



It's Essential

Investor Presentation




MOHAWK®
MOHAWKIND.COM

May 2020

Forward-looking Statements

Certain of the statements in this presentation may include **forward-looking statements** as defined in the Private Securities Litigation Reform Act of 1995, which are **subject to various risks and uncertainties** including, but not limited to, those **set forth in our press releases and our periodic filings** with the Securities & Exchange Commission.

Mohawk Highlights



- World's largest flooring manufacturer
- Market leader in all flooring categories
 - Ceramic
 - Carpet & Rugs
 - Laminate
 - Wood
 - LVT
 - Sheet Vinyl
 - Stone Flooring
 - Countertops
- Expanding international presence
- Differentiated distribution infrastructure
- Strong cash flow to fund investments
- Superior management team
- Significant insider ownership

Mohawk by the Numbers



1st

**World's Largest
Flooring Company**



1.7x

**Strong
Balance Sheet**



\$1.3B⁺

**Liquidity: Cash +
Available Revolver**



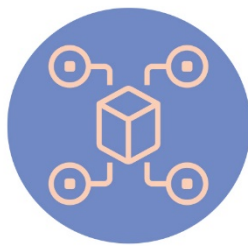
Baa1/BBB⁺/BBB⁺

**Credit Ratings
Moody's/S&P/Fitch**



45

**Mergers
Since 1992**



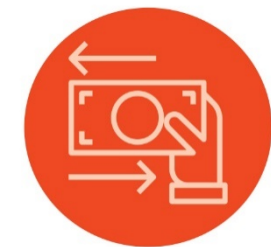
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**Countries
Manufacturing**



170⁺

**Countries
Sales**

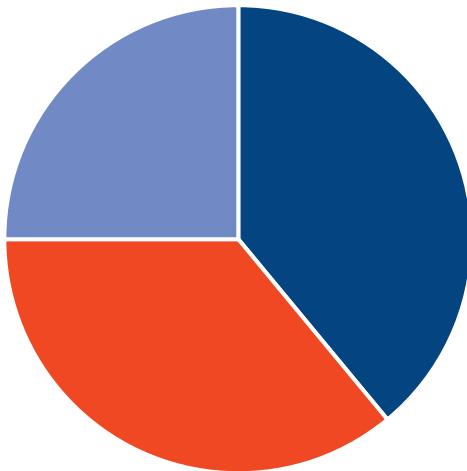


25,000⁺

**Customers
Worldwide**

2019 Sales Mix

SEGMENT

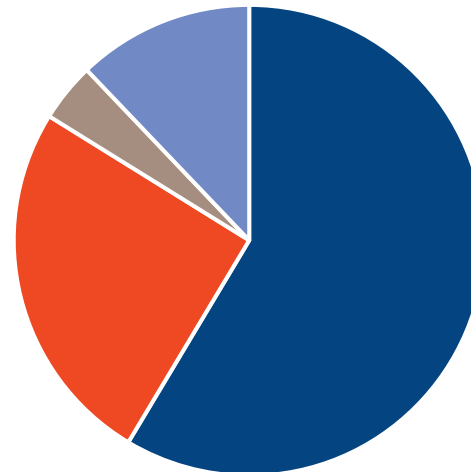


39% Flooring NA

36% Global Ceramic

25% Flooring ROW

GEOGRAPHY



58% United States

25% Europe

4% Russia

12% Other

International Operations

Mohawk's presence in both hard and soft surfaces products and residential and commercial applications extends around the world, with collections tailored to the needs and preferences of each market we serve

U.S.

Ceramic
Carpet
Rugs
LVT
Sheet Vinyl
Laminate
Countertops

Mexico

Ceramic

Brazil

Ceramic
Laminate (JV)

Europe

Ceramic
LVT
Laminate
Sheet Vinyl
Carpet Tile

Russia

Ceramic
Laminate
Sheet Vinyl

Malaysia

Wood

Australia

Carpet
Hard Surface
Distribution

New Zealand

Carpet
Hard Surface
Distribution

UNITED STATES

- Increasing capacity in fast-growing LVT; added rigid technology
- Added capacity in premium laminate
- Initiated quartz countertop manufacturing
- Extended existing businesses (utility mats, outdoor rugs)

MEXICO & SOUTH AMERICA

- Increased ceramic capacity at Salamanca
- Added new carpet cushion facility in Mexicali
- Expanded porcelain tile capacity in Brazil

EUROPE

- Modernized Italian ceramic facilities; added porcelain slab production
- Expanding capacity in LVT; added rigid technology
- Added carpet tile plant in Belgium
- Expanded capacity in premium laminate

RUSSIA

- Launched sheet vinyl plant
- Expanded capacity in ceramic and laminate
- Added premium sanitary ware facility

COVID-19 Update

PRESENT LANDSCAPE

- Significant demand decline in all markets
- Retail & manufacturing shutdowns around the world
- Varying levels of stay-at-home policies mandated
- Many countries supplementing wages to maintain workforces



IMPACT BY CHANNEL

- Residential remodeling hit hardest to date
- Residential construction & commercial channels holding up better
- DIY performing best – projects commenced during “stay at home”

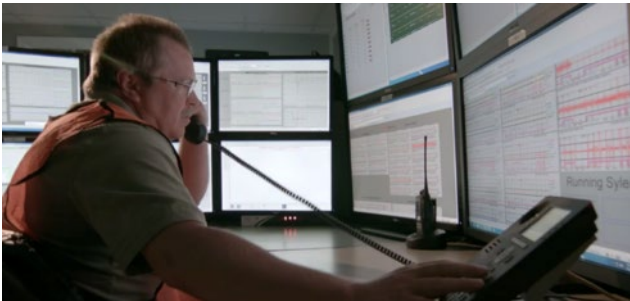
ACTIONS

- Conserving cash & protecting liquidity
- Keeping employees safe – working from home & social distancing
- Expenses & capital reduced
- Global layoffs & furloughs
- Aligning production with demand
- Stock buybacks postponed
- Strengthened balance sheet

Operational Excellence



- Deliver growth through innovative new products
- Drive demand through differentiated collections
- Enhance productivity & profitability through continuous process improvement & automation
- Optimize resources & materials
- Maintain superior logistics systems to improve service
- Leverage best practices across segments



Product Innovation

CERAMIC

PANORAMIC
porcelain surfaces™

Large, durable
slabs that mimic
stone and metal

Revo=Tile
REAL BEAUTY. REAL PORCELAIN. REAL FAST.
BY **daltile**

Clic-Fit
Technology;
Faster, Easier
Installation

CARPET / RUGS

COLORMAX

Proprietary Blended
Fibers that
Coordinate with Hard
Surfaces

airo
UNIFIED SOFT FLOORING

Patented Unified
Soft Flooring;
Faster, Easier
Installation

LAMINATE / WOOD

MOHAWK
RevWood
Wood Without Compromise **plus**

Water-proof wood;
most natural visuals
in the market

HYDRASEAL

Exclusive
Technology to Repel
Spills at Laminate
Joints

MOHAWK
SOLIDTECH
STRENGTH. STABILITY. VERSATILITY.

