

**MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	Three Months Ended	
	April 1, 2023	April 2, 2022
<i>(Amounts in thousands, except per share data)</i>		
<b>Net sales</b>	<b>\$ 2,806,223</b>	3,015,663
Cost of sales	<b>2,162,781</b>	2,213,535
<b>Gross profit</b>	<b>643,442</b>	802,128
Selling, general and administrative expenses	<b>517,652</b>	481,327
<b>Operating income</b>	<b>125,790</b>	320,801
Interest expense	<b>17,137</b>	11,481
Other expense (income), net	<b>(566)</b>	2,438
<b>Earnings before income taxes</b>	<b>109,219</b>	306,882
Income tax expense	<b>28,943</b>	61,448
<b>Net earnings including noncontrolling interests</b>	<b>80,276</b>	245,434
Net earnings attributable to noncontrolling interests	<b>38</b>	105
<b>Net earnings attributable to Mohawk Industries, Inc.</b>	<b>\$ 80,238</b>	245,329
<b>Basic earnings per share attributable to Mohawk Industries, Inc.</b>	<b>\$ 1.26</b>	3.79
<b>Weighted-average common shares outstanding - basic</b>	<b>63,582</b>	64,686
<b>Diluted earnings per share attributable to Mohawk Industries, Inc.</b>	<b>\$ 1.26</b>	3.78
<b>Weighted-average common shares outstanding - diluted</b>	<b>63,846</b>	64,970

**Other Financial Information**

	Three Months Ended	
	April 1, 2023	April 2, 2022
<i>(Amounts in thousands)</i>		
Net cash provided by operating activities	<b>\$ 257,276</b>	54,954
Less: Capital expenditures	<b>128,493</b>	129,470
<b>Free cash flow</b>	<b>\$ 128,783</b>	(74,516)
<b>Depreciation and amortization</b>	<b>\$ 169,909</b>	141,415

**MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	April 1, 2023	April 2, 2022
<i>(Amounts in thousands)</i>		
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	<b>\$ 572,858</b>	230,559
Short-term investments	<b>150,000</b>	310,000
Receivables, net	<b>2,052,362</b>	2,044,698
Inventories	<b>2,729,876</b>	2,513,244
Prepaid expenses and other current assets	<b>556,043</b>	466,238
<b>Total current assets</b>	<b>6,061,139</b>	5,564,739
Property, plant and equipment, net	<b>4,945,952</b>	4,552,612
Right of use operating lease assets	<b>396,064</b>	384,740
Goodwill	<b>2,022,457</b>	2,579,385

Intangible assets, net	<b>893,064</b>	883,527
Deferred income taxes and other non-current assets	<b>444,781</b>	421,716
<b>Total assets</b>	<b>\$ 14,763,457</b>	14,386,719
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Short-term debt and current portion of long-term debt	<b>\$ 1,056,473</b>	1,546,463
Accounts payable and accrued expenses	<b>2,155,412</b>	2,220,347
Current operating lease liabilities	<b>106,488</b>	104,823
<b>Total current liabilities</b>	<b>3,318,373</b>	3,871,633
Long-term debt, less current portion	<b>2,265,138</b>	1,088,401
Non-current operating lease liabilities	<b>304,123</b>	293,239
Deferred income taxes and other long-term liabilities	<b>770,117</b>	845,843
<b>Total liabilities</b>	<b>6,657,751</b>	6,099,116
<b>Total stockholders' equity</b>	<b>8,105,706</b>	8,287,603
<b>Total liabilities and stockholders' equity</b>	<b>\$ 14,763,457</b>	14,386,719

