

Consolidated financial statements

as of June 30, 2024

This interim financial report covers the half-year period ended on June 30, 2024 and has been prepared in accordance with Articles L. 451-1-2 III of the French Monetary and Financial Code and 222-4 of the AMF General Regulation.

This document is a non-binding "free" translation from French in English as no legal value other than an informative one.

Should there be any difference between the French and the English version, only the text in French language shall be deemed authentic and considered as expressing the exact information published by Tarkett.

1 Summary interim consolidated financial statements

Consolidated income statement

<i>(in millions of euros)</i>	Note	Jan.-June 2024	Jan.-June 2023
Net revenue		1,558.7	1,608.3
Cost of sales		(1,183.0)	(1,261.6)
Gross profit		375.6	346.7
Other operating income		8.1	5.6
Selling and distribution expenses		(181.0)	(180.9)
Research and development		(17.1)	(14.4)
General and administrative expenses		(116.4)	(98.4)
Other operating expenses		(9.3)	(10.2)
Result from operating activities	(3)	59.9	48.5
Financial income		3.5	1.9
Financial expenses		(31.0)	(35.7)
Financial income and expense	(7)	(27.4)	(33.9)
Share of profit of equity accounted investees (net of income tax)		(0.0)	(0.1)
Profit before income tax		32.4	14.5
Total income tax	(8)	(13.4)	(11.4)
Profit from continuing operations		19.0	3.1
Net profit for the period		19.0	3.1
Attributable to:			
Owners of Tarkett		18.0	2.8
Non-controlling interests		1.0	0.3
Net profit for the period		19.0	3.1
Earnings per share:			
Basic earnings per share excluding treasury shares <i>(in euros)</i>	(9)	0.27	0.04
Earnings per share after grant of performance shares <i>(in euros)</i>	(9)	0.27	0.04

Consolidated statement of comprehensive income

<i>(in millions of euros)</i>	Jan. - June 2024	Jan. - June 2023
Net profit for the period	19.0	3.1
Other comprehensive income (OCI)		
Foreign currency translation differences for foreign operations	20.8	(35.6)
Changes in fair value of cash flow hedges	(2.6)	(3.2)
Income tax on other comprehensive income	1.1	(0.1)
OCI to be reclassified to profit and loss in subsequent periods	19.2	(38.9)
Defined benefit plan actuarial gain (losses)	7.4	0.4
Other comprehensive income (OCI)	-	-
Income tax on other comprehensive income	(1.6)	0.1
OCI not to be reclassified to profit and loss in subsequent periods	5.9	0.5
Other comprehensive income for the period, net of income tax	25.1	(38.4)
Total comprehensive income for the period	44.1	(35.3)
Attributable to:		
Owners of Tarkett	43.0	(35.6)
Non-controlling interests	1.1	0.3
Total comprehensive income for the period	44.0	(35.3)

Consolidated statement of financial position

Assets

<i>(in millions of euros)</i>	Note	June 30, 2024	December 31, 2023
Goodwill	(5)	680.1	664.3
Intangible assets	(5)	47.1	50.7
Property, plant and equipment	(5)	536.1	557.8
Other financial assets		23.7	25.5
Deferred tax assets		91.6	92.8
Other non-current assets		0.0	0.0
Non-current assets		1,378.6	1,391.1
Inventories		498.4	453.1
Trade receivables		373.2	262.9
Other receivables		160.3	151.9
Cash and cash equivalents	(7)	175.4	224.3
Current assets		1,207.3	1,092.2
Assets classified as held for sale		32.0	-
Total assets		2,618.0	2,483.3

Equity and liabilities

<i>(in millions of euros)</i>	Note	June 30, 2024	December 31, 2023
Share Capital	(9)	327.8	327.8
Share premium and reserves		167.4	167.4
Retained earnings		394.0	347.1
Net result for the period attributable to equity holders of the parent		18.0	20.4
Equity attributable to equity holders of the parent		907.1	862.7
Non-controlling interests		3.1	2.1
Total equity		910.2	864.7
Other financial liabilities, non-current		15.2	16.0
Interest-bearing loans	(7)	717.3	704.5
Other financial liabilities		1.2	1.5
Deferred tax liabilities		(1.5)	0.6
Employee benefits	(4)	79.5	86.8
Provisions and other non-current liabilities	(6)	28.0	28.9
Non-current liabilities		839.6	838.2
Trade payables		464.5	379.4
Total other liabilities		254.0	289.9
Interest-bearing loans and borrowings	(7)	78.4	71.4
Other financial assets		3.8	3.3
Provisions and other current liabilities	(6)	55.4	36.3
Current liabilities		855.9	780.3
Liabilities classified as held for sale		12.1	-
Total equity and liabilities		2,618.0	2,483.3

Consolidated statement of cash flows

<i>(in millions of euros)</i>	Note	Jan. - June 2024	Jan. - June 2023
Cash flows from operating activities			
Net profit before tax		32.4	14.5
Adjustments for:			
Depreciation, amortization and impairment		62.4	65.4
(Gain) loss on sale of fixed assets		0.0	(0.3)
Net finance costs		27.4	33.9
Change in provisions and other non-cash items		15.9	(2.4)
Share of profit of equity accounted investees (net of tax)		0.0	0.1
Operating cash flow before working capital changes		138.2	111.1
(Increase) / decrease in trade receivables		(108.7)	(108.1)
(Increase) / decrease in other receivables		(10.9)	(5.9)
(Increase) / decrease in inventory		(49.1)	14.8
Increase / (decrease) in trade payables		78.8	154.8
(Increase) / decrease in other liabilities		(31.7)	(32.3)
Changes in working capital		(121.6)	23.3
Net interest paid		(18.2)	(25.1)
Net income taxes paid		(18.1)	(18.7)
Miscellaneous		(2.4)	(5.0)
Net cash (used in) / from operating activities	(3)	(22.1)	85.5
Cash flows from investing activities			
Acquisition of subsidiaries net of cash acquired	(2)	-	0.1
Acquisitions of intangible assets and property, plant and equipment	(5)	(32.5)	(40.7)
Proceeds from sale of property, plant and equipment	(5)	0.1	0.5
Effect of changes in the scope of consolidation		-	-
Cash flows from investing activities		(32.3)	(40.1)
Net cash from / (used in) financing activities			
Capital increase		-	-
Acquisition of NCI without a change in control		-	-
Proceeds from loans and borrowings		73.8	379.6
Repayment of loans and borrowings		(50.6)	(383.6)
Lease payments		(21.5)	(18.0)
Acquisitions of treasury shares		-	(0.1)
Dividends		-	-
Net cash from / (used in) financing activities		1.7	(22.0)
Net increase / (decrease) in cash and cash equivalents		(52.7)	23.3
Cash and cash equivalents, beginning of period		224.3	220.8
Effect of exchange rate fluctuations on cash held		3.9	(21.4)
Cash and cash equivalents, end of period		175.4	222.8