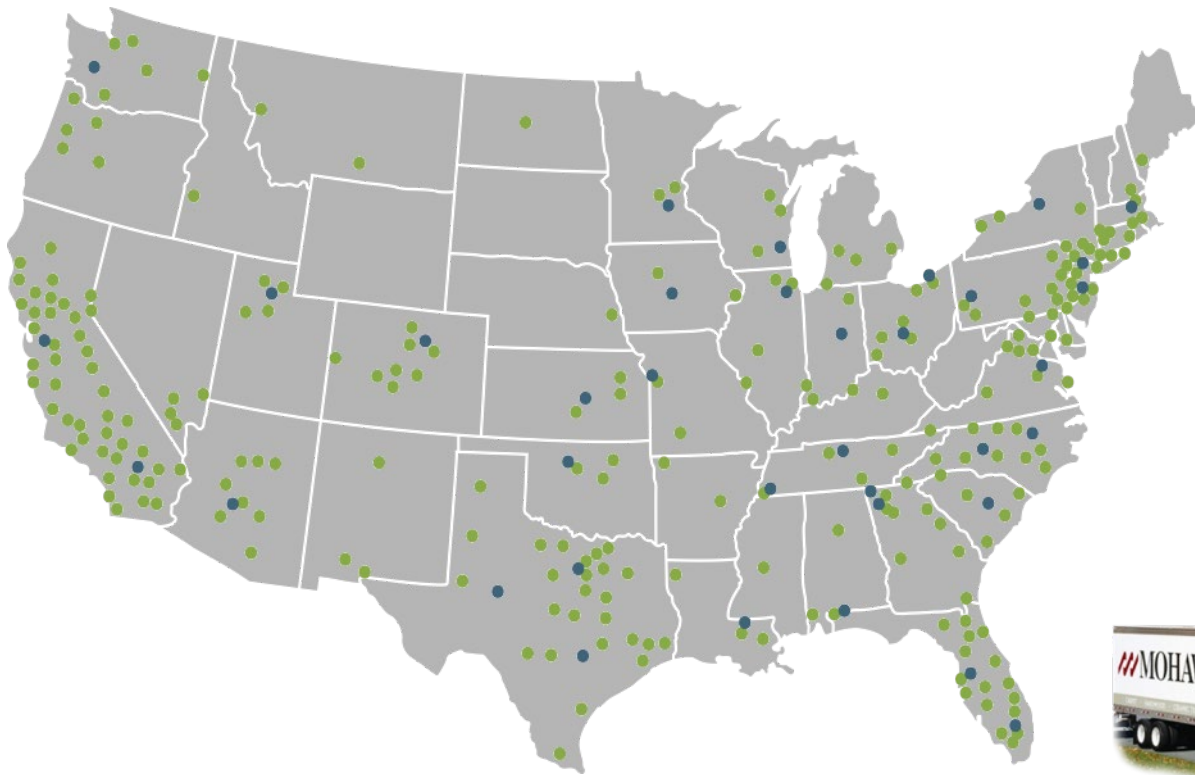
Rigid LVT:
Realistic Visuals;
Water Resistance

PERGO
EXTREME

Superior Durability,
Exceptional
Performance Enhanced
Visuals

Nationwide Distribution

- National network of distribution centers provides efficient delivery
- Service Centers provide key channel for ceramic distribution



● Carpet, Laminate, Wood & Vinyl DCs
● Ceramic Service Centers

- Leading-edge logistics system
- 1,600+ sales representatives
- 350+ distribution points
- 750+ trucks



Sustainability



6.5B

**Plastic Bottles
Recycled**



42M

**Pounds of Tires
Recycled into Doormats**



500⁺

**Products with
Recycled Content**



6.5B

**Pounds of Waste
Recycled**



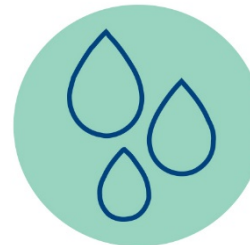
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**Plants Certified
Zero Waste
to Landfill**



