Press release

Tarkett Group

Results for H1 2025:
Stable activity in a sluggish market
Improvement in adjusted EBITDA and margin
Financial debt and leverage under control

Results for the second quarter and first half of 2025

- **Q2 revenue up +1.5% and +0.9% on a like for like basis compared to Q2 2024**
- **H1 revenue up +0.9% compared to H1 2024 but down -0.2% on a like for like basis**
- **Adjusted EBITDA of €155 million in H1 2025, representing 9.8% of sales, slightly up compared to H1 2024 (€148 million, 9.5% of sales). The contribution of the companies acquired in the Sports segment and the improvement in EMEA offset the difficulties faced in North America.**
- **EBIT of €52 million in H1 2025, down compared to H1 2024 (€60 million)**
- **Net income attributable to company shareholders of -€0.2 million compared to €18 million in the first half of 2024**
- **Cash consumption reflects the Group's usual seasonality (free cash flow of -€134 million, compared with -€76 million in H1 2024)**
- **Net financial debt of €617 million, i.e. a debt leverage ratio of 1.8x adjusted EBITDA, an improvement compared to June 2024 (2.0x).**
- **During the first half of the year, Tarkett acquired two companies in Sports in the United States: Mid-Atlantic Group in Pennsylvania and Deluxe Athletics in Georgia.**

Paris, July 29, 2025: The Supervisory Board of Tarkett (Euronext Paris: FR0004188670 TKTT), which met today, reviewed the Group's consolidated results for the first half of fiscal year 2025.

The Group uses alternative performance indicators (not defined by IFRS) described in detail in Appendix 1 on page 6 of this document:

In millions of euros	H1 2025	H1 2024	% Change
Revenue *Of which organic growth*	1,573.5 *-0.2%*	1,558.7 *-2.2%*	+0.9%
Adjusted EBITDA *% of revenue*	154.9 *9.8%*	148.2 *9.5%*	+4.5%
Adjusted operating income (EBIT) *% of revenue*	83.9 *5.3%*	81.8 *5.3%*	+2.6%
Operating profit (EBIT) *% of revenue*	51.5 *3.3%*	59.9 *3.8%*	-14.0%
Net income attributable to shareholders of the company *Diluted earnings per share (€)*	-0.2 *0.00*	18.0 *0.27*	-
Free cash flow	-134.2	-75.9	-
Net debt *Leverage (Net debt / Adjusted EBITDA 12 months)*	616.5 *1.8x*	620.4 *2.0x*	-

Revenue for the first half of 2025 amounted to €1,573.5 million, up +0.9% compared to the first half of 2024. Organic sales were down very slightly (-0.2%), reflecting a broadly stable volume and mix and a few selective sales price adjustments (-0.4%) compared with the first half of 2024. The exchange rate had a negative impact, mainly due to the depreciation of the dollar.

All divisions posted slight organic growth, with only North America lagging due to delays in shipments following the consolidation of three logistic platforms. The situation has now returned to normal, and the pace of shipments is allowing the backlog to be cleared.

Adjusted EBITDA for the first half of the year amounted to €154.9 million, i.e. 9.8% of revenue, compared to €148.2 million in the first half of 2024, i.e. 9.5% of revenue.

The combined effect of volume and mix was almost neutral, with a favorable product mix offsetting lower volumes.

The impact of selective price reductions was limited (-€6 million) compared with the first half of 2024.

Raw material prices were slightly lower than in the previous year and contributed favorably for+ €4 million for the half-year, but wage inflation remained significant (-€12 million).

SG&A expenses decreased by €2 million due to cost adjustments in line with lower activity levels, following organizational changes at the Tarkett Group and EMEA levels.

The Group's strong industrial performance and productivity measures enabled a significant reduction in production costs of €21 million, which contributed significantly to the improvement in the margin for the first half of the year.

The adjusted EBITDA margin for the first half of the year improved (9.8% of sales compared to 9.5% in the first half of 2024).

Adjustments to EBIT (detailed in Appendix 1) amounted to €32.4 million in the first half of 2025, compared to €21.9 million in the first half of 2024. These include restructuring costs related to the consolidation of our logistics platforms in North America and the closure of a resilient flooring plant in the United Kingdom.

EBIT amounted to €51.5 million in the first half of 2025, down from €59.9 million in 2024.

