UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[Mark One]

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 28, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 01-13697

MOHAWK INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Delaware		**52-1604305**
(State or other jurisdiction of incorporation or organization)		**(I.R.S. Employer Identification No.)**
160 S. Industrial Blvd.	**Calhoun Georgia**	**30701**
(Address of principal executive offices)		**(Zip Code)**

Registrant's telephone number, including area code: (706) 629-7721

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, $.01 par value	**MHK**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the issuer's common stock as of October 23, 2024, the latest practicable date, is as follows: 63,121,264 shares of common stock, $.01 par value.

MOHAWK INDUSTRIES, INC.
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Forward-Looking Statements

Certain of the statements in this Form 10-Q, 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 Industries, Inc. (the "Company") 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. The following important factors could cause future results to differ from historical experience and our present expectations or projections: changes in economic or industry conditions; competition; inflation and deflation in raw material prices, freight 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; tax and tax reform, product and other claims; litigation; geopolitical conflicts; 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 ("SEC") reports and public announcements.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

(In millions, except per share data)	Three Months Ended September 28, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 28, 2024	Nine Months Ended September 30, 2023
Net sales	$ **2,719.0**	2,766.1	**8,199.7**	8,522.8
Cost of sales	**2,026.4**	2,074.1	**6,133.8**	6,455.4
Gross profit	**692.6**	692.0	**2,065.9**	2,067.4
Selling, general and administrative expenses	**480.3**	549.6	**1,493.0**	1,646.2
Impairment of goodwill and indefinite-lived intangibles	—	876.1	—	876.1
Operating income (loss)	**212.3**	(733.7)	**572.9**	(454.9)
Interest expense	**11.2**	20.1	**38.6**	60.1
Other (income) and expense, net	**(0.7)**	(8.5)	**(0.2)**	(6.9)
Earnings (loss) before income taxes	**201.8**	(745.3)	**534.5**	(508.1)
Income tax expense	**39.8**	15.0	**109.9**	70.7
Net earnings (loss) including noncontrolling interests	**162.0**	(760.3)	**424.6**	(578.8)
Less: net earnings attributable to noncontrolling interests	—	0.1	**0.1**	0.2
Net earnings (loss) attributable to Mohawk Industries, Inc.	$ **162.0**	(760.4)	**424.5**	(579.0)
Basic earnings (loss) per share attributable to Mohawk Industries, Inc.	$ **2.57**	(11.94)	**6.69**	(9.10)
Weighted-average common shares outstanding—basic	**63.1**	63.7	**63.5**	63.6
Diluted earnings (loss) per share attributable to Mohawk Industries, Inc.	$ **2.55**	(11.94)	**6.66**	(9.10)
Weighted-average common shares outstanding—diluted	**63.4**	63.7	**63.8**	63.6

See accompanying notes to the Condensed Consolidated Financial Statements.

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

(In millions)		Three Months Ended		Nine Months Ended	
		September 28, 2024	September 30, 2023	**September 28, 2024**	September 30, 2023
Net earnings (loss) including noncontrolling interests	**$**	**162.0**	(760.3)	**424.6**	(578.8)
Other comprehensive income (loss):					
Foreign currency translation adjustments		**34.4**	(185.6)	**(124.5)**	(178.9)
Prior pension and post-retirement benefit service cost and actuarial loss, net of tax		**—**	—	**—**	(0.5)
Other comprehensive income (loss)		**34.4**	(185.6)	**(124.5)**	(179.4)
Comprehensive income (loss)		**196.4**	(945.9)	**300.1**	(758.2)
Less: comprehensive income (loss) attributable to noncontrolling interests		**0.2**	(0.1)	**0.1**	(0.4)
Comprehensive income (loss) attributable to Mohawk Industries, Inc.	**$**	**196.2**	(945.8)	**300.0**	(757.8)

See accompanying notes to the Condensed Consolidated Financial Statements.