442M

**Reduced Water
Consumption
Since 2015 (gallons)**



36%

**Reduced Water
Intensity
Since 2010**



5%

**Reduced Greenhouse
Gas Intensity
Since 2010**



DALTILE PORCELAIN CLICK TILE
Revo-Tile Hearthstone



Global Ceramic

Global Ceramic Segment



Competitive Advantages

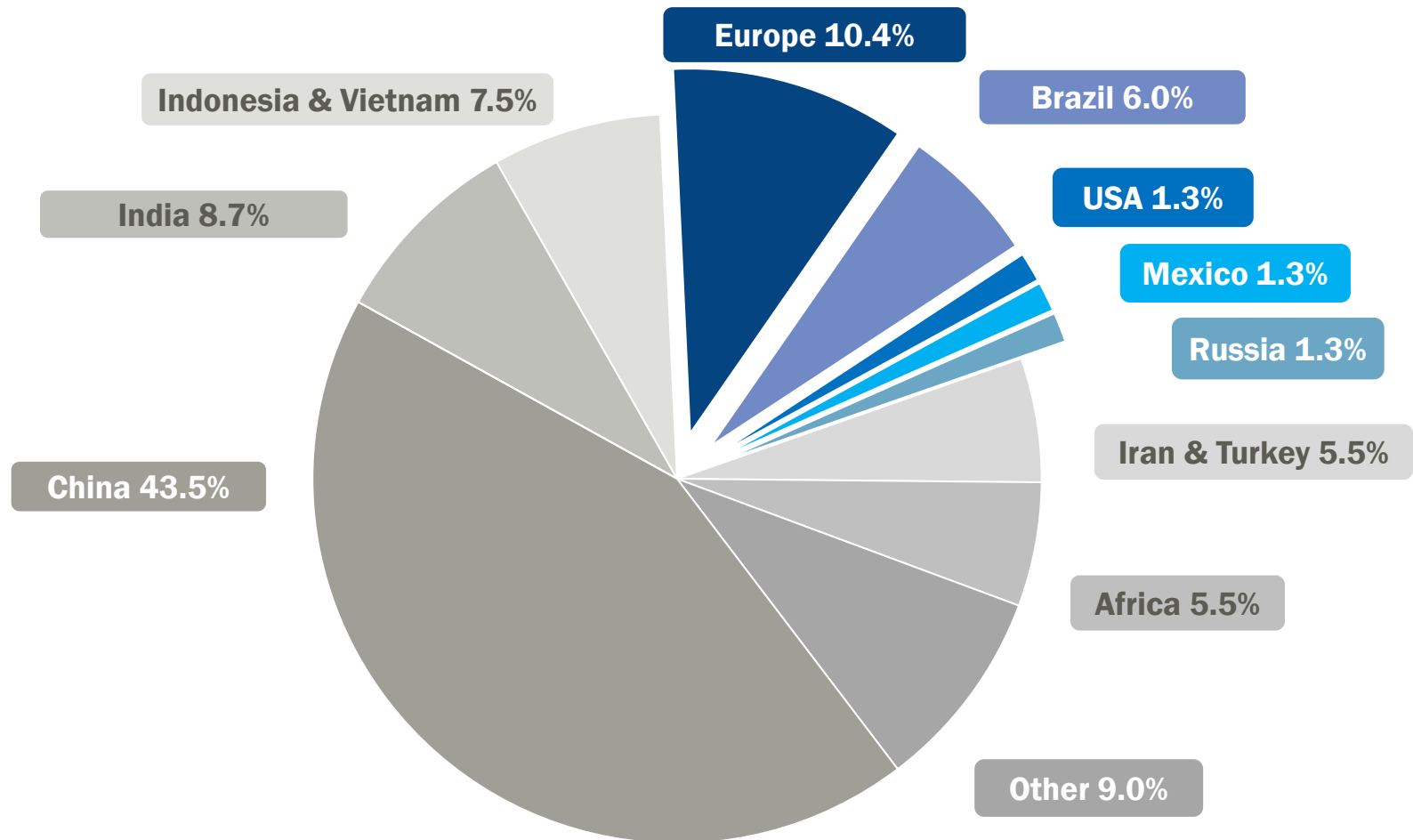
- Worldwide ceramic leader with leading positions in North America, Brazil, Eastern & Western Europe and Russia
- Most widely recognized ceramic brands
- Broad product line satisfies all channels and price points
- North American market share substantially larger than closest competitor
- Unmatched North American distribution and production capability
- Sales in more than 160 countries

Ceramic: Leveraging Global Assets



Global Tile Market: 141 Billion Sq. Ft.

Mohawk currently participates in 20% of the total worldwide market. With capacity of 2.8 Billion Sq. Ft., Mohawk has only 2% of worldwide market share, leaving plenty of room to grow



Global Ceramic: Brands Serving All Channels

UNITED STATES/CANADA



- 233 service centers
- 40 countertop centers
- 19 design galleries
- Independent specialty retail
- Home centers
- Independent distributors
- New construction
- Commercial

BRAZIL/MEXICO



- Independent specialty retail
- Home centers
- New construction
- Independent distributors
- Commercial

EUROPE



- Independent specialty retail
- Home centers
- New construction
- Independent distributors
- Commercial

RUSSIA



- 20 distribution centers
- 367 company-owned or franchised retail stores
- Home centers
- New construction
- Independent distributors
- Commercial

Global Ceramic: Countertops

Stone



High-end, contemporary,
luxé feel for any room

Quartz



Upscale look engineered for
down-to-earth durability

Porcelain



Scale and beauty of natural
stone with the benefits of
porcelain tile



MOHAWK LUXURY VINYL TILE
SolidTech Franklin Hana



Flooring North America

Flooring North America Segment



Competitive Advantages

- Leading market share in all channels
- Leader in innovation, design & technology
- Significant growth opportunity with LVT
- Well-known exclusive brands
- Leverage customer relationships across product categories
- Low-cost integrated manufacturing

Flooring NA: Brands Serving All Channels

RESIDENTIAL CARPET



- Independent Specialty Retail
- Aligned Dealers
- Home Centers
- Builder
- Multi-family

BATH & AREA RUGS



- Mass Merchants
- Department Stores
- Home Centers
- Independent Specialty Retail
- E-Commerce

COMMERCIAL CARPET



- Corporate
- Educational
- Retail
- Healthcare
- Hospitality
- Institutional
- Main Street

HARD SURFACES



- Independent Specialty Retail
- Aligned Dealers
- Home Centers
- Builder
- Multi-family
- Commercial



QUICK-STEP LAMINATE
Signature Brushed Oak Natural



Flooring Rest of the World

Flooring Rest of the World Segment



Competitive Advantages

- Leader in mid- to high-end categories
- Undisputed innovation frontrunner
- Significant growth opportunity with LVT
- Extend value of well known brands into new product categories
- Vertically integrated low-cost manufacturer across product categories
- Leverage customer relationships to enter new channels and markets

Flooring ROW: Brands Serving All Channels

LAMINATE / WOOD



- Independent Specialty Retail
- Home Centers
- Independent Distribution
- Company-owned Distribution (U.K., Italy, Switzerland, Australia, New Zealand, India)
- Builder
- Multi-family

LVT



- Independent Specialty Retail
- Home Centers
- Company-owned Distribution (U.K., Italy, Switzerland, Australia, New Zealand, India)
- Builder
- Multi-family
- Commercial

CARPET



CARPET TILES

- Independent Specialty Retail
- Home Centers
- Builder
- Commercial

SHEET VINYL



- Independent Specialty Retail
- Home Centers
- Builder
- Multi-family
- Commercial

Flooring ROW Panels

MDF & Chipboards



Furniture and specialty construction

Insulation Panels



Airtight solutions for renovations or new construction

Roofing Panels



Insulated custom roof panels and hinged roofs



IVC COMMERCIAL CARPET TILE
Balanced Hues



Financials

Q1 Financial Results

Q1 Overview

- Performance in line with plan until March COVID-19 impact
 - Flooring ROW: strong performance due to recent investments
 - Global Ceramic: COVID-19 impact began in Italy and spread to all markets; benefited from strength in new construction & commercial
 - Flooring NA: led by LVT and sheet vinyl; carpet disadvantaged by in-home order and installation process; rug sales down due to store closures
- Responded quickly by aligning production with demand, reducing costs and initiating furloughs & layoffs
- Strong liquidity supplemented with recent \$500 million bond issuance

<i>(USD in millions)</i>	Q1 2019	Q1 2020
Net Sales	\$2,442	\$2,286
% Change	1%	-6%
Adjusted EBITDA	\$348	\$302
% Adjusted EBITDA Margin	14%	13%
Adjusted Operating Income	\$207	\$163
% Operating Income Margin	8%	7%
Free Cash Flow	\$33	\$79

