



Investor Presentation – November 2015

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 Industries Highlights



- World's largest flooring manufacturer
- Leading market positions
 - Ceramic
 - Carpet & Rugs
 - Laminate
 - Wood
 - Sheet Vinyl & LVT
 - Stone Flooring & Countertops
- Expanding international presence
- Total flooring product offering
- Vertically integrated manufacturing
- Superior distribution infrastructure
- Strong management team with multi-level succession plan
- Significant insider ownership

Mohawk by the Numbers



\$8.6B

Worldwide Sales
Pro Forma



\$1,353M

Adjusted EBITDA
Pro Forma



1,447%

Stock Growth
Since 1992



33

Acquisitions
Since 1992



13

Countries
Manufacturing



30,000+

Employees
Worldwide



140

Countries
Sales



25,000+

Customers
Worldwide

Focused Business Strategy



VALUE MAXIMIZATION

- Grow shareholder value
- Deliver above-market returns
- Increase profits through growth, efficiencies and distribution



OPERATIONAL EXCELLENCE

- Drive optimization of resources and materials
- Leverage knowledge and innovation across segments
- Strong capital investment to expand or extend market positions



AGGRESSIVE GROWTH

- Provide value through innovative products and process improvements
- Expand international participation in growth markets
- Execute acquisitions supporting current businesses and geographic expansion

Aggressive Acquisition Strategy



GEOGRAPHY

- New locations
- Leverage strengths in existing locations



PRODUCTS

- New flooring product categories
- Categories with synergies to our existing businesses
- Product extensions



MANAGEMENT

- Proven management team
- Good bench strength
- Shared values



RETURNS

- Good valuation
- Potential for significant ROI
- Good short and long-term opportunity

IVC & KAI Acquisitions: Completed Q2 2015

IVC Group

- **LVT & Sheet Vinyl Production**

- Based in Belgium & U.S.
- 2014 sales \$751M & EBITDA 19.7%
- #1 European residential sheet vinyl & LVT
- #2 North America sheet vinyl

- **Transaction Details**

- \$1.2B price (8.2x) adjusted for new U.S. LVT plant & European print line
- Financed through \$1B debt & \$150M stock
- EPS accretive in 2015

- **Opportunities**

- Low cost, flexible production; state-of-the-art equipment
- Projected growth of European & U.S. LVT markets
- Fiberglass sheet vinyl taking share
- Leverage Mohawk residential & commercial sales



KAI Group

- **Ceramic Tile Production**

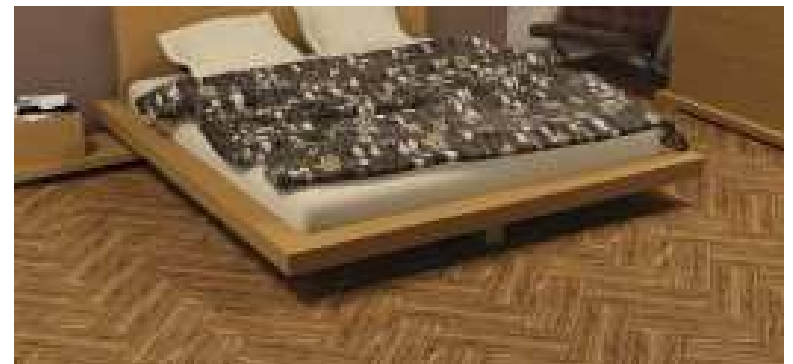
- Leading ceramic producer in Bulgaria & Romania
- Focus on low- to mid-point of the market

- **Transaction Details**

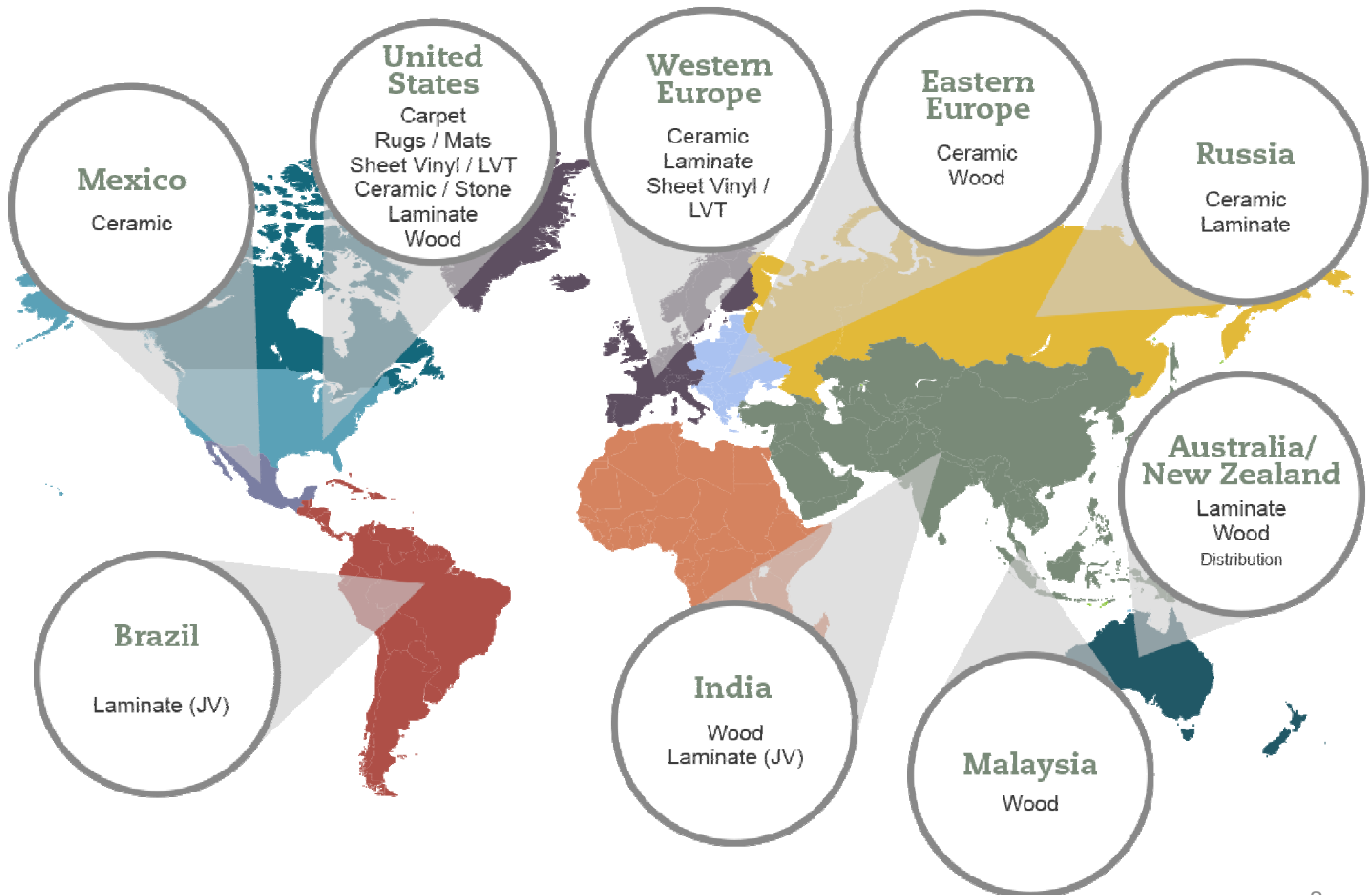
- \$220M price paid with cash
- EPS accretive in 2015

- **Opportunities**

- Low cost producer in Bulgarian & Romanian markets
- Expand product offering & upgrade technology
- Increase exports



