



# Investor Presentation

July 2018

# A World of Opportunity

  
**MOHAWK**<sup>®</sup>  
INDUSTRIES, INC.



# 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



Marazzi Porcelain Tile  
TREVERKLIFE – OAK EFFECT

- 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 CapEx and acquisition opportunities
- Superior management team with multi-level succession plan
- Significant insider ownership

# Mohawk by the Numbers



**\$9.5B**

2017 Worldwide  
Sales



**\$1.9B**

2017 Adjusted  
EBITDA



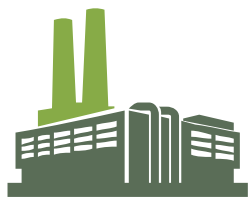
**\$6.6B**

CapEx & Acquisition  
Investments (2013-17)



**42**

Acquisitions  
Since 1992



**19**

Countries  
Manufacturing



**38,800+**

Employees  
Worldwide



**170+**

Countries  
Sales

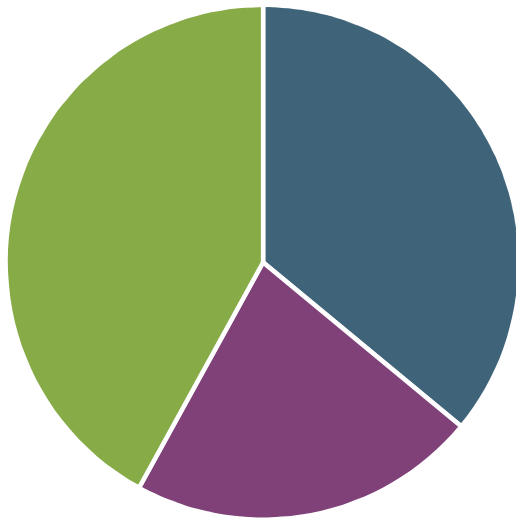


**25,000+**

Customers  
Worldwide

# 2017 Sales Mix

## SEGMENT

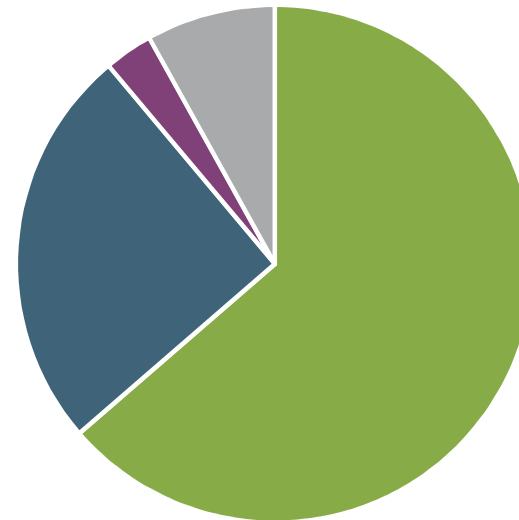


42% Flooring NA

36% Global Ceramic

22% Flooring ROW

## GEOGRAPHY



63% United States

25% Europe

3% Russia

8% Other

# International Operations



# Investing in the Business

**2013-17**

**\$6.6B**

Total Investment

**\$3.5B**

**Acquisitions**

New Products & Geographies



**\$3.1B**

**CapEx**

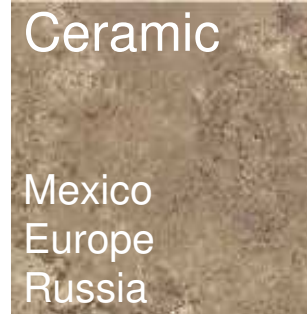
Productivity & Profitability

**2016-17 CapEx**



**~\$1.6B**

Additional  
Sales  
Capacity



**7**

Countries



**6**

Product  
Categories



**2018**

**\$1.2B**

Planned Investment

**\$436M**

**Acquisitions**

YTD - July



**\$780M**

**CapEx**

Projected  
Spend

# Extending Sales Capacity through Investment

\$2.3B internal investment (2016-2018)



## UNITED STATES

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



## MEXICO & SOUTH AMERICA

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



## EUROPE

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



## RUSSIA

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- Adding sheet vinyl plant
- Expanding capacity in ceramic and laminate



# Aggressive Acquisition Strategy

Invested \$3.7B in 17 acquisitions since 2013



## GEOGRAPHY

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



## PRODUCTS

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



## MANAGEMENT

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



## RETURNS

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

# Godfrey Hirst Acquisition



- Closed July 2, 2018
- Largest flooring provider in Australia and New Zealand
- Carpet manufacturing and hard surface distribution
- Market's design and innovation leader
- Synergies with existing Mohawk soft and hard surface business
- Last fiscal year net sales US\$334M
- Estimated 12-month EPS benefit of ~US\$0.35-0.40

# Positive Industry Outlook



Before



After



## United States

- GDP & flooring industry growing
- New residential construction increasing
- Rising home prices support reinvestment
- Pent up demand – industry 22% below 2005 peak
- Commercial end market growing

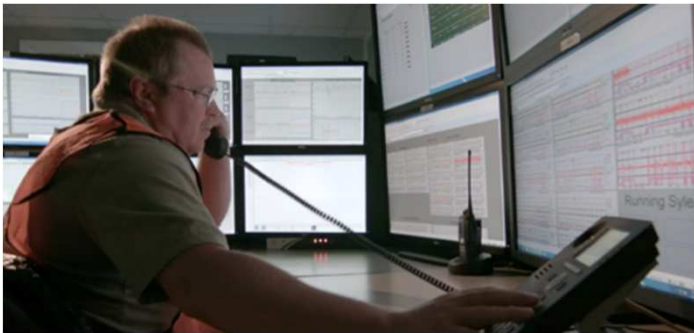
## Rest of World

- Economic growth forecast for EU for 2018
- EU Central Bank stimulus has encouraged investment
- Russian economy challenging in 2018; significant long-term upside from aging housing
- In Mexico, GDP growth projected for remainder of 2018
- Solid GDP growth projected for Australia and New Zealand for rest of 2018

# 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

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StepWise™

Digitally Printed  
Ceramic Tile

Superior Slip  
Resistance

## CARPET

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MOHAWK  
SmartStrand

Silk  
RESERVE

airo™  
UNIFIED SOFT FLOORING

Exclusive Super  
Soft & Stain  
Resistant Fiber

Proprietary Unified  
Soft Flooring; Faster,  
Easier Installation

## LAMINATE / WOOD

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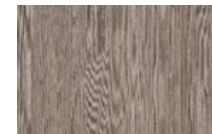
RevWood  
plus

TrueTEK

Proprietary  
Water Proof Wood

Engineered Wood  
Planks Up to 9" x 90"

MOHAWK  
SOLIDTECH  
STRENGTH. STABILITY. VERSATILITY.

