



MOHAWK ULTRAWOOD
Ultimate Performance Waterproof Hardwood
90% Recycled Content
Yields 10x more flooring per log than traditional hardwood
A 2022 GreenBuilder Media Sustainability Product of the Year

INVESTING FOR A BETTER TOMORROW



mohawkind.com
NYSE: MHK
Q3 2022

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.

Q3 2022 Financial Results

Net Sales
\$2.9B
 (+8.3% YOY
 on a Constant Basis)

Adjusted EBITDA
\$412M
 (-19.2% YOY)

Adjusted OI
\$271M
 (-25.0% YOY)

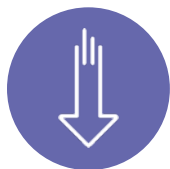
Adjusted Diluted EPS
\$3.34
 (-15.4% YOY)

“Mohawk has successfully managed through many challenging periods and industry recessions. The fundamentals of our business remain strong, and flooring remains an essential component of new construction and remodeling. We are investing for the market rebound that always occurs after our industry contracts. Mohawk has a strong balance sheet with low net debt leverage of 1.2 times EBITDA and available liquidity exceeding \$1.8 billion to manage through the current environment and optimize our long-term results.”

– Jeff Lorberbaum, Chairman & CEO

(Amounts in millions)	Q3 2021	Q3 2022
Net Sales	\$2,817	\$2,918
% Change	--	3.6%
% Change on a Constant Basis	--	8.3%
Adjusted EBITDA	\$510	\$412
% Adjusted EBITDA Margin	18.1%	14.1%
Adjusted Operating Income	\$361	\$271
% Adjusted Operating Margin	12.8%	9.3%
Adjusted Diluted EPS	\$3.95	\$3.34

Balance Sheet Strength



1.2x

Leverage¹



\$0.6B

TTM Cash Flow
Provided by Operating Activities¹



\$2.3B

Liquidity²



2.1M

Shares repurchased
YTD 2022¹



8.5M

Shares repurchased
2020-2022¹



12%

Of outstanding shares repurchased
(since December 31, 2019)¹

Key Current Issues

U.S. Economy

- High inflation persists
- Mortgage rates have risen from ~3% to ~7%
- Commercial outperforming residential
- Residential remodeling has slowed
- Consumers deferring purchases & trading down
- Aging housing stock & families staying in current homes should drive future remodeling

European Economy

- Natural gas price volatility persists
- Government subsidies helping in Italy
- Margins under pressure from energy and chemical costs
- Residential demand softening
- Consumer discretionary spending under pressure
- Significant pent-up demand when economy rebounds



Key Current Issues (continued)

Operations

- Capacity expansion projects on track
 - North America: LVT, laminate, quartz countertops
 - West Coast LVT plant on schedule
 - Europe: Porcelain slabs, laminate
- Restructuring projects underway; savings on track
- Cost-reduction projects progressing

Acquisitions

- Vitromex acquisition awaiting government approval; likely in first half of 2023
- 2021 acquisitions contributing to results as we improve their performance
- Completed five additional strategic bolt-on acquisitions in U.S. and Europe
 - Integrations underway