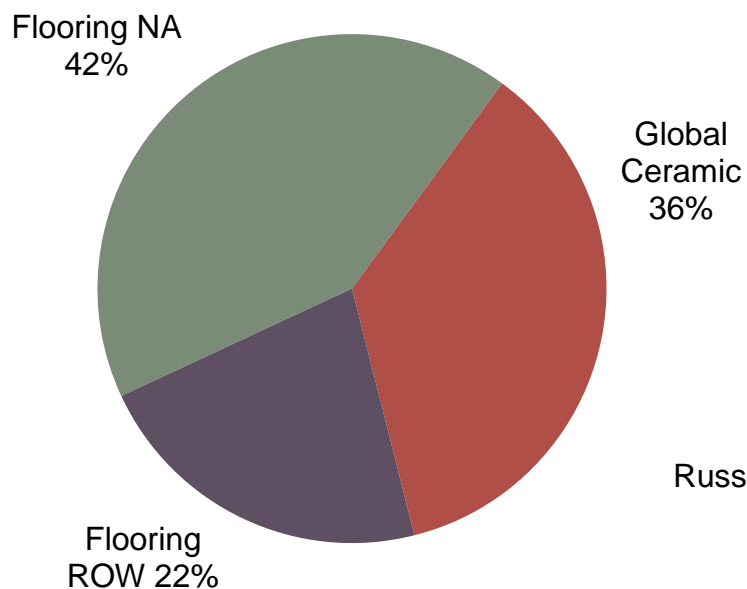
International Footprint



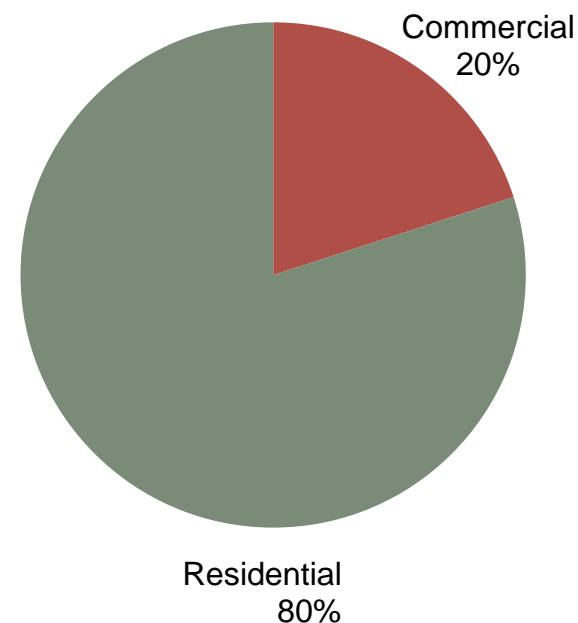
2014 Sales Mix

(pro forma)

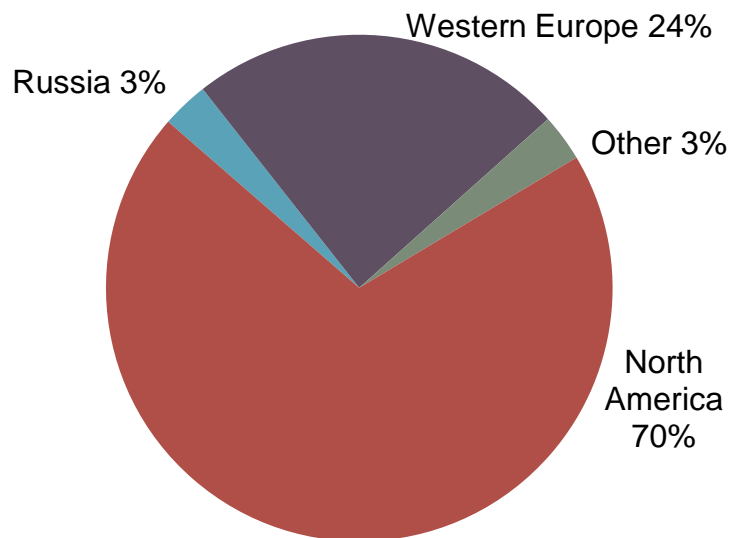
By Segment



By End Market



By Geography



Positive Industry Outlook



Before



After



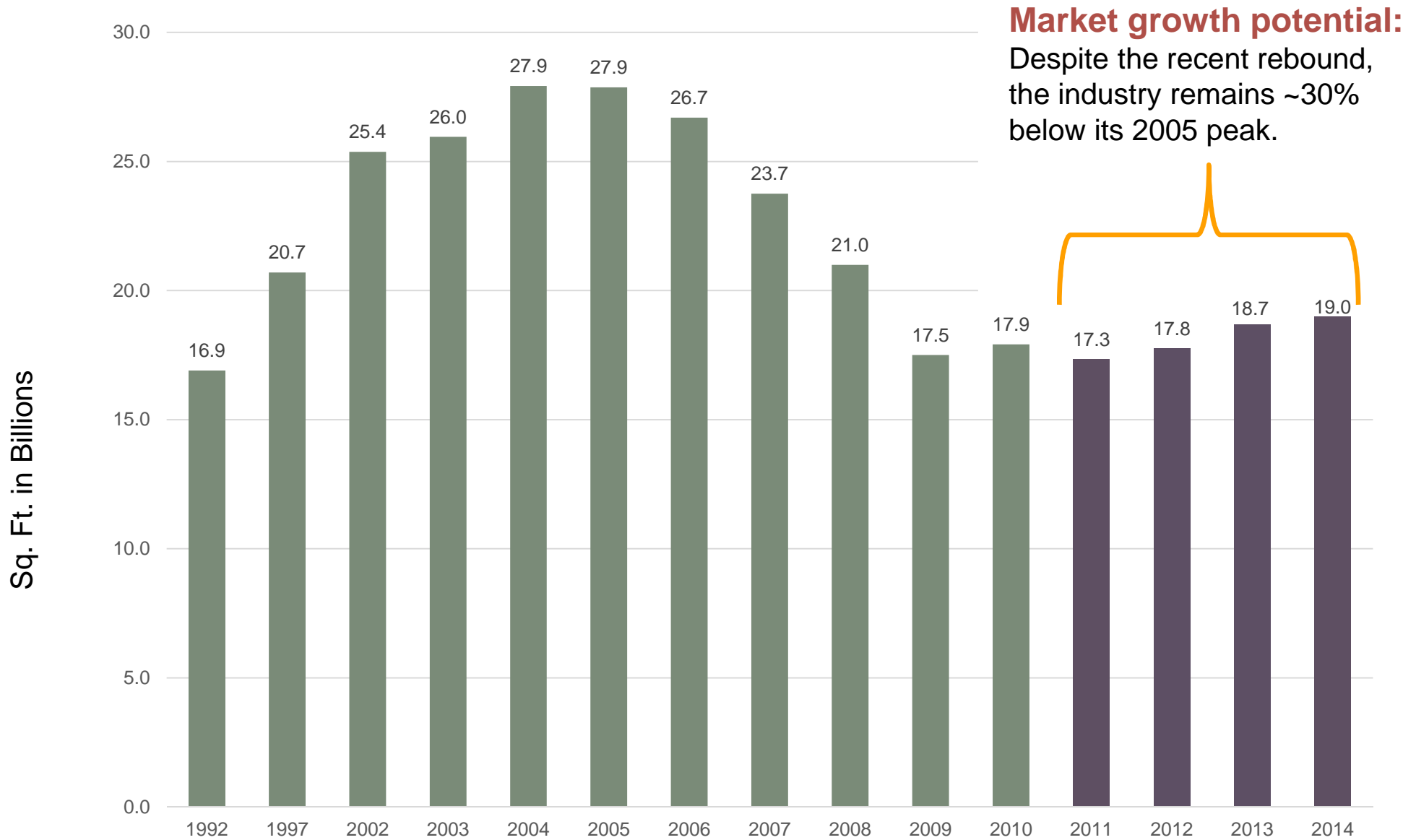
United States

- GDP growing & flooring will outpace
- Low mortgage rates driving home sales
- New residential construction increasing
- Uptick in first-time homebuyers
- Rising home prices support reinvestment
- Anticipate surge in new flooring purchases over the next few years
- Commercial end market growing

Other Markets

- Europe appears to be moving from cyclical bottom
- EU Central Bank stimulus plan should add liquidity to markets
- Russia facing continued challenges; significant long-term upside from aging housing
- Mexico's GDP 2015 forecast remains upbeat

