

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES

(Unaudited)

Condensed Consolidated Statement of Operations Data*(Amounts in thousands, except per share data)*

	Three Months Ended		Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net sales	\$2,760,737	2,641,764	11,200,613	9,552,197
Cost of sales	2,023,294	1,903,680	7,931,879	7,121,507
Gross profit	737,443	738,084	3,268,734	2,430,690
Selling, general and administrative expenses	484,345	455,351	1,933,723	1,794,688
Operating income	253,098	282,733	1,335,011	636,002
Interest expense	12,169	15,897	57,252	52,379
Other (income) expense, net	1,140	(6,742)	(12,234)	(751)
Earnings before income taxes	239,789	273,578	1,289,993	584,374
Income tax expense	50,689	25,180	256,445	68,647
Net earnings including noncontrolling interests	189,100	248,398	1,033,548	515,727
Net earnings attributable to noncontrolling interests	11	176	389	132
Net earnings attributable to Mohawk Industries, Inc.	\$189,089	248,222	1,033,159	515,595

Basic earnings per share attributable to Mohawk Industries, Inc.

Basic earnings per share attributable to Mohawk Industries, Inc.	\$2.81	3.50	15.01	7.24
Weighted-average common shares outstanding - basic	67,209	70,951	68,852	71,214

Diluted earnings per share attributable to Mohawk Industries, Inc.

Diluted earnings per share attributable to Mohawk Industries, Inc.	\$2.80	3.49	14.94	7.22
Weighted-average common shares outstanding - diluted	67,535	71,209	69,145	71,401

Other Financial Information*(Amounts in thousands)*

Net cash provided by operating activities	\$212,384	407,844	1,309,119	1,769,839
Less: Capital expenditures	300,941	160,142	676,120	425,557
Free cash flow	\$(88,557)	247,702	632,999	1,344,282
Depreciation and amortization	\$143,411	156,555	591,711	607,507

Condensed Consolidated Balance Sheet Data*(Amounts in thousands)*

	December 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$268,895	768,625
Short-term investments	323,000	571,741
Receivables, net	1,839,985	1,709,493
Inventories	2,391,672	1,913,020
Prepaid expenses and other current assets	414,805	400,775
Total current assets	5,238,357	5,363,654
Property, plant and equipment, net	4,636,865	4,591,229
Right of use operating lease assets	389,967	323,138
Goodwill	2,607,909	2,650,831
Intangible assets, net	899,980	951,607
Deferred income taxes and other non-current assets	451,439	447,292
Total assets	\$14,224,517	14,327,751
LIABILITIES AND STOCKHOLDERS' EQUITY		

Current liabilities:			
Short-term debt and current portion of long-term debt		\$624,503	377,255
Accounts payable and accrued expenses		2,217,418	1,895,951
Current operating lease liabilities		104,434	98,042
Total current liabilities		2,946,355	2,371,248
Long-term debt, less current portion		1,700,282	2,356,887
Non-current operating lease liabilities		297,390	234,726
Deferred income taxes and other long-term liabilities		852,274	823,732
Total liabilities		5,796,301	5,786,593
Total stockholders' equity		8,428,216	8,541,158
Total liabilities and stockholders' equity		\$14,224,517	14,327,751

Segment Information	Three Months Ended		As of or for the Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<i>(Amounts in thousands)</i>				
Net sales:				
Global Ceramic	\$949,501	919,668	3,917,319	3,432,756
Flooring NA	1,015,513	963,365	4,116,405	3,594,075
Flooring ROW	795,723	758,731	3,166,889	2,525,366
Consolidated net sales	\$2,760,737	2,641,764	11,200,613	9,552,197
Operating income (loss):				
Global Ceramic	\$60,000	79,565	403,135	167,731
Flooring NA	91,711	82,407	407,577	147,442
Flooring ROW	114,339	132,505	571,126	366,934
Corporate and intersegment eliminations	(12,952)	(11,744)	(46,827)	(46,105)
Consolidated operating income	\$253,098	282,733	1,335,011	636,002
Assets:				
Global Ceramic			\$5,160,776	5,250,069
Flooring NA			4,125,960	3,594,976
Flooring ROW			4,361,741	4,194,447
Corporate and intersegment eliminations			576,040	1,288,259
Consolidated assets			\$14,224,517	14,327,751

Reconciliation of Net Earnings 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.

