



# Q3 2015 Financial Results

October 22, 2015



## Q3 2015 Highlights

**Net Sales rose by +10.6% vs. Q3 2014 at €809m**

- + **Perimeter** effect of +8.2%, reflecting mainly acquisitions of **Desso** and **Renner Sport Surfaces**
- + Overall **currency** effect of +1.5%, reflecting mainly a weaker euro and a sudden devaluation of the ruble in August

**Positive like-for-like sales growth<sup>(1)</sup> at +0.9% in Q3 2015**

- + **Positive organic growth in all regions, except in CIS countries** with
  - + **EMEA** (+6.2%): continued strong performance
  - + **North America** (+2.5%): return to organic revenue growth
  - + **Sports** (+11.2%): solid momentum maintained
- **CIS countries**: decline in volumes and mix in line with H1 2015

**Adjusted EBITDA<sup>(2)</sup> stable at €113m vs. Q3 2014<sup>(3)</sup>**  
despite a **negative currency** impact in **CIS countries** of **-€33.4m**

➤ **Positive growth in all regions, except in CIS countries and stable adjusted EBITDA**

*Note:* (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.

(3) Figures restated to reflect the impact of IFRIC 21, leading to a change in the recognition date for certain tax liabilities.



# Q3 2015 Activity

---

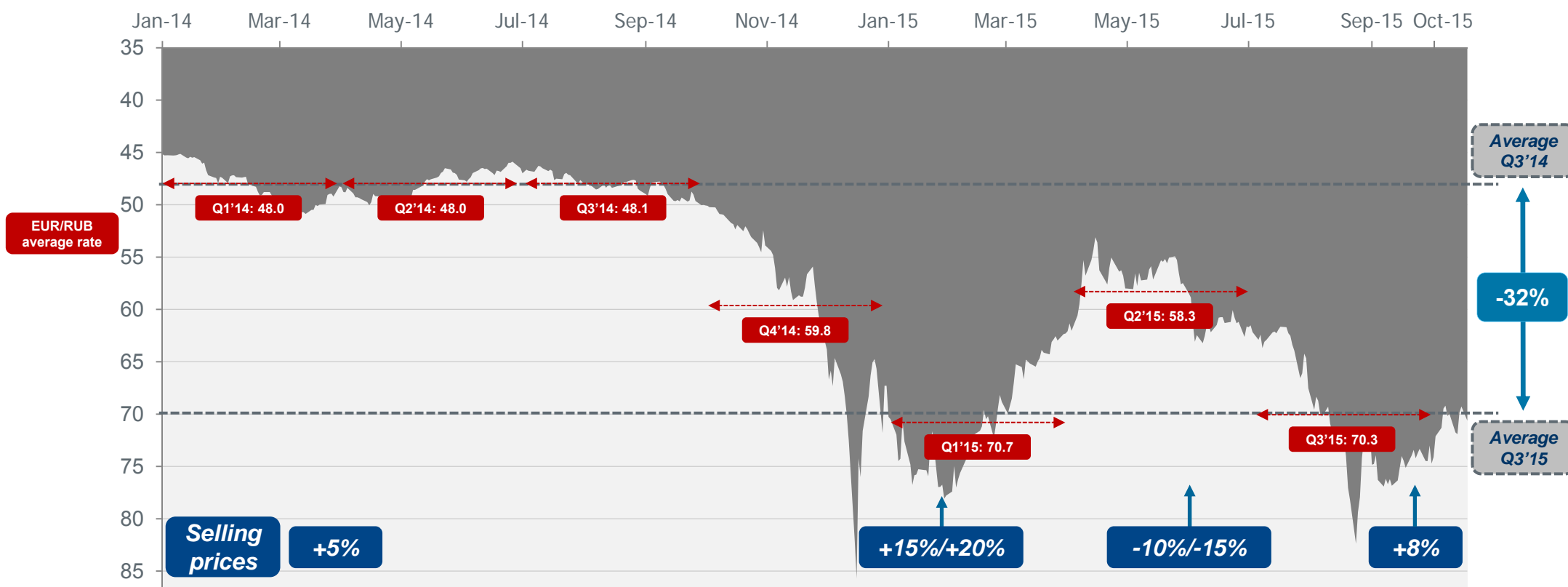


**Tarkett**

THE ULTIMATE FLOORING EXPERIENCE

# Continued adaptation to the strong volatility of the ruble

## EUR-RUB (inverted scale)



Source: Reuters.