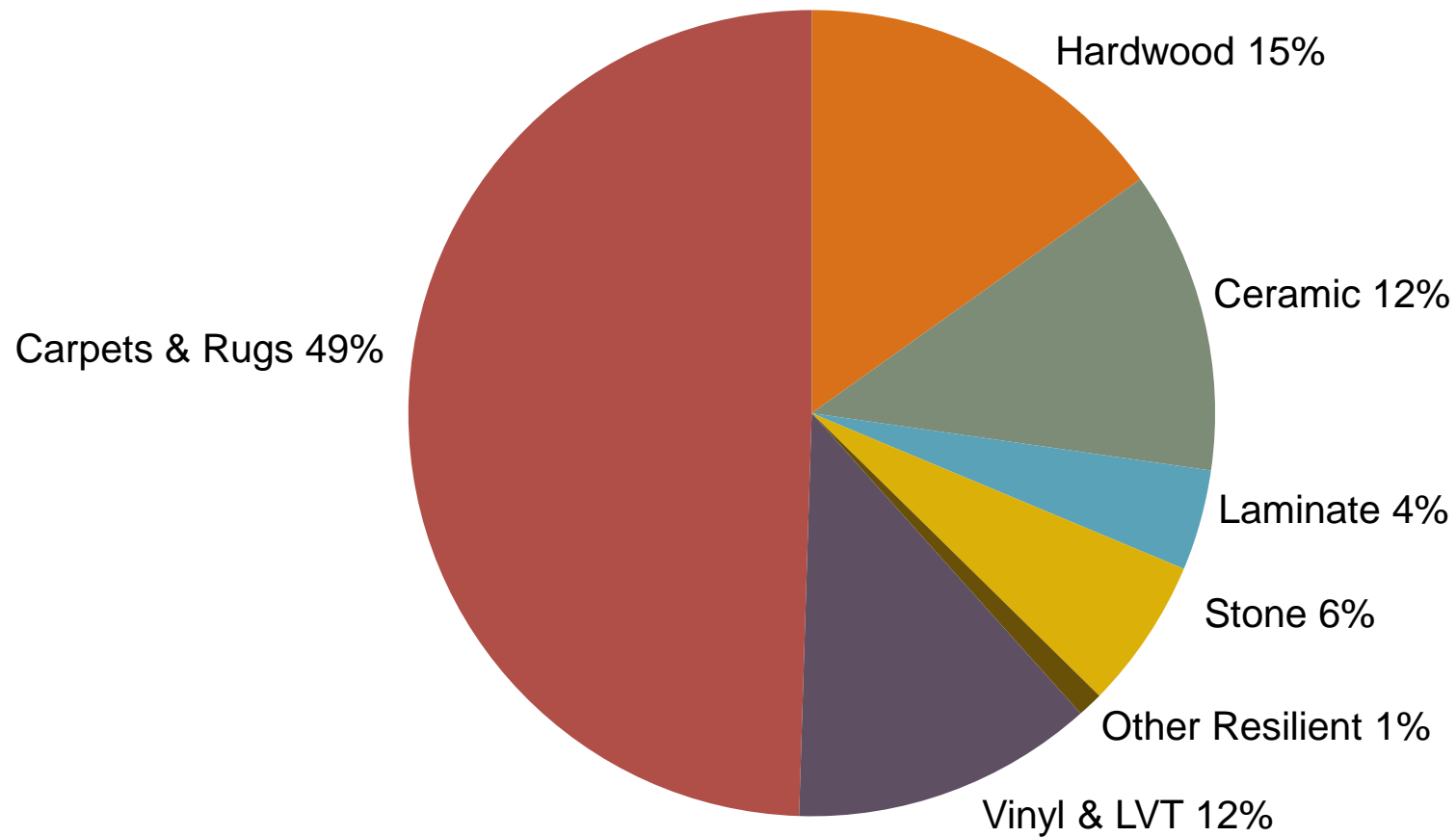
Historic Pent Up Demand: U.S. Flooring



Source: *Floor Covering Weekly* (Catalina Research)

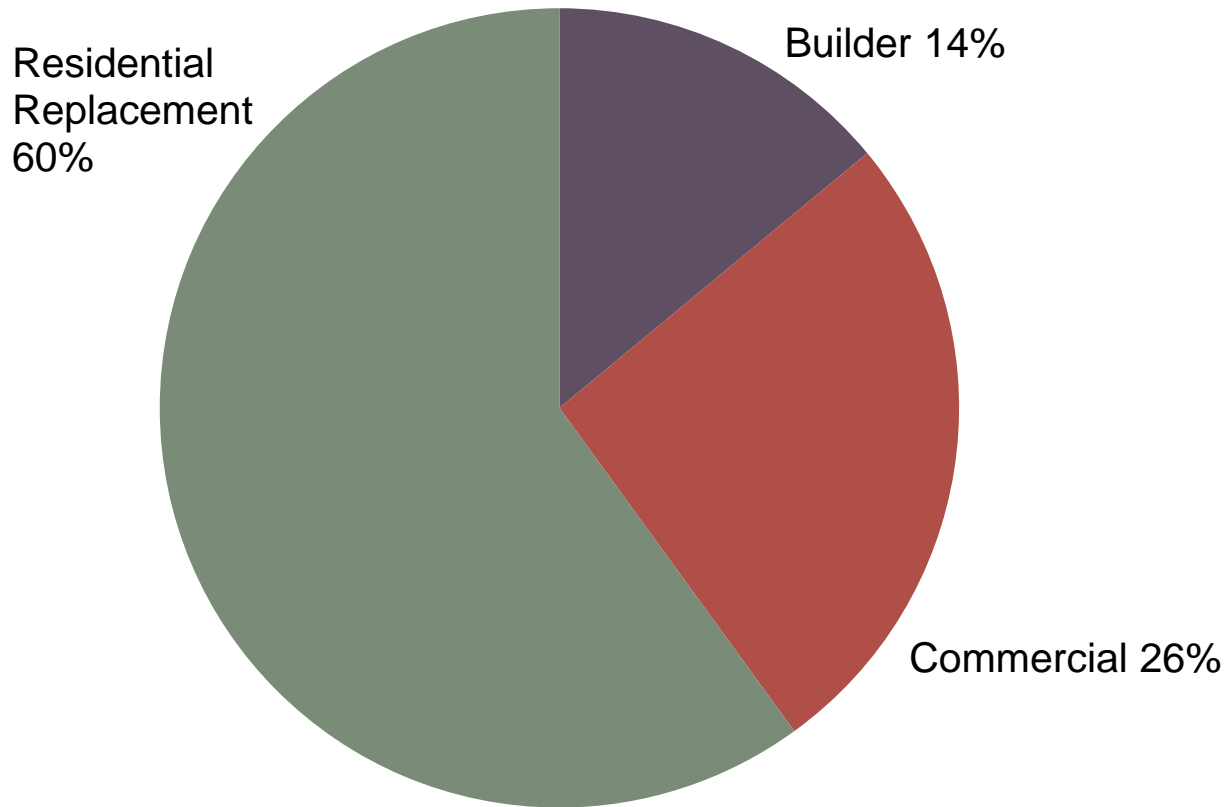
Product Mix Across U.S. Flooring Industry

