



Mohawk Industries, Inc.

Investor Presentation - February 2014

**Growth
by Design**





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.

In addition, throughout this presentation, we will use Non-GAAP financial measures.

Reconciliation to the most comparable GAAP measures can be found on the Mohawk website.



Mohawk Industries Highlights



- World's largest flooring manufacturer
- Expanding international presence
- Total flooring product offering
- Experienced management team
- Balanced and diversified business
- Vertically integrated manufacturing
- Superior distribution infrastructure



Worldwide Leader in Flooring



2012PF⁽¹⁾

- Sales: \$7.4B
- EBITDA: \$890M

2013PF⁽¹⁾

- Sales: \$7.7B
- EBITDA: \$1,034M

Worldwide Presence

Australia

Brazil

Canada

China

Europe

India

Malaysia

Mexico

Russia

U.S.

Leading Market Positions

Ceramic

Carpet and Rugs

Laminate

Wood

Stone Flooring and Countertops

(1) Proforma (Marazzi, Pergo and Spano acquisitions)
EBITDA excludes unusual items



Focused Business Strategy



Value Creation

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

Operating Excellence

- Drive optimization of resources and materials
- Leverage knowledge and innovation across segments

Growth

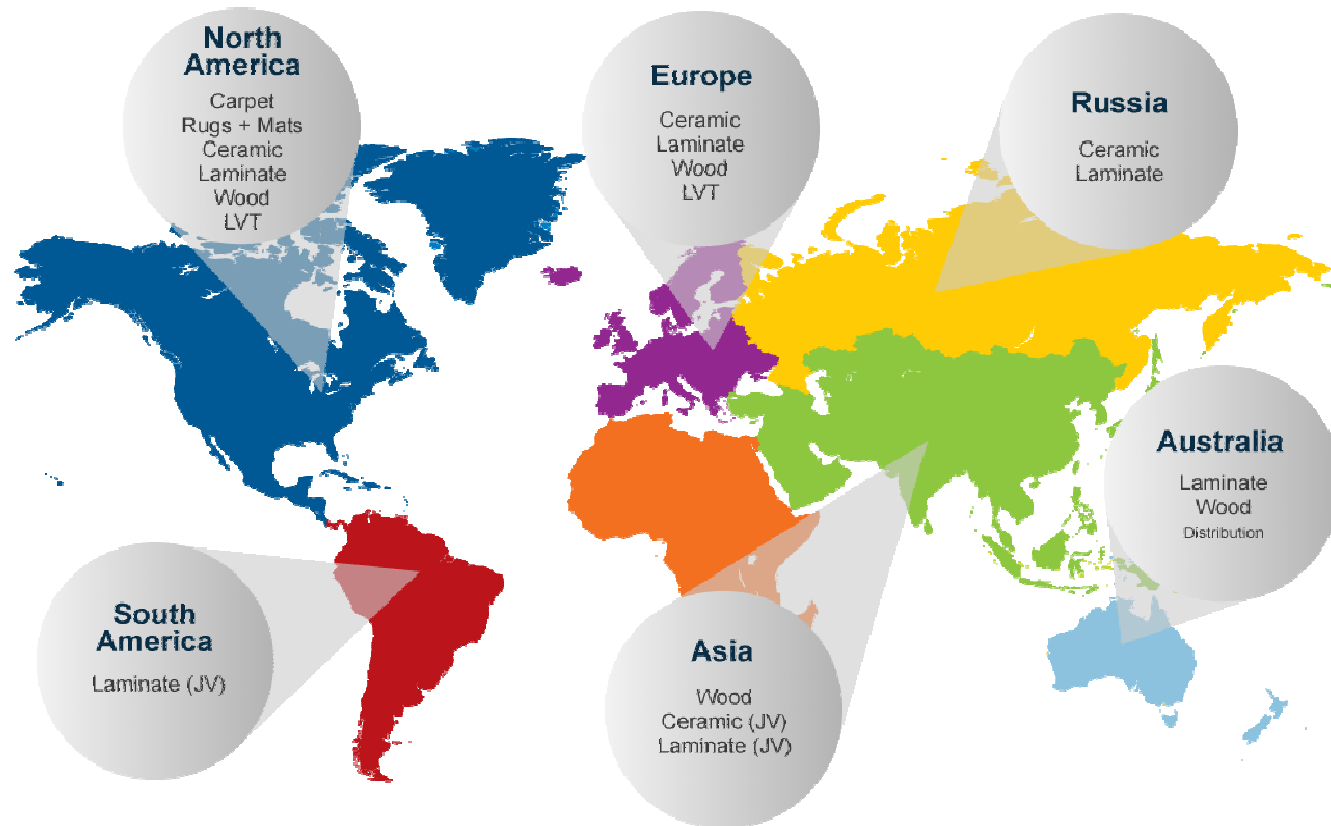
- Provide value to customers through innovative products and process improvements
- Expand international participation in growth markets
- Execute acquisitions supporting current businesses and geographic expansion

Stakeholder Commitments

- Treat all business partners fairly
- Protect and invest in the communities in which we operate