Earnings Summary

(ex-unusual items)

	2017	2018	2019	2020 (TTM)
Net Sales % Change	\$9,491 5.9%	\$9,984 5.2%	\$9,971 -0.1%	\$9,814 -1.6%
EBITDA EBITDA Margin	\$1,859 19.6%	\$1,705 17.1%	\$1,530 15.3%	\$1,484 15.1%
Operating Income Operating Margin	\$1,416 15%	\$1,189 12%	\$938 9%	\$895 9%
Net Earnings % Change	\$1,019 8%	\$922 -10%	\$725 -21%	\$690 -5%
Adjusted Diluted EPS % Change	\$13.61 8%	\$12.33 -9%	\$10.04 -19%	\$9.62 -4%

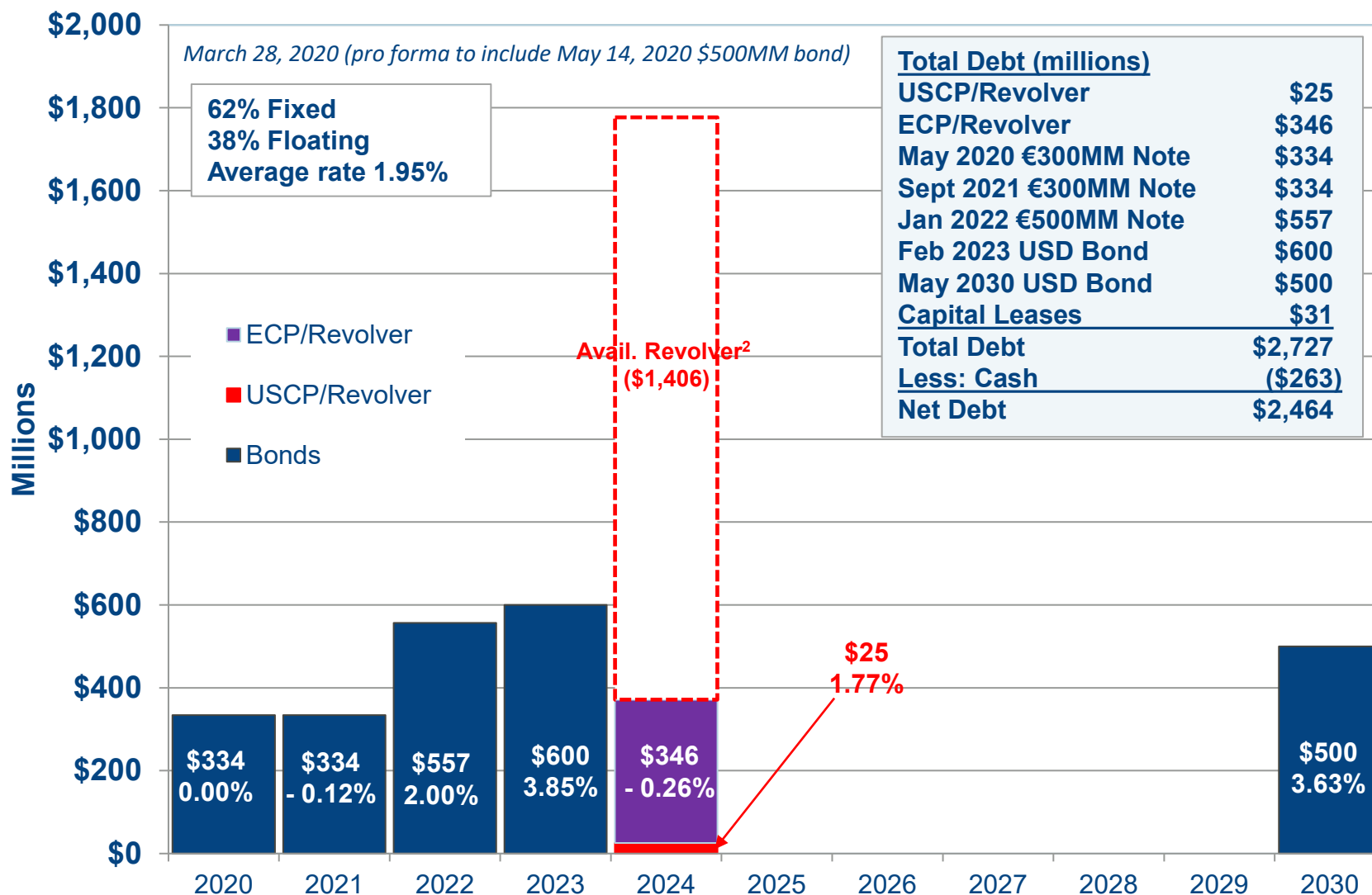
(Dollars in Millions except EPS)

Results by Segment

(ex-unusual items)

	2017	2018	2019	2020 (TTM)
GLOBAL CERAMIC SEGMENT				
Sales % Change	\$3,405 7%	\$3,553 4%	\$3,631 2%	\$3,581 -1%
Operating Income Operating Margin	\$545 16%	\$463 13%	\$349 10%	\$308 9%
FLOORING NA SEGMENT				
Sales % Change	\$4,011 4%	\$4,029 0%	\$3,844 -5%	\$3,770 -2%
Operating Income Operating Margin	\$573 14%	\$391 10%	\$248 6%	\$258 7%
FLOORING ROW SEGMENT				
Sales % Change	\$2,075 8%	\$2,402 16%	\$2,496 4%	\$2,463 -1%
Operating Income Operating Margin	\$337 16%	\$369 15%	\$381 15%	\$367 15%