Financial result amounted to €-36.1 million in the first half of 2025, compared with €-27.4 million in the first half of 2024. This decrease is mainly due to the increase in gross debt over the period related to acquisitions and to the end of certain interest rate hedges renewed at less favorable market conditions. **The tax expense amounted to €13.8 million** in 2025, stable compared to 2024 (€13.4 million).

The Net profit (group share) for the first half of 2025 was -0.2 million, i.e. diluted earnings per share of 0.00.

1. Revenue and EBITDA by segment for the first half of 2025

Net revenue by segment

In millions of euros	H1 2025	H1 2024	Change	Organic growth (1)
EMEA	448.8	439.3	*+2.2%*	*+1.6%*
North America	395.4	446.3	*-11.4%*	*-4.3%*
CEI, APAC & Latin America	248.4	243.8	*+1.9%*	*+1.2%*
Sports	481.0	429.3	*+12.0%*	*+1.1%*
TOTAL	**1,573.5**	**1,558.7**	***+0.9%***	***-0.2%***

(1) Sales price adjustments in the CIS countries are historically implemented to offset currency fluctuations and are therefore excluded from the "organic growth" indicator (see Appendix 1).

Adjusted EBITDA by segment

In millions of euros	H1 2025	H1 2024	Margin 2025	Margin 2024
EMEA	48.9	41.4	*10.9%*	*9.4%*
North America	34.4	48.0	*8.7%*	*10.8%*
CEI, APAC & Latin America	30.5	27.8	*12.3%*	*11.4%*
Sports	53.2	48.6	*11.1%*	*11.3%*
Central	-12.0	-17.6	-	-
TOTAL	**154.9**	**148.2**	**9.8%**	**9.5%**

Comments by segment

The EMEA segment generated revenue of €449 million, up +2.2% including a favorable currency effect of +0.6% compared to the first half of 2024. Demand remains constrained by the macroeconomic environment, particularly in the residential market, where volumes are down despite selective price reductions to support activity.

Adjusted EBITDA for the segment amounted to €49 million, i.e. 10.9% of sales, compared to €41 million/9.4% of sales in the first half of 2024. The increase in volumes more than offset the adjustment of certain products' selling prices, and raw material purchase prices remained lower than in the first half of 2024. Industrial productivity exceeded wage increases, enabling an improvement in the margin compared to last year.

The North America segment generated revenue of €395 million, down -11.4% compared to the first half of 2024, reflecting a like for like decline of -4.3%, a negative currency effect (-1.1%) and a scope effect of -6.0% (disposal of distribution activities in California in July 2024). In the United States, the commercial segments' business was severely impacted between March and May by the slower-than-expected start-up of a new logistics platform. Shipments returned to normal in

June, enabling the backlog to be reduced. The residential and hospitality segments were stable compared to 2024 in markets that remain sluggish with no visible signs of recovery.

Adjusted EBITDA for the segment declined to €34 million, or 8.7% of sales, compared to €48 million/10.8% of sales in the first half of 2024. The impact of lower volumes was partially offset by a positive inflation balance and good productivity at production sites.

Revenue for **the CIS, APAC and Latin America segment** amounted to €248 million, up +1.9% compared with the first quarter of 2024, including like for like growth of +1.2% (excluding sales price effects in the CIS countries) and a positive currency effect (0.6%) linked to the appreciation of the ruble, which was offset by the depreciation of the Brazilian real. In Russia, as expected, volumes were down -6% compared to 2024. Asia Pacific benefited from a good momentum, and volumes in Latin America grew compared to last year in spite of continued weak demand.

Adjusted EBITDA for the CEI, APAC, and Latin America segment rose to €31 million, i.e. 12.3% of sales, compared to €28 million/11.4% of sales in the first half of 2024, thanks to a positive product mix effect and productivity gains that offset higher wages. In the first half of the year, Russia accounted for around 8% of Group sales.

Revenue **for the Sports segment** rose by +12.0% compared to the first half of 2024, reaching €481 million. Demand for artificial turf fields and athletic tracks in North America remains high, but the market slowed in comparison to the first half of 2024 due to delays in decision-making for the launch of certain projects. Tarkett's organic growth slowed to +1.1%. Acquisitions made in July 2024 contributed to €51 million to the first half of 2025 (+11.9%).

Adjusted EBITDA for the Sports segment rose to €53 million/11.1% of sales, compared to €49 million/11.3% of sales in the first half of 2024. This improvement was mainly due to the contribution of the acquired companies.

