

Q1 2024 Revenue:

Organic sales slightly down, in line with forecasts

Demand for flooring in Europe and North America remains low

Continued growth of Sports in a market that is still solid

First Quarter 2024 Results

- Organic decline in sales of -2.7% compared to Q1 2023, mainly due to lower volumes in Europe and North America
- Sales prices remained stable over the quarter (-0.3%)
- The Sports segment continues to grow at a steady pace: +7.9% organic growth
- In EMEA, business volume is down compared to Q1 2023 given the persistently weak demand throughout the area
- In North America, the Residential segment is still low, while Commercial is holding up well, showing only a slight fall compared to last year
- In the CIS and Asia, activity is stable; Latin America is down, hampered by a particularly low demand

Paris, 25 April 2024: Tarkett's Supervisory Board (Euronext Paris: FR0004188670 TKTT), which met today, reviewed the Group's consolidated turnover for the first quarter of 2024.

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

Turnover in millions of euros	Q1 2024	Q1 2023	Change	Of which organic growth
EMEA	221.3	230.2	-3.9%	-6.3%
North America	198.9	214.2	-7.1%	-6.0%
CIS, APAC & Latin America	106.7	121.7	-12.3%	-1.3%
Sports	141.2	132.3	+6.3%	+7.9%
Group Total	668.1	698.4	-4.3%	-2.7%

1. Revenue for the first quarter 2024

Net revenue of the Group amounted to €668 million, down -4.3% compared to the first quarter of 2023, and organic growth was -2.7% (or -2.2% including sales price changes in the CIS region⁽⁷⁾). Sales prices remained stable over the financial year, i.e., -0.3% compared to the first quarter of 2023.

The EMEA segment achieved a net revenue of €221 million, down -3.9% compared to the first quarter of 2023, including a favourable exchange effect of +0.5% and a scope effect of +1.9% (integration of activities in Ukraine previously included in CIS), i.e., organic growth of -6.3%. The macroeconomic environment, inflation and high interest rates continue to penalise demand in the eurozone regardless of product categories and distribution channels. Some sales prices were selectively adjusted downwards in the Residential segment, where the decline in volume and competition from Asian players are more pronounced.

The North America segment generated a net revenue of €199 million, down -7.1% compared to the first quarter of 2023, reflecting like-for-like growth of -6.0% at constant scope and exchange rates as well as a negative currency effect linked to the depreciation of the dollar against the euro (-1.1%). The Residential market is still heavily penalised by inflation and rising bank loan rates, which have led to a very sharp reduction in new construction and renovation projects. The Commercial segments are less impacted and only show a slight decline. Tarkett continued to grow in the Workplace segment despite a challenging market environment. Sales prices remained stable in the first quarter.

Net revenue in the CIS, APAC and Latin America segment amounted to €107 million, down -12.3% compared to the first quarter of 2023, with organic sales falling by -1.3% (excluding sales price effects in CIS countries), a negative currency effect (-7.3%) mainly linked to the depreciation of the rouble and a scope effect of -3.7% (integration of activities in Ukraine in the EMEA segment). In Russia, which represents around 7% of the Group's total sales, the market is stable in volume terms compared to 2023. Asia is buoyed by good momentum in Australia. In Latin America, demand remained low and lagged behind considerably compared to the previous year, especially in Brazil.

Activity in the Sports segment continued to grow in the first quarter despite an already high baseline. Net sales amounted to €141 million, up +6.7%, including +7.9% organic growth compared to the first quarter of 2023, and a negative currency effect linked to the depreciation of the dollar against the euro (-1.2%). Demand remains strong for artificial turf and athletics tracks in North America, with a solid order book.

2. Outlook

As expected, the beginning of 2024 was marked by a decline in activity in the flooring sector. High interest rates and persistent inflation have led to the cancellation or postponement of many new construction and renovation projects. The Group does not expect a rapid improvement in the environment, although situations may differ between regions and Residential or Commercial segments.

As the European market is experiencing the most severe slowdown, the Group recently announced measures to reorganise and reduce costs in this area. It implements a more agile, customer-centric operating model and continues to optimise the industrial organisation to better respond to the challenging environment and generate profitable and sustainable growth.

In North America, the Residential market remains depressed and leading indicators do not predict a rapid recovery. However, the Group's exposure to this segment is limited (15% of sales), and the Commercial segments are in better shape. The recovery measures taken by the Group in this area continue to pay off and should allow further market share gains and margin growth.

The Sports segment has a solid order book in all its activities and is expected to continue to grow in 2024 at a less sustained pace than in the last two financial years (+33.4% organic growth in 2022 and +20.1% in 2023)

In this context, the Group continues to adapt its production level and cost structure while investing in the launch of new products in particular ranges that include more recycled products, and the renewal of existing collections.

Tarkett is continuing its operational and financial turnaround initiated in 2023. After the very strong cash generation in 2023, the Group continues to aim for positive cash generation and deleveraging through rigorous control of working capital requirements and costs, as well as control of investments which will be allocated as a priority to innovative, growth, productivity and decarbonization projects.

1) Selling price adjustments in the CIS countries are historically intended 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 do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets. These statements are by their nature subject to risks and uncertainties as described in the Company’s Registration Document available on its website (<https://www.tarkett-group.com/en/category/urd/>). They do not reflect the future performance of the Company, which may differ significantly. The Company does not undertake to provide updates to these statements.

Financial calendar

- 25 April 2024: Q1 2024 Turnover - *press release after close of trading*
- 26 April 2024: Annual General Meeting
- 25 July 2024: Financial results for H1 2024 - *press release after close of trading*
- 24 October 2024: Q3 2024 Turnover - *press release after close of trading*

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About Tarkett

With a 140-year history, Tarkett is a worldwide leader in innovative and durable flooring and sports surface solutions, generating a turnover of 3.4 billion euros in 2023. The Group has around 12,000 employees and 23 R&D centres, 8 recycling centres and 34 production sites. Tarkett designs and manufactures solutions for hospitals, schools, housing, hotels, offices, shops 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 Euronext regulated market (compartment B, ISIN: FR0004188670, ticker: TKTT). www.tarkett-group.com

Appendices

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

- Organic growth measures the change in turnover compared with the same period in the previous year, excluding the exchange rate effect and changes in scope. The foreign exchange effect is obtained by applying the previous year's exchange rate to sales for the current year and calculating the difference with sales for the current year. It also includes the effect of price adjustments in the CIS countries intended to offset the change in local currencies against the euro.
- The scope effect is composed of:
 - current year sales by entities not included in the scope of consolidation in the same period of the prior year, until the anniversary of their consolidation,
 - the reduction in sales due to discontinued operations that are not included in the current year's scope of consolidation but were included in sales for the same period of the prior year, until the anniversary of their disposal.

In millions of euros	Q1 2024 Turnover	Q1 2023 Turnover	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	668.1	698.4	-4.3%	-2.3%	-0.3%	+0.5%	-2.2%	+0.0%
<i>Of which organic growth</i>				-2.7%				
<i>Of which selling price increases</i>					+0.2%			

2/ Bridge in million of euros Q1 2024

Q1 2023	698.4
+/- EMEA	-14.6
+/- North America	-12.9
+/- CIS, APAC & Latin America	-1.6
+/- Sports	+10.5
Q1 2024 at constant scope and exchange rates	679.8
+/- Scope effect	+0.0
+/- Currencies	-15.2
+/- "Lag effect" in CIS	+3.5
Q1 2024	668.1