Two Decades of Strategic Growth





Position by Product, Geography & End Market

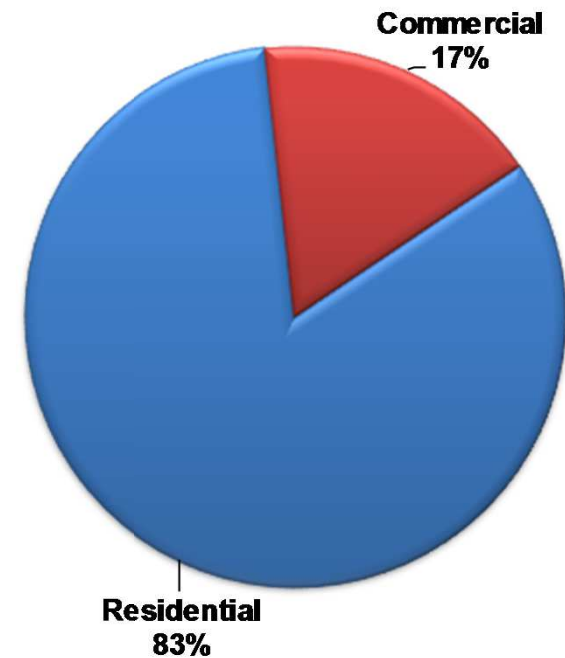
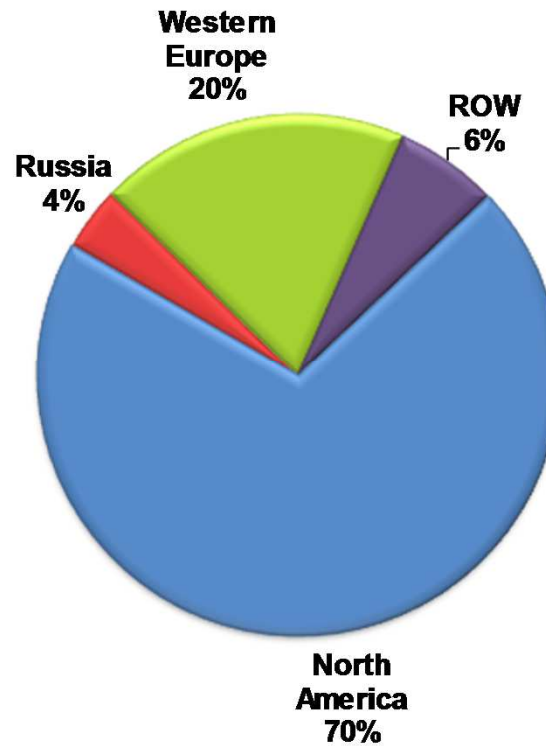
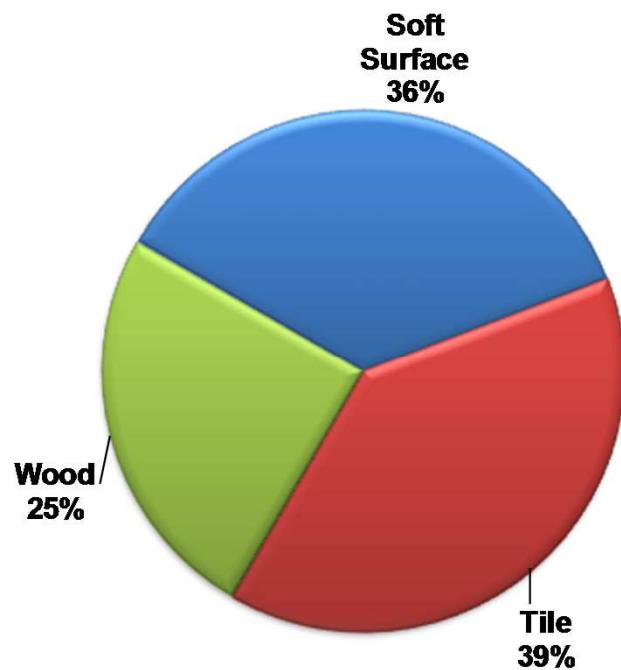


2013 Sales Mix

By Product Category

By Geography

By End Market



Positive Industry Outlook



Before



After



United States

- GDP growth at pre-recession levels
- Flooring industry growth outpacing economy
- Low mortgage rates driving home sales
- Rising home prices support reinvestment
- New residential construction increasing
- Pent-up demand from postponed residential remodeling
- Commercial end market growing

Other Markets

- Europe appears to be moving from cyclical bottom
- Russia has housing shortage; two-thirds of homes have deferred flooring needs
- Mexican market will benefit from increased government construction spending

Historic Pent Up Demand



U.S. Carpet Industry Shipments (Sq. Yds.)

<u>Year</u>	<u>Square Yards (000)</u>	<u>% Change</u>
1980	1,058,404	-12%
1981	990,619	-6%
1982	885,811	-11%
1983	1,090,071	23%
1990	1,360,043	3%
1991	1,278,017	-6%
1992	1,419,167	11%
2001	1,890,991	-4%
2002	1,953,685	3%
2006	1,771,012	-15%
2007	1,539,689	-13%
2008	1,327,274	-14%
2009	1,075,612	-19%
2010	1,089,770	1%
2011	1,061,240	-3%
2012	1,040,702	-2%

Source: U.S. Department of Commerce, Census Bureau (1980-2010)

Source: U.S. Floors Report 2012 (2011-2012)

