



MARAZZI GRANDE PORCELAIN SLABS
Lobby, Grand Hotel Adriatic, Opatija, Croatia

**INVESTING
FOR A BETTER
TOMORROW**



mohawkind.com
NYSE: MHK
Q4 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.

Q4 2022 Financial Results

Net Sales	Adjusted EBITDA
\$2.7B	\$254M
(-1.3% YOY on a Constant Basis)	(-36.6% YOY)

Adjusted OI	Adjusted Diluted EPS
\$119M	\$1.32
(-53.9% YOY)	(-55.3% YOY)

“Around the world, the long-term demand for housing will require significant investments in new construction and remodeling. Mohawk is uniquely positioned with a comprehensive array of innovative products, industry-leading distribution and strength in all sales channels. We are currently implementing structural changes to navigate the industry’s challenges while optimizing our future results. We anticipate coming out of this downturn in a stronger position as we benefit from our bolt-on acquisitions, enhanced market positions in Brazil and Mexico and strategic expansion of our high-growth product categories. Our balance sheet is well positioned to manage the current cycle and to drive future growth and profitability.”

– Jeff Lorberbaum, Chairman & CEO

(Amounts in millions)	Q4 2021	Q4 2022
Net Sales	\$2,761	\$2,651
% Change	--	-4.0%
% Change on a Constant Basis	--	-1.3%
Adjusted EBITDA	\$401	\$254
% Adjusted EBITDA Margin	14.5%	9.6%
Adjusted Operating Income	\$259	\$119
% Adjusted Operating Margin	9.4%	4.5%
Adjusted Diluted EPS	\$2.95	\$1.32

FY 2022 Financial Results

Net Sales
\$11.7B
 (+8.8% YOY
 on a Constant Basis)

Adjusted EBITDA
\$1,650M
 (-15.3% YOY)

Adjusted OI
\$1,083M
 (-20.4% YOY)

Adjusted Diluted EPS
\$12.85
 (-13.5% YOY)

(Amounts in millions)	FY 2021	FY 2022
Net Sales	\$11,201	\$11,737
% Change	--	+4.8%
% Change on a Constant Basis	--	+8.8%
Adjusted EBITDA	\$1,949	\$1,650
% Adjusted EBITDA Margin	17.4%	14.1%
Adjusted Operating Income	\$1,360	\$1,083
% Adjusted Operating Margin	12.1%	9.2%
Adjusted Diluted EPS	\$14.86	\$12.85



Mohawk by the Numbers



~40,900

Worldwide
Employees¹



32

Acquisitions
2013 – Present²



19

Manufacturing
Countries¹



~170

Sales
Countries¹



1.3x

Leverage¹



\$1.8B

Liquidity¹



\$0.7B

2022 Cash Flow
from Operating Activities¹



8.5M

Shares repurchased
2020-2022¹

¹As of December 31, 2022

²Includes acquisition of Elizabeth (Feb 2023 closing)

Key Current Issues

U.S. Economy

- Solid GDP Growth – Q4 annualized rate of 2.9%
- Lowest unemployment rate in 50 years; jobs soared in December
- Material and energy inflation easing
- Commercial sector continues to outperform residential
- Aging housing stock & families staying in current homes should drive future remodeling
- Housing supply deficit remains ~5 million

European Economy

- Q4 GDP stable despite inflation
- Unemployment in Euro Zone near record low
- Wage growth outpacing inflation in most of EU
- Natural gas prices down significantly
- Significant pent-up demand as inflation recedes
- Shortage of single- and multi-family housing persists



Key Current Issues (continued)

Operations

- Savings from FNA & FROW restructuring projects on track
- Cost-reduction projects progressing
- Capacity expansion projects on schedule
 - North America: LVT, laminate, quartz countertops
 - New West Coast LVT plant operating as planned
 - Europe: Porcelain slabs, laminate

Acquisitions

- Vitromex acquisition pending government approval; likely in first half of 2023
- Elizabeth acquisition closed February 2023
 - Acquisitions will nearly double sales in two major ceramic markets: Brazil and Mexico
- Completed five additional bolt-on acquisitions in U.S. and Europe in 2022
 - Integrations underway

