

## Q3 2023 Revenue:

**Organic sales growth of +6.0%**

**Record revenue in Sports**

**Good levels of activity in CIS countries and resilience in the Commercial segments in North America**

### Third quarter 2023 results

- Revenue down -2.1% compared to Q3 2022 given the unfavourable exchange effects (-8.1%) due to the devaluation of the dollar and the rouble
- Organic growth of +6.0% driven by strong activity in Sports and volumes up in CIS
- In EMEA, volumes are down slightly compared to last year, affected by sluggish demand
- In North America, the slowdown in the Residential and Hospitality segments is partially offset by the good performance in the Commercial segments
- Good level of activity in CIS with volumes greater than those in Q3 2022, which nevertheless remain lower than those in 2021 over the same period
- In a dynamic market, Sports continues to grow at a sustained pace (+15.8% organic) despite a high basis for comparison in Q3 2022
- Selling prices are generally stable compared to Q2 2023

Paris, 19 October 2023: The Supervisory Board of Tarkett (Euronext Paris: FR0004188670 TKTT), which met today, reviewed the Group's consolidated revenue for the third quarter of 2023.

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

Revenue in millions of euros	Q3 2023	Q3 2022	Change	Of which organic growth
EMEA	209.4	220.4	-5.0%	-3.8%
North America	228.4	251.4	-9.2%	-2.6%
CIS, APAC & Latin America	165.6	191.1	-13.3%	+10.8%
Sports	380.8	342.5	+11.2%	+15.8%
<b>Group Total</b>	<b>984.3</b>	<b>1,005.4</b>	<b>-2.1%</b>	<b>+6.0%</b>

## 1. Revenue for the third quarter of 2023

**Net revenue** of the Group amounted to 984 million euros, down -2.1% compared to the third quarter of 2022. Organic growth was +6.0% (or +5.7% including sales price variations in the CIS region<sup>1)</sup>). The total effect of the selling price increases implemented across all segments is +3.1% on average compared to the third quarter of 2022. Sales prices were generally stable compared to Q2 2023.

**The EMEA segment** achieved a net revenue of 209 million euros, down -5.0% compared to the third quarter of 2022, including an unfavourable currency effect of -1.2% and negative organic growth of -3.8%. The economic context of high inflation and interest rates is penalising renovation and new construction projects throughout the area. Activity in the Residential segment was significantly lower than in 2022 due to an unfavourable product mix, with vinyl rolls performing better than more expensive categories such as parquet. Activity in the Commercial segments fell only slightly compared to 2022 thanks to the good performance of volumes in the two main categories, vinyl products for the health and education sector and carpets for offices.

**The North American segment** generated net revenue of 228 million euros, down -9.2% compared to the third quarter of 2022, with a negative currency effect linked to the depreciation of the dollar against the euro (-6.6%) and negative organic growth of -2.6%. Commercial segment volumes (offices, healthcare, education) are up slightly compared to 2022 in a market that is currently better positioned than in Europe. On the other hand, business volumes in the Residential and Hospitality segments are down in a market where demand is still suffering from inflation and the level of interest rates.

Net revenue in **the CIS, APAC and Latin America segment** amounted to 166 million euros, down -13.3% compared to the third quarter of 2022, with a very unfavourable currency effect mainly resulting from the depreciation of the rouble (-31% compared to Q3 2022). Activity is well positioned with organic growth of +10.8% (excluding sales price effects in CIS countries). It benefited from the improvement in volumes in Russia and Ukraine compared to Q3 2022, which was marked by a significant decline compared with 2021. These countries respectively represent 8% and 0.8% of the Group's net sales over the quarter. In a complex market, selective price reduction contributed to the good performance of vinyl roll and LVT sales for the residential market. In Asia, activity was down, mainly due to a marked drop in sales in China. To optimise its cost base, the Group closed the commercial carpet production site located in Suzhou (China). Latin America remains slightly down compared to 2022 but volumes improved over the quarter in a more favourable economic environment.

**Sports** net revenue continued to grow at a sustained pace, amounting to 381 million euros, up +11.2%, of which +15.8% organic growth compared to the third quarter of 2022. The market continues to be very dynamic, particularly for artificial turf and athletics tracks in North America. The segment also benefited from price increases which fully offset inflation in raw material costs.

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)

## 2. Outlook for the end of 2023 and short-term objectives

Over the first nine months of the financial year, the Group's organic growth was positive (+4.7%).

In an uncertain geopolitical and macroeconomic environment, Tarkett expects a further slowdown in demand in EMEA and a possible shift in business segment activity in North America.