U.S. Flooring Industry - \$22 Billion



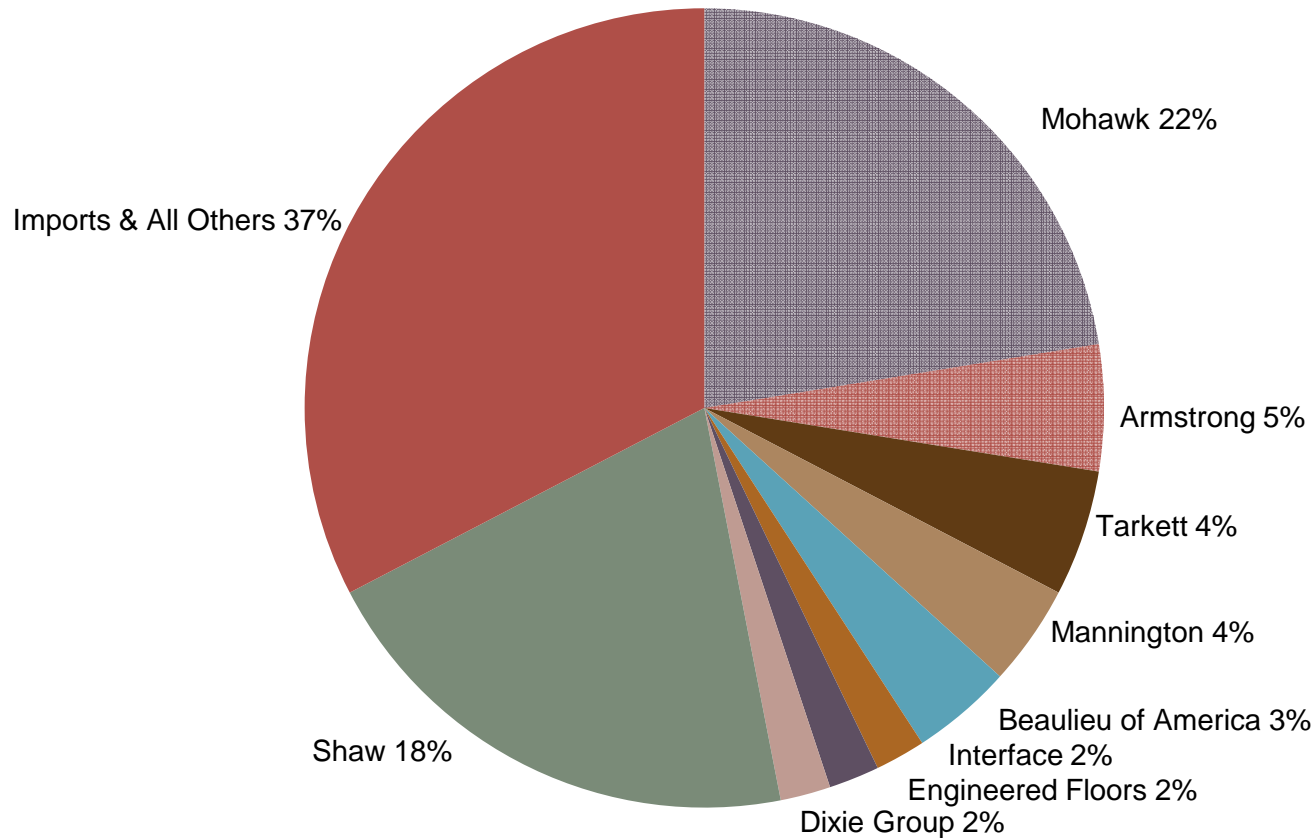
U.S. Floor Covering Sales by End-Use Market

U.S. Industry Sales

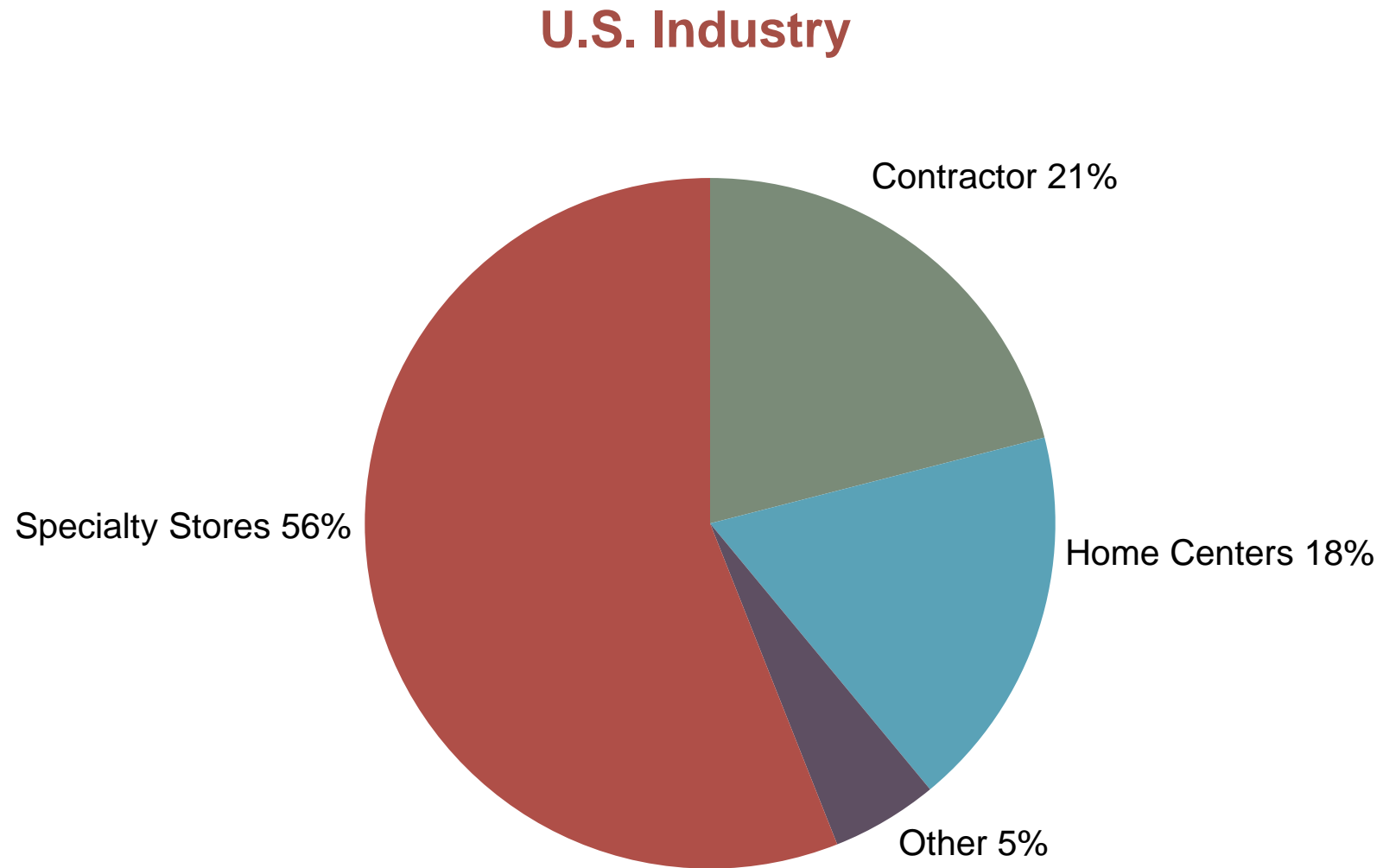


- Industry recovery early in cycle
- Anticipate considerable expansion in new housing starts
- Residential remodeling may significantly expand with growing consumer confidence
- Commercial indicators suggest future growth

