Agenda

Part 1: 2pm – 4pm

- Tarkett Group & Strategy
  - Fabrice Barthélemy
    - CEO

- North America
  - Jeff Fenwick
    - President
    - Tarkett North America

- Operations Cost Reduction
  - Antoine Prevost
    - EVP R&D and Operations

- CIS
  - Slavoljub Martinovic
    - President
    - Tarkett Eastern Europe

- Q&A and Break

Part 2: 4:30pm – 6pm

- EMEA
  - Fabrice Barthélemy
    - CEO

- End-User Segments & Digital
  - Pierre Barrard
    - EVP Strategic Marketing, Digital & Innovation

- Sports
  - Eric Daliere
    - President
    - Tarkett Sports

- Finance
  - Raphaël Bauer
    - Chief Financial Officer

- Wrap-up and Q&A
Tarkett Group Presentation

CEO
Fabrice Barthélemy
A worldwide leader in flooring & sports surfaces

- €2.8bn Net sales (2018 figures)
- 13,000 employees
- Sales in more than 100 countries
- 1.3m m² of flooring sold each day

- 36 industrial sites
- 24 R&D laboratories
- 1 research & innovation center
- 7 recycling centers
Tarkett benefits from balanced exposures

**Net sales by reporting segments**

- North America: 30%
- CIS, APAC & LATAM: 20%
- EMEA: 31%
- Sports: 19%

80% in North America
20% in EMEA

**Net sales by geographies**

- North America (incl. Sports): 45%
- CIS, APAC & LATAM: 20%
- EMEA: 35%

In % 2018 turnover
A broad product offering with leading positions

Vinyl & linoleum

#1 in vinyl in Western & Eastern Europe

Carpet

#1 in wood in the Nordics

Wood & laminate

#1 in accessories in North America

Accessories & rubber

Outdoor sport surfaces

#1 in North America
A large expertise in commercial and residential segments

#2 in commercial segments (flooring & sports surfaces)
Complementary products and attractive end-markets exposure

Net sales by product categories

- Vinyl & Linoleum: 45%
- Commercial Carpet: 20%
- Sports: 20%
- Wood & Laminate: 8%
- Rubber & Accessories: 7%

Net sales by end-markets

- Renovation: 80%
- New construction: 20%
- Commercial: 70%
- Residential: 30%
Close relationships with specifiers and invoiced customers

- Building owners
- Architects & Designers
- Tenants
- Distributors (wholesalers)
- Retailers
- Installers / contractors
- DIY (Do-It-Yourself)
Health & Aged Care

Rising demand for high-standard facilities, feeling ‘at home’
Workplace

New ways to work

Sberbank Office
Moscow – Russia
Luxury Vinyl Tiles

Investor Day – 19 June 2019
Education

New ways to learn

Middletown City Schools
Ohio - United States
Ethos modular carpet
Hospitality

Create unique experiences

Forges Hôtel
Forges-Les-Eaux, France
Luxury Vinyl Tiles
Sports

High standard sports installation
Digital channels

Digitization changing customer relationships and distribution models
Sustainability

Circular Economy becoming a standard request by end-users
**Tarkett’s core strengths**

**Our right to win**

**Segment & channel expertise**
- Customer intimacy at all levels of value chain (end-users, architects, installers, distributors)
- Product and service innovation

**Broad & high quality product portfolio**
- One of the broadest product offerings
- High customer satisfaction for quality of products
  - N°1 criteria for all categories of customers

**Local teams / global scale**
- Client relationship
- Innovation capabilities
- Ability to serve global customers
- Brand equity

**Long-standing commitment to sustainability**
- Proven evidence of our engagement for sustainability
- Circular economy will become a differentiator

**Long-term support from the family shareholder**
Change to Win
Our Strategic Plan
2017-2018 have been challenging
Despite organic growth, margin has eroded

External
- Macro headwinds (trade wars, currencies, Brexit, economic slowdown in the CIS…)
- Steep inflation of raw material prices

Tarkett - Specific
- Productivity performance lower than targeted
- Execution issues
- Management transition

• Margin erosion in 2017 & 2018
• Higher leverage post Lexmark acquisition
What we have learnt

1. No tailwind to be expected → Tarkett strategy is about **self-help**

2. Our **customers** should be at the top of everyone’s agenda

3. Increase focus on **business segments and channels** where we can win and gain **pricing power**

4. Invest in **differentiation** (superior product performance & service, Circular Economy)

5. Need to transform our **execution capabilities**
Change to Win

• Be the global leader in commercial flooring and sports surfaces

• Grow selectively in residential flooring

• Change the game with circular economy
Change to Win

4 strategic pillars

1. **Sustainable Growth**
   - Grow faster in commercial end-user segments
   - Innovative designs and solutions
   - Pricing power
   - Digital channels opportunities

2. **One Tarkett for our Customers**
   - Customer-centric organization and mindset
   - Simplicity
   - Agility
   - Speed

3. **People & Planet**
   - Safety focus
   - Talent and diversity
   - Circular Economy
   - Climate Change

4. **Cost and financial discipline**
   - Footprint review
   - Productivity plans
   - Review under-performing businesses
   - SG&A efficiency
   - Deleveraging in 2019
   - Selective M&A
Grow faster than the market on selected commercial flooring Segments

Workplace, Health & Aged Care, Education

Well established position

- Strong product performance for demanding usage
- Segment specialist teams providing unique expertise
- Innovative and successful designs
- Ability to participate in global tenders

Strategic priorities

- Reinforce specification power
- Accelerate innovation in products and services
- Differentiate through circular economy solutions
Become a reference player in Hospitality

Leverage our global presence

Recent build-up through acquisition

- Significant position acquired in North America with Lexmark
- Strong route-to-market knowledge and long-standing relationships with key accounts
- Global capabilities in sales and manufacturing

Strategic priorities

- Build a Global Key account management team
- Invest in design and customization
- Strengthen brand awareness
Expand leadership position in Sports
Offer extension and geographical coverage

Turnaround completed

- Strong track record of organic growth
- EBITDA recovery
- Accretive bolt-on acquisitions
- Low capital intensity → Higher than average ROIC

Strategic priorities

- Integrate new components activities
- Expand in new geographies
- Both organically and through acquisitions
Seize opportunities in digital channels

Change on the market

- E-commerce is growing in the flooring industry
- Physical channels going on-line and pure players emerging
- Setting new standards (offering, marketing, supply-chain, speed)

Strategic priorities

- Structure our digital channel approach
- Build partnerships
- Move forward and learn fast
Customer-centric mindset and organization
One Tarkett, Agile and Performance-driven

80% of our customers are local
- Primary axis remains geography

Leverage our global scale
- Key Account teams to serve selected segments (Hospitality, Workplace)
- Design synergies
- Innovation synergies

Customer centricity
- Across all functions

Simplicity initiatives
- Reduce # references (SKUs(1))

Agility
- Simplify processes

(1) Stock keeping unit: item for sales with distinctive attributes, part of a collection
Customer-centric innovation focused on 3 priorities

Reaffirm our difference on selected end-user segments

Marketing and Innovation combined to leverage our expertise and deliver the highest value for Customers

Ensure total alignment between R&D & Operations

Common leadership for R&D and Operations to deliver more rapidly differentiating innovations and efficient processes

Take a clear leadership on Circular Economy

Sustainability Committee under CEO leadership to make Circular Economy a core driver of value (Customers, Employees)
Circular Economy at the heart of our strategy

Our Vision

In the future, all flooring will be recycled. Tarkett will be a truly circular company.