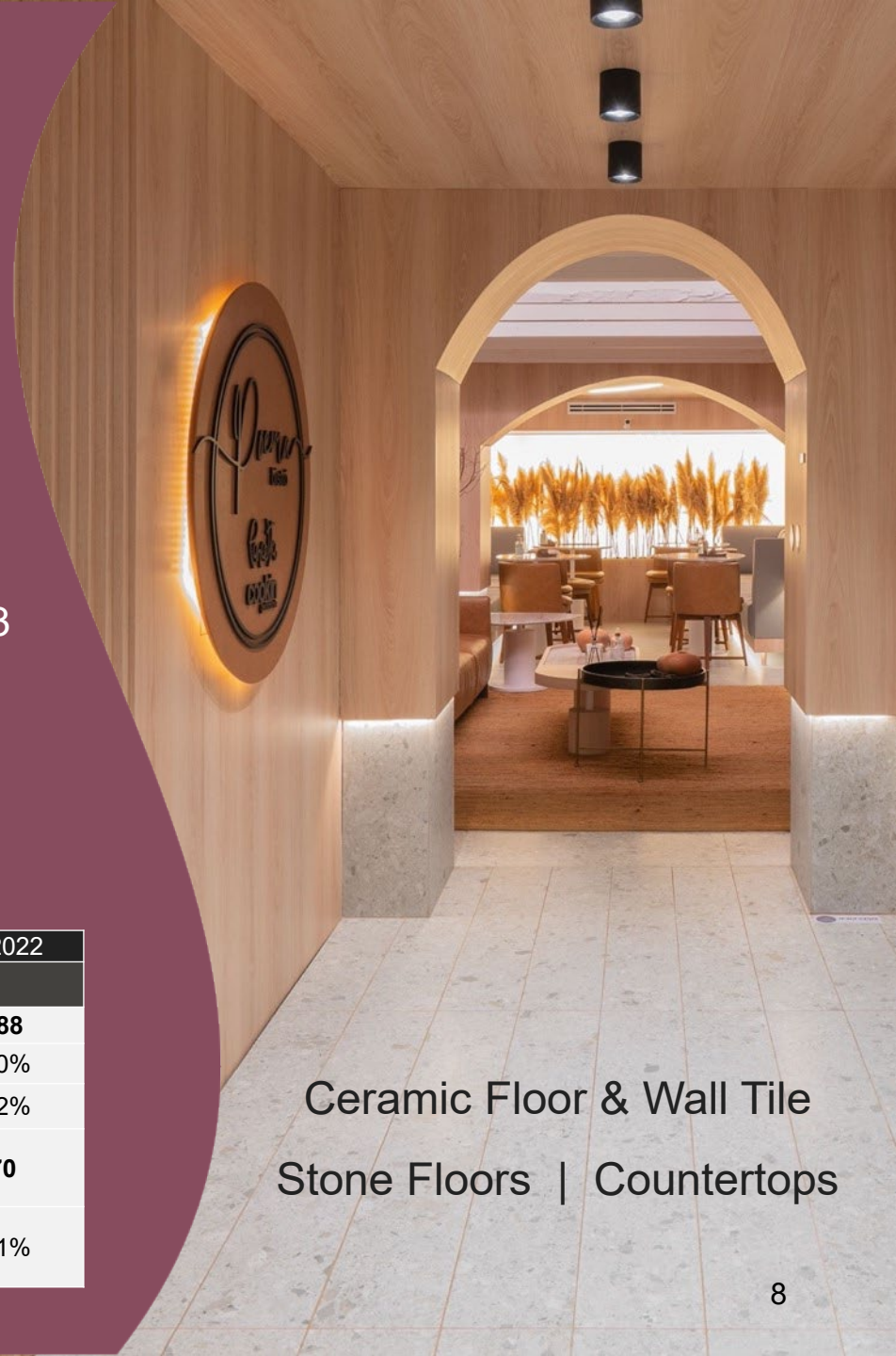


Global Ceramic Segment

- Sales increased 5.2% on a constant basis
- Performance benefitted from pricing, mix and stronger commercial sales
- U.S. countertop sales expanding
- European natural gas prices peaked in Q3 and are now significantly lower
- Residential sales softened across geographies in Q4 as inflation affected consumer spending