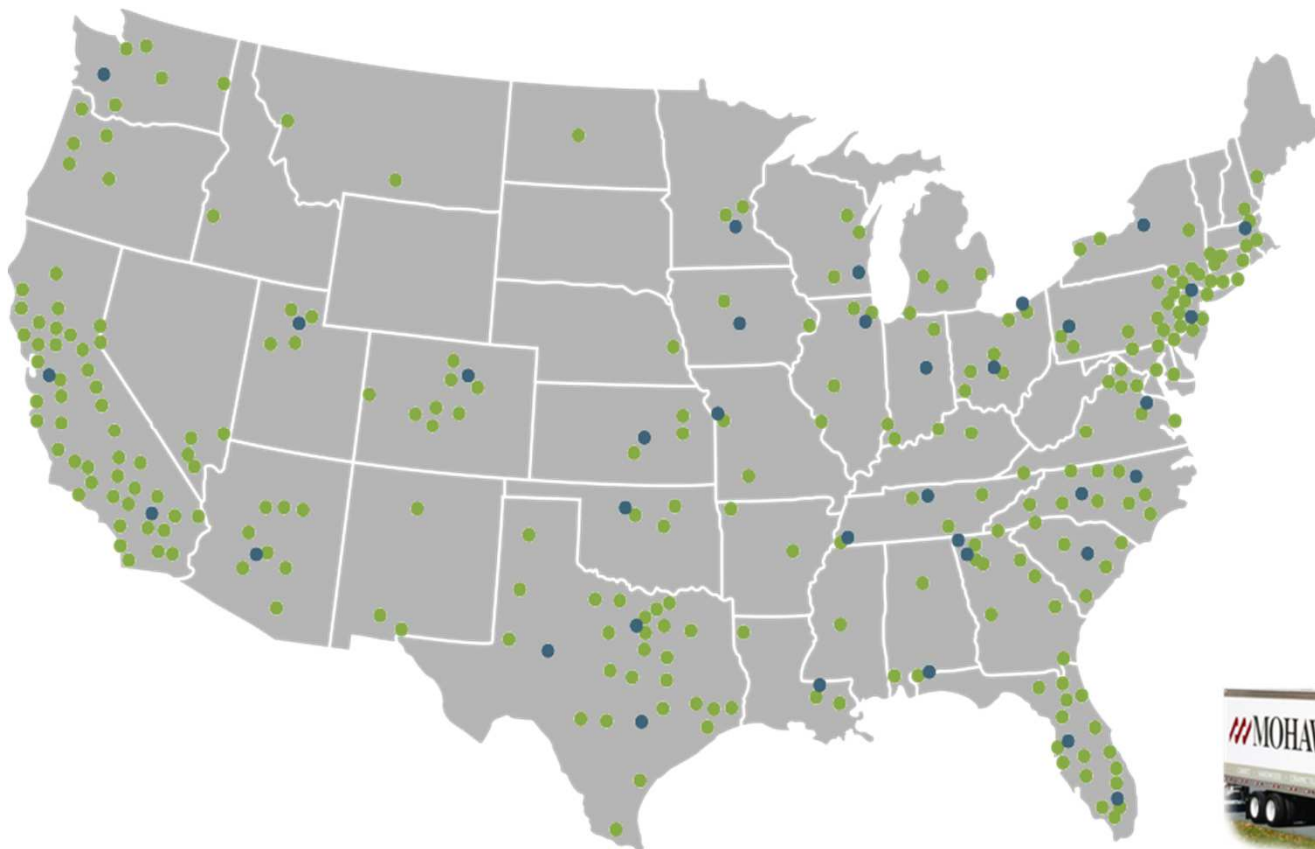


Rigid LVT:  
Realistic Visuals;  
Water Resistance

Deeply Embossed Sheet;  
More Natural Visuals

# Best-In-Class 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

## Best-In-Class

- 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



**47**

Plants with Zero Waste  
to Landfill



**36%**

Water Intensity  
Reduced since 2010



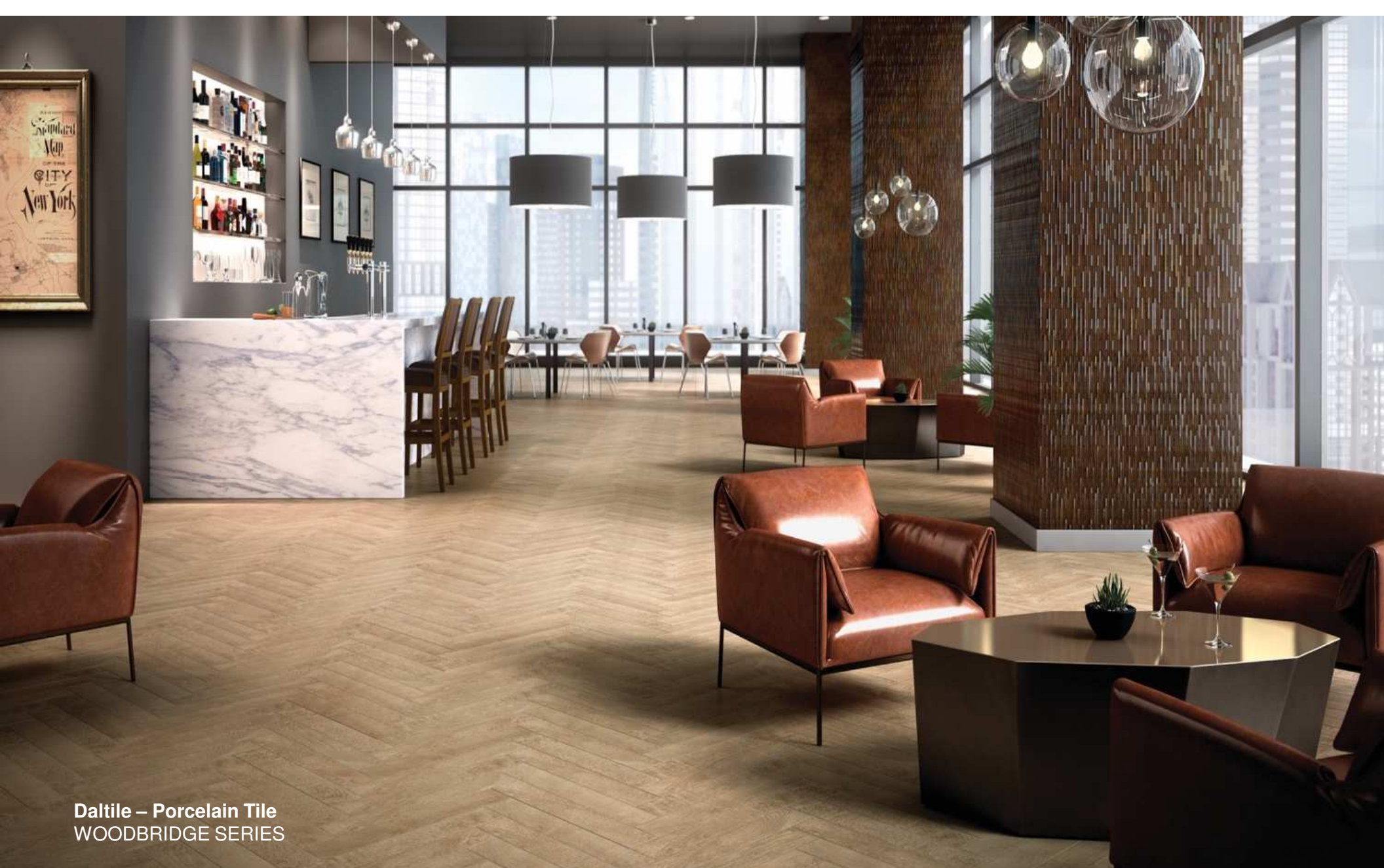
**442M**

Gallons of Reduced  
Water Consumption  
since 2015



**5%**

Greenhouse Gas Intensity  
Reduced since 2010



Daltile – Porcelain Tile  
WOODBRIDGE SERIES

  
**MOHAWK**<sup>®</sup>  
July 2018

Global Ceramic



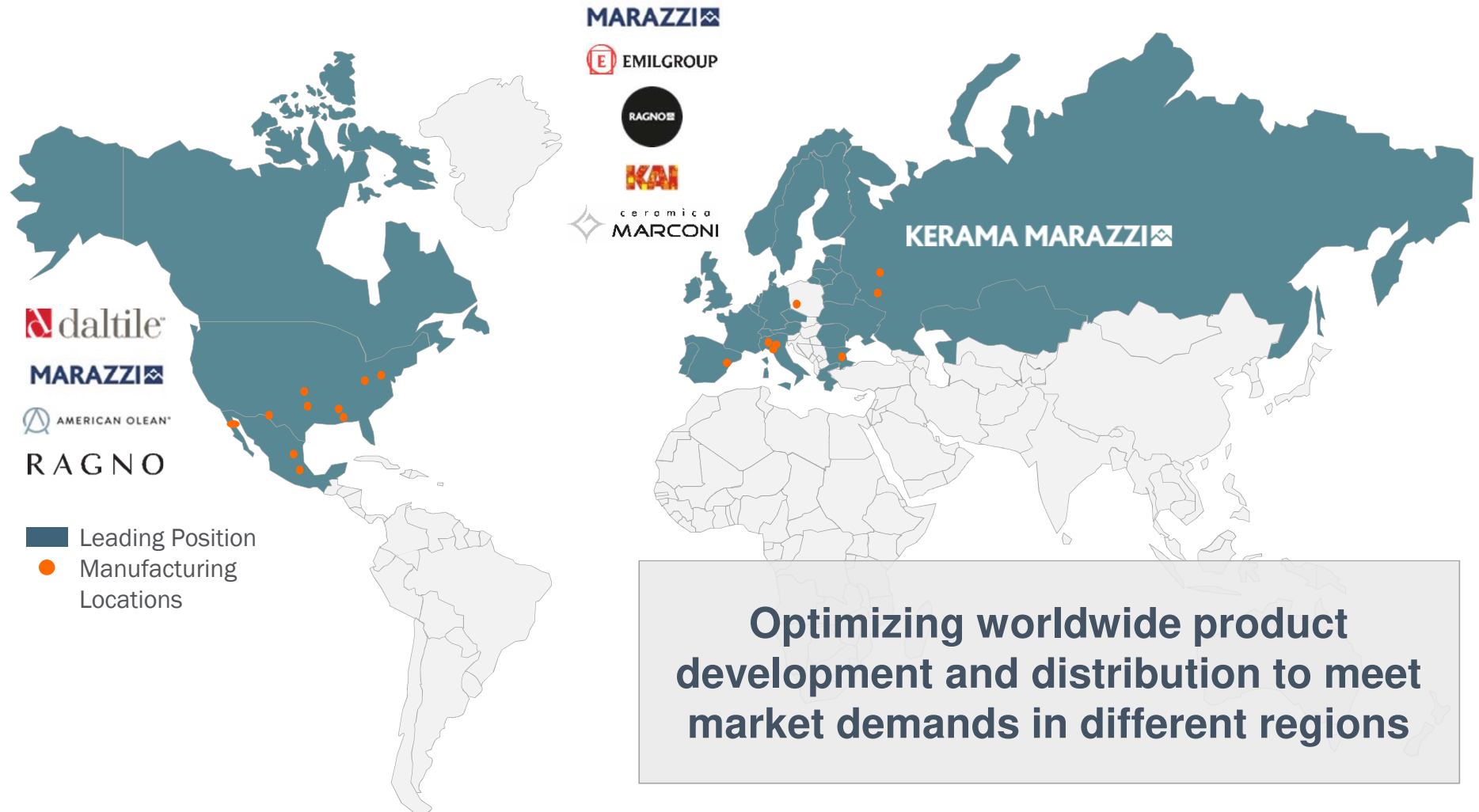
