



# Q2 2025 Ways We Win

 **MOHAWK**  
mohawkind.com  
NYSE: MHK



# Forward-looking Statements & Non-GAAP Numbers



Certain of the statements in this presentation, particularly those anticipating future performance, business prospects, growth and operating strategies and similar matters and those that include the words "could," "should," "believes," "anticipates," "expects," and "estimates," or similar expressions constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. For those statements, Mohawk claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Management believes that these forward-looking statements are reasonable as and when made; however, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. There can be no assurance that the forward-looking statements will be accurate because they are based on many assumptions, which involve risks and uncertainties. Important factors that could cause future results to differ from historical experience and our present expectations or projections include, but are not limited to, the following: changes in economic or industry conditions; the impact of tariffs; competition; inflation and deflation in freight, raw material prices and other input costs; inflation and deflation in consumer markets; currency fluctuations; energy costs and supply; timing and level of capital expenditures; timing and implementation of price increases for the Company's products; impairment charges; identification and consummation of acquisitions on favorable terms, if at all; integration of acquisitions; international operations; introduction of new products; rationalization of operations; taxes and tax reform; product and other claims; litigation; geopolitical conflict; regulatory and political changes in the jurisdictions in which the Company does business; and other risks identified in Mohawk's U.S. Securities and Exchange Commission reports and public announcements.

This presentation may include discussion of non-GAAP numbers. For a reconciliation of any non-GAAP to GAAP amounts, please refer to the reconciliation tables at the end of this presentation.

# Select a Section



**Mohawk  
At-A-Glance**



**Investment  
Thesis**



**Quarterly  
Perspective**



**Appendix**



# Mohawk Industries At-A-Glance



# World's Largest Flooring Company

## Unmatched Scale & Scope



**\$10.8B**  
2024 Net Sales



**~41,900**  
Employees<sup>1</sup>

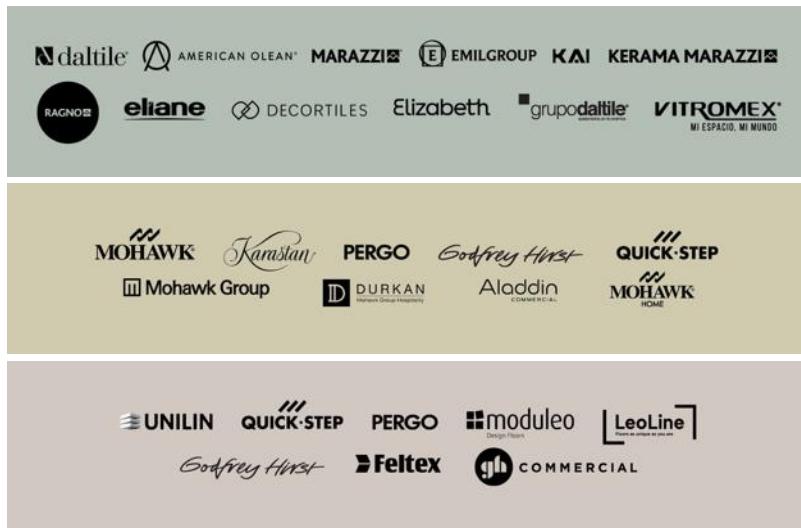


**19**  
Countries where  
Mohawk Manufactures<sup>1</sup>

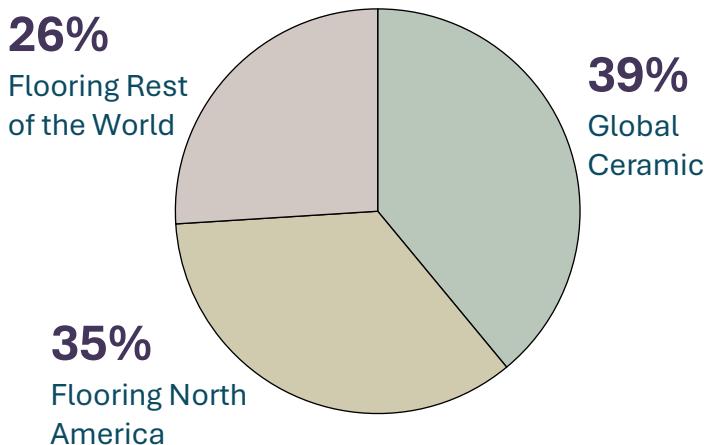


**~180**  
Countries where  
Mohawk Sells<sup>1</sup>

### Leading Brands on Four Continents



### 3 Reporting Segments 2024 Net Sales Distribution





# Comprehensive Product Portfolio



Ceramic Tile & Countertops



Carpet & Rugs



Resilient Flooring



Laminate & Wood Flooring



Panels



Insulation



# Mohawk Industries Investment Thesis



## Ways We Win

**Business strengths position Mohawk to manage current market conditions and capture pent-up demand when housing markets and consumer confidence rebound.**