# Heavy negative 'lag effect' on adjusted EBITDA of (€43)m in the third quarter due to ruble devaluation

## Currency variation impacts (Y-o-Y)

€m	H1 2015	Q3 2015	9M 2015
<b>In the CIS countries (net of selling price increases)</b>			
Impact on Net Sales	(26.0)	(43.1)	(69.2)
Impact on Adjusted EBITDA <sup>(1)</sup>	(7.3)	(33.4)	(40.7)
<b>Rest of the World</b>			
Impact on Net Sales	+90.7	+54.1	+144.8
Impact on Adjusted EBITDA <sup>(1)</sup>	+8.2	+6.4	+14.6
<b>Total Currencies Impact</b>			
Impact on Net Sales	+64.7	+10.9	+75.6
Impact on Adjusted EBITDA <sup>(1)</sup>	+0.9	(27.0)	(26.1)

## Comments

### ■ In the CIS countries

- Strong devaluation of the ruble in August penalising both net sales and adjusted EBITDA

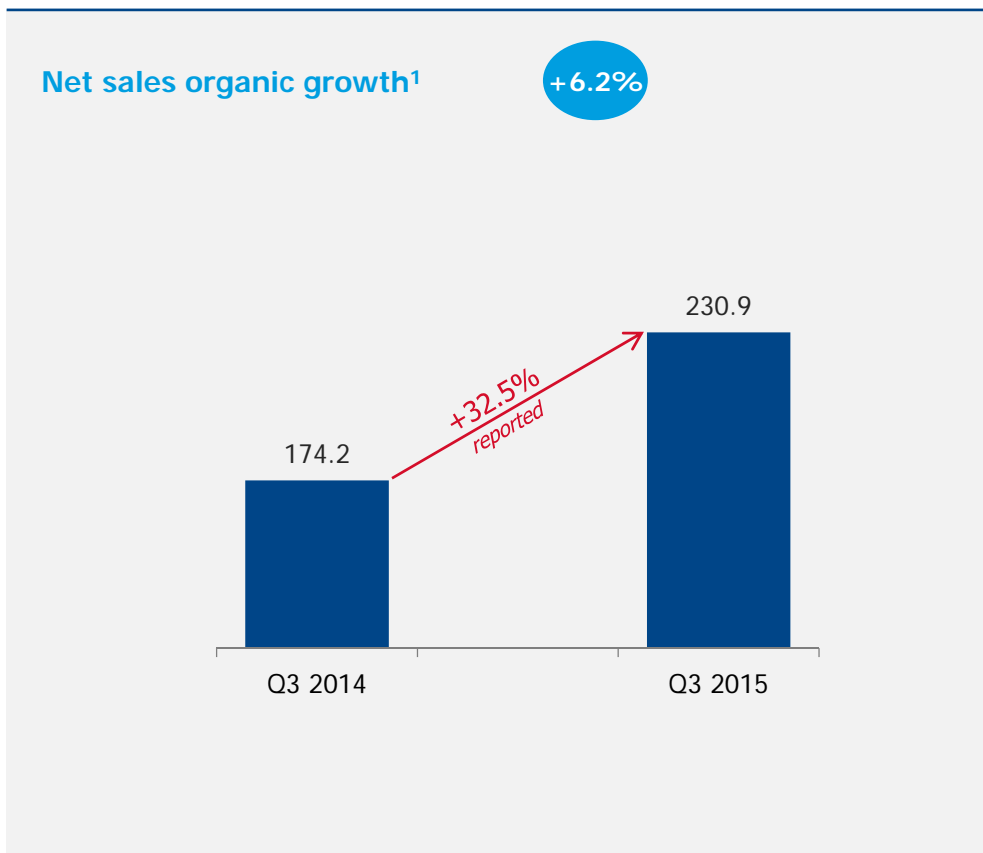
### ■ In other countries

- Weak euro against the US dollar continues to have a positive impact