Consolidated statement of changes in equity

<i>(in millions of euros)</i>	Share Capital	Share premium and reserves	Translation reserves	Reserves	Total equity (Group share)	Non-controlling interests	Total equity
January 1, 2023	327.8	167.4	(12.0)	428.4	911.6	1.4	913.0
Capital increase	-	-	-	-	-	-	-
Share premium and reserves	-	-	-	-	-	-	-
Net profit for the period	-	-	-	20.4	20.4	0.1	20.5
Other comprehensive income, net of income tax	-	-	(48.2)	(22.1)	(70.3)	(0.1)	(70.4)
Total comprehensive income for the period	-	-	(48.2)	(1.7)	(49.8)	0.0	(49.9)
Dividends	-	-	-	-	-	-	-
Own shares (acquired) / sold	-	-	-	(3.1)	(3.1)	-	(3.1)
Share-based payments	-	-	-	4.3	4.3	-	4.3
Acquisition of NCI without a change in control	-	-	-	0.0	0.0	0.6	0.6
Miscellaneous	-	-	-	(0.2)	(0.2)	-	(0.2)
Total transactions with shareholders	-	-	-	1.0	1.0	0.6	1.6
December 31, 2023	327.8	167.4	(60.1)	427.7	862.7	2.1	864.7
January 1, 2024	327.8	167.4	(60.1)	427.7	862.7	2.1	864.7
Capital increase	-	-	-	-	-	-	-
Share premium and reserves	-	-	-	-	-	-	-
Net profit for the period	-	-	-	18.0	18.0	1.0	19.0
Other comprehensive income, net of income tax	-	-	20.7	4.2	24.9	0.1	25.0
Total comprehensive income for the period	-	-	20.7	22.2	43.0	1.1	44.0
Dividends	-	-	-	-	-	-	-
Own shares (acquired) / sold	-	-	-	-	-	-	-
Share-based payments	-	-	-	1.5	1.5	-	1.5
Acquisition of NCI without a change in control	-	-	-	-	-	-	-
Miscellaneous	-	-	-	(0.0)	(0.0)	-	(0.0)
Total transactions with shareholders	-	-	-	1.5	1.5	-	1.5
June 30, 2024	327.8	167.4	(39.4)	451.4	907.1	3.1	910.2

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Note 1 > Basis of preparation

1.1 General information

Tarkett's summary consolidated financial statements for the six-month period ending June 30, 2024 reflect the financial condition of Tarkett and its subsidiaries (the "Group") as well as its interests in associates and joint ventures.

The Group is a leading global flooring and sports surfaces company, providing integrated solutions to professionals and end-users in the residential and commercial markets.

The Group completed its initial public offering on November 21, 2013.

The Group's registered office is located at 1 Terrasse Bellini - Tour Initiale - 92919 Paris La Défense, France.

The summary interim consolidated financial statements were authorized for issue by the Management Board on July 25, 2024.

1.2 Significant accounting principles

1.2.1 Statement of compliance and applicable standard

The summary interim consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34 ("IAS 34"), "Interim Financial Reporting." In accordance with IAS 34, the accompanying notes relate only to significant events for the six-month period ended June 30, 2024 and do not include all of the information required for complete annual financial statements. They should therefore be read in conjunction with the consolidated financial statements as at December 31, 2023.

a) Amendments, new standards, or revisions to existing standards and interpretations applied during the period

- > **Amendments to IAS 1** - Classification of liabilities as current or non-current (including amendments dated 31 October 2022);
- > **Amendment to IFRS 16** - Lease liability in a sale and leaseback (22/09/2022 publication);
- > **Amendment to IAS 7 and IFRS 7** - Supplier financing agreements (25/05/2023 publication).

b) Early adoption of new standards or interpretations during the period

- > **Amendments to IAS 21** – Non-convertibility (published by the IASB on 15 August 2023);
- > **Amendments to IFRS 9 and IFRS 7** – Classification and measurement of financial instruments (published by the IASB on 30 May 2024);
- > **IFRS 18** – Presentation and disclosures in the financial statements (published by the IASB on 9 April 2024);
- > **IFRS 19** – Information to be provided by subsidiaries without public disclosure obligation (published by the IASB on 9 May 2024).

c) New standards and interpretations not yet adopted

None.

1.3 Seasonality

The Group's business is significantly affected by seasonality. The first half of the year is structurally smaller than the second, due to weather conditions that are more favourable to the construction industry and exterior installations, as well as to the increased availability of certain buildings and sports pitches, such as schools and universities, for renovation.

Consequently, the operating results for the first half of 2024 are not necessarily indicative of results to be expected for the full year 2024.

1.4 Significant developments

> Geopolitical conflict

The war in Ukraine makes it difficult to assess the evolution of demand in the Russian and Ukrainian markets. In Russia, turnover is down compared to the first half of 2023, which can be explained by a decrease in volumes and the negative exchange effect linked to the depreciation of the ruble. Russia represents around 8% of the Group's total revenue and 7% of consolidated assets. The Group continues to

operate in this country in strict compliance with the international and local regulations but has frozen any significant new investment.