Total Flooring Industry Competitor Mix



U.S. Floorcovering Distribution Channels



Innovative Products & Technologies

CERAMIC



**Printed Ceramic
Tile**



**Ceramic Wood
Planks**

CARPET



**Exclusive Super
Soft & Stain
Resistant Fiber**



**Proprietary
Polyester Fiber
Process**

LAMINATE / LVT

IMPRESSIVE

**Deep Natural
Surface Texture;
Water Resistance**

LIVYN™

**LVT With
Proprietary
Uniclic® System**

WOOD



**Locking
Engineered
Hardwood**

OPULUX™

**Wear & Stain
Resistant Wood
Finish**

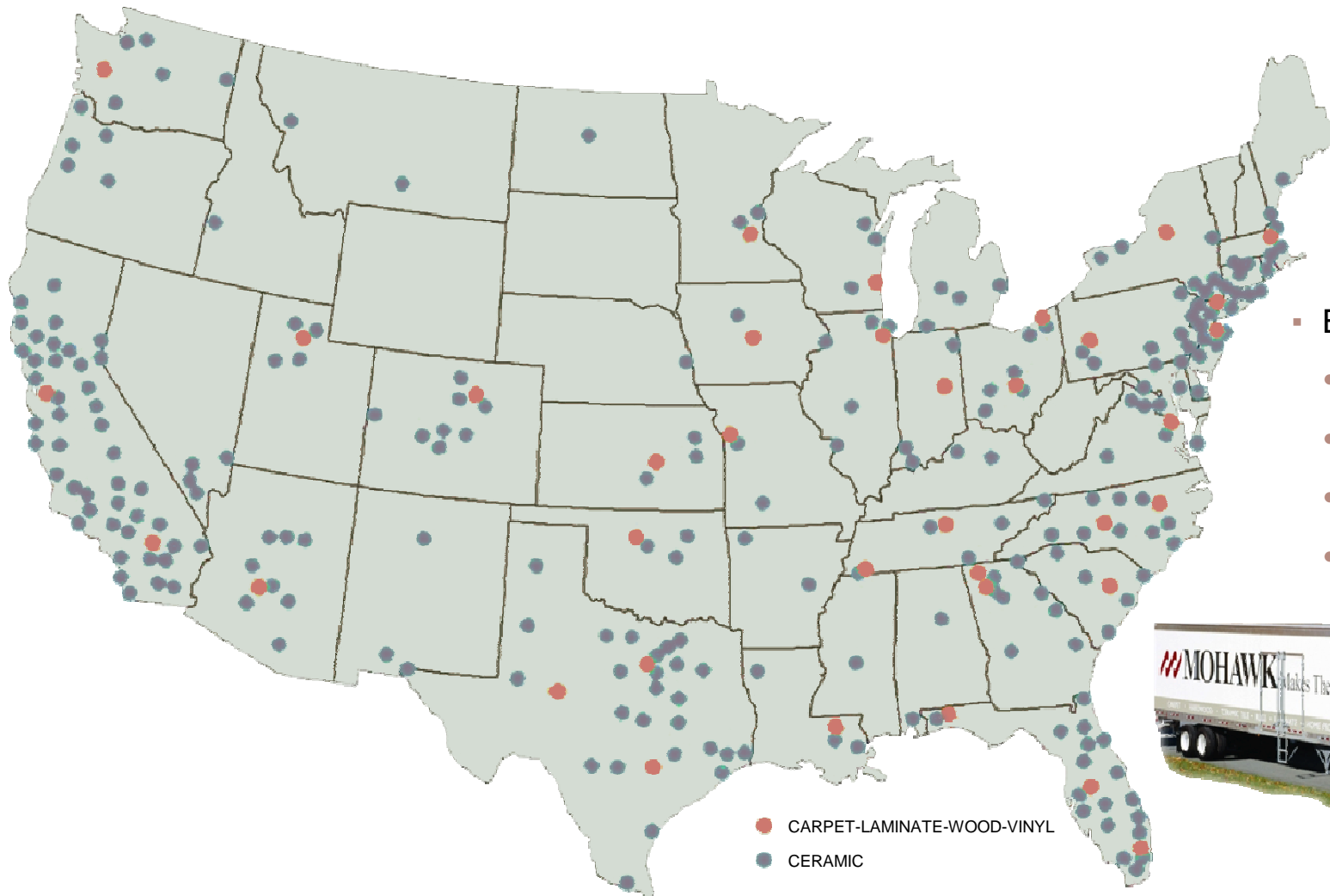
World-Class Systems

- State-of-the-art order and inventory management system
- Sophisticated transportation management
- Integrated warehouse management
- Next-generation supply chain planning



Best-in-Class Distribution Network

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



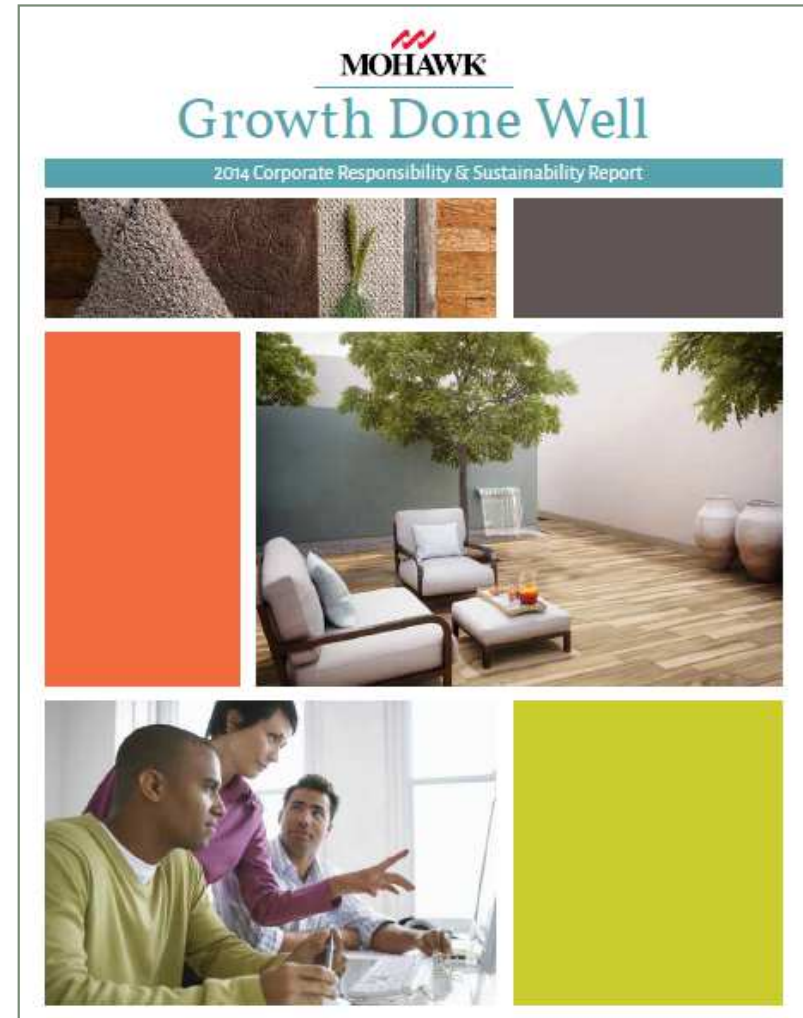
- BEST-IN-CLASS:
 - Logistics system
 - 1,500 sales representatives
 - 300 distribution points
 - 600 trucks



The Business of Sustainability

Improving the Environment in Our Communities

- **Waste reduction**
 - Over 4 billion lbs. of recycled materials purchased
 - Zero Process Waste to Landfill campaign
- **Use of recycled content**
 - Over 500 products contain recycled material
 - Recycle about 5 billion plastic bottles annually
 - Over 25 million lbs. of tires recycled into doormats
- **Exclusive sustainable product category**
 - SmartStrand Forever Clean: Bio-based carpet fiber
- **Investment in resource efficiencies**
 - Water use down 220 million gallons since 2010
 - Energy consumption down over 120,000 MWh since 2013
 - Reduced energy intensity 11.4% since 2010



