

## Q3 2022 revenue:

**Turnover growth driven by solid performance in Sports and sales price increases**

**Volume stable compared to Q3 2021 despite a slowdown in demand in some segments**

### Third quarter 2022 results

- Strong revenue growth of +24.2% compared to Q3 2021, of which +11.9% from sales price increases, +12.2% from currency effects and stable volume as growth in Sports offsets slowdown in EMEA and CIS
- In EMEA, business volume down compared to Q3 2021 due to slowing demand and destocking in the distribution chain
- Moderate volume growth in North America in a less dynamic market than in the first half
- Stabilised levels of activity in the CIS at approximately -25% and continued growth in Asia and Latin America
- Very good level of activity in Sport, with organic growth of over 30% for the third consecutive quarter
- Rising sales prices and positive inflation balance despite increase in energy prices

Paris, 25 October 2022: The Supervisory Board of Tarkett (Euronext Paris: FR0004188670 TKTT), which met today, reviewed the Group's consolidated revenue for the third quarter of 2022.

The Group uses alternative performance indicators (not defined under IFRS), described in detail in the appendix:

Revenue in millions of euros	Q3 2022	Q3 2021	Change	Of which organic growth	Organic change including price changes in CIS <sup>(1)</sup>
EMEA	220.4	217.4	+1.4%	+2.7%	+2.7%
North America	251.4	194.1	+29.5%	+11.5%	+11.5%
CIS, APAC & Latin America	191.1	164.1	+16.5%	-13.8%	-1.5%
Sports	342.5	233.9	+46.4%	+30.5%	+30.5%
<b>Total Group</b>	<b>1,005.4</b>	<b>809.4</b>	<b>+24.2%</b>	<b>+9.7%</b>	<b>+12.0%</b>

(1) Selling price adjustments in the CIS countries are historically intended to offset currency movements and are therefore excluded from the "organic growth" indicator (see Appendix 1). In 2021 and 2022, significant price increases have been implemented to offset the effects of purchase price inflation, and therefore the Group also measures the change in like-for-like sales including price adjustments in the CIS countries.

## 1. Third quarter 2022 turnover

**Net revenue** for the Group was 1,005 million euros, up by +24.2% compared to the third quarter of 2021. Organic growth was +12.0% including the sales price increases in the CIS region implemented at the beginning of the year<sup>(1)</sup>. The total effect of the sales price increases implemented across all segments is +11.9% on average compared to the third quarter of 2021.

**The EMEA segment** achieved a turnover of 220 million euros, up +1.4% compared to the third quarter of 2021, including an unfavourable currency effect of -1.3% and +2.7% of organic growth. In an uncertain economic environment, the Group has seen a contraction in demand, amplified by inventory reductions across the value chain. Residential activity is significantly lower than in 2021, which was marked by a clear recovery. Commercial activity was also down in most categories with the exception of LVT tiles. However, sales price increases compensated for inflation in raw materials, transport and energy.

**The North America segment** reported a revenue of 251 million euros, up +29.5% compared to the third quarter of 2021, reflecting solid like-for-like growth of +11.5% and a positive currency effect due to the appreciation of the dollar against the euro (+18.0%). Sales volumes and prices contributed to organic growth, which is well oriented in the Commercial Office, Healthcare and Education segments using carpet, accessories and vinyl or rubber flooring. The volume of activity in Residential is down in a market that is clearly slowing down.

Revenue in the **CIS, APAC and Latin America segment** amounted to 191 million euros, up +16.5% compared to the third quarter of 2021, thanks to a positive currency effect mainly due to the appreciation of the rouble (+18.0%). The activity is slightly down organically (-1.5% including sales price increases in the CIS countries). In Russia, the market was penalised by the geopolitical context and Tarkett's activity was down by approximately -25% in volume compared to the previous year. Sales are higher than the previous year due to price increases and the appreciation of the rouble. At the end of September, sales in Russia represented approximately 9% of total Group sales. APAC and Latin America had an excellent quarter with strong volume growth and continued price increases.

As expected, the **Sport segment** continues to show very strong growth for the third consecutive quarter. Revenue was 343 million euros, up by +46.4% and including +30.5% organic growth compared to the third quarter of 2021. The market is extremely dynamic in North America for both artificial turf and athletic tracks, two segments where Tarkett benefits from its leadership.

## 2. Outlook to end 2022 and short-term objectives

The macroeconomic context poses significant uncertainties for activity at the end of this year and the beginning of 2023.

In Europe, geopolitical tensions, inflation and uncertainty over gas and electricity supplies will continue to weigh on demand levels in a recessionary environment. The group expects business volumes in the fourth quarter to be lower than in the previous year.

In North America, the significant rise in interest rates initially led to a slowdown in the residential market, to which the Group has only moderate exposure. Commercial activity has been better oriented so far, but could stall in a context of sluggish economic growth.

The war in Ukraine will continue to weigh on the level of activity in the CIS area, although it is not possible at this stage to assess whether the market will stabilise at the current level (around -25% compared to 2021).

The North American sports market is expected to continue to grow. The Group's order book remains high and allows us to anticipate a good start to the year 2023.

The slowdown in volumes in some of the Group's geographies will not generate all the expected productivity gains. They are estimated at between 5 to 10 million euros for the whole of 2022 (compared to the planned 15 to 20 million euros). To take account of the contraction in activity, the Group is taking immediate measures to reduce costs, particularly in Europe where most industrial sites have significantly reduced their production volumes.