- Reduce dependency to fossil-based materials and price volatility of raw materials
- Extend supply sources via recycled raw materials
- Reduce cost and environmental taxes (waste management, CO2 taxes)

Our products are made with more and more recycled materials

Together with our customers and suppliers, we implement ‘circular’ solutions

Develop differentiated product offering and services, increasing customer’s loyalty

Build innovative partnerships with suppliers

Increase pride and motivation of Tarkett teams (employer brand to attract and retain talents)
Circular Economy in action

Turn waste into resources

134,000 tons of recycled materials
~10% of our raw materials
(2018, in volume)

102,000 tons of post-installation
and post-use floorings collected
from 2010 to 2018

We recycle post-manufacturing waste into vinyl backing

We use recycled film from windshield as secondary raw materials (LVT, Ethos carpet backing)

We use regenerated yarns from fishnets for carpet

We deploy our take-back program ReStart to collect off-cut and post-use flooring in Europe and North America

We develop innovative technologies for disassembly and easy-recycling (vinyl, carpet)

We eco-design carpet backing with recycled carbonate calcium from water-treatment industry (Ecobase carpet backing)
Care for the people and for the planet

**Safety**
- Our #1 commitment
- WCM Safety pillar
- Training program for Sales & office teams

**Talent & Diversity**
- Women in every recruitment short list
- Gender equality
- Ethics and integrity
- Talent development program & internal mobility

**Circular Economy**
- ‘Circular-designed’ products with recycled materials
- Circular solutions developed with our customers and suppliers

**Climate Change**
- Reduction of energy consumption (WCM)
- Renewable energies
- Recycled raw materials

**Frequency of accidents**
- In plants:
  - 2010: 9.0
  - 2018: 2.2
  - 2025: 1.0
- All employees:
  - 2018: 9.0
  - 2025: 2.2

**Internal Mobility**
- % of open management positions filled by internal candidates:
  - 2018: 53%
  - 2025: 70%

**Recycled Raw Materials**
- % of recycled materials in raw materials purchased (in volume):
  - 2018: 10%
  - 2025: 30%

**GHG emissions**
- % of reduction of Green House Gas emissions intensity in our production plants (scope 1 & 2 – kg CO₂ eq/sqm):
  - 2020 vs 2010: -15%
  - 2030 vs 2020: -30%
Regain cost advantage
This is all about simplification and performance

Optimize footprint
- Transform manufacturing operations & restructure when needed
- Consolidate production of growing categories in best-in-class plants
- Reduce production complexity and logistic costs

Accelerate automation
- Packaging
- Quality control
- Warehousing

Review underperforming BUs
- Make / buy analysis
- Turnaround plans
  - e.g. Exit Laminate manufacturing in EMEA

Simplify processes
- Reduce SG&A costs
- Simplify product collections (reduce # SKUs)
- Keep lean corporate organization

c. €120m of cost savings between 2019 and 2022
Delivering €120m of savings in Manufacturing and SG&A
Evenly spread out over the plan

75% continuous improvement & automation
- Locally managed with tight reporting
- Group WCM\(^{(1)}\) team dedicated to training and audits
- Variable compensation of plant management based on achievement

25% restructuring and transformation
- Actions already announced in April
- Dedicated project teams combining local / Division management
- New CTO\(^{(2)}\) position, review of the plan in Executive committee
- Support functions alignment and simplification

\(^{(1)}\) World Class Manufacturing - productivity programs
\(^{(2)}\) Chief Transformation Officer
# Capital allocation

<table>
<thead>
<tr>
<th>Capex</th>
<th>Deleveraging</th>
<th>M&amp;A</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Support organic growth and strategic initiatives</td>
<td>• Focus on net debt reduction in 2019</td>
<td>• Fragmented industry</td>
<td>• 30% to 50% payout (of reported net income) subject to leverage and M&amp;A</td>
</tr>
<tr>
<td>• Expected slightly above past % of net sales</td>
<td>• No sizeable acquisition in 2019</td>
<td>• Opportunity to strengthen in selected geographies or segments</td>
<td>• Scrip dividend option if relevant</td>
</tr>
</tbody>
</table>
| | • Leverage to remain between 1.5x and 2.5x\(^1\) at each year end, over the period | • Key metrics after synergies:  
  • Contribution to EBITDA margin and ROIC\(^2\)  
  • EV\(^3\)/EBITDA multiple | |
| | | | • Cultural fit & quality of management team |
| | | | • Sustainability focus |

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(1) Leverage objective before IFRS 16 application  
(2) ROIC: Return on invested capital  
(3) EV: Enterprise value
What we will do differently
We are already on the move

Make hard decisions that are necessary
• Rationalize footprint when it makes sense
• No sacred cows: review under-performing businesses and decide on action plan (turnaround, make/buy, exit)

Examples
3 plant closures
Laminate EMEA

Selective capital allocation
• 2019 priority to deleveraging

Examples
Scrip dividend
M&A pause

One Tarkett, agile and performance-driven
• Keep our local anchorage and leverage our global scale
• Customer-centric organization and mindset
• Simple, agile company

Examples
Key accounts
One Tarkett
Processes
Change to Win

• Be the global leader in commercial flooring and sports surfaces

• Grow selectively in residential flooring

• Change the game with circular economy

1. Sustainable Growth

2. One Tarkett for our Customers

3. People & Planet

4. Cost and financial discipline
Business & Strategic Pillars
North America

President
Tarkett North America
Jeff Fenwick
North America – Business snapshot

28% of Group revenues

c. 3,000 employees

RECENT EARNINGS 2018 % OF GROUP REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>% of Group Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>€784m</td>
<td>30%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>€70m</td>
<td>28%</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>9.0%</td>
<td></td>
</tr>
</tbody>
</table>

13 PRODUCTION SITES

- Division Headquarters
- 5 Design Teams
- 14 Distribution centres / warehouses
- Vinyl
- Carpet
- Rubber & Accessories

(1) Number of employees as of December 31, 2018
North America – Business environment

Market trends

Market Dynamics

- Moderate growth, as construction starts decreasing
- Product mix shifting as customer preferences evolve
  - Soft surface appear to be reaching a peak
  - Hard surfaces driving growth
  - Multi-material projects are also increasing
- Confirmed “Resimercial” trend: commercial spaces designed for a more home-like, comforting environment

Challenges

- Tariffs, freight, and raw material prices have been increasing
- Smaller order sizes challenge operational efficiencies
- Continued proliferation of product certification platforms lead to a mix of sustainability messages within the industry

(1) 2018 US Flooring Addressable Market. Wood and Ceramic excluded. Includes residential and commercial.
Source: Catalina, Internal Analysis
## North America – Strategic Initiatives

Leverage assets to achieve strategic ambitions

### Tarkett competitive advantage

- Large offering leveraging Tarkett global product portfolio
- Unique accessories offering
- Sustainability leadership
- Active management of selling prices
- Deep engagement with the North American design community

### Key strategic Initiatives

1. Drive share and revenue growth in selected business segments
2. Strengthen operational excellence
3. Continue investing in our sales talent
4. Manage the profitability of the residential segment