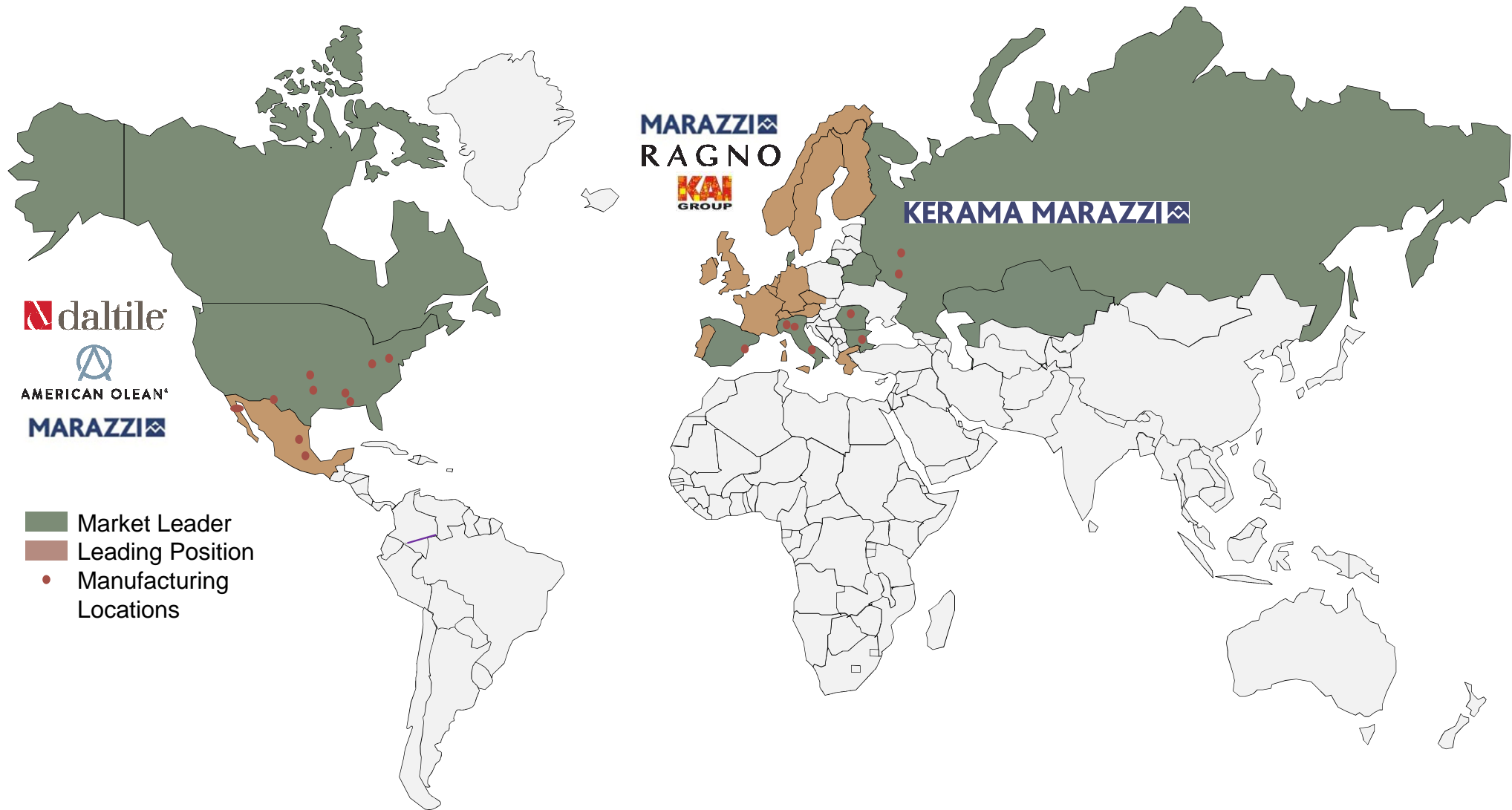
www.mohawksustainability.com



Competitive Advantages

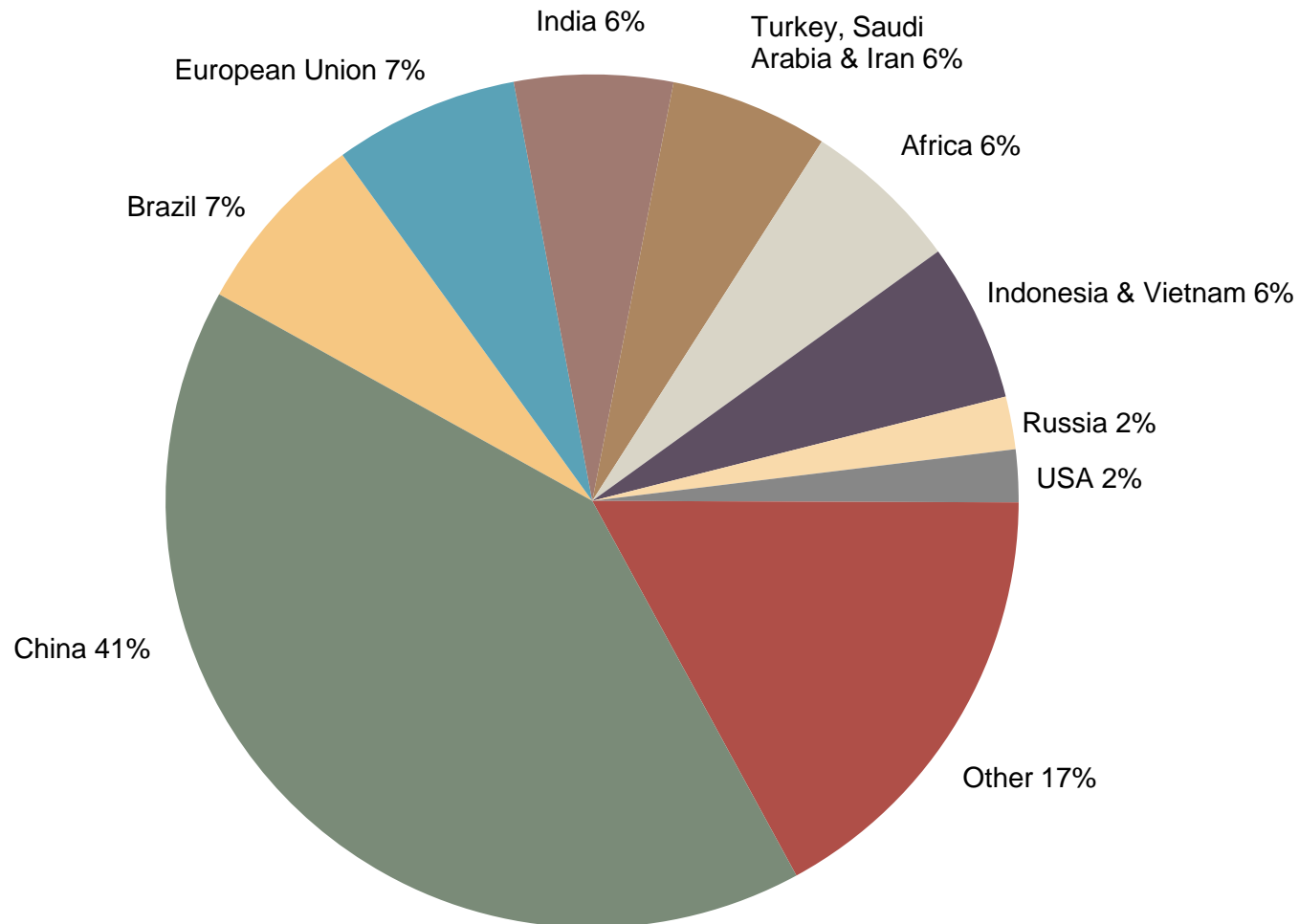
- Worldwide ceramic leader with leading positions in North America, Eastern & Western Europe and Russia
- Most widely recognized ceramic brands
- Broad product line satisfies all channels and price points
- North American market share substantially larger than closest competitor
- Unmatched North American distribution and production capability
- Sales in more than 100 countries

Ceramic: Expanding Globally



Global Tile Market: Opportunity

2014 Consumption by Region - 128 Billion Sq. Ft.



Global Ceramic Segment: Brands Serving All Channels



- 215 company-operated service centers in the U.S. and Canada
- 26 stone centers in the U.S.
- 13 design galleries in the U.S.
- Home centers in the U.S., Canada and Mexico
- Independent distributors in Mexico



- Residential flooring dealer focus in the U.S.



AMERICAN OLEAN® R A G N O



- Independent distributors in Russia, the U.S. and Europe
- Home centers in the U.S., Russia and Europe
- 33 service centers in the U.S. covering regions without independent distributors
- Consolidating select Marazzi and American Olean service centers
- 24 distribution centers in Russia
- 316 company-owned or franchised retail stores in Russia and neighboring countries



Competitive Advantages

- Leading market share in all channels
- Leader in innovation, design & technology
- Well-known exclusive brands in soft and hard surfaces
- Leveraging customer relationships across product categories
- Low-cost integrated manufacturing
- Best-in-class national distribution
- Significant growth opportunity with LVT

Flooring North America: Brands Serving All Channels

RESIDENTIAL CARPET



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

COMMERCIAL CARPET



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

HARD SURFACES



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

BATH & AREA RUGS



- Mass Merchants
- Department Stores
- Home Centers
- Independent Specialty Retail
- Online



Competitive Advantages

- Leader in mid- to high-end categories
- Undisputed innovation frontrunner
- Extending value of widely recognized brands with introductions in new product categories
- Vertically integrated low-cost manufacturer across product categories
- Leveraging customer relationships to enter new channels and markets
- Significant growth opportunity with LVT

Flooring ROW: Brands Serving All Channels

LAMINATE



PERGO

balterio
FOR EVERYDAY LIFE...

