

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 24, 2024


MOHAWK[®]
INDUSTRIES, INC.
MOHAWK INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

01-13697
(Commission File Number)

52-1604305
(I.R.S. Employer
Identification No.)

160 S. Industrial Blvd., Calhoun, Georgia
(Address of principal executive offices)

30701
(Zip Code)

Registrant's telephone number, including area code: (706) 629-7721

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (CFR 240.17R 240.13e-4(c))

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, \$.01 par value	MHK	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

The information in this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished pursuant to Item 2.02 and shall not be deemed “filed” for purpose of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

On October 24, 2024, Mohawk Industries, Inc. (the "Company") issued a press release to report the Company’s earnings for the fiscal quarter ended September 28, 2024, which is attached to this report as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

[99.1 Press release dated October 24, 2024.](#)

104 Interactive Data File

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 24, 2024

By:

Mohawk Industries, Inc.
/s/ William W. Harkins

William W. Harkins
Chief Accounting Officer and Corporate Controller

INDEX TO EXHIBITS

Exhibit

- 99.1 [Press release dated October 24, 2024.](#)
- 104 Interactive Data File

NEWS RELEASE

For Release: Immediately

**Contact: James Brunk, Chief Financial Officer
(706) 624-2239**

MOHAWK INDUSTRIES REPORTS Q3 RESULTS

Calhoun, Georgia, October 24, 2024 — Mohawk Industries, Inc. (NYSE: MHK) today announced third quarter 2024 net earnings of \$162 million and earnings per share (“EPS”) of \$2.55; adjusted net earnings were \$184 million, and adjusted EPS was \$2.90. Net sales for the third quarter of 2024 were \$2.7 billion, a decrease of 1.7% as reported and 2.1% on an adjusted basis versus the prior year. During the third quarter of 2023, the Company reported net sales of \$2.8 billion, a net loss of \$760 million and a loss per share of \$11.94; adjusted net earnings were \$174 million, and adjusted EPS was \$2.72. The Company’s prior-year earnings were impacted by non-cash impairment charges of \$876 million in the third quarter of 2023.

For the nine months ended September 28, 2024, net earnings and EPS were \$425 million and \$6.66, respectively; adjusted net earnings were \$494 million, and adjusted EPS was \$7.75. Net sales for the first nine months of 2024 were \$8.2 billion, a decrease of 3.8% as reported and 4.0% on an adjusted basis versus the prior year. For the nine months ended September 30, 2023, the Company reported net sales of \$8.5 billion, a net loss of \$579 million and a loss per share of \$9.10; adjusted net earnings were \$462 million, and adjusted EPS was \$7.23.

Commenting on the Company’s third quarter results, Chairman and CEO Jeff Lorberbaum stated, “We delivered a solid performance in soft market conditions, which reflects the positive impact of our sales initiatives, productivity and restructuring actions as well as lower input costs, partially offset by pricing and mix pressure. Due to our increased earnings and management of working capital, we generated free cash flow of \$204 million in the quarter, for a total of \$443 million year to date. This year, we are investing approximately \$450 million in capital projects focused on growth, reducing costs and asset maintenance.

In all our regions, market conditions were slower than anticipated given high interest rates, lingering inflation and lower consumer confidence. During the quarter, our sales initiatives delivered volume gains in many product categories, offset by pricing pressures and negative mix. Though the commercial channel has lost some momentum as the year progressed, it continued to outperform residential.

In our markets, central banks are shifting from a restrictive policy to a more balanced approach to stimulate their economies, which should benefit our industry as consumer and business spending expands. We expect that recent interest rate cuts in the U.S., Europe and Latin America will strengthen housing markets and increase flooring sales next year.

We remain focused on managing the controllable aspects of our business to enhance our results. With gross margins under pressure from weaker industry demand, all of our businesses are implementing strategies to maximize volumes and plant utilization. To increase sales, we are launching innovative new products, marketing initiatives and promotional activities. We are enhancing productivity and exercising disciplined cost management in all aspects of the business. We are executing the restructuring initiatives that we announced last quarter, which are expected to yield more than \$100 million of annualized savings. These actions include rationalizing inefficient assets, streamlining distribution, and reducing administrative costs. These projects will continue throughout next year to achieve our planned savings.

