

**MOHAWK INDUSTRIES, INC. AND  
SUBSIDIARIES**

(Unaudited)

**Condensed Consolidated Statement of  
Operations Data**

(Amounts in thousands, except per share  
data)

	Three Months Ended		Six Months Ended	
	July 2, 2022	July 3, 2021	July 2, 2022	July 3, 2021
Net sales	\$3,153,188	2,953,833	6,168,851	5,622,859
Cost of sales	2,279,991	2,051,626	4,493,526	3,928,883
Gross profit	873,197	902,207	1,675,325	1,693,976
Selling, general and administrative expenses	505,270	497,783	986,597	972,037
Operating income	367,927	404,424	688,728	721,939
Interest expense	12,059	14,894	23,540	30,135
Other income, net	(2,818 )	(11,168 )	(380 )	(13,395 )
Earnings before income taxes	358,686	400,698	665,568	705,199
Income tax expense	78,176	64,245	139,624	131,935
Net earnings including noncontrolling interests	280,510	336,453	525,944	573,264
Net earnings attributable to noncontrolling interests	79	168	184	172
Net earnings attributable to Mohawk Industries, Inc.	\$280,431	336,285	525,760	573,092

**Basic earnings per share attributable to  
Mohawk Industries, Inc.**

Basic earnings per share attributable to Mohawk Industries, Inc.	\$4.41	4.84	8.20	8.21
Weighted-average common shares outstanding - basic	63,540	69,432	64,116	69,809

**Diluted earnings per share attributable to  
Mohawk Industries, Inc.**

Diluted earnings per share attributable to Mohawk Industries, Inc.	\$4.40	4.82	8.17	8.18
Weighted-average common shares outstanding - diluted	63,798	69,745	64,374	70,102

**Other Financial Information**

(Amounts in thousands)

Net cash provided by operating activities	\$147,706	338,391	202,661	597,996
Less: Capital expenditures	150,571	112,703	280,041	227,439
Free cash flow	\$(2,865 )	225,688	(77,380 )	370,557
Depreciation and amortization	\$141,569	148,466	282,984	299,681

**Condensed Consolidated Balance Sheet  
Data**

(Amounts in thousands)

July 2, 2022	July 3, 2021
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**ASSETS**

Current assets:		
Cash and cash equivalents	\$223,986	753,677
Short-term investments	265,000	662,358
Receivables, net	2,105,809	2,017,622
Inventories	2,826,044	2,081,967
Prepaid expenses and other current assets	519,895	434,932
<b>Total current assets</b>	<b>5,940,734</b>	<b>5,950,556</b>
Property, plant and equipment, net	4,582,075	4,459,380
Right of use operating lease assets	404,726	383,343
Goodwill	2,536,314	2,609,174
Intangible assets, net	856,401	922,699
Deferred income taxes and other non-current assets	369,237	467,641
<b>Total assets</b>	<b>\$14,689,487</b>	<b>14,792,793</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Current liabilities:		
Short-term debt and current portion of long-term debt	\$1,498,900	958,781
Accounts payable and accrued expenses	2,316,980	2,119,154
Current operating lease liabilities	108,497	100,951
<b>Total current liabilities</b>	<b>3,924,377</b>	<b>3,178,886</b>
Long-term debt, less current portion	1,052,064	1,723,294
Non-current operating lease liabilities	309,261	292,101
Deferred income taxes and other long-term liabilities	796,847	824,570
<b>Total liabilities</b>	<b>6,082,549</b>	<b>6,018,851</b>
<b>Total stockholders' equity</b>	<b>8,606,938</b>	<b>8,773,942</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$14,689,487</b>	<b>14,792,793</b>

