MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES

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| Condensed Consolidated Statement of Operations Data | Th | nree Months | s Ended | Nine Months | Ended |
|---|-----|------------------------------|-------------------------------|-------------------------------|---------------------------------|
| (Amounts in thousands, except per share data) | | ctober 1, 022 | October 2, 2021 | October 1, 2022 | October 2, 2021 |
| Net sales | \$2 | 2,917,539 | 2,817,017 | 9,086,390 | 8,439,876 |
| Cost of sales | 2 | 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 Less: Capital expenditures Free cash flow | \$ | 224,774 150,043 74,731 | 498,739 147,740 350,999 | 427,435 430,084 (2,649) | 1,096,735 375,179 721,556 |
| Depresiation and amountination | Φ. | 450 400 | 440.040 | 400 440 | 440.000 |
| Depreciation and amortization | \$ | 153,466 | 148,618 | 436,449 | 448,299 |

Condensed Consolidated Balance Sheet Data

| ASSETS Current assets: 110,000 1,128,027 Short-term investments 110,000 1,880,476 Receivables, net Investories 2,003,216 2,215,630 Prepaid expenses and other current assets 5,884,329 5,646,077 Property, plant and equipment, net Right of use operating lease assets sets gloodwill Intangible assets, net Deferred income taxes and other non-current assets 400,412 385,606 Goodwill Intangible assets, net Deferred income taxes and other non-current assets 370,689 452,806 Total assets \$1,827,968 2,612,201 Intangible assets, net Deferred income taxes and other non-current assets \$13,801,03 14,450,300 LIABILITIES AND STOCKHOLDERS' \$1,542,139 588,669 Current liabilities \$1,542,139 588,669 Accounts payable and accrued expenses 2,256,097 2,209,942 Current operating lease liabilities 106,511 101,394 Accounts payable and accrued expenses 2,256,097 2,209,942 Current operating lease liabilities 30,94,747 2,901,743 Long-term debt, less current portion 1,019,994 1,7 | | | | October 1, 2022 | October 2, 2021 |
|--|---|--------------|-------------|---------------------|--------------------|
| Same and cash equivalents \$326,971 1,128,027 Short-term investments 110,000 1,880,476 Receivables, net 2,003,261 1,880,476 Inventories 2,900,116 2,215,630 Prepaid expenses and other 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 400,412 385,660 370,689 452,806 370,689 470,699 | ASSETS | | | | |
| 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 5,854,329 5,646,077 Froperty, plant and equipment, net 4,524,536 4,442,339 Right of use operating lease assets 400,412 385,606 Goodwill 823,100 911,271 Deferred income taxes and other non-current assets 370,689 452,806 Total assets 3,801,034 1,450,300 Total assets 3,801,034 1,450,300 Total current debt and current portion of long-term debt and current portion of long-term debt 3,904,747 2,901,743 Long-term debt, less current portion 3,904,747 2,901,743 Long-term debt, less current portion 3,904,747 2,901,743 Long-term debt, less current portion 7,825,067 7,825,067 Total liabilities 7,825,067 7,825,067 7,825,067 Total liabilities and stockholders' equity 7,825,057 8,752,449 Total liabilities and stockholders' | Current assets: | | | | |
| Receivables, net | Cash and cash equivalents | | | | 1,128,027 |
| Prepaid expenses and other current assets 513,981 421,944 Total current assets 513,981 421,944 Property, plant and equipment, net 4,524,536 4,442,339 Right of use operating lease assets 400,412 385,806 Goodwill 823,100 911,271 Deferred income taxes and other non-current assets 370,689 452,806 Total assets 513,801,034 1,450,300 LIABILITIES AND STOCKHOLDERS' 51,542,139 588,669 ECUITY Current liabilities 51,542,139 588,669 Accounts payable and accrued expenses 52,560,97 2,209,942 Current operating lease liabilities 3,904,747 2,901,743 Long-term debt, less current portion of long-term debt, | | | | • | - |
| Prepaid expenses and other current assets | | | | | |
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| Property, plant and equipment, net 4,524,536 4,422,339 Right of use operating lease assets 400,412 385,602 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 \$1,3801,034 14,450,300 LIABILITIES AND STOCKHOLDERS' \$1,542,139 588,669 FOUTY Current debt \$1,542,139 588,669 Accounts payable and accrued expenses 2,256,097 2,209,942 Current operating lease liabilities 30,94,747 2,901,743 Long-term debt, less current portion 106,511 103,132 Total current liabilities 306,617 292,806 Deferred income taxes and other long-term liabilities 306,617 292,806 Deferred income taxes and other long-term liabilities 5,975,977 5,697,851 Total liabilities and stockholders' equity 744,629 793,095 Total liabilities and stockholders' equity 813,801,034 14,450,300 Regment Information Three | Prepaid expenses and other current assets | | | | |
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| Intangible assets, net 1827,968 2,612,201 1812,001 1823,100 911,271 25,001 2 | | | | | |
| Deferred income taxes and other non-current assets \$370,689 \$452,806 \$150 \$1,301,034 \$1,450,300 \$1,201 | | | | • | • |
