

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

<i>(In millions, except per share data)</i>	Three Months Ended		Twelve Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Net sales	\$ 2,699.6	2,637.2	10,785.4	10,836.9
Cost of sales	2,077.4	2,016.6	8,210.7	8,150.4
Gross profit	622.2	620.6	2,574.7	2,686.5
Selling, general and administrative expenses	534.0	491.8	2,065.0	1,984.8
Impairment of goodwill and indefinite-lived intangibles	19.9	8.2	19.9	8.2
Operating income	68.3	120.6	489.8	693.5
Interest expense	1.2	9.8	17.8	48.5
Other (income) and expense, net	1.1	2.3	3.3	2.0
Earnings before income taxes	66.0	108.5	468.7	643.0
Income tax expense	24.0	18.3	98.8	128.2
Net earnings including noncontrolling interests	42.0	90.2	369.9	514.8
Net earnings attributable to noncontrolling interests	—	—	—	0.1
Net earnings attributable to Mohawk Industries, Inc.	\$ 42.0	90.2	369.9	514.7

**Basic earnings per share
attributable to Mohawk**

Industries, Inc.	\$	0.68	1.44	5.96	8.13
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Weighted-average common shares outstanding - basic		61.6	62.8	62.1	63.3

**Diluted earnings per share
attributable to Mohawk**

Industries, Inc.	\$	0.68	1.43	5.93	8.09
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Weighted-average common shares outstanding - diluted		61.9	63.2	62.4	63.6

**Other Financial
Information**

	Three Months Ended		Twelve Months Ended			
	December 31, <i>(In millions)</i>	2025	December 31, <i>2024</i>	December 31, <i>2025</i>	2024	
Net cash provided by operating activities	\$	459.6	397.0	1,056.2	1,133.9	
Less: Capital expenditures		189.4	160.8	435.0	454.4	
Free cash flow	\$	270.2	236.2	621.2	679.5	
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Depreciation and amortization	\$	176.3	156.4	652.6	638.3	

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

<i>(In millions)</i>	December 31, 2025	December 31, 2024
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ASSETS**Current assets:**

Cash and cash equivalents	\$	856.1	666.6
Receivables, net		1,924.1	1,762.1
Inventories		2,661.7	2,513.6
Prepaid expenses and other current assets		525.2	512.5
Total current assets		5,967.1	5,454.8
Property, plant and equipment, net		4,772.0	4,579.9
Right of use operating lease assets		408.7	374.0
Goodwill		1,210.3	1,112.1
Intangible assets, net		813.2	791.9
Deferred income taxes and other non-current assets		516.0	423.8
Total assets	\$	13,687.3	12,736.5

LIABILITIES AND STOCKHOLDERS' EQUITY**Current liabilities:**

Short-term debt and current portion of long-term debt	\$	289.3	559.4
Accounts payable and accrued expenses		2,310.4	2,004.4
Current operating lease liabilities		122.4	108.5
Total current liabilities		2,722.1	2,672.3
Long-term debt, less current portion		1,741.2	1,677.4
Non-current operating lease liabilities		304.4	283.0
Deferred income taxes and other long-term liabilities		540.9	589.0

Total liabilities	5,308.6	5,221.7
Total stockholders' equity	8,378.7	7,514.8
Total liabilities and stockholders' equity \$	13,687.3	12,736.5

Segment Information

<i>(In millions)</i>	Three Months Ended		As of or for the Twelve Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Net sales:				
Global Ceramic	\$ 1,070.0	1,008.2	4,289.4	4,226.6
Flooring NA	892.5	937.2	3,638.5	3,769.9
Flooring ROW	737.1	691.8	2,857.5	2,840.4
Consolidated net sales	\$ 2,699.6	2,637.2	10,785.4	10,836.9
Operating income (loss):				
Global Ceramic	\$ 65.1	34.2	266.7	249.5
Flooring NA	(2.7)	41.0	113.6	237.3
Flooring ROW	44.6	60.9	212.9	265.2
Corporate and intersegment eliminations	(38.7)	(15.5)	(103.4)	(58.5)
Consolidated operating income	\$ 68.3	120.6	489.8	693.5
Assets:				

Global Ceramic	\$	5,155.0	4,591.0
Flooring NA		3,832.6	3,883.4
Flooring ROW		3,989.2	3,594.7
Corporate and intersegment eliminations		710.5	667.4
Consolidated assets	\$	13,687.3	12,736.5

