

Focused on **FUNDAMENTALS**




MOHAWK[®]
INDUSTRIES, INC.

Investor Presentation

July 2019



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
- \$500M stock repurchase program actively in progress

Mohawk by the Numbers



\$10B

2018 Worldwide
Sales



\$1.7B

2018 Adjusted
EBITDA



\$8.2B

CapEx & Acquisition
Investments (2013-18)



44

Acquisitions
Since 1992



19

Countries
Manufacturing



42,000+

Employees
Worldwide



170+

Countries
Sales

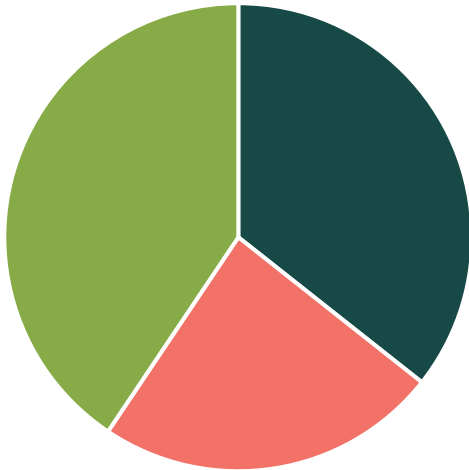


25,000+

Customers
Worldwide

2018 Sales Mix

SEGMENT

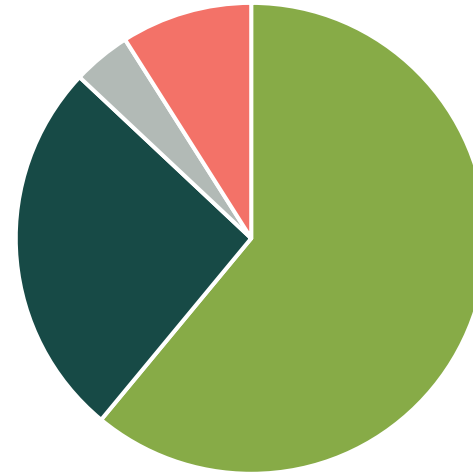


40% Flooring NA

36% Global Ceramic

24% Flooring ROW

GEOGRAPHY



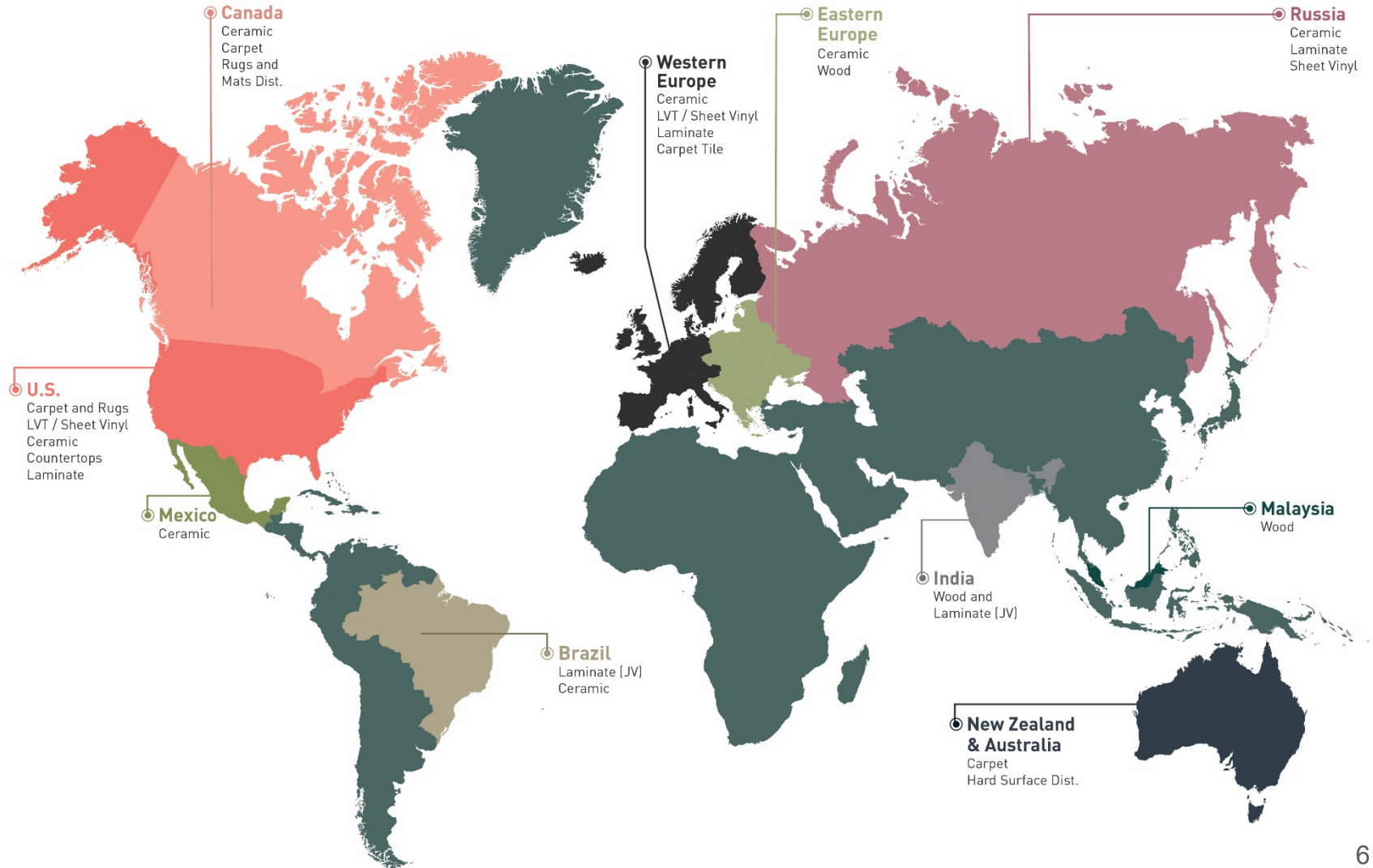
61% United States

26% Europe

4% Russia

9% Other

International Operations



Extending Sales Capacity through Investment

\$2.4B internal investment (2016-2018)



UNITED STATES

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



MEXICO & SOUTH AMERICA

- Doubled ceramic capacity at Salamanca
- Added new carpet cushion facility in Mexicali



EUROPE

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



RUSSIA

- Launched sheet vinyl plant
- Expanding capacity in ceramic and laminate
- Adding premium sanitary ware production