### 2022 Ambitions

- Leadership in selected business segments
- Substantial margin improvement
- Best in class customer experience through most efficient sales force and sales processes
## Aligning the business to better serve the market place

### Marketing & Strategy
- Brand harmonization
- New segment managers as experts for better solutions
- New channel managers to create power in the chain
- Product managers driving profitability improvements

### Sales
- Integrated sales force
- Leverage product breadth
- Smaller regions for more focus, using enhanced analytics

### R&D
- Focus on customer centric innovation, sustainability and sustainable products

### Industrial Footprint
- Industrial sites consolidation
- Optimizing logistics

### Culture
- Become one culture rooted in our shared values and desired behaviors

Investor Day – 19 June 2019
Changing the way we go to market – Single brand

Transitioned to one Tarkett brand

**For our Team**
- Enable greater efficiencies
- Leverage best practices across entire organization
- Strengthen support for end-user segment and channel strategy

**For the Market**
- Provide clarity and consistency
- Simplify way of doing business
- Strengthen our value proposition and improve the customer experience

All sales team members now selling full commercial portfolio
Building a strong position in Hospitality

Step change in Hospitality with Lexmark acquisition

Establishing leadership positions

- #1 Rooms Carpet
- #3 Public Spaces

Focusing on decision makers and key influencers

Top Hotel Brands
- Approved vendor with top 6 brands

Mgmt Companies
- Active projects with 7 of the top 10 companies

Architect & Design
- Active projects with 8 of the Top 10 design firms

FF&E(1)
- Major supplier to 15 of the top 20 FF&Es

(1) Fixtures, Furnitures and Equipement agents

The Diplomat Hotel (Hollywood, FL)

Hilton (Oakbrook, IL)

The Ritz-Carlton (Sarasota, FL)

Homewood Suites (Washington DC)
# Right-to-win in Hospitality

## Lead with Design

Dedicated and award-winning design team guides customers to the right solution for each property’s unique style.

## Bundle Products

- Axminster - Dendermonde
- Broadloom - Dalton Kraft
- LVT - Florence West

## Address sub-segments

### Custom
Premier projects with customized designs

### Brand Standards
Delivering the same look and feel to maintain brand standards

### Catalogue
Offering value options without customizations
Focusing on operational excellence

Overcoming challenges

Cost Increases

<table>
<thead>
<tr>
<th></th>
<th>Tariffs</th>
<th>Raw Materials</th>
<th>Freight</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>10%</td>
<td>Mid-High</td>
<td>Double</td>
</tr>
<tr>
<td>Add’l 15% 2019</td>
<td></td>
<td>single digit</td>
<td>digit increase</td>
</tr>
</tbody>
</table>

Response: Price increases implemented

Manufacturing Performance

Dalton
- Significant reduction in number of product styles and SKUs
- Reorganized planning and implemented plant level loading
- Improved labor efficiency
- Yarn inventory management

Florence West
- Operational excellence deployment with focus on Safety, Quality, Preventative Maintenance (PM) and Workplace Organization (WPO)
- VCT product range simplification
- LVT: ongoing automation and capacity increase

Improving manufacturing efficiencies
The 2 underperforming facilities in 2018 back on track end of Q1

Industrial Variances – Dalton & Florence West
Takeaways
North America

1. Well positioned to leverage our **unique global offering** and **leadership in sustainability** to grow above market

2. **Aligning our business** to better serve the market place

3. **Efforts focused on priority segments**: Hospitality, Healthcare, Workplace and Education with the aim at growing above market

4. **Improving profitability** by transforming our execution capabilities and reducing our cost base
Accelerating Operations cost reduction

EVP R&D and Operations
Antoine Prevost
Operations cost excellence

Accelerating cost base reduction

1. Continuous improvement
2. Footprint optimization
3. Automation
4. Simplification

COGS savings contributing significantly to the €120m cost reduction target
World Class Manufacturing
Lean manufacturing program for operational excellence

A global standard deployed across Tarkett industrial footprint

- A proven methodology
  - A worldwide recognized standard (Saint Gobain, Tetrapak, etc)
  - Structured tools & systematic methodologies to attack wastes & non-value added tasks
  - Good practices sharing through networks

- Structured to deliver results
  - Managed locally
  - Supported by a central team dedicated to training, coaching and audits
  - WCM-based Incentive scheme for Operations managers

A driver of continuous improvement & operational excellence

Safety

<table>
<thead>
<tr>
<th>Year</th>
<th>Injury frequency rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>9.8</td>
</tr>
<tr>
<td>2017</td>
<td>1.9</td>
</tr>
<tr>
<td>2018</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Customer Service & Quality

<table>
<thead>
<tr>
<th>Year</th>
<th>On Time in Full</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>76</td>
</tr>
<tr>
<td>2018</td>
<td>92</td>
</tr>
</tbody>
</table>

Energy savings

<table>
<thead>
<tr>
<th>Year</th>
<th>Energy consumption EMEA (kW/sqm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>5.3</td>
</tr>
<tr>
<td>2017</td>
<td>4.6</td>
</tr>
<tr>
<td>2018</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Cost Savings

€100m
cost reduction: achieved in the last 4 years mostly from WCM
Manufacturing footprint review
Tarkett methodology to define industrial footprint roadmap

Plants Assessment

Product line growth and attractiveness

Transform & Restructure
Maintain edge
Keep

Plant Performance

Roadmap

2019
2020
2021

Restructure

Transform

Other sites & Warehouses
Chagrin Falls
Goirle
Waterloo
Eiweiler

Today
Footprint roadmap

4 sites closures announced since January 2019

- **Truro (Canada):** 240 people
  - Transfer to Lexmark facility in Georgia (US)

- **Waterloo (Canada):** 70 people
  - Consolidation on one site in Ohio (US)

- **Laminate Park JV (Germany):** 230 people
  - Unprofitable product category in EMEA and overcapacity
  - Significant capex avoidance

- **Goirle (NL):** 30 people,
  - Consolidation on 2 sites and warehouse automation (by end of 2020)

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Savings on variable and fixed manufacturing costs and on logistic costs
Restructure Waterloo & Transform Chagrin Falls in North America

Rationalization of accessories production and distribution flows

- Closure of Waterloo (Canada) mid June 2019
- Transfer of production in a new state-of-the-art building in Chagrin Falls (USA)
- Investment in new extrusion lines and compounding process
Carpet footprint optimization in EMEA
Rationalization of carpet production and distribution flows

- Outsourcing of coating operations for broadloom carpet (NL)

- Transfer inventory of finished goods to the new automated distribution center in Waalwijk (NL)

- Goirle closure planned for 2020
Accelerating Automation

Roll-out of automation programs in 4 areas to drive efficiency and cost reduction

Automatic guided vehicles  Camera Inspection  Packaging & Creeling  Digital printing

Deploy automation program
Accelerating Automation
Roll-out of automation programs in 4 areas to drive efficiency and cost reduction

Benefits
• Safety & Ergonomy
• Quality & Service
• Productivity

Double automation capex
Reduce direct personnel costs by 10%
Simplify the references / SKUs portfolio

Complexity generating incremental costs in the value chain

**TIME**
- Longer development cycle
- More batch changes
- Marketing & Sales resources
- Lack of focus
- Management of phasing out