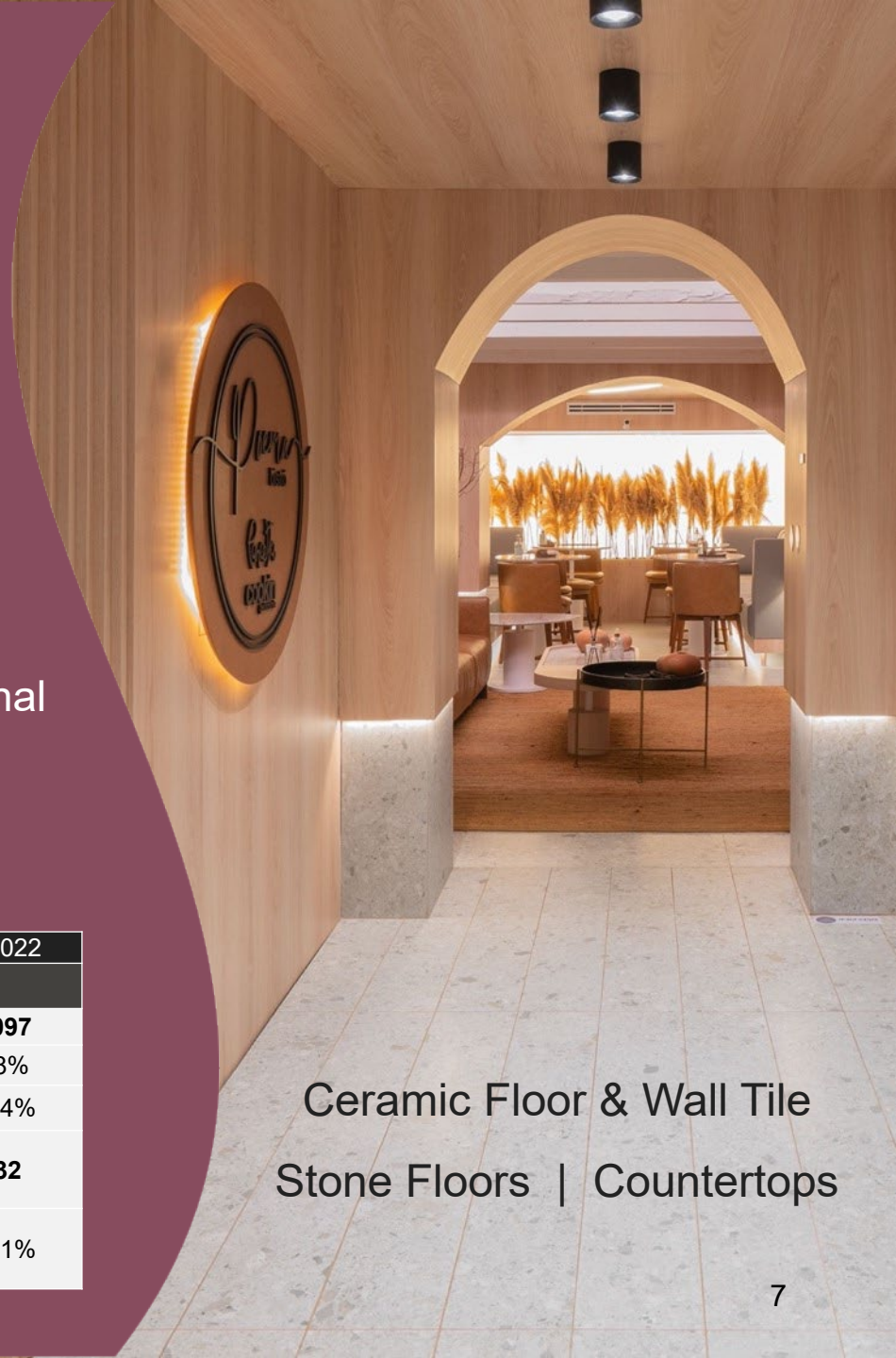


Global Ceramic Segment

- Sales increased 12.4% on a constant basis
- Performance benefitted from pricing, improved mix and growth in commercial sector
- U.S. countertop sales growing
- Executing multiple pricing and operational initiatives to manage inflation
- European natural gas remains a major headwind

	Q3 2019	Q3 2021	Q3 2022
GLOBAL CERAMIC SEGMENT (Amounts in millions)			
Sales	\$916	\$998	\$1,097
% Change	--	--	9.8%
% Change on a Constant Basis	--	--	12.4%
Adjusted Operating Income	\$84	\$119	\$132
% Adjusted Operating Margin	9.2%	11.9%	12.1%