In Ukraine, the recovery of activity remains constrained and the level of sales fell in the first half of 2024. Ukraine represents slightly less than 0.6% of the Group's total revenue. The production site in the west of the country is in operation.

Note 2 > Changes in the scope of consolidation

The Tarkett Group's scope of consolidation is as follows:

Number of companies	December 31, 2023	Mergers	Acquisitions	Liquidations	June 30, 2024
Fully consolidated companies	78	-	1	-	79
Equity-accounted companies	4	-	-	-	4
Total	82	-	1	-	83

2.1.1 Transactions completed in 2024

The principal transactions of the first half of the year were the following:

a) Acquisitions and creations

Tarkett Japan, a 100% subsidiary of Tarkett GDL, was founded in June 2024.

b) Mergers

None.

c) Liquidations

None.

2.1.2 Transactions completed in 2023

a) Acquisitions and creations

Creation in November 2022 of M-WALL Holding, 51% owned by Tarkett GDL and 49% by a minority shareholder. This entity proceeded with the joint purchase of all shares in M-Projectservice BV and M-WALL BV in November 2022. These three entities, presented as unconsolidated securities in the Group's financial statements as of 31 December 2022, were included in the scope of consolidation as of 1 January 2023 according to the full consolidation method. The entry of these three entities into the scope of consolidation led the Group to recognise goodwill of €1.2 million in the first half of 2023.

b) Mergers

None.

c) Liquidations

Desso Sports Systems AS was liquidated in January 2023.

Note 3 > Operating Data

3.1 Components of the income statement

Adjusted EBITDA is a key indicator permitting the Group to measure its recurring operating performance.

It is calculated by taking operating income before depreciation and amortization and removing the following revenues and expenses:

- > restructuring costs to improve the future profitability of the Group;
- > gains or losses on disposals of significant assets;
- > impairment and reversal of impairment based on Group impairment testing only;
- > costs related to business combinations and legal reorganizations, including legal fees, transactions costs, advisory fees and other adjustments;
- > expenses related to share-based payments, considered to be exceptional items; and
- > other one-off expenses considered exceptional by their nature.

(in millions of euros)

	June 30, 2024	Adjustments:					June 30, 2024 adjusted
		Restructuring	Gains/losses on asset sales/impairment	Business combinations	Share-based payments	Other	
Net revenue	1,558.7	-	-	-	-	-	1,558.7
Cost of sales	(1,183.0)	7.3	(3.6)	-	0.0	-	(1,179.4)
Gross profit	375.6	7.3	(3.6)	-	0.0	-	379.3
Selling and distribution expenses	(181.0)	2.6	0.2	-	0.0	-	(178.2)
Research and development	(17.1)	0.2	-	-	-	-	(16.9)
General and administrative expenses	(116.4)	5.3	-	-	2.0	9.4	(99.7)
Other operating income and expense	(1.2)	-	(1.3)	-	-	(0.1)	(2.6)
Result from operating activities (EBIT)	59.9	15.4	(4.8)	-	2.0	9.3	81.8
Depreciation and amortization	62.2	-	3.6	-	-	-	65.8
Other	0.6	-	-	-	-	-	0.6
EBITDA	122.6	15.4	(1.1)	-	2.0	9.3	148.2

(in millions of euros)

	June 30, 2023	Adjustments:					June 30, 2023 adjusted
		Restructuring	Gains/losses on asset sales/impairment	Business combinations	Share-based payments	Other	
Net revenue	1,608.3	-	-	-	-	-	1,608.3
Cost of sales	(1,261.6)	1.5	-	-	-	-	(1,260.1)
Gross profit	346.7	1.5	-	-	-	-	348.2
Selling and distribution expenses	(180.9)	1.4	0.3	-	-	-	(179.1)
Research and development	(14.4)	0.3	-	-	-	-	(14.1)
General and administrative expenses	(98.4)	0.6	-	0.0	3.6	1.7	(92.5)
Other operating income and expense	(4.5)	-	(0.0)	-	-	1.2	(3.3)
Result from operating activities (EBIT)	48.5	3.8	0.3	0.0	3.6	2.9	59.2
Depreciation and amortization	65.4	-	-	-	-	-	65.4
Other	1.5	-	-	-	-	-	1.5
EBITDA	115.4	3.8	0.3	0.0	3.6	2.9	126.1

3.2 Segment information

By operating segment

IT costs have been reallocated by division from 2024 for better readability of the indicators. The segment information for 2023 is presented pro forma with a re-allocation of expenses of €14.8 million between central costs and the other divisions.

The Ukraine business was related to the EMEA division from 2024 January (CIS until 2023).

<i>(in millions of euros)</i>						
Jan. - June 2024	Flooring			Sports surfaces	Central	Group
	EMEA	North America	CIS, APAC and Latin America			
Net revenue	439.3	446.3	243.8	429.3		1,558.7
Gross profit	111.0	127.6	49.3	87.6	0.2	375.6
<i>% of net sales</i>	25.3%	28.6%	20.2%	20.4%		24.1%
Adjusted EBITDA	41.4	48.0	27.8	48.6	(17.6)	148.2
<i>% of net sales</i>	9.4%	10.8%	11.4%	11.3%		9.5%
Adjustments	(11.9)	0.3	0.6	(8.0)	(6.5)	(25.6)
EBITDA	29.5	48.3	28.4	40.5	(24.1)	122.6
<i>% of net sales</i>	6.7%	10.8%	11.6%	9.4%		7.9%
EBIT	(16.8)	14.9	11.9	25.7	24.1	59.9
<i>% of net sales</i>	-3.8	3.3%	4.9%	6.0%		3.8%
Capital expenditures	13.1	6.1	3.8	9.0	0.5	32.5

