

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES

(Unaudited)

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

	Three Months Ended	
	April 2, 2022	April 3, 2021
Net sales	\$ 3,015,663	2,669,026
Cost of sales	2,213,535	1,877,257
Gross profit	802,128	791,769
Selling, general and administrative expenses	481,327	474,254
Operating income	320,801	317,515
Interest expense	11,481	15,241
Other (income) expense, net	2,438	(2,227)
Earnings before income taxes	306,882	304,501
Income tax expense	61,448	67,690
Net earnings including noncontrolling interests	245,434	236,811
Net earnings attributable to noncontrolling interests	105	4
Net earnings attributable to Mohawk Industries, Inc.	\$ 245,329	236,807

Basic earnings per share attributable to Mohawk Industries, Inc.

Basic earnings per share attributable to Mohawk Industries, Inc.	\$ 3.79	3.37
Weighted-average common shares outstanding - basic	64,686	70,179

Diluted earnings per share attributable to Mohawk Industries, Inc.

Diluted earnings per share attributable to Mohawk Industries, Inc.	\$ 3.78	3.36
Weighted-average common shares outstanding - diluted	64,970	70,474

Other Financial Information*(Amounts in thousands)*

Net cash provided by operating activities	\$ 54,954	259,605
Less: Capital expenditures	129,470	114,735
Free cash flow	\$ (74,516)	144,870
Depreciation and amortization	\$ 141,415	151,216

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

	April 2, 2022	April 3, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 230,559	557,262
Short-term investments	310,000	782,267
Receivables, net	2,044,698	1,813,858
Inventories	2,513,244	1,996,628
Prepaid expenses and other current assets	466,238	415,997
Total current assets	5,564,739	5,566,012
Property, plant and equipment, net	4,552,612	4,432,110
Right of use operating lease assets	384,740	337,767
Goodwill	2,579,385	2,594,727

Intangible assets, net	883,527	921,846
Deferred income taxes and other non-current assets	421,716	437,611
Total assets	\$ 14,386,719	14,290,073
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt and current portion of long-term debt	\$ 1,546,463	953,913
Accounts payable and accrued expenses	2,220,347	1,954,396
Current operating lease liabilities	104,823	98,982
Total current liabilities	3,871,633	3,007,291
Long-term debt, less current portion	1,088,401	1,719,115
Non-current operating lease liabilities	293,239	248,022
Deferred income taxes and other long-term liabilities	845,843	816,613
Total liabilities	6,099,116	5,791,041
Total stockholders' equity	8,287,603	8,499,032
Total liabilities and stockholders' equity	\$ 14,386,719	14,290,073

Segment Information	As of or for the Three Months Ended	
	April 2, 2022	April 3, 2021
<i>(Amounts in thousands)</i>		
Net sales:		
Global Ceramic	\$ 1,064,757	929,871
Flooring NA	1,071,910	969,250
Flooring ROW	878,996	769,905
Consolidated net sales	\$ 3,015,663	2,669,026
Operating income (loss):		
Global Ceramic	\$ 100,338	87,804
Flooring NA	95,324	81,298
Flooring ROW	134,650	159,306
Corporate and intersegment eliminations	(9,511)	(10,893)
Consolidated operating income	\$ 320,801	317,515
Assets:		
Global Ceramic	\$ 5,240,214	5,161,660
Flooring NA	4,220,757	3,731,032
Flooring ROW	4,413,013	4,120,381
Corporate and intersegment eliminations	512,735	1,277,000
Consolidated assets	\$ 14,386,719	14,290,073

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	
	April 2, 2022	April 3, 2021
Net earnings attributable to Mohawk Industries, Inc.	\$ 245,329	236,807
Adjusting items:		
Restructuring,	1,918	11,574

acquisition and integration-related and other costs		
Acquisitions purchase accounting, including inventory step-up	-	303
Release of indemnification asset	7,263	-
Income taxes - reversal of uncertain tax position	(7,263)	-
Income taxes	(1,684)	(2,735)
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Adjusted net earnings attributable to Mohawk Industries, Inc.	\$ 245,563	245,949
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Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	\$ 3.78	3.49
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Weighted-average common shares outstanding - diluted	64,970	70,474
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Reconciliation of Total Debt to Net Debt Less Short-Term Investments

(Amounts in thousands)

	April 2, 2022
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Short-term debt and current portion of long-term debt	\$1,546,463
Long-term debt, less current portion	1,088,401
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Total debt	2,634,864
Less: Cash and cash equivalents	230,559
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Net Debt	2,404,305
Less: Short-term investments	310,000
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Net debt less short-term investments	\$2,094,305
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**Reconciliation of
Operating Income to
Adjusted EBITDA**

(Amounts in
thousands)

	Three Months Ended				Trailing Twelve Months Ended
	July 3,2021	October 2,2021	December 31,2021	April 2,2022	April 2,2022
Operating income	\$ 404,424	359,974	253,098	320,801	1,338,297
Other income (expense)	11,168	(21)	(1,140)	(2,438)	7,569
Net income attributable to noncontrolling interests	(168)	(206)	(11)	(105)	(490)
Depreciation and amortization (1)	148,466	148,618	143,411	141,415	581,910
EBITDA	563,890	508,365	395,358	459,673	1,927,286
Restructuring, acquisition and integration-related and other costs	3,321	982	4,641	1,918	10,862
Acquisitions purchase accounting, including inventory step-up	153	226	1,067	-	1,446
Resolution of foreign non-income tax contingencies	(6,211)	-	-	-	(6,211)
Release of indemnification asset	-	-	-	7,263	7,263
Adjusted EBITDA	\$ 561,153	509,573	401,066	468,854	1,940,646
Net Debt less short-term investments to adjusted EBITDA					1.1

(1) Includes \$8,417 of accelerated depreciation recorded for the trailing twelve months ended April 2, 2022.