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		Twelve Months Ended	
	December <i>(In millions, except per share data)</i> 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Net earnings attributable to Mohawk Industries, Inc.	\$ 42.0	90.2	369.9	514.7
Adjusting items:				
Restructuring, acquisition and integration-related and other costs	51.4	25.6	154.2	94.4
Software implementation cost write-off	—	5.1	(0.4)	12.9
Impairment of goodwill and indefinite-lived intangibles	19.9	8.2	19.9	8.2
Assets sale	(5.1)	—	(5.1)	—
Inventory capitalization	(6.2)	—	(6.2)	—
Legal settlements, reserves and fees	23.8	(0.9)	50.9	9.9
Adjustments of indemnification asset	(0.3)	—	(0.7)	1.8

Income taxes - adjustments of uncertain tax position	0.3	—	0.7	(1.8)
Income taxes - impairment of goodwill and indefinite-lived intangibles	(5.0)	(1.9)	(5.0)	(1.9)
Accounts receivable write-off	—	3.0	—	3.0
Income tax effect of foreign tax regulation change	—	—	—	2.9
Income tax effect of adjustments and other tax-related items	3.1	(6.4)	(18.9)	(26.9)
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Adjusted net earnings attributable to Mohawk Industries, Inc.	\$ 123.9	122.9	559.3	617.2
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Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	\$ 2.00	1.95	8.96	9.70
Weighted-average common shares outstanding - diluted	61.9	63.2	62.4	63.6
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Reconciliation of Total Debt to Net Debt

<i>(In millions)</i>	December 31, 2025
Short-term debt and current portion of long-term debt	\$ 289.3
Long-term debt, less current portion	1,741.2
Total debt	2,030.5
Less: Cash and cash equivalents	856.1
Net debt	\$ 1,174.4
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Reconciliation of Net Earnings to Adjusted EBITDA

<i>(In millions)</i>	Three Months Ended			Trailing Twelve Months Ended	
	September March 29, 2025 June 28, 2025 27, 2025			December 31, 2025	December 31, 2025
	EBITDA	246.9	341.3	307.4	243.5
Net earnings including noncontrolling interests	\$ 72.6	146.5	108.8	42.0	369.9
Interest expense	6.4	5.2	5.0	1.2	17.8
Income tax expense	17.5	34.0	23.3	24.0	98.8
Depreciation and amortization ⁽¹⁾	150.4	155.6	170.3	176.3	652.6
EBITDA	246.9	341.3	307.4	243.5	1,139.1
Restructuring, acquisition and integration-related and other costs	20.8	25.3	30.7	25.6	102.4
Software implementation cost write-off	(0.4)	—	—	—	(0.4)
Assets sale	—	—	—	(5.1)	(5.1)
Inventory capitalization	—	—	—	(6.2)	(6.2)
Impairment of goodwill and indefinite-lived intangibles	—	—	—	19.9	19.9
Legal settlements, reserves and fees	0.6	4.9	21.6	23.8	50.9
Adjustments of indemnification asset	—	(0.1)	(0.3)	(0.3)	(0.7)
Adjusted EBITDA	\$ 267.9	371.4	359.4	301.2	1,299.9

Net debt to adjusted EBITDA	0.9
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⁽¹⁾Includes accelerated depreciation of \$5.4 for Q1 2025, \$4.1 for Q2 2025, \$16.4 for Q3 2025, and \$25.9 for Q4 2025.

Reconciliation of Net Sales to Adjusted Net Sales

	Three Months Ended	Twelve Months Ended
	December 31, 2025	December 31, 2025
<i>(In millions)</i>		
Mohawk Consolidated		
Net sales	\$ 2,699.6	10,785.4
Adjustment for constant shipping days	(47.6)	53.1
Adjustment for constant exchange rates	(102.0)	(140.7)
Adjusted net sales	\$ 2,550.0	10,697.8
 Global Ceramic		
Net sales	\$ 1,070.0	
Adjustment for constant shipping days	(13.1)	
Adjustment for constant exchange rates	(53.1)	
Adjusted net sales	\$ 1,003.8	
 Flooring NA		
Net sales	\$ 892.5	

Adjustment for constant shipping days		(13.7)
Adjusted net sales	\$	878.8

Flooring ROW

Net sales	\$	737.1
Adjustment for constant shipping days		(20.7)
Adjustment for constant exchange rates		(48.9)
Adjusted net sales	\$	667.5