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

# EMEA Q3 2015

## Net sales evolution - €m



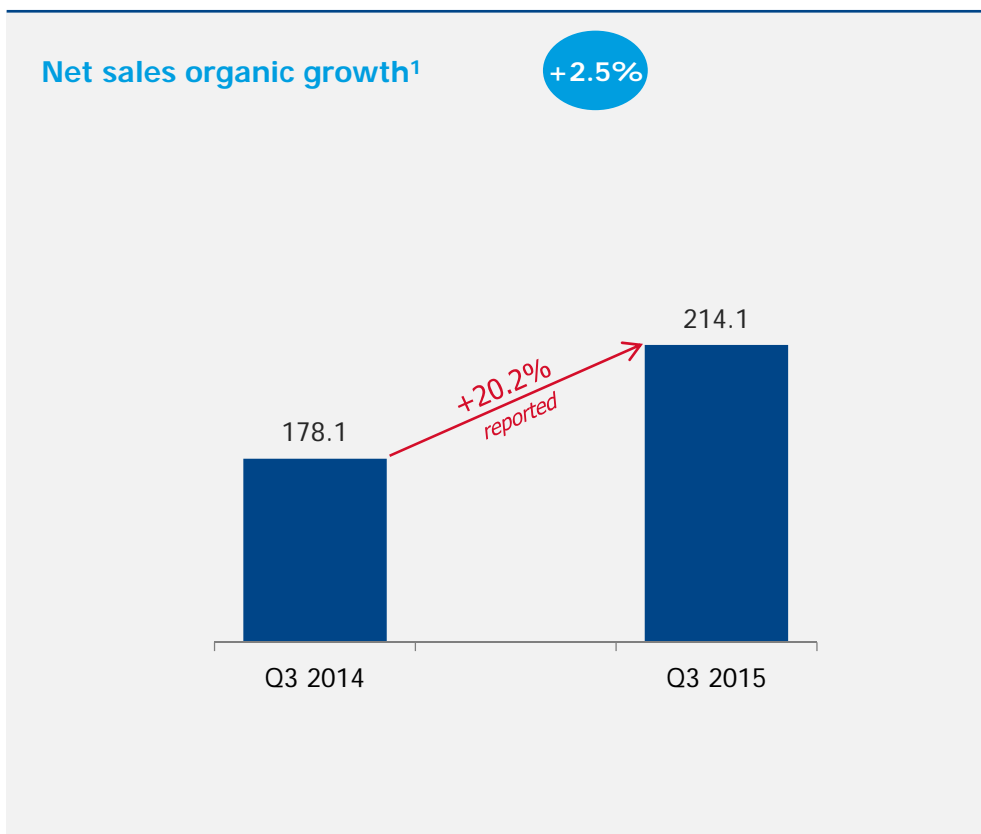
## Comments

- **LVT category** kept gaining share across all the regions
- **Most countries contributed** to the segment's momentum, with a noticeable exception in **France**
- **Desso's EMEA activities**
  - Delivered once again a **very good performance**
  - **Integration** is progressing **as planned**

*Note:* (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).

# North America Q3 2015

## Net sales evolution - €m



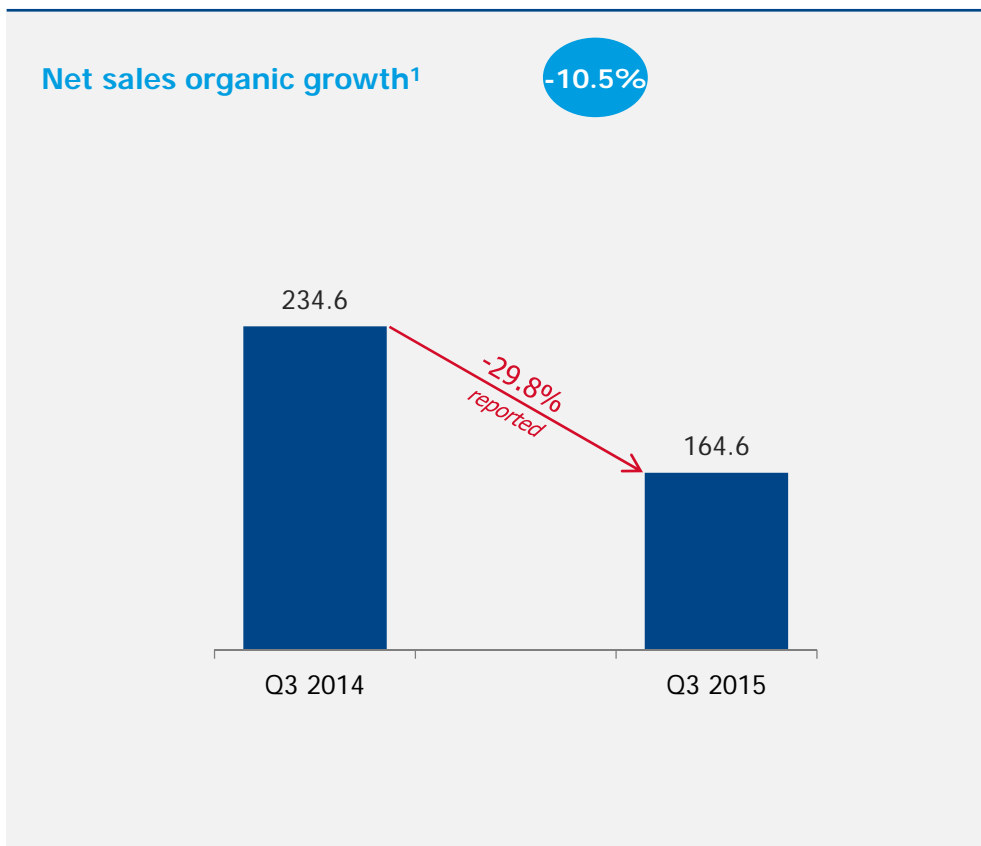
## Comments

- **Improvement** in the **commercial activity**, especially **dynamic LVT & commercial carpet tiles categories**
- **VCT production** is back to **normal**
- The Group is actively focusing on **regaining the lost volumes in the VCT**