For the third quarter, the Global Ceramic Segment reported a 3.1% decline in net sales as reported, or a 2.2% decline on an adjusted basis, versus the prior year. The Segment's operating margin was 7.9% as reported, or 8.6% on an adjusted basis. The Segment's margins expanded due to increased productivity, while lower material and energy costs offset labor and freight inflation. We are enhancing our mix by leveraging industry-leading printing, polishing and rectifying technology to deliver collections with differentiated visuals. In addition to our restructuring projects, we are executing many cost containment initiatives, including product reformulations, process enhancements and improved administrative efficiencies. The U.S. Department of Commerce expects the preliminary anti-dumping decision relative to ceramic tile from India to be rendered in November 2024, with tariffs potentially retroactive to August 2024. In the U.S., we increased our builder partnerships by providing a complete product offering and superior service. Our quartz countertops are outperforming other work surfaces, and we will start up our new production next year. In Europe, our volumes exceeded the prior year, and product mix from advanced technologies and expanded participation in the commercial channel partially offset pricing pressures. We have announced targeted price increases in Mexico, and volume in Brazil has begun to strengthen.

During the third quarter, our Flooring Rest of the World Segment's net sales decreased by 3.5% as reported, or 6.3% on an adjusted basis, versus the prior year. The Segment's operating margin was 9.9% as reported, or 10.5% on an adjusted basis. This year, the Segment did not see its usual sales improvement in Europe after summer holidays due to continued weakness in the economy. In response to current conditions, we

are reducing operational and administrative costs, simplifying SKU complexity and enhancing logistics operations. To optimize volumes, we executed promotional activities, which pressured both our pricing and mix, partially offset by lower input costs. In slowing markets, our insulation and panels businesses faced increased competition as new industry capacity came online, which impacted pricing. In Australia and New Zealand, we improved pricing and mix in our carpet collections, though volumes remained under pressure.

In the third quarter, our Flooring North America Segment's sales increased 1.2% versus the prior year. The Segment's operating margin was 7.5% as reported, or 9.1% on an adjusted basis. We believe we are outperforming the overall market, with sales and margins improving over the prior year and increased volume partially offsetting lower pricing and mix. We are retiring high-cost equipment and exiting underperforming product categories while investing in capital projects that have short paybacks. Sales of our LVT and laminate collections grew as consumers embraced our new products with enhanced performance features. We continue to deliver product innovation with a new resilient plank flooring technology that is environmentally friendly and provides greater stability and performance. Our commercial sales were led by our carpet tile collections that offer industry-leading sustainability and award-winning designs inspired by nature.

Global conflicts, political uncertainty and inflation are weighing on consumer confidence and discretionary spending around the world. Short-term macroeconomic conditions remain unpredictable, and we do not anticipate an industry improvement this year. Demand remains weak, and each of our product categories and markets faces unique economic situations. Our mix is impacted by consumers trading down and by new construction outpacing the higher value remodeling channels. We are responding to current conditions with sales and restructuring actions, operational improvements and cost containment initiatives to strengthen our business. We continue to pursue volume through innovative product introductions, marketing programs and promotional activity to leverage our fixed cost structure. In some products, we are seeing raw material inflation that will increase our costs in the fourth quarter. As we end the year, we expect to reduce our manufacturing levels to manage our inventory, increasing our unabsorbed overhead. We anticipate the recent U.S. hurricanes will negatively impact our fourth quarter sales by \$25 to \$40 million with offsetting benefits from rebuilding next year. Given these factors and the effect of seasonality, we anticipate our fourth quarter adjusted EPS to be between \$1.77 and \$1.87, excluding any restructuring or other one-time charges.

We remain confident in the fundamentals of our business and our strategy to improve our results. In 2025, we anticipate demand in all of our markets improving as interest rates decline and consumer spending in the category accelerates across the world. Elevated home equity levels will provide property owners with

resources to renovate their residences. All of our regions require significant new home construction, and we have grown our participation in this channel. Commercial construction and remodeling should also expand as financing becomes more affordable and investment returns increase. As our markets recover, we will leverage the extensive improvement that we have implemented to maximize our sales and margins.”