2019 included as pre-COVID baseline



Ceramic Floor & Wall Tile
Stone Floors | Countertops

Flooring Rest of World Segment

- Sales increased 9.4% on a constant basis, driven by pricing, improved mix and strength in panels, insulation and Oceania
- Flooring volumes down as inflation impacted consumer spending and retailers adjusted inventory
- Completed three acquisitions:
 - Polish sheet vinyl manufacturer
 - German mezzanine flooring company
 - Romanian wood veneer plant

	Q3 2019	Q3 2021	Q3 2022
FLOORING ROW SEGMENT (Amounts in millions)			
Sales	\$601	\$768	\$731
% Change	--	--	-4.8%
% Change on a Constant Basis	--	--	9.4%
Adjusted Operating Income	\$87	\$133	\$62
% Adjusted Operating Margin	14.5%	17.4%	8.5%

2019 included as pre-COVID baseline

Laminate | LVT
Sheet Vinyl | Carpet | Wood
Panels | Insulation

Flooring North America Segment

- Sales increased 3.7% as reported, led by pricing, mix and growth in commercial
- LVT and laminate were strongest performing product categories as sales benefited from recent expansion projects
- Commercial channel remains good and ABI reflects continued construction activity
- Implementing restructuring, productivity and cost containment initiatives
- Completed two acquisitions
 - Non-woven, needle punch flooring company
 - Rubber installation accessories companies

	Q3 2019	Q3 2021	Q3 2022
FLOORING NA SEGMENT (Amounts in millions)			
Sales	\$1,002	\$1,050	\$1,090
% Change	--	--	3.7%
% Change on a Constant Basis	--	--	3.7%
Adjusted Operating Income	\$87	\$120	\$88
% Adjusted Operating Margin	8.7%	11.4%	8.0%

2019 included as pre-COVID baseline

Carpet | LVT | Laminate
Sheet Vinyl | Rugs | Wood

Q4 2022 Outlook

- Expect our businesses around the world to remain under pressure
- Focused on managing through current environment while investing to maximize long-term profitability
- Commercial should continue to outperform residential
- Central Banks continue to raise rates
- Inflation is reducing consumer discretionary spending
- Residential remodeling purchases being deferred or trading down
- European gas and electricity inflation reducing demand & increasing costs
- Aligning production with slowing demand; unabsorbed overhead will increase



Q4 2022 Outlook (continued)

- Implementing multiple restructuring projects across the enterprise
- Other Initiatives
 - Integrating acquisitions
 - Increasing promotional activity
 - Introducing differentiated collections
 - Curtailing SG&A investments
 - Selectively postponing capital projects
- Stronger U.S. dollar will pressure translated earnings
- Q4 adjusted EPS guidance of \$1.40 to \$1.50 (excluding restructuring or other one-time charges) announced October 27





Financials

Earnings Summary (Consolidated)

	2019	2020	2021	Q3 TTM
Net Sales % Change	\$9,971 -0.1%	\$9,552 -4.2%	\$11,201 17.3%	\$11,847 5.8%
Adjusted EBITDA % Adjusted EBITDA Margin	\$1,530 15.3%	\$1,389 14.5%	\$1,949 17.4%	\$1,797 15.2%
Adjusted Operating Income % Adjusted Operating Margin	\$938 9.4%	\$799 8.4%	\$1,360 12.1%	\$1,223 10.3%
Adjusted Net Earnings % Change	\$725 -21.3%	\$631 -13.0%	\$1,027 62.8%	\$938 -8.7%
Adjusted Diluted EPS % Change	\$10.04 -18.6%	\$8.83 -12.1%	\$14.86 68.3%	\$14.44 -2.8%

