

## Q1 2023 revenue:

**Sales growth +2.0% upheld by price increases implemented in 2022**

**Excellent performance of Sport offsetting slower demand in flooring**

### Results for the first quarter 2023

- Revenue up +2.0% compared to Q1 2022, benefiting from sales price increases deployed in 2022 and a favourable foreign exchange effect, offsetting the decline in volume
- Excellent level of activity in Sport: organic growth of +17.8% compared with Q1 2022
- Business volume down in EMEA compared to Q1 2022 due to continuing weakness in residential demand, tempered by the good resistance of commercial products
- In North America, slight decline in Commercial activity, recovery in Hospitality and marked decrease in volume in Residential
- Stabilisation of activity level in CIS around -20% compared with 2022, slow start to the year in Asia but continued growth in Latin America
- The sale price increases implemented in 2022 are still neutralising the inflation of purchasing costs which persists despite the beginning of a downturn in raw materials prices

Paris, 20 April 2023: the Supervisory Board of Tarkett (Euronext Paris: FR0004188670 TKTT), which met today, reviewed the Group's consolidated revenue for the first quarter of 2023.

The Group uses alternative performance indicators (not defined under IFRS), described in detail in the annex to this document:

Revenue in millions of euros	Q1 2023	Q1 2022	Change	Of which organic growth	Organic change including price changes in CIS <sup>(1)</sup>
EMEA	230.2	238.4	-3.4%	-1.6%	-1.6%
North America	214.2	204.2	+4.9%	+0.8%	+0.8%
CIS, APAC & Latin America	121.7	133.6	-8.8%	-17.2%	-15.4%
Sport	132.3	108.5	+22.0%	+17.8%	+17.8%
<b>Group Total</b>	<b>698.4</b>	<b>684.7</b>	<b>+2.0%</b>	<b>-0.9%</b>	<b>-0.5%</b>

(1) Sale price adjustments in the CIS countries are historically intended to offset currency movements and are therefore excluded from the "organic growth" indicator (see Annex 1). Since 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. Revenue for the first quarter 2023

**Net revenue** for the Group was €698 million, up by +2.0% compared to the first quarter of 2022. Organic growth was -0.5% including the sales price increases in the CIS region. The total effect of the sales price increases implemented across all segments is +7.3% on average compared to the first quarter of 2022.

**The EMEA segment** achieved a turnover of €230 million, down -3.4% compared to the first quarter of 2022, including an unfavourable currency effect of -2.1% and a scope effect of +0.2%, representing organic growth of -1.6%. The macroeconomic environment and widespread inflation in Eurozone countries have had a negative impact on Residential activity in all product categories. Commercial activity is down only slightly compared with last year, sustained by increased volumes of resilient flooring for health and education sectors and the good resistance of carpet tile sales. The increases in sales prices implemented since 2022 have made it possible to offset persistently high material and transport costs, as well as very significant wage increases in certain European countries.

**The North America segment** reported revenue of €214 million, an increase of +4.9% compared to the first quarter of 2022, reflecting like-for-like growth of +0.8% and a positive exchange rate effect due to the appreciation of the dollar against the Euro (+3.7%). The Residential market is still penalised by inflation and the increase in bank lending rates. The Commercial segments are down slightly, whilst sales of carpets for the Hotel sector are improving. The effect of different sale price increases in 2022 are still having a significant positive effect on sales in the first quarter.

Revenue in the **CIS, APAC and Latin America segment** has reached €122 million, down -8.8% compared with the first quarter of 2022 given the decrease in organic sales of -15.4% (including increases in sale prices in CIS countries), which was attenuated by a positive exchange rate effect (+6.6%) linked mainly to the appreciation of the rouble. The market in Russia has stabilised at around -20.0% in volume terms compared with 2022. Sales in Russia made up approximately 8% of total Group sales in the first quarter. Activity was slow in the first quarter in a sluggish market in Asia, particularly in China. Volume growth is still being upheld in Latin America compared to last year.

As expected, the **Sport segment** continued to show very strong growth for the third consecutive quarter. Revenue amounted to €132 million, up by +22.0%, with +17.8% organic growth, compared to the first quarter of 2022. The market remains dynamic in North America for both artificial turf sports fields and athletic tracks, two segments where Tarkett benefits from its leadership, and the order book remains strong.

## 2. Prospects

The macroeconomic environment will continue to impact the level of demand in 2023, particularly due to the level of inflation and interest rate rises.

Tarkett estimates that the business volume for flooring products will slow down during the first half of 2023. Activities in the Sport division continue to benefit from a buoyant market and should continue to grow thanks to a strong order book, albeit at a slower pace than in 2022 (+33.0% organic growth).

In this context, the Group has taken immediate steps to reduce discretionary spending. At the same time, actions to reduce the cost structure are being implemented in the regions most affected by the slowdown in activity.

There has been a sequential decrease in prices of the Group's main raw materials but their absolute levels remain high. Energy prices are also lower than at the end of 2022, but further price increases in 2023 cannot be ruled out, especially in Europe due to tensions in the gas supply chain and capacity constraints at some electricity suppliers. Salary increases will be higher overall than in previous years. At this stage, the Group is therefore maintaining the sale prices reached at the end of 2022 and does not rule out further increases.

*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 (<https://www.tarkett-group.com/en/category/urd/>). 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

- 26 July 2023 : H1 2023 financial results - *press release after close of trading*
- 19 October 2023 : Q3 2023 revenue - *press release after close of trading*

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## About Tarkett

With a history of more than 140 years, Tarkett is a worldwide leader in innovative and sustainable flooring and sports surface solutions, generating net sales of € 3.4 billion in 2022. The Group has 12,000 employees, 25 R&D centers, 8 recycling centers and 34 production sites. Tarkett designs and manufactures solutions for hospitals, schools, housing, hotels, offices, stores and sports fields, serving customers in over 100 countries. To build “The Way to Better Floors,” the Group is committed to circular economy and sustainability, in line 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	Q1 2023 revenue	Q1 2022 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
Group Total Q1	698.5	684.7	+2.0%	-7.8%	+6.9%	+0.4%	+2.3%	+0.2%
<i>Of which organic growth</i>				-0.9%				
<i>Of which sales price increases</i>					+7.3%			

### 2/ Bridges in millions of euros Q1 2023

<b>Q1 2022</b>	<b>684.7</b>
+/- EMEA	-3.7
+/- North America	+1.6
+/- CIS, APAC & Latin America	-23.0
+/- Sports	+19.3
<b>Q1 2022 Like-for-like</b>	<b>678.9</b>
+/- Scope effect	+1.6
+/- Currencies	+7.5
+/- Lag effect in CIS	+10.5
<b>Q1 2023</b>	<b>698.5</b>