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ABOUT MOHAWK INDUSTRIES

Mohawk Industries is the leading global flooring manufacturer that creates products to enhance residential and commercial spaces around the world. Mohawk’s vertically integrated manufacturing and distribution processes provide competitive advantages in the production of carpet, rugs, ceramic tile, laminate, wood, stone and vinyl flooring. Our industry leading innovation has yielded products and technologies that differentiate our brands in the marketplace and satisfy all remodeling and new construction requirements. Our brands are among the most recognized in the industry and include American Olean, Daltile, Eliane, Elizabeth, Feltex, Godfrey Hirst, Grupo Daltile, Karastan, Marazzi, Moduleo, Mohawk, Mohawk Group, Performance Accessories, Pergo, Quick-Step, Unilin and Vitromex. During the past two decades, Mohawk has transformed its business from an American carpet manufacturer into the world’s largest flooring company with operations in Australia, Brazil, Europe, Malaysia, Mexico, New Zealand, Russia and the United States.

Certain of the statements in the immediately preceding paragraphs, particularly anticipating future performance, business prospects, growth and operating strategies and similar matters and those that include the words “could,” “should,” “believes,” “anticipates,” “expects,” and “estimates,” or similar expressions constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. For those statements, Mohawk claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Management believes that these forward-looking statements are reasonable as and when made; however, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. There can be no assurance that the forward-looking statements will be accurate because they are based on many assumptions, which involve risks and uncertainties. The following important factors could cause future results to differ from historical experience and our present expectations or projections: changes in economic or industry conditions; competition; inflation and deflation in freight, raw material prices and other input costs; inflation and deflation in consumer markets; currency fluctuations; energy costs and supply; timing and level of capital expenditures; timing and implementation of price increases for the Company’s products; impairment charges; identification and consummation of acquisitions on favorable terms, if at all; integration of acquisitions; international operations; introduction of new products; rationalization of operations; taxes and tax reform; product and other claims; litigation; geopolitical conflict; regulatory and political changes in the jurisdictions in which the Company does business; and other risks identified in Mohawk’s U.S. Securities and Exchange Commission (“SEC”) reports and public announcements.

Conference call Friday, October 25, 2024, at 11:00 AM Eastern Time

To participate in the conference call via the Internet, please visit <http://ir.mohawkind.com/events/event-details/mohawk-industries-inc-3rd-quarter-2024-earnings-call>. To participate in the conference call via telephone, register in advance at <https://dpregrister.com/sreg/10193716/fdbc8887b0> to receive a unique personal identification number. You can also dial 1-833-630-1962 (US/Canada) or 1-412-317-1843 (international) on the day of the call for operator assistance. For those unable to listen at the designated time, the call will remain available for replay through November 22, 2024, by dialing 1-877-344-7529 (US/Canada) or 1-412-317-0088 (international) and entering Conference ID #5581374. The call will be archived and available for replay under the “Investors” tab of mohawkind.com for one year.

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

<i>(In millions, except per share data)</i>	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net sales	\$ 2,719.0	2,766.1	8,199.7	8,522.8
Cost of sales	2,026.4	2,074.1	6,133.8	6,455.4
Gross profit	692.6	692.0	2,065.9	2,067.4
Selling, general and administrative expenses	480.3	549.6	1,493.0	1,646.2
Impairment of goodwill and indefinite-lived intangibles	—	876.1	—	876.1
Operating income (loss)	212.3	(733.7)	572.9	(454.9)
Interest expense	11.2	20.1	38.6	60.1
Other (income) and expense, net	(0.7)	(8.5)	(0.2)	(6.9)
Earnings (loss) before income taxes	201.8	(745.3)	534.5	(508.1)
Income tax expense	39.8	15.0	109.9	70.7
Net earnings (loss) including noncontrolling interests	162.0	(760.3)	424.6	(578.8)
Net earnings attributable to noncontrolling interests	—	0.1	0.1	0.2
Net earnings (loss) attributable to Mohawk Industries, Inc.	\$ 162.0	(760.4)	424.5	(579.0)
Basic earnings (loss) per share attributable to Mohawk Industries, Inc.	\$ 2.57	(11.94)	6.69	(9.10)
Weighted-average common shares outstanding - basic	63.1	63.7	63.5	63.6
Diluted earnings (loss) per share attributable to Mohawk Industries, Inc.	\$ 2.55	(11.94)	6.66	(9.10)
Weighted-average common shares outstanding - diluted	63.4	63.7	63.8	63.6

Other Financial Information

<i>(In millions)</i>	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net cash provided by operating activities	\$ 319.6	512.0	736.9	1,032.9
Less: Capital expenditures	115.4	127.4	293.6	372.6
Free cash flow	\$ 204.2	384.6	443.3	660.3
Depreciation and amortization	\$ 156.2	149.6	481.9	476.1