**COST**
- Additional R&D spending
- Lower delivery performance
- Incremental marketing spending
- Less efficient sales execution
- Obsolete inventories & Discounted Sales to manage
Simplify the SKUs portfolio
Reduce number of SKUs

Current situation

• High number of SKUs
• Insufficient clean-up
• Increased complexity and costs along the value chain

2021 Ambition

Reduce by 30% number of SKUs while maintaining sales

Initiatives

Cleaning programs
Started in H2 2018 in North America & EMEA

Performance review over the life cycle of the product
Implemented in 2019

Adaptation of New product development process
Launched in H1 2019
Supervision of global savings initiatives

COGS savings contributing significantly to the €120m cost reduction target

75% continuous improvement & Automation

- Locally managed with tight reporting
- Variable compensation of plant management based on achievement
- Group WCM\(^{(1)}\) team dedicated to coaching, audits & task forces
- Specific monitoring by EVP R&D - Operations & Division Presidents

25% restructuring and transformation

- Actions already announced since February 2019; roadmap defined until 2021
- Dedicated project teams combining local / Division management
- Steering Committees at Division level with supervision by Division President and EVP Operations – R&D
- Monitoring by Executive Committee

\(^{(1)}\) World Class Manufacturing - productivity program
Takeaways
Accelerating operations cost reduction

1. Further deployment of **World Class Manufacturing**

2. **Optimize footprint** to reduce manufacturing and logistics costs

3. **Accelerating automation** to gain in safety, productivity and speed

4. **Driving simplification of our product portfolio**
   maintaining a profitable product offering well fitted to our end-user segment strategy
CIS

President
Tarkett Eastern Europe
Slavoljub Martinovic
CIS/Balkans : business snapshot

Residential 82%
Commercial 18%

c. 3,300 Employees

ORGANIZATION

Number of employees as of December 31, 2018
Investor Day – 19 June 2019
Russia – Business environment
Market trends for the largest CIS country

Market Dynamics

• The largest market in CIS: demand superior to 350million sqm in 2018
• Several factors are expected to generate long term growth:
  • Potential for flooring renovation ~ 2Bn sqm
  • Government programs in education, healthcare,…

Challenges

• GDP growth expected to remain moderate in 2019 at +1.6%, not translating into significant real disposable income growth
• Increased competition with major competitors localizing production capacities
• Further growth of international DIYs

(1) Sources: Tarkett internal estimate - 2018 EMEA Flooring Addressable Market, includes residential and commercial
Russia: evolving road-to-market

International DIYs expected to grow further on

Route to market for vinyl category
In volume (Tarkett estimate)

- 72% Independent retail & others
- 14% Domestic DIYs
- 14% International DIYs

2018
- 13% Domestic DIYs
- 16% International DIYs

2022
- 71% Independent retail & others

Evolution of DIY stores
Number of stores

- 2018: 210 Domestic DIYs, 138 International DIYs
- 2022E: 200 Domestic DIYs, 169 International DIYs
Russia – Strategic Initiatives
Leverage assets to achieve strategic ambitions

**Tarkett competitive advantage**
- Largest and highly effective sales force organization
- Largest worldwide vinyl production facility
- Unique service to clients from 6 distribution centres
- High net promoter score levels (vinyl retailers 84, end-users 69)
- Leadership in design, sustainability, innovation
- Powerful brand
- Committed & stable management

**Key strategic Initiatives**

1. Further reinforce the retail concept while capturing the growth of international DIYs
2. Enhance product portfolio, leverage digital as a channel, develop commercial segments to boost activity
3. Further increase local raw materials sourcing while maintaining focus on productivity
4. Seize adjacent opportunities

**2022 Ambitions**
- Keep #1 position in residential flooring
- Maintain high level profitability
## Russia – retail concept ‘Tarkett Point’ program

A driver of strong presence in independent retail

### Focus on independent retailers

- Special rebate system for independent retail points
- Program is voluntary: independent retail decide whether they participate or not

### Benefit for retailers

- Additional earnings which help them be more competitive (7%)
- Additional bonus (1%) based on quality of service (“Mystery Shopper” research)
- Additional traffic to retail point via Tarkett.ru

### Benefit for Tarkett

- Maintain Tarkett Point share in Tarkett sales: c. 25% of total sales in 2018 (vs. 22% in 2015)
- Maintain share as illustrated by its solid track record since launch in 2015:
  - +8% of shelf presence,
  - +11% in number of categories
- Ensure closer relationships with independent retail points
Launch of Tarkett Space program

A strong retail concept in Russia
CIS/Balkans: leadership in design and innovation

**Vitality index:**
(% of net sales generated with range < 3Y, 2018)

- > 3 years: 56%
- < 3 years: 44%
- 35% New collections
- 9% Innovation

**Innovation in Wood category**
(enabled by the digital printing technology)

- Cost efficient innovation
- Made to order
- Customization

New collections: 9%
Innovation < 3 years: 44%
Russia - raw material localization

Focus on raw material localization

Significant increase in raw material localization

Russia vinyl raw material localization, %

- 2016: 16%
- 2017: 18%
- 2018: 26%
CIS/Balkans - Productivity actions

Productivity actions % of last year costs

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<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.40%</td>
<td>3.40%</td>
<td>3.60%</td>
<td></td>
</tr>
</tbody>
</table>

Sustained productivity on personnel cost

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total headcount at year end</td>
<td>3,242</td>
<td>3,395</td>
<td>3,292</td>
</tr>
<tr>
<td>Personnel cost, % of sales</td>
<td>12.7%</td>
<td>12.8%</td>
<td>12.8%</td>
</tr>
</tbody>
</table>

Drivers for further productivity gains:

- Further World Class Manufacturing development
- Speed of the lines
- Automation
- Headcount flexibility
Takeaways

CIS

1. Keep #1 position in residential flooring

2. Maintain high level profitability

3. Well positioned to leverage our competitive advantages

4. Maintain #1 position by retail retention programs, commercial segment development, digital as a channel and enhancement of product portfolio

5. Further opportunity to improve the cost base (raw material localization & focus on productivity)
EMEA

CEO
Fabrice Barthélemy
EMEA – Business snapshot

32% of Group revenues

c. 4,400 employees

RECENT EARNINGS 2018 % OF TOTAL GROUP

<table>
<thead>
<tr>
<th>RECENT EARNINGS</th>
<th>2018</th>
<th>% OF TOTAL GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>€908m</td>
<td>32%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>€97m</td>
<td>39%</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td></td>
<td>10.7%</td>
</tr>
</tbody>
</table>

11 PRODUCTION SITES

- Division Headquarters
- 2 Design Teams
- Vinyl
- Linoleum
- Carpet
- Wood

Number of employees as of December 31, 2018

Investor Day – 19 June 2019
EMEA – Business environment

Market trends

Market Dynamics

- Flooring demand in addressable market: **above 750 million sqm in 2018**
- 3 countries representing **almost 60% of the market**: Germany, France, UK
- Health & Aged Care, Workplace and Hospitality will be the fastest growing segments: **annual growth between 2%-3% in the next 3 years**
- Growth in LVT driven by the success of rigid