| 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 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 3,904,747 2,901,743 Long-term obet, less current portion 30,061 292,806 Deferred income taxes and other long-term liabilities 30,061 292,806 Deferred income taxes and other long-term liabilities 5,975,977 5,697,851 Total stockholders' equity 7,825,057 8,752,449 Total stockholders' equity 7,825,057 8,752,449 Acmounts in thousands) Coctober 1, 2 200 200 200 200 200 200 200 200 200 200 | | | | | |
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| LABILITIES 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 306,617 292,806 Total liabilities 5,975,977 5,697,851 Total liabilities and 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 for the Nine Months Ended (Amounts in thousands) Three Months Ended As of for the Nine Months Ended Potober 1, 2022 2021 2022 2021 Net sales: Global Ceramic \$1,096,656 998,444 3,319,982 2,967,818 Flooring NA | | | | · | |
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| Current liabilities: Short-term debt and current portion of long-term debt \$ 1,542,139 588,669 Accounts payable and accrued expenses Current operating lease liabilities 2,256,097 2,209,942 Current operating lease liabilities 106,511 103,132 Total current liabilities 3,904,747 2,901,743 Non-current operating lease liabilities 306,617 292,806 Deferred income taxes and other long-term liabilities 5,975,977 5,697,851 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 Horizon Berth School Bert | | | | | |
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| 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 (Amounts in thousands) October 1, October 2, 2022 October 1, October 2, 2022 2022 2022 2022 2022 2022 2022 2022 2021 Notober 2, 2022 2022 2022 2022 2021 Notober 2, 2022 2022 2022 2022 2021 Notober 2, 2022 <t< td=""><td></td><td></td><td></td><td>2,256,097</td><td>2,209,942</td></t<> | | | | 2,256,097 | 2,209,942 |
| Total current liabilities | | | | | |
| 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 the Nine Months Ended (Amounts in thousands) October 1, 2022 October 2, 2022 2021 2022 2021 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: \$(559,706) 118,896 (305,099) 343,135 Flooring NA 64,672 118,625 260,026 315,866 Flooring ROW 45,508 133,595 < | Total current liabilities | | | | |
| 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 Morths Ended As of or the Nine Morths Ended (Amounts in thousands) October 1, 2022 October 2, 2022 2021 2022 2021 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: \$(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 < | Long-term debt, less current portion | | | 1,019,984 | 1,710,207 |
| Total liabilities | Non-current operating lease liabilities | | | 306,617 | 292,806 |
| 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 (Amounts in thousands) October 1, October 2, 2022 October 1, October 2, 2022 October 1, October 2, 2022 2022 2022 2021 Net sales: Global Ceramic \$1,096,656 998,444 3,319,982 2,967,818 2,967,818 2,967,818 2,967,818 2,967,818 2,967,818 3,261,082 3,100,892 3,100,892 2,967,818 2,967,818 2,505,326 2,371,166 2,505,326 2,371,166 2,505,326 2,371,166 2,505,326 2,371,166 2,505,326 2,371,166 2,505,326 2,371,166 2,505,326 2,371,166 2,505,326 2,371,166 2,505,326 2,371,166 2,505,326 2,371,166 2,505,326 2,371,166 2,505,326 2,505,326 2,371,166 3,505 3,505 3,505 3,586 3,505 3,586 <t< td=""><td></td><td></td><td></td><td>744,629</td><td>793,095</td></t<> | | | | 744,629 | 793,095 |
| 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 (Amounts in thousands) October 1, October 2, 2022 2022 2021 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) < | | | | 5.975.977 | 5.697.851 |
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| Net sales: Sal | Segment Information | Three Mo | onths Ended | | |
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| 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: \$ (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 | | | | | |
| 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: \$ (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 | | | | | |
| 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 | | | | | |
| Consolidated net sales \$2,917,539 2,817,017 9,086,390 8,439,876 Operating (loss) income: \$ (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 | _ | | | | |
| Operating (loss) income: \$ (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 | | | | | |
| 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: | Consolidated net sales | \$2,917,539 | 2,817,017 | 9,086,390 | 8,439,876 |
| 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: | Operating (loss) income: | | | | |
| 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 | \$ (559,706) | 118,896 | (305,099) | 343,135 |
| 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: | Flooring NA | 64,672 | 118,625 | 260,026 | 315,866 |
| Consolidated operating (loss) income \$ (505,589) 359,974 183,139 1,081,913 Assets: | Flooring ROW | 45,508 | 133,595 | 304,265 | 456,787 |
| Assets: | 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 |
| | | | | | |
| Global Ceramic \$ 4,866,822 5,174,981 | | | | | |
| | 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)

