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Q1 2017
KEY HIGHLIGHTS

Michel Giannuzzi
CEO
Good start to the year: Q1 2017 Highlights

Net sales up 6.1% year-on-year at €612m, including organic growth of 2.8%(1)

Robust organic growth in EMEA (up 7.0%)(1) and a good start to the year for the Sports (up 3.6%)(1) and CIS, APAC and Latin America (up 2.0%)(1) segments

North America penalized by a high comparison basis (down 2.1%)(1)

Adjusted EBITDA(2) up 14.6% at €52m versus €45m in Q1 2016

Adjusted EBITDA margin up 62 bps to 8.4% (versus 7.8% in Q1 2016)

Successful €300m private placement (Schuldschein), extending the Group’s debt maturity (tranches with maturities of 5 and 7 years)

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(1) Organic growth: At constant scope of consolidation and exchange rates (Note: in the CIS, price increases implemented in order to offset currency fluctuations are not included in organic growth. As a result, organic growth reflects only changes in volumes and the product mix).
(2) Adjusted EBITDA: adjustments include expenses related to restructurings, acquisitions, and certain other non-recurring items.
Tarkett benefits from balanced exposures providing resilience to industry cycles

**BALANCED GEOGRAPHIC EXPOSURE**

Sales in more than 100 countries

- **NORTH AMERICA** incl. Sports 44%
- **EMEA** incl. Sports 36%
- **CIS, APAC & LATAM** 20%
- **NA** 17%

**ONE OF THE BROADEST PRODUCT PORTFOLIOS IN THE FLOORING INDUSTRY**

- **Sports** 17%
- **Wood & Laminate** 7%
- **Rubber & Accessories** 8%
- **Commercial Carpet** 20%
- **Vinyl & Linoleum** 48%

**ATTRACTIVE END-MARKETS EXPOSURE**

- **Commercial** ~70%
- **Residential** ~30%
- **Renovation** ~80%
- **New** ~20%

Figures based on 2016 Net Sales.
Q1 2017 ACTIVITY

Raphaël Bauer CFO
Reported sales were up 6.1% compared to Q1 2016

- Excellent performance in EMEA
- CIS, APAC & Latam started the year well
- Good momentum in Sports
- North America penalized by a high comparison basis
- Positive impact from selling price lag effect in CIS countries

(1) Organic growth: At same perimeter and exchange rates. (NB: In the CIS, price increases implemented to offset currency fluctuations are not included in the organic growth. Organic growth in the CIS therefore reflects volume and mix variances only).
Adjusted EBITDA\(^{(1)}\) was 14.6% higher in Q1 2017

- Strong result from our productivity action plans
- Positive selling price lag effect in CIS despite selective promotions
- Increase in raw material purchase pricing

\(\text{in €m}\\)

\begin{align*}
\text{Q1 2016} & : & 45.0 \\
\text{Currencies} & : & (1.3) \\
\text{Selling price lag effect in CIS} & : & 6.0 \\
\text{Volume/Mix} & : & 1.2 \\
\text{Sales pricing} & : & (1.4) \\
\text{Purchase pricing} & : & (2.4) \\
\text{Productivity} & : & 7.9 \\
\text{Wage increase, SG&A, & other} & : & (3.5) \\
\text{Q1 2017} & : & 51.5
\end{align*}

\(^{(1)}\) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.
EMEA Q1 2017

NET SALES

in €m

+4.7% reported

Q1 2016 232
Q1 2017 243

Q1 2017 Net sales organic growth(1) +7.0%

> Vigorous growth in Nordic countries
> Upbeat Germany
> France confirmed the recovery begun in Q4 2016
> The UK performed well after a slowdown in H2 2016
> Good growth in Southern Europe (Italy, Spain and Portugal)
> Decline in the Middle East
> Robust trading in LVT

(1) Organic growth: At same perimeter and exchange rates.
North America Q1 2017

NET SALES

in €m

187
Q1 2016

190
Q1 2017

Q1 2017
Net sales
organic growth(1)
-2.1%

+1.6%
reported

High comparison basis as Q1 2016 had been boosted by:

- large-scale projects
- stockbuilding by a new customer

Robust growth in LVT

Reported sales spurred by gains in the US$ against the €

(1) Organic growth: At same perimeter and exchange rates.
CIS, APAC & Latam Q1 2017