	Q4 2019	Q4 2021	Q4 2022
GLOBAL CERAMIC SEGMENT (Amounts in millions)			
Sales	\$858	\$950	\$988
% Change	--	--	4.0%
% Change on a Constant Basis	--	--	5.2%
Adjusted Operating Income	\$54	\$60	\$70
% Adjusted Operating Margin	6.3%	6.4%	7.1%

2019 included as pre-COVID baseline



Ceramic Floor & Wall Tile
Stone Floors | Countertops

Flooring Rest of World Segment

- Sales decreased 1.9% on a constant basis as residential demand weakened
- Inflation slowed consumer discretionary spending and retailers adjusted inventory
- Temporary plant shutdowns in Q4 reduced volume and increased unabsorbed overhead
- Restructuring, productivity and cost containment initiatives being implemented
- European natural gas prices now down substantially from Q3 peak

	Q4 2019	Q4 2021	Q4 2022
FLOORING ROW SEGMENT (Amounts in millions)			
Sales	\$630	\$796	\$717
% Change	--	--	-9.9%
% Change on a Constant Basis	--	--	-1.9%
Adjusted Operating Income	\$89	\$117	\$56
% Adjusted Operating Margin	14.2%	14.8%	7.7%

2019 included as pre-COVID baseline

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

Flooring North America Segment

- Sales decreased 6.8% as reported as residential demand softened
- Consumer discretionary spending eroded by inflation; customers reduced inventories
- Commercial sector continues to outperform residential
- As demand decreased, temporary shutdowns in Q4 reduced volume and increased unabsorbed overhead
- Restructuring, productivity and cost containment projects being executed

	Q4 2019	Q4 2021	Q4 2022
FLOORING NA SEGMENT (Amounts in millions)			
Sales	\$936	\$1,016	\$946
% Change	--	--	-6.8%
% Change on a Constant Basis	--	--	N/A
Adjusted Operating Income	\$69	\$93	\$-1
% Adjusted Operating Margin	7.4%	9.1%	-0.1%

2019 included as pre-COVID baseline

Carpet | LVT | Laminate
Sheet Vinyl | Rugs | Wood

Outlook

- Flooring industry slowing in near-term due to higher interest rates and inflation
- Managing current environment while investing to optimize long-term growth and profitability
- Commercial sector expected to continue outperforming residential
- Inflation easing in U.S. and Europe
- In Q4, consumers deferred residential remodeling projects, and customers reduced inventory
- Aligning production with demand
- Unabsorbed overhead will continue with lower than usual production ramp up
- Q2 should be sequentially stronger, with seasonally higher sales, increased production and lower material costs



Outlook (continued)

- European natural gas prices peaked in Q3 and have since dropped substantially
- Restructuring activities in FNA and FROW on track
- Other Initiatives
 - Integrating acquisitions
 - Executing productivity improvements
 - Launching differentiated collections
 - Increasing promotional activity
 - Curtailing SG&A investments
 - Postponing selected capital projects
- Q1 adjusted EPS guidance of \$1.24 to \$1.34 (excluding restructuring or other one-time charges) announced February 9th





Financials

Earnings Summary (Consolidated)

	2019	2020	2021	2022
Net Sales % Change	\$9,971 -0.1%	\$9,552 -4.2%	\$11,201 17.3%	\$11,737 4.8%
Adjusted EBITDA % Adjusted EBITDA Margin	\$1,530 15.3%	\$1,389 14.5%	\$1,949 17.4%	\$1,650 14.1%
Adjusted Operating Income % Adjusted Operating Margin	\$938 9.4%	\$799 8.4%	\$1,360 12.1%	\$1,083 9.2%
Adjusted Net Earnings % Change	\$725 -21.3%	\$631 -13.0%	\$1,027 62.8%	\$823 -19.9%
Adjusted Diluted EPS % Change	\$10.04 -18.6%	\$8.83 -12.1%	\$14.86 68.3%	\$12.85 -13.5%