2. <u>Balance sheet and cash flow for 2025</u>

Tarkett recorded an increase in **working capital** in the first half of 2025 (€164.8 million), €43.2 million more than the change in the first half of 2024. The seasonal nature of the business requires an increase in inventory levels during the first half of the year to meet peak demand in the third quarter, but this trend was amplified in 2025 by shipping difficulties in North America and the need to build up safety stocks for certain products following the reorganization of some production lines in Europe. Also, in 2024, the Group kept inventory growth minimal due to higher levels at the end of 2023.

Working capital requirement has also been negatively impacted by the reduction in receivables assigned under the factoring program (-€18.9 million), which amounted to €190.4 million compared to €209.3 million in December 2024. This is mainly due to the seasonal nature of the Sports business and the amount assigned is similar to the level in June 2024 (€191.3 million).

Capital expenditure was kept under control, amounting to €38.2 million in June 2025, compared with €32.5 million in 2024.

Given the increase in working capital requirements, the Group recorded negative **free cash flow** of €-134.2 million in the first half of the year, a higher consumption than in 2024, when it stood at €-75.9 million.

Net financial debt stood at €617 million at the end of June 2025, compared to €435 million at the end of December 2024, an increase of €182 million linked to seasonality and acquisitions in the Sports business. The **debt leverage ratio stood at 1.8x** adjusted EBITDA at the end of June 2025, up from 0.5x at the end of December 2024, in line with expectations.
The Group has a good **level of liquidity** of €557 million at the end of June 2025, including €278 million in undrawn RCF, other confirmed and unconfirmed credit lines of €56 million and cash of €223 million.

3. Scope effect

During the first half of 2025, the Group completed two acquisitions in the Sports segment in the United States (Mid-Atlantic Group in Pennsylvania and Deluxe Athletics in Georgia) to strengthen its sports field and athletics track installation capacity. These companies will add about €80 million in annual sales.

4. Update on the public buy-out offer

On February 24, 2025, Tarkett Participation, the controlling shareholder of Tarkett SA, filed a proposed public buy-out offer followed by a squeeze-out on the Tarkett shares it does not already own. The public buy-out offer was opened from June 11 to June 24, 2025, inclusive. At the closing of the public buy-out offer, Tarkett Participation held 97.11% of the capital of Tarkett SA.
An appeal against the AMF's clearance decision has been filed by a minority shareholder before the Paris Court of Appeal on June 16, 2025. The Court of Appeal's decision will be handed down within a maximum period of five months from the date of filing of the appeal.

5. Outlook

The geopolitical and macroeconomic environment was particularly turbulent during the first half of the year, which heightened uncertainty in all our markets and hurt demand.

The European market remains weak in the major eurozone countries (France, Germany, and the Nordic countries): volumes are low and there are no signs of a recovery in the short term.

The US market has been cautious amid uncertainty surrounding the US administration's trade negotiations with its partners. The Group's local production strategy limits its direct exposure to US tariff increases. However, their impact on the US economy remains difficult to predict and the Group notes that demand in its market remains sluggish, particularly in the residential sector. Thanks to the restoration of shipping capacity at the Group's new platform, the backlog should be cleared during the third quarter.

In the CEI, the Russian market continues to decline in volume, confirming the Group's expectations in this region, where international sanctions and high interest rates are weighing heavily on the economy and in particular real estate transactions and renovation projects.

Sports remains a promising segment, although the political context in North America has slowed decision-making for certain projects, weighing on the pace of market growth. The Group has strengthened its geographical coverage and completed its portfolio of products and services in North America through recent acquisitions and remains attentive to opportunities that may arise.

Tarkett remains attentive to developments in the geopolitical environment and demand. At this stage, the Group expects the second half of 2025 to be fairly similar to the first half and remains confident in the medium-term outlook for its markets.

1) Sales price adjustments in the CIS countries are historically implemented to offset currency fluctuations and are therefore excluded from the "organic growth" indicator (see Appendix 1).
This press release may contain forward-looking statements. These statements are based on current assumptions and assumptions about future developments and are subject to risks and uncertainties. This information is inherently subject to risks and uncertainties, as described in the Company's Universal Registration Document available on its website (https://www.tarkett-group.com/en/category/urd/). It therefore does not reflect the Company's future performance, which may differ significantly. The Company does not undertake to update this information.