Maturity Profile¹



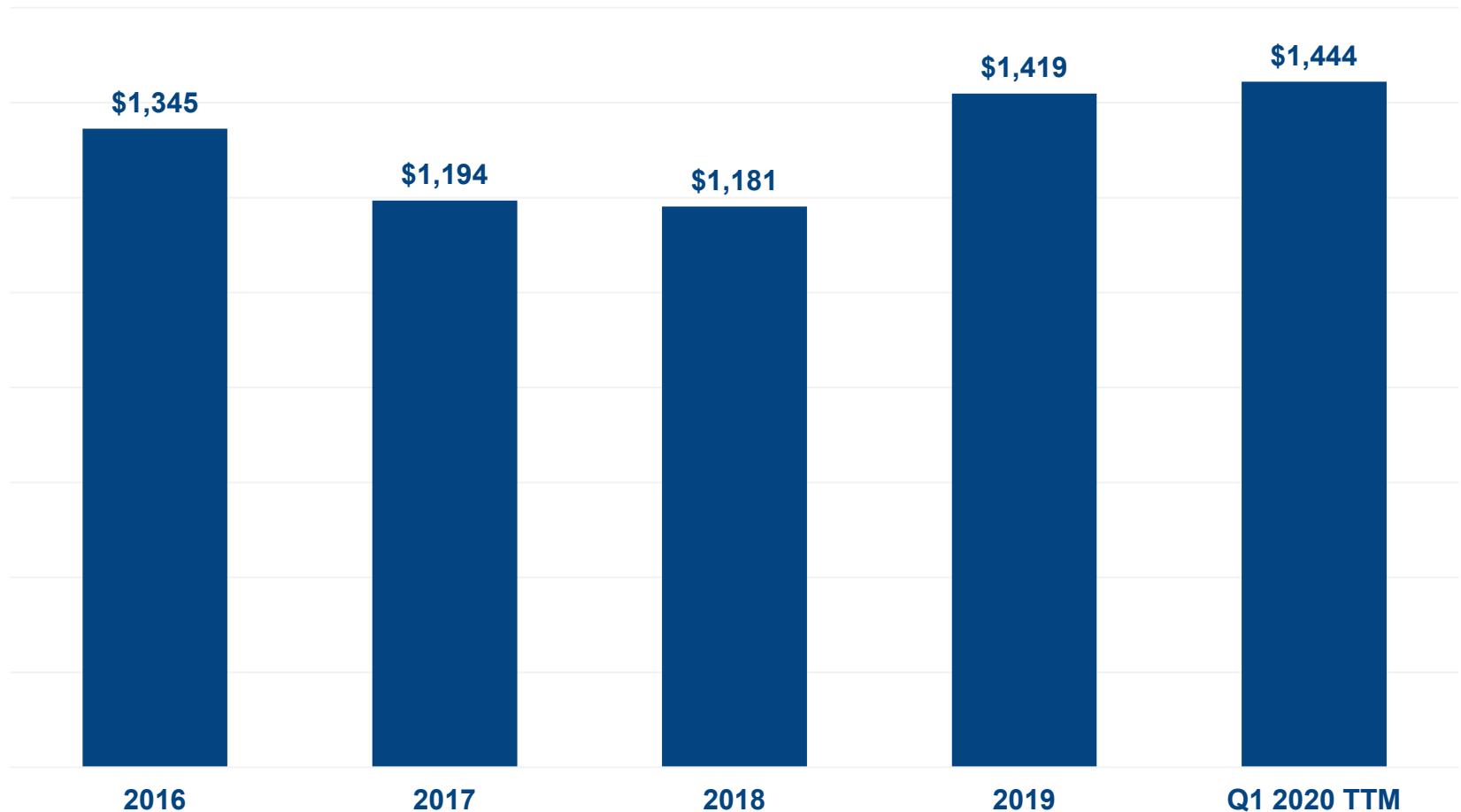
¹ Not shown: Approx. \$31MM in capital and embedded leases; Also not shown approx. \$263MM in cash holdings

² After Letters of Credit issuance of \$23MM

Strong Cash Flow Generation

(USD in Millions)

Operating Cash Flow



Note: LTM period Q1 2020 ended 3/28/2020.

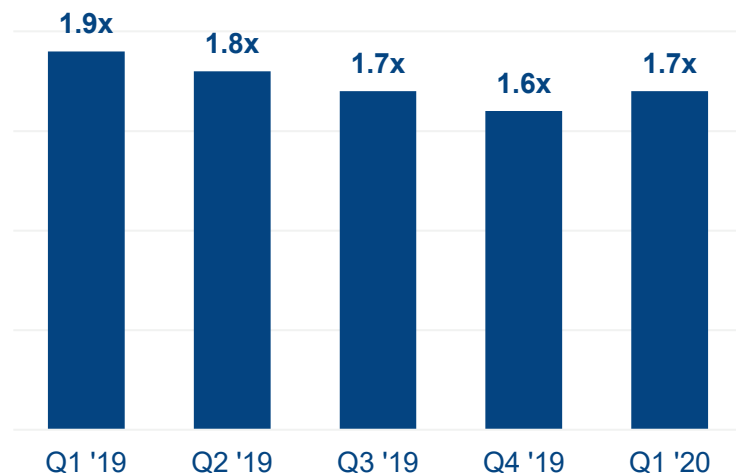
1. Refer to Appendix for the Reconciliation of Non-GAAP Measures.

Prudent Financial Management

Prudent Use of Leverage to Fund Growth

Net Debt to Adj. EBITDA¹

Max. Allowable = 3.75x



Financial Objectives & Principles

- Generate strong free cash flow and effectively manage working capital and investments
- Maintain a permanent, prudent level of debt in the capital structure
- Excess cash is used to pay down debt and re-invest in the business
- Ongoing investments in acquisitions & the business to drive growth
- Paused share repurchases under our current authorization
- Committed to maintaining investment grade rating