# Global Ceramic Segment

## 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 160 countries



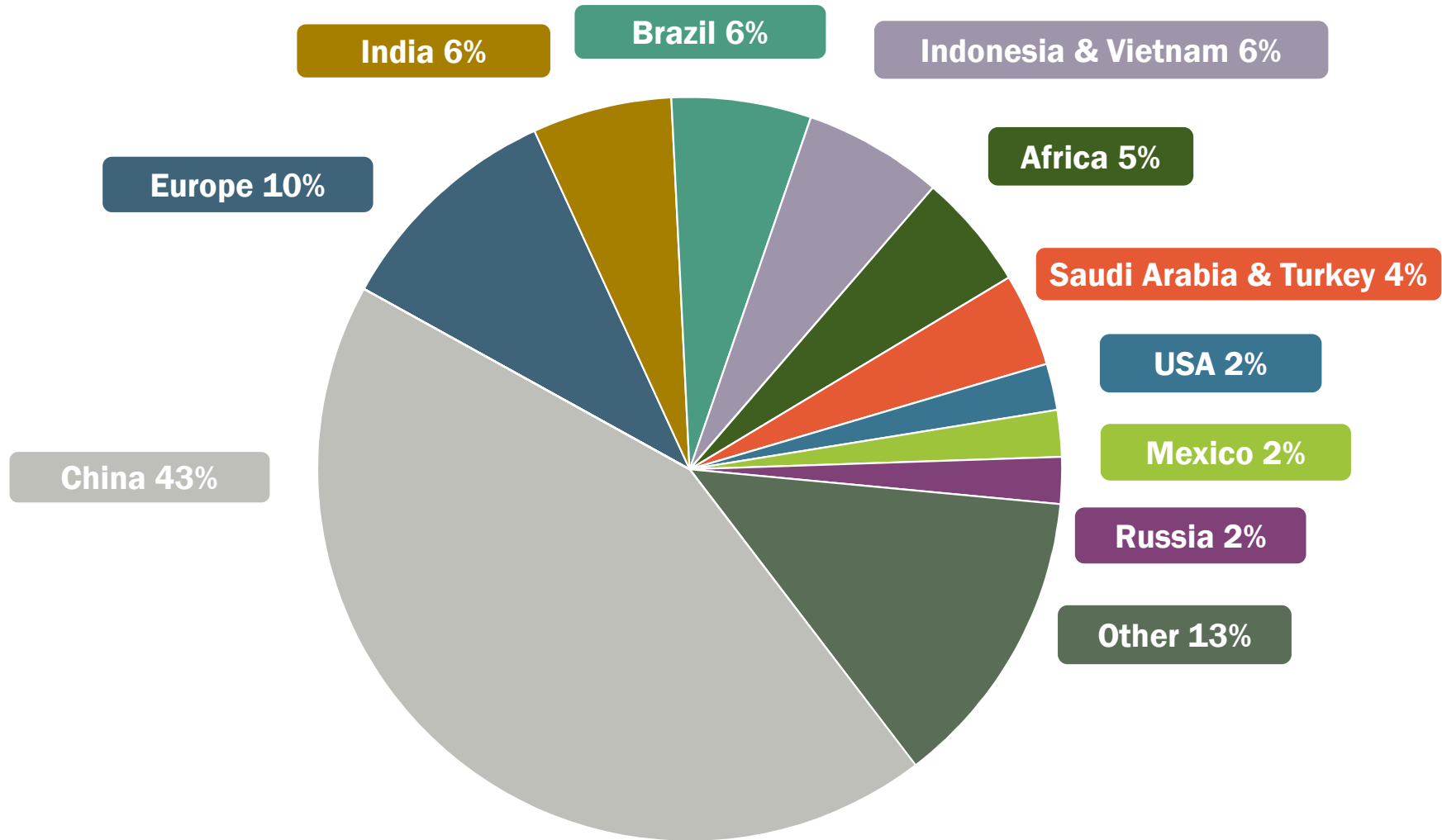
# Ceramic: Leveraging Global Assets



**Optimizing worldwide product development and distribution to meet market demands in different regions**

# Global Tile Market: 135 Billion Sq. Ft.

2017 Mohawk Capacity – 2.2 Billion Sq. Ft.



# Global Ceramic: Brands Serving All Channels

## UNITED STATES & CANADA

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- 250 service centers
- 40 countertop centers
- 15 design galleries
- Independent specialty retail
- Home centers
- Independent distributors
- New construction