Geographic Reach



Product Innovation



Long-Term Building Trends



Operational Excellence



Strong Financial Position

## Long-Term Building Trends



**Mohawk is well positioned to capitalize on favorable industry fundamentals:**

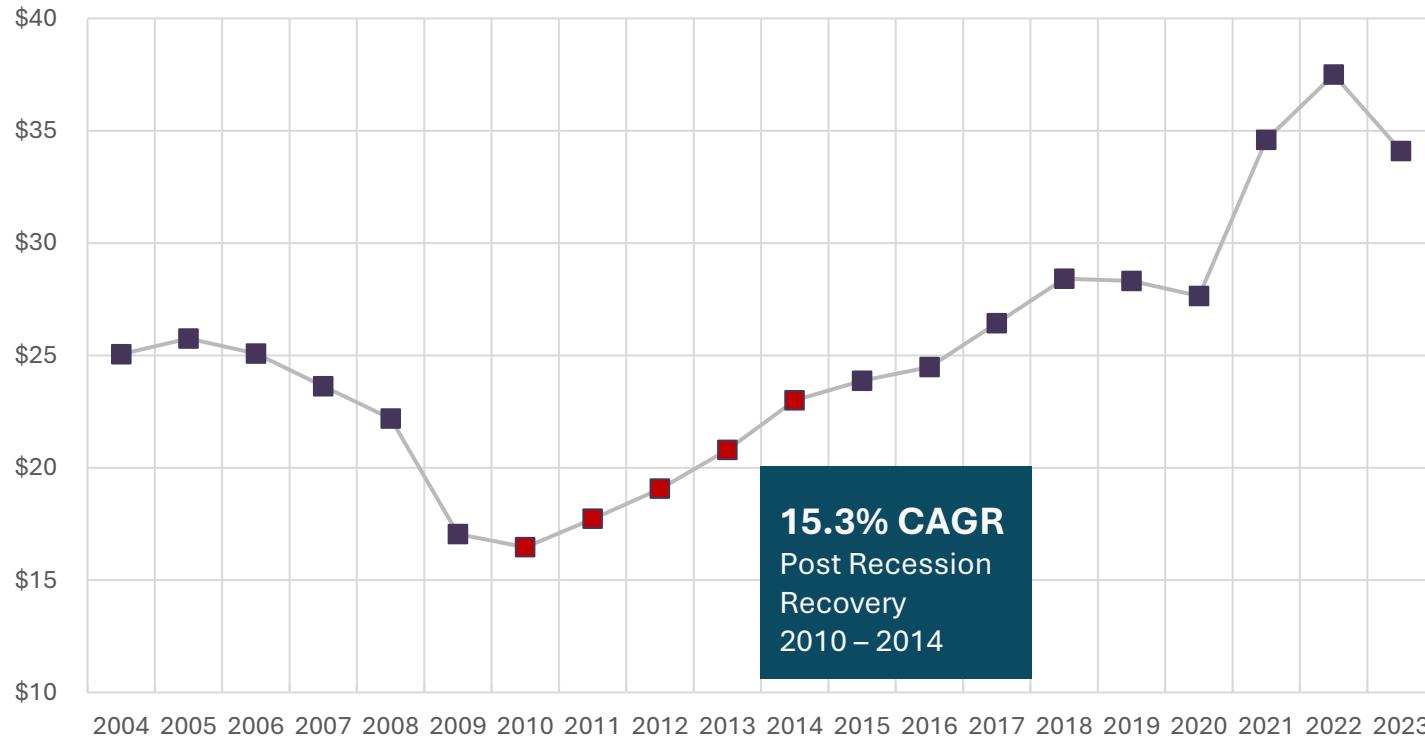
- Family formation outpacing home construction
- Remodeling helps preserve value and comfort of aging housing stock
- Record home equity
- Locked-in lower mortgage rates incentivize owners to remodel rather than move
- Build-to-rent channel growing
- Commercial construction and remodeling has historically grown as interest rates drop



An industry track record of emerging stronger from downturns

### Total U.S. Flooring Sales: 2004 to 2023

(in billions)



**15.3% CAGR**  
Post Recession  
Recovery  
2010 – 2014

Source: *Floor Covering Weekly*



## Geographic Reach

### Multiple opportunities for market development and penetration

- Business model combines operational and R&D advantages of global scale with superior local service and market insight
- Leadership across multiple flooring categories in key regional markets
- Leading brands that enjoy strong equity
- Opportunities to grow in existing markets through new products and channel expansion
- Opportunities to extend sales into new geographic markets



