

**MOHAWK INDUSTRIES, INC. AND
SUBSIDIARIES**

(Unaudited)

**Condensed Consolidated Statement of
Operations Data**

(Amounts in thousands, except per share
data)

	Three Months Ended		Nine Months Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net sales	\$2,917,539	2,817,017	9,086,390	8,439,876
Cost of sales	2,203,878	1,979,702	6,697,404	5,908,585
Gross profit	713,661	837,315	2,388,986	2,531,291
Selling, general and administrative expenses	523,479	477,341	1,510,076	1,449,378
Impairment of goodwill and indefinite-lived intangibles	695,771	-	695,771	-
Operating (loss) income	(505,589)	359,974	183,139	1,081,913
Interest expense	13,797	14,948	37,337	45,083
Other (income) expense, net	(1,242)	21	(1,622)	(13,374)
(Loss) earnings before income taxes	(518,144)	345,005	147,424	1,050,204
Income tax expense	15,569	73,821	155,193	205,756
Net (loss) earnings including noncontrolling interests	(533,713)	271,184	(7,769)	844,448
Net earnings attributable to noncontrolling interests	256	206	440	378
Net (loss) earnings attributable to Mohawk Industries, Inc.	\$ (533,969)	270,978	(8,209)	844,070

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

Basic (loss) earnings per share attributable to Mohawk Industries, Inc.	\$ (8.40)	3.95	(0.13)	12.16
Weighted-average common shares outstanding - basic	63,534	68,541	63,923	69,389

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

Diluted (loss) earnings per share attributable to Mohawk Industries, Inc.	\$ (8.40)	3.93	(0.13)	12.11
Weighted-average common shares outstanding - diluted	63,534	68,864	63,923	69,683

Other Financial Information

(Amounts in thousands)

Net cash provided by operating activities	\$ 224,774	498,739	427,435	1,096,735
Less: Capital expenditures	150,043	147,740	430,084	375,179
Free cash flow	\$ 74,731	350,999	(2,649)	721,556
Depreciation and amortization	\$ 153,466	148,618	436,449	448,299

**Condensed Consolidated Balance Sheet
Data**

(Amounts in thousands)

	October 1, 2022	October 2, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 326,971	1,128,027
Short-term investments	110,000	-
Receivables, net	2,003,261	1,880,476
Inventories	2,900,116	2,215,630
Prepaid expenses and other current assets	513,981	421,944
Total current assets	5,854,329	5,646,077
Property, plant and equipment, net	4,524,536	4,442,339
Right of use operating lease assets	400,412	385,606
Goodwill	1,827,968	2,612,201
Intangible assets, net	823,100	911,271
Deferred income taxes and other non-current assets	370,689	452,806
Total assets	\$13,801,034	14,450,300

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Short-term debt and current portion of long-term debt	\$ 1,542,139	588,669
Accounts payable and accrued expenses	2,256,097	2,209,942
Current operating lease liabilities	106,511	103,132
Total current liabilities	3,904,747	2,901,743
Long-term debt, less current portion	1,019,984	1,710,207
Non-current operating lease liabilities	306,617	292,806
Deferred income taxes and other long-term liabilities	744,629	793,095
Total liabilities	5,975,977	5,697,851
Total stockholders' equity	7,825,057	8,752,449
Total liabilities and stockholders' equity	\$13,801,034	14,450,300

Segment Information

	Three Months Ended		As of or for the Nine Months Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
<i>(Amounts in thousands)</i>				
Net sales:				
Global Ceramic	\$1,096,656	998,444	3,319,982	2,967,818
Flooring NA	1,089,634	1,050,453	3,261,082	3,100,892
Flooring ROW	731,249	768,120	2,505,326	2,371,166
Consolidated net sales	\$2,917,539	2,817,017	9,086,390	8,439,876
Operating (loss) income:				
Global Ceramic	\$ (559,706)	118,896	(305,099)	343,135
Flooring NA	64,672	118,625	260,026	315,866
Flooring ROW	45,508	133,595	304,265	456,787
Corporate and intersegment eliminations	(56,063)	(11,142)	(76,053)	(33,875)
Consolidated operating (loss) income	\$ (505,589)	359,974	183,139	1,081,913
Assets:				
Global Ceramic	\$ 4,866,822		5,174,981	