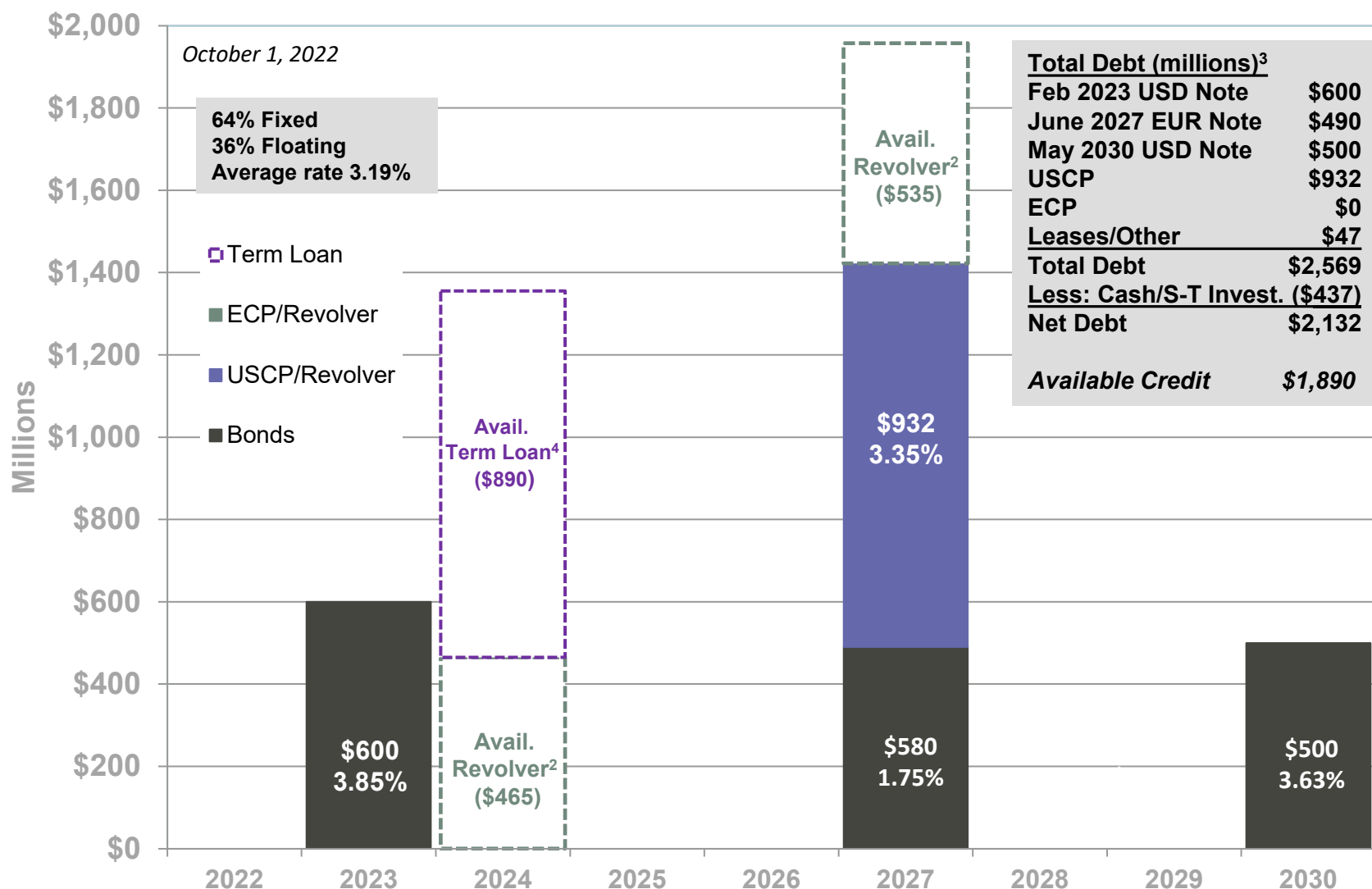
(Amounts in Millions except EPS)