RAGNO

## RUSSIA

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

## EUROPE

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



## MEXICO

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



# 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

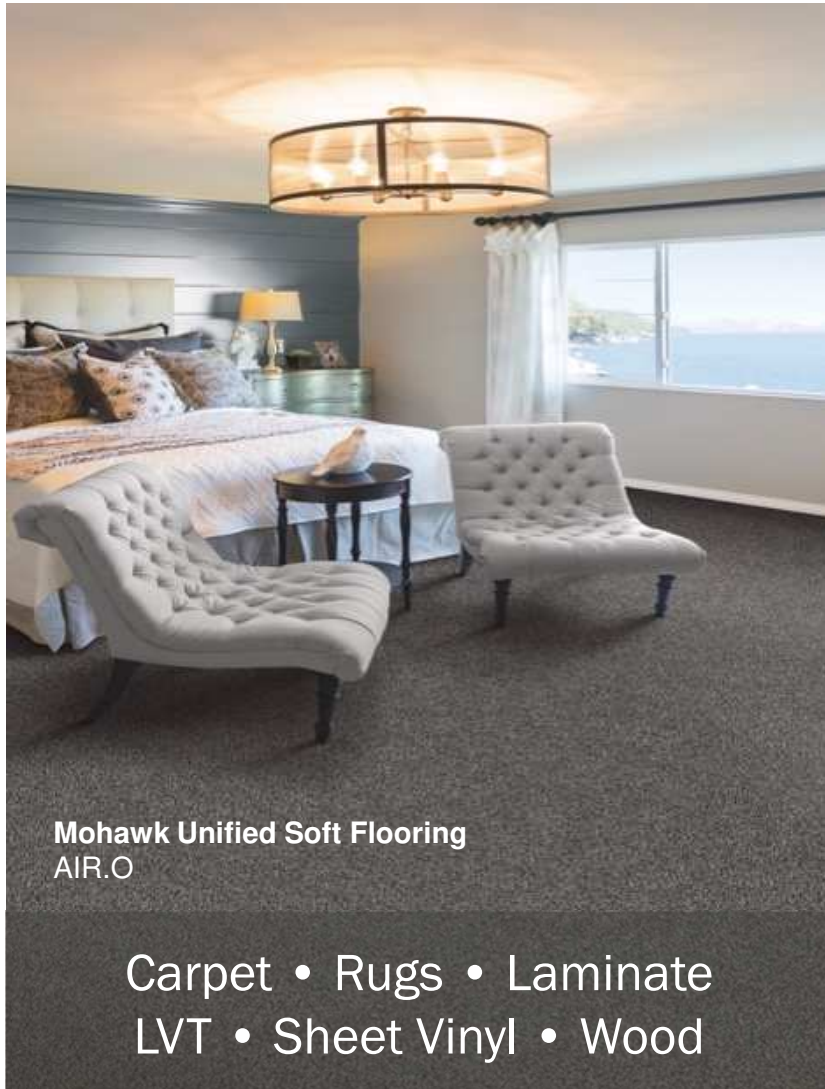


Karastan Wool Carpet  
CAPE VIEW

  
**MOHAWK**<sup>®</sup>  
July 2018

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

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

## BATH & AREA RUGS

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

## COMMERCIAL CARPET

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

## HARD SURFACES

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RESILIENT DESIGN

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





Pergo Luxury Vinyl Tile  
GREY RIVER OAK

  
**MOHAWK**<sup>®</sup>  
July 2018

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



- Independent Specialty Retail
- Home Centers
- Builder
- Commercial



CARPET TILES

## SHEET VINYL



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



# Flooring ROW Panels

## MDF & Chipboards



Furniture and specialty construction

## Insulation Panels

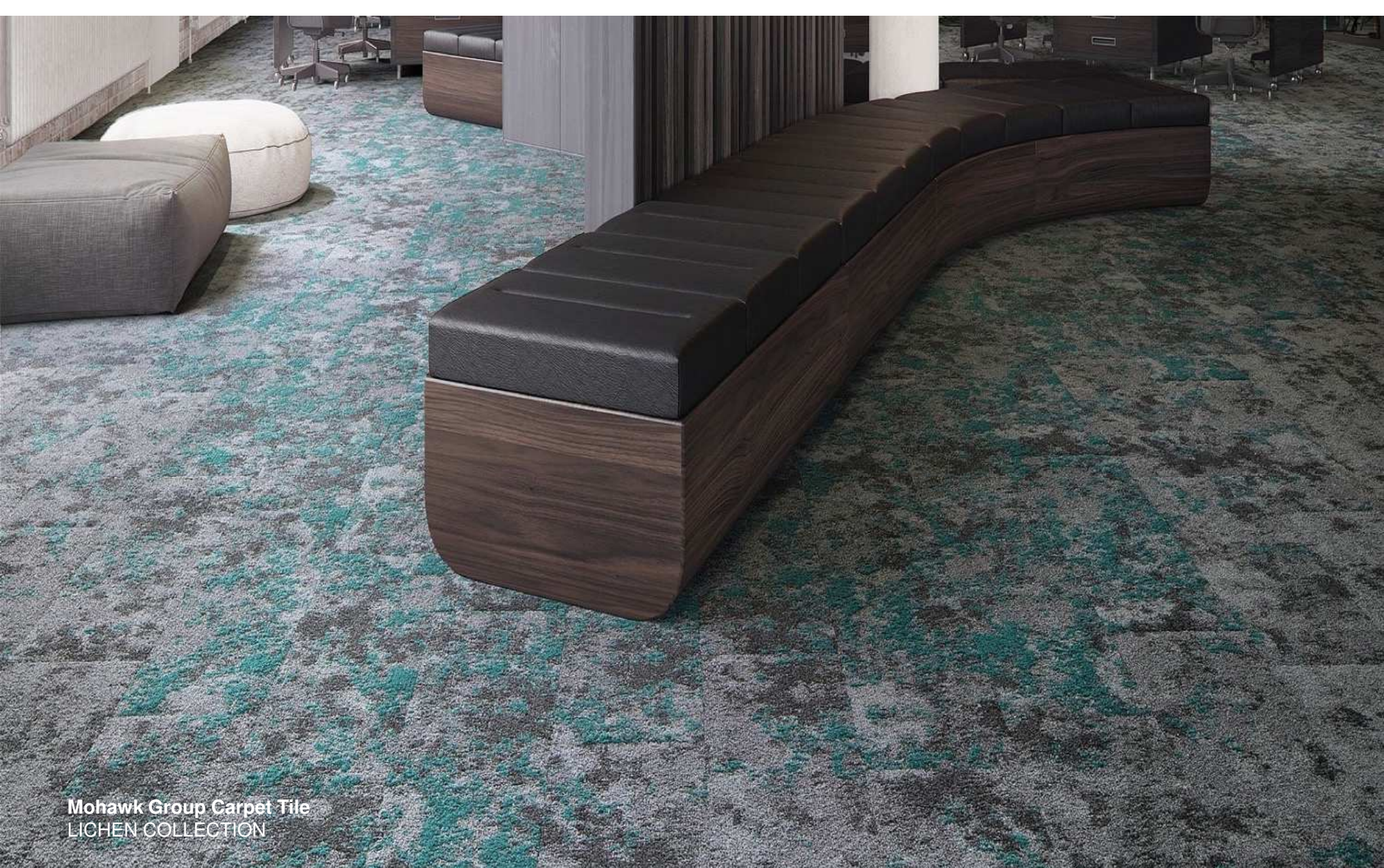


Airtight solutions for renovations or new construction

## Roofing Panels



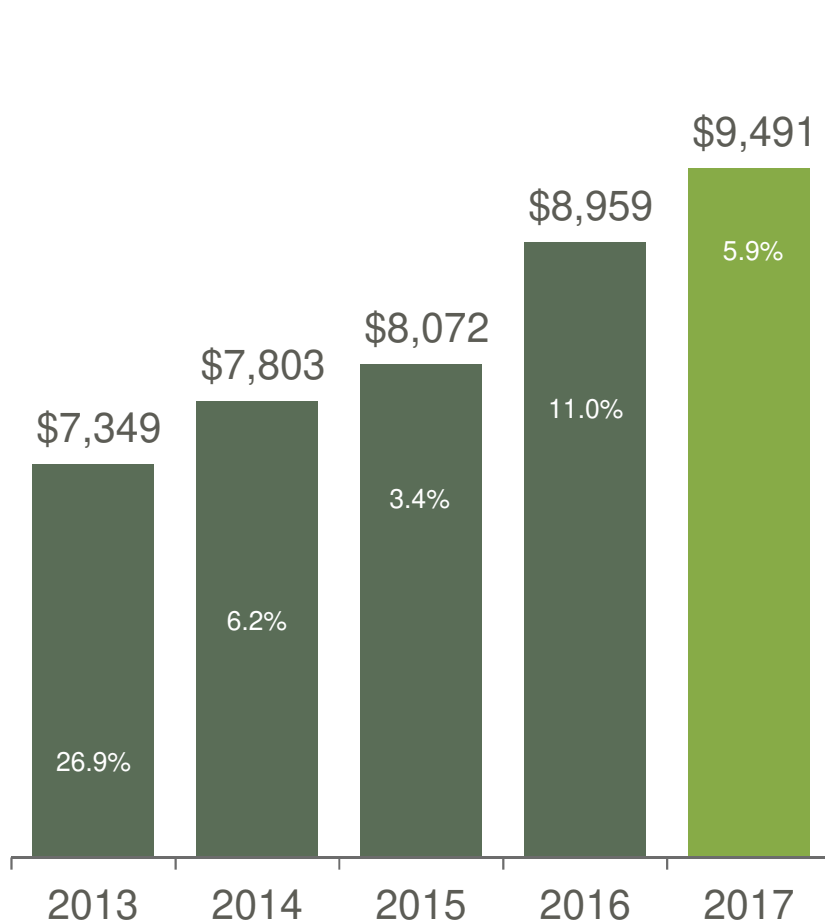
Insulated custom roof panels and hinged roofs



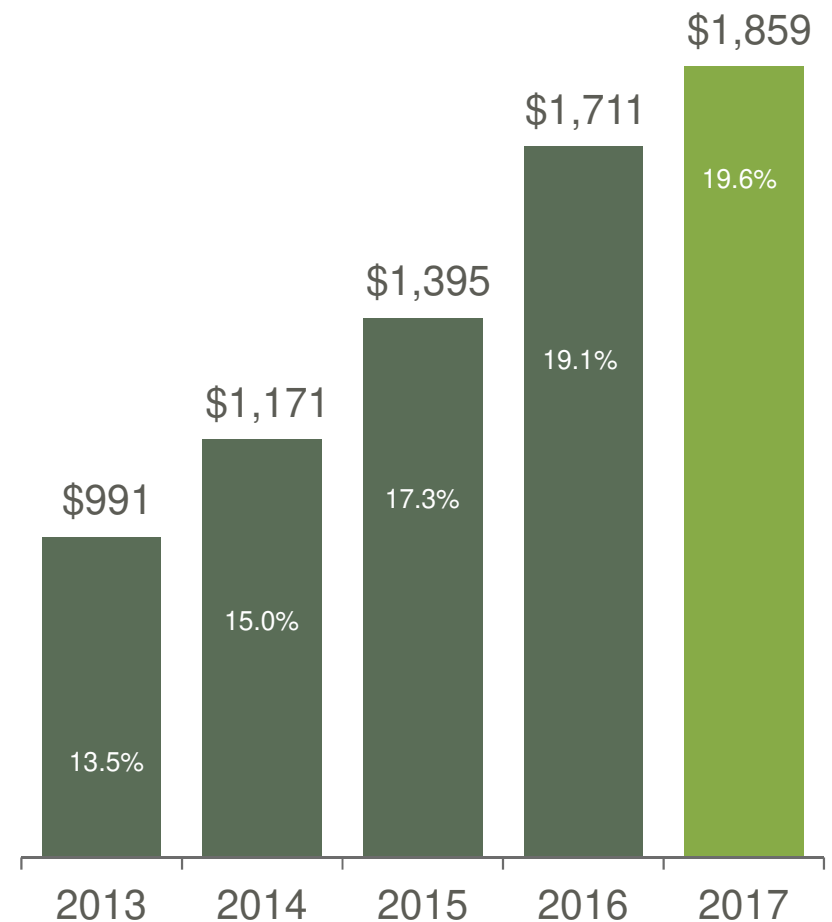
Mohawk Group Carpet Tile  
LICHEN COLLECTION

# Net Sales & Adjusted EBITDA

## Net Sales (% YOY Growth)



## EBITDA (% of Net Sales)



# Earnings Summary

(ex-unusual items)

	2013	2014	2015	2016	2017
<b>Net Sales</b> % Change	<b>\$7,349</b> 27%	<b>\$7,803</b> 6%	<b>\$8,072</b> 3%	<b>\$8,959</b> 11%	<b>\$9,491</b> 6%
<b>EBITDA</b> EBITDA Margin	<b>\$991</b> 13%	<b>\$1,171</b> 15%	<b>\$1,395</b> 17%	<b>\$1,711</b> 19%	<b>\$1,859</b> 20%
<b>Operating Income</b> Operating Margin	<b>\$690</b> 9%	<b>\$834</b> 11%	<b>\$1,050</b> 13%	<b>\$1,298</b> 14%	<b>\$1,416</b> 15%
<b>Net Earnings</b> % Change	<b>\$473</b> 81%	<b>\$598</b> 26%	<b>\$756</b> 26%	<b>\$940</b> 24%	<b>\$1,019</b> 8%
<b>Adjusted Diluted EPS</b> % Change	<b>\$6.55</b> 73%	<b>\$8.15</b> 24%	<b>\$10.20</b> 25%	<b>\$12.61</b> 24%	<b>\$13.61</b> 8%