NET SALES

in €m

Q1 2016

Q1 2017

104

121

+17.2% reported

Q1 2017

Net sales

organic growth\(^{(1)}\)

+2.0%

**CIS countries**

> In line with Q4 2016, ongoing improvement

> Selective promotions strategy (as in December 2016)

> Product mix improvement

**APAC**

> Good dynamics

**Latin America**

> Fall in quarterly sales due to economic slowdown in Brazil

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\(^{(1)}\) Organic growth: At same perimeter and exchange rates (NB: In the CIS, price increases implemented to offset currency fluctuations are not included in the organic growth. Organic growth in the CIS therefore reflects volume and mix variances only).
Russia: Selective promotion strategy to adapt to the exchange rate evolution

Evolution of Tarkett Vinyl prices in Russia and EUR/RUB exchange rate

Sources: Reuters and Tarkett.
Sports Q1 2017

NET SALES

in €m

Q1 2016 | Q1 2017
--- | ---
53 | 57

+6.6% reported

+3.6%

Q1 2017 Net sales organic growth(1) +3.6%

(1) Organic growth: At same perimeter and exchange rates.

Good momentum in particular strong development in tracks

Structurally small quarter for the segment due to seasonality

Several high-profile projects awarded

- Banked hydraulic tracks at the Liberty University, USA
- Mercedes-Benz Stadium in Atlanta, Georgia, USA
Deliver outstanding customer experience in Stores & Shops

Design and Innovative Solutions Partner

> **iD Mixonomi, innovative modular vinyl solutions (LVT)**

> Provide a creative design mixing colours and shapes with infinite combination possibilities

> Offer comprehensive and immersive solutions for custom-made interior

> Transform the floor into a powerful decorative element for retail to differentiate, personalize and enhance the consumer experience

33 Colours

10 shapes

Infinite combinations

A library for inspiration

An on-line configurator tool
Deliver outstanding customer experience in Stores & Shops

Design and Innovative Solutions Partner

> **Red Dot Award** - Product Design 2017 for iD Mixonomi

> The most famous international design Award

> Among 5,500 products and innovations from 54 countries

> Reinventing the Tradeshow experience at **Euroshop**
CONCLUSION

Michel Giannuzzi
CEO
Q1 2017 Key Take-aways

Take-aways

> Good start to the year:
  > Excellent performance in EMEA
  > Good momentum in Sports
  > CIS, APAC & Latam started well
  > North America penalized by a high comparison basis
> Adjusted EBITDA up 14.6%

Outlook

> EMEA, North America and Sports should remain healthy over the year
> CIS region should stabilize or recover slightly in 2017
> Raw material prices negative impact: -€10m to -€20m over the year (based on current prices)
> Actively seeking out accretive acquisitions
# Sales and adjusted EBITDA performance in Q1

## Sales performance by quarter

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q1 2016</th>
<th>% growth</th>
<th>Organic growth¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>243.4</td>
<td>232.4</td>
<td>+4.7%</td>
<td>+7.0%</td>
</tr>
<tr>
<td>North America</td>
<td>190.3</td>
<td>187.2</td>
<td>+1.6%</td>
<td>-2.1%</td>
</tr>
<tr>
<td>CIS, APAC &amp; LATAM</td>
<td>121.3</td>
<td>103.5</td>
<td>+17.2%</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Sports</td>
<td>56.7</td>
<td>53.2</td>
<td>+6.6%</td>
<td>+3.6%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>611.7</td>
<td>576.3</td>
<td>+6.1%</td>
<td>+2.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q1 2016</th>
<th>Q1 2017 Margin</th>
<th>Q1 2016 Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA²</td>
<td>51.5</td>
<td>45.0</td>
<td>8.4%</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

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

(2) Adjusted EBITDA: Adjustments include expenses related to restructuring, acquisitions and certain other non-recurring items.
Long term profitable growth

**NET SALES** in €m

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,708</td>
<td>1,919</td>
<td>2,088</td>
<td>2,292</td>
<td>2,516</td>
<td>2,414</td>
<td>2,715</td>
<td>2,739</td>
</tr>
</tbody>
</table>

**ADJUSTED EBITDA**\(^{(1)}\) in €m

<table>
<thead>
<tr>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>208</td>
<td>222</td>
<td>191</td>
<td>262</td>
<td>310</td>
<td>275</td>
<td>285</td>
<td>334</td>
</tr>
</tbody>
</table>