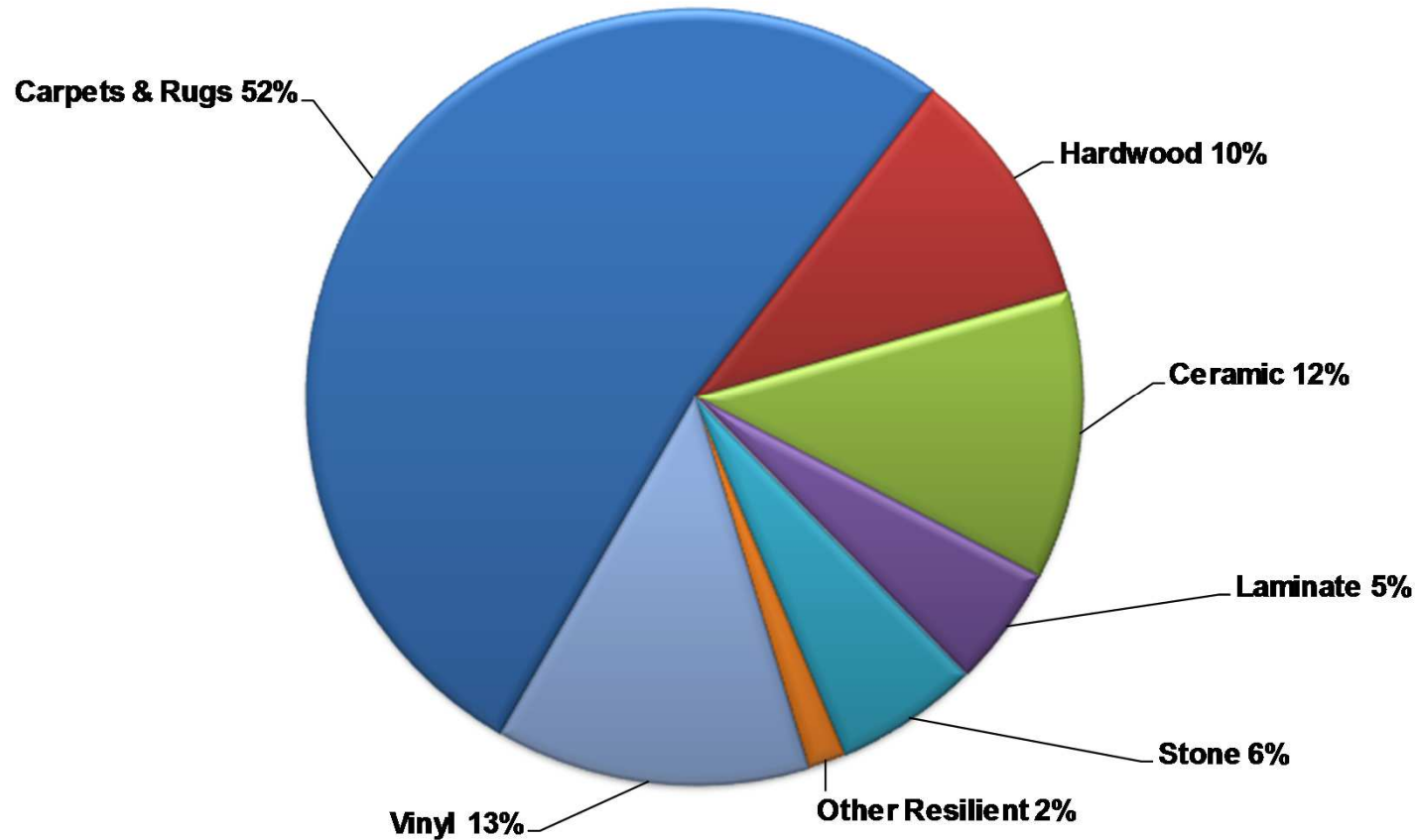




Product Mix Across U.S. Flooring Industry



2012 U.S. Flooring Industry \$19 Billion

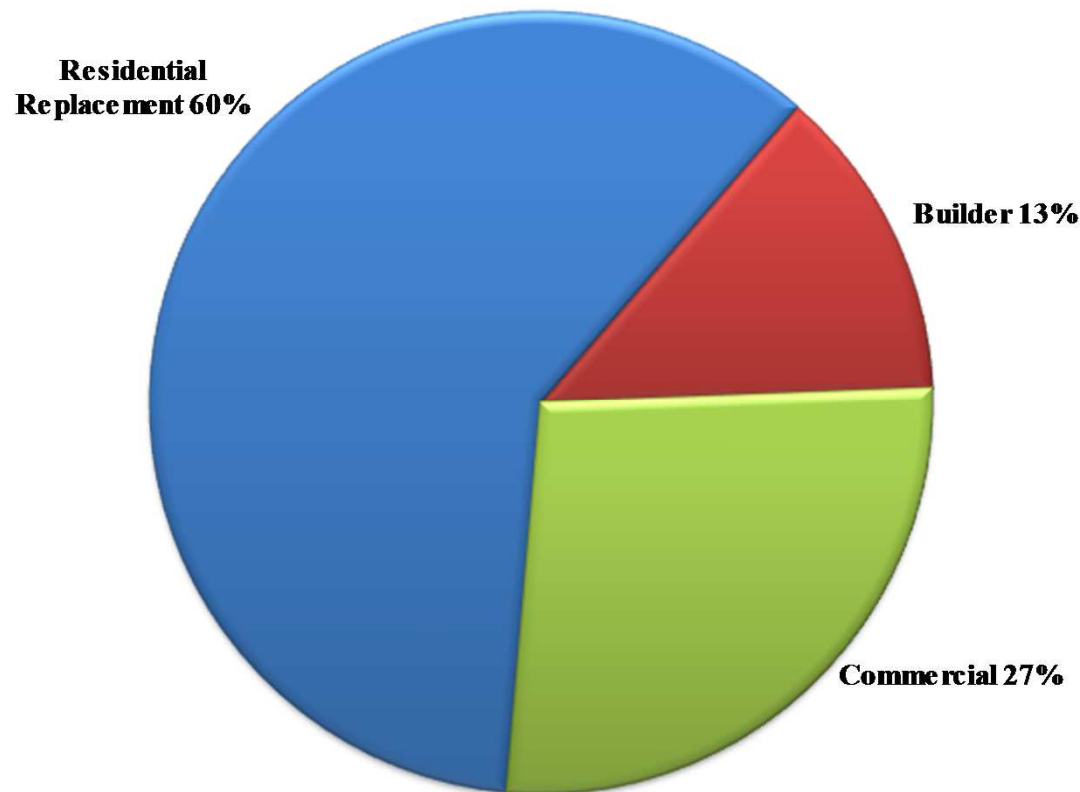




U.S. Floor Covering Sales by End-Use Market



2012 U.S. Industry Sales \$19 Billion



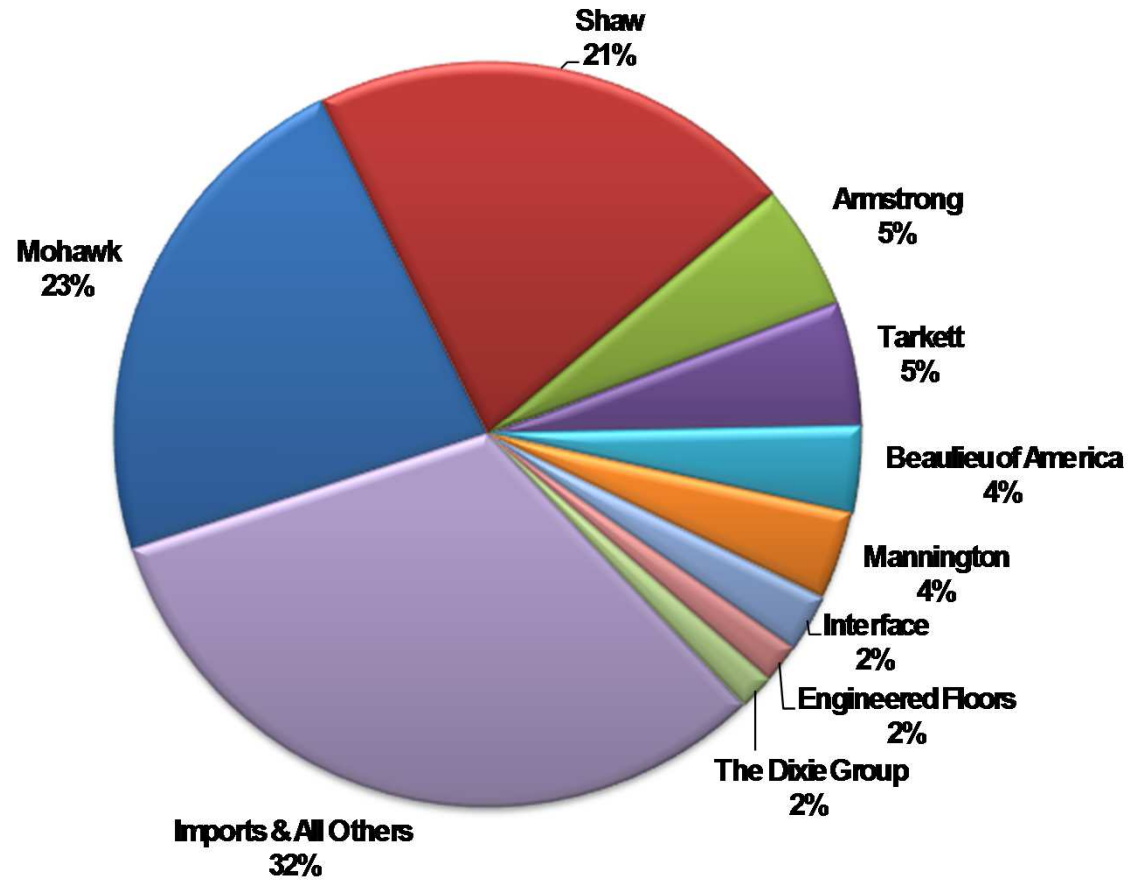
- Industry recovery early in cycle
- New housing starts and remodeling improved in 2013
- Significant pent up demand for residential remodeling due to impact of recession
- Commercial typically lags; indicators suggest future growth