**Segment Information**

<i>(Amounts in thousands)</i>	Three Months Ended		As of or for the Six Months Ended	
	July 2, 2022	July 3, 2021	July 2, 2022	July 3, 2021
Net sales:				
Global Ceramic	\$1,158,569	1,039,503	2,223,326	1,969,374
Flooring NA	1,099,538	1,081,189	2,171,448	2,050,439
Flooring ROW	895,081	833,141	1,774,077	1,603,046
<b>Consolidated net sales</b>	<b>\$3,153,188</b>	<b>2,953,833</b>	<b>6,168,851</b>	<b>5,622,859</b>
Operating income (loss):				
Global Ceramic	\$154,269	136,435	254,607	224,239
Flooring NA	100,030	115,943	195,354	197,241
Flooring ROW	124,107	163,886	258,757	323,192
Corporate and intersegment eliminations	(10,479 )	(11,840 )	(19,990 )	(22,733 )
<b>Consolidated operating income</b>	<b>\$367,927</b>	<b>404,424</b>	<b>688,728</b>	<b>721,939</b>
Assets:				
Global Ceramic			\$5,537,075	5,206,786
Flooring NA			4,345,912	3,870,309
Flooring ROW			4,334,649	4,240,433

Corporate and intersegment eliminations	471,851	1,475,265
Consolidated assets	<u>\$14,689,487</u>	<u>14,792,793</u>

**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		Six Months Ended	
	July 2, 2022	July 3, 2021	July 2, 2022	July 3, 2021
Net earnings attributable to Mohawk Industries, Inc.	\$280,431	336,285	525,760	573,092
Adjusting items:				
Restructuring, acquisition and integration-related and other costs	1,801	5,941	3,658	17,515
Acquisitions purchase accounting, including inventory step-up	143	153	143	456
Resolution of foreign non-income tax contingencies	-	(6,211 )	-	(6,211 )
Income tax effect on resolution of foreign non-income tax contingencies	-	2,302	-	2,302
One-time tax planning election	-	(26,731 )	-	(26,731 )
Release of indemnification asset	-	-	7,324	-
Income taxes - reversal of uncertain tax position	-	-	(7,324 )	-
Income taxes	(1,181 )	(1,379 )	(2,805 )	(4,114 )
Adjusted net earnings attributable to Mohawk Industries, Inc.	<u>\$281,194</u>	<u>310,360</u>	<u>526,756</u>	<u>556,309</u>
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	<u>\$4.41</u>	<u>4.45</u>	<u>8.18</u>	<u>7.94</u>
Weighted-average common shares outstanding - diluted	<u>63,798</u>	<u>69,745</u>	<u>64,374</u>	<u>70,102</u>

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

*(Amounts in thousands)*

	July 2, 2022
Short-term debt and current portion of long-term debt	\$1,498,900
Long-term debt, less current portion	1,052,064
Total debt	<u>2,550,964</u>
Less: Cash and cash equivalents	223,986
Net debt	<u>2,326,978</u>
Less: Short-term investments	265,000

Net debt less short-term investments	\$2,061,978
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**Reconciliation of Operating Income to Adjusted EBITDA**

(Amounts in thousands)

	Three Months Ended				Trailing Twelve Months Ended
	October 2, 2021	December 31, 2021	April 2, 2022	July 2, 2022	July 2, 2022
Operating income	\$359,974	253,098	320,801	367,927	1,301,800
Other income (expense)	(21 )	(1,140 )	(2,438 )	2,818	(781 )
Net income attributable to noncontrolling interests	(206 )	(11 )	(105 )	(79 )	(401 )
Depreciation and amortization	148,618	143,411	141,415	141,569	575,013
EBITDA	508,365	395,358	459,673	512,235	1,875,631
Restructuring, acquisition and integration-related and other costs	982	4,641	1,857	1,801	9,281
Acquisitions purchase accounting, including inventory step-up	226	1,067	-	143	1,436
Release of indemnification asset	-	-	7,324	-	7,324
Adjusted EBITDA	\$509,573	401,066	468,854	514,179	1,893,672
Net debt less short-term investments to adjusted EBITDA					1.1

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

(Amounts in thousands)

	Three Months Ended		Six Months Ended	
	July 2, 2022	July 3, 2021	July 2, 2022	July 3, 2021
Net sales	\$3,153,188	2,953,833	6,168,851	5,622,859
Adjustment to net sales on constant shipping days	10,794	-	31,811	-
Adjustment to net sales on a constant exchange rate	116,787	-	210,568	-
Net sales on a constant exchange rate and constant shipping days	\$3,280,769	2,953,833	6,411,230	5,622,859