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

<i>(In millions)</i>	September 28, 2024	September 30, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 424.0	518.5
Receivables, net	2,043.4	1,943.1
Inventories	2,612.1	2,519.7
Prepaid expenses and other current assets	541.9	523.0
Total current assets	5,621.4	5,504.3
Property, plant and equipment, net	4,750.5	4,788.8
Right of use operating lease assets	392.4	404.5
Goodwill	1,168.6	1,125.4
Intangible assets, net	850.7	854.4
Deferred income taxes and other non-current assets	529.6	461.1
Total assets	\$ 13,313.2	13,138.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt and current portion of long-term debt	\$ 465.3	922.7
Accounts payable and accrued expenses	2,194.1	2,159.5
Current operating lease liabilities	111.6	106.4
Total current liabilities	2,771.0	3,188.6
Long-term debt, less current portion	1,716.4	1,675.6
Non-current operating lease liabilities	298.0	315.0
Deferred income taxes and other long-term liabilities	672.1	687.9
Total liabilities	5,457.5	5,867.1
Total stockholders' equity	7,855.7	7,271.4
Total liabilities and stockholders' equity	\$ 13,313.2	13,138.5

Segment Information

<i>(In millions)</i>	Three Months Ended		As of or for the Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net sales:				
Global Ceramic	\$ 1,058.0	1,091.7	3,218.4	3,306.4
Flooring NA	974.0	962.2	2,832.7	2,917.3
Flooring ROW	687.0	712.2	2,148.6	2,299.1
Consolidated net sales	\$ 2,719.0	2,766.1	8,199.7	8,522.8
Operating income (loss):				
Global Ceramic	\$ 83.4	(355.2)	215.3	(207.9)
Flooring NA	73.0	(167.0)	196.3	(131.8)
Flooring ROW	67.8	(159.6)	204.3	2.6
Corporate and intersegment eliminations	(11.9)	(51.9)	(43.0)	(117.8)
Consolidated operating income (loss)	\$ 212.3	(733.7)	572.9	(454.9)
Assets:				
Global Ceramic		\$ 4,892.7	4,905.9	
Flooring NA		3,958.9	3,911.7	
Flooring ROW		4,020.7	3,857.6	
Corporate and intersegment eliminations		440.9	463.3	
Consolidated assets		\$ 13,313.2	13,138.5	

Reconciliation of Net Earnings (Loss) Attributable to Mohawk Industries, Inc. to Adjusted Net Earnings Attributable to Mohawk Industries, Inc. and Adjusted Diluted Earnings Per Share Attributable to Mohawk Industries, Inc.

<i>(In millions, except per share data)</i>	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net earnings (loss) attributable to Mohawk Industries, Inc.	\$ 162.0	(760.4)	424.5	(579.0)
Adjusting items:				
Restructuring, acquisition and integration-related and other costs	19.5	47.0	68.8	120.7
Software implementation cost write-off	7.8	—	7.8	—
Inventory step-up from purchase accounting	—	(0.1)	—	4.5
Impairment of goodwill and indefinite-lived intangibles	—	876.1	—	876.1
Legal settlements, reserves and fees	0.7	43.4	10.8	92.4
Adjustments of indemnification asset	(0.4)	(1.9)	1.8	(2.9)
Income taxes - adjustments of uncertain tax position	0.4	1.9	(1.8)	2.9
Income taxes - impairment of goodwill and indefinite-lived intangibles	—	(12.8)	—	(12.8)
Income tax effect of foreign tax regulation change	2.9	—	2.9	—
Income tax effect of adjusting items	(8.9)	(19.5)	(20.5)	(40.2)
Adjusted net earnings attributable to Mohawk Industries, Inc.	\$ 184.0	173.7	494.3	461.7
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	\$ 2.90	2.72	7.75	7.23
Weighted-average common shares outstanding - diluted	63.4	63.9	63.8	63.9

Reconciliation of Total Debt to Net Debt

<i>(In millions)</i>	September 28, 2024
Short-term debt and current portion of long-term debt	\$ 465.3
Long-term debt, less current portion	1,716.4
Total debt	2,181.7
Less: Cash and cash equivalents	424.0
Net debt	\$ 1,757.7