### Segment Information

	As of or for the Three Months Ended	
	April 1, 2023	April 2, 2022
<i>(Amounts in thousands)</i>		
Net sales:		
Global Ceramic	<b>\$ 1,059,334</b>	1,064,757
Flooring NA	<b>953,417</b>	1,071,910
Flooring ROW	<b>793,472</b>	878,996
Consolidated net sales	<b>\$ 2,806,223</b>	3,015,663
Operating income (loss):		
Global Ceramic	<b>\$ 63,317</b>	100,338
Flooring NA	<b>(2,013)</b>	95,324
Flooring ROW	<b>75,245</b>	134,650
Corporate and intersegment eliminations	<b>(10,759)</b>	(9,511)
Consolidated operating income	<b>\$ 125,790</b>	320,801
Assets:		
Global Ceramic	<b>\$ 5,499,366</b>	5,240,214
Flooring NA	<b>4,265,140</b>	4,220,757
Flooring ROW	<b>4,314,799</b>	4,413,013
Corporate and intersegment eliminations	<b>684,152</b>	512,735
Consolidated assets	<b>\$14,763,457</b>	14,386,719

### 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.

	Three Months Ended	
	April 1, 2023	April 2, 2022
<i>(Amounts in thousands, except per share data)</i>		
Net earnings attributable to Mohawk Industries, Inc.	<b>\$ 80,238</b>	245,329
Adjusting items:		
Restructuring, acquisition and integration-related and other costs	<b>32,123</b>	1,918
Inventory step-up from purchase accounting	<b>3,305</b>	—
Release of indemnification asset	<b>—</b>	7,263

Income taxes - reversal of uncertain tax position	—	(7,263)
Income tax effect of adjusting items	(3,723)	(1,684)
Adjusted net earnings attributable to Mohawk Industries, Inc.	\$ 111,943	245,563

Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	\$ 1.75	3.78
Weighted-average common shares outstanding - diluted	63,846	64,970

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

<i>(Amounts in thousands)</i>	April 1, 2023	
Short-term debt and current portion of long-term debt	\$ 1,056,473	
Long-term debt, less current portion	2,265,138	
Total debt	3,321,611	
Less: Cash and cash equivalents	572,858	
Net debt	2,748,753	
Less: Short-term investments	150,000	
Net debt less short-term investments	\$ 2,598,753	

### Reconciliation of Net Earnings (Loss) to Adjusted EBITDA

<i>(Amounts in thousands)</i>	Three Months Ended			Trailing Twelve Months Ended	
	July 2, 2022	October 1, 2022	December 31, 2022	April 1, 2023	April 1, 2023
Net earnings (loss) including noncontrolling interests	\$ 280,510	(533,713)	33,552	80,276	(139,375)
Interest expense	12,059	13,797	14,601	17,137	57,594
Income tax expense	78,176	15,569	2,917	28,943	125,605
Net earnings attributable to noncontrolling interests	(79)	(256)	(96)	(38)	(469)
Depreciation and amortization <sup>(1)</sup>	141,569	153,466	159,014	169,909	623,958
EBITDA	512,235	(351,137)	209,988	296,227	667,313
Restructuring, acquisition and integration-related and other costs	1,801	21,375	33,786	9,104	66,066
Inventory step-up from purchase accounting	143	1,401	1,218	3,305	6,067
Impairment of goodwill and indefinite-lived intangibles	—	695,771	—	—	695,771
Legal settlements, reserves and fees, net of insurance proceeds	—	45,000	9,231	—	54,231
Adjusted EBITDA	\$ 514,179	412,410	254,223	308,636	1,489,448

Net debt less short-term investments to adjusted EBITDA	1.7
---	-----

<sup>(1)</sup>Includes accelerated depreciation of \$13,085 for Q3 2022 and \$15,915 for Q4 2022 in addition to \$23,019 for Q1 2023.