Results by Segments

	2019	2020	2021	Q3 TTM
GLOBAL CERAMIC SEGMENT				
Sales % Change	\$3,631 2.2%	\$3,433 -5.5%	\$3,917 14.1%	\$4,269 9.0%
Adjusted Operating Income % Adjusted Operating Margin	\$344 9.5%	\$234 6.8%	\$406 10.4%	\$447 10.5%
FLOORING NA SEGMENT				
Sales % Change	\$3,844 -4.6%	\$3,594 -6.5%	\$4,116 14.5%	\$4,277 3.9%
Adjusted Operating Income % Adjusted Operating Margin	\$258 6.7%	\$198 5.5%	\$424 10.3%	\$376 8.8%
FLOORING ROW SEGMENT				
Sales % Change	\$2,496 3.9%	\$2,525 1.2%	\$3,167 25.4%	\$3,301 4.2%
Adjusted Operating Income % Adjusted Operating Margin	\$375 15.0%	\$408 16.2%	\$576 18.2%	\$443 13.4%

(Amounts in Millions except EPS)

Maturity Profile¹



1 Not shown on graph: \$47MM in capital and embedded leases, and other debt

2 After Letters of Credit issuance of \$18MM; Amended RCF is now bifurcated, with \$465MM maturing October 2024 and \$1,485MM maturing August 2027

3 Excluding deferred loan cost deduction of \$7MM

4 Delayed draw Term Loan – must be drawn by December 31, 2022



Reconciliation Tables


MOHAWK®

Reconciliation of Non-GAAP Measures

Reconciliation of Net Sales to Net Sales on a Constant Exchange Rate and on Constant Shipping Days		
<i>(Amounts in thousands)</i>	Q3 2022	Q3 2021
Consolidated		
Net Sales	\$2,917,539	2,817,018
Adjustment to net sales on constant shipping days	17,504	-
Adjustment to net sales on a constant exchange rate	116,782	-
Net sales on a constant exchange rate and constant shipping days	\$3,051,825	2,817,018
Reconciliation of Segment Net Sales to Segment Net Sales on a Constant Exchange Rate and on Constant Shipping Days		
<i>(Amounts in thousands)</i>	Q3 2022	Q3 2021
GLOBAL CERAMIC SEGMENT		
Net Sales	\$1,096,656	998,443
Adjustment to net sales on constant shipping days	4,542	-
Adjustment to net sales on a constant exchange rate	20,774	-
Segment net sales on a constant exchange rate and constant shipping days	\$1,121,972	998,443
Reconciliation of Segment Net Sales to Adjusted Segment Net Sales		
<i>(Amounts in thousands)</i>	Q3 2022	Q3 2021
Flooring NA		
Net Sales	\$1,089,634	1,050,455
Rug adjustment	40,000	-
Adjusted segment net sales	\$1,129,634	1,050,455
Reconciliation of Segment Net Sales to Segment Net Sales on a Constant Exchange Rate and on Constant Shipping Days		
<i>(Amounts in thousands)</i>	Q3 2022	Q3 2021
Flooring ROW		
Net Sales	\$ 731,249	768,119
Adjustment to net sales on constant shipping days	12,962	-
Adjustment to net sales on a constant exchange rate	96,008	-
Net sales on a constant exchange rate and constant shipping days	\$ 840,219	768,119

Reconciliation of Non-GAAP Measures

ADJUSTED OPERATING INCOME				
(Amounts in thousands)	2019	2020	2021	Q3 TTM
Operating income	\$ 827,224	636,002	1,335,011	436,237
Adjustments to operating income:				
Restructuring, acquisition and integration-related and other costs	107,201	163,479	23,637	42,957
Acquisitions purchase accounting including inventory step-up	3,938	-	1,749	2,611
Impairment of goodwill and indefinite-lived intangibles*	-	-	-	695,771
Legal settlement and reserves	-	-	-	45,000
Adjusted operating income	\$ 938,364	799,481	1,360,397	1,222,576
Adjusted operating income as a percent of net sales	9.4%	8.4%	12.1%	10.3%