Reconciliation of Gross Profit to Adjusted Gross Profit

<i>(In millions)</i>	Three Months Ended	
	December 31, 2025	December 31, 2024
Gross Profit	\$ 622.2	620.6
Adjustments to gross profit:		
Restructuring, acquisition and integration-related and other costs	46.1	22.6
Asset sale	(5.1)	—
Inventory capitalization	(6.2)	—
Adjusted gross profit	\$ 657.0	643.2
Adjusted gross profit as a percent of net sales	24.3%	24.4%

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

Three Months Ended

<i>(In millions)</i>	December 31, 2025	December 31, 2024
Selling, general and administrative expenses	\$ 534.0	491.8
Adjustments to selling, general and administrative expenses:		
Restructuring, acquisition and integration-related and other costs	(5.3)	(3.0)
Software implementation cost write-off	—	(5.1)
Legal settlements, reserves and fees	(23.8)	0.9
Adjusted selling, general and administrative expenses	\$ 504.9	484.6
Adjusted selling, general and administrative expenses as a percent of net sales	18.7%	18.4%

Reconciliation of Operating Income to Adjusted Operating Income

<i>(In millions)</i>	Three Months Ended	
	December 31, 2025	December 31, 2024
Mohawk Consolidated		
Operating income	\$ 68.3	120.6
Adjustments to operating income:		
Restructuring, acquisition and integration-related and other costs	51.4	25.6
Inventory capitalization	(6.2)	—
Software implementation cost write-off	—	5.1
Asset sale	(5.1)	—
Accounts receivable write-off	—	1.2

Impairment of goodwill and indefinite-lived intangibles	19.9	8.2
Legal settlements, reserves and fees	23.8	(0.9)
Adjusted operating income	\$ 152.1	159.8

Adjusted operating income as a percent of net sales	5.6 %	6.1%
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Global Ceramic

Operating income	\$ 65.1	34.2
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	3.8	6.0
Software implementation cost write-off	—	5.1
Impairment of goodwill and indefinite-lived intangibles	—	8.2
Inventory capitalization	(6.2)	—
Adjusted segment operating income	\$ 62.7	53.5

Adjusted segment operating income as a percent of net sales	5.9 %	5.3%
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Flooring NA

Operating income	\$ (2.7)	41.0
Adjustments to segment operating income:		
Restructuring, acquisition and integration-related and other costs	41.9	11.5
Accounts receivable write-off	\$ —	1.2

Adjusted segment operating income	\$	39.2	53.7
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Adjusted segment operating income as a percent of net sales	4.4 %	5.7%
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Flooring ROW

Operating income	\$	44.6	60.9
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Adjustments to segment operating income:

Restructuring, acquisition and integration-related and other costs	5.7	8.0
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Asset sale	(5.1)	—
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Impairment of goodwill and indefinite-lived intangibles	19.9	—
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Adjusted segment operating income	\$	65.1	68.9
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Adjusted segment operating income as a percent of net sales	8.8 %	10.0%
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Corporate and intersegment eliminations

Operating (loss)	\$	(38.7)	(15.5)
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Adjustments to segment operating (loss):

Restructuring, acquisition and integration-related and other costs	—	0.1
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Legal settlements, reserves and fees	23.8	(0.9)
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Adjusted segment operating (loss)	\$	(14.9)	(16.3)
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Reconciliation of Earnings Before Income Taxes to Adjusted Earnings Before Income Taxes

<i>(In millions)</i>	Three Months Ended	
	December 31, 2025	December 31, 2024
Earnings before income taxes	\$ 66.0	108.5
Net earnings attributable to noncontrolling interests	—	—
Adjustments to earnings including noncontrolling interests before income taxes:		
Restructuring, acquisition and integration-related and other costs	51.4	25.6
Software implementation cost write-off	—	5.1
Assets sale	(5.1)	—
Inventory capitalization	(6.2)	—
Impairment of goodwill and indefinite-lived intangibles	19.9	8.2
Legal settlements, reserves and fees	23.8	(0.9)
Accounts receivable write-off	—	3.0
Adjustments of indemnification asset	(0.3)	—
Adjusted earnings before income taxes	\$ 149.5	149.5

Reconciliation of Income Tax Expense to Adjusted Income Tax Expense

<i>(In millions)</i>	Three Months Ended	
	December 31, 2025	December 31, 2024
Income tax expense	\$ 24.0	18.3
Adjustments to income tax expense:		
Income taxes - adjustments of uncertain tax position	(0.3)	—

Income tax effect on impairment of goodwill and indefinite-lived intangibles	5.0	1.9
Income tax effect of adjusting items	(3.1)	6.4
Adjusted income tax expense	\$ 25.6	26.6
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Adjusted income tax expense to adjusted earnings before income taxes	17.1%	17.8%
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