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

(In millions, except par value and preferred stock shares)		September 28, 2024	December 31, 2023
ASSETS			
Current assets:			
Cash and cash equivalents	$	**424.0**	642.6
Receivables, net		**2,043.4**	1,874.7
Inventories		**2,612.1**	2,551.9
Prepaid expenses		**521.1**	515.8
Other current assets		**20.8**	19.3
Total current assets		**5,621.4**	5,604.3
Property, plant and equipment		**10,418.3**	10,392.3
Less: accumulated depreciation		**5,667.8**	5,399.1
Property, plant and equipment, net		**4,750.5**	4,993.2
Right of use operating lease assets		**392.4**	428.5
Goodwill		**1,168.6**	1,159.7
Tradenames		**701.2**	705.7
Other intangible assets subject to amortization, net		**149.5**	169.6
Deferred income taxes and other non-current assets		**529.6**	498.8
Total assets	$	**13,313.2**	13,559.8
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term debt and current portion of long-term debt	$	**465.3**	1,001.7
Accounts payable and accrued expenses		**2,194.1**	2,035.3
Current operating lease liabilities		**111.6**	108.9
Total current liabilities		**2,771.0**	3,145.9
Deferred income taxes		**328.2**	391.5
Long-term debt, less current portion		**1,716.4**	1,701.8
Non-current operating lease liabilities		**298.0**	337.5
Other long-term liabilities		**343.9**	354.0
Total liabilities	$	**5,457.5**	5,930.7
Commitments and contingencies (Note 16)			
Stockholders' equity:			
Preferred stock, $.01 par value; 60,000 shares authorized; no shares issued	$	**—**	—
Common stock, $.01 par value; 150.0 shares authorized; 70.4 and 71.0 shares issued 2024 and 2023, respectively		**0.7**	0.7
Additional paid-in capital		**1,961.8**	1,947.5
Retained earnings		**7,306.8**	6,970.2
Accumulated other comprehensive income (loss)		**(1,204.5)**	(1,080.0)
		8,064.8	7,838.4
Less: treasury stock at cost; 7.3 shares in 2024 and 2023		**215.3**	215.4
Total Mohawk Industries, Inc. stockholders' equity		**7,849.5**	7,623.0
Noncontrolling interests		**6.2**	6.1
Total stockholders' equity		**7,855.7**	7,629.1
Total liabilities and stockholders' equity	$	**13,313.2**	13,559.8

See accompanying notes to the Condensed Consolidated Financial Statements.

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Nine Months Ended September 28, 2024	Nine Months Ended September 30, 2023
Cash flows from operating activities:		
Net earnings (loss) including noncontrolling interests	$ **424.6**	(578.8)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Restructuring, excluding accelerated depreciation	**40.1**	77.7
Impairment of goodwill and indefinite-lived intangibles	**—**	876.1
Depreciation and amortization	**481.9**	476.1
Deferred income taxes	**(85.6)**	(121.4)
Loss on disposal of property, plant and equipment	**7.8**	3.0
Stock-based compensation expense	**20.6**	15.7
Changes in operating assets and liabilities, net of effects of acquisitions:		
Receivables, net	**(211.7)**	9.2
Inventories	**(88.7)**	261.0
Accounts payable and accrued expenses	**142.3**	(4.4)
Other assets and prepaid expenses	**41.3**	(4.5)
Other liabilities	**(35.7)**	23.2
Net cash provided by operating activities	**736.9**	1,032.9
Cash flows from investing activities:		
Additions to property, plant and equipment	**(293.6)**	(372.6)
Acquisitions, net of cash acquired	**—**	(515.4)
Purchases of short-term investments	**—**	(775.0)
Redemption of short-term investments	**—**	933.0
Net cash used in investing activities	**(293.6)**	(730.0)
Cash flows from financing activities:		
Payments on Senior Credit Facility	**(267.6)**	(1,052.3)
Proceeds from Senior Credit Facility	**223.3**	1,043.9
Payments on commercial paper	**(7,929.8)**	(15,810.4)
Proceeds from commercial paper	**8,345.4**	14,986.8
Proceeds from Senior Notes issuance	**—**	600.0
Payments on Term Loan Facility	**(912.3)**	—
Net payments of other financing activities	**(21.5)**	(34.3)
Debt issuance costs	**—**	(5.6)
Purchase of Mohawk common stock	**(87.9)**	—
Change in outstanding checks in excess of cash	**(1.2)**	(1.9)
Net cash used in financing activities	**(651.6)**	(273.8)
Effect of exchange rate changes on cash and cash equivalents	**(10.3)**	(20.2)
Net change in cash and cash equivalents	**(218.6)**	8.9
Cash and cash equivalents, beginning of period	**642.6**	509.6
Cash and cash equivalents, end of period	$ **424.0**	518.5

See accompanying notes to the Condensed Consolidated Financial Statements.

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. General

Unless this Form 10-Q indicates otherwise or the context otherwise requires, the terms “we,” “our,” “us,” “Mohawk,” or “the Company” as used in this Form 10-Q refer to Mohawk Industries, Inc.