(Amounts in thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net earnings attributable to Mohawk Industries, Inc.	\$ 189,089	248,222	1,033,159	515,595
Adjusting items:				
Restructuring, acquisition and integration-related and other costs	4,558	22,382	23,118	166,817
Acquisitions purchase accounting, including inventory step-up	1,067	-	1,749	-
Resolution of foreign non-income tax contingencies	-	-	(6,211)	-
Income tax effect on resolution of foreign non-income tax contingencies	-	-	2,302	-
One-time tax planning election	4,568	-	(22,163)	-
Income taxes	(309)	(18,596)	(4,626)	(51,740)
Adjusted net earnings attributable to Mohawk Industries, Inc.	\$ 198,973	252,008	1,027,328	630,672
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	\$ 2.95	3.54	14.86	8.83
Weighted-average common shares	67,535	71,209	69,145	71,401

outstanding - diluted

**Reconciliation of Total Debt to Net Debt
Less Short-Term Investments**

(Amounts in thousands)

	December 31, 2021
Short-term debt and current portion of long-term debt	\$ 624,503
Long-term debt, less current portion	1,700,282
Total debt	2,324,785
Less: Cash and cash equivalents	268,895
Net Debt	2,055,890
Less: Short-term investments	323,000
Net debt less short-term investments	\$ 1,732,890

**Reconciliation of Operating Income to
Adjusted EBITDA**

(Amounts in thousands)

	Three Months Ended				Trailing Twelve Months Ended
	April 3, 2021	July 3, 2021	October 2, 2021	December 31, 2021	December 31, 2021
Operating income	\$ 317,515	404,424	359,974	253,098	1,335,011
Other income (expense)	2,227	11,168	(21)	(1,140)	12,234
Net income attributable to noncontrolling interests	(4)	(168)	(206)	(11)	(389)
Depreciation and amortization (1)	151,216	148,466	148,618	143,411	591,711
EBITDA	470,954	563,890	508,365	395,358	1,938,567
Restructuring, acquisition and integration-related and other costs	5,756	3,321	982	4,641	14,700
Acquisitions purchase accounting, including inventory step-up	303	153	226	1,067	1,749
Resolution of foreign non-income tax contingencies	-	(6,211)	-	-	(6,211)
Adjusted EBITDA	\$ 477,013	561,153	509,573	401,066	1,948,805

Net Debt less short-term investments to adjusted EBITDA

0.9

(1) Includes \$8,417 of accelerated depreciation in Q4 YTD 2021.

Reconciliation of Net Sales to Net Sales on a Constant Exchange Rate and on Constant Shipping Days

(Amounts in thousands)

	Three Months Ended		Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net sales	\$ 2,760,737	2,641,764	11,200,613	9,552,197
Adjustment to net sales on constant shipping days	173,206	-	41,841	-
Adjustment to net sales on a constant exchange rate	20,737	-	(160,015)	-
Net sales on a constant exchange rate and constant shipping days	\$ 2,954,680	2,641,764	11,082,439	9,552,197

Reconciliation of Segment Net Sales to Segment Net Sales on a Constant Exchange Rate and on Constant Shipping Days

(Amounts in thousands)

Global Ceramic	Three Months Ended	
	December 31,	December 31,

	2021	2020
Net sales	\$ 949,501	919,668
Adjustment to segment net sales on constant shipping days	54,209	-
Adjustment to segment net sales on a constant exchange rate	5,951	-
Segment net sales on a constant exchange rate and constant shipping days	\$ 1,009,661	919,668

Reconciliation of Segment Net Sales to Segment Net Sales on Constant Shipping Days

(Amounts in thousands)

Flooring NA	Three Months Ended	
	December 31, 2021	December 31, 2020
Net sales	\$ 1,015,513	963,365
Adjustment to segment net sales on constant shipping days	65,517	-
Segment net sales on constant shipping days	\$ 1,081,030	963,365

Reconciliation of Segment Net Sales to Segment Net Sales on a Constant Exchange Rate and on Constant Shipping Days