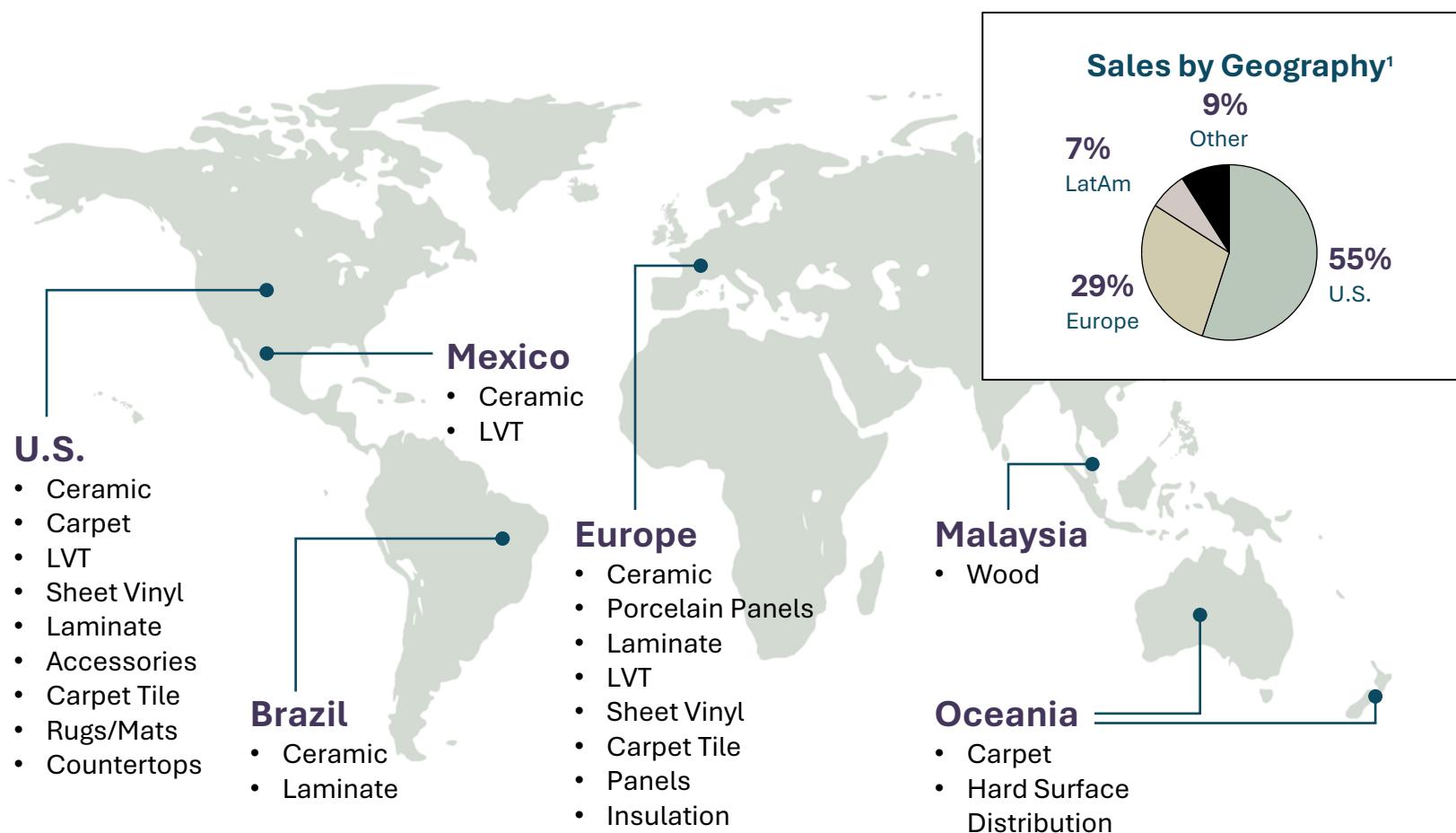
**Expand sales with existing customers**  
Innovative new products enhance existing offerings



**Enter new sales channels**  
New Marazzi Rome showroom serves A&D community



**Leading market positions in North America, Europe, South America and Oceania through differentiated products aligned with local preferences**





### Vertical integration optimizes process controls and helps ensure product quality and business agility

- Maximizing productivity
  - ~\$100M restructuring savings estimated in 2025
  - Ongoing cost-reduction initiatives
- Streamlining manufacturing complexities
- Simplifying product offering
- Conserving materials, energy and water
- Investing in assets that increase speed and efficiency
- Leveraging advanced technology to drive better decision making
- Embracing product circularity and enhancing product formulations to incorporate more recycled/reclaimed content



### **Delivering competitive advantages through product differentiation**

- Patented, proprietary products and processes
- Worldwide innovation leadership
- Three global R&D Centers benefit all markets
  - Italy – Ceramic
  - U.S. – Carpet
  - Belgium – Laminate
- Long history of industrializing new technologies
- Proven track record:
  - Category-changing introductions
    - PVC-free resilient alternatives with greater stability
    - Wood-look ceramic tile planks
    - Waterproof laminate with ultra realistic visuals
    - Super-soft stain-resistant carpet
  - Premium products with recycled content
  - Durable products for long-term functionality