Interim Reporting

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with instructions to Form 10-Q and do not include all of the information and footnotes required by U.S. generally accepted accounting principles (“U.S. GAAP”) for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These statements should be read in conjunction with the Consolidated Financial Statements and notes thereto, and the Company’s description of critical accounting policies, included in the Company’s 2023 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission. Results for interim periods are not necessarily indicative of the results for the year.

Recent Accounting Pronouncements—Effective in Future Years

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which expands segment disclosures for public entities, including requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”), the title and position of the CODM and an explanation of how the CODM uses reported measures of segment profit or loss in assessing segment performance and allocating resources. The new guidance also expands disclosures about a reportable segment’s profit or loss and assets in interim periods and clarifies that a public entity may report additional measures of segment profit if the CODM uses more than one measure of a segment’s profit or loss. The new guidance does not remove existing segment disclosure requirements or change how a public entity identifies its operating segments, aggregates those operating segments, or determines its reportable segments. The guidance effective for fiscal years beginning after December 15, 2023, and subsequent interim periods with early adoption permitted, and requires retrospective application to all prior periods presented in the financial statements. The Company is currently evaluating the impact of the new guidance.

On December 14, 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, which applies to all entities subject to income taxes. The standard requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. For public business entities, this standard will be effective for annual periods beginning after December 15, 2024. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of the new guidance.

2. Acquisitions

2023 Acquisitions

During the first quarter of 2023, the Company completed the acquisitions of two ceramic tile businesses in Brazil and Mexico within Global Ceramic for $515.5 million. The Company’s acquisitions resulted in a goodwill allocation of $87.5 million. A portion of the goodwill is expected to be deductible for tax purposes. The factors contributing to the recognition of the amount of goodwill are based on several strategic and synergistic benefits that are expected to be realized from the acquisitions. These benefits include opportunities to improve the Company’s ceramic performance by leveraging best practices, operational expertise, product innovation and manufacturing assets across the segment. The following table presents the allocation of the purchase price by major class of assets acquired and liabilities assumed as of the acquisition date.

(In millions)		Amounts Recognized as of the Acquisition Date
Working capital	$	**95.3**
Property, plant and equipment		**333.5**
Tradenames		**38.5**
Customer relationships		**4.0**
Goodwill		**87.5**
Long-term debt, including current portion		**(26.0)**
Deferred tax, net		**(10.0)**
		522.8
Less: cash acquired		**(7.3)**
Net consideration transferred (net of cash acquired)	$	**515.5**

During 2023, the Company recognized impairment losses on goodwill and tradenames. For the amounts recognized, please refer to Note 8, *Goodwill and Other Intangible Assets,* in Part II, Item 8 in the Company's 2023 Annual Report filed on Form 10-K as well as Note 7, *Goodwill and Intangible Assets,* in this Form 10-Q.

3. Revenue from Contracts with Customers

Contract Liabilities

The Company records contract liabilities when it receives payment prior to fulfilling a performance obligation. Contract liabilities related to revenues are recorded in accounts payable and accrued expenses on the accompanying Condensed Consolidated Balance Sheets. The revenues related to these performance obligations are expected to be recognized within a twelve-month period. The Company had contract liabilities of $67.5 million and $68.0 million as of September 28, 2024 and December 31, 2023, respectively.

Performance Obligations

Substantially all of the Company's revenue is recognized at a point in time when the product is either shipped or received from the Company's facilities and control of the product is transferred to the customer. Accordingly, the Company does not recognize a significant amount of revenue from performance obligations satisfied, or partially satisfied, in prior periods, and the amount of such revenue recognized during the three and nine months ended September 28, 2024 and September 30, 2023 was immaterial.

Costs to Obtain a Contract

The Company incurs certain incremental costs to obtain revenue contracts. These costs relate to marketing display structures and are capitalized when the amortization period is greater than one year, with the amount recorded in other assets on the accompanying Condensed Consolidated Balance Sheets. Capitalized costs to obtain contracts were $66.3 million and $66.7 million as of September 28, 2024 and December 31, 2023, respectively. Straight-line amortization expense recognized during the nine months ended September 28, 2024 and September 30, 2023 related to these capitalized costs was $46.2 million and $45.7 million, respectively.