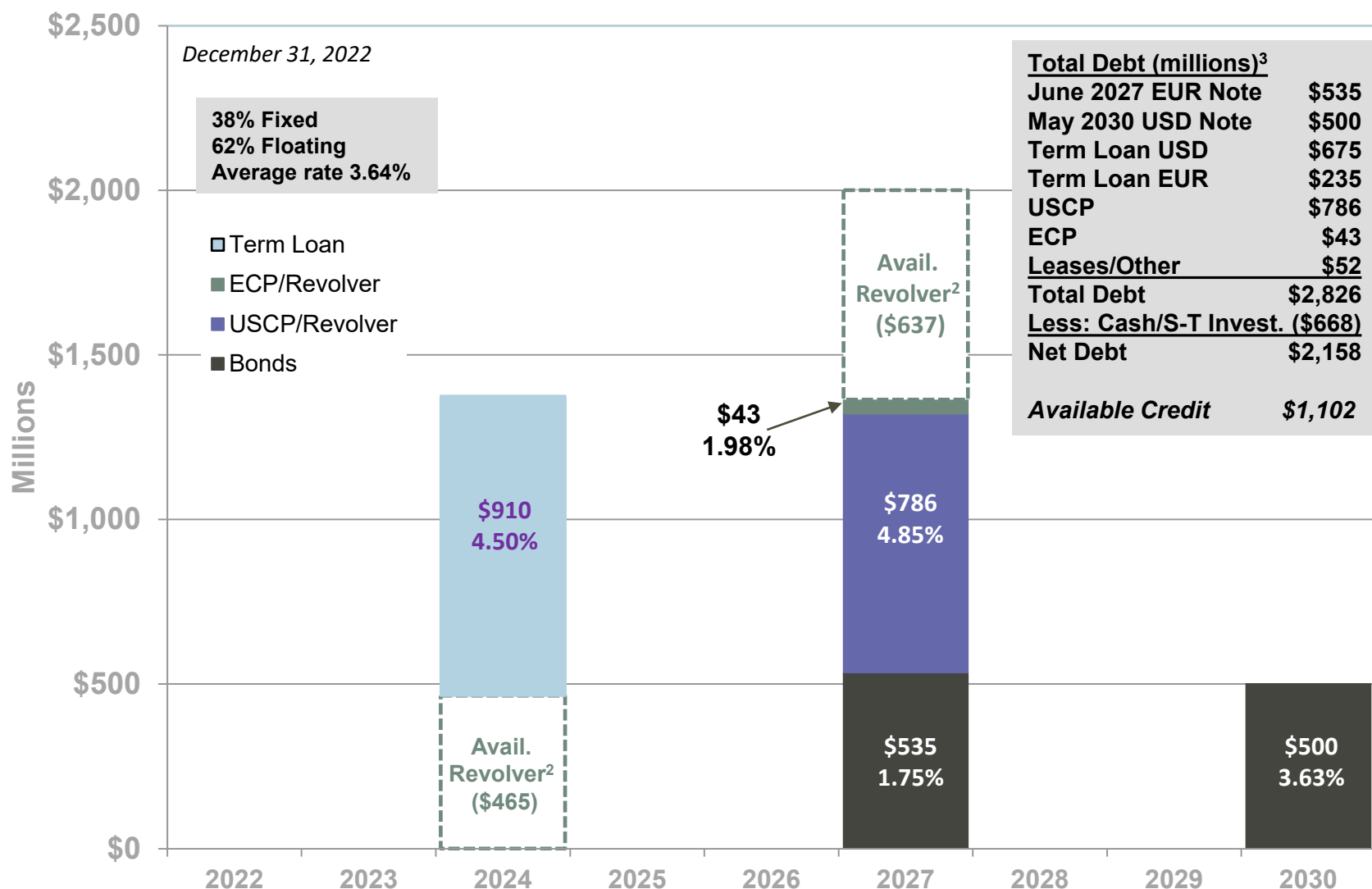
(Amounts in Millions except EPS)