Flooring NA	4,490,502	3,960,037
Flooring ROW	4,036,675	4,276,310
Corporate and intersegment eliminations	407,035	1,038,972
Consolidated assets	\$13,801,034	14,450,300

Reconciliation of Net (Loss) 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		Nine Months Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net (loss) earnings attributable to Mohawk Industries, Inc.	\$ (533,969)	270,978	(8,209)	844,070
Adjusting items:				
Restructuring, acquisition and integration-related and other costs	34,460	1,044	38,118	18,560
Acquisitions purchase accounting, including inventory step-up	1,401	226	1,544	682
Impairment of goodwill and indefinite-lived intangibles	695,771	-	695,771	-
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	-	-	-	(26,731)
Legal settlements and reserves	45,000	-	45,000	-
Release of indemnification asset	-	-	7,324	-
Income taxes - reversal of uncertain tax position	-	-	(7,324)	-
Income taxes - impairment of goodwill and indefinite-lived intangibles	(10,168)	-	(10,168)	-
Income taxes	(20,487)	(203)	(23,291)	(4,317)
Adjusted net earnings attributable to Mohawk Industries, Inc.	\$ 212,008	272,045	738,765	828,355
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	\$ 3.34	3.95	11.56	11.89
Weighted-average common shares outstanding - diluted	63,534	68,864	63,923	69,683

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

(Amounts in thousands)

	October 1, 2022
Short-term debt and current portion of long-term debt	\$1,542,139
Long-term debt, less current portion	1,019,984
Total debt	2,562,123
Less: Cash and cash equivalents	326,971
Net debt	2,235,152
Less: Short-term investments	110,000
Net debt less short-term investments	\$2,125,152

Reconciliation of Operating Income (Loss) to Adjusted EBITDA

(Amounts in thousands)

	Three Months Ended				Trailing Twelve Months Ended
	December 31,2021	April 2,2022	July 2,2022	October 1, 2022	October 1, 2022
Operating income (loss)	\$ 253,098	320,801	367,927	(505,589)	436,237
Other income (expense)	(1,140)	(2,438)	2,818	1,242	482
Net income attributable to noncontrolling interests	(11)	(105)	(79)	(256)	(451)
Depreciation and amortization(1)	143,411	141,415	141,569	153,466	579,861
EBITDA	395,358	459,673	512,235	(351,137)	1,016,129
Restructuring, acquisition and integration-related and other costs	4,641	1,857	1,801	21,375	29,674
Acquisitions purchase accounting, including inventory step-up	1,067	-	143	1,401	2,611
Impairment of goodwill and indefinite-lived intangibles	-	-	-	695,771	695,771
Legal settlements and reserves	-	-	-	45,000	45,000
Release of indemnification asset	-	7,324	-	-	7,324
Adjusted EBITDA	\$ 401,066	468,854	514,179	412,410	1,796,509

Net debt less short-term investments to adjusted EBITDA	1.2
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(1) Includes accelerated depreciation of \$13,085 for Q3 2022.

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

(Amounts in thousands)

	Three Months Ended		Nine Months Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net sales	\$2,917,539	2,817,017	9,086,390	8,439,876
Adjustment to net sales on constant shipping days	17,504	-	49,315	-
Adjustment to net sales on a constant exchange rate	116,782	-	327,350	-
Net sales on a constant exchange rate and constant shipping days	\$3,051,825	2,817,017	9,463,055	8,439,876

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	
	October 1, 2022	October 2, 2021
Net sales	\$1,096,656	998,444
Adjustment to segment net sales on constant shipping days	4,542	-
Adjustment to segment net sales on a constant exchange rate	20,774	-
Segment net sales on a constant exchange rate and constant shipping days	\$1,121,972	998,444

Reconciliation of Segment Net Sales to Adjusted Segment Net Sales

(Amounts in thousands)

Flooring NA	Three Months Ended	
	October 1, 2022	October 2, 2021
Net sales	\$1,089,634	1,050,453

Rug adjustment	40,000	-
Adjusted segment net sales	\$1,129,634	1,050,453

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	
	October 1, 2022	October 2, 2021
Net sales	\$731,249	768,120
Adjustment to segment net sales on constant shipping days	12,962	-
Adjustment to segment net sales on a constant exchange rate	96,008	-
Segment net sales on a constant exchange rate and constant shipping days	\$840,219	768,120