## Recent Category Innovations



### Resilient

SolidTech R™, a PVC-free alternative, combines waterproof performance with ultra-realistic visuals and superior durability



### Ceramic Tile

Three-dimensional surface digital printing realistically captures texture and visuals of stone or wood



### Laminate

Exclusive SigNATURE™ process creates ultra-realistic visuals through highest-resolution digital printing



### Carpet

Pet Premier™ collections provide superior stain and soil protection and added softness



### Panels

Master Oak™ delivers high-performance, budget-friendly alternative to solid wood for commercial projects

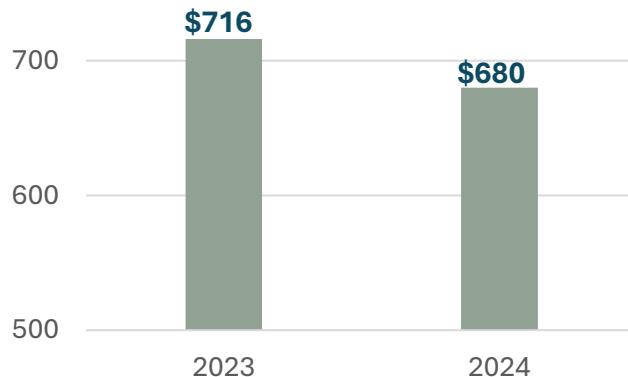


Ways We Win

## Strong Financial Position

### Free Cash Flow

(In millions, as of December 31)



### Share Repurchases Since 2020

- ~\$1.6B in total purchases
- ~15% of outstanding shares
- ~\$68M purchased 2025 YTD
- \$500M share buyback program announced  
(July 24, 2025)

### Cash & Liquidity Position

(In millions)

12/31/2024	
Total Revolver Availability	\$1,585.0
Revolver Borrowing and Other Adjustments	\$ (536.2)
Cash and Cash Equivalents	\$ 666.6
Other Adjustments	\$ (89.5)
<b>Total Liquidity</b>	<b>\$1,625.9</b>

### Selected Financial Ratios

(As of December 31)

	2023	2024
Net Debt/Adjusted EBITDA	1.5x	1.1x

# Leveraging Strengths into an Effective Capital Allocation Strategy



## Maintain Investment Grade Credit Rating

Current net debt to adjusted EBITDA ratio: 1.2x<sup>1</sup>



## Return Capital to Shareholders

Repurchased 15% of outstanding shares for \$1.6B since 2020

## Reinvest in the Business

Focus on

- Sales optimization
- Mix improvements
- Cost reduction



## Pursue Acquisitions

Target strong companies that are synergistic to existing businesses





## Sustained Internal Investment

### Investing in capacity expansion and leading-edge technology in growth product categories in key regions



Expanded Italian porcelain slab manufacturing to replicate look of natural marble through sophisticated ink-jet printing



Enhanced production technology in U.S. and Belgium to more efficiently create next-generation waterproof laminate flooring



Launched LVT manufacturing facility in northwest Mexico to supplement U.S. production and enhance speed of service

# Business Expansion Through Acquisition

## Strategic Criteria

- Attractively priced
- Synergies with existing capabilities, channels and customers
- Large market
- Moderate to high growth rates
- Alignment with secular trends
- Fragmented competition if market leader not available
- Favorable channel structure
- Accretive and sustainable margins

Three decades of successful acquisitions and integration opened new geographic markets, product categories and distribution capabilities

57 strategic and bolt-on acquisitions since 1992

### Transformational



### Geographic/Product Expansion

#### Ceramic:



Elizabeth

**VITROMEX®**  
MI ESPACIO, MI MUNDO

#### Insulation:

**Xtratherm**  
More than insulation

**Ballytherm**  
energy saving for the future

#### Carpet:

*Godfrey Hirst*

#### Panels:



#### Sheet Vinyl:





## Q2 2025 Performance & Perspective

# Current Market Dynamics



- Evolving U.S. tariff program adding new layers of uncertainty
- Mohawk's U.S. manufacturing footprint advantageous in current global trade environment
- Consumer confidence cautious due to macroeconomic concerns
- Low housing turnover continues to impact residential remodeling investments
- Homebuilder outlook remains cautious
- U.S. Fed holding interest rates steady; ECB lowered rates to 2% in June 2025
- Commercial sector expected to slow; still outperforming residential
- Pricing pressure persists in competitive markets
- Mohawk premium products benefiting mix



# Quarterly Performance Overview



Net Sales

**\$2.8B**



Adjusted EBITDA

**\$371M**



Adjusted OI

**\$223M**



Adjusted Diluted EPS

**\$2.77**

(In millions, except per share data)