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

(Amounts in
thousands)

	Three Months Ended	
	April 2,2022	April 3, 2021
Net sales	\$3,015,663	2,669,026
Adjustment to net sales	21,018	-

on constant shipping days		
Adjustment to net sales on a constant exchange rate	93,781	-
Net sales on a constant exchange rate and constant shipping days	\$3,130,462	2,669,026

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	
	April 2, 2022	April 3, 2021
Net sales	\$1,064,757	929,871
Adjustment to segment net sales on constant shipping days	4,269	-
Adjustment to segment net sales on a constant exchange rate	32,423	-
Segment net sales on a constant exchange rate and constant shipping days	\$1,101,449	929,871

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

(Amounts in thousands)

Flooring NA	Three Months Ended	
	April 2, 2022	April 3, 2021
Net sales	\$1,071,910	969,250
Adjustment to segment net sales on constant shipping days	16,749	-
Segment net sales on constant shipping days	\$1,088,659	969,250

Reconciliation of Segment Net Sales to Segment Net Sales on a Constant Exchange Rate

(Amounts in thousands)

Flooring ROW	Three Months Ended	
	April 2,2022	April 3, 2021
Net sales	\$ 878,996	769,905
Adjustment to segment net sales on a constant exchange rate	61,358	-
Segment net sales on a constant exchange rate	\$ 940,354	769,905

**Reconciliation of
Gross Profit to
Adjusted Gross Profit**

(Amounts in thousands)

	Three Months Ended	
	April 2,2022	April 3, 2021
Gross Profit	\$ 802,128	791,769
Adjustments to gross profit:		
Restructuring, acquisition and integration-related and other costs	938	10,182
Acquisitions purchase accounting, including inventory step-up	-	303
Adjusted gross profit	\$ 803,066	802,254

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

(Amounts in thousands)

	Three Months Ended	
	April 2,2022	April 3, 2021
Selling, general and administrative expenses	\$ 481,327	474,254
Adjustments to selling, general and administrative expenses:		
Restructuring, acquisition and integration-related and other costs	(980)	(1,002)

Adjusted selling, general and administrative expenses	\$ 480,347	473,252
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Reconciliation of Operating Income to Adjusted Operating Income on a Constant Exchange Rate

(Amounts in thousands)

	Three Months Ended	
	April 2, 2022	April 3, 2021
Operating income	\$ 320,801	317,515
Adjustments to operating income:		
Restructuring, acquisition and integration-related and other costs	1,918	11,184
Acquisitions purchase accounting, including inventory step-up	-	303
Adjustment to operating income on a constant exchange rate	11,210	-
Adjusted operating income on a constant exchange rate	\$ 333,929	329,002

Reconciliation of Segment Operating Income to Adjusted Segment Operating Income on a Constant Exchange Rate

(Amounts in thousands)

Global Ceramic	Three Months Ended	
	April 2, 2022	April 3, 2021
Operating income	\$ 100,338	87,804
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	-	1,273
Adjustment to	2,989	-

segment operating
income on a constant
exchange rate

Adjusted segment operating income on a constant exchange rate	\$ 103,327	89,077
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**Reconciliation of
Segment Operating
Income to Adjusted
Segment Operating
Income**

*(Amounts in
thousands)*

Flooring NA	Three Months Ended	
	April 2, 2022	April 3, 2021
Operating income	\$ 95,324	81,298
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	105	8,859
Adjusted segment operating income	\$ 95,429	90,157

**Reconciliation of Segment Operating
Income to Adjusted Segment
Operating Income on a Constant
Exchange Rate**

*(Amounts in
thousands)*

Flooring ROW	Three Months Ended	
	April 2, 2022	April 3, 2021
Operating income	\$ 134,650	159,306
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	1,813	1,054
Acquisitions purchase accounting, including inventory step-up	-	303
Adjustment to	8,221	-

segment operating
income on a constant
exchange rate

Adjusted segment operating income on a constant exchange rate	\$ 144,684	160,663
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**Reconciliation of Earnings Including Noncontrolling Interests Before
Income Taxes to Adjusted Earnings Including Noncontrolling
Interests Before Income Taxes**

*(Amounts in
thousands)*

	Three Months Ended	
	April 2, 2022	April 3, 2021
Earnings before income taxes	\$ 306,882	304,501
Net earnings attributable to noncontrolling interests	(105)	(4)
Adjustments to earnings including noncontrolling interests before income taxes:		
Restructuring, acquisition and integration-related and other costs	1,918	11,574
Acquisitions purchase accounting, including inventory step-up	-	303
Release of indemnification asset	7,263	-
Adjusted earnings including noncontrolling interests before income taxes	\$ 315,958	316,374

**Reconciliation of
Income Tax Expense
to Adjusted Income
Tax Expense**

*(Amounts in
thousands)*

	Three Months Ended	
	April 2, 2022	April 3, 2021
Income tax expense	\$ 61,448	67,690

Income taxes - reversal of uncertain tax position	7,263	-
Income tax effect of adjusting items	1,684	2,735
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Adjusted income tax expense	\$ 70,395	70,425
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Adjusted income tax rate	22.3%	22.3%
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