Aggressive Acquisition Strategy

Invested \$4.3B in 19 acquisitions since 2013



GEOGRAPHY

- Strategic fit
- Leverage strengths in existing locations
- Enter markets with significant growth potential



PRODUCTS

- Focus on flooring
- New product categories
- Synergies with existing businesses
- Leverage existing assets to expand distribution



MANAGEMENT

- Proven management teams
- Deep bench strength
- Shared values
- Improve entire business with best practices



RETURNS

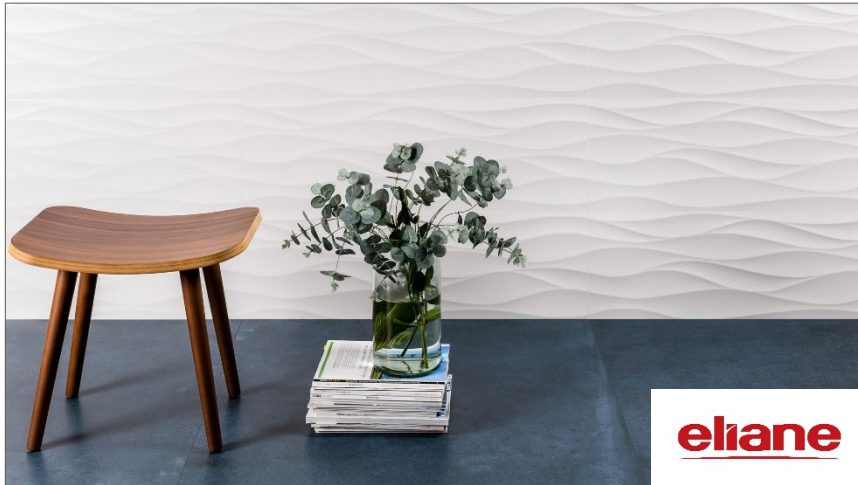
- Best possible valuation
- Potential for significant ROI
- Good short- and long-term opportunity
- Mitigate risks

Godfrey Hirst Acquisition



- Closed acquisition July 2, 2018
- Largest flooring provider in Australia and New Zealand
- Fiscal 2017 net sales: US\$334M
- Carpet manufacturing in both countries
- Sourced hard surface distribution
- Market's design and innovation leader
- Integration underway with existing regional Mohawk soft and hard surface business

Eliane Acquisition



- Closed acquisition November 16, 2018
- Leading ceramic tile manufacturer in Brazil, one of world's largest markets
- Fiscal 2017 net sales: US\$215M
- Produces glazed and unglazed porcelain for floors and walls
- Balanced sales through builders, home centers, retail & national accounts
- Expanding capacity with re-started line
- Making capital investments to enhance products and improve cost



Industry Outlook



Before



After



United States

- GDP & flooring industry growth slowing
- New housing starts showing weakness
- LIRA Index forecasting softer YOY residential remodeling growth
- AIA projecting commercial construction growth, led by institutional & educational

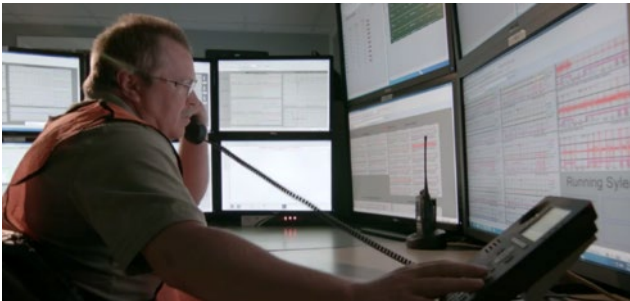
Rest of World

- Economy in EU showing signs of slowing
- Russian economy predicted to improve in second half of 2019
- In Mexico, growth projected as political uncertainty resolved
- Australian housing market weaker due to rising interest rates and tighter loans

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



Clic-Fit Technology;
Faster, Easier
Installation



Superior Slip
Resistance

CARPET



Proprietary Blended
Fibers that Coordinate
with Hard Surfaces



Patented Unified
Soft Flooring; Faster,
Easier Installation

LAMINATE / WOOD



Proprietary
Water Proof Wood



Exclusive Technology
to Repel Spills at
Laminate Joints

LVT / SHEET VINYL



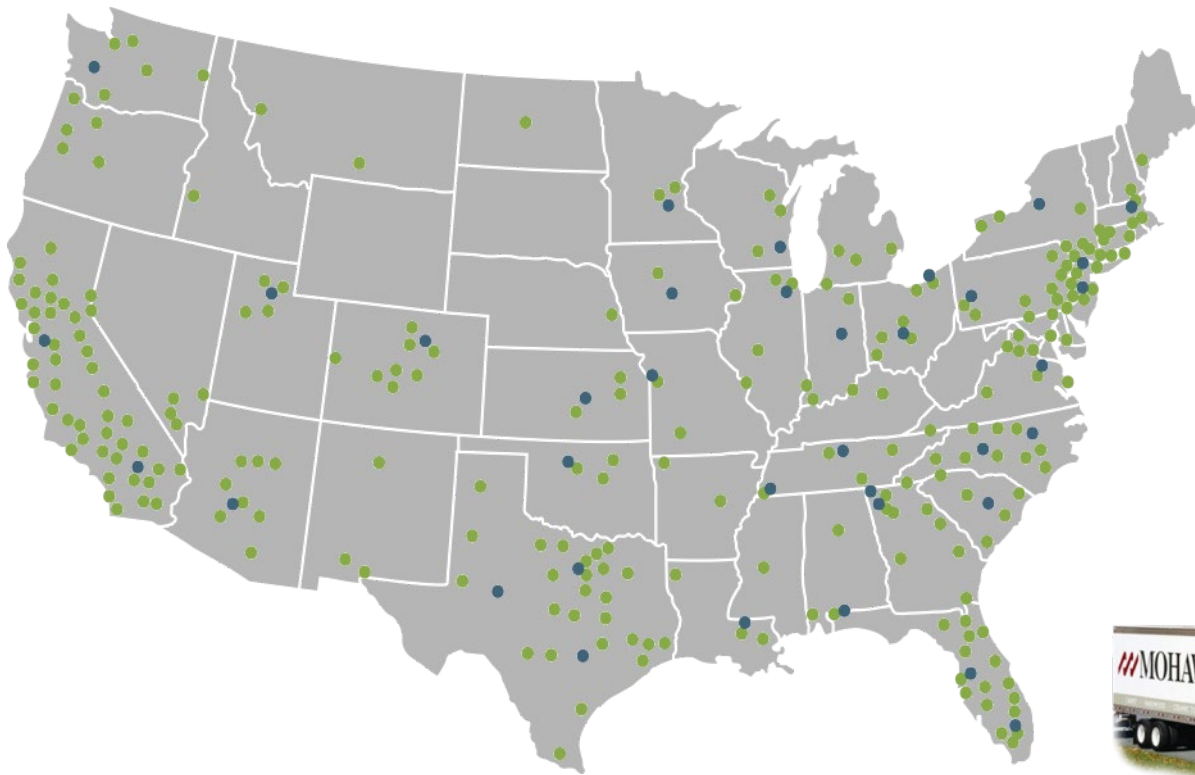
Rigid LVT:
Realistic Visuals;
Water Resistance