*Note:* (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, APAC & LATAM Q3 2015

## Net sales evolution - €m



## Comments

### CIS countries

- Contained LfL decline
- Sharp & sudden **ruble devaluation in August**
  - New selling price increase of +8% in average mid-September
- 'Lag effect' on sales of -€43m & -€33m on adjusted EBITDA

### APAC

- Growth thanks to **vigorous trends in Australia**

### Latin America

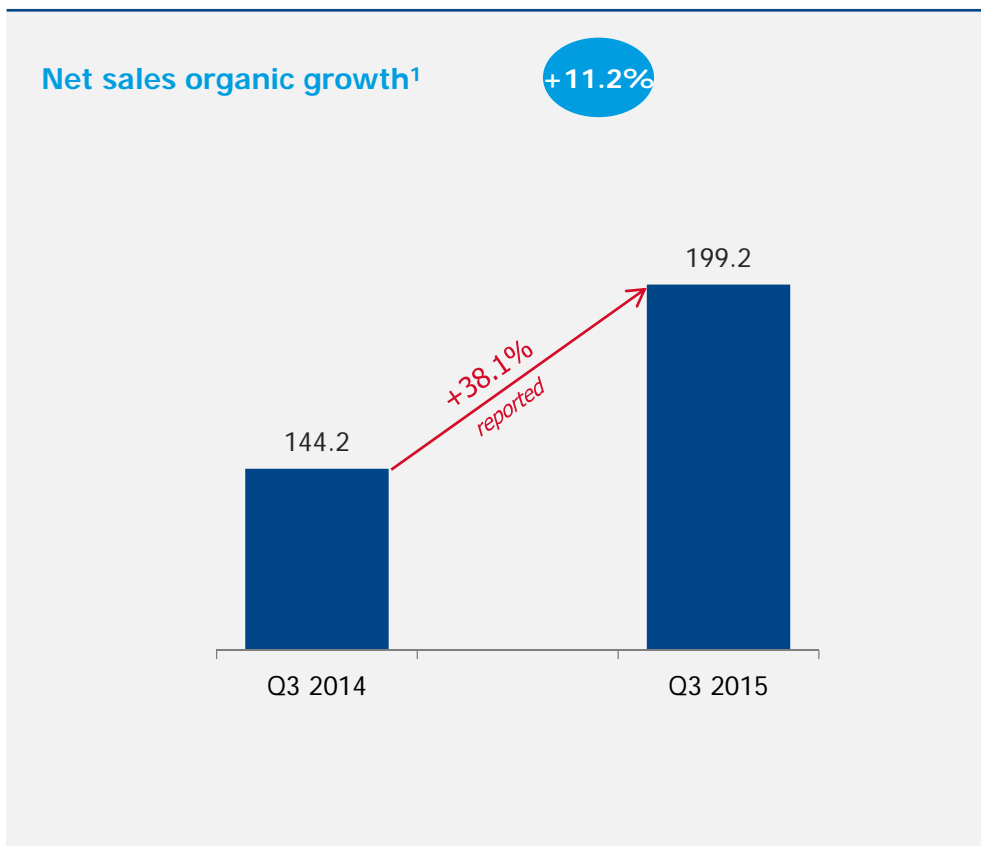
- Slight expansion in sales thanks to
  - Selling price increases in **Brazil**
  - Healthy trading in **other countries**