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

*(Amounts in thousands)*

	Three Months Ended	
	July 2, 2022	July 3, 2021
<b>Global Ceramic</b>		
Net sales	\$1,158,569	1,039,503
Adjustment to segment net sales on constant shipping days	10,794	-
Adjustment to segment net sales on a constant exchange rate	21,870	-
Segment net sales on a constant exchange rate and constant shipping days	\$1,191,233	1,039,503

**Reconciliation of Segment Net Sales to Adjusted Segment Net Sales**

*(Amounts in thousands)*

	Three Months Ended	
	July 2, 2022	July 3, 2021
<b>Flooring NA</b>		
Net sales	\$1,099,538	1,081,189
Rug adjustment	50,000	-
Adjusted segment net sales	\$1,149,538	1,081,189

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

*(Amounts in thousands)*

	Three Months Ended	
	July 2, 2022	July 3, 2021
<b>Flooring ROW</b>		
Net sales	\$895,081	833,141
Adjustment to segment net sales on a constant exchange rate	94,917	-
Segment net sales on a constant exchange rate	\$989,998	833,141

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

*(Amounts in thousands)*

	Three Months Ended	
	July 2, 2022	July 3, 2021
Gross Profit	\$873,197	902,207
Adjustments to gross profit:		

Restructuring, acquisition and integration-related and other costs	713	5,299
Acquisitions purchase accounting, including inventory step-up	143	153
Adjusted gross profit	\$874,053	907,659

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

*(Amounts in thousands)*

	Three Months Ended	
	July 2, 2022	July 3, 2021
Selling, general and administrative expenses	\$505,270	497,783
Adjustments to selling, general and administrative expenses:		
Restructuring, acquisition and integration-related and other costs	(1,186 )	(1,480 )
Adjusted selling, general and administrative expenses	\$504,084	496,303

**Reconciliation of Operating Income to Adjusted Operating Income**

*(Amounts in thousands)*

	Three Months Ended	
	July 2, 2022	July 3, 2021
Operating income	\$367,927	404,424
Adjustments to operating income:		
Restructuring, acquisition and integration-related and other costs	1,899	6,779
Acquisitions purchase accounting, including inventory step-up	143	153
Adjusted operating income	\$369,969	411,356

**Reconciliation of Segment Operating Income to Adjusted Segment Operating Income**

*(Amounts in thousands)*

Global Ceramic	Three Months Ended	
	July 2, 2022	July 3,

		2021
Operating income	\$154,269	136,435
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	-	726
Adjusted segment operating income	\$154,269	137,161

### Reconciliation of Segment Operating Income to Adjusted Segment Operating Income

(Amounts in thousands)

	Three Months Ended	
<b>Flooring NA</b>	July 2, 2022	July 3, 2021
Operating income	\$100,030	115,943
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	(239 )	5,487
Adjusted segment operating income	\$99,791	121,430

### Reconciliation of Segment Operating Income to Adjusted Segment Operating Income

(Amounts in thousands)

	Three Months Ended	
<b>Flooring ROW</b>	July 2, 2022	July 3, 2021
Operating income	\$124,107	163,886
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	2,139	289
Acquisitions purchase accounting, including inventory step-up	143	153
Adjusted segment operating income	\$126,389	164,328

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

(Amounts in thousands)

	Three Months Ended	
	July 2, 2022	July 3, 2021
Earnings before income taxes	\$358,686	400,698
Net earnings attributable to	(79 )	(168 )

noncontrolling interests		
Adjustments to earnings including noncontrolling interests before income taxes:		
Restructuring, acquisition and integration-related and other costs	1,801	5,941
Acquisitions purchase accounting, including inventory step-up	143	153
Resolution of foreign non-income tax contingencies	-	(6,211 )
Adjusted earnings including noncontrolling interests before income taxes	\$360,551	400,413

### Reconciliation of Income Tax Expense to Adjusted Income Tax Expense

(Amounts in thousands)

	Three Months Ended	
	July 2, 2022	July 3, 2021
Income tax expense	\$78,176	64,245
Income tax effect on resolution of foreign non-income tax contingencies	-	(2,302 )
One-time tax planning election	-	26,731
Income tax effect of adjusting items	1,181	1,379
Adjusted income tax expense	\$79,357	90,053
Adjusted income tax rate	22.0 %	22.5 %

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 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, acquisition purchase accounting, including inventory step-up, release of indemnification assets and the reversal of uncertain tax positions.