Financial calendar

- October 30, 2025: Q3 2025 revenue - *press release after market close*

About Tarkett
With over 140 years of history, Tarkett is a global leader in innovative and sustainable flooring and sports surface solutions, with sales of €3.3 billion in 2024. The Group has nearly 12,000 employees and 24 R&D centers, 8 recycling centers, and 35 production sites. Tarkett designs and manufactures solutions for hospitals, schools, homes, hotels, offices, retail stores, and sports fields, serving customers in more than 100 countries. To build "The Way to Better Floors," the Group is committed to the circular economy and sustainable development, in line with its Tarkett Human-Conscious Design® approach. Tarkett is listed on the regulated market of Euronext (compartment B, ISIN code FR0004188670, ticker symbol: TKTT). www.tarkett-group.com

Investor and Individual Shareholder Contact
investors@tarkett.com

Media Contacts
Ogilvy Agency - tarkett@ogilvy.com
Emmeline Jacob – Tel. +33 6 79 39 75 04 – Marceau Barbedette – Tel. +33 6 01 16 08 94

Appendices

1/ Definition of alternative performance indicators (not defined by IFRS standards)

- **Organic growth** measures the change in net sales compared to the same period of the previous year, excluding the impact of currency fluctuations and changes in scope. The currency effect is obtained by applying the previous year's exchange rates to the current year's sales and calculating the difference with the current year's sales. It also includes the effect of price adjustments in the CIS countries intended to offset changes in local currencies relative to the euro. In the first half of 2024, a positive impact of €7.0 million from sales price adjustments is excluded from organic growth and included in the currency effect.

- **The scope effect** consists of:
    - sales for the current year generated by entities not included in the scope of consolidation for the same period of the previous year, until their anniversary date of consolidation, the reduction in sales related to divested activities, not included in the scope of consolidation for the current year but included in sales for the same period of the previous year, until the anniversary date of the divestment.

In millions of euros	2025 Revenue	2024 Revenue	Change	*Of which volume*	*Of which selling prices*	*Of which CIS selling prices*	*Of which exchange rate effect*	*Of which scope effect*
Group Total Q1	669.8	668.1	+0.2%	-1.1%	*-0.6%*	*+0.2%*	*+1.3%*	*+0.4%*
Of which organic growth				*-1.7%*				
Of which selling price increases					*-0.4%*			
Group Total Q2	903.6	890.5	+1.5%	*+1.1%*	*-0.2%*	*+0.3%*	*-1.9%*	*+2.3%*
Of which organic growth				*+0.9%*				
Of which selling price increases					*+0.1%*			
Group Total H1	**1,573.5**	**1,558.7**	**+0.9%**	***+0.1%***	***-0.4%***	***+0.3%***	***-0.6%***	***+1.5%***
Of which organic growth				*-0.2%*				
Of which selling price increases					*-0.1%*			

- **Adjusted EBITDA** is operating income before depreciation and amortization and restated for the following items: restructuring costs aimed at increasing the Group's future profitability, capital gains and losses on significant asset disposals, provisions and reversals of provisions for impairment, costs relating to business combinations and legal restructuring, expenses related to long-term compensation plans and other one-off items considered to be non-recurring in nature.

In millions of euros	Adjusted EBITDA H1 2025	Adjusted EBITDA H1 2024	Margin H1 2025	Margin H1 2024
Total Group – Q1	41.2	39.7	6.2%	5.9%
Total Group – Q2	113.6	108.5	12.6%	12.2%
Total Group – H1	**154.9**	**148.2**	**9.8%**	**9.5%**

In millions of euros	including adjustments						
	H1 2025	Restructuring	Gain on disposal of assets/impairment loss	Business combinations	Long-term compensation plans	Other	H1 2025 adjusted
Operating income (EBIT)	**51.5**	**14.7**	**1.9**	**2.5**	**11.4**	**1.9**	**83.9**
Depreciation and amortization	70.6	-	0.9	-	-	-	71.5
Other	-	-	-	-	-	-	-0.5
EBITDA	**121.6**	**14.7**	**2.8**	**2.5**	**11.4**	**1.9**	**154.9**

In millions of euros	including adjustments						
	H1 2024	Restructuring	Gain on disposal of assets/impairment loss	Business combinations	Long-term compensation plans	Other	H1 2024 adjusted
Operating income (EBIT)	**59.9**	**15.4**	**-4.8**	**0.0**	**2.0**	**9.3**	**81.8**
Depreciation and amortization	62.2	-	3.6	-	-	-	65.8
Other	0.6	-	-	-	-	-	0.6
EBIT	**122.6**	**15.4**	**-1.1**	**0.0**	**2.0**	**9.3**	**148.2**

- **Free cash flow** is operating cash flow before changes in working capital, plus the following cash inflows (or cash outflows): changes in working capital, repayment of lease payments, net interest received (paid), net taxes received (paid), various operating items received (paid), acquisition of property, plant and equipment and intangible assets, and gains (losses) on disposal of fixed assets.