(1) Selling price adjustments in the CIS countries are historically intended to offset currency movements and are therefore excluded from the "organic growth" indicator. Excluding these price increases, organic growth was +9.7% (see Annexe 1)

The purchase prices of the main raw materials are stabilising due to a slowdown in demand. Nevertheless, the sharp rise in energy prices will continue to fuel a high price level in the coming months. The Group confirms the estimate for 2022 of the negative effect of higher procurement costs: about 280 million euros more than in 2021.

Since the beginning of the year, Tarkett has implemented significant sales price increases that will neutralise the effect of inflation over the whole year.

The Group believes that the measures implemented will enable to achieve an Adjusted EBITDA level for the full year 2022 higher than that of 2021.

*This press release may contain forward-looking statements. These 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 Registration Document available on its website ([www.tarkett-group.com](http://www.tarkett-group.com)). They do not reflect the future performance of the Company, which may differ significantly. The Company does not undertake to provide updates to these statements.*

### **Financial calendar**

- 15 February 2023: financial results for Q4 and the year 2022 – *Press release after close of trading*

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### **About Tarkett**

With a 140-year history, Tarkett is a worldwide leader in innovating flooring and sports surface solutions, with revenue of 2.8 billion euros in 2021. Offering a wide range of products, including vinyl, linoleum, rubber, carpet, parquet and laminates, artificial grass and athletic tracks, the Group serves its customers in over 100 countries worldwide. Tarkett has more than 12,000 employees and 34 industrial sites, and sells 1.3 million square metres of flooring every day for hospitals, schools, housing, hotels, offices or shops and sports fields. Committed to changing the game with circular economy and to reducing its carbon footprint, the Group has implemented an eco-innovation strategy based on Cradle to Cradle® principles, aligned with its Tarkett Human-Conscious Design® approach. Tarkett is listed on the Euronext regulated market (compartment B, ISIN: FR0004188670, ticker: TKTT). [www.tarkett-group.com](http://www.tarkett-group.com)

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## Appendices

### 1/ Definition of alternative performance indicators (not defined under IFRS)

- **Organic growth** measures the change in revenue as compared with the same period in the prior year, outside of the exchange rate effect and changes in scope. The exchange rate effect is obtained by applying the prior year's exchange rate to sales for the current year and calculating the difference with sales for the current year. It also includes the effect of price adjustments in the CIS countries intended to offset the change in local currencies against the euro.
- **The effect of changes in scope** is composed of:
  - current year sales by entities not included in the scope of consolidation in the same period of the prior year, until the anniversary of their consolidation;
  - the reduction in sales related to divested businesses not included in the current year's scope of consolidation but included in sales for the same period in the previous year until the anniversary date of the divestiture.

In millions of euros	2022 revenue	2021 revenue	Change	Of which volume	Of which sales prices	Of which CIS sales prices	Of which exchange rate effect	Of which effect of changes in scope
Q1 Group Total	684.7	558.8	+22.5%	+6.4%	+8.8%	+4.1%	+3.3%	-
<i>Of which organic growth</i>				+15.2%				
<i>Of which sales price increases</i>					+12.9%			
Q2 Group Total	879.3	702.4	+25.2%	+3.3%	+9.3%	+3.3%	+9.3%	+0.1%
<i>Of which organic growth</i>				+12.6%				
<i>Of which sales price increases</i>					+12.6%			
S1 Group Total	1,564.0	1,261.2	+24.0%	+4.6%	+9.1%	+3.6%	+6.6%	+0.1%
<i>Of which organic growth</i>				+13.8%				
<i>Of which sales price increases</i>					+12.7%			
Q3 Group Total	1,005.4	809.4	+24.2%	+0.1%	+9.6%	+2.3%	+12.2%	+0.1%
<i>Of which organic growth</i>				+9.7%				
<i>Of which sales price increases</i>					+11.9%			
9M Group Total	2,569.4	2,070.6	+24.1%	+2.9%	+9.2%	+3.2%	+8.7%	+0.1%
<i>Of which organic growth</i>				+12.2%				
<i>Of which sales price increases</i>					+12.4%			

Revenue in millions of euros	9M 2022	9M 2021	Change	Of which organic growth	Organic change including price changes in CIS <sup>(1)</sup>
EMEA	707.4	662.6	+6.8%	+7.7%	+7.7%
North America	702.2	546.5	+28.5%	+14.4%	+14.4%
CIS, APAC & Latin America	482.1	418.7	+15.1%	-11.5%	+4.3%
Sports	677.7	442.7	+53.1%	+38.4%	+38.4%
<b>Group Total</b>	<b>2,569.4</b>	<b>2,070.6</b>	<b>+24.1%</b>	<b>+12.2%</b>	<b>+15.3%</b>

## 2/ Bridges in millions of euros 2022

### Revenue by segment

<b>Q3 2021</b>	<b>809.4</b>
+/- EMEA	+6.0
+/- North America	+22.4
+/- CIS, APAC & Latin America	-22.7
+/- Sports	+70.0
<b>Q3 2022 like-for-like scope and exchange rate</b>	<b>885.1</b>
+/- Scope effect	+1.4
+/- Currencies	+74.6
+/- Lag effect in CIS	+44.3
<b>Q3 2022</b>	<b>1,005.4</b>

<b>9M 2021</b>	<b>2,070.6</b>
+/- EMEA	+49.8
+/- North America	+78.6
+/- CIS, APAC & Latin America	-48.0
+/- Sports	+167.6
<b>9M 2022 Like-for-Like</b>	<b>2,318.6</b>
+/- Scope effect	+2.6
+/- Currencies	+148.9
+/- "Lag effect" in CIS	+99.3
<b>9M 2022</b>	<b>2,569.4</b>

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