2012 U.S. Flooring Market Leaders



Total Flooring Industry Competitor Mix

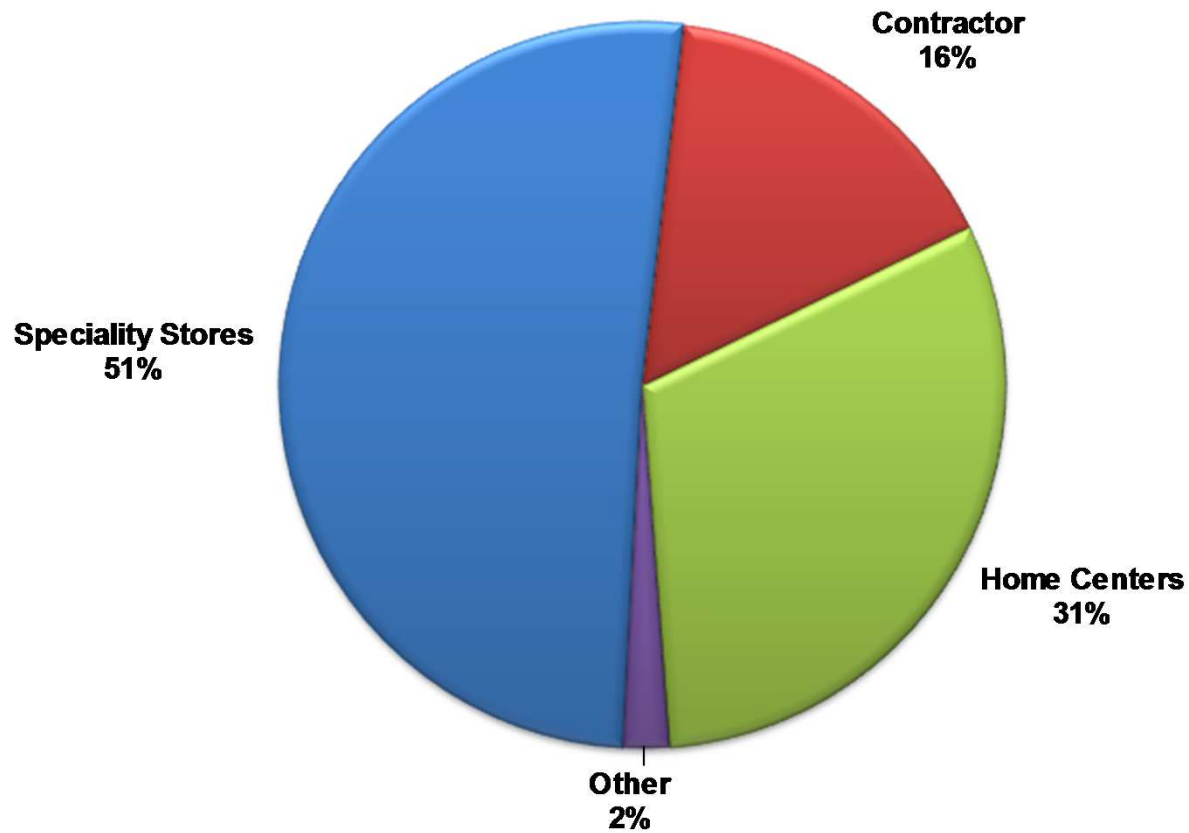




U.S. Floorcovering Distribution Channels



2012 U.S. Industry



➤ Innovative Products & Technologies



- Reveal Imaging – printed ceramic tile
- Ceramic – differentiated wood look



- SmartStrand Silk – exclusive super soft fiber
- Continuum – proprietary polyester process



- GenuEdge – replicates the look of wood planks in laminate
- Livyn LVT – proprietary Uniclic® system



- Q-Wood – locking engineered hardwood
- Opulux – enhanced wood finish

World Class Systems

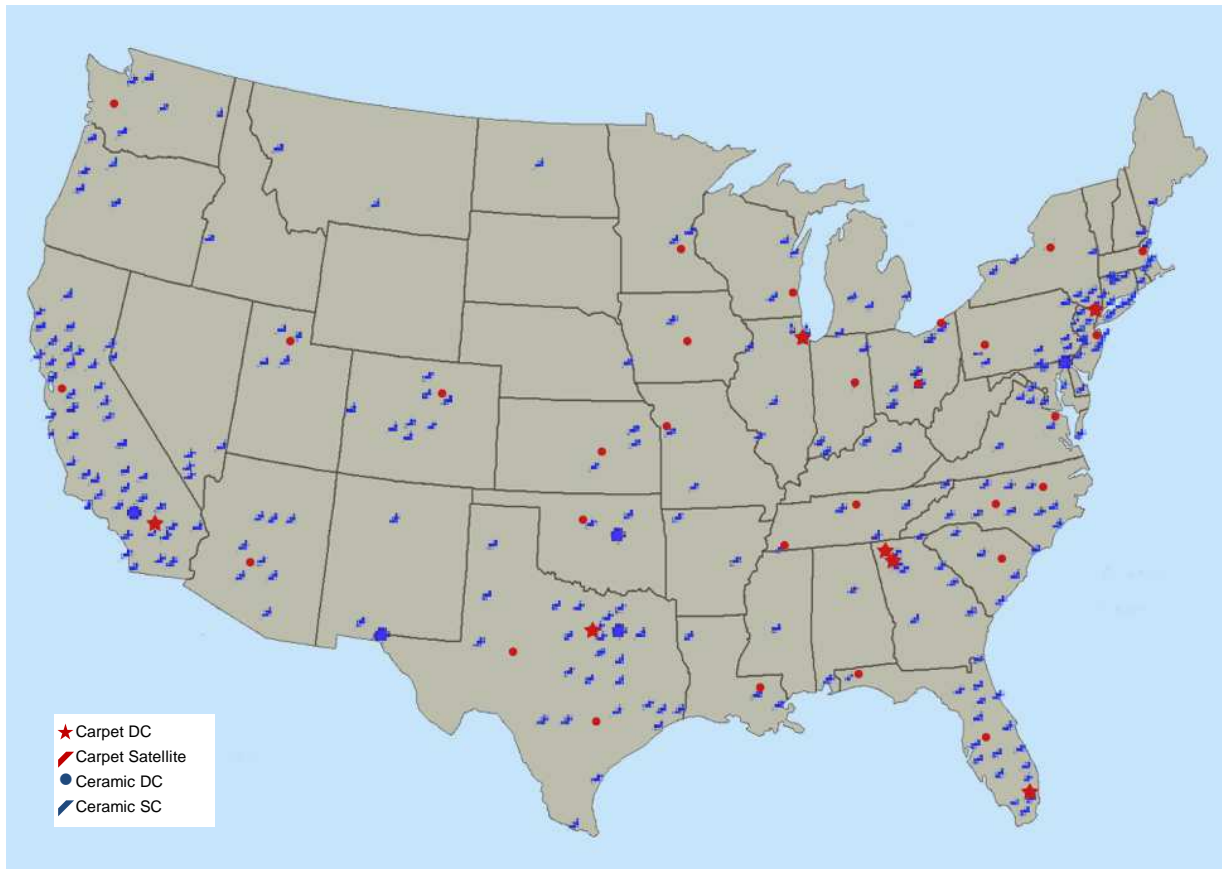
- State of the art order and inventory management system
- Sophisticated transportation management
- Integrated warehouse management
- Next generation supply chain planning