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

WOOD



PERGO

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

LVT



PERGO

 **moduleo**
Design Floors

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

SHEET VINYL

 **leoline**
Residential Floors

 **itec**
Contract Floors

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

Flooring ROW Segment: Boards & Panels

- **Chipboards**
 - Furniture and specialty construction
- **Custom Roofing Panels**
 - Insulated roof panels and hinged roofs
- **Insulation Panels**

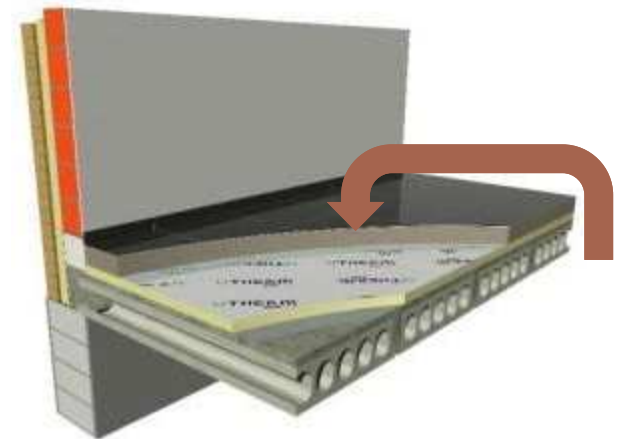
Roofing Panels



Chipboards



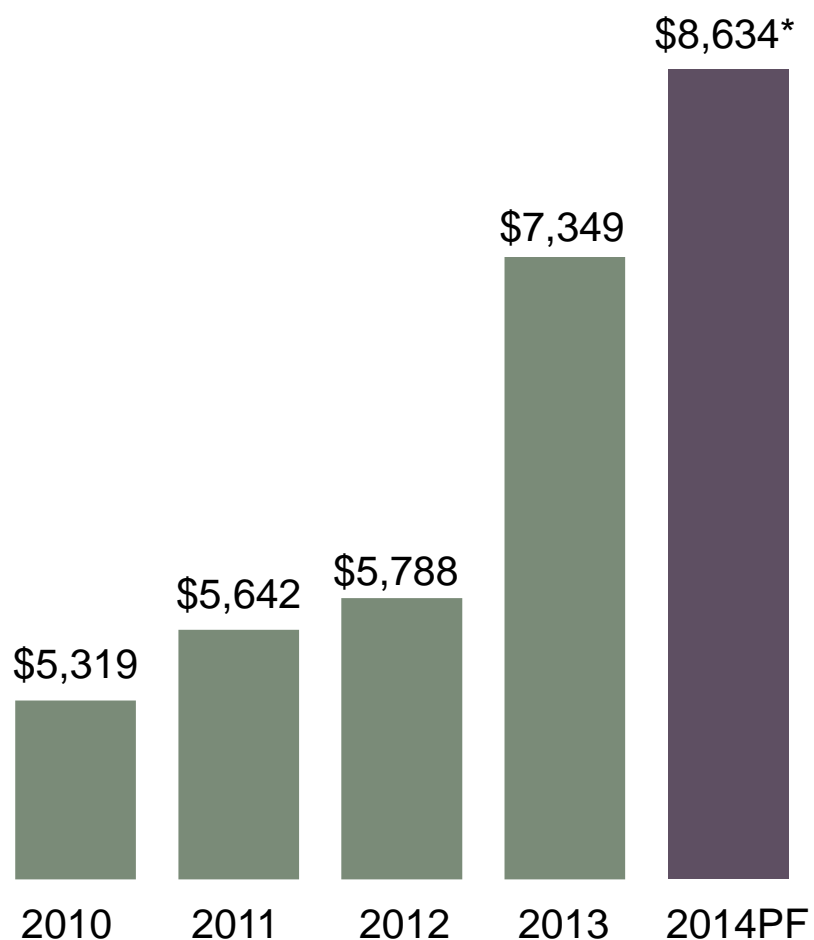
Insulation Panels



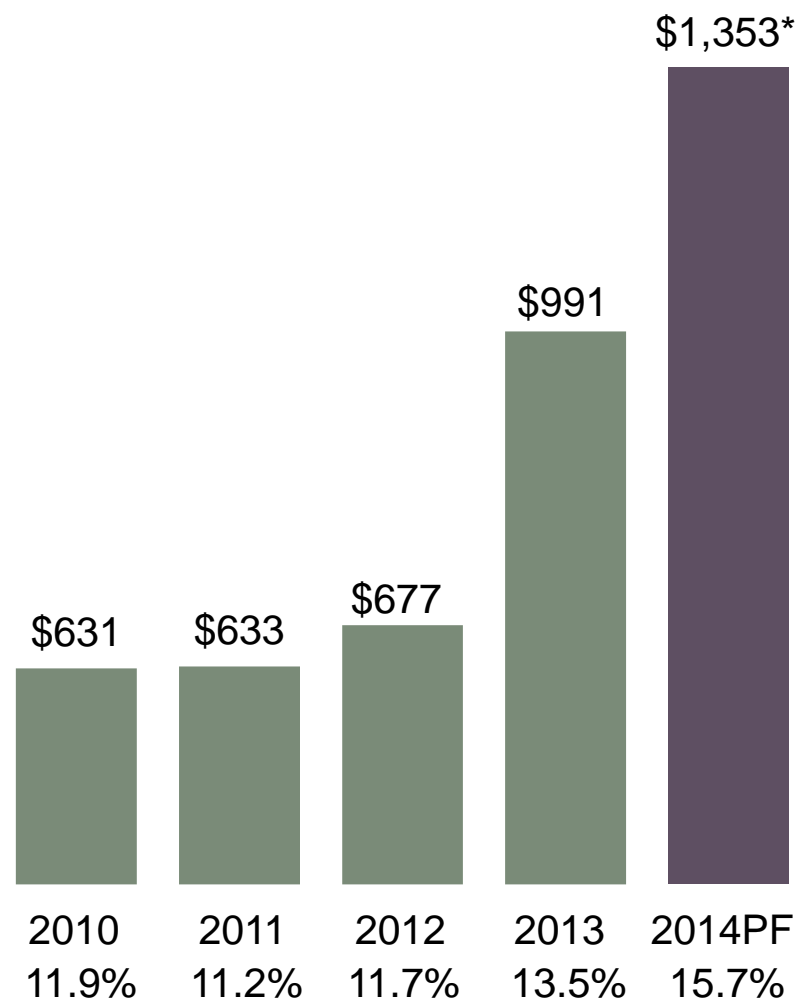


Adjusted Net Sales & Adjusted EBITDA

Net Sales



EBITDA (% of Net Sales)



Dollars in Millions, excluding unusual items

*Represents 12 months ownership of IVC & KAI

Earnings Summary (ex-unusual items)

(Dollars in Millions except EPS)

Years Ended	2010	2011	2012	2013	2014
Net Sales % Change	\$5,319 (3%)	\$5,642 6%	\$5,788 3%	\$7,349 27%	\$7,803 6%
Operating Income Operating Margin	\$327 6%	\$345 6%	\$398 7%	\$690 9%	\$834 11%
Net Earnings % Change	\$173 12%	\$202 17%	\$262 29%	\$473 81%	\$598 26%
Diluted EPS % Change	\$2.52 13%	\$2.92 16%	\$3.78 29%	\$6.55 73%	\$8.15 24%

Results by Segment (ex-unusual items)

	2012	2013	2014
GLOBAL CERAMIC SEGMENT			
Sales	\$1,616	\$2,677	\$3,015
% Change		66%	13%
Operating Income	\$127	\$284	\$360
Operating Margin	8%	11%	12%
FLOORING NA SEGMENT			
Sales	\$3,139	\$3,423	\$3,441
% Change		9%	1%
Operating Income	\$183	\$279	\$315
Operating Margin	6%	8%	9%
FLOORING ROW SEGMENT			
Sales	\$1,033	\$1,249	\$1,354
% Change		21%	8%
Operating Income	\$115	\$157	\$188
Operating Margin	11%	13%	14%