Note: (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 Q3 2015

## Net sales evolution - €m

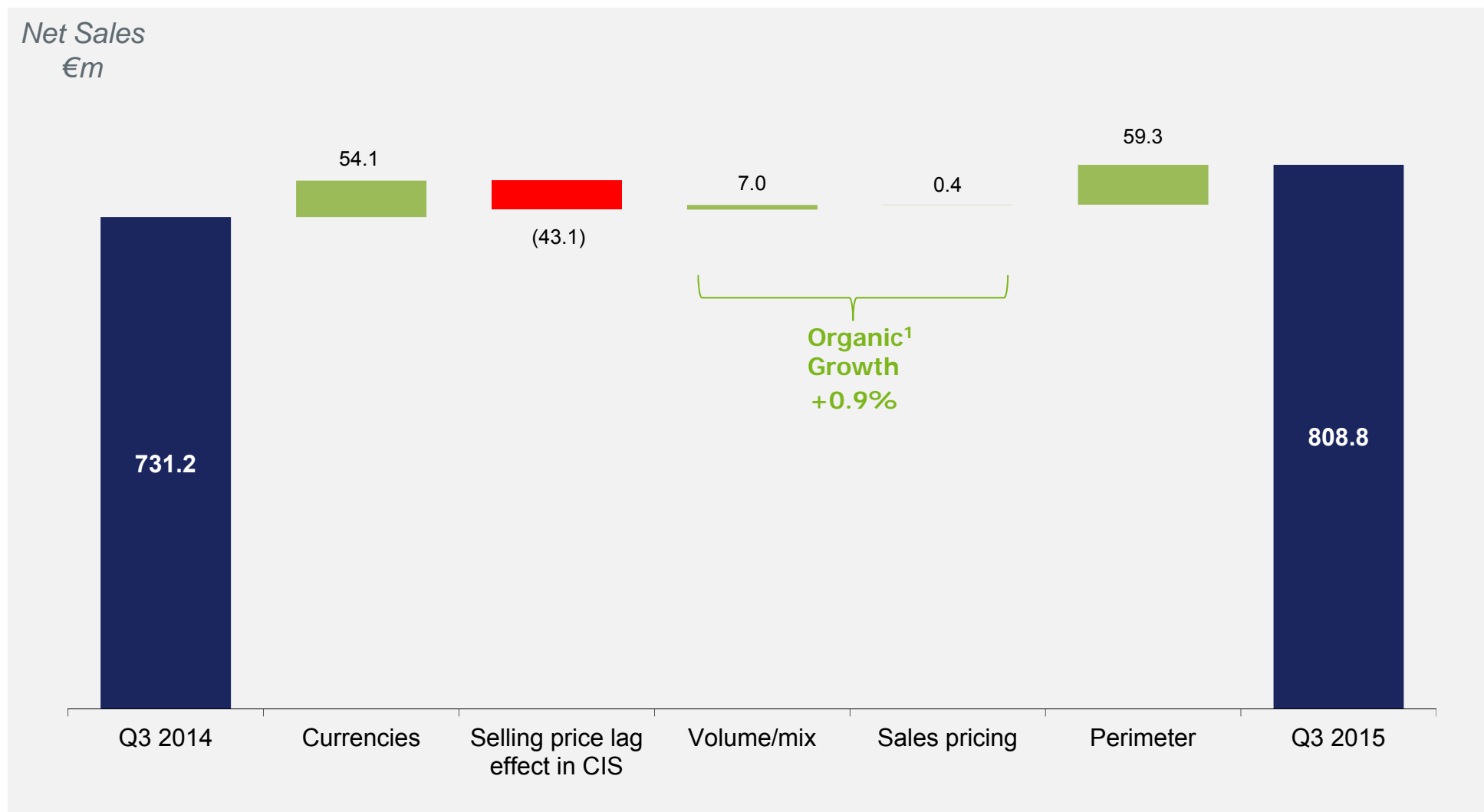


## Comments

- **All business lines** delivered **growth** with **artificial turf** in **North America** being the **largest contributor**
- **Healthy market fundamentals** and need for **innovative** and **sustainable solutions**
- Acquisition of the **minority shares of EasyTurf** in September 2015 with **no change in the consolidated income statement**
- **AstroTurf's infringement of FieldTurf US patent** (No. 6,723,412) found '**willful**' by the jury from United States District Court for the Eastern District of Michigan
  - **Additional issues** remain for the court to rule upon that **could impact the amount of the award**
  - Any final ruling and award in the case is **subject to appeal**