<i>(in millions of euros)</i>						
Jan. - June 2023	Flooring			Sports surfaces	Central	Group
	EMEA	North America	CIS, APAC and Latin America			
Net revenue	443.1	458.1	277.8	429.3		1,608.3
Gross profit	103.0	109.0	56.7	78.2	(0.2)	346.7
<i>% of net sales</i>	23.2%	23.8%	20.4%	18.2%		21.6%
Adjusted EBITDA	30.4	38.1	32.8	41.6	(16.8)	126.1
<i>% of net sales</i>	6.9%	8.3%	11.8%	9.7%		7.8%
Adjustments	(3.7)	1.0	(1.7)	(1.2)	(5.1)	(10.7)
EBITDA	26.7	39.1	31.0	40.4	(22.0)	115.4
<i>% of net sales</i>	6.0%	8.5%	11.2%	9.4%		7.2%
EBIT	(18.2)	2.1	9.3	26.9	28.4	48.5
<i>% of net sales</i>	-4.1	0.4%	3.3%	6.3%		3.0%
Capital expenditures	12.8	7.4	5.6	12.9	1.7	40.4

By product category

(in millions of euros)	Jan.-June 2024		Jan.-June 2023	
	Revenue	%	Revenue	%
Vinyl & Linoleum	661.9	42.5%	718.5	44.7%
Commercial carpet	264.0	16.9%	254.8	15.8%
Wood and Laminate	65.6	4.2%	69.9	4.3%
Rubber & Accessories	138.0	8.9%	135.8	8.4%
Sport	429.3	27.5%	429.3	26.7%
Total	1,558.7	100%	1,608.3	100%

3.3 Changes of raw material prices

In 2022, raw material prices experienced unprecedented inflation which required the implementation of sales price increases to neutralise the inflation balance. Materials inflation fell over 2023 and the prices of most products

stabilised but did not decline and remain at very high intrinsic levels. In these market conditions, the Group has maintained its selling prices since mid-2023.

3.4 Free cash-flow

Free cash flow is defined as the liquidity generated by operating activities after deducting investments other than acquisitions of subsidiaries and other changes in the scope of consolidation.

Free cash flow is calculated based on the items presented in the consolidated cash flow statement, and consists of the following items:

- > Operating cash flow before working capital changes;
- > Changes in working capital requirement;
- > (Net) interest paid;
- > (Net) income taxes paid;
- > Miscellaneous operating items paid;
- > Acquisitions of intangible assets and property, plant and equipment;
- > Proceeds from sale of property, plant and equipment; and
- > Payment of principal (lease payments).

Free cash-flow

(in millions of euros)	June 30, 2024	June 30, 2023
Operating cash flow before working capital changes (A)	138.2	111.1
Lease payments (B)	(21.5)	(18.0)
TOTAL (A+B)	116.7	93.1
Changes in working capital requirement ⁽¹⁾	(121.6)	23.3
Net interest paid	(18.2)	(25.1)
Net income taxes paid	(18.1)	(18.7)
Miscellaneous operating items paid	(2.4)	(5.0)
Acquisitions of intangible assets and property, plant and equipment	(32.5)	(40.7)
Proceeds from sale of property, plant and equipment	0.1	0.5
Free cash flow	(75.9)	27.3

(1) including changes in receivables assigned in connection with the non-recourse assignment of receivables program, which total €6.8 million in 2024. For the first half of 2023, this amount was €4.3 million.

Note 4 > Employee benefits

Provisions for pensions and similar obligations

In accordance with the laws and practices of each country in which it operates, the Group participates in employee benefit plans providing retirement pensions, post-retirement health care, and retirement indemnities, the benefits of which depend on factors such as seniority, salary, and payments made to retirement or medical insurance plans.

Amounts recognized in the statement of financial position as of June 30, 2024 are generally determined by adjusting the opening carrying amount of service costs, interest costs, actuarial profits and losses and benefits paid according to the net amounts paid in the first half of 2024, estimated in 2023 for 2024.

Assumptions

Accounting for actuarial values relies on long-term interest rates, predicted future increases in salaries, and inflation rates. The main assumptions are presented below:

	June 30, 2024		December 31, 2023	
	Pensions	Other benefit commitments	Pensions	Other benefit commitments
Discount rate	4.75%		4.26%	
Including:				
United States	5.50%	5.50%	4.90%	5.00%
Germany ⁽¹⁾	3.60%		3.20%	
Sweden	3.80%		3.50%	
United Kingdom	5.20%		4.50%	
Canada	5.10%		4.60%	
Belgium ⁽¹⁾	3.60%		3.20%	
Russia	15.30%		12.60%	
Salary increases	3.08%		3.10%	
Inflation	2.23%		2.24%	
<i>(1) The rate shown corresponds to the rate applied to more than 98% of the commitment in 2023 and 2024.</i>				

Discount rates are determined by reference to the yield on high-quality bonds. They are calculated on the basis of external indices commonly used as references:

- > United States: iBoxx \$ Corporate AA 15+;
- > Euro zone: iBoxx € Corporate AA 10+;
- > Sweden: bonds of Swedish companies;
- > United Kingdom: iBoxx £ Corporate AA 15+;
- > Canada: Canadian AA "Mercer Yield Curve Canada" bonds;
- > Russia: Russian government bonds.

Change in net liabilities recognized in the balance sheet:

(in millions of euros)	June 30, 2024			December 31, 2023		
	Pensions	Other benefit commitments	Total	Pensions	Other benefit commitments	Total
Balance sheet net liability at beginning of year	85.8	1.0	86.8	84.5	1.2	85.7
Total expenses (income) recognized in income statement	2.7	0.0	2.7	6.9	0.1	6.9
Amounts recognized in OCI during the fiscal year	(7.4)	(0.0)	(7.4)	3.6	(0.0)	3.6
Employer contributions	(0.6)	-	(0.6)	(2.9)	-	(2.9)
Benefit payments from employer	(2.4)	(0.0)	(2.5)	(5.0)	(0.1)	(5.1)
Transfer ⁽¹⁾	0.7	-	0.7	0.3	-	0.3
Effect of changes in the scope of consolidation	-	-	-	-	-	-
Exchange rate adjustments	(0.6)	0.0	(0.6)	(1.7)	(0.0)	(1.7)
Balance sheet net liability at end of year	78.5	1.0	79.5	85.8	1.0	86.8

(1) As of June 30, 2024, Tarkett Ltd recorded a funding surplus on its pensions plan, reclassified in other financial assets for €2.9m

Note 5 > Intangible assets and property, plant and equipment

5.1 Goodwill

Tarkett values *goodwill* in accordance with revised IFRS 3, except with respect to acquisitions recorded prior to December 31, 2009, for which IFRS 3 2004 is applied.