Challenges

- Slowdown in key construction and renovation markets after several years of sustained growth:
  - **0.7% annual growth expected in 2019-2021** (1)
- Increasing competition coming from Asia and from US competitors investing in Europe

---

(1) Sources: Euroconstruct, November 2018 and Tarkett internal estimate - 2018 EMEA Flooring Addressable Market. Ceramic excluded. Includes residential and commercial

Investor Day – 19 June 2019
EMEA – Strategic Initiatives

Leverage assets to achieve strategic ambitions

Tarkett competitive advantage

- Well-recognized offer for key commercial end-user segments: health & aged care, workplace, education
- Extensive geographical coverage
- Key player in residential
- Brand awareness in commercial segments
- Leading manufacturer of LVT
- Forerunner in Circular Economy

Key strategic Initiatives

1. Focus sales and innovation effort on selected commercial end-user segments
2. Expand in digital channels to foster revenue growth with B2C and B2B customers
3. Reinforce differentiation through further development of recycling programs
4. Strengthen LVT offer and production capacity

2022 Ambitions

- Be the Leader in commercial flooring
- Strengthen residential leadership in selected countries
- Change the game with circular economy
Accelerate on selected End-user Business Segments

Workplace, Health & Aged Care, and Education

EVP Strategic Marketing, Digital & Innovation
Pierre Barrard
3 attractive End-user Business Segments: Workplace, Health & Aged Care and Education

Market Growth > GDP
- Ageing population (Health & Aged care 4-5% CAGR\(^1\))
- Necessity to attract talents (Workplace & Education North America 2-3% CAGR)

Market profitability > Market average
- High technical requirements
- Complex road-to-market implying local expertise

\(^1\) 2018-2022 Compound Annual Growth Rate
Achieve leadership on commercial segments

Workplace, Health & Aged Care, Education

1. Reinforce Sales force Impact
2. Accelerate Innovation
3. Differentiate on Well Being & Circular Economy

Workplace
Health & Aged Care
Education
Achieve leadership on commercial segments
Workplace, Health & Aged Care, Education

1. Reinforce Sales force Impact
   - Unique local expertise
   - Global Account Management

2. Accelerate Innovation
   - Referent collections
   - Capabilities to win global tenders and new solutions

3. Differentiate on Well Being & Circular Economy
   - Unique users well-being expertise
   - Circular Economy leadership

Grow twice as fast as the market
Achieve leadership on commercial segments: Workplace

1. Reinforce Sales force Impact
2. Accelerate Innovation
3. Differentiate on Well Being & Circular Economy
Reinforce sales force impact

**Workplace:** Creating healthy, inspiring work environment to improve performance

Focus on dynamic cities with higher office stock

**Execution:**
- Local Account Management

**Strategy:**
- Global Account Management

---

Global End-Users

- Orange
- CBRE

Corporate Real Estate
- JLL
- Cushman & Wakefield

Global Architects & Designers
- AECOM
- h & k
**Workplace:** Creating healthy, inspiring work environment to improve performance

Great designs, combined flooring, personalisation

Quick and easy installation and maintenance

ABN AMRO Bank, Amstelveen, Netherlands ~800 m² iD Revolution tiles and carpet tiles.

Seats2Meet Office, Tilburg, Netherlands ~ 800m² of Carpet tiles and iD Inspiration LVT.
**Workplace:** Creating healthy, inspiring work environment to improve performance

Promote acoustic and indoor air quality solutions

- Airmaster carpet capturing fine dust, and acoustic SoundMaster backing

Accelerate sales of carpet with recycled backing and expand recycling services

- EcoBase backing with recycled calcium carbonate.
- Ethos with recycled PVB from windshield.
Achieve leadership on commercial segments:
Health & Aged Care

1. Reinforce Sales force Impact
2. Accelerate Innovation
3. Differentiate on Well Being & Circular Economy
Health & Aged Care: Helping to care for people

Increase dedicated sales forces in largest and fast growing cities

Partner with leading associations and specifiers

Participate to nosocomial infections study, led by Braunschweig University, in Germany.
**Health & Aged Care: Helping to care for people**

- **Leverage highly technical products**
  - iQ vinyl collection with dry buffing: 30% savings in maintenance cost, and 20 years warranty

- **Fast renovation and infection control solutions**
  - Medisis Hospital, Ankara, Turkey: ~10,000 sqm iQ vinyl

---

**Accelerate innovation**

Health & Aged Care: Helping to care for people

- Leverage highly technical products
  - iQ vinyl collection with dry buffing: 30% savings in maintenance cost, and 20 years warranty

- Fast renovation and infection control solutions
  - Medisis Hospital, Ankara, Turkey: ~10,000 sqm iQ vinyl

---

**Investor Day – 19 June 2019**
Health & Aged Care: Helping to care for people

Genuine expertise to understand the needs of people living on our floors

Virtual Reality tools for Architects to understand perception of spaces by seniors

“VR tool is as close as you can get to seeing what someone with dementia sees.”
Professor Mary Marshall – HammondCare

Tarkett Dementia Study

Tarkett lead a European study, with an external agency and accompanied by an anthropologist, to understand and handle the most recent findings on Dementia and Aged Care in general.
Achieve leadership on commercial segments: Education

1. Reinforce Sales force Impact
2. Accelerate Innovation
3. Differentiate on Well Being & Circular Economy
Education: Contributing to an optimal learning environment

Increase dedicated sales forces in largest and fast-growing cities

Partner with leading universities and leverage our sports and flooring networks

Sports Complex Bordeaux (France), Omnisports vinyl
**Education: Contributing to an optimal learning environment**

Acoustical solutions to enhance students concentration

Middletown City Schools, USA
Carpet
~12,500 m²

Make daily maintenance easier

HE vinyl collection: surface treatment facilitates cleaning & decreases the need for water & solvents.
Up to 25% reduction in the cost of maintenance*

*Refer to Tarkett Life Cycle Cost (LCC) software
**Education:** Contributing to an optimal learning environment

Understand the influence of colors and materials at different ages

Study colors: Memory improves by 55-78% in children surrounded by their preferred colours.

Further develop renewable-based product & Cradle to Cradle solutions

School J.L. Etienne - Herblay, France, 3,800 m² Linoleum renewable-based flooring.

Takeaways
Accelerate on selected end-user business segments

1. We have the expertise and the footprint to win on the most attractive commercial segments.

2. Our product offer makes the difference for most demanding usages.

3. We will further differentiate and accelerate through:
   - A focus on major geographies / players of these end-user segments.
   - A capacity to match global players expectations with a comprehensive product portfolio.
   - A genuine commitment to people and planet (well-being and circular economy).
Leverage digital as a business opportunity

EVP Strategic Marketing, Digital & Innovation
Pierre Barrard
Digital as a sales channel for Tarkett

2 complementary ways to sell online

B2B → Tarkett online portals

B2B to Customers
Tarkett on leading online platforms
Investing in digital channels to capture growth
An opportunity to reinforce market position

1. What is at stake
   • Online sales 10% to 12% of 2022 flooring market
   • Brand visibility

2. Key levers
   • Match online standards
   • Convince customers to click

3. Moving forward
   • Capabilities
   • Online portal & presence on leading platforms
E-commerce is rapidly growing

Flooring market: share of online sales
EMEA, North America, CIS

- 10 – 12%
- +15-20% p.a.
- 4-5% B2C
- 2-3% B2B

Sources: Wayfair & Home Depot Investor Relations website, / Company estimates, based on interviews with leading DIYs & eCommerce platforms
## E-commerce developed by existing and new customers

<table>
<thead>
<tr>
<th></th>
<th>B2C</th>
<th>B2B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturers</td>
<td>![Manufacturer Logo]</td>
<td>![Tarkett Logo]</td>
</tr>
<tr>
<td>Generalist E-commerce</td>
<td>![Amazon Logo]</td>
<td>![Amazon Business Logo]</td>
</tr>
<tr>
<td>Category E-commerce</td>
<td>![ManoMano Logo]</td>
<td>![ManoMano Pro Logo]</td>
</tr>
<tr>
<td>DIY</td>
<td>![Wayfair Logo]</td>
<td>![Wayfair Professional Logo]</td>
</tr>
<tr>
<td>Specialized Distribution</td>
<td>![Floor &amp; Decor Logo]</td>
<td>![Floor &amp; Decor Logo]</td>
</tr>
</tbody>
</table>

### What is at stake

1. 