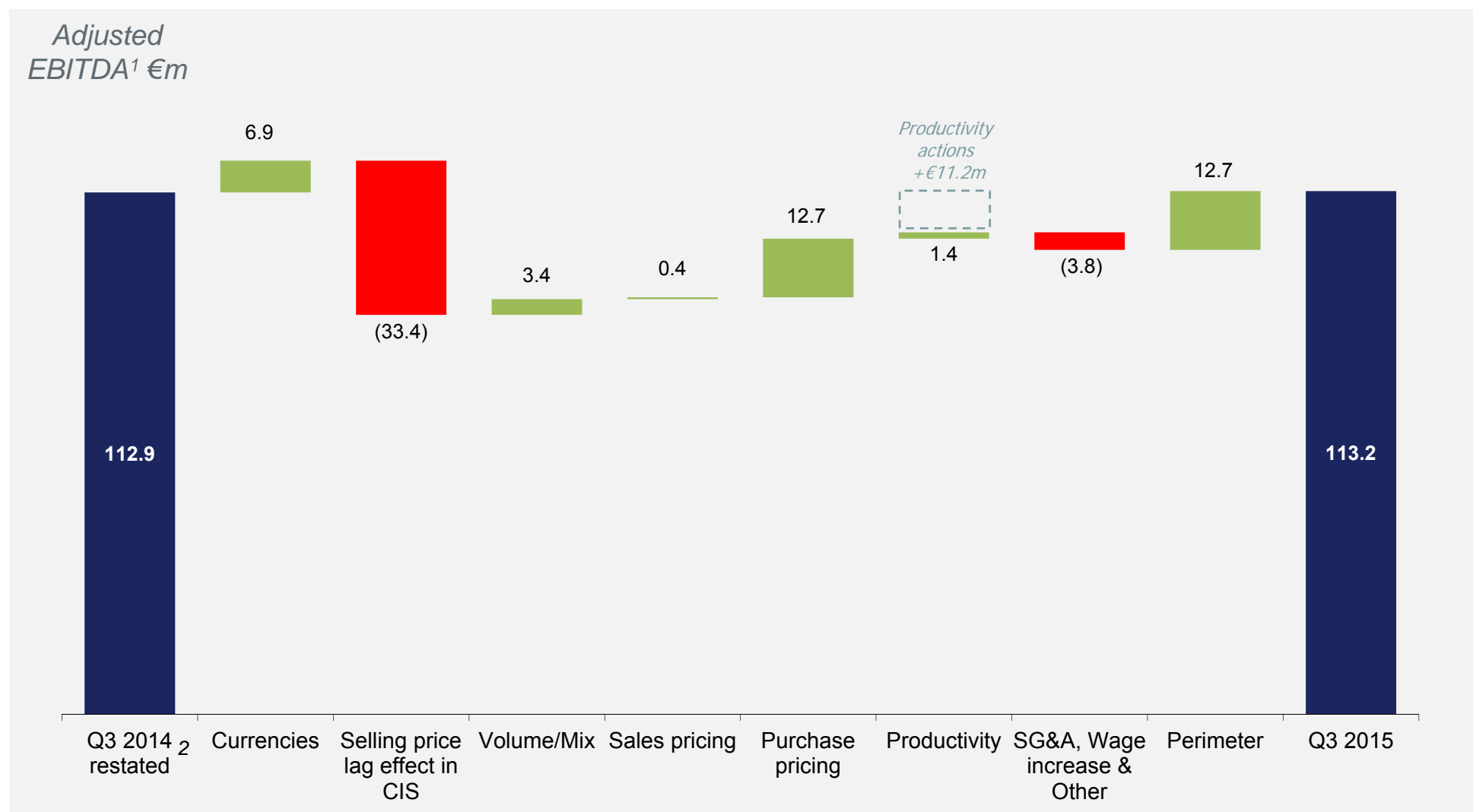
*Note:* (1) Organic growth: At same perimeter and exchange rates (NB: In the CIS, price increases implemented to offset currency fluctuations are not included in the organic growth. Organic growth in the CIS therefore reflects volume and mix variances only).

+10.6% growth thanks to perimeter and foreign exchange impact as well as positive trends in North America, EMEA and Sports



Note: (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).

## Stable adjusted EBITDA despite a negative currency impact in CIS



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

(2) Restated to reflect the impact of IFRIC 21.

# Tarkett sustainability into action

## Green Tour at Clervaux, Luxembourg

- **Sustainability fully integrated into World Class Manufacturing program**
  - To apply the **Cradle to Cradle** principles and increase recycling activities
  - A key driver for **operational excellence**, **resource efficiency** and **team empowerment** and motivation
- **Opening tour** with investors and the press in September 2015 and plant teams



## Carpet Tile Certified™ Cradle to Cradle Gold

- **Desso Gold Collection: first carpet tile in the world getting Cradle to Cradle® Gold certification**
- **100% Regenerated yarn (ECONYL®) combined with recycled backing (EcoBase™)**



# Tarkett leads the industry transformation towards sustainability

- **United Nations Conference dedicated to chemicals management - ICCM4** (Geneva – Oct 1<sup>st</sup>, 2015)

Michel Giannuzzi gave a keynote speech on collaborative eco-innovation that positively contributes to people's health and well-being and the environment



- **G7 Alliance for Resource Efficiency** (Berlin – inaugural event Oct 2<sup>nd</sup>, 2015)