Negative *goodwill* is recorded immediately in the income statement.

Goodwill is allocated to cash-generating units and is not amortized, but is subject to impairment testing (see the accounting method described in Note 5.3) annually and

whenever an event occurs that could result in an impairment.

Goodwill is assessed at cost, minus cumulative impairments.

As far as associates are concerned, the carrying amount of *goodwill* is included in the carrying amount of the interest in the associate.

Changes in goodwill

<i>(in millions of euros)</i>	June 30, 2024	December 31, 2023
Opening carrying amount	664.3	679.2
New goodwill	-	1.2
Adjustment to initial purchase price allocation	-	-
Other variation	1.6	(15.7)
Foreign exchange gain (loss)	14.3	(0.4)
Closing carrying amount	680.1	664.3

The change during the period is mainly due to the cancellation of *badwill* on Tandus Centiva and Tandus flooring Suzhou of €1.6 million and the impact of exchange rates on *goodwill* in US dollars.

5.2 Tangible and intangible assets

Ongoing capital expenditures are defined as investments in property, plant and equipment and intangible assets other than factory construction and acquisitions of companies or activities.

During the first half of 2024, in connection with its ongoing capital expenditures, the Group capitalised assets totalling €44.3 million (first half of 2023: €68.8 million).

Asset sales during the first half of 2024 totalled €0.1 million (first half of 2023: €0.5 million).

During the first half of 2024, depreciation, amortization, and impairment totalled €65.5 million, as compared with €65.4 million in the first half of 2023.

The remaining change in assets mainly corresponds to the reclassification in Assets held for sale of assets linked to Diamond W (cf. post-closing event) for €14.7 million as well as the impacts of foreign currency translation differences for €8.7 million.

The breakdown of the net values of intangible assets and property, plant, and equipment is as follows:

<i>(in millions of euros)</i>	June 30, 2024	December 31, 2023
Research and development	2.4	2.7
Patents	6.7	6.9
Trademarks	12.4	13.8
Software licenses	5.8	6.6
Other intangible assets	16.4	17.5
Advance payments and fixed assets in progress	3.4	3.3
Intangible assets	47.1	50.7
Goods and real property	231.8	248.3
<i>of which right to use goods and real property</i>	92.4	106.7
Technical equipment and machinery	238.8	241.2
<i>of which right to use technical equipment and machinery</i>	22.0	26.0
Advance payments and fixed assets in progress	65.4	68.3
Property, plant and equipment	536.1	557.8

The variations in gross value, depreciation and amortization break down as follows:

Cost of acquisitions <i>(in millions of euros)</i>	December 31, 2023	Acquisitions	Disposals	Change in scope	Transfer	Exchange rate adjustment (gain) / loss	June 30, 2024
Research and development	22.5	-	-	-	-	0.1	22.6
Patents	145.7	-	(0.1)	-	-	4.5	150.1
Trademarks	58.4	-	-	-	-	0.9	59.3
Software licenses	192.9	0.1	(0.0)	0.0	1.4	2.2	196.7
Other intangible assets	86.6	0.1	(0.4)	-	(0.1)	2.6	88.8
Advance payments and fixed assets in progress	3.3	1.3	-	-	(1.3)	0.1	3.4
Intangible assets	509.4	1.5	(0.5)	0.0	0.0	10.3	520.8
Goods and real property	702.4	8.9	(8.1)	0.4	(8.3)	15.9	711.1
<i>of which right to use goods and real property</i>	<i>167.0</i>	<i>8.5</i>	<i>(6.8)</i>	<i>0.2</i>	<i>(10.9)</i>	<i>2.7</i>	<i>160.7</i>
Technical equipment and machinery	1,614.4	13.9	(19.2)	2.4	19.4	23.8	1,654.7
<i>of which right to use technical equipment and machinery</i>	<i>51.5</i>	<i>6.3</i>	<i>(5.6)</i>	<i>0.1</i>	<i>(1.2)</i>	<i>0.2</i>	<i>51.3</i>
Advance payments and fixed assets in progress	68.3	19.9	(0.0)	0.1	(23.1)	0.1	65.4
Property, plant and equipment	2,385.1	42.8	(27.3)	2.9	(12.0)	39.8	2,431.3

Depreciation, amortization and impairment <i>(in millions of euros)</i>	December 31, 2023	Allowance	Reversal	Change in scope	Transfer	Exchange rate adjustment (gain) / loss	June 30, 2024
Research and development	(19.8)	(0.5)	-	-	0.3	(0.1)	(20.2)
Patents	(138.8)	(0.4)	0.1	-	-	(4.3)	(143.4)
Trademarks	(44.7)	(1.5)	-	-	(0.3)	(0.5)	(46.9)
Software licenses	(186.4)	(2.3)	0.0	(0.0)	(0.0)	(2.2)	(190.9)
Other intangible assets	(69.1)	(1.6)	0.4	-	0.1	(2.1)	(72.3)
Intangible assets	(458.8)	(6.3)	0.5	(0.0)	0.1	(9.2)	(473.6)
Goods and real property	(454.1)	(20.7)	6.6	(0.2)	(0.2)	(10.7)	(479.3)
<i>of which right to use goods and real property</i>	<i>(60.2)</i>	<i>(11.4)</i>	<i>4.6</i>	<i>(0.2)</i>	<i>(0.2)</i>	<i>(0.9)</i>	<i>(68.4)</i>
Technical equipment and machinery	(1,373.2)	(38.5)	20.5	(0.8)	(2.4)	(21.5)	(1,415.9)
<i>of which right to use technical equipment and machinery</i>	<i>(25.6)</i>	<i>(5.9)</i>	<i>4.3</i>	<i>(0.0)</i>	<i>(1.9)</i>	<i>(0.1)</i>	<i>(29.3)</i>
Property, plant and equipment	(1,827.3)	(59.2)	27.1	(1.0)	(2.6)	(32.2)	(1,895.2)

5.3 Impairment

The Group has not identified any indication of a permanent impairment in value that would require it to perform an impairment test at 30 June 2024.