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99
Why it is important for Tarkett

• Leading online platforms are competing for the larger offer.
  ◦ An opportunity to sell our broad offer

• Our Customers and Specifiers look for inspiration, pre-select online
  ◦ A must to be visible (Google image, Yandex, main online platforms…)

• The capacity to deliver the expected service level is essential
  ◦ An opportunity to make the difference leveraging our local footprint

2022 Ambitions

• Online market share superior to physical market share

• Development of a data-driven business
5 key success factors to win online

2 main challenges to overcome in flooring

- Reassurance upstream
- Visibility
- Supply chain & SLA
- Pricing
- After sales & installation
Reassurance upstream

- Having 50 (good) reviews generate an uplift > 30%
- Room sceneries can generate an uplift > 30%
- Inspiration or installation videos can generate an uplift > 25%
- Participating real-time to Q&A can generate an uplift > 100%
- Receiving a flooring sample could generate 30 to 50% conversion

Sources: Company estimates, based on interviews with leading DIYs & eCommerce platforms
Key levers

Last mile delivery at competitive cost is pivotal to accelerate penetration

Online share by product category is correlated to capability to ship

Sources: L.E.K. Analysis, E-SHIP Index, Ecommerce in Home Improvement, March 2018
Demanding new delivery standards, an opportunity for regional players

- **B2C:**
  - < 5h in big cities
  - Click & Collect or Door-to-Door

- **B2B:**
  - Next day for regular replenishment
  - Click & Collect or On-site delivery

- 2 days delivery to warehouse

- Capacity to deliver directly or

- Partner with platforms which offer delivery as a service
Moving forward, we have set ‘web scraping’ capabilities to develop competitive advantage all along the conversion funnel.
Ongoing deployment with online players in key geographies

Manufacturers

B2B

Generalist E-commerce

Monitor

Category E-commerce

DIY

Specialized Distribution

Go Live 2020
Takeaways

Leverage digital as a business opportunity

1. Now, it is the right time to move forward and take strong positions.

2. We implement a C-level governance, focused teams and differentiating tools.

3. We partner with leading online platforms and digital experts to learn fast and win.

4. We will leverage our digital visibility and assets to drive brand preference across all the channels.
Sports - Performance Since 2013

<table>
<thead>
<tr>
<th>REVENUES ($M)</th>
<th>EBITDA ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>665</td>
</tr>
<tr>
<td>2018</td>
<td>20</td>
</tr>
<tr>
<td>+12% CAGR</td>
<td>+26% CAGR</td>
</tr>
</tbody>
</table>

- 2018 ROTC >15%

Sports - Performance Since 2013
An Advantaged Playing Field

- Good underlying growth trends
- Strong market positions and brands
- Opportunities to expand Tarkett Sports and raise margins
Sports – Business snapshot

19% of Group revenues

>20,000 fields installed worldwide

c. 1,000 employees

RECENT RESULTS | 2018 | % OF GROUP
--- | --- | ---
Net Revenues | €564m | 19%
Adjusted EBITDA | €53m | 21%
Adjusted EBITDA margin | 9.4%

OPERATIONAL SITES

- Division Headquarters
- Field Operations
- Artificial Turf
- Fiber
- Pad
- Tracks
- Indoor

Sourced from Tarkett flooring

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Tarkett Sports: Leaders worldwide

Artificial turf
North America

#1

Artificial turf
EMEA

#1

Hybrid Turf
Worldwide

#1

Running Track
North America

#1
Listening to our customers

Launched: February 2017
Total Surveys: Over 1200

“FieldTurf is awesome. They stand by their work.”
Torrey Pines High School, CA

“If you have questions you get answers. If you need something done, it gets done.”
Nazareth College, NY

“Great Customer Service, whenever there has been an issue it has been taken care of quickly. And it is a good surface to play on.”
Beaverton School District, OR
Positive Growth Outlook

Forecasting is challenging

- Project business
- Demand varies across products and geographies
- Not immune to broader economic conditions

Growth drivers should remain

- Health and fitness concerns globally
- Product functionality and penetration rates
- Replacement wave in turf
- ROI - highly visible projects
Tarkett’s core strengths

Partner of choice in sports surfacing

Segment & channel expertise

Broad & high quality product portfolio

Local teams & global scale

Long-standing commitment to sustainability
Segment Focus: Boston Landings
Partner of choice in sports surfacing

1. New Balance Headquarters

- 200m Hydraulic Track & Retractable Turf Field
- Completion 2021

Tarkett Sports Advantage

- Deep knowledge and expertise – product, athlete and owner needs
- Unmatched experience and capabilities – uniquely able to make a project like this a success
2. Recycled PEX foam underlayment manufacturer

- Sub-scale, lacking access to market
- Acquired in Q4 2018

Tarkett Sports Advantage

- Size and breadth of commercial reach
- Operational Support (WCM)
- Margin capture through integration
Local & Global: FieldTurf Australia
Partner of choice in sports surfacing

3. Grassman #4 artificial turf player in Australia

- FieldTurf importing into Au/Nz, but skimming
- Acquired in Q1 2018

Tarkett Sports Advantage

- Globally recognized brands
- Innovation & product breadth
- Manufacturing & operations expertise
Sustainability: Hydroflex Infill
Partner of choice in sports surfacing

4. Recycling Aged Turf

- Alternative to crumb rubber
- Cost advantaged vs. TPE/EPDM
- Soft on skin, won’t float and fully recyclable

Tarkett Sports Advantage

- Proprietary recycling and formulation
- Levers at work: innovation, broadening the bundle, global reach
Our Advantaged Playing Field

- Good underlying growth trends
- Strong market positions and brands
- Opportunities to expand Tarkett Sports and raise margins
Our Value-Creation Drivers
Drawing up the right play for success

Offer
Innovation – Product & Service

Deliver
Differentiated Experience

Integrate
Vertically – Components

Expand
Geographically & Product Offer

Execute
Accretive M&A
Finance

CFO
Raphaël BAUER
Solid organic growth and challenged profitability

External headwinds weighting on margin in 2017 and 2018

Net sales (€m)

CAGR 2014-2018 Organic growth: +1.9%

Adjusted EBITDA (€m) and margin (% of net sales)

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Active selling price management