Results by Segments

	2019	2020	2021	2022
GLOBAL CERAMIC SEGMENT				
Sales % Change	\$3,631 2.2%	\$3,433 -5.5%	\$3,917 14.1%	\$4,308 10.0%
Adjusted Operating Income % Adjusted Operating Margin	\$344 9.5%	\$234 6.8%	\$406 10.4%	\$457 10.6%
FLOORING NA SEGMENT				
Sales % Change	\$3,844 -4.6%	\$3,594 -6.5%	\$4,116 14.5%	\$4,207 2.2%
Adjusted Operating Income % Adjusted Operating Margin	\$258 6.7%	\$198 5.5%	\$424 10.3%	\$282 6.7%
FLOORING ROW SEGMENT				
Sales % Change	\$2,496 3.9%	\$2,525 1.2%	\$3,167 25.4%	\$3,222 1.8%
Adjusted Operating Income % Adjusted Operating Margin	\$375 15.0%	\$408 16.2%	\$576 18.2%	\$381 11.8%

(Amounts in Millions except EPS)

Maturity Profile¹



¹ Not shown on graph: \$52MM in capital and embedded leases, and other debt

² After Letters of Credit issuance of \$20MM; Amended RCF is now bifurcated, with \$465MM maturing October 2024 and \$1,485MM maturing August 2027

³ Excluding deferred loan cost deduction of \$7MM



Reconciliation Tables



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>	Q4 2022	Q4 2021
Consolidated		
Net Sales	\$2,650,675	2,760,737
Adjustment to net sales on constant shipping days	(9,529)	-
Adjustment to net sales on a constant exchange rate	84,299	-
Net sales on a constant exchange rate and constant shipping days	\$2,725,445	2,760,737
Reconciliation of Segment Net Sales to Segment Net Sales on a Constant Exchange Rate and on Constant Shipping Days		
<i>(Amounts in thousands)</i>	Q4 2022	Q4 2021
GLOBAL CERAMIC SEGMENT		
Net Sales	987,699	949,501
Adjustment to net sales on constant shipping days	3,412	-
Adjustment to net sales on a constant exchange rate	7,838	-
Segment net sales on a constant exchange rate and constant shipping days	\$ 998,949	949,501
Reconciliation of Segment Net Sales to Segment Net Sales on a Constant Exchange Rate and on Constant Shipping Days		
<i>(Amounts in thousands)</i>	Q4 2022	Q4 2021
Flooring ROW		
Net Sales	\$ 717,017	795,723
Adjustment to net sales on constant shipping days	(12,941)	-
Adjustment to net sales on a constant exchange rate	76,461	-
Net sales on a constant exchange rate and constant shipping days	\$ 780,537	795,723

Reconciliation of Non-GAAP Measures

ADJUSTED OPERATING INCOME

<i>(Amounts in thousands)</i>	2019	2020	2021	2022
Operating income	\$ 827,224	636,002	1,335,011	244,217
Adjustments to operating income:				
Restructuring, acquisition and integration-related and other costs	107,201	163,479	23,637	85,995
Acquisitions purchase accounting including inventory step-up	3,938	-	1,749	2,762
Impairment of goodwill and indefinite-lived intangibles*	-	-	-	695,771
Legal settlements, reserves and fees, net of insurance proceeds	-	-	-	54,231
Adjusted operating income	\$ 938,364	799,481	1,360,397	1,082,976
Adjusted operating income as a percent of net sales	9.4%	8.4%	12.1%	9.2%

NET EARNINGS (LOSS) TO ADJUSTED EBITDA

<i>(Amounts in thousands)</i>	2019	2020	2021	2022
Net earnings (loss) including noncontrolling interests	744,571	515,727	1,033,548	25,783
Interest expense	41,272	52,380	57,252	51,938
Income tax expense	4,974	68,647	256,445	158,110
Net income attributable to non-controlling interest	(360)	(132)	(389)	(536)
Depreciation and amortization	576,452	607,507	591,711	595,464
EBITDA	1,366,909	1,244,129	1,938,567	830,759
Restructuring, acquisition and integration-related and other costs	99,623	145,153	14,700	58,819
Acquisitions purchase accounting including inventory step-up	3,938	-	1,749	2,762
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, reserves and fees, net of insurance proceeds	-	-	-	54,231
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	1,649,666
Adjusted EBITDA as a percent of net sales	15.3%	14.5%	17.4%	14.1%
Net Debt less Short-term Investments to adjusted EBITDA	1.6	1.0	0.9	1.3

*During the third quarter of 2022, due to the impact of a higher WACC, macroeconomic conditions, and the reduction in the Company's market capitalization, the Company performed interim impairment tests of its goodwill and indefinite-lived intangible assets, which resulted in impairment charges of \$695.8 million (\$685.6 million net of tax).