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
- 650 trucks



The Business of Sustainability



6.2B

Plastic Bottles
Recycled Annually



6.5B

Pounds of Waste
Recycled



500+

Products with
Recycled Content



42M

Pounds of Tires
Recycled Into Doormats



49

Plants with Zero Waste
to Landfill



36%

Water Intensity
Reduced since 2010



442M

Gallons of Reduced
Water Consumption
since 2015



5%

Greenhouse Gas Intensity
Reduced since 2010



ELIANE PORCELAIN TILE
Savana Fumé (floor) and Aqua Branco AC (wall)

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

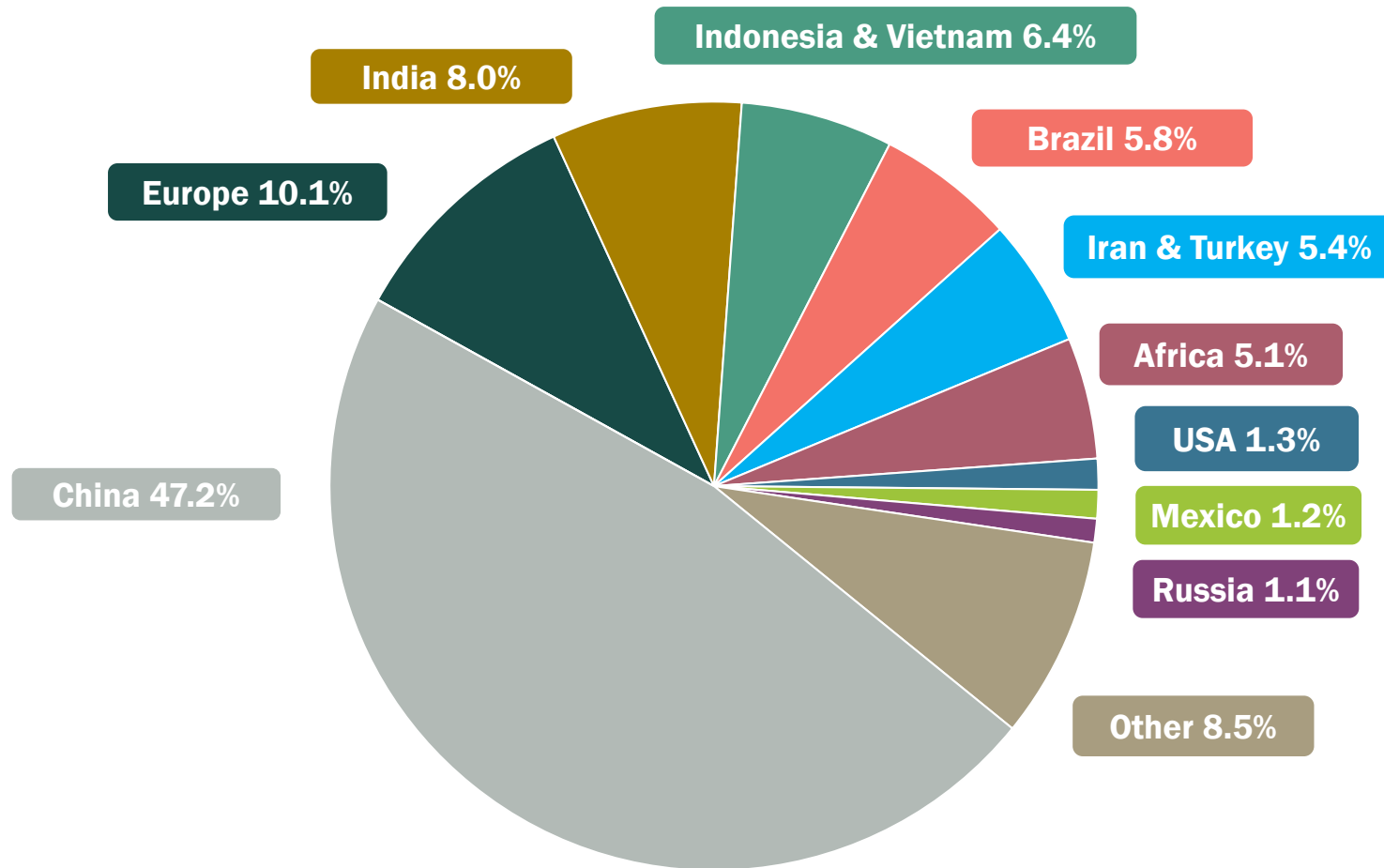


Ceramic: Leveraging Global Assets



Global Tile Market: 146 Billion Sq. Ft.

2018 Mohawk Capacity – 2.4 Billion Sq. Ft.



Global Ceramic: Brands Serving All Channels

UNITED STATES/CANADA



RAGNO

- 239 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
- 372 company-owned or franchised retail stores
- Home centers
- New construction
- Independent distributors
- Commercial

Global Ceramic: Countertops

Stone



High-end, contemporary, luxe 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 UNIFIED SOFT FLOORING
Air. O Peaceful Moments II