In a business environment marked by raw materials and logistics inflation

Vinyl and carpet key oil derivatives\(^{(1)}\)
- price evolution

Index Base 100 January 2018

Selling prices fully offsetting purchasing cost inflation in Q1

Coverage\(^{(2)}\)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage</td>
<td>33%</td>
<td>60%</td>
<td>105%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling Price Increase</td>
<td>10.0</td>
<td>5.9</td>
<td>7.1</td>
<td>7.7</td>
<td>8.1</td>
</tr>
</tbody>
</table>

(1) Selection of oil derivatives feedstock – Oil derivatives purchase represent 54% of Tarkett material cost.
Sources: IHS Markit, Tecnon OrbiChem, Tarkett

(2) % of purchasing cost inflation offset by selling price increases
Track record of deleveraging

In 2018, increased leverage following Lexmark acquisition

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt (€m)</th>
<th>Leverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of Dec 2014</td>
<td>595</td>
<td>2.0x</td>
</tr>
<tr>
<td>End of Dec 2015</td>
<td>482</td>
<td>1.7x</td>
</tr>
<tr>
<td>End of Dec 2016</td>
<td>378</td>
<td>1.1x</td>
</tr>
<tr>
<td>End of Dec 2017</td>
<td>492</td>
<td>1.6x</td>
</tr>
<tr>
<td>End of Dec 2018</td>
<td>754</td>
<td>2.8x</td>
</tr>
</tbody>
</table>

Net Debt increases due to strategic acquisitions:
Desso in 2014, Lexmark in 2018

Fast deleveraging after Desso acquisition in 2014
Leverage at 1.1x in 2016 vs. 2.0x in 2014
**Capex and Dividend**

*2019 focus on deleveraging*

**Capex (in €m) and in % of net sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex (in €m)</th>
<th>Capex in % of net sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>78</td>
<td>3.2%</td>
</tr>
<tr>
<td>2015</td>
<td>79</td>
<td>2.9%</td>
</tr>
<tr>
<td>2016</td>
<td>92</td>
<td>3.3%</td>
</tr>
<tr>
<td>2017</td>
<td>111</td>
<td>3.9%</td>
</tr>
<tr>
<td>2018</td>
<td>127</td>
<td>4.5%</td>
</tr>
<tr>
<td>2019</td>
<td>c.120</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

**Dividend per share (in €) and cash out (in €m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per share</th>
<th>Cash out (in €m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>€0.40</td>
<td>€24m</td>
</tr>
<tr>
<td>2016</td>
<td>€0.50</td>
<td>€33m</td>
</tr>
<tr>
<td>2017</td>
<td>€0.60</td>
<td>€38m</td>
</tr>
<tr>
<td>2018</td>
<td>€0.60</td>
<td>€38m</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>€0.60</td>
</tr>
</tbody>
</table>
Strong liquidity and improved maturity profile

Refinancing in H1 2019

Revolving Credit Facility (RCF) successful refinancing at lower cost - May 2019

Strong support from banks
Improved terms and cost versus 2015 RCF

Successful refinancing of selected tranches of private placement

Floating tranches of 2016 Schuldschein (SSD) with maturities in 2021 and 2023

Total capacity €1.4bn after RCF refinancing\(^{(1)}\) (€m)

\(^{(1)}\) Without IFRS16 operating lease debt

\(^{(2)}\) Drawn amounts as of end December, 2018

---

(1) Without IFRS16 operating lease debt
(2) Drawn amounts as of end December, 2018

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## Mid-term objectives

Before IFRS 16 application, new accounting norm on leases

<table>
<thead>
<tr>
<th>Organic Growth</th>
<th>Adj. EBITDA Margin</th>
<th>Net Debt to Adj. EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic CAGR(^{(1)}) 2018-2022</td>
<td>&gt; 11.0% by 2022</td>
<td>1.5x to 2.5x at each year end over the period</td>
</tr>
<tr>
<td>&gt; GDP growth(^{(2)}) in key regions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) CAGR : Compounded annual growth rate  
\(^{(2)}\) GDP growth for Europe, North America and CIS, as measured by IMF
Mid-term objectives

After IFRS 16 application

<table>
<thead>
<tr>
<th>IFRS 16 impact</th>
<th>Organic Growth</th>
<th>Adj. EBITDA Margin</th>
<th>Net Debt to Adj. EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>no impact</td>
<td>no impact</td>
<td>c. 100bps</td>
<td>c. +0.1x</td>
</tr>
</tbody>
</table>

Objectives after IFRS16 application

- Organic CAGR\(^{(1)}\)
  - 2018-2022
  > GDP growth\(^{(2)}\)

- > 12.0% by 2022

1.6x to 2.6x at each year end over the period

---

\(^{(1)}\) CAGR: Compounded annual growth rate
\(^{(2)}\) GDP growth for Europe, North America and CIS, as measured by IMF
Strategic initiatives targeting above market growth
2019 – 2022

Market Growth

Flooring demand directionally growing at GDP
- EMEA and NA showing moderate growth perspective
- Cautious stance on CIS based on current environment

Sports has further growth potential

Growth Levers

- Stronger focus on selected end-user segments
- Leverage digital as a channel to increase share
- Differentiate through circular economy initiatives

Organic Growth above GDP growth\(^{(1)}\)

\(^{(1)}\) GDP growth for Europe, North America and CIS as measured by IMF
Proactive selling price management and cost reduction 2019 – 2022

Input Cost

Raw Materials, freight, energy
- Additional inflation in 2019
- Expected volatility going forward

Wage increase
- In line with previous years

Profit levers

- Selling price increases proactively managed
- Footprint optimization, automation and productivity programs
- SG&A streamlining

Offset raw material & freight inflation

€120m of cost savings
Improving the cost base

Cost reduction evenly spread out over 2019-2022

€120m of savings

75% productivity and automation

25% restructuring and transformation

Productivity and Automation

- WCM\(^{(1)}\) program further deployment
- Step-up in automation

Industrial Footprint

- Review started
- Focus on
  - Loss making businesses
  - Site consolidation
  - Supply chain optimization

SG&A Costs

- Simplify
- Align organization with strategic priorities
- Further potential in back-office

(1) World Class Manufacturing: continuous improvement program

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## Selective capital allocation

### Aligned with our strategic roadmap

<table>
<thead>
<tr>
<th>Capex</th>
<th>Deleveraging</th>
<th>M&amp;A</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Support organic growth and strategic initiatives</td>
<td>• Focus on net debt reduction in 2019</td>
<td>• Fragmented industry</td>
<td>• 30% to 50% pay-out (of reported net income) subject to leverage and M&amp;A</td>
</tr>
<tr>
<td>• Expected slightly above past % of net sales</td>
<td>• No sizeable acquisition in 2019</td>
<td>• Opportunity to strengthen in selected geographies or segments</td>
<td>• Scrip dividend option if relevant</td>
</tr>
<tr>
<td></td>
<td>• Leverage to remain between 1.5x and 2.5x(1) at each year end over the period</td>
<td>• Key metrics after synergies :</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Contribution to EBITDA margin and ROIC(2)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• EV(3)/EBITDA multiple</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cultural fit &amp; quality of management team</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sustainability focus</td>
<td></td>
</tr>
</tbody>
</table>