Reconciliation of Net Earnings to Adjusted EBITDA

(In millions)	Three Months Ended				Trailing Twelve Months Ended
	December 31, 2023	March 30, 2024	June 29, 2024	September 28, 2024	September 28, 2024
Net earnings including noncontrolling interests	\$ 139.4	105.0	157.5	162.0	563.9
Interest expense	17.4	14.9	12.6	11.2	56.1
Income tax expense	14.2	27.8	42.3	39.8	124.1
Net (earnings) loss attributable to noncontrolling interests	0.1	—	(0.1)	—	—
Depreciation and amortization ⁽¹⁾	154.2	154.2	171.5	156.2	636.1
EBITDA	325.3	301.9	383.8	369.2	1,380.2
Restructuring, acquisition and integration-related and other costs	6.0	5.4	20.9	15.1	47.4
Software implementation cost write-off	—	—	—	7.8	7.8
Impairment of goodwill and indefinite-lived intangibles	1.6	—	—	—	1.6
Legal settlements, reserves and fees	(4.7)	8.8	1.3	0.7	6.1
Adjustments of indemnification asset	(0.1)	2.4	(0.2)	(0.4)	1.7
Adjusted EBITDA	\$ 328.1	318.5	405.8	392.4	1,444.8
Net debt to adjusted EBITDA					1.2

⁽¹⁾Includes accelerated depreciation of \$2.6 for Q4 2023, \$2.4 for Q1 2024, \$20.5 for Q2 2024 and \$4.4 for Q3 2024.

Reconciliation of Net Sales to Adjusted Net Sales

Mohawk Consolidated	Three Months Ended	Nine Months Ended
	September 28, 2024	September 28, 2024
Net sales	\$ 2,719.0	8,199.7
Adjustment for constant shipping days	(13.9)	(5.8)
Adjustment for constant exchange rates	4.2	33.6
Adjustment for acquisition volume	—	(47.8)
Adjusted net sales	\$ 2,709.3	8,179.7

Three Months Ended

September 28, 2024

Global Ceramic		
Net sales	\$	1,058.0
Adjustment for constant shipping days		(3.3)
Adjustment for constant exchange rates		13.3
Adjusted net sales	\$	1,068.0

Flooring ROW		
Net sales	\$	687.0
Adjustment for constant shipping days		(10.6)
Adjustment for constant exchange rates		(9.1)
Adjusted net sales	\$	667.3

Reconciliation of Gross Profit to Adjusted Gross Profit

<i>(In millions)</i>	Three Months Ended	
	September 28, 2024	September 30, 2023
Gross Profit	\$ 692.6	692.0
Adjustments to gross profit:		
Restructuring, acquisition and integration-related and other costs	16.4	42.6
Software implementation cost write-off	2.3	—
Inventory step-up from purchase accounting	—	(0.1)
Adjusted gross profit	\$ 711.3	734.5
Adjusted gross profit as a percent of net sales	26.2 %	26.6 %

Reconciliation of Selling, General and Administrative Expenses to Adjusted Selling, General and Administrative Expenses

<i>(In millions)</i>	Three Months Ended	
	September 28, 2024	September 30, 2023
Selling, general and administrative expenses	\$ 480.3	549.6
Adjustments to selling, general and administrative expenses:		
Restructuring, acquisition and integration-related and other costs	(3.1)	(4.4)
Software implementation cost write-off	(5.5)	—
Legal settlements, reserves and fees	(0.7)	(43.4)
Adjusted selling, general and administrative expenses	\$ 471.0	501.8
Adjusted selling, general and administrative expenses as a percent of net sales	17.3 %	18.1 %

Reconciliation of Operating Income (Loss) to Adjusted Operating Income

<i>(In millions)</i>	Three Months Ended	
	September 28, 2024	September 30, 2023
Mohawk Consolidated		
Operating income (loss)	\$ 212.3	(733.7)
Adjustments to operating income (loss):		
Restructuring, acquisition and integration-related and other costs	19.5	47.0
Software implementation cost write-off	7.8	—
Inventory step-up from purchase accounting	—	(0.1)
Impairment of goodwill and indefinite-lived intangibles	—	876.1
Legal settlements, reserves and fees	0.7	43.4
Adjusted operating income	\$ 240.3	232.7
Adjusted operating income as a percent of net sales	8.8 %	8.4 %
Global Ceramic		
Operating income (loss)	\$ 83.4	(355.2)
Adjustments to segment operating income (loss):		
Restructuring, acquisition and integration-related and other costs	7.4	17.7
Impairment of goodwill and indefinite-lived intangibles	—	425.2
Inventory step-up from purchase accounting	—	(0.1)
Adjusted segment operating income	\$ 90.8	87.6
Adjusted segment operating income as a percent of net sales	8.6 %	8.0 %
Flooring NA		
Operating income (loss)	\$ 73.0	(167.0)
Adjustments to segment operating income (loss):		
Restructuring, acquisition and integration-related and other costs	8.1	27.3
Software implementation cost write-off	7.8	—
Legal settlements, reserves and fees	—	1.5
Impairment of goodwill and indefinite-lived intangibles	—	215.8
Adjusted segment operating income	\$ 88.9	77.6
Adjusted segment operating income as a percent of net sales	9.1 %	8.1 %