(Dollars in Millions except EPS)

# Results by Segment

(ex-unusual items)

	2013	2014	2015	2016	2017
<b>GLOBAL CERAMIC SEGMENT</b>					
<b>Sales</b>	<b>\$2,677</b>	<b>\$3,015</b>	<b>\$3,013</b>	<b>\$3,175</b>	<b>\$3,405</b>
% Change	66%	13%	0%	5%	7%
<b>Operating Income</b>	<b>\$284</b>	<b>\$360</b>	<b>\$422</b>	<b>\$481</b>	<b>\$545</b>
Operating Margin	11%	12%	14%	15%	16%
<b>FLOORING NA SEGMENT</b>					
<b>Sales</b>	<b>\$3,423</b>	<b>\$3,441</b>	<b>\$3,602</b>	<b>\$3,866</b>	<b>\$4,011</b>
% Change	9%	1%	5%	7%	4%
<b>Operating Income</b>	<b>\$279</b>	<b>\$315</b>	<b>\$421</b>	<b>\$505</b>	<b>\$573</b>
Operating Margin	8%	9%	12%	13%	14%
<b>FLOORING ROW SEGMENT</b>					
<b>Sales</b>	<b>\$1,249</b>	<b>\$1,354</b>	<b>\$1,457</b>	<b>\$1,919</b>	<b>\$2,075</b>
% Change	21%	8%	8%	32%	8%
<b>Operating Income</b>	<b>\$157</b>	<b>\$188</b>	<b>\$242</b>	<b>\$348</b>	<b>\$337</b>
Operating Margin	13%	14%	17%	18%	16%

\*2013 - 2014 represent Q2 2015 realignment of segments (Dollars in Millions)



# Quarterly Earnings Summary

(ex-unusual items)

## Adjusted Diluted Quarterly EPS



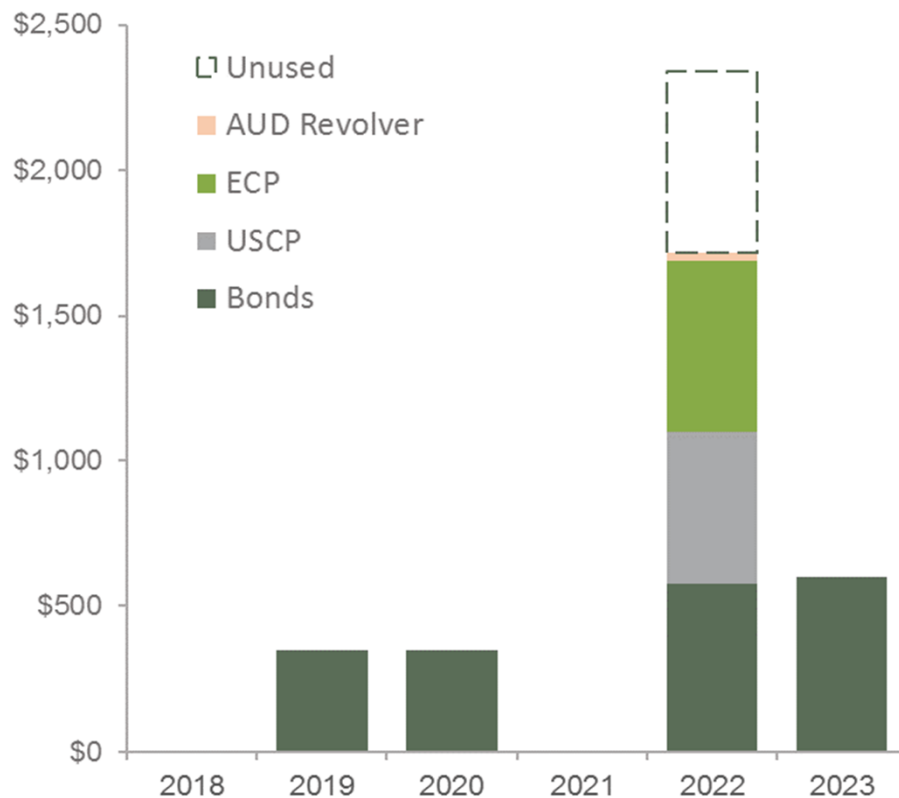
## Second Quarter Results

	2016	2017	2018
<b>Net Sales</b>	<b>\$2,310</b>	<b>\$2,453</b>	<b>\$2,577</b>
% Change	15%	6%	5%
<b>EBITDA</b>	<b>\$462</b>	<b>\$487</b>	<b>\$466</b>
EBITDA Margin	20%	20%	18%
<b>Operating Income</b>	<b>\$357</b>	<b>\$381</b>	<b>\$343</b>
Operating Margin	15%	16%	13%
<b>Adjusted Diluted EPS</b>	<b>\$3.47</b>	<b>\$3.72</b>	<b>\$3.51</b>
% Change	29%	7%	-6%

(Dollars in Millions except EPS)

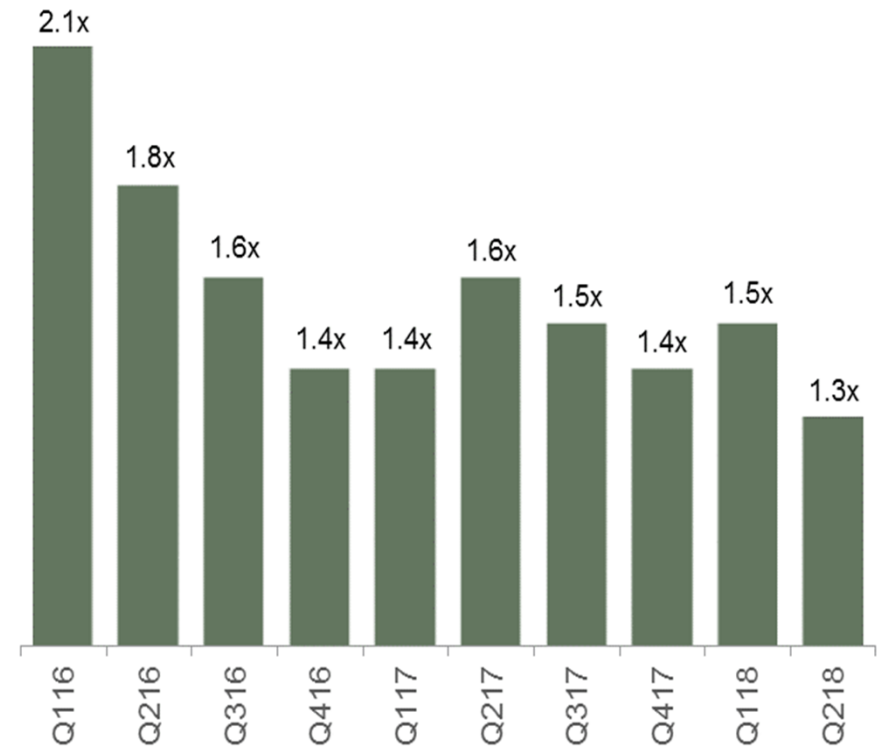
# Leverage and Capital Structure

## Maturity Schedule<sup>1</sup>



Average Rate 1.55% (40% Fixed / 60% Floating)  
As of June 30, 2018. Dollars in Millions

## Net Debt-to-EBITDA Multiple



<sup>1</sup> Approximately \$6 million in capital leases not shown. USCP and ECP amounts include end of quarter revolver borrowing.