	Q2 2024	Q2 2025
Net Sales	\$2,801.3	\$2,802.1
% Change	—	0.0%
% Change (Adjusted Basis)	—	-0.8%
Adjusted EBITDA	\$ 405.8	\$ 371.4
Adjusted EBITDA Margin	14.5%	13.3%
Adjusted Operating Income	\$ 256.7	\$ 223.0
Adjusted Operating Margin	9.2%	8.0%
Adjusted Diluted EPS	\$ 3.00	\$ 2.77



## Q2 2025 Performance Highlights



- Results reflect impact of
  - Operational improvements
  - Cost containment actions
  - Market development initiatives
- Top line essentially flat as reported and on constant days and currency basis
- Benefited from productivity gains, restructuring actions, favorable FX impact and lower interest expense, partially offset by pricing pressure and higher input costs
- Free cash flow of ~\$126M
- Lowered 2025 CapEx projection to ~\$500M
- Repurchased ~393,000 shares for ~\$42M
- Announced new \$500M share repurchase program



# Global Ceramic Segment



## Quarter Highlights

- Margins positively impacted by favorable pricing and product mix and productivity gains, partially offset by higher input costs
- Mix benefited from higher sales of premium products and commercial project participation
- Collections from last 24 months performing well
- Sales of porcelain slabs grew in Europe; quartz countertop sales increased in U.S.
- Productivity initiatives include improving manufacturing processes, product reformulations and supply chain optimization

Metric	Q2 2024 Performance (\$ in millions)	Q2 2025 Performance (\$ in millions)
Sales	\$1,115.6	\$1,120.9
Adjusted Operating Income	\$ 94.8	\$ 90.3
Adjusted Operating Income Margin	8.5%	8.1%

## Flooring Rest of the World Segment



### Quarter Highlights

- Margins positively impacted by productivity gains, partially offset by competitive industry pricing
- Balancing sales actions with promotions to optimize top line
- Responding to soft market conditions by pursuing sales opportunities in stronger geographies
- High-end decorative panels improving mix; panels distribution extending to new geographies
- Expanding insulation distribution in central Europe
- Productivity gains outpaced input cost increases

Metric	Q2 2024 Performance (\$ in millions)	Q2 2025 Performance (\$ in millions)
Sales	\$727.2	\$734.4
Adjusted Operating Income	\$ 91.4	\$ 76.4
Adjusted Operating Income Margin	12.6%	10.4%



# Flooring North America Segment



## Quarter Highlights

- Margins unfavorably impacted by higher input costs and temporary plant shutdowns, partially offset by stronger productivity gains
- Strong performance from hard surface categories across channels
- Mix improved; pricing pressure remains strong
- Residential and commercial product launches from past two years benefiting sales
- Many productivity initiatives lowering cost position
- Restructuring actions delivering expected savings

Metric	Q2 2024 Performance (\$ in millions)	Q2 2025 Performance (\$ in millions)
Sales	\$958.5	\$946.8
Adjusted Operating Income	\$ 82.0	\$ 69.2
Adjusted Operating Income Margin	7.3%	8.6%



## Near-Term Outlook



- Evolving tariffs adding to economic uncertainty
- Initiated price adjustments and supply chain optimization to counter impact of initial tariff rates
- Continuing to monitor tariff changes; will adjust strategies as needed
- Due to inflation and cautious consumer outlook, market conditions remain soft
- Commercial continues to outperform residential
- Products launched last 24 months performing well
- Improved product & channel mix benefiting results
- Pricing pressure remains elevated
- Higher input costs will continue, peaking in Q3
- 2025 CapEx reduced to ~\$500M
- Restructuring actions expected to lower costs by ~\$100M in 2025
- Q3 2025 Guidance: \$2.56 to \$2.66 (July 24, 2025)



# Long-Term Outlook



**Domestic U.S. manufacturing provides advantage against import-driven competition**



**Reduced cost structures and streamlined operations should support profitable growth**



**Industry rebounded 10% annually in years after trough of Great Recession**



**While inflection point is unpredictable, industry volumes expected to return to historical levels**



**Significant future demand from housing deficit and aging homes across regions**



## Appendix and Reconciliation Tables



# Annual Earnings Summary

(In millions, except per share data)	2022	2023	2024
<b>Net Sales</b>	<b>\$11,737.1</b>	<b>\$11,135.1</b>	<b>\$10,836.9</b>
% change	4.8%	-5.1%	-2.7%
<b>Adjusted EBITDA</b>	<b>\$ 1,649.7</b>	<b>\$ 1,416.5</b>	<b>\$ 1,427.1</b>
% Adjusted EBITDA Margin	14.1%	12.7%	13.2%
<b>Adjusted Operating Income</b>	<b>\$ 1,083.0</b>	<b>\$ 814.4</b>	<b>\$ 820.1</b>
% Adjusted Operating Margin	9.2%	7.3%	7.6%
<b>Adjusted Net Earnings</b>	<b>\$ 823.1</b>	<b>\$ 587.0</b>	<b>\$ 617.2</b>
% change	-19.9%	-28.7%	5.1%
<b>Adjusted Diluted EPS</b>	<b>\$ 12.85</b>	<b>\$ 9.19</b>	<b>\$ 9.70</b>
% change	-13.5%	-28.5%	5.5%