Impairment tests on goodwill and other intangible assets will be carried out systematically in the second half of the year.

Note 6 > Provisions

6.1 Provisions

Changes in provisions can be analyzed as follows:

<i>(in millions of euros)</i>	December 31, 2023	Allowance	Reversal	Change in scope	Transfer	Foreign exchange gain & loss	June 30, 2024
Product warranty provision	2.9	0.3	(0.0)	-	0.0	0.0	3.1
Restructuring provisions	0.0	-	-	-	-	0.0	-
Claims & litigation provisions	2.3	0.2	(1.4)	-	0.1	(0.0)	1.2
Other provisions	0.3	(1.3)	(0.0)	-	1.3	-	0.3
Provision for additional tax assessments	0.2	-	(0.1)	-	0.1	0.0	0.1
Financial provisions	23.2	1.5	(2.1)	-	-	0.7	23.3
Total Provisions - Long-term	28.9	0.6	(3.6)	-	1.5	0.7	28.0
Product warranty provision	16.6	2.1	(2.7)	-	(0.0)	0.5	16.4
Restructuring provisions	1.7	10.7	(0.6)	-	(0.0)	0.0	11.8
Claims & litigation provisions	16.6	5.9	(5.2)	-	(0.4)	0.3	17.2
Other provisions	1.4	9.3	(0.9)	-	-	0.1	9.9
Total Provisions - Short-term	36.3	28.0	(9.4)	-	(0.4)	0.9	55.4
Total Provisions	65.2	28.5	(13.0)	-	1.1	1.6	83.4

6.2 Contingent liabilities

As of June 30, 2024, no significant changes occurred relating to the guarantees granted by Tarkett to third parties.

Asbestos litigation

In the United States, the Group has been a defendant in lawsuits by third parties relating to personal injury from asbestos. Expected costs of the current or future cases are covered by Group's insurances, sellers' guarantees granted by third-parties and by provisions that management, based on the advice and information provided by its legal counsel, considers to be sufficient.

Artificial turf dispute - Duraspine fibre

Within the framework of the collective appeals concerning complaints relating to defects in artificial turf pitches installed between 2005 and 2012 in the states of California, Florida, New Jersey, New York and Pennsylvania, an agreement was reached on 2 July 2024 and validated by a federal court in New Jersey. Fieldturf USA (subsidiary of Tarkett SA) has committed to pay claimants' legal costs in the amount of \$8.5 million (provision recorded in the consolidated accounts as at 30 June 2024). In addition, complainants have 3 months to file their compensation claim. At this stage, it is not possible to correctly assess the amount of compensation given the many variables that are taken into account and no provision has been recognised. The Group does not expect the outcome of these claims to have a material impact on its financial position.

French hospitals litigation

On 18 October 2017, the Competition Authority ruled against Tarkett and some of its competitors for anti-competitive agreements in the French market for resilient flooring. Before the expiry of the five-year statute of limitation which ran from this decision to 18 October 2022, summonses and applications were filed with civil and administrative courts, in particular by public and private health institutions, seeking compensation for potential damages. As of 30 July 2024, most of these procedures are still at a preliminary stage.

The Group contests the merits of these claims, is examining all possibilities for potential action or appeal, and considers that it is not currently feasible to assess the possible consequences.

Note 7 > Financing and Financial Instruments

7.1 Financial income and expenses

<i>(in millions of euros)</i>	Jan. - June 2024	Jan. - June 2023
Interest income on loan assets & cash equivalents	3.5	1.6
Other financial income	0.0	0.4
Total financial income	3.5	1.9
Interest expenses on loans and overdrafts	(14.4)	(18.3)
Financial expenses on leases	(4.2)	(3.1)
Commission expenses on financial liabilities	(7.4)	(6.0)
Cost of loans and debt renegotiation	(2.1)	(2.3)
Financial expense on provisions for pensions	(1.8)	(2.0)
Foreign exchange differences	(0.5)	(0.0)
Premiums and term points on derivatives	(2.7)	(4.5)
Other financial expenses	2.1	0.5
Total financial expenses	(31.0)	(35.7)
Financial income and expense	(27.4)	(33.9)

7.2 Net debt – interest-bearing loans and borrowings

7.2.1 Net Debt

Net debt is defined as the sum of interest-bearing loans and borrowings minus cash and cash equivalents. Borrowings correspond to any obligation to repay funds received or raised that are subject to repayment terms and interest. They also include liabilities on IFRS 16 leases.

<i>(in millions of euros)</i>	June 30, 2024		December 31, 2023	
	Long-term	Short-term	Long-term	Short-term
Bank loans	62.1	15.0	24.8	16.7
Shareholder loan	502.1	-	520.4	-
Private placements	37.5	10.0	47.5	18.0
Other loans	-	-	-	-
Bank overdrafts	-	37.3	-	5.3
Interest bearing loans and borrowings	601.7	62.3	592.6	40.0
Total interest bearing loans and borrowings	664.0		632.6	
Cash and cash equivalents	(175.4)		(224.3)	
Net debt before application of IFRS 16	488.6		408.3	
Leases	101.0	30.8	111.8	31.6
Net debt	620.4		551.7	

Notes to the consolidated financial statements

As of June 30, 2024, the Group's interest-bearing loans and borrowings primarily comprise:

- > the Tarkett Participation shareholder's loan entered into in July 2021, used to the extent of €437.2 million and \$69.5 million at 30 June 2024 ;
- > the revolving credit line to which Tarkett and Tarkett Finance Inc acceded in July and October 2021 respectively, used by Tarkett Finance Inc to the extent of \$45 million at 30 June 2024 ;
- > four amortisable loans totalling €34.8 million at 30 June 2024 and maturing between June 2026 and May 2027 ;

- > Tarkett's bond loan of €31.5 million maturing in June 2031 ;
- > two "Schuldschein" tranches amounting to €16.0 million entered into in June 2019, which will reach maturity in June 2025 for €10 million and in June 2026 for €6 million.