Free cash flow (in millions of euros)	H1 2025	H1 2024
Operating cash flow before changes in working capital and repayment of lease payments	**123.0**	**138.2**
Repayment of lease payments	-22.5	-21.5
Operating cash flow before changes in working capital; repayment of lease payments included	**100.5**	**116.7**
Change in working capital	-164.8	-121.6
Of which change in debt disposal programs	*-18.9*	*12.1*
Net interest paid	-21.0	-18.2
Net taxes paid	-7.9	-18.1
Various operating items paid	-3.5	-2.4
Acquisitions of property, plant and equipment and intangible assets	-38.2	-32.5
Proceeds from disposal of property, plant and equipment	0.8	0.1
Free cash flow	**-134.2**	**-75.9**

- **Net financial debt** is defined as the sum of interest-bearing borrowings and debts, less cash and cash equivalents. Borrowings correspond to any obligation to repay funds received or raised that are subject to repayment and interest. They also include debts under lease agreements.

- **The financial leverage ratio** is the ratio of net financial debt, including lease agreements recognized in accordance with IFRS 16, to adjusted EBITDA for the last 12 months.

In millions of euros	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities - long term	658.6	632.6	586.7
Financial liabilities and bank overdrafts - short term	50.8	29.1	77.3
Financial liabilities excluding IFRS 16 (A)	**709.4**	**661.7**	**664.0**
Long-term lease liabilities	98.1	95.9	101.0
Lease liabilities - short term	31.7	29.5	30.8
Lease liabilities - IFRS 16 (B)	**129.8**	**125.4**	**131.8**
Gross debt - long term	756.7	728.5	799.5
Gross debt - short term	82.5	58.5	72.3
Gross debt (C) = (A) + (B)	**839.2**	**787.1**	**795.8**
Cash and cash equivalents (D)	**222.7**	**352.4**	**175.4**
Net debt (E) = (C) - (D)	**616.5**	**434.7**	**620.4**
Adjusted EBITDA for 12 months (F)	**336.0**	**329.3**	**309.9**
Ratio (E) / (F)	**1.8x**	**1.3x**	**2.0x**

2/ Bridges in millions of euros, H1 and H2 2025

Net revenue by segment

Q2 2024	890.5
+/- EMEA	+2.7
+/- North America	+4.7
+/- CIS, APAC & Latin America	+0.9
+/- Sports	-0.6
Q2 2024 Like-for-Like	**898.2**
+/- Currencies	-19.8
+/- "Lag effect" in CEI (1)	+5.0
+/- Scope	+20.2
Q2 2025	**903.6**

(1) *Including sales price increases*

Adjusted EBITDA by nature

Q2 2024	108.5
+/- Volume / Mix	+1.5
+/- Sales prices	-1.8
+/- Raw materials and transport	-0.8
+/- Wage increases	-6.2
+/- Productivity	+9.3
+/- SG&A	+0.4
+/- Non-recurring & other	-3.7
+/- Lag effect in CEI (1)	+2.2
+/- Currency	-4.1
+/- Scope	+8.3
Q2 2025	**113.6**

(1) *Including sales price increases*

H1 2024	1,558.7
+/- EMEA	+6.8
+/- North America	-18.1
+/- CIS, APAC & Latin America	+3.0
+/- Sports	+4.8
H1 2024 Like-for-Like	**1,555.2**
+/- Currencies	-11.1
+/- Lag effect in CEI (1)	+6.4
+/- Scope	+22.9
H1 2025	**1,573.5**

(1) *Including sales price increases*

H1 2024	148.2
+/- Volume / Mix	-0.4
+/- Sales prices	-5.7
+/- Raw materials and transport	+4.3
+/- Wage increases	-11.5
+/- Productivity	+21.4
+/- SG&A	+2.4
+/- Non-recurring & other	-7.0
+/- Lag effect in CEI(1)	+3.2
+/- Currency	-7.1
+/- Scope	+7.1
H1 2025	**154.9**

(1) *Including sales price increases*