Best in Class Distribution Network



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



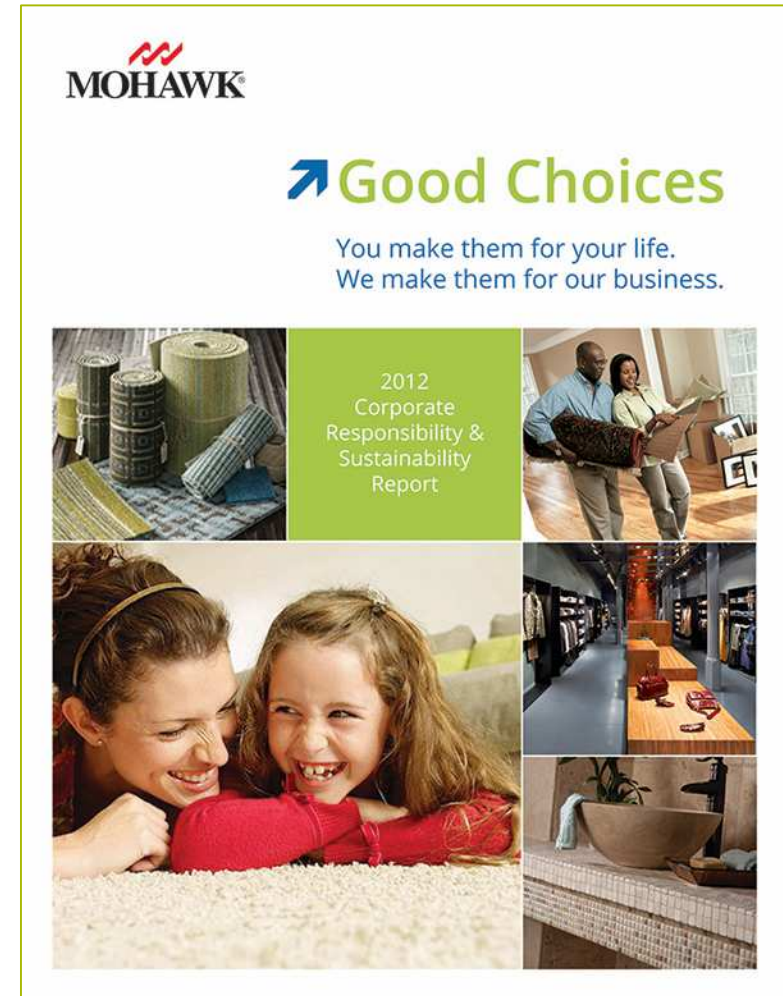
- Best in Class:
 - Logistics system
 - 1,500 sales representatives
 - 300 distribution points
 - 600 trucks



➤ The Business of Sustainability

Improving Environment in Our Communities

- **Waste reduction**
 - 3 billion lbs. of material
 - Zero Waste campaign in all facilities
- **Use of recycled content**
 - 500 products contain recycled material
 - 20% of all plastic bottles recycled in N.A.
 - 29 million lbs. of tires recycled into door mats
- **Exclusive sustainable product category**
 - SmartStrand Silk: Bio-based carpet fiber from corn
- **Investment in resource efficiencies**
 - Reduced water consumption 30%
 - Reduced energy consumption 8% per unit



The image shows the cover of the 2012 Corporate Responsibility & Sustainability Report. At the top left is the Mohawk logo. To the right is the title "Good Choices" in green, with a blue arrow pointing to the right. Below the title is the tagline "You make them for your life. We make them for our business." in blue. The cover features a collage of four images: top-left shows rolls of carpet; top-right shows a man and a woman in a living room; bottom-left shows a woman and a young girl smiling; bottom-right shows a modern bathroom sink.