# Annual Results by Segment

(In millions, except per share data)	2022	2023	2024
<b>GLOBAL CERAMIC</b>			
<b>Sales</b>	<b>\$4,307.7</b>	<b>\$4,300.1</b>	<b>\$4,226.6</b>
% change	10.0%	-0.2%	-1.7%
<b>Adjusted Operating Income</b>	<b>\$ 456.9</b>	<b>\$ 301.6</b>	<b>\$ 291.8</b>
% Adjusted Operating Margin	10.6%	7.0%	6.9%
<b>FLOORING NA</b>			
<b>Sales</b>	<b>\$4,207.1</b>	<b>\$3,829.4</b>	<b>\$3,769.9</b>
% change	2.2%	-9.0%	-1.6%
<b>Adjusted Operating Income</b>	<b>\$ 282.1</b>	<b>\$ 206.4</b>	<b>\$ 272.4</b>
% Adjusted Operating Margin	6.7%	5.4%	7.2%
<b>FLOORING ROW</b>			
<b>Sales</b>	<b>\$3,222.3</b>	<b>\$3,005.6</b>	<b>\$2,840.4</b>
% change	1.8%	-6.7%	-5.5%
<b>Adjusted Operating Income</b>	<b>\$ 380.7</b>	<b>\$ 348.4</b>	<b>\$ 306.1</b>
% Adjusted Operating Margin	11.8%	11.6%	10.8%

# Reconciliation of Non-GAAP Measures

## RECONCILIATION OF NET SALES TO ADJUSTED NET SALES

(In millions)	Q2 2025
<b>CONSOLIDATED</b>	
<b>Net Sales</b>	<b>\$ 2,802.1</b>
Adjustment for constant shipping days	12.0
Adjustment for constant exchange rates	(34.4)
<b>Adjusted net sales</b>	<b>\$ 2,779.7</b>
<b>GLOBAL CERAMIC</b>	
<b>Net Sales</b>	<b>\$ 1,120.9</b>
Adjustment for constant shipping days	12.0
Adjustment for constant exchange rates	(5.0)
<b>Adjusted net sales</b>	<b>1,127.9</b>
<b>FLOORING ROW</b>	
<b>Net Sales</b>	<b>\$ 734.4</b>
Adjustment for constant exchange rates	(29.4)
<b>Adjusted net sales</b>	<b>705.0</b>

# RECONCILIATION OF NON-GAAP MEASURES

## Adjusted Operating Income

(In millions)	Q2 2024	Q2 2025
<b>CONSOLIDATED</b>		
<b>Operating income</b>	<b>\$ 214.0</b>	<b>\$ 188.7</b>
<b>Adjustments to operating income:</b>		
Restructuring, acquisition and integration-related and other costs	41.4	29.4
Legal settlement, reserves and fees	1.3	4.9
<b>Adjusted operating income</b>	<b>\$ 256.7</b>	<b>\$ 223.0</b>
Adjusted operating income as a percent of net sales	9.2%	8.0%
<b>GLOBAL CERAMIC</b>		
<b>Operating income</b>	<b>\$ 83.1</b>	<b>\$ 88.2</b>
<b>Adjustments to segment operating income:</b>		
Restructuring, acquisition and integration-related and other costs	11.7	2.1
<b>Adjusted segment operating income</b>	<b>\$ 94.8</b>	<b>\$ 90.3</b>
Adjusted segment operating income as a percent of net sales	8.5%	8.1%
<b>FLOORING NA</b>		
<b>Operating income</b>	<b>\$ 78.3</b>	<b>\$ 52.5</b>
<b>Adjustments to segment operating income:</b>		
Restructuring, acquisition and integration-related and other costs	-	16.7
Legal settlement and reserves	3.7	-
<b>Adjusted segment operating income</b>	<b>\$ 82.0</b>	<b>\$ 69.2</b>
Adjusted segment operating income as a percent of net sales	8.6%	7.3%
<b>FLOORING ROW</b>		
<b>Operating income</b>	<b>\$ 65.6</b>	<b>\$ 65.8</b>
<b>Adjustments to segment operating income:</b>		
Restructuring, acquisition and integration-related and other costs	25.8	10.6
<b>Adjusted segment operating income</b>	<b>\$ 91.4</b>	<b>\$ 76.4</b>
Adjusted segment operating income as a percent of net sales	12.6%	10.4%
<b>CORPORATE AND INTERSEGMENT ELIMINATIONS</b>		
<b>Operating (loss)</b>	<b>\$ (13.0)</b>	<b>\$ (17.8)</b>
<b>Adjustments to segment operating (loss):</b>		
Restructuring, acquisition and integration-related and other costs	0.2	-
Legal settlements, reserves and fees	1.3	4.9
<b>Adjusted segment operating (loss)</b>	<b>\$ (11.5)</b>	<b>\$ (12.9)</b>