Reconciliation of Gross Profit to Adjusted Gross Profit

(Amounts in thousands)

	Three Months Ended	
	October 1, 2022	October 2, 2021
Gross Profit	\$ 713,661	837,315
Adjustments to gross profit:		
Restructuring, acquisition and integration-related and other costs	30,422	552
Acquisitions purchase accounting, including inventory step-up	1,401	226
Adjusted gross profit	\$ 745,484	838,093

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

(Amounts in thousands)

	Three Months Ended	
	October 1, 2022	October 2, 2021
Selling, general and administrative expenses	\$ 523,479	477,341
Adjustments to selling, general and		

administrative expenses:		
Restructuring, acquisition and integration-related and other costs	(4,117)	(521)
Legal settlements and reserves	(45,000)	-
Adjusted selling, general and administrative expenses	\$ 474,362	476,820

Reconciliation of Operating (Loss) Income to Adjusted Operating Income

(Amounts in thousands)

	Three Months Ended	
	October 1, 2022	October 2, 2021
Operating (loss) income	\$ (505,589)	359,974
Adjustments to operating (loss) income:		
Restructuring, acquisition and integration-related and other costs	34,539	1,073
Acquisitions purchase accounting, including inventory step-up	1,401	226
Impairment of goodwill and indefinite-lived intangibles	695,771	-
Legal settlements and reserves	45,000	-
Adjusted operating income	\$271,122	361,273

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

(Amounts in thousands)

Global Ceramic	Three Months Ended	
	October 1, 2022	October 2, 2021
Operating (loss) income	\$ (559,706)	118,896
Adjustments to segment operating (loss) income:		
Restructuring, acquisition and integration-related and other costs	3,366	212
Impairment of goodwill	688,514	-

Adjusted segment operating income	\$ 132,174	119,108
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Reconciliation of Segment Operating Income to Adjusted Segment Operating Income

(Amounts in thousands)

Flooring NA	Three Months Ended	
	October 1, 2022	October 2, 2021
Operating income	\$ 64,672	118,625
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	20,223	1,396
Acquisitions purchase accounting, including inventory step-up	1,401	-
Impairment of indefinite-lived intangibles	1,407	-
Adjusted segment operating income	\$ 87,703	120,021

Reconciliation of Segment Operating Income to Adjusted Segment Operating Income

(Amounts in thousands)

Flooring ROW	Three Months Ended	
	October 1, 2022	October 2, 2021
Operating income	\$ 45,508	133,595
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	10,950	(454)
Acquisitions purchase accounting, including inventory step-up	-	226
Impairment of indefinite-lived intangibles	5,850	-
Adjusted segment operating income	\$ 62,308	133,367

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

(Amounts in thousands)

Corporate and intersegment	Three Months Ended	
	October 1, 2022	October 2, 2021

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Operating (loss)	\$ (56,063)	(11,142)
Adjustments to segment operating (loss):		
Restructuring, acquisition and integration-related and other costs	-	(82)
Legal settlements and reserves	45,000	-
Adjusted segment operating (loss)	\$ (11,063)	(11,224)

Reconciliation of (Loss) Earnings Including Noncontrolling Interests Before Income Taxes to Adjusted Earnings Including Noncontrolling Interests Before Income Taxes*(Amounts in thousands)*

	Three Months Ended	
	October 1, 2022	October 2, 2021
(Loss) earnings before income taxes	\$ (518,144)	345,005
Net earnings attributable to noncontrolling interests	(256)	(206)
Adjustments to (loss) earnings including noncontrolling interests before income taxes:		
Restructuring, acquisition and integration-related and other costs	34,460	1,044
Acquisitions purchase accounting, including inventory step-up	1,401	226
Impairment of goodwill and indefinite-lived intangibles	695,771	-
Legal settlements and reserves	45,000	-
Adjusted earnings including noncontrolling interests before income taxes	\$258,232	346,069

Reconciliation of Income Tax Expense to Adjusted Income Tax Expense*(Amounts in thousands)*

	Three Months Ended	
	October 1, 2022	October 2, 2021
Income tax expense	\$ 15,569	73,821

Income tax effect on impairment of goodwill and indefinite-lived intangibles	10,168	-
Income tax effect of adjusting items	20,487	203
Adjusted income tax expense	\$ 46,224	74,024
Adjusted income tax rate	17.9%	21.4%