1. Refer to Appendix for the Reconciliation of Non-GAAP Measures.

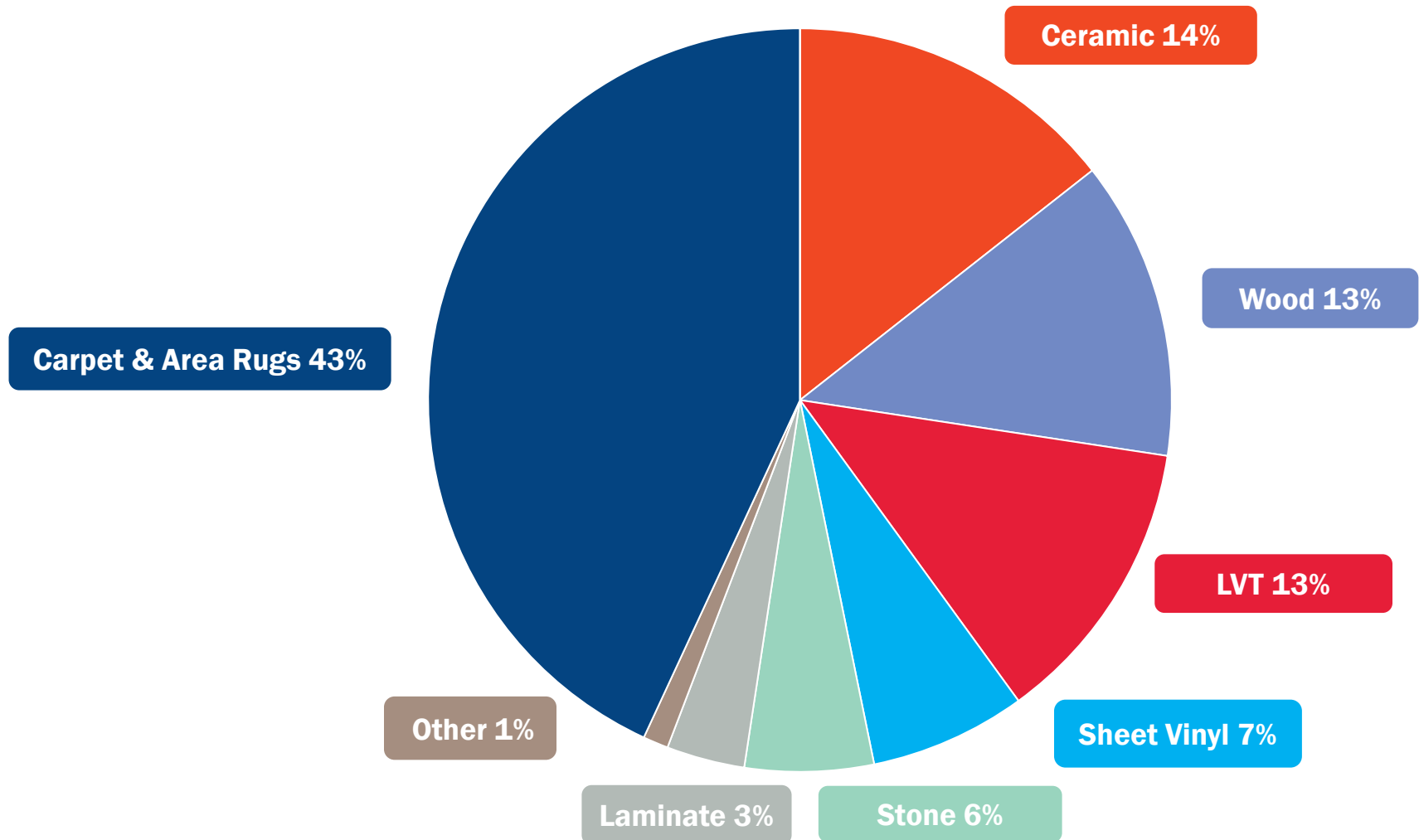


PERGO EXTREME RIGID LUXURY VINYL TILE
Wood Original Copperhide

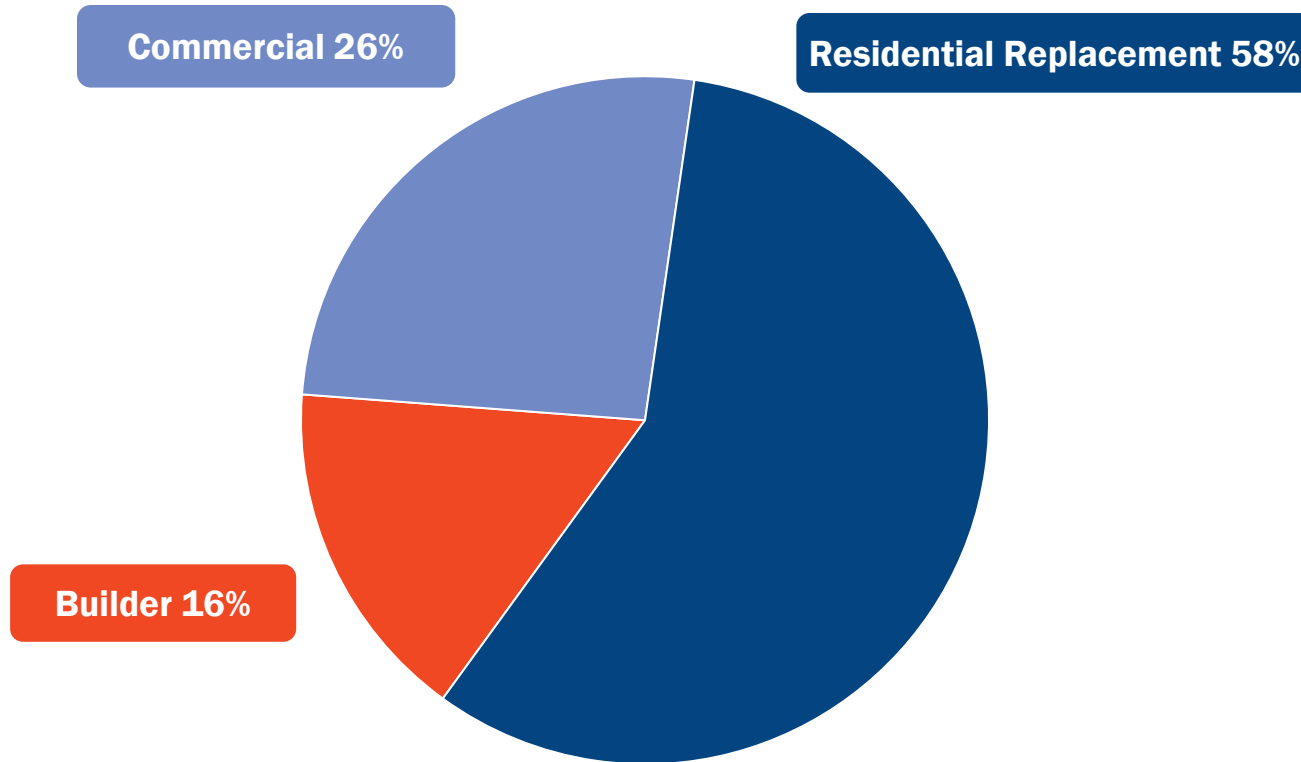


Industry Data

U.S. Flooring Industry: \$27.2 Billion

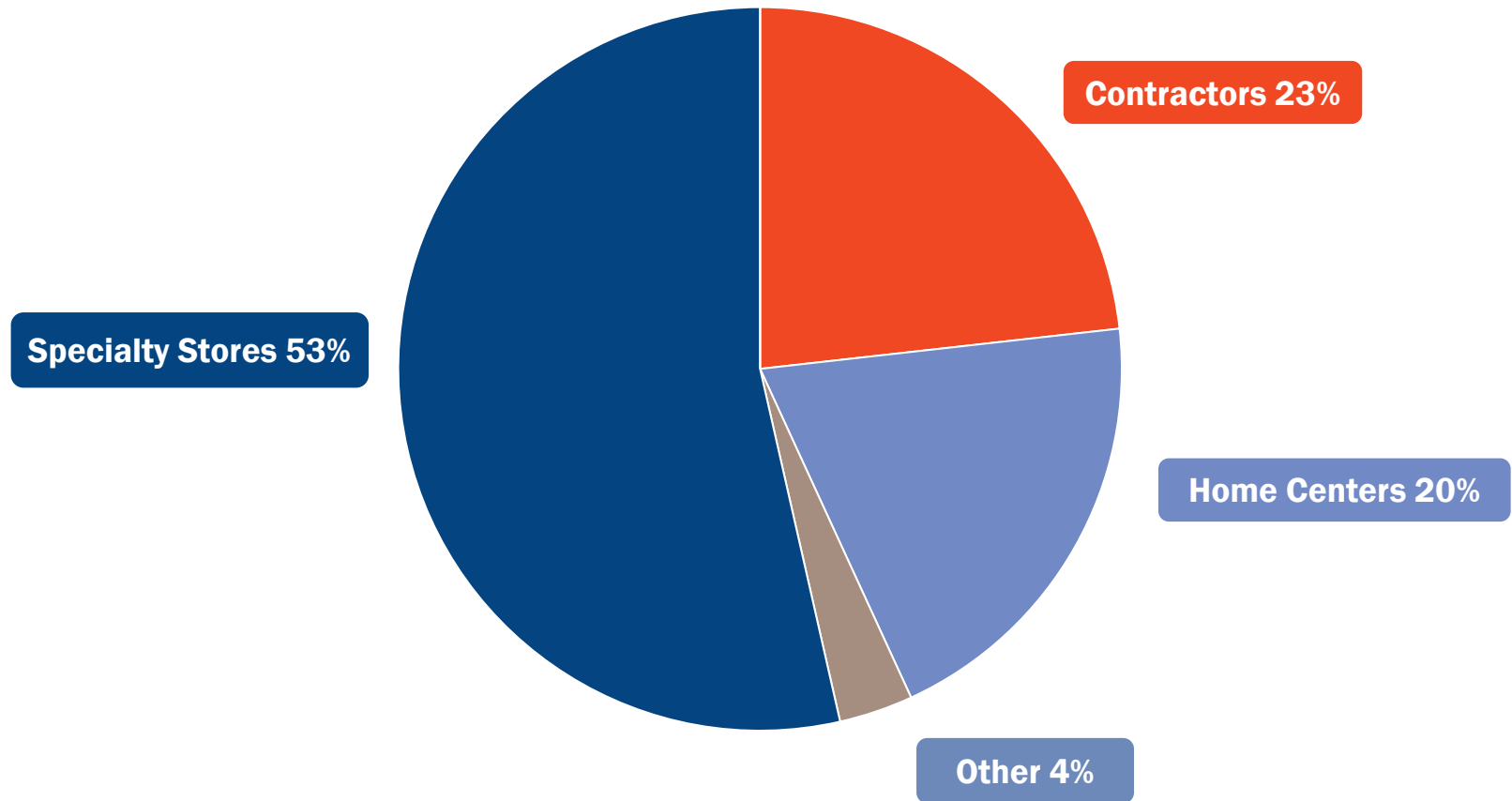


U.S. Flooring Sales by End Use Market



- Anticipate continued expansion in new housing starts
- Residential remodeling projected to significantly expand
- Commercial indicators suggest future growth

U.S. Flooring Channels





FELTEX COMMERCIAL CARPET
Woven Wool Carpet

Appendix: Reconciliation of Non-GAAP Measures

ADJUSTED OPERATING INCOME

<i>(Amounts in thousands USD)</i>	2018Q1	2019Q1	2020Q1
Operating income	268,399	165,330	151,483
Adjustments to operating income:			
Restructuring, acquisition and integration-related and other costs	22,104	38,703	11,975
Acquisitions purchase accounting (including inventory step-up)	1,354	2,552	-
Adjusted operating income	291,857	206,585	163,458
Adjusted operating income as a percent of net sales	12.1%	8.5%	7.2%

OPERATING INCOME TO ADJUSTED EBITDA

<i>(Amounts in thousands USD)</i>	2018Q1	2019Q1	2020Q1
Operating income	268,399	165,330	151,483
Other (expense) income	(3,998)	3,736	(5,679)
Net (earnings) loss attributable to non-controlling interest	(475)	10	49
Depreciation and amortization	122,654	137,291	145,516
EBITDA	386,580	306,367	291,369
Restructuring, acquisition and integration-related and other costs	22,104	39,495	10,376
Acquisitions purchase accounting (including inventory step-up)	1,354	2,552	-
Release of indemnification asset	1,749	-	(35)
Adjusted EBITDA	411,787	348,414	301,710

Appendix: Reconciliation of Non-GAAP Measures