# RECONCILIATION OF NON-GAAP MEASURES

## Adjusted Operating Income

(In millions)	2023	2024	TTM Q2 2025
<b>Operating income (loss)</b>	<b>\$ (287.8)</b>	<b>694.7</b>	<b>618.8</b>
<b>Adjustments to operating income (loss):</b>			
Restructuring, acquisition and integration-related and other costs	132.2	94.4	100.7
Software implementation cost write-off	-	12.9	12.5
Inventory step-up from purchase accounting	4.5	-	-
Impairment of goodwill and indefinite-lived intangibles*	877.7	8.2	8.2
Legal settlements, reserves and fees	87.8	9.9	5.3
<b>Adjusted operating income</b>	<b>\$ 814.4</b>	<b>820.1</b>	<b>745.5</b>
Adjusted operating income as a percent of net sales	7.3%	7.6%	7.0%

## Adjusted EBITDA

(In millions)	2023	2024	TTM Q2 2025
Net earnings (loss) including noncontrolling interests	\$ (439.4)	517.7	474.3
Interest expense	77.5	48.5	32.6
Income tax expense	84.9	128.2	109.6
Net income attributable to non-controlling interest	(0.1)	(0.1)	-
Depreciation and amortization**	630.3	638.3	618.6
<b>EBITDA</b>	<b>353.2</b>	<b>1,332.6</b>	<b>1,235.1</b>
Restructuring, acquisition and integration-related and other costs	96.2	61.7	81.5
Software implementation cost write-off	-	12.9	12.5
Inventory step-up from purchase accounting	4.5	-	-
Impairment of goodwill and indefinite-lived intangibles*	877.7	8.2	8.2
Legal settlement, reserves and fees	87.8	9.9	5.3
Adjustments of indemnification asset	(2.9)	1.8	(0.5)
<b>Adjusted EBITDA</b>	<b>\$ 1,416.5</b>	<b>1,427.1</b>	<b>1,342.1</b>
Adjusted EBITDA as a percent of net sales	12.7%	13.2%	12.6%
Net Debt less Short-term Investments to adjusted EBITDA	1.5	1.1	1.2

\*As a result of a decrease in the Company's market capitalization, a higher WACC and macroeconomic conditions, the Company performed interim impairment tests of its goodwill and indefinite-lived intangible assets, which resulted in the impairment charges of \$695.8 (\$685.6 net of tax) and \$8.2 (\$6.3 net of tax) in 2023 and 2024, respectively.

\*\*Includes accelerated depreciation of \$33.1 for 2023 and \$32.6 for 2024 and \$19.2 for TTM Q2 2025.

# RECONCILIATION OF NON-GAAP MEASURES

## Adjusted EBITDA

(In millions)	Q2 2024	Q2 2025
Net earnings (loss) including noncontrolling interests	\$ 157.5	146.5
Interest expense	12.6	5.2
Income tax expense	42.3	34.0
Net (earnings)/loss attributable to non-controlling interest	(0.1)	-
Depreciation and amortization*	171.5	155.6
<b>EBITDA</b>	<b>383.8</b>	<b>341.3</b>
Restructuring, acquisition and integration-related and other costs	20.9	25.3
Legal settlement, reserves and fees	1.3	4.9
Adjustments of indemnification asset	(0.2)	(0.1)
<b>Adjusted EBITDA</b>	<b>\$ 405.8</b>	<b>371.4</b>
Adjusted EBITDA as a percent of net sales	14.5%	13.3%

## Adjusted Net Earnings

(In millions, except per share data)	Q2 2024	Q2 2025
<b>Net earnings (loss) attributable to Mohawk Industries, Inc.</b>	<b>\$ 157.4</b>	<b>146.5</b>
<b>Adjusting items:</b>		
Restructuring, acquisition, integration-related and other costs	41.4	29.4
Legal settlements, reserves and fees	1.3	4.9
Adjustments of indemnification asset	(0.2)	(0.1)
Income taxes - adjustments of uncertain tax position	0.2	0.1
Income tax effect of adjusting items	(8.6)	(7.5)
<b>Adjusted net earnings attributable to Mohawk Industries, Inc.</b>	<b>\$ 191.5</b>	<b>173.3</b>
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	\$3.00	2.77
Weighted-average common shares outstanding - diluted	<b>63.9</b>	<b>62.6</b>

\*Includes accelerated depreciation of \$20.5 for Q2 2024 and \$4.1 for Q2 2025.