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



PERGO LAMINATE
Long Plank Natural Ash


MOHAWK®

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



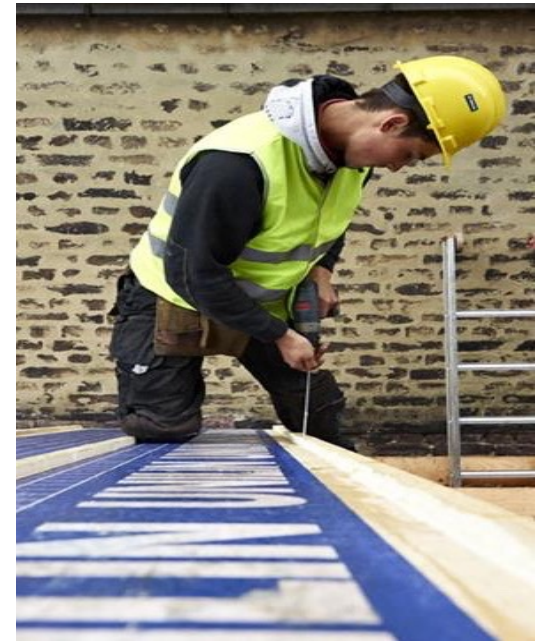
Furniture and specialty construction

Insulation Panels



Airtight solutions for renovations or new construction

Roofing Panels



Insulated custom roof panels and hinged roofs



MARAZZI PORCELAIN TILE

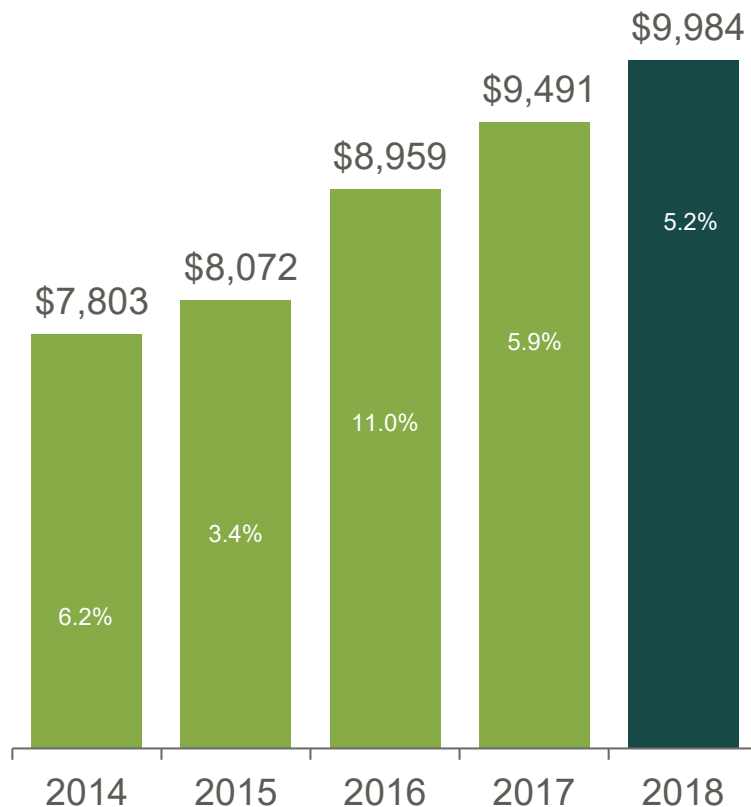
Art Grey Rectifacto (floor), Grande Metal Look Porcelain Slabs (wall)
and D_Segni Colore Decoro Mix (desk)



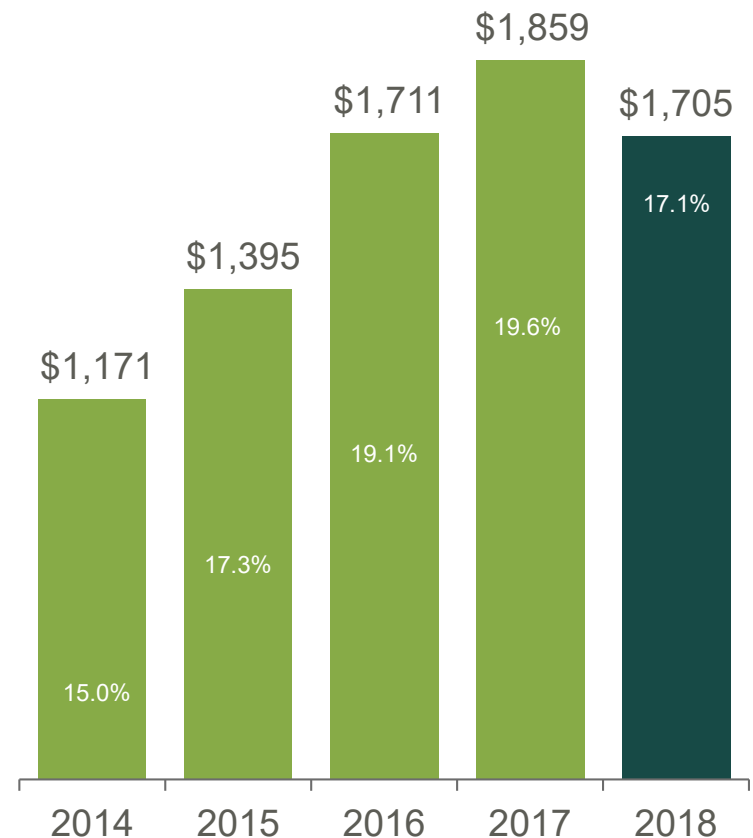
Financials

Net Sales & Adjusted EBITDA

Net Sales (% YOY Growth)



EBITDA (% of Net Sales)



Earnings Summary

(ex-unusual items)

	2014	2015	2016	2017	2018
Net Sales % Change	\$7,803 6%	\$8,072 3%	\$8,959 11%	\$9,491 6%	\$9,984 5%
EBITDA EBITDA Margin	\$1,171 15%	\$1,395 17%	\$1,711 19%	\$1,859 20%	\$1,705 17%
Operating Income Operating Margin	\$834 11%	\$1,050 13%	\$1,298 14%	\$1,416 15%	\$1,189 12%
Net Earnings % Change	\$598 26%	\$756 26%	\$940 24%	\$1,019 8%	\$922 -10%
Adjusted Diluted EPS % Change	\$8.15 24%	\$10.20 25%	\$12.61 24%	\$13.61 8%	\$12.33 -9%

(Dollars in Millions except EPS)

Results by Segment

(ex-unusual items)

	2014	2015	2016	2017	2018
GLOBAL CERAMIC SEGMENT					
Sales % Change	\$3,015 13%	\$3,013 0%	\$3,175 5%	\$3,405 7%	\$3,553 4%
Operating Income Operating Margin	\$360 12%	\$422 14%	\$481 15%	\$545 16%	\$463 13%
FLOORING NA SEGMENT					
Sales % Change	\$3,441 1%	\$3,602 5%	\$3,866 7%	\$4,011 4%	\$4,029 0%
Operating Income Operating Margin	\$315 9%	\$421 12%	\$505 13%	\$573 14%	\$391 10%
FLOORING ROW SEGMENT					
Sales % Change	\$1,354 8%	\$1,457 8%	\$1,919 32%	\$2,075 8%	\$2,402 16%
Operating Income Operating Margin	\$188 14%	\$242 17%	\$348 18%	\$337 16%	\$369 15%