ADJUSTED OPERATING INCOME					
(Amounts in thousands USD)	2016	2017	2018	2019	2020 (TTM)
Operating income	1,279,943	1,354,173	1,095,326	827,224	813,377
Adjustments to operating income:					
Restructuring, acquisition and integration-related and other costs	59,847	48,939	78,650	106,954	80,226
Legal settlement and reserves	(90,000)	-	-	-	-
Tradename impairment	47,905	-	-	-	-
Release of indemnification asset	-	-	-	247	247
Acquisitions purchase accounting (including inventory step-up)	-	13,314	15,359	3,938	1,386
Adjusted operating income	1,297,695	1,416,426	1,189,335	938,363	895,238
Adjusted operating income as a percent of net sales	14.5%	14.9%	11.9%	9.4%	9.1%

OPERATING INCOME TO ADJUSTED EBITDA					
(Amounts in thousands USD)	2016	2017	2018	2019	2020 (TTM)
Operating income	1,279,943	1,354,173	1,095,326	827,224	813,377
Other (expense) income	1,729	(5,205)	(7,298)	(36,407)	(45,822)
Net (earnings) loss attributable to non-controlling interest	(3,204)	(3,054)	(3,151)	(360)	(321)
Depreciation and amortization	409,468	446,672	521,765	576,452	584,677
EBITDA	1,687,936	1,792,586	1,606,642	1,366,909	1,351,911
Restructuring, acquisition and integration-related and other costs	60,524	48,940	78,449	99,679	70,560
Impairment of net investment*	-	-	-	59,946	59,946
Acquisitions purchase accounting (including inventory step-up)	-	13,314	15,359	3,938	1,386
Legal settlement and reserves	(90,000)	-	-	-	-
Tradename impairment	47,905	-	-	-	-
Release of indemnification asset	5,372	4,459	4,606	(56)	(91)
Adjusted EBITDA	1,711,737	1,859,299	1,705,056	1,530,416	1,483,712

*The company impaired its net investment in a Chinese manufacturer and distributor of ceramic tile