Revenue Disaggregation

The Company has three reporting segments: Global Ceramic, Flooring North America ("Flooring NA") and Flooring Rest of the World ("Flooring ROW"). The following table presents the Company's segment revenues disaggregated by the geographical market location of customer sales and product categories for the three months ended September 28, 2024 and September 30, 2023:

(In millions) September 28, 2024		Global Ceramic	Flooring NA	Flooring ROW	Total
Geographical Markets:					
United States	**$**	**568.0**	**943.0**	**1.8**	**1,512.8**
Europe		**268.9**	**1.4**	**503.8**	**774.1**
Latin America		**175.1**	**1.4**	**9.9**	**186.4**
Other		**46.0**	**28.2**	**171.5**	**245.7**
Total	**$**	**1,058.0**	**974.0**	**687.0**	**2,719.0**
Product Categories:					
Ceramic & Stone	**$**	**1,043.0**	**4.0**	**—**	**1,047.0**
Carpet & Resilient		**15.0**	**763.9**	**216.7**	**995.6**
Laminate & Wood		**—**	**206.1**	**217.5**	**423.6**
Other [(1)]		**—**	**—**	**252.8**	**252.8**
Total	**$**	**1,058.0**	**974.0**	**687.0**	**2,719.0**

September 30, 2023		Global Ceramic	Flooring NA	Flooring ROW	Total
Geographical Markets:					
United States	$	586.5	931.7	1.3	1,519.5
Europe		258.9	1.4	532.7	793.0
Latin America		201.6	1.3	9.7	212.6
Other		44.7	27.8	168.5	241.0
Total	$	1,091.7	962.2	712.2	2,766.1
Product Categories:					
Ceramic & Stone	$	1,081.3	8.8	—	1,090.1
Carpet & Resilient		10.4	757.4	223.2	991.0
Laminate & Wood		—	196.0	222.4	418.4
Other [(1)]		—	—	266.6	266.6
Total	$	1,091.7	962.2	712.2	2,766.1

[(1)] Other includes roofing elements, insulation boards, chipboards and IP contracts.

The following table presents the Company's segment revenues disaggregated by the geographical market location of customer sales and product categories for the nine months ended September 28, 2024 and September 30, 2023:

(In millions) September 28, 2024		Global Ceramic	Flooring NA	Flooring ROW	Total
Geographical Markets					
United States	**$**	**1,721.7**	**2,743.3**	**6.2**	**4,471.2**
Europe		**816.3**	**2.8**	**1,621.8**	**2,440.9**
Latin America		**542.6**	**3.4**	**29.0**	**575.0**
Other		**137.8**	**83.2**	**491.6**	**712.6**
Total	**$**	**3,218.4**	**2,832.7**	**2,148.6**	**8,199.7**
Product Categories					
Ceramic & Stone	**$**	**3,174.8**	**16.0**	**—**	**3,190.8**
Carpet & Resilient		**43.6**	**2,211.4**	**654.6**	**2,909.6**
Laminate & Wood		**—**	**605.3**	**685.8**	**1,291.1**
Other [1]		**—**	**—**	**808.2**	**808.2**
Total	**$**	**3,218.4**	**2,832.7**	**2,148.6**	**8,199.7**

September 30, 2023		Global Ceramic	Flooring NA	Flooring ROW	Total
Geographical Markets					
United States	$	1,794.8	2,831.0	4.8	4,630.6
Europe		829.6	1.7	1,775.6	2,606.9
Latin America		544.0	2.9	24.2	571.1
Other		138.0	81.7	494.5	714.2
Total	$	3,306.4	2,917.3	2,299.1	8,522.8
Product Categories					
Ceramic & Stone	$	3,276.7	27.3	—	3,304.0
Carpet & Resilient		29.7	2,299.2	466.7	2,795.6
Laminate & Wood		—	590.8	942.9	1,533.7
Other [1]		—	—	889.5	889.5
Total	$	3,306.4	2,917.3	2,299.1	8,522.8

[1] Other includes roofing elements, insulation boards, chipboards and IP contracts.

4. Restructuring, Acquisition and Integration-Related Costs

The Company incurs costs in connection with acquiring, integrating and restructuring acquisitions and in connection with its global cost-reduction and productivity initiatives. For example:

- In connection with acquisition activity, the Company typically incurs costs associated with executing the transactions, integrating the acquired operations (which may include expenditures for consulting and the integration of systems and processes), and restructuring the combined company (which may include charges related to employees, assets and activities that will not continue in the combined company); and

- In connection with the Company's cost-reduction/productivity initiatives, it typically incurs costs and charges associated with site closings and other facility rationalization actions, including accelerated depreciation ("Asset write-downs") and workforce reductions.

Restructuring, acquisition transaction and integration-related costs consisted of the following during the three and nine months ended September 28, 2024 and September 30, 2023:

(In millions)	Three Months Ended September 28, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 28, 2024	Nine Months Ended September 30, 2023
Cost of sales:				
Restructuring costs	$ **16.4**	42