Tarkett joined the French Government official delegation to **share best practices to improve resource efficiency and optimize the use of natural resources**



- **Tarkett rewarded by the French Circular Economy Institute receiving the 'Company in transition' Trophy** (Paris - Sept 2015)



- **World Economic Forum: Tarkett will join in 2016 as Partner Company, built on Desso's contribution**
- Engaged in **Global Challenge initiative** focused on the 'Environment and Natural Resource Security' ; also member of the Project Mainstream to develop **sustainable circular economy models**
- Contributor as **Industry Partner** to the 'Infrastructure and Urban Development' initiative





## Conclusion

---

## Take Aways from the third quarter 2015

### Sales

- +10.6% growth in net sales
- Organic growth (+0.9%) thanks to North America, EMEA and Sports

### Adjusted EBITDA

- Stable adjusted EBITDA at €113m with a 14.0% margin
- This performance demonstrates the resilience of our balanced business model (negative ruble effect of -€33m offset)

### Outlook

- In the CIS countries, the Group remains highly responsive to the evolution of the environment
- Demand should remain well oriented in EMEA, North America and Sports





## Q3 2015 Financial Results Q&A session

October 22, 2015





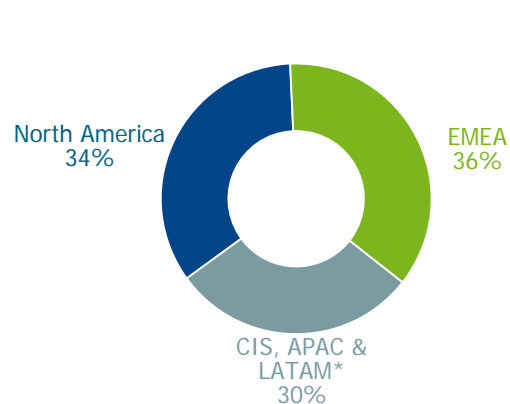


# Appendices

---

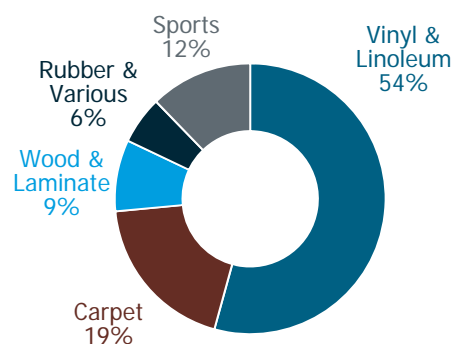
# Balanced exposures providing resilience to industry cycles

## Balanced geographic exposure



As % of 2014 net sales<sup>(1)</sup>

## One of the broadest product portfolios in the flooring industry

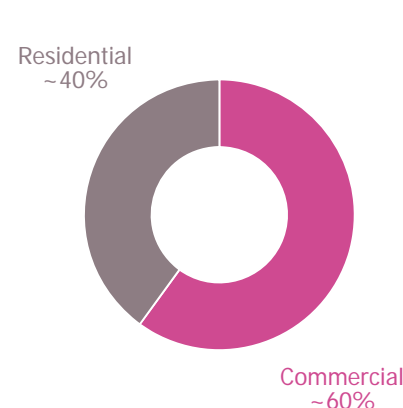


As % of 2014 net sales<sup>(1)</sup>

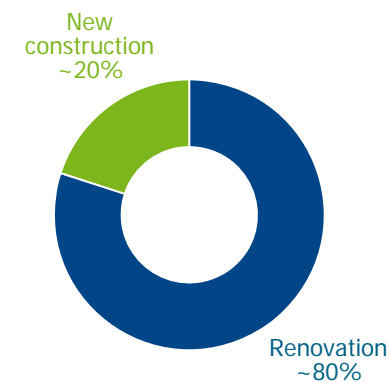
## Attractive end-markets exposure

Balanced

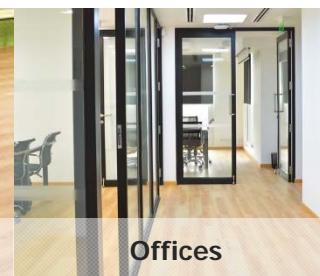
Resilience



Estimated sales split<sup>(1)</sup>



Estimated volume split<sup>(1)</sup>



Note: (1) Based on total 2014 Group net sales pro-forma for Desso.

\* Net Sales in Russia represented 18% of total 2014 Group net sales pro-forma for Desso.