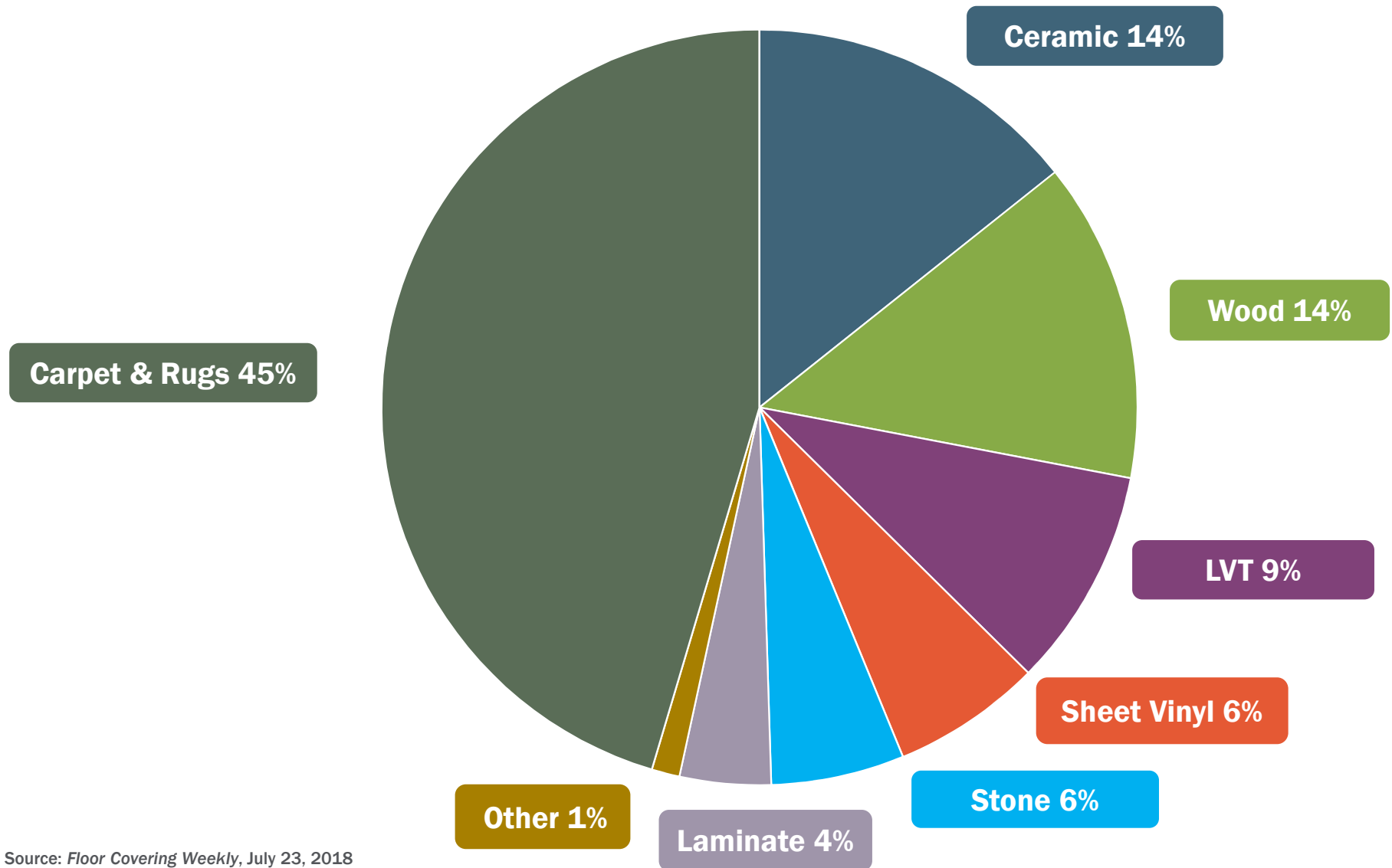


Mohawk Wood  
REVWOOD PLUS

  
**MOHAWK**<sup>®</sup>  
July 2018

Industry Data

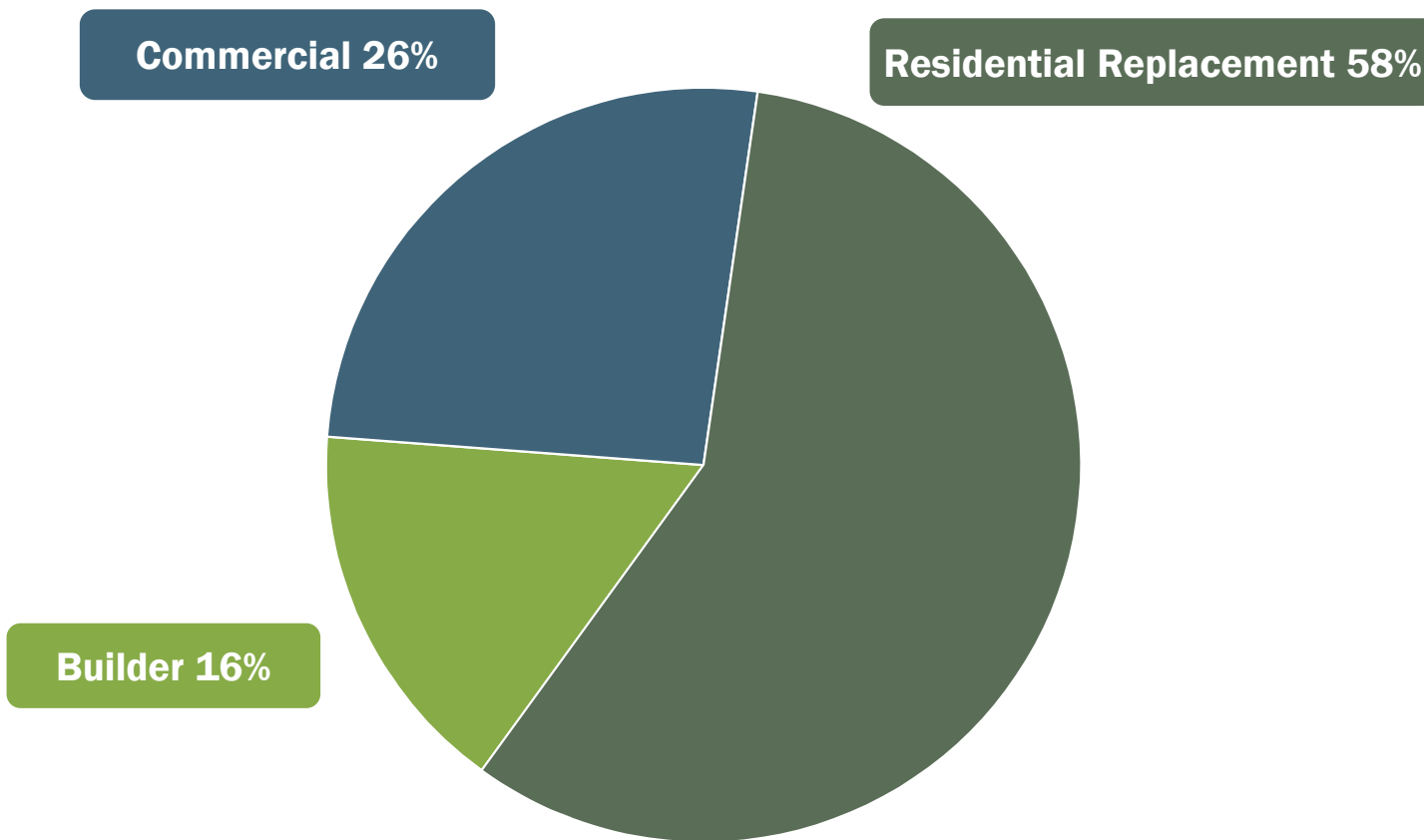
# U.S. Flooring Industry: \$25.4 Billion