Dollars in Millions, excluding unusual items

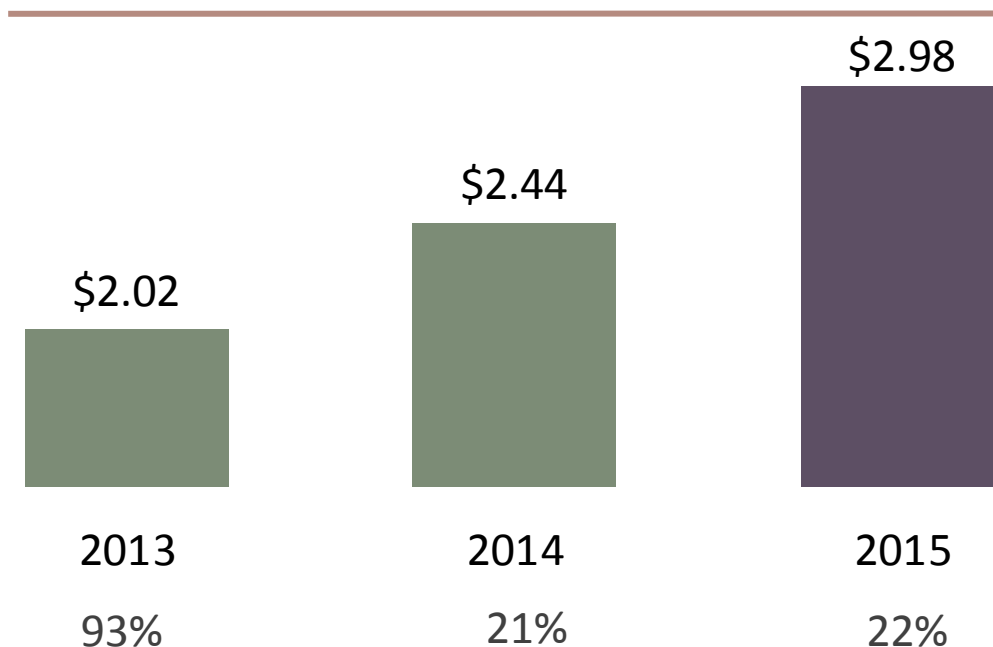
*2012 - 2014 represent Q2 2015 realignment of segments

Quarterly Earnings Summary (Ex-unusual items)

(Dollars in Millions except EPS)

Third Quarter	2013	2014	2015
Net Sales	\$1,962	\$1,991	\$2,151
% Change	33%	1%	8%
Operating Income	\$213	\$239	\$309
Operating Margin	11%	12%	14%
Diluted EPS	\$2.02	\$2.44	\$2.98
% Change	93%	21%	22%

Diluted EPS

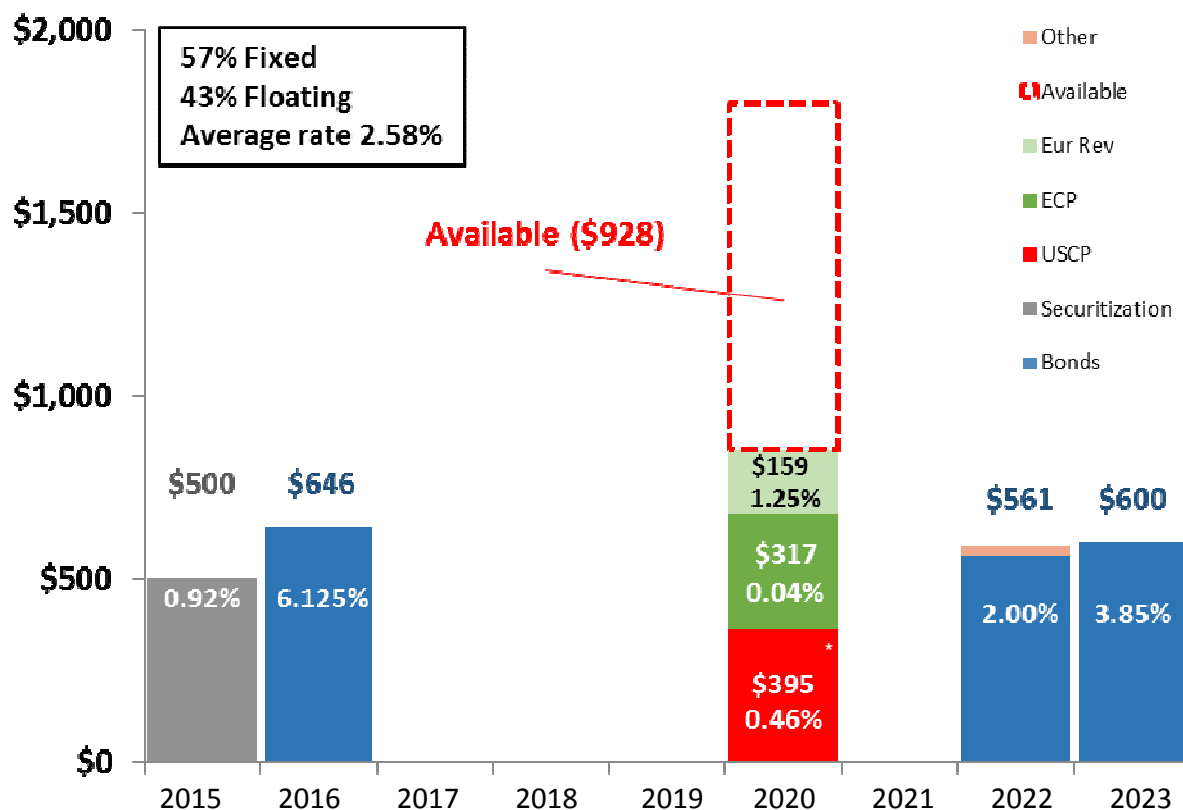


Leverage and Capital Structure

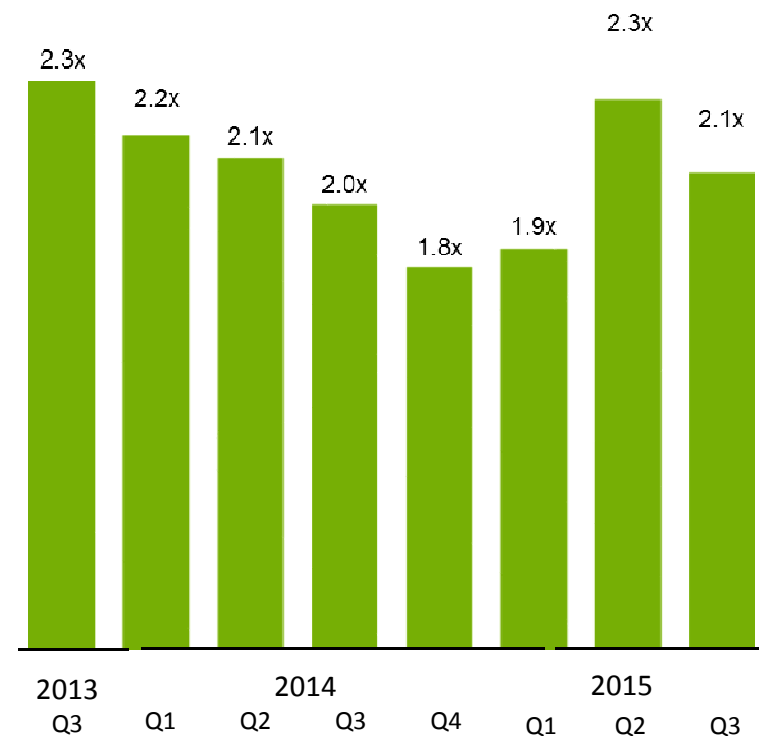
(Dollars in Millions)

Capitalization

Maturity Schedule



Net Debt-to-EBITDA Multiple*



As of October 3, 2015

*2015 Q2 / Q3 LTM EBITDA Pro Forma