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(1) Leverage objectives are before IFRS 16 application  
(2) ROIC : Return on invested capital  
(3) EV : Enterprise value

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Investor Day – 19 June 2019
Change to Win

Wrap Up
CEO
Fabrice Barthélemy
1. Sustainable Growth
2. One Tarkett for our Customers
3. People & Planet
4. Cost and financial discipline
**Sustainable Growth**

Organic CAGR$^{(1)}$

2018-2022

> GDP growth$^{(2)}$

in key regions

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**Profitability Improvement**

Adj. EBITDA Margin$^{(3)}$

> 12.0%

by 2022

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**Leverage**

Net Debt to Adj. EBITDA$^{(3)}$

1.6x to 2.6x

at each year end

over the period

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$^{(1)}$ CAGR: Compounded annual growth rate

$^{(2)}$ GDP growth for Europe, North America and CIS, as measured by IMF

$^{(3)}$ Post IFRS 16 application, new accounting norm on leases
Our Ambition

Change to Win

- Be the global leader in commercial flooring and sports surfaces
- Grow selectively in residential flooring
- Change the game with circular economy
Appendices
## Assumptions retained for economic GDP growth forecasts

**IMF forecast report - May 2019**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>2.9%</td>
<td>1.6%</td>
<td>2.2%</td>
<td>2.9%</td>
<td>2.3%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Canada</td>
<td>0.9%</td>
<td>1.4%</td>
<td>3.0%</td>
<td>1.8%</td>
<td>1.5%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Euro Area</td>
<td>2.0%</td>
<td>1.7%</td>
<td>2.4%</td>
<td>1.8%</td>
<td>1.3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Germany</td>
<td>1.5%</td>
<td>1.8%</td>
<td>2.5%</td>
<td>1.5%</td>
<td>0.8%</td>
<td>1.4%</td>
</tr>
<tr>
<td>France</td>
<td>1.1%</td>
<td>1.2%</td>
<td>2.2%</td>
<td>1.5%</td>
<td>1.3%</td>
<td>1.4%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2.2%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.4%</td>
<td>1.2%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Russia</td>
<td>(2.8)%</td>
<td>(0.2)%</td>
<td>1.6%</td>
<td>2.3%</td>
<td>1.6%</td>
<td>1.7%</td>
</tr>
<tr>
<td>CIS</td>
<td>na</td>
<td>0.3%</td>
<td>2.4%</td>
<td>2.8%</td>
<td>2.2%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>
### New norm IFRS 16 – Lease accounted for as Assets

#### in €m

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>IFRS 16 Estimated Impact (1)</th>
<th>Simulation of FY 2018 incl. IFRS16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Financial Debt</strong></td>
<td>754</td>
<td>+100</td>
<td>854</td>
</tr>
<tr>
<td><strong>Net Debt/Adjusted EBITDA(2) proforma(3)</strong></td>
<td>2.8x</td>
<td>+0.1x</td>
<td>2.9x</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA(2)</strong></td>
<td>249</td>
<td>+28</td>
<td>276</td>
</tr>
<tr>
<td><strong>% of net sales</strong></td>
<td>8.8%</td>
<td>+97bps</td>
<td>9.7%</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>(117)</td>
<td>(26)</td>
<td>(143)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>107</td>
<td>+2</td>
<td>109</td>
</tr>
<tr>
<td><strong>Financial income and expenses</strong></td>
<td>(30)</td>
<td>(3)</td>
<td>(33)</td>
</tr>
<tr>
<td><strong>Net profit (attributable to owners)</strong></td>
<td>49</td>
<td>(1)</td>
<td>49</td>
</tr>
</tbody>
</table>

1. Preliminary estimate based on preparatory work done to deploy the new norm
2. Adjusted EBITDA: Adjustments include expenses such as restructuring, acquisitions and share-based payment expenses.
3. Pro forma: includes full year EBITDA of acquired companies

- New norm IFRS 16 on leases is effective since 1st of January, 2019
- Assets leased are recognized as Fixed Asset financed by Financial Debt
- Estimates for Tarkett in 2019:
  - +€100m in Net Financial Debt
  - +€27m in Adjusted EBITDA
  - +€2m in EBIT
  - Around -€1m impact on net result
- This should translate into:
  - c.+100bps in EBITDA margin
  - c. +0.1x in Leverage (Net Debt/Adjusted EBITDA 2018 proforma has to be read 2.9x versus 2.8x reported)
**IFRS 16 Adjusted EBITDA impact by segment**

in €m

- Estimated impact of IFRS 16 application on the adjusted EBITDA by segment in 2019:

<table>
<thead>
<tr>
<th>€ million</th>
<th>Estimated 2019 IFRS 16 impact on Adj. EBITDA by segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>8</td>
</tr>
<tr>
<td>North America</td>
<td>8</td>
</tr>
<tr>
<td>Sports</td>
<td>3</td>
</tr>
<tr>
<td>Central</td>
<td>3</td>
</tr>
<tr>
<td><strong>Group’s estimated IFRS 16 impact for 2019</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>
Tarkett supervisory Board & shareholder composition
A family holding & entrepreneurial mindset with a long-term commitment for a sustainable development

5 representative of the Deconinck family

Eric La Bonnardière
Chairman

Didier Deconinck
Vice-Chairman

Eric Deconinck

Julien Deconinck

2 observers

Agnès Touraine

Didier Michaud-Daniel

Françoise Leroy

4 Independent members

Guylaine Saucier

Sabine Roux de Bézieux

Shareholders’ composition
As of end December 2018

Deconinck Family Group
50.77%

Free Float
48.74%

Treasury Shares
0.49%
Executive Committee
An international, diverse & entrepreneurial leadership team

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

Fabrice Barthélemy
CEO of Tarkett

Fabrice Barthélemy
President EMEA & LATAM (acting)

Pierre Barrard
EVP Strategic Marketing, Digital & Innovation

Antoine Prevost
EVP Research & Development & Operations

Jeff Fenwick
Interim President & CEO of Tarkett North America

Raphaël Bauer
Chief Financial Officer

Wendy Kool-Foulon
Group General Counsel

Eric Daliere
President Tarkett Sports

Gilles Lebret
VP Customer Operations and Group CIO

Slavoljub Martinovic
President Tarkett Eastern Europe

Investor Day – 19 June 2019

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# Criteria of variable compensation of the Executive Committee

<table>
<thead>
<tr>
<th>ECONOMIC CRITERIA</th>
<th>Performance-based criteria of compensation</th>
<th>Short term Criteria (1 year)</th>
<th>Long term Criteria (3 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td></td>
<td>✓ (40%)</td>
<td></td>
</tr>
<tr>
<td>Operating cash flow</td>
<td></td>
<td>✓ (30%)</td>
<td></td>
</tr>
<tr>
<td>Theoretical Equity value creation</td>
<td></td>
<td></td>
<td>✓ (80%)</td>
</tr>
<tr>
<td>(Equity value = Enterprise value calculated as a multiple of Adjusted EBITDA, minus Net debt - Compared to. Strategic plan objective)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSR evolution vs. SBF120 index TSR</td>
<td></td>
<td></td>
<td>✓ (20%)</td>
</tr>
</tbody>
</table>

| PERSONAL CRITERIA                                      | Individual objectives including CSR objective | ✓ (30%)                      |                              |

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