Source: *Floor Covering Weekly*, July 23, 2018

Subject to rounding

# U.S. Flooring Sales by End Use Market

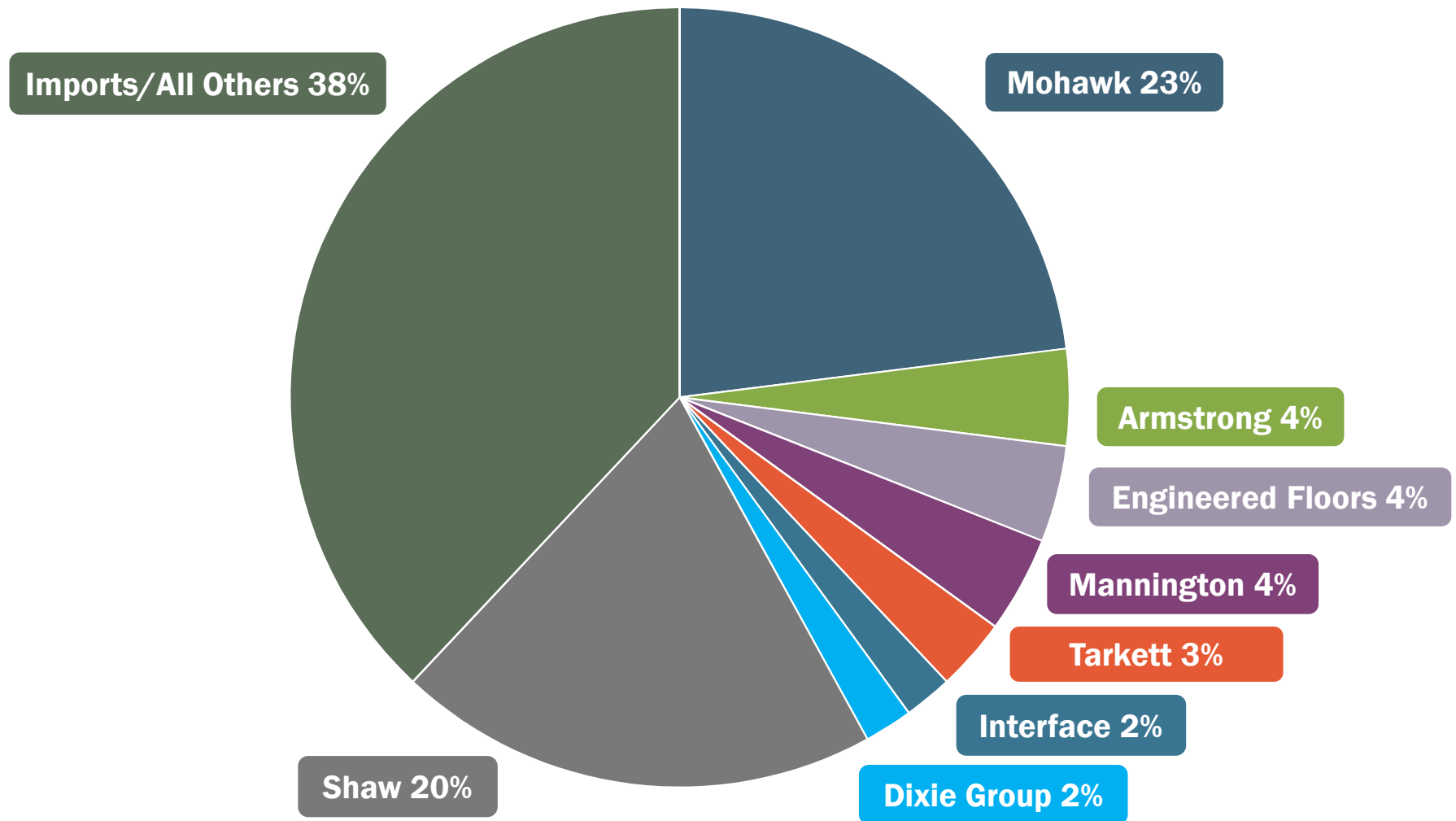


- Anticipate continued expansion in new housing starts
- Residential remodeling projected to significantly expand
- Commercial indicators suggest future growth

Source: *Floor Covering Weekly*, July 23, 2018

Subject to rounding

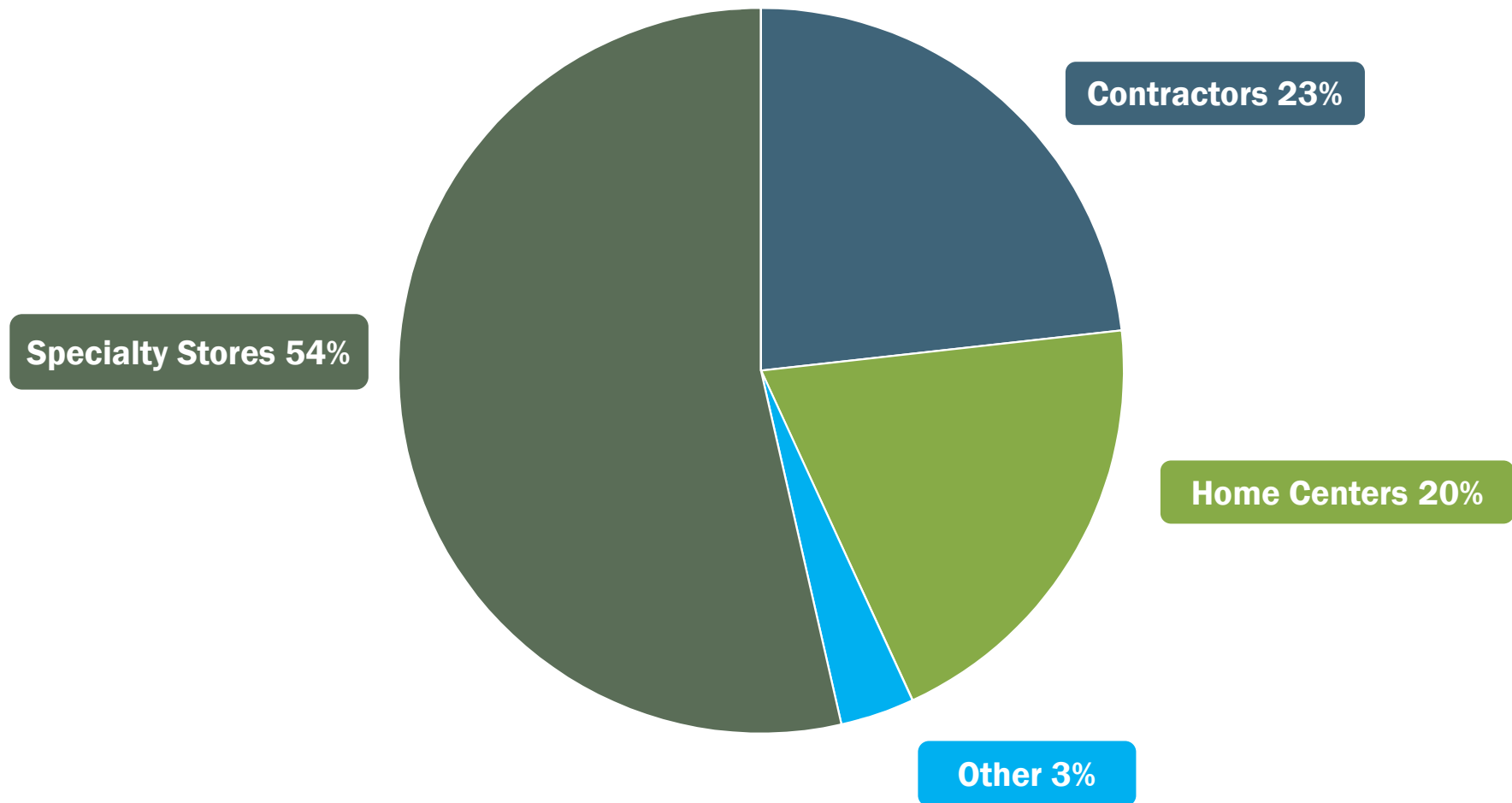
# U.S. Flooring Market



Source: *Floor Focus*, May 2018

Does not include sales of stone flooring or carpet cushion, categories in which Mohawk has leading positions in the U.S. market  
Subject to rounding

# U.S. Flooring Channels





Mohawk Carpet  
SMARTSTRAND SILK RESERVE



# Appendix: Reconciliation of Non-GAAP Measures

## ADJUSTED OPERATING INCOME

<i>(Amounts in thousands USD)</i>	2013	2014	2015	2016	2017
<b>Operating income</b>	<b>546,931</b>	<b>772,796</b>	<b>837,565</b>	<b>1,279,943</b>	<b>1,354,173</b>
Adjustments to operating income:					
Restructuring, acquisition and integration-related and other costs	111,939	51,604	74,604	59,847	48,940
Legal settlement and reserves	-	10,000	124,480	(90,000)	-
Tradenname impairment	-	-	-	47,905	-
Acquisitions purchase accounting (inventory step-up)	31,041	-	13,337	-	13,314
<b>Adjusted operating income</b>	<b>689,911</b>	<b>834,400</b>	<b>1,049,986</b>	<b>1,297,696</b>	<b>1,416,426</b>
Adjusted operating income as a percent of net sales	9.4%	10.7%	13.0%	14.5%	14.9%

## OPERATING INCOME TO PROFORMA ADJUSTED EBITDA

<i>(Amounts in thousands USD)</i>	2013	2014	2015	2016	2017
<b>Operating income</b>	<b>546,931</b>	<b>772,796</b>	<b>837,565</b>	<b>1,279,943</b>	<b>1,354,173</b>
Other (expense) income	(9,114)	(10,698)	(17,619)	1,729	(5,205)
Net (earnings) loss attributable to non-controlling interest	(505)	(289)	(1,684)	(3,204)	(3,054)
Depreciation and amortization	308,871	336,608	362,647	409,468	446,672
<b>EBITDA</b>	<b>846,183</b>	<b>1,098,417</b>	<b>1,180,908</b>	<b>1,687,936</b>	<b>1,792,586</b>
Restructuring, acquisition and integration-related and other costs	113,420	63,556	65,954	60,524	48,940
Acquisitions purchase accounting (inventory step-up)	31,041	-	13,337	-	13,314
Legal settlement and reserves	-	10,000	124,480	(90,000)	-
Tradenname impairment	-	-	-	47,905	-
Release of indemnification asset	-	-	11,180	5,372	4,459
<b>Adjusted EBITDA</b>	<b>990,644</b>	<b>1,171,973</b>	<b>1,395,859</b>	<b>1,711,737</b>	<b>1,859,299</b>

# Appendix: Reconciliation of Non-GAAP Measures

<b>ADJUSTED NET EARNINGS</b>					
<i>(Amounts in thousands USD, except EPS)</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Net earnings attributable to Mohawk Industries, Inc.</b>	<b>348,786</b>	<b>531,965</b>	<b>615,302</b>	<b>930,362</b>	<b>971,638</b>
Adjusting items:					
Restructuring, acquisition and integration-related and other costs and disposal of subsidiary	113,420	63,556	74,604	60,523	49,144
Acquisitions purchase accounting (inventory step-up)	31,041	-	13,337	-	13,314
Discontinued operations	18,945	-	-	-	-
Legal settlement and reserves	-	10,000	124,480	(90,000)	-
Release of indemnification asset	-	-	11,180	5,371	4,459
Bond redemption	-	18,922	-	-	-
Deferred loan costs	490	1,080	651	-	-
Interest on 3.85% senior notes	3,559	-	-	-	-
Tradename impairment	-	-	-	47,905	-
Income taxes - reversal of uncertain tax position	-	-	(11,180)	(5,371)	(4,459)
Income tax reform	-	-	-	-	810
Income taxes	(42,841)	(27,856)	(72,872)	(8,443)	(16,260)
<b>Adjusted net earnings attributable to Mohawk Industries, Inc.</b>	<b>473,400</b>	<b>597,668</b>	<b>755,502</b>	<b>940,348</b>	<b>1,018,646</b>
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	6.55	8.15	10.20	12.61	13.61
Weighted-average common shares outstanding - diluted	72,301	73,363	74,043	74,568	74,839