*2014 represent Q2 2015 realignment of segments (Dollars in Millions)

Second Quarter Earnings Summary

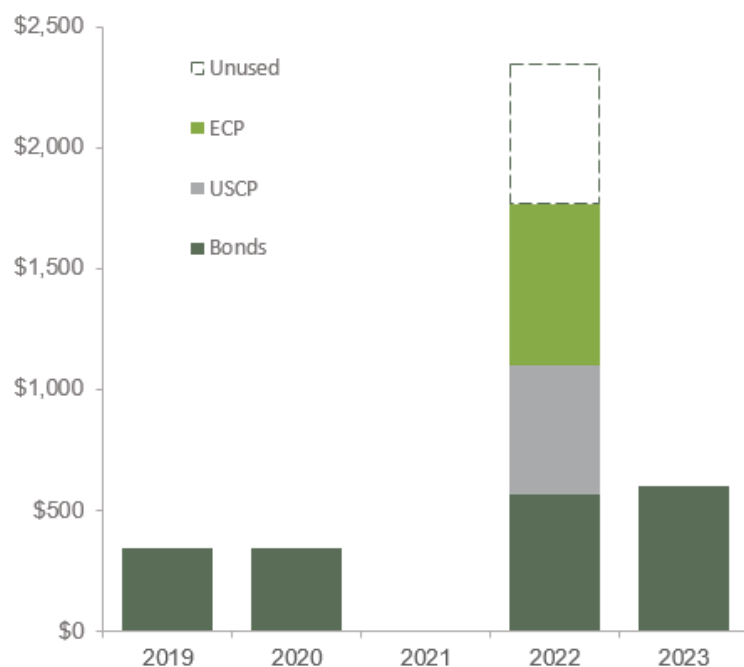
(ex-unusual items)

	2017	2018	2019
Net Sales % Change	\$2,453 6%	\$2,577 5%	\$2,584 0%
EBITDA EBITDA Margin	\$487 20%	\$467 18%	\$420 16%
Operating Income Operating Margin	\$381 16%	\$343 13%	\$277 11%
Adjusted Diluted EPS % Change	\$3.72 7%	\$3.51 -6%	\$2.89 -18%

(Dollars in Millions except EPS)

Leverage and Capital Structure

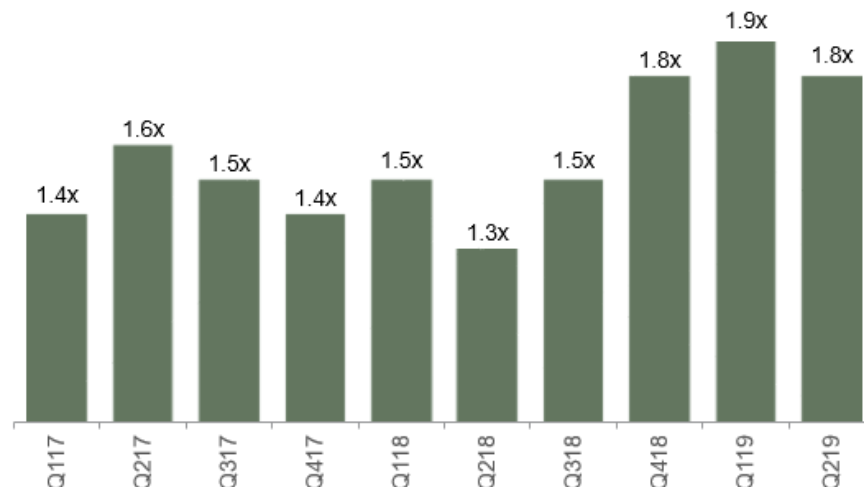
Maturity Schedule¹



Average Rate 1.56% (38% Fixed / 62% Floating)

As of June 29, 2019. Dollars in Millions

Net Debt-to-Adjusted EBITDA Multiple



¹ Approximately \$6 million in capital leases and \$8 million in RUB revolver debt in Russia not shown. USCP and ECP amounts include end of quarter USD and EUR revolver borrowing.