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

**+7.0% CAGR 2009-2016**
### 2017-2020 financial objectives

**Unless transforming acquisition**

<table>
<thead>
<tr>
<th>Category</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth</td>
<td>2020 net sales ~€3.5bn&lt;sup&gt;(1)&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>Adjusted EBITDA margin &gt; 12%</td>
</tr>
<tr>
<td></td>
<td>ROIC &gt; 9%</td>
</tr>
<tr>
<td>Profitability &amp; return</td>
<td>Additional sales by 2020 of ~€500m</td>
</tr>
<tr>
<td>Acquisitions strategy</td>
<td>Net debt / adjusted EBITDA &lt; 2.5x</td>
</tr>
<tr>
<td>Leverage</td>
<td>At least €0.60 per share</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Including acquisitions; organic growth outperforming estimated market growth.
Material consumption in 2016

As of December 2016

COGS BREAKDOWN

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>17%</td>
</tr>
<tr>
<td>Transport and logistics</td>
<td>10%</td>
</tr>
<tr>
<td>Others</td>
<td>18%</td>
</tr>
<tr>
<td>Total COGS</td>
<td>€1,996m</td>
</tr>
</tbody>
</table>

MATERIAL CONSUMPTION DETAIL

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil derivatives</td>
<td>53%</td>
</tr>
<tr>
<td>Other raw materials</td>
<td>25%</td>
</tr>
<tr>
<td>Traded goods</td>
<td>22%</td>
</tr>
</tbody>
</table>
Shareholder composition

As of April 2017

- Société d'Investissement Deconinck: 50.2%
- Free float: 49.2%
- Treasury shares: 0.6%
International and entrepreneurial teams

Operational leaders

- **Fabrice Barthélémy**
  President EMEA
  Member of the Management Board

- **Glen Morrison**
  President North America

- **Slavoljub Martinovic**
  President Eastern Europe

- **Eric Daliere**
  President Sports

Functional leaders

- **Michel Giannuzzi**
  CEO
  & Chairman of the Management Board

- **Raphaël Bauer**
  CFO

- **Sharon MacBeath**
  Human Resources
  Member of the Management Board

- **Wendy Kool-Foulon**
  General Counsel

- **Antoine Prévost**
  Operations

- **Anne-Christine Ayed**
  Research, Innovation & Environment

- **Gilles Lebret**
  VP Customers Operations & Group CIO

Executive Management Committee

- **Customer-driven culture**
- **Decentralized and aligned organization**
- **Compensation aligned with financial targets**
Global flooring market

> Flooring market is growing more or less in line with GDP growth, with specificities by region and product

> Flooring market (excluding ceramics) is ~80% exposed to renovation

> Flooring market is a very traditional industry where customers value reputation and long-term relationships

World flooring market = 12.5bn sqm

Ceramics 62%
Wood & Laminate 11%
Vinyl, Linoleum & Rubber 8%
Commercial Carpet 6%
Residential Carpet 10%
Other non-resilient 3%

Flooring preferred categories vary greatly across the world

- **North America: 1.6bn sqm**
  - Ceramics: 13%
  - Carpet: 51%
  - Vinyl, Linoleum & Rubber: 18%
  - Wood & Laminate: 15%
  - Other (non-resilient): 1%

- **Europe(1): 1.5bn sqm**
  - Ceramics: 30%
  - Carpet: 28%
  - Vinyl, Linoleum & Rubber: 18%
  - Wood & Laminate: 21%
  - Other (non-resilient): 3%

- **CIS: 0.5bn sqm**
  - Ceramics: 32%
  - Carpet: 9%
  - Vinyl, Linoleum & Rubber: 32%
  - Wood & Laminate: 27%
  - Other (non-resilient): 0%

- **Latin America: 1.2bn sqm**
  - Ceramics: 9%
  - Carpet: 85%
  - Vinyl, Linoleum & Rubber: 2%
  - Wood & Laminate: 4%
  - Other (non-resilient): 0%

- **Middle East & Africa: 1.3bn sqm**
  - Ceramics: 11%
  - Carpet: 72%
  - Vinyl, Linoleum & Rubber: 3%
  - Wood & Laminate: 9%
  - Other (non-resilient): 0%

- **Asia Pacific: 6.3bn sqm**
  - Ceramics: 51%
  - Carpet: 6%
  - Vinyl, Linoleum & Rubber: 5%
  - Wood & Laminate: 7%
  - Other (non-resilient): 5%