| (Amounts in thousands, ex | Three Months | • | Nine Months Ended | |
|---|--------------------|--------------------|--------------------|--------------------|
| | October 1, 2022 | October 2, 2021 | October 1, 2022 | October 2, 2021 |
| Net (loss) earnings attributable to Mohawk Industries, Inc. Adjusting items: | \$ (533,969) | 270,978 | (8,209) | 844,070 |
| 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) | | | | | | Trailing Twelve |
|---|----|------------------|--------------|----------------|--------------------|--------------------|
| | Tł | ree Months | Ended | | | Months Ended |
| | | ecember ,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 | 1.2 |
| adjusted EBITDA | |

(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 | s 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)

| , | Three Months Ended | | |
|--|--------------------|--------------------|--|
| Global Ceramic | October 1, 2022 | October 2, 2021 | |
| Net sales | \$1,096,656 | 998,444 | |
| Adjustment to segment net sales on constant shipping days Adjustment to segment | 4,542 | - | |
| 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

| | Three Months | Ended |
|-------------|-----------------|--------------------|
| Flooring NA | 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)

| | Three Months Ended | | |
|--|--------------------|--------------------|--|
| Flooring ROW | October 1, 2022 | October 2, 2021 | |
| Net sales | \$731,249 | 768,120 | |
| Adjustment to segment net sales on constant shipping days Adjustment to segment net sales on a constant exchange rate | 12,962 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

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

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

Reconciliation of Operating (Loss) Income to Adjusted Operating Income

(Amounts in thousands)

| | Three Months Ended | | |
|---|--------------------|--------------------|--|
| | October 1, 2022 | October 2, 2021 | |
| Operating (loss) income Adjustments to operating (loss) income: | \$ (505,589) | 359,974 | |
| 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)

| | Three Months Ended | | |
|---|--------------------|--------------------|--|
| Global Ceramic | 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 |
|-----------------------------------|------------|---------|

Reconciliation of Segment Operating Income to Adjusted Segment Operating Income (Amounts in thousands)

| | Three Months Ended | | |
|---|--------------------|----------------|--------------------|
| Flooring NA | Oc 20 | tober 1, 22 | 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)

| | Three Months Ended | | |
|---|--------------------|----------------|--------------------|
| Flooring ROW | Oc 20: | tober 1, 22 | 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)

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

eliminations

| 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

| | Three Months Ended | |
|--------------------|--------------------|------------|
| | October 1, | October 2, |
| | 2022 | 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% |