# Sales and adjusted EBITDA performance by quarter

Sales performance by quarter								
€m	Q3 2015	Q3 2014 <sup>1</sup>	% growth	% organic growth <sup>2</sup>	9M 2015	9M 2014 <sup>1</sup>	% growth	% organic growth <sup>2</sup>
EMEA	230.9	174.2	+32.5%	+6.2%	693.5	521.2	+33.0%	+5.8%
North America	214.1	178.1	+20.2%	+2.5%	587.7	496.9	+18.3%	-0.9%
CIS, APAC & LATAM	164.6	234.6	-29.8%	-10.5%	442.4	579.6	-23.7%	-12.0%
Sports	199.2	144.2	+38.1%	+11.2%	359.1	241.1	+49.0%	+19.0%
Total Sales	808.8	731.2	+10.6%	+0.9%	2,082.7	1,838.8	+13.3%	+0.1%

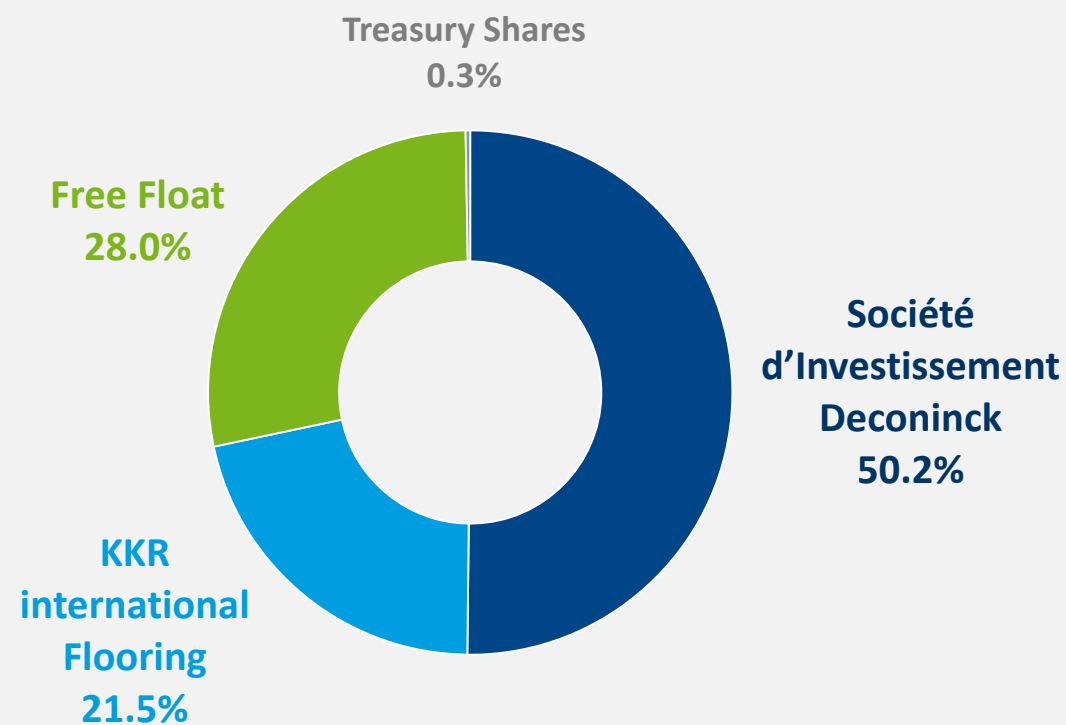
€m	Q3 2015	Q3 2014 <sup>1</sup>	Q3 15 Margin	Q3 14 Margin	9M 2015	9M 2014 <sup>1</sup>	9M 15 Margin	9M 14 Margin
Adjusted EBITDA <sup>3</sup>	113.2	112.9	14.0%	15.4%	241.2	237.6	11.6%	12.9%

Note: (1) Figures restated to reflect the impact of IFRIC 21, leading to a change in the recognition date for certain tax liabilities.

(2) 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**).

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

## Shareholder composition - As at June 30, 2015



# Disclaimer

---

- The information contained in this presentation has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein.
- This document may contain estimates and/or forward-looking statements. Such statements do not constitute forecasts regarding Tarkett's results or any other performance indicator, but rather trends or targets, as the case may be. These statements are by their nature subject to risks and uncertainties, many of which are outside Tarkett's control, including, but not limited to the risks described in Tarkett's 'Document de référence' (in particular in the 'Facteurs de risques' section), registered on April 2<sup>nd</sup>, 2015, available on its Internet website ([www.tarkett.com](http://www.tarkett.com)). These statements do not warrant future performance of Tarkett, which may materially differ. Tarkett does not undertake to provide updates of these statements to reflect events that occur or circumstances that arise after the date of this document.
- This document does not constitute an offer to sell, or a solicitation of an offer to buy Tarkett shares in any jurisdiction.