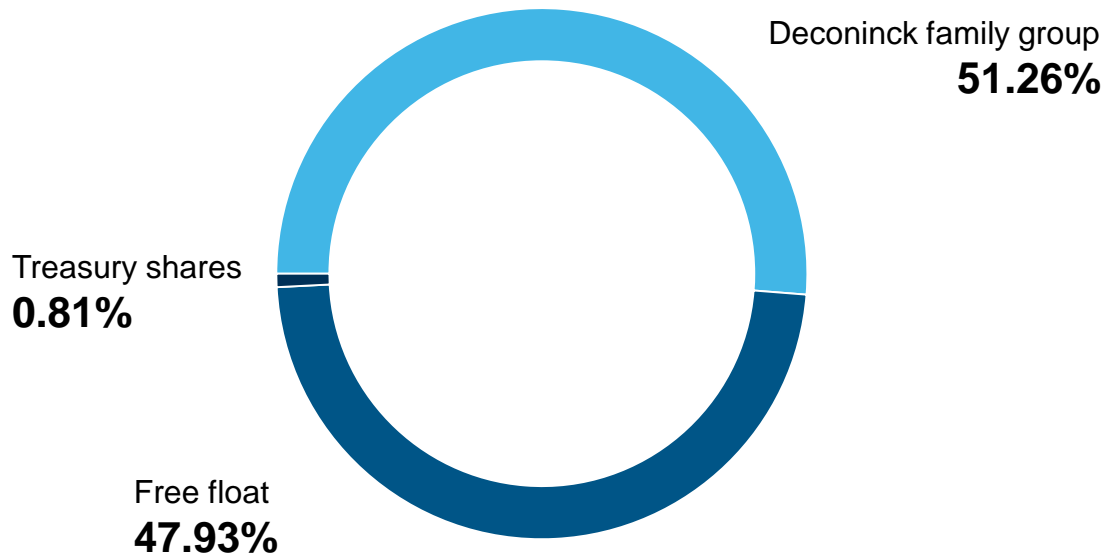
# Adjusted EBITDA before IFRS 16 application

in €m

€ m	Q1 2020	Q1 2019	Q1 2020 margin	Q1 2019 margin
Adjusted EBITDA excl. IFRS 16	34.6	35.8	5.7%	5.7%
IFRS 16 impact	7.8	7.3	-	-
Reported adjusted EBITDA	42.4	43.1	6.9%	6.9%

# Shareholder composition

As of March 31, 2020



# Executive Committee

An international, diverse & entrepreneurial leadership team



**Fabrice Barthélemy**  
CEO and President of  
the Management Board



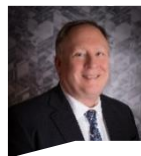
**Eric Dalier**  
Tarkett Sports  
President



**Pierre Barrard**  
EVP Strategic  
Marketing, Digital &  
Innovation



**Gilles Lebre**  
VP Customer  
Operations Group CIO



**Jeff Fenwick**  
North America  
President



**Raphaël Bauer**  
Chief Financial Officer



**Antoine Prevost**  
EVP Research &  
Development and  
Operations

- Customer-driven culture
- Operational agility thanks to a decentralized and aligned organization



**Slavoljub Martinovic**  
Eastern Europe  
President



**Séverine Grosjean**  
EVP Group Human  
Resources



**Francesco Penne**  
EMEA & LATAM  
President



**Wendy Kool-Foulon**  
Group General Counsel





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