Ceramic Segment

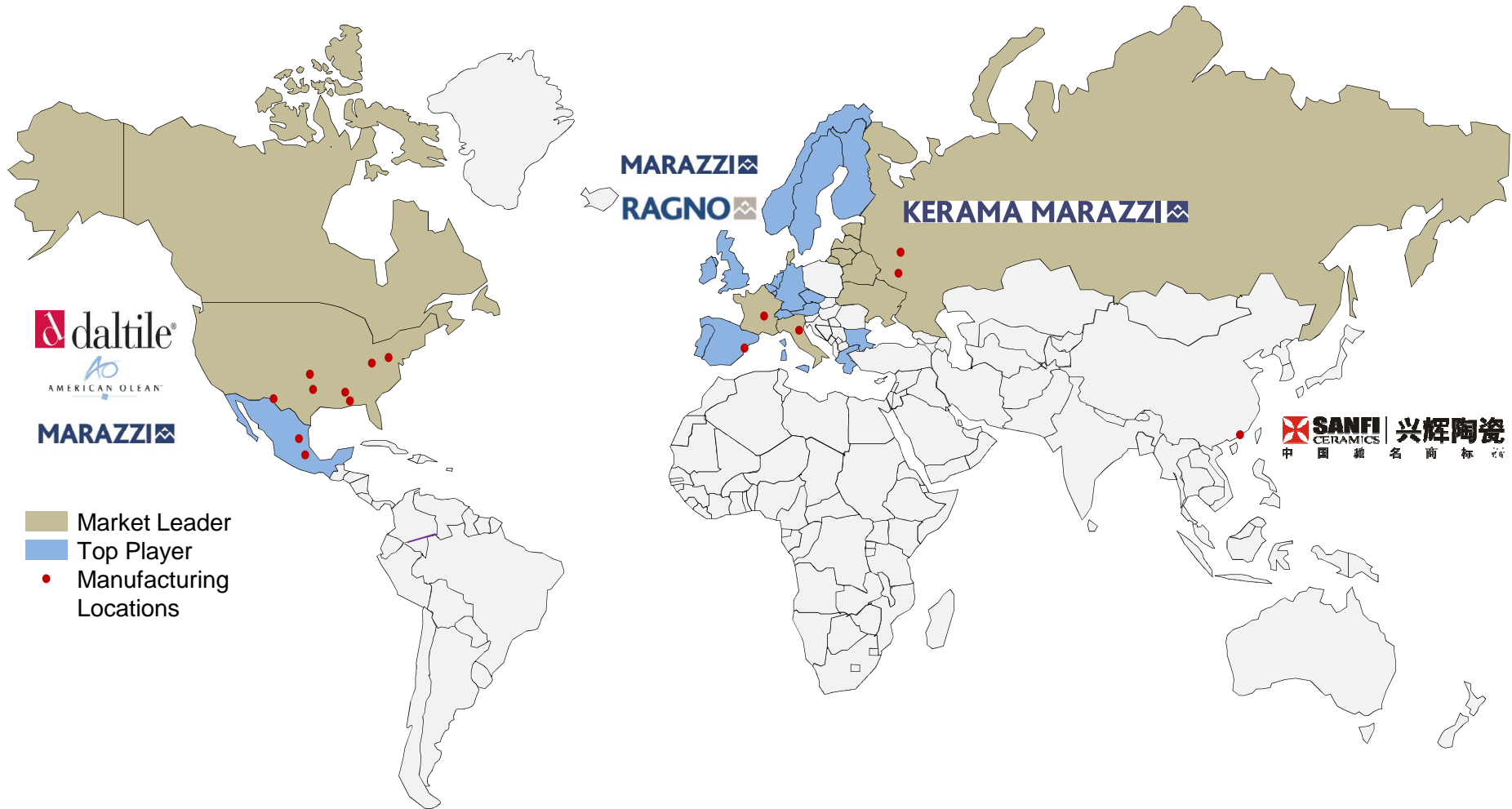


Competitive Advantages

- Worldwide ceramic leader with leading positions in North America, 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 Segment: Expanding Globally

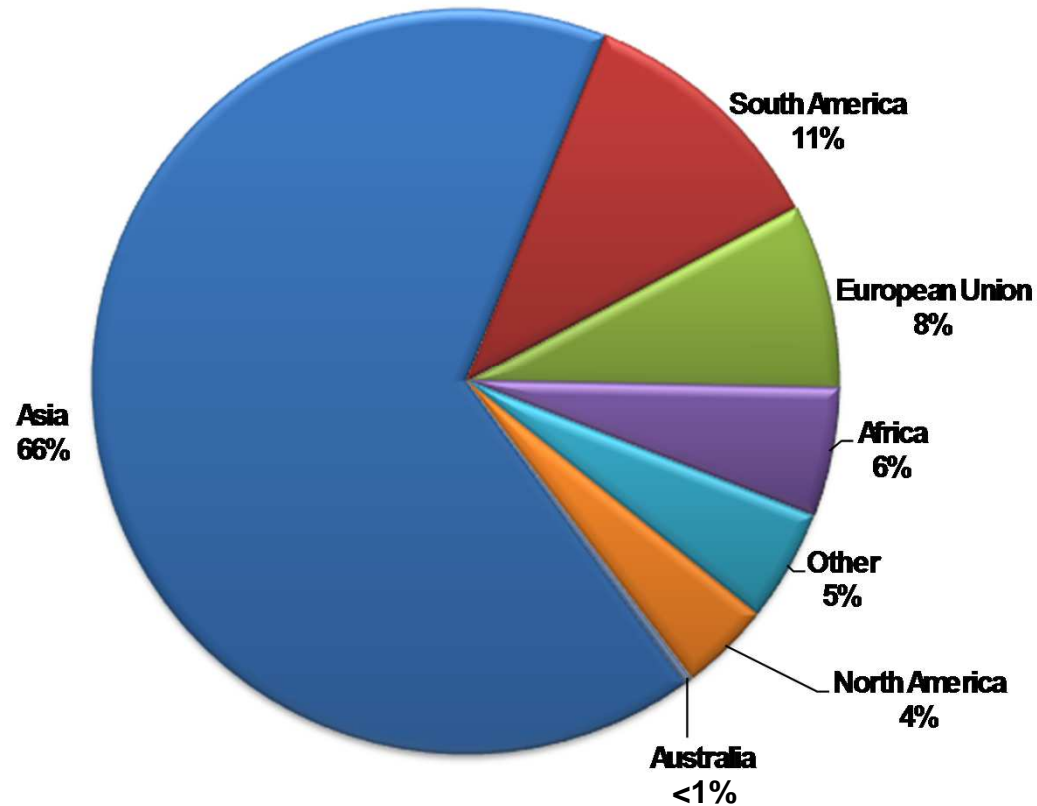




2012 Global Tile Market: Opportunity



Consumption by Region 117.5 Billion Sq. Ft.





Ceramic Segment: Brands Serving All Channels



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



- Independent retailers and distributors in Russia, the U.S. and Europe
- Home centers in the U.S., Russia and Europe
- 2 distribution centers and 12 service centers in the U.S.
- 21 Kerama distribution centers in Russia and neighboring countries
- 319 company-owned or franchised retail stores in Russia and neighboring countries



- Independent distributor focus
- 31 U.S. service centers aligned with Marazzi providing total distributor product line
- Home Centers



- Residential flooring dealer focus in the U.S.