(Amounts in thousands)

Flooring ROW	Three Months Ended	
	December 31, 2021	December 31, 2020
Net sales	\$ 795,723	758,731
Adjustment to segment net sales on constant shipping days	53,481	-
Adjustment to segment net sales on a constant exchange rate	14,786	-
Segment net sales on a constant exchange rate and constant shipping days	\$ 863,990	758,731

Reconciliation of Gross Profit to Adjusted Gross Profit

(Amounts in thousands)

	Three Months Ended	
	December 31, 2021	December 31, 2020
Gross Profit	\$ 737,443	738,084
Adjustments to gross profit:		
Restructuring, acquisition and integration-related and other costs	2,363	22,789
Acquisitions purchase accounting, including inventory step-up	1,067	-
Adjusted gross profit	\$ 740,873	760,873

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

(Amounts in thousands)

	Three Months Ended	
	December 31, 2021	December 31, 2020
Selling, general and administrative expenses	\$ 484,345	455,351
Adjustments to selling, general and administrative expenses:		
Restructuring, acquisition and integration-	(2,238)	394

related and other costs		
Adjusted selling, general and administrative expenses	\$ 482,107	455,745

Reconciliation of Operating Income to Adjusted Operating Income

(Amounts in thousands)

	Three Months Ended		Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Operating income	\$ 253,098	282,733	1,335,011	636,002
Adjustments to operating income:				
Restructuring, acquisition and integration-related and other costs	4,601	22,395	23,637	163,479
Acquisitions purchase accounting, including inventory step-up	1,067	-	1,749	-
Adjusted operating income	\$ 258,766	305,128	1,360,397	799,481

Reconciliation of Segment Operating Income to Adjusted Segment Operating Income

(Amounts in thousands)

Global Ceramic	Three Months Ended	
	December 31, 2021	December 31, 2020
Operating income	\$ 60,000	79,565
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	416	8,164
Adjusted segment operating income	\$ 60,416	87,729

Reconciliation of Segment Operating Income to Adjusted Segment Operating Income

(Amounts in thousands)

Flooring NA	Three Months Ended	
	December 31, 2021	December 31, 2020
Operating income	\$ 91,711	82,407
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	1,146	8,651
Adjusted segment operating income	\$ 92,857	91,058

Reconciliation of Segment Operating Income to Adjusted Segment Operating Income

(Amounts in thousands)

Flooring ROW	Three Months Ended	
	December 31, 2021	December 31, 2020
Operating income	\$ 114,339	132,505
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	2,022	5,496
Acquisitions purchase accounting, including inventory step-up	1,067	-
Adjusted segment operating income	\$ 117,428	138,001

Reconciliation of Segment Operating (Loss) to Adjusted Segment Operating (Loss)

(Amounts in thousands)

Corporate and intersegment eliminations	Three Months Ended	
	December 31, 2021	December 31, 2020
Operating (loss)	\$ (12,952)	(11,744)
Adjustments to segment operating (loss):		
Restructuring, acquisition and integration-related and other costs	1,018	84
Adjusted segment operating (loss)	\$ (11,934)	(11,660)

Reconciliation of Earnings Including Noncontrolling Interests Before Income Taxes to Adjusted Earnings Including Noncontrolling Interests Before Income Taxes

(Amounts in thousands)

	Three Months Ended	
	December 31, 2021	December 31, 2020
Earnings before income taxes	\$ 239,789	273,578
Net earnings attributable to noncontrolling interests	(11)	(176)
Adjustments to earnings including noncontrolling interests before income taxes:		
Restructuring, acquisition and integration-related and other costs	4,558	22,382
Acquisitions purchase accounting, including inventory step-up	1,067	-
Adjusted earnings including noncontrolling interests before income taxes	\$ 245,403	295,784

Reconciliation of Income Tax Expense to Adjusted Income Tax Expense

(Amounts in thousands)

	Three Months Ended	
	December 31, 2021	December 31, 2020
Income tax expense	\$ 50,689	25,180
One-time tax planning election	(4,568)	-
Income tax effect of adjusting items	309	18,596
Adjusted income tax expense	\$ 46,430	43,776
Adjusted income tax rate	18.9	% 14.8
		%