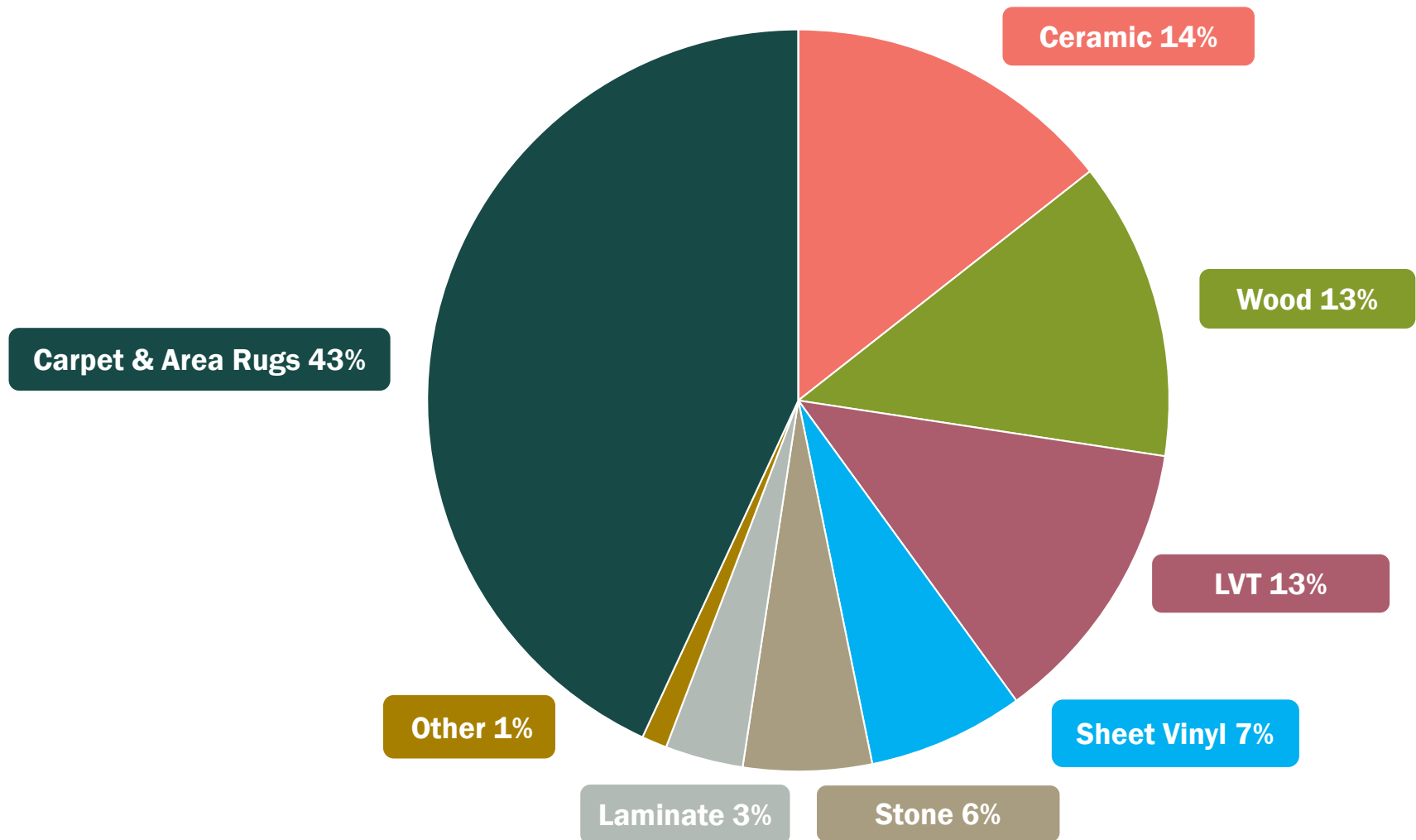


LEOLINE SHEET VINYL
Woodmark Collection - Cardassian



Industry Data

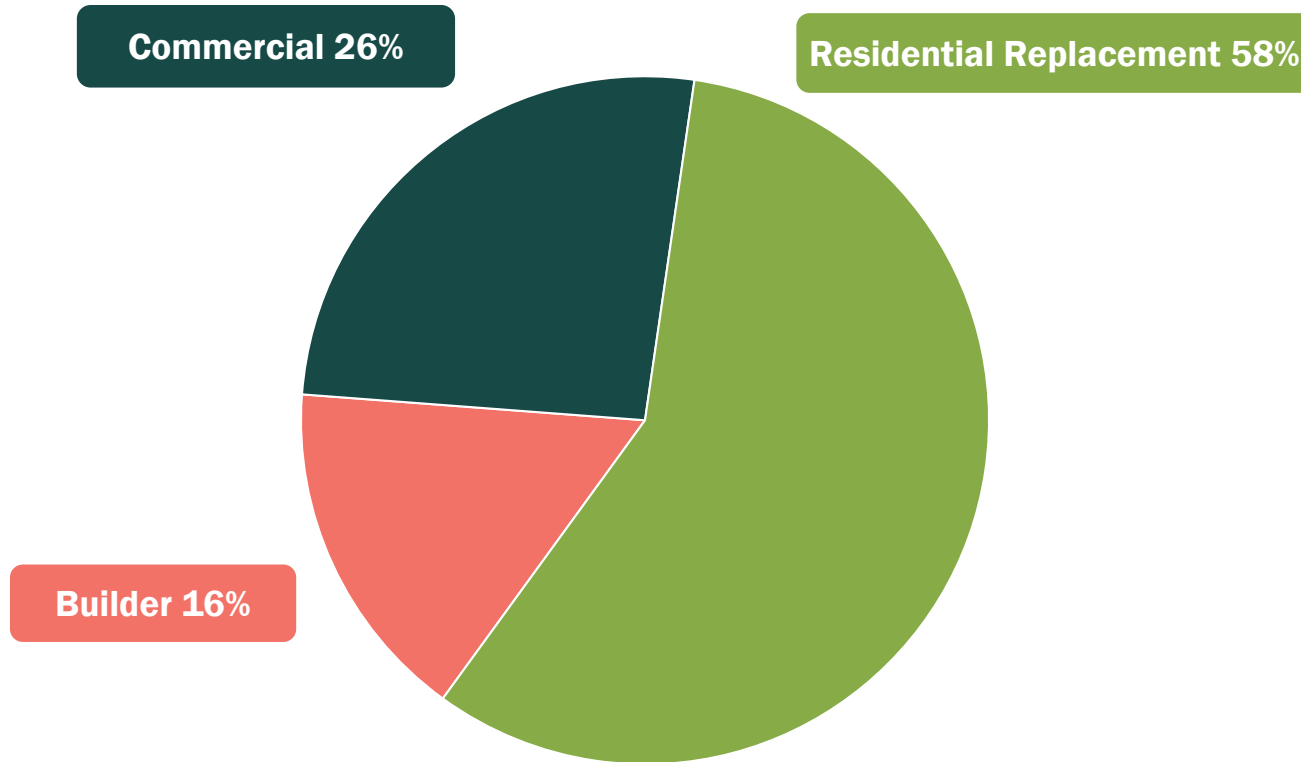
U.S. Flooring Industry: \$27.2 Billion



Source: *Floor Covering Weekly*, July 22, 2019

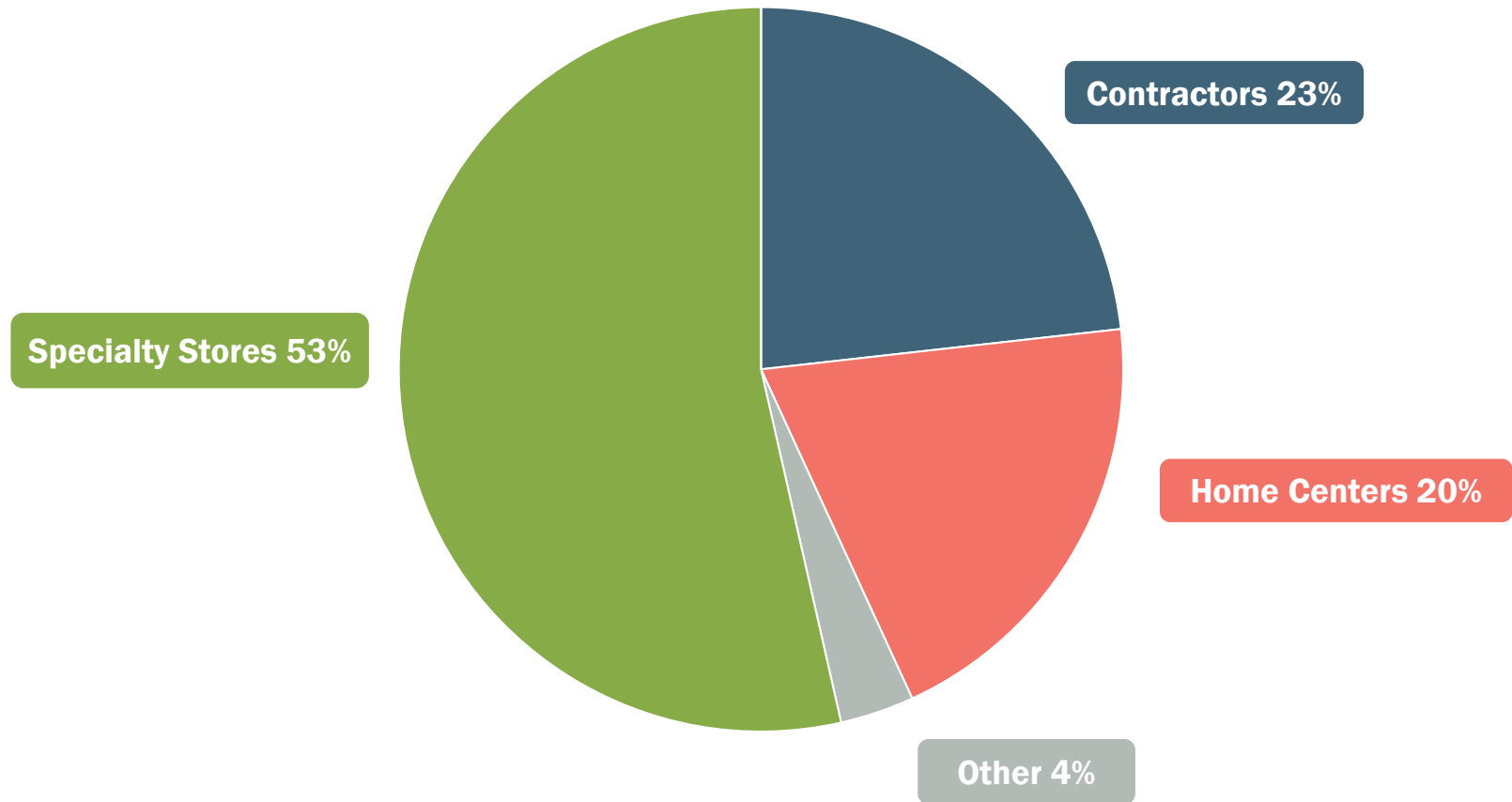
Subject to rounding

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





PERGO EXTREME RIGID LUXURY VINYL TILE
Wood Enhanced Plank - Moonbeam

Appendix: Reconciliation of Non-GAAP Measures

ADJUSTED OPERATING INCOME					
(Amounts in thousands USD)	2014	2015	2016	2017	2018
Operating income	772,796	837,565	1,279,943	1,354,173	1,095,326
Adjustments to operating income:					
Restructuring, acquisition and integration-related and other costs	51,604	74,604	59,847	48,939	78,649
Legal settlement and reserves	10,000	124,480	(90,000)	-	-
Tradename impairment	-	-	47,905	-	-
Acquisitions purchase accounting (including inventory step-up)	-	13,337	-	13,314	15,360
Adjusted operating income	834,400	1,049,986	1,297,695	1,416,426	1,189,335
Adjusted operating income as a percent of net sales	10.7%	13.0%	14.5%	14.9%	11.9%

OPERATING INCOME TO PROFORMA ADJUSTED EBITDA					
(Amounts in thousands USD)	2014	2015	2016	2017	2018
Operating income	772,796	837,565	1,279,943	1,354,173	1,095,326
Other (expense) income	(10,698)	(17,619)	1,729	(5,205)	(7,298)
Net (earnings) loss attributable to non-controlling interest	(289)	(1,684)	(3,204)	(3,054)	(3,151)
Depreciation and amortization	336,608	362,647	409,468	446,672	521,765
EBITDA	1,098,417	1,180,908	1,687,936	1,792,586	1,606,642