By 30 June 2024, Tarkett had used its non-recourse assignment of receivables line for a net financed amount of €167.6 million or equivalent.

Cash and cash equivalents amounted to €175.4 million as of 30 June 2024, of which €52.3 million was in Russia and €5.1 million in Ukraine.

7.2.2 Details of loans and borrowings

June 30, 2024 <i>(in millions of euros)</i>	Currency of draw- down	Interest rate	Total	12 months or less until 06/ 30/2025	2 years until 06/ 30/2026	3 to 5 years until 06/30/ 2029	More than 5 years
Bank loans							
Revolving Facilities	USD	7.79%	42.0	-	-	42.0	-
Other bank loans	EUR	1,47%-5,86%	35.0	14.9	12.6	7.5	-
Other bank loans	RMB	5.22%	0.1	0.1	-	-	-
Sub-total bank loans			77.1	15.0	12.6	49.5	-
Private Placement Europe	EUR	1,34%-6,70%	47.5	10.0	6.0	-	31.5
Shareholder loan	EUR	7.33%	437.2	-	-	437.2	-
Shareholder loan	USD	9.54%	64.9	-	-	64.9	-
Bank overdrafts			37.3	37.3	-	-	-
Interest bearing loans and borrowings			664.0	62.3	18.6	551.6	31.5
Leases			131.8	30.8	28.2	51.0	21.8
Gross debt			795.8	93.1	46.8	602.6	53.3

December 31, 2023 <i>(in millions of euros)</i>	Currency of draw- down	Interest rate	Total	12 months or less until 12/ 31/2024	2 years until 12/31/2025	3 to 5 years until 12/31/ 2028	More than 5 years
Bank loans							
Other bank loans	EUR	4.36%	41.0	16.1	12.7	12.1	-
Other bank loans	RMB	5.22%	0.4	0.4	-	-	-
Sub-total bank loans			41.4	16.6	12.7	12.1	-
Private Placement Europe	EUR	3.90%	65.5	18.0	10.0	6.0	31.5
Shareholder loan	EUR	7.58%	455.2	-	-	455.2	-
Shareholder loan	USD	9.80%	65.2	-	-	65.2	-
Bank overdrafts			5.3	5.3	-	-	-
Interest bearing loans and borrowings			632.6	39.9	22.7	538.5	31.5
Leases			143.4	31.6	29.9	57.4	24.5
Gross debt			776.0	71.5	52.6	595.9	56.0

7.2.3 Financial ratio covenants

The "Schuldschein" tranches and the bond loan mentioned above contain contractual commitments (covenants) to be respected by the borrowing companies, among which is the "Net debt/adjusted EBITDA" financial ratio, which must not exceed:

- > 3.0x at 31 December of each year for Schuldschein tranches, calculated before the application of IFRS 16, with an additional tolerance of 0.5x in the event of significant acquisition;
- > 4.0x at 31 December each year for the bond, calculated after application of IFRS 16, with an additional tolerance of 0.5x in the case of significant acquisition.

Not contractually required at 30 June, the calculation of the financial ratios "Net debt/Adjusted EBITDA (last 12 months)" are detailed below for information purposes.

Net debt / Adjusted EBITDA, before application of IFRS 16 <i>(in millions of euros)</i>	June 30, 2024	December 31, 2023
Net debt	488.6	408.3
Adjusted EBITDA for last 12 months	268.0	248.0
Ratio	1.8	1.6

Net debt / Adjusted EBITDA, after application of IFRS 16 <i>(in millions of euros)</i>	June 30, 2024	December 31, 2023
Net debt	620.4	551.7
Adjusted EBITDA for last 12 months	309.9	287.8
Ratio	2.0	1.9

7.2.4 Fair value of financial assets and liabilities

The category levels of fair value of financial assets and liabilities are the same as those defined as at December 31, 2023.

June 30, 2024							
<i>(in millions of euros)</i>	Fair value category	Assets at amortized cost	Liabilities at amortized cost	Fair value through profit and loss	Fair value of hedging derivatives	Net carrying amount	Fair value
Non current financial assets	Level 2	2.9	-	12.4	8.4	23.7	23.7
Other current financial assets	Level 2	-	-	-	16.6	16.6	16.6
Accounts receivable	Level 2	373.2	-	-	-	373.2	373.2
Cash and cash equivalents	Level 2	-	-	175.4	-	175.4	175.4
Interest-bearing loans and borrowings	Level 2	-	795.8	-	-	795.8	795.8
Other financial liabilities, non-current	Level 2	-	0.3	-	0.9	1.2	1.2
Other financial liabilities, current	Level 2	-	2.2	-	1.4	3.7	3.7
Accounts payable	Level 2	-	464.5	-	-	464.5	464.5

December 31, 2023							
<i>(in millions of euros)</i>	Fair value category	Assets at amortized cost	Liabilities at amortized cost	Fair value through profit and loss	Fair value of hedging derivatives	Net carrying amount	Fair value
Non current financial assets	Level 2	2.3	-	13.4	9.9	25.5	25.5
Other current financial assets	Level 2	-	-	-	17.9	17.9	17.9
Accounts receivable	Level 2	262.9	-	-	-	262.9	262.9
Cash and cash equivalents	Level 2	-	-	224.3	-	224.3	224.3
Interest-bearing loans and borrowings	Level 2	-	776.0	-	-	776.0	776.0
Other financial liabilities, non-current	Level 2	-	0.2	-	1.3	1.5	1.5
Other financial liabilities, current	Level 2	-	1.8	-	1.4	3.2	3.2
Accounts payable	Level 2	-	379.4	-	-	379.4	379.4

7.2.5 Financial risk management

The Group's financial risk (market risk, credit risk and liquidity risk) management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2023.