Flooring ROW		
Operating income (loss)	\$	67.8 (159.6)
Adjustments to segment operating income (loss):		
Restructuring, acquisition and integration-related and other costs		4.0 1.8
Impairment of goodwill and indefinite-lived intangibles	\$	— 235.1
Adjusted segment operating income	\$	71.8 77.3
Adjusted segment operating income as a percent of net sales		10.5 % 10.9 %

Corporate and intersegment eliminations		
Operating (loss)	\$	(11.9) (51.9)
Adjustments to segment operating (loss):		
Restructuring, acquisition and integration-related and other costs		— 0.2
Legal settlements, reserves and fees		0.7 41.9
Adjusted segment operating (loss)	\$	(11.2) (9.8)

Reconciliation of Earnings (Loss) Before Income Taxes to Adjusted Earnings Before Income Taxes

<i>(In millions)</i>	Three Months Ended	
	September 28, 2024	September 30, 2023
Earnings (loss) before income taxes	\$	201.8 (745.3)
Net earnings attributable to noncontrolling interests		— (0.1)
Adjustments to earnings (loss) including noncontrolling interests before income taxes:		
Restructuring, acquisition and integration-related and other costs		19.5 47.0
Software implementation cost write-off		7.8 —
Inventory step-up from purchase accounting		— (0.1)
Impairment of goodwill and indefinite-lived intangibles		— 876.1
Legal settlements, reserves and fees		0.7 43.4
Adjustments of indemnification asset		(0.4) (1.9)
Adjusted earnings before income taxes	\$	229.4 219.1

Reconciliation of Income Tax Expense to Adjusted Income Tax Expense

<i>(In millions)</i>	Three Months Ended	
	September 28, 2024	September 30, 2023
Income tax expense	\$	39.8 15.0
Adjustments to income tax expense:		
Income taxes - adjustments of uncertain tax position		(0.4) (1.9)
Income tax effect on impairment of goodwill and indefinite-lived intangibles		— 12.8
Income tax effect of foreign tax regulation change		(2.9) —
Income tax effect of adjusting items		8.9 19.5
Adjusted income tax expense	\$	45.4 45.4
Adjusted income tax rate		19.8% 20.7%

The Company supplements its condensed consolidated financial statements, which are prepared and presented in accordance with US GAAP, with certain non-GAAP financial measures. As required by the Securities and Exchange Commission rules, the tables above present a reconciliation of the Company's non-GAAP financial measures to the most directly comparable US GAAP measure. Each of the non-GAAP measures set forth above should be considered in addition to the comparable US GAAP measure, and may not be comparable to similarly titled measures reported by other companies. The Company believes these non-GAAP measures, when reconciled to the corresponding US GAAP measure, help its investors as follows: Non-GAAP revenue measures that assist in identifying growth trends and in comparisons of revenue with prior and future periods and non-GAAP profitability measures that assist in understanding the long-term profitability trends of the Company's business and in comparisons of its profits with prior and future periods.

The Company excludes certain items from its non-GAAP revenue measures because these items can vary dramatically between periods and can obscure underlying business trends. Items excluded from the Company's non-GAAP revenue measures include: foreign currency transactions and translation; more or fewer shipping days in a period and the impact of acquisitions.

The Company excludes certain items from its non-GAAP profitability measures because these items may not be indicative of, or are unrelated to, the Company's core operating performance. Items excluded from the Company's non-GAAP profitability measures include: restructuring, acquisition and integration-related and other costs, legal settlements, reserves and fees, impairment of goodwill and indefinite-lived intangibles, acquisition purchase accounting, including inventory step-up from purchase accounting, adjustments of indemnification asset, adjustments of uncertain tax position and European tax restructuring.