### Reconciliation of Net Sales to Adjusted Net Sales

<i>(Amounts in thousands)</i>	Three Months Ended	
	April 1, 2023	April 2, 2022
<b>Mohawk Consolidated</b>		
Net sales	\$ 2,806,223	3,015,663
Adjustment for constant shipping days	(948)	—

Adjustment for constant exchange rates	30,960	—
Adjusted net sales	<b>\$ 2,836,235</b>	3,015,663

#### Global Ceramic

Net sales	\$ 1,059,334	1,064,757
Adjustment for constant shipping days	(948)	—
Adjustment for constant exchange rates	(6,187)	—
Adjusted net sales	<b>\$ 1,052,199</b>	1,064,757

#### Flooring ROW

Net sales	\$ 793,472	878,996
Adjustment for constant exchange rates	37,147	—
Adjusted net sales	<b>\$ 830,619</b>	878,996

#### Reconciliation of Gross Profit to Adjusted Gross Profit

	Three Months Ended	
	April 1, 2023	April 2, 2022
<i>(Amounts in thousands)</i>		
Gross Profit	\$ 643,442	802,128
Adjustments to gross profit:		
Restructuring, acquisition and integration-related and other costs	29,056	938
Inventory step-up from purchase accounting	3,305	—
Adjusted gross profit	<b>\$ 675,803</b>	803,066
Adjusted gross profit as a percent of net sales	<b>24.1%</b>	26.6%

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

	Three Months Ended	
	April 1, 2023	April 2, 2022
<i>(Amounts in thousands)</i>		
Selling, general and administrative expenses	\$ 517,652	481,327
Adjustments to selling, general and administrative expenses:		
Restructuring, acquisition and integration-related and other costs	(4,058)	(980)
Adjusted selling, general and administrative expenses	<b>\$ 513,594</b>	480,347
Adjusted selling, general and administrative expenses as a percent of net sales	<b>18.3%</b>	15.9%

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

	Three Months Ended	
	April 1, 2023	April 2, 2022
<i>(Amounts in thousands)</i>		
<b>Mohawk Consolidated</b>		
Operating income	\$ 125,790	320,801
Adjustments to operating income:		
Restructuring, acquisition and integration-related and other costs	33,114	1,918
Inventory step-up from purchase accounting	3,305	—
Adjusted operating income	<b>\$ 162,209</b>	322,719
Adjusted operating income as a percent of net sales	<b>5.8%</b>	10.7%

**Global Ceramic**

Operating income	\$ 63,317	100,338
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	637	—
Inventory step-up from purchase accounting	2,941	—
Adjusted segment operating income	<b>\$ 66,895</b>	100,338
Adjusted segment operating income as a percent of net sales	<b>6.3%</b>	9.4%

**Flooring NA**

Operating (loss) income	\$ (2,013)	95,324
Adjustments to segment operating (loss) income:		
Restructuring, acquisition and integration-related and other costs	6,990	105
Adjusted segment operating income	<b>\$ 4,977</b>	95,429
Adjusted segment operating income as a percent of net sales	<b>0.5%</b>	8.9%

**Flooring ROW**

Operating income	\$ 75,245	134,650
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	24,497	1,813
Inventory step-up from purchase accounting	364	—
Adjusted segment operating income	<b>\$ 100,106</b>	136,463
Adjusted segment operating income as a percent of net sales	<b>12.6%</b>	15.5%

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

	Three Months Ended	
	April 1, 2023	April 2, 2022
<i>(Amounts in thousands)</i>		
Earnings before income taxes	\$ 109,219	306,882
Net earnings attributable to noncontrolling interests	(38)	(105)
Adjustments to earnings including noncontrolling interests before income taxes:		
Restructuring, acquisition and integration-related and other costs	32,123	1,918
Inventory step-up from purchase accounting	3,305	—
Release of indemnification asset	—	7,263
Adjusted earnings including noncontrolling interests before income taxes	<b>\$ 144,609</b>	315,958

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

	Three Months Ended	
	April 1, 2023	April 2, 2022
<i>(Amounts in thousands)</i>		
Income tax expense	\$ 28,943	61,448
Income taxes - reversal of uncertain tax position	—	7,263
Income tax effect of adjusting items	3,723	1,684
Adjusted income tax expense	<b>\$ 32,666</b>	70,395
Adjusted income tax rate	<b>22.6%</b>	22.3%