**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	2022
GLOBAL CERAMIC SEGMENT				
Operating income (loss)	\$ 335,639	167,731	403,135	(236,066)
Adjustments to operating income (loss):				
Restructuring, acquisition and integration-related and other costs	8,491	65,842	2,627	4,420
Acquisitions purchase accounting including inventory step-up	204	-	-	-
Impairment of goodwill	-	-	-	688,514
Adjusted operating income	\$ 344,130	233,572	405,761	456,868
Adjusted operating income as a percent of net sales	9.5%	6.8%	10.4%	10.6%
FLOORING NA SEGMENT				
Operating income	\$ 177,566	147,442	407,577	231,076
Adjustments to operating income:				
Restructuring, acquisition and integration-related and other costs	80,195	50,895	16,888	48,263
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	282,147
Adjusted operating income as a percent of net sales	6.7%	5.5%	10.3%	6.7%
FLOORING ROW SEGMENT				
Operating income	\$ 353,667	366,934	571,126	340,167
Adjustments to operating income:				
Restructuring, acquisition and integration-related and other costs	17,643	41,098	2,911	33,313
Acquisitions purchase accounting including inventory step-up	3,734	-	1,749	1,361
Impairment of indefinite-lived intangibles	-	-	-	5,850
Adjusted operating income	\$ 375,044	408,032	575,786	380,691
Adjusted operating income as a percent of net sales	15.0%	16.2%	18.2%	11.8%
CORPORATE AND INTERSEGMENT ELIMINATIONS				
Operating (loss)	\$ (39,647)	(46,105)	(46,827)	(90,960)
Adjustments to operating (loss):				
Restructuring, acquisition and integration-related and other costs	1,078	5,644	1,211	-
Legal settlements, reserves and fees, net of insurance proceeds	-	-	-	54,231
Adjusted operating (loss)	\$ (38,569)	(40,462)	(45,615)	(36,729)

Reconciliation of Non-GAAP Measures

ADJUSTED NET EARNINGS				
<i>(Amounts in thousands, except EPS)</i>	2019	2020	2021	2022
Net earnings attributable to Mohawk Industries, Inc.	\$ 744,211	515,595	1,033,159	25,247
Adjusting items:				
Restructuring, acquisition, integration-related and other costs	99,622	166,817	23,118	87,819
Acquisitions purchase accounting including inventory step-up	3,938	-	1,749	2,762
Impairment of goodwill and indefinite-lived intangibles*	-	-	-	695,771
Legal settlements, reserves and fees, net of insurance proceeds	-	-	-	54,231
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)	-
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 tax effect of adjusting items	(46,786)	(51,740)	(4,626)	(32,536)
Adjusted net earnings attributable to Mohawk Industries, Inc.	\$ 725,338	630,672	1,027,328	823,126
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	\$ 10.04	8.83	14.86	12.85
Weighted-average common shares outstanding - diluted	72,264	71,401	69,145	64,062

*During the third quarter of 2022, due to the impact of a higher WACC, macroeconomic conditions, and the reduction in the Company's market capitalization, the Company performed interim impairment tests of its goodwill and indefinite-lived intangible assets, which resulted in impairment charges of \$695.8 million (\$685.6 million net of tax).

**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	2022Q4
Current portion of long-term debt and commercial paper	\$ 377,255	624,503	840,571
Long-term debt, less current portion	2,356,887	1,700,282	1,978,563
Less: Cash and cash equivalents	768,625	268,895	509,623
Net Debt	1,965,517	2,055,890	2,309,511
Less: Short-term Investments	571,741	323,000	158,000
Net Debt less Short-term Investments	\$1,393,776	1,732,890	2,151,511



Mohawk Industries Q4 2022 Investor Presentation
for additional information please visit mohawkind.com