Nevertheless, the favourable business outlook in Sports should allow to compensate for this slowdown and to achieve a significantly higher Adjusted EBITDA, in value and in margin, compared to 2022.

The Group expects a start to 2024 marked by low business volumes in EMEA, where market indicators continue to decline.

In North America, the Commercial segments have so far been well oriented. However, market indicators reflect sluggish activity, which could lag behind in the context of maintaining high interest rates. Similarly, the residential market shows no signs of recovery.

Conversely, activities in the Sports segment are still benefiting from a buoyant market which should allow the Group to continue to grow in this segment in 2024, albeit at a more moderate pace.

Tarkett will continue to closely monitor energy price developments and possible impacts on the price of its raw materials.

In a context of slowing volumes in the flooring business activity, the Group continues to adapt its production and cost structure. Furthermore, thanks to the rigorous control of working capital requirements, it anticipates an improvement in cash generation and a reduction in its debt.

*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**

- 15 February 2024: Financial results for Q4 and FY2023 – *Press release after close of trading*
- 25 April 2024: Financial results for Q1 2024 – *Press release after close of trading*
- 25 July 2024: Financial results for Q2 et H1 2024 – *Press release after close of trading*
- 24 October 2024: Financial results for Q3 2024 – *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 net sales of 3.4 billion euros in 2022. The Group has 12,000 employees and 25 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](http://www.tarkett-group.com)

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## Appendices

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

- **Organic growth** measures the change in revenue as compared with the same period in the prior year, outside of the exchange rate effect and changes in scope. The foreign exchange effect is obtained by applying the prior year's exchange rate to sales for the current year and calculating the difference with sales for the current year. It also includes the effect of price adjustments in the CIS countries intended to offset the change in local currencies against the euro.
- **The 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	2023 Revenue	2022 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	698.5	684.7	+2.0%	-7.8%	+6.9%	+0.4%	+2.3%	+0.2%
<i>Of which organic growth</i>				-0.9%				
<i>Of which selling price increases</i>					+7.3%			
Group Total Q2	909.8	879.3	+3.5%	+2.4%	+5.2%	-1.2%	-2.9%	+0.0%
<i>Of which organic growth</i>				+7.5%				
<i>Of which selling price increases</i>					+4.0%			
Group Total S1	1,608.3	1,564.0	+2.8%	-2.1%	+5.9%	-0.4%	-0.7%	+0.1%
<i>Of which organic growth</i>				+3.9%				
<i>Of which selling price increases</i>					+5.5%			
Group Total Q3	984.3	1,005.4	-2.1%	+2.8%	+3.1%	-0.2%	-7.8%	+0.0%
<i>Of which organic growth</i>				+6.0%				
<i>Of which selling price increases</i>					+2.9%			
Group Total 9M	2,592.6	2,569.4	+0.9%	-0.2%	+4.8%	-0.3%	-3.5%	+0.1%
<i>Of which organic growth</i>				+4.7%				
<i>Of which selling price increases</i>					+4.5%			

Revenue in millions of euros	9M 2023	9M 2022	Change	Of which organic growth	Organic change incl. CIS price changes <sup>(1)</sup>
EMEA	652.5	707.4	-7.8%	-6.1%	-6.1%
North America	686.4	702.2	-2.2%	-0.5%	-0.5%
CIS, APAC & Latin America	443.5	482.1	-8.0%	+4.7%	+2.7%
Sports	810.1	677.7	+19.5%	+21.3%	+21.3%
<b>Group Total</b>	<b>2,592.6</b>	<b>2,569.4</b>	<b>+0.9%</b>	<b>+4.7%</b>	<b>+4.3%</b>

## 2/ Bridge in millions of euros 2023

### Revenue by segment

<b>Q3 2022</b>	<b>1,005.4</b>
+/- EMEA	-8.3
+/- North America	-6.6
+/- CIS, APAC & Latin America	+20.6
+/- Sports	+54.2
<b>Q3 2023 at constant scope and exchange rates</b>	<b>1,065.3</b>
+/- Scope effect	+0.0
+/- Currencies	-37.1
+/- "Lag effect" in CIS	-43.9
<b>Q3 2023</b>	<b>984.3</b>

<b>9M 2022</b>	<b>2,569.4</b>
+/- EMEA	-43.3
+/- North America	-3.5
+/- CIS, APAC & Latin America	+22.6
+/- Sports	+144.4
<b>9M 2023 Like-for-Like</b>	<b>2,318.6</b>
+/- Scope effect	+1.7
+/- Currencies	-40.3
+/- "Lag effect" in CIS	+99.3
<b>9M 2023</b>	<b>2,592.6</b>

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