OPERATING INCOME TO ADJUSTED EBITDA				
(Amounts in thousands)	2019	2020	2021	Q3 TTM
Operating income	\$ 827,224	636,002	1,335,011	436,237
Other income (expense)	(36,407)	752	12,234	482
Net income attributable to non-controlling interest	(360)	(132)	(389)	(451)
Depreciation and amortization	576,452	607,507	591,711	579,861
EBITDA	1,366,909	1,244,129	1,938,567	1,016,129
Restructuring, acquisition and integration-related and other costs	99,623	145,153	14,700	29,674
Acquisitions purchase accounting including inventory step-up	3,938	-	1,749	2,611
Impairment of goodwill and indefinite-lived intangibles*	-	-	-	695,771
Impairment of net investment in a manufacturer and distributor of Ceramic tile in China**	59,946	-	-	-
Legal settlement and reserves	-	-	-	45,000
Release of indemnification asset	-	-	-	7,324
Resolution of foreign non-income tax contingencies	-	-	(6,211)	-
Adjusted EBITDA	\$1,530,416	1,389,282	1,948,805	1,796,509
Adjusted EBITDA as a percent of net sales	15.3%	14.5%	17.4%	15.2%

*The Company's current market capitalization along with challenging economic conditions and higher discount rates prompted a review of its goodwill and intangible asset balances, which resulted in non-cash impairment charges of approximately \$696 million for the third quarter of 2022.

**In September 2019, the US commerce department imposed a 104% countervailing duty on top of the 25% general tariffs on all ceramic produced in China. As a consequence, ceramic purchases from China would dramatically decline and Mohawk took a \$60 million write off to our investment in a Chinese manufacturer and distributor.

Reconciliation of Non-GAAP Measures

ADJUSTED OPERATING INCOME				
(Amounts in thousands)	2019	2020	2021	Q3 TTM
GLOBAL CERAMIC SEGMENT				
Operating income (loss)	\$ 335,639	167,731	403,135	(245,099)
Adjustments to operating income (loss):				
Restructuring, acquisition and integration-related and other costs	8,491	65,842	2,627	3,782
Acquisitions purchase accounting including inventory step-up	204	-	-	-
Impairment of goodwill	-	-	-	688,514
Adjusted operating income	\$ 344,130	233,572	405,761	447,197
Adjusted operating income as a percent of net sales	9.5%	6.8%	10.4%	10.5%
FLOORING NA SEGMENT				
Operating income	\$ 177,566	147,442	407,577	351,737
Adjustments to operating income:				
Restructuring, acquisition and integration-related and other costs	80,195	50,895	16,888	21,235
Acquisitions purchase accounting, including inventory step-up	-	-	-	1,401
Impairment of indefinite-lived intangibles	-	-	-	1,407
Adjusted operating income	\$ 257,761	198,338	424,465	375,780
Adjusted operating income as a percent of net sales	6.7%	5.5%	10.3%	8.8%
FLOORING ROW SEGMENT				
Operating income	\$ 353,667	366,934	571,126	418,604
Adjustments to operating income:				
Restructuring, acquisition and integration-related and other costs	17,643	41,098	2,911	16,924
Acquisitions purchase accounting including inventory step-up	3,734	-	1,749	1,210
Impairment of indefinite-lived intangibles	-	-	-	5,850
Adjusted operating income	\$ 375,044	408,032	575,786	442,588
Adjusted operating income as a percent of net sales	15.0%	16.2%	18.2%	13.4%
CORPORATE AND INTERSEGMENT ELIMINATIONS				
Operating (loss)	\$ (39,647)	(46,105)	(46,827)	(89,004)
Adjustments to operating (loss):				
Restructuring, acquisition and integration-related and other costs	1,078	5,644	1,212	1,018
Legal settlement and reserves	-	-	-	45,000
Adjusted operating (loss)	\$ (38,569)	(40,462)	(45,614)	(42,986)