Carpet Segment



Competitive Advantages

- Leading market share in all channels
- Broadest array of flooring products
- Leader in innovation and soft technology
- Well known exclusive brands - SmartStrand and Embrace
- Strong aligned dealer network
- Low cost integrated manufacturing
- Best in class national distribution



Carpet Segment: Brands Serving All Channels



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



KARASTAN LEES Bigelow



- Corporate
- Educational
- Retail
- Health Care
- Hospitality
- Institutional
- Main Street



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



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

Expanding Customer Technology



Mobile Track & Trace App

- Launched new mobile technology to sales team
- Ability to follow customer orders in a mobile environment
- Near real time data (updates every 2 hours)
- Order status updates to sales manager phones

Sales Force Enabler: Navigator™

- Effective CRM to improve sales productivity
- Sales data, market opportunity tool, real-time visibility
- Highlights key information quick and easy
- Available on tablet for easy access with customers

Laminate & Wood Segment

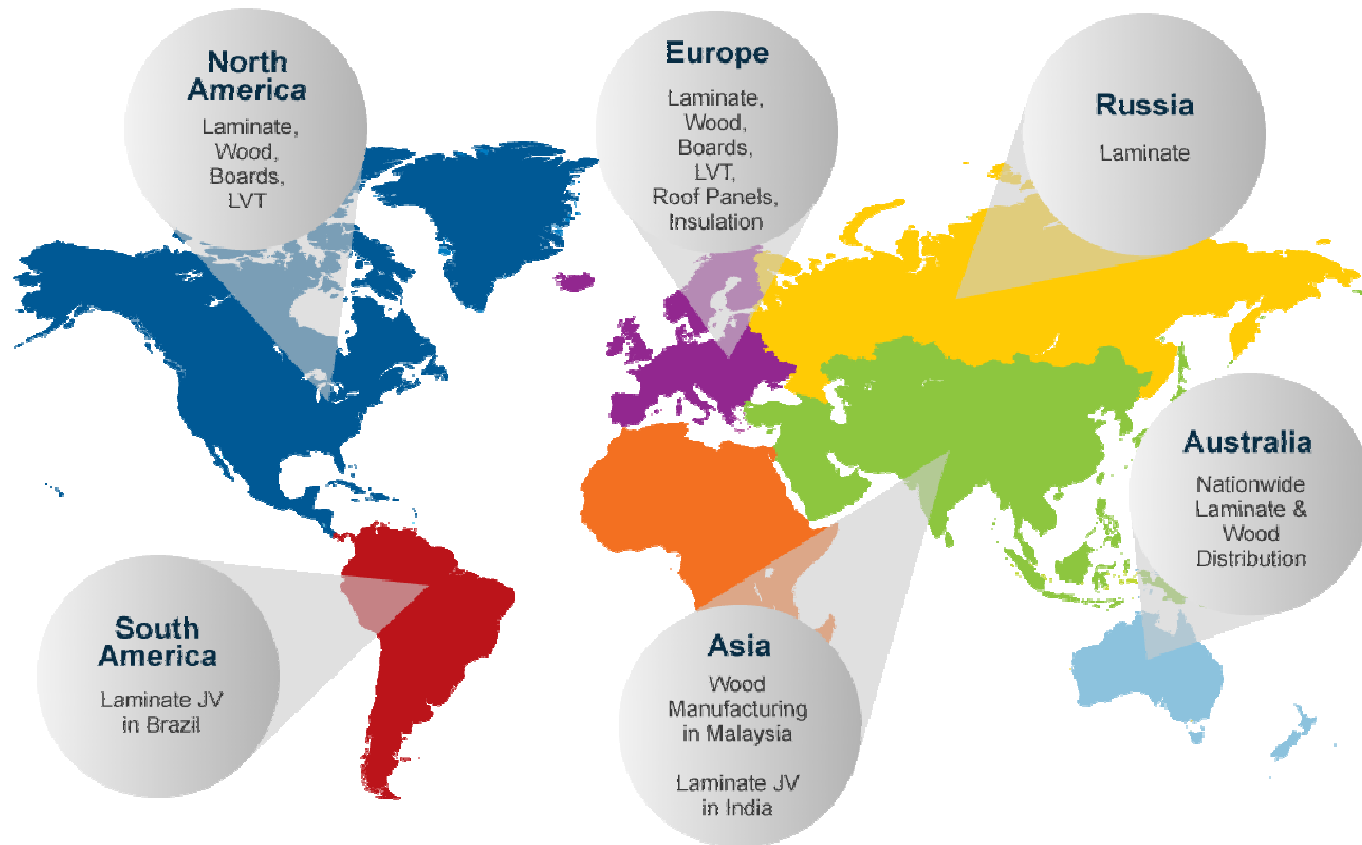


Competitive Advantages

- Laminate leader in mid- to high-end
- Spano and Pergo acquisitions improve leading positions in laminate and boards
- Strong consumer brand recognition in Europe & U.S.
- Complete laminate and pre-finished wood offering
- Undisputed innovation leader
- Vertically integrated low-cost manufacturer



Laminate & Wood Segment: Market Expansion





Unilin Segment: Brands Serving All Channels



PERGO®

- Home Centers
- Independent Specialty Retail
- Commercial



- Independent Specialty Retail
- Builder
- Multi-Family

columbia FLOORING ORIGINALS™

- Independent Specialty Retail
- Builder
- Multi-family



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



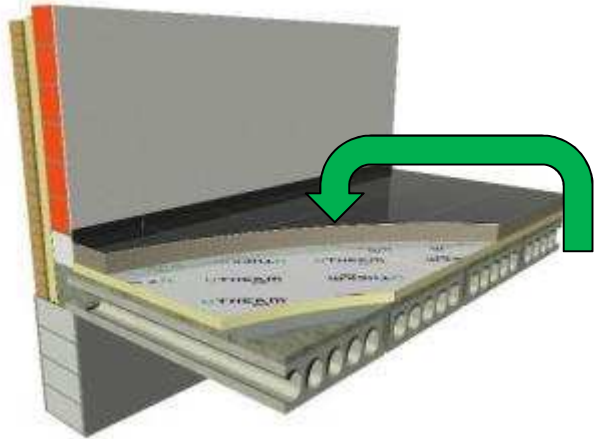
- Boards to manufacturing companies
- Insulation panels to builders
- Roofing systems to builders
- Click furniture to department stores



Laminate & Wood Segment: Non-Flooring Products



Insulation Boards



- Chipboards
 - Furniture and specialty construction
- Melamine-faced boards and panels
 - Furniture, DIY and construction industries
- Custom Roofing Panels
 - Insulated roof panels and hinged roofs
- Insulation Panels

Roofing Panels



Roofing Panels



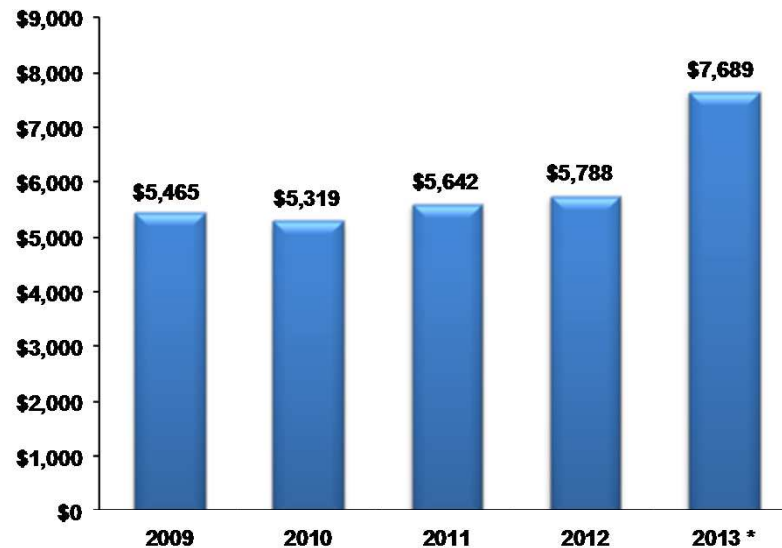


Mohawk Industries, Inc.