# RECONCILIATION OF NON-GAAP MEASURES

## Adjusted Operating Income (Loss)

(In millions)	2023	2024
<b>GLOBAL CERAMIC</b>		
<b>Operating income (loss)</b>	<b>\$ (166.4)</b>	<b>249.5</b>
<b>Adjustments to segment operating income (loss):</b>		
Restructuring, acquisition and integration-related and other costs	37.0	29.0
Inventory step-up from purchase accounting	4.1	—
Impairment of goodwill and indefinite-lived intangibles	426.9	8.2
Software implementation cost write-off	—	5.1
<b>Adjusted segment operating income</b>	<b>\$ 301.6</b>	<b>291.8</b>
Adjusted operating income as a percent of net sales	7.0%	6.9%
<b>FLOORING NA</b>		
<b>Operating income (loss)</b>	<b>\$ (57.2)</b>	<b>238.5</b>
<b>Adjustments to segment operating income (loss):</b>		
Restructuring, acquisition and integration-related and other costs	51.7	24.2
Software implementation cost write-off	—	7.8
Impairment of goodwill and indefinite-lived intangibles	215.8	—
Legal settlement, reserves and fees	(3.9)	1.9
<b>Adjusted segment operating income</b>	<b>\$ 206.4</b>	<b>272.4</b>
Adjusted operating income as a percent of net sales	5.4%	7.2%
<b>FLOORING ROW</b>		
<b>Operating income</b>	<b>\$ 69.7</b>	<b>265.2</b>
<b>Adjustments to segment operating income:</b>		
Restructuring, acquisition and integration-related and other costs	43.2	40.9
Inventory step-up from purchase accounting	0.4	—
Impairment of goodwill and indefinite-lived intangibles	235.1	—
<b>Adjusted segment operating income</b>	<b>\$ 348.4</b>	<b>306.1</b>
Adjusted operating income as a percent of net sales	11.6%	10.8%
<b>CORPORATE AND INTERSEGMENT ELIMINATIONS</b>		
<b>Operating (loss)</b>	<b>\$ (133.9)</b>	<b>(58.5)</b>
<b>Adjustments to segment operating (loss):</b>		
Restructuring, acquisition and integration-related and other costs	0.2	0.3
Legal settlements, reserves and fees	91.7	8.0
<b>Adjusted segment operating (loss)</b>	<b>\$ (42.0)</b>	<b>(50.2)</b>

# RECONCILIATION OF NON-GAAP MEASURES

## Adjusted Net Earnings

(In millions)	2023	2024
<b>Net earnings (loss) attributable to Mohawk Industries, Inc.</b>	<b>\$ (439.5)</b>	<b>517.7</b>
<b>Adjusting items:</b>		
Restructuring, acquisition, integration-related and other costs	129.3	94.4
Software implementation cost write-off	—	12.9
Inventory step-up from purchase accounting	4.5	—
Impairment of goodwill and indefinite-lived intangibles*	877.7	8.2
Legal settlements, reserves and fees	87.8	9.9
Adjustments of indemnification asset	(3.0)	1.8
Income taxes - adjustments of uncertain tax position	3.0	(1.8)
Income taxes - impairment of goodwill and indefinite-lived intangibles*	(12.8)	(1.9)
Income tax effect of foreign tax regulation change	(10.0)	2.9
Income tax effect of adjusting items	(50.0)	(26.9)
<b>Adjusted net earnings attributable to Mohawk Industries, Inc.</b>	<b>\$ 587.0</b>	<b>617.2</b>
Adjusted diluted earnings per share attributable to Mohawk Industries, Inc.	\$ 9.19	\$ 9.70
Weighted-average common shares outstanding - diluted	63.9	63.6

\*As a result of a decrease in the Company's market capitalization, a higher WACC and macroeconomic conditions, the Company performed interim impairment tests of its goodwill and indefinite-lived intangible assets, which resulted in the impairment charges of \$695.8 (\$685.6 net of tax) and \$8.2 (\$6.3 net of tax) in 2023 and 2024, respectively.

# RECONCILIATION OF NON-GAAP MEASURES

## Net Debt

(In millions)	2023Q4	2024Q4	2025Q2
Current portion of long-term debt and commercial paper	\$ 1,001.7	559.4	458.8
<u>Long-term debt, less current portion</u>	<u>1,701.8</u>	<u>1,677.4</u>	<u>1,742.2</u>
Total debt	2,703.5	2,236.8	2,201.0
Less: cash and cash equivalents	642.5	666.6	546.7
Net debt	2,061.0	1,570.2	1,654.3
Less: short-term investments	-	-	-
<b>Net debt less short-term investments</b>	<b>\$ 2,061.0</b>	<b>1,570.2</b>	<b>1,654.3</b>

## Free Cash Flow

(In millions)	2023	2024
Net cash provided by operating activities	\$1,329.2	1,133.9
Less: Capital Expenditures	612.9	454.4
<b>Free cash flow</b>	<b>\$ 716.3</b>	<b>679.5</b>



For additional information, please visit  
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