Reconciliation of Non-GAAP Measures

ADJUSTED NET EARNINGS

<i>(Amounts in thousands, except EPS)</i>	2019	2020	2021	Q3 TTM
Net earnings attributable to Mohawk Industries, Inc.	\$ 744,211	515,595	1,033,159	180,880
Adjusting items:				
Restructuring, acquisition, integration-related and other costs	99,622	166,817	23,118	42,676
Acquisitions purchase accounting including inventory step-up	3,938	-	1,749	2,611
Impairment of goodwill and indefinite-lived intangibles*	-	-	-	695,771
Legal settlement and reserves	-	-	-	45,000
Release of indemnification asset	-	-	-	7,324
Deferred loan costs	601	-	-	-
Impairment of net investment in a manufacturer and distributor of Ceramic tile in China**	59,946	-	-	-
One-time tax planning election	-	-	(22,163)	4,568
Resolution of foreign non-income tax contingencies	-	-	(6,211)	-
Income tax effect on resolution of foreign non-income tax contingencies	-	-	2,302	-
European tax restructuring***	(136,194)	-	-	-
Income taxes - reversal of uncertain tax position	-	-	-	(7,324)
Income taxes - impairment of goodwill and indefinite-lived intangibles	-	-	-	(10,168)
Income taxes	(46,786)	(51,740)	(4,626)	(23,600)
Adjusted net earnings attributable to Mohawk Industries, Inc.	\$ 725,338	630,672	1,027,328	937,738
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	\$ 10.04	8.83	14.86	14.44
Weighted-average common shares outstanding - diluted	72,264	71,401	69,145	64,959

*The Company's current market capitalization along with challenging economic conditions and higher discount rates prompted a review of its goodwill and intangible asset balances, which resulted in non-cash impairment charges of approximately \$696 million for the third quarter of 2022.

**In September 2019, the US commerce department imposed a 104% countervailing duty on top of the 25% general tariffs on all ceramic produced in China. As a consequence, ceramic purchases from China would dramatically decline and Mohawk took a \$60 million write off to our investment in a Chinese manufacturer and distributor.

***In 2019, the Company implemented select operational, administrative and financial restructurings that centralized certain business processes and intangible assets in various European jurisdictions into a new entity. The restructurings resulted in a current tax liability of \$136 million, calculated by measuring the fair value of intangible assets transferred. The Company offset the tax liability with the utilization of \$136 million of deferred tax assets from accumulated net operating loss carry forwards. The restructurings also resulted in the Company recording a \$136 million deferred tax asset, and a corresponding deferred tax benefit, related to the tax basis of the intangible assets transferred.

Reconciliation of Non-GAAP Measures

NET DEBT			
<i>(Amounts in thousands)</i>	2020Q4	2021Q4	2022Q3
Current portion of long-term debt and commercial paper	\$ 377,255	624,503	1,542,139
Long-term debt, less current portion	2,356,887	1,700,282	1,019,984
Less: Cash and cash equivalents	768,625	268,895	326,971
Net Debt	1,965,517	2,055,890	2,235,151
Less: Short-term Investments	571,741	323,000	110,000
Net Debt less Short-term Investments	\$1,393,776	1,732,890	2,125,151

TRAILING TWELVE MONTHS OPERATING INCOME TO ADJUSTED EBITDA			
<i>(Amounts in thousands)</i>	2020Q4	2021Q4	2022Q3
Operating income	\$ 636,002	1,335,011	436,237
Other income (expense)	752	12,234	482
Net (income) loss attributable to non-controlling interest	(132)	(389)	(451)
Depreciation and amortization	607,507	591,711	579,861
EBITDA	1,244,129	1,938,567	1,016,129
Restructuring, acquisition, integration-related and other costs	145,415	14,700	29,674
Acquisitions purchase accounting, including inventory step-up	(262)	1,749	2,611
Impairment of goodwill and indefinite-lived intangibles	-	-	695,771
Legal settlement and reserves	-	-	45,000
Release of indemnification asset	-	-	7,324
Resolution of foreign non-income tax contingencies	-	(6,211)	-
Adjusted EBITDA	\$1,389,282	1,948,805	1,796,509
Net Debt less Short-term Investments to adjusted EBITDA	1.0	0.9	1.2



Mohawk Industries Q3 2022 Investor Presentation
for additional information please visit mohawkind.com