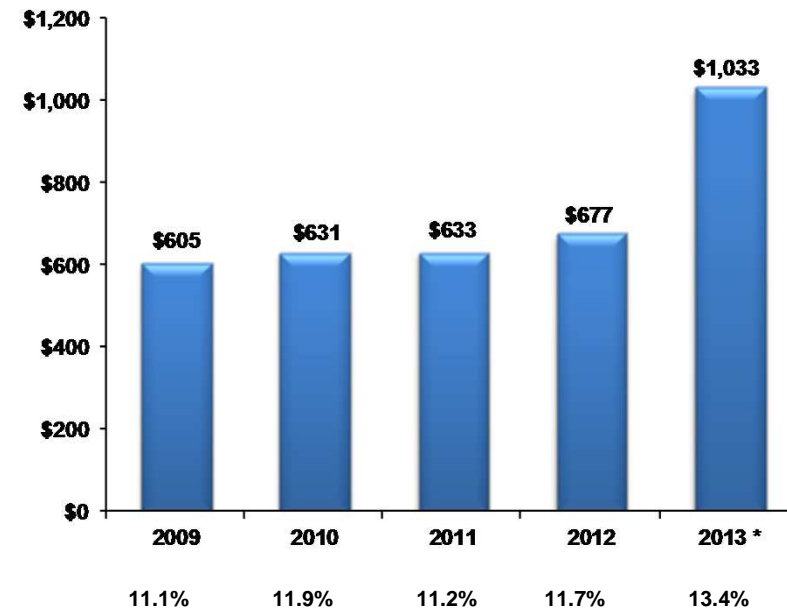
Adjusted Revenues & Adjusted EBITDA



Revenues



EBITDA (% of Revenues)



Dollars in Millions, excluding unusual items
* Pro forma 2013

Earnings Summary (ex-unusual items)



(Dollars in Millions except EPS)

Years Ended	2013	2012	2011	2010	2009
Net Sales	\$ 7,349	\$ 5,788	\$ 5,642	\$ 5,319	\$ 5,465
% Change	27%	3%	6%	(3%)	(20%)
Operating Income	\$ 690	\$ 398	\$ 345	\$ 327	\$ 301
% Oper. Margin	9%	7%	6%	6%	6%
Net Earnings	\$ 473	\$ 262	\$ 202	\$ 173	\$ 154
% Change	81%	29%	17%	12%	(39%)
Diluted EPS	\$ 6.55	\$ 3.78	\$ 2.92	\$ 2.52	\$ 2.24
% Change	73%	29%	16%	13%	(39%)

Results by Segment (ex-unusual items)



(Dollars in Millions)



Segment	2013	2012	2011	2010	2009
Carpet					
Sales	\$ 2,986	\$ 2,912	\$ 2,928	\$ 2,845	\$ 2,978
%Change	3%	-1%	3%	(4%)	(19%)
Operating Income	\$ 223	\$ 169	\$ 136	\$ 133	\$ 98
Margin	7%	6%	5%	5%	3%
Ceramic					
Sales	\$ 2,677	\$ 1,616	\$ 1,454	\$ 1,367	\$ 1,427
%Change	66%	11%	6%	(4%)	(21%)
Operating Income	\$ 284	\$ 127	\$ 105	\$ 99	\$ 102
Margin	11%	8%	7%	7%	7%
Laminate & Wood					
Sales	\$ 1,792	\$ 1,350	\$ 1,345	\$ 1,188	\$ 1,128
%Change	33%	0%	13%	5%	(23%)
Operating Income	\$ 214	\$ 128	\$ 127	\$ 116	\$ 121
Margin	12%	10%	10%	10%	11%



Quarterly Earnings Summary (Ex-unusual items)



(Dollars in Millions except EPS)

Fourth Quarter	2013	2012	2011
Net Sales	\$ 1,924	\$ 1,436	\$ 1,378
% Change	34%	4%	9%
Operating Income	\$ 187	\$ 102	\$ 80
% Oper. Margin	10%	7%	6%
Diluted EPS	\$1.79	\$1.01	\$0.72
% Change	77%	41%	11%



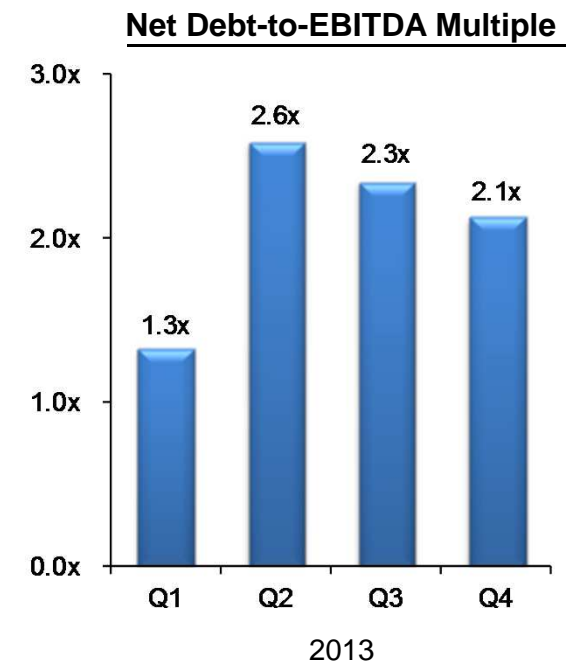
Leverage and Capital Structure



(Dollars in Millions)

Capitalization

	As of 12/31/2013	Interest Rate
Securitization Facility	\$300	L+75
Existing Revolving Credit Facility	364	L+125
2016 Senior Notes	900	6.125%
2023 Senior Notes	600	3.85%
Ind. Revenue Bonds, Capital Leases, & Other	96	
Cash & Cash Equivalents	54	
Total Net Debt	\$2,206	3.9%
Shareholders' Equity	4,470	
Total Capitalization	\$6,676	





Mohawk Industries, Inc.