Restructuring, acquisition and integration-related and other costs	63,556	65,954	60,524	48,940	78,449
Acquisitions purchase accounting (including inventory step-up)	-	13,337	-	13,314	15,359
Legal settlement and reserves	10,000	124,480	(90,000)	-	-
Tradename impairment	-	-	47,905	-	-
Release of indemnification asset	-	11,180	5,372	4,459	4,606
Adjusted EBITDA	1,171,973	1,395,859	1,711,737	1,859,299	1,705,056

Appendix: Reconciliation of Non-GAAP Measures

ADJUSTED NET EARNINGS					
(Amounts in thousands USD, except EPS)	2014	2015	2016	2017	2018
Net earnings attributable to Mohawk Industries, Inc.	531,965	615,302	930,362	971,638	861,704
Adjusting items:					
Restructuring, acquisition, integration-related and other costs and disposal of subsidiary	63,556	74,604	60,523	49,144	78,449
Acquisitions purchase accounting (including inventory step-up)	-	13,337	-	13,314	15,359
Acquisition interest expense	-	-	-	-	4,322
Legal settlement and reserves	10,000	124,480	(90,000)	-	-
Release of indemnification asset	-	11,180	5,371	4,459	4,606
Bond redemption	18,922	-	-	-	-
Deferred loan costs	1,080	651	-	-	-
Tradename impairment	-	-	47,905	-	-
Income taxes - reversal of uncertain tax position	-	(11,180)	(5,371)	(4,459)	(4,606)
Income tax reform	-	-	-	810	-
Income taxes	(27,856)	(72,872)	(8,443)	(16,260)	(37,817)
Adjusted net earnings attributable to Mohawk Industries, Inc.	597,668	755,502	940,348	1,018,646	922,017
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	8.15	10.20	12.61	13.61	12.33
Weighted-average common shares outstanding - diluted	73,363	74,043	74,568	74,839	74,773