Appendix: Reconciliation of Non-GAAP Measures

ADJUSTED OPERATING INCOME					
(Amounts in thousands USD)	2016	2017	2018	2019	2020 (TTM)
GLOBAL CERAMIC SEGMENT					
Operating income	478,448	525,401	442,898	340,058	304,812
Adjustments to operating income:					
Restructuring, acquisition and integration-related and other costs	2,906	6,142	13,312	8,287	2,902
Acquisitions purchase accounting (including inventory step-up)	-	13,122	6,721	204	-
Adjusted operating income	481,355	544,666	462,933	348,549	307,713
Adjusted operating income as a percent of net sales	15.2%	16.0%	13.0%	9.6%	8.6%
FLOORING NA SEGMENT					
Operating income	505,115	540,337	347,937	167,385	200,418
Adjustments to operating income:					
Restructuring, acquisition and integration-related and other costs	41,841	32,966	42,847	80,195	57,663
Impairment of tradename	47,905	-	-	-	-
Legal settlement and reserves	(90,000)	-	-	-	-
Adjusted operating income	504,861	573,303	390,783	247,580	258,081
Adjusted operating income as a percent of net sales	13.1%	14.3%	9.7%	6.4%	6.8%
FLOORING ROW SEGMENT					
Operating income	333,091	329,054	345,801	359,428	346,224
Adjustments to operating income:					
Restructuring, acquisition and integration-related and other costs	14,592	7,516	14,977	17,643	19,051
Acquisitions purchase accounting (including inventory step-up)	-	192	8,639	3,734	1,386
Adjusted operating income	347,683	336,762	369,417	380,805	366,661
Adjusted operating income as a percent of net sales	18.1%	16.2%	15.4%	15.3%	14.9%

Appendix: Reconciliation of Non-GAAP Measures

ADJUSTED NET EARNINGS			
<i>(Amounts in thousands USD, except EPS)</i>	2018Q1	2019Q1	2020Q1
Net earnings attributable to Mohawk Industries, Inc.	208,766	121,585	110,514
Adjusting items:			
Restructuring, acquisition and integration-related and other costs	22,104	39,495	11,965
Acquisitions purchase accounting (including inventory step-up)	1,354	2,552	-
Release of indemnification asset	1,749	-	(35)
Income taxes - reversal of uncertain tax position	(1,749)	-	35
Income taxes	(6,940)	(9,152)	(3,115)
Adjusted net earnings attributable to Mohawk Industries, Inc.	225,284	154,480	119,364
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	3.01	2.13	1.66
Weighted-average common shares outstanding - diluted	74,929	72,646	71,777

Appendix: Reconciliation of Non-GAAP Measures

ADJUSTED NET EARNINGS					
(Amounts in thousands USD, except EPS)	2016	2017	2018	2019	2020 (TTM)
Net earnings attributable to Mohawk Industries, Inc.	930,362	971,638	861,704	744,211	733,140
Adjusting items:					
Restructuring, acquisition, integration-related and other costs	60,523	49,144	78,449	99,679	72,149
Acquisitions purchase accounting (including inventory step-up)	-	13,314	15,359	3,938	1,386
Acquisition interest expense	-	-	4,322	-	-
Legal settlement and reserves	(90,000)	-	-	-	-
Release of indemnification asset	5,371	4,459	4,606	(57)	(92)
Deferred loan costs	-	-	-	601	601
Impairment of net investment*	-	-	-	59,946	59,946
Tradename impairment	47,905	-	-	-	-
Income taxes - reversal of uncertain tax position	(5,371)	(4,459)	(4,606)	56	91
European tax restructuring	-	-	-	(136,194)	(136,194)
Income tax reform	-	810	-	-	-
Income taxes	(8,443)	(16,260)	(37,817)	(46,842)	(40,805)
Adjusted net earnings attributable to Mohawk Industries, Inc.	940,348	1,018,646	922,017	725,338	690,222
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	12.61	13.61	12.33	10.04	9.62
Weighted-average common shares outstanding - diluted	74,568	74,839	74,773	72,264	71,777

*The company impaired its net investment in a Chinese manufacturer and distributor of ceramic tile

Appendix: Reconciliation of Non-GAAP Measures

NET DEBT									
(Amounts in thousands USD)	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1
Current portion of long-term debt and commercial paper	1,331,917	1,146,511	1,333,853	1,742,373	1,763,332	1,891,512	1,273,158	1,051,498	1,210,525
Long-term debt, less current portion	1,585,651	1,884,023	1,528,551	1,515,601	1,497,975	1,169,489	1,483,581	1,518,388	1,514,000
Less: Cash and cash equivalents	114,843	518,226	91,351	119,050	105,668	128,096	111,303	134,785	263,086
Net Debt	2,802,725	2,512,307	2,771,053	3,138,924	3,155,639	2,932,905	2,645,436	2,435,101	2,461,439

TRAILING TWELVE MONTHS OPERATING INCOME TO ADJUSTED EBITDA									
(Amounts in thousands USD)	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1
Operating income (LTM)	1,347,788	1,318,270	1,225,416	1,095,326	992,257	932,810	885,786	827,224	813,377
Other (expense) income	(12,035)	(11,123)	(10,544)	(7,298)	436	5,574	(46,433)	(36,407)	(45,822)
Net (earnings) loss attributable to non-controlling interest	(3,027)	(2,919)	(2,935)	(3,151)	(2,666)	(1,920)	(1,058)	(360)	(321)
Depreciation and amortization	464,302	481,589	501,046	521,765	536,403	549,837	561,785	576,452	584,677
EBITDA (LTM)	1,797,028	1,785,817	1,712,983	1,606,642	1,526,430	1,486,301	1,400,080	1,366,909	1,351,911
Restructuring, acquisition, integration-related and other costs	67,066	67,230	73,267	78,449	95,839	88,637	70,289	99,679	70,560
Impairment of net investment*	-	-	-	-	-	-	65,172	59,946	59,946
Acquisitions purchase accounting (including inventory step-up)	14,476	5,099	8,638	15,359	16,557	17,527	10,437	3,938	1,386
Release of indemnification asset	6,208	6,208	6,208	4,606	2,857	2,857	2,198	(56)	(91)
Adjusted EBITDA (LTM)	1,884,778	1,864,354	1,801,096	1,705,056	1,641,683	1,595,322	1,548,176	1,530,416	1,483,712
Net Debt to Adjusted EBITDA	1.5	1.3	1.5	1.8	1.9	1.8	1.7	1.6	1.7

*The company impaired its net investment in a Chinese manufacturer and distributor of ceramic tile




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