# Appendix: Reconciliation of Non-GAAP Measures

<b>ADJUSTED OPERATING INCOME</b>					
<i>(Amounts in thousands USD)</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>GLOBAL CERAMIC SEGMENT</b>					
<b>Operating income</b>	<b>209,825</b>	<b>351,113</b>	<b>414,154</b>	<b>478,448</b>	<b>525,401</b>
Adjustments to operating income:					
Restructuring, acquisition and integration-related and other costs	42,875	9,330	5,429	2,906	6,143
Acquisitions purchase accounting (inventory step-up)	31,041	-	2,881	-	13,122
<b>Adjusted operating income</b>	<b>283,740</b>	<b>360,443</b>	<b>422,464</b>	<b>481,355</b>	<b>544,666</b>
Adjusted operating income as a percent of net sales	10.6%	12.0%	14.0%	15.2%	16.0%
<b>FLOORING NA SEGMENT</b>					
<b>Operating income</b>	<b>259,753</b>	<b>299,992</b>	<b>264,271</b>	<b>505,115</b>	<b>540,337</b>
Adjustments to operating income:					
Restructuring, acquisition and integration-related and other costs	19,172	4,610	27,290	41,841	32,966
Impairment of tradename	-	-	-	47,905	-
Legal settlement and reserves	-	10,000	126,480	(90,000)	-
Acquisitions purchase accounting (inventory step-up)	-	-	2,694	-	-
<b>Adjusted operating income</b>	<b>278,925</b>	<b>314,602</b>	<b>420,735</b>	<b>504,861</b>	<b>573,303</b>
Adjusted operating income as a percent of net sales	8.1%	9.1%	11.7%	13.1%	14.3%
<b>FLOORING ROW SEGMENT</b>					
<b>Operating income</b>	<b>107,850</b>	<b>151,528</b>	<b>203,370</b>	<b>333,091</b>	<b>329,054</b>
Adjustments to operating income:					
Restructuring, acquisition and integration-related and other costs	48,667	36,177	30,547	14,592	7,516
Acquisitions purchase accounting (inventory step-up)	-	-	7,761	-	192
<b>Adjusted operating income</b>	<b>156,517</b>	<b>187,705</b>	<b>241,678</b>	<b>347,683</b>	<b>336,762</b>
Adjusted operating income as a percent of net sales	12.5%	13.9%	16.6%	18.1%	16.2%

# Appendix: Reconciliation of Non-GAAP Measures

## ADJUSTED OPERATING INCOME

<i>(Amounts in thousands USD)</i>	2016Q2	2017Q2	2018Q2
<b>Operating income</b>	350,692	355,825	326,307
Adjustments to operating income:			
Restructuring, acquisition and integration-related and other costs	6,020	15,878	16,043
Acquisitions purchase accounting (inventory step-up)	-	9,571	194
<b>Adjusted operating income</b>	<b>356,712</b>	<b>381,274</b>	<b>342,543</b>
Adjusted operating income as a percent of net sales	15.4%	15.5%	13.3%

## OPERATING INCOME TO ADJUSTED EBITDA

<i>(Amounts in thousands USD)</i>	2016Q2	2017Q2	2018Q2
<b>Operating income</b>	350,692	355,825	326,307
Other (expense) income	5,807	(3,002)	(2,090)
Net (earnings) loss attributable to non-controlling interest	(926)	(1,067)	(959)
Depreciation and amortization	101,215	109,761	127,048
<b>EBITDA</b>	<b>456,788</b>	<b>461,517</b>	<b>450,306</b>
Restructuring, acquisition and integration-related and other costs	6,020	15,878	16,042
Acquisitions purchase accounting (inventory step-up)		9,571	194
<b>Adjusted EBITDA</b>	<b>462,808</b>	<b>486,966</b>	<b>466,542</b>

# Appendix: Reconciliation of Non-GAAP Measures

<b>ADJUSTED NET EARNINGS</b>			
<i>(Amounts in thousands USD, except EPS)</i>	<b>2016Q2</b>	<b>2017Q2</b>	<b>2018Q2</b>
<b>Net earnings attributable to Mohawk Industries, Inc.</b>	<b>255,188</b>	<b>260,681</b>	<b>196,586</b>
Adjusting items:			
Restructuring, acquisition and integration-related and other costs and disposal of subsidiary	6,020	15,878	16,042
Acquisitions purchase accounting (inventory step-up)		9,571	194
Income taxes	(2,342)	(7,677)	50,106
<b>Adjusted net earnings attributable to Mohawk Industries, Inc.</b>	<b>258,865</b>	<b>278,452</b>	<b>262,929</b>
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	3.47	3.72	3.51
Weighted-average common shares outstanding - diluted	74,574	74,801	74,937

# Appendix: Reconciliation of Non-GAAP Measures

## NET DEBT

<i>(Amounts in thousands USD)</i>	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2
Current portion of long-term debt and commercial paper	2,076,178	1,795,584	1,548,251	1,382,738	1,497,986	1,754,077	1,172,781	1,203,683	1,331,917	1,146,511
Long-term debt, less current portion	1,173,600	1,160,700	1,165,577	1,128,746	1,132,268	1,174,440	1,544,665	1,559,894	1,585,651	1,884,023
Less: Cash and cash equivalents	98,305	112,049	112,108	121,665	188,436	130,238	84,502	84,884	114,843	518,226
<b>Net Debt</b>	<b>3,151,474</b>	<b>2,844,236</b>	<b>2,601,721</b>	<b>2,389,819</b>	<b>2,441,819</b>	<b>2,798,279</b>	<b>2,632,944</b>	<b>2,678,693</b>	<b>2,802,725</b>	<b>2,512,307</b>

## TRAILING TWELVE MONTHS OPERATING INCOME TO PROFORMA ADJUSTED EBITDA

<i>(Amounts in thousands USD)</i>	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2
<b>Operating income (LTM)</b>	<b>1,039,463</b>	<b>1,134,340</b>	<b>1,223,911</b>	<b>1,279,943</b>	<b>1,309,056</b>	<b>1,314,189</b>	<b>1,315,979</b>	<b>1,354,173</b>	<b>1,347,788</b>	<b>1,318,269</b>
Other (expense) income	(22,131)	(13,396)	(12,986)	1,729	7,990	(819)	1,735	(5,205)	(12,035)	(11,123)
Net (earnings) loss attributable to non-controlling interest	(2,095)	(2,739)	(2,890)	(3,204)	(3,137)	(3,278)	(3,326)	(3,054)	(3,027)	(2,919)
Depreciation and amortization	377,185	390,389	399,114	409,468	414,298	422,844	432,679	446,672	464,302	481,589
<b>EBITDA (LTM)</b>	<b>1,392,422</b>	<b>1,508,594</b>	<b>1,607,149</b>	<b>1,687,936</b>	<b>1,728,207</b>	<b>1,732,936</b>	<b>1,747,067</b>	<b>1,792,586</b>	<b>1,797,028</b>	<b>1,785,816</b>
Restructuring, acquisition and integration-related and other costs	65,503	56,248	75,130	60,524	56,784	66,642	49,923	48,940	67,066	67,230
Acquisitions purchase accounting (inventory step-up)	13,337	7,181	21	-	192	9,763	13,314	13,314	14,476	5,099
Impairment of tradename	-	-	47,905	47,905	47,905	47,905	-	-	-	-
Legal settlement and reserves	(520)	(2,520)	(92,520)	(90,000)	(90,000)	(90,000)	-	-	-	-
Release of indemnification asset	11,180	11,180	13,548	5,372	5,372	5,372	3,004	4,459	6,208	6,208
<b>Adjusted EBITDA (LTM)</b>	<b>1,481,922</b>	<b>1,580,683</b>	<b>1,651,233</b>	<b>1,711,737</b>	<b>1,748,460</b>	<b>1,772,618</b>	<b>1,813,308</b>	<b>1,859,299</b>	<b>1,884,778</b>	<b>1,864,353</b>
Acquisitions EBITDA	51,624	10,976	7,337	-	-	-	-	-	-	-
<b>Proforma Adjusted EBITDA (LTM)</b>	<b>1,533,546</b>	<b>1,591,659</b>	<b>1,658,570</b>	<b>1,711,737</b>	<b>1,748,460</b>	<b>1,772,618</b>	<b>1,813,308</b>	<b>1,859,299</b>	<b>1,884,778</b>	<b>1,864,353</b>
Net Debt to Proforma Adjusted EBITDA	2.1	1.8	1.6	1.4	1.4	1.6	1.5	1.4	1.5	1.3

# Investor Presentation