Appendix: Reconciliation of Non-GAAP Measures

ADJUSTED OPERATING INCOME					
(Amounts in thousands USD)	2014	2015	2016	2017	2018
GLOBAL CERAMIC SEGMENT					
Operating income	351,113	414,154	478,448	525,401	442,898
Adjustments to operating income:					
Restructuring, acquisition and integration-related and other costs	9,330	5,429	2,906	6,142	13,312
Acquisitions purchase accounting (including inventory step-up)	-	2,881	-	13,122	6,721
Adjusted operating income	360,443	422,464	481,355	544,666	462,933
Adjusted operating income as a percent of net sales	12.0%	14.0%	15.2%	16.0%	13.0%
FLOORING NA SEGMENT					
Operating income	299,992	264,271	505,115	540,337	347,937
Adjustments to operating income:					
Restructuring, acquisition and integration-related and other costs	4,610	27,290	41,841	32,966	42,847
Impairment of tradename	-	-	47,905	-	-
Legal settlement and reserves	10,000	126,480	(90,000)	-	-
Acquisitions purchase accounting (including inventory step-up)	-	2,694	-	-	-
Adjusted operating income	314,602	420,735	504,861	573,303	390,783
Adjusted operating income as a percent of net sales	9.1%	11.7%	13.1%	14.3%	9.7%
FLOORING ROW SEGMENT					
Operating income	151,528	203,370	333,091	329,054	345,801
Adjustments to operating income:					
Restructuring, acquisition and integration-related and other costs	36,177	30,547	14,592	7,516	14,978
Acquisitions purchase accounting (including inventory step-up)	-	7,761	-	192	8,639
Adjusted operating income	187,705	241,678	347,683	336,762	369,417
Adjusted operating income as a percent of net sales	13.9%	16.6%	18.1%	16.2%	15.4%

Appendix: Reconciliation of Non-GAAP Measures

ADJUSTED OPERATING INCOME			
(Amounts in thousands USD)	2017Q2	2018Q2	2019Q2
Operating income	355,825	326,307	266,860
Adjustments to operating income:			
Restructuring, acquisition and integration-related and other costs	15,878	16,043	8,935
Acquisitions purchase accounting (including inventory step-up)	9,571	194	1,164
Adjusted operating income	381,274	342,543	276,959
Adjusted operating income as a percent of net sales	15.5%	13.3%	10.7%

OPERATING INCOME TO ADJUSTED EBITDA			
(Amounts in thousands USD)	2017Q2	2018Q2	2019Q2
Operating income	355,825	326,307	266,860
Other (expense) income	(3,002)	(2,090)	3,048
Net (earnings) loss attributable to non-controlling interest	(1,067)	(959)	(213)
Depreciation and amortization	109,761	127,048	140,482
EBITDA	461,517	450,306	410,177
Restructuring, acquisition and integration-related and other costs	15,878	16,042	8,840
Acquisitions purchase accounting (including inventory step-up)	9,571	194	1,164
Release of indemnification asset	-	-	-
Adjusted EBITDA	486,966	466,542	420,181

Appendix: Reconciliation of Non-GAAP Measures

ADJUSTED NET EARNINGS			
<i>(Amounts in thousands USD, except EPS)</i>	2017Q2	2018Q2	2019Q2
Net earnings attributable to Mohawk Industries, Inc.	260,681	196,586	202,441
Adjusting items:			
Restructuring, acquisition and integration-related and other costs and disposal of subsidiary	15,878	16,042	8,840
Acquisitions purchase accounting (including inventory step-up)	9,571	194	1,164
Income taxes	(7,677)	50,106	(2,701)
Adjusted net earnings attributable to Mohawk Industries, Inc.	278,452	262,929	209,744
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	3.72	3.51	2.89
Weighted-average common shares outstanding - diluted	74,801	74,937	72,680

Appendix: Reconciliation of Non-GAAP Measures

NET DEBT										
(Amounts in thousands USD)	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2
Current portion of long-term debt and commercial paper	1,497,986	1,754,077	1,172,781	1,203,683	1,331,917	1,146,511	1,333,853	1,742,373	1,763,332	1,891,512
Long-term debt, less current portion	1,132,268	1,174,440	1,544,665	1,559,894	1,585,651	1,884,023	1,528,551	1,515,601	1,497,975	1,169,489
Less: Cash and cash equivalents	188,436	130,238	84,502	84,884	114,843	518,226	91,351	119,050	105,668	128,096
Net Debt	2,441,818	2,798,279	2,632,944	2,678,693	2,802,725	2,512,308	2,771,053	3,138,924	3,155,639	2,932,905

TRAILING TWELVE MONTHS OPERATING INCOME TO ADJUSTED EBITDA										
(Amounts in thousands USD)	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2
Operating income (LTM)	1,309,056	1,314,189	1,315,979	1,354,173	1,347,788	1,318,270	1,225,416	1,095,326	992,257	932,810
Other (expense) income	7,990	(819)	1,735	(5,205)	(12,035)	(11,123)	(10,544)	(7,298)	436	5,574
Net (earnings) loss attributable to non-controlling interest	(3,137)	(3,278)	(3,326)	(3,054)	(3,027)	(2,919)	(2,935)	(3,151)	(2,666)	(1,920)
Depreciation and amortization	414,298	422,844	432,679	446,672	464,302	481,589	501,046	521,765	536,403	549,837
EBITDA (LTM)	1,728,207	1,732,936	1,747,067	1,792,586	1,797,028	1,785,817	1,712,983	1,606,642	1,526,430	1,486,301
Restructuring, acquisition, integration-related and other costs	56,784	66,642	49,923	48,940	67,066	67,230	73,267	78,449	95,839	88,637
Acquisitions purchase accounting (including inventory step-up)	192	9,763	13,314	13,314	14,476	5,099	8,638	15,359	16,557	17,527
Impairment of tradename	47,905	47,905	-	-	-	-	-	-	-	-
Legal settlement and reserves	(90,000)	(90,000)	-	-	-	-	-	-	-	-
Release of indemnification asset	5,372	5,372	3,004	4,459	6,208	6,208	6,208	4,606	2,857	2,857
Adjusted EBITDA (LTM)	1,748,460	1,772,618	1,813,308	1,859,299	1,884,778	1,864,354	1,801,096	1,705,056	1,641,683	1,595,322
Acquisitions EBITDA										
Proforma Adjusted EBITDA (LTM)	1,748,460	1,772,618	1,813,308	1,859,299	1,884,778	1,864,354	1,801,096	1,705,056	1,641,683	1,595,322

Net Debt to Proforma Adjusted EBITDA	1.4	1.6	1.5	1.4	1.5	1.3	1.5	1.8	1.9	1.8
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Investor Presentation



PERGO EXTREME RIGID LUXURY VINYL TILE
BLUSHWORTHY MARBLE LOOK