Note 8 > Income tax

Income tax expense

Income tax (current and deferred) can be broken down as follows:

<i>(in millions of euros)</i>	Jan.-June 2024	Jan.-June 2023
Current tax	(12.1)	(18.8)
Deferred tax	(1.2)	7.4
Income tax	(13.4)	(11.4)

Based on calculations made by the Tarkett Group as at 30 June 2024, the impact of the global minimum tax is nil.

Theoretical income tax expense determined using the French corporate income tax rate of 25.83% for 2023 and 2024, can be reconciled as follows to the actual income tax expense:

<i>(in millions of euros)</i>	Jan.-June 2024	Jan.-June 2023
Pre-tax profit from continuing operations (a)	32.4	14.5
Profit from equity-accounted subsidiaries (b)	(0.0)	(0.1)
Pre-tax profit from fully consolidated activities (a-b)	32.4	14.6
Income tax at nominal French income tax rate	(8.4)	(3.8)
Effect of:		
- Taxation of foreign companies at different rates	0.7	(1.1)
- Exchange rate effects on non-monetary assets	0.1	0.1
- Changes in unrecognized deferred tax assets	(0.1)	(1.4)
- Permanent differences	(0.3)	(1.3)
- Taxes on dividends (withholding at the source)	(0.3)	(0.4)
- Other items	(5.0)	(3.5)
Income tax expense recorded	(13.4)	(11.4)
Effective rate	N/A	N/A

Taxation of foreign companies at different rates

The main contributing countries are Russia, with a local tax rate of 20%; Luxembourg, with a local tax rate of 28.09%; Poland, with a local tax rate of 19% and the United Arab Emirates, with a local tax rate of 9.00%.

Changes in unrecognized deferred tax assets

The change in unrecognized deferred taxes is mainly explained by the positive effect of recognising deferred tax assets on deficits in France for €0.9 million. This recognition is offset by deferred tax assets on unrecognized deficits and temporary differences in Poland for (0.4) million euros and in Spain for (0.2) million euros.

Other items

The expense of €(5.0) million is mainly due to the "BEAT Tax" in the United States for €(2.3) million and the "State Tax" for €(1.9) million. In addition, prior-year tax adjustments amounted to €2.7 million in the United States, €(3.4) million in France and €(0.9) million in Russia.

Note 9 > Equity and liabilities

9.1 Share capital

	June 30, 2024	December 31, 2023
Share capital (in euros)	327,751,405	327,751,405
Number of shares	65,550,281	65,550,281
Par value (in euros)	5.0	5.0

9.2 Earnings per share and dividends

	Jan.-June 2024			Jan.-June 2023		
	Average number of shares	Attributable net earnings	Earnings per share	Average number of shares	Attributable net earnings	Earnings per share
	(in thousands of shares)	(in millions of euros)	(in euros)	(in thousands of shares)	(in millions of euros)	(in euros)
Total shares	65,550	-	-	65,550	-	-
Treasury shares	(19)	-	-	(109)	-	-
Total excluding treasury shares	65,531	18.0	0.27	65,441	2.8	0.04
Share subscription options	-	-	-	-	-	-
Group savings plan	-	-	-	-	-	-
Potential performance shares to be distributed	19	-	-	109	-	-
Restatement of actions with anti-dilution effect	-	-	-	-	-	-
Total after grant of performance shares	65,550	18.0	0.27	65,550	2.8	0.04

Earnings per share excluding treasury shares

Earnings per share excluding treasury shares as of June 30, 2024 are calculated on the basis of the Group's share of net profit and on the weighted average number of shares outstanding during the period (and after deduction of the weighted average number of treasury shares).

Earnings per share after grant of performance shares

The attributable net profit per share after grants of performance shares as of June 30, 2024 is calculated on the basis of the net profit attributable to the Group and on the weighted average number of shares outstanding during the period (after deduction of the weighted average number of treasury shares) and the number of potential shares to distribute, if dilutive.

Dividends

The General Meeting of April 26, 2024 decided not to pay dividends in 2024 for the 2023.

Note 10 > Related parties

In accordance with IAS 24, "Related Party Disclosures," the Group has identified the following related parties:

- > The joint ventures;
- > Tarkett Participation;
- > The members of Tarkett's Management Board and Supervisory Board.

Transactions entered into during the period with the Group's joint ventures and principal shareholders are detailed below.

10.1 Joint ventures

All transactions between fully consolidated entities are eliminated in consolidation.

Transactions with related entities and jointly held entities are entered into on arm's length terms.

The Group has four joint ventures, including Laminate Park GmbH & Co KG in Germany, jointly controlled with the Sonae group.

The Group's transactions with its joint ventures may be summarized as follows:

<i>(in millions of euros)</i>	Jan.-June 2024	Jan.-June 2023
Joint ventures		
Sale of goods to Tarkett	-	-
Purchase of services from Tarkett	-	-
Loans from Tarkett	-	3.0

10.2 Principal shareholders

Tarkett Participation holds 90.40% of Tarkett's share capital following the contribution of the Tarkett securities to Tarkett Participation in and acquisitions of securities made by Tarkett Participation and, as such, controls and coordinates the Group activities.

As of June 30, 2024, Tarkett Participation is owned by:

- > Société Investissement Deconinck to a level of 72.95% ;
- > Expansion 17 S.C.A., FIAR to a level of 12.89% ;

- > Global Performance 17 S.C.A., FIAR to a level of 12.89% ;
- > managers to a level of 1.27%.

As of June 30, 2024, SID had invoiced a total of €150,000 under the Assistance and Guidance Agreement.

As of June 30, 2024, Tarkett had invoiced a total of €13,750 under a service agreement.

10.3 Members of the Management Board and Supervisory Board

None.

Note 11 > Subsequent events

- > Signing of a sale agreement on the company Diamond W, a distributor of flooring products in the United States in the states of California, Arizona and Nevada classified as an assets held for sale pending the lifting of the conditions precedent to closing. The assets and liabilities associated with this disposal have been reclassified as assets and liabilities held for sale.
- > Acquisition in early July of Connecticut-based Classic Turf & Tracks, which specialises in the construction of post-tension concrete substructures for athletic tracks and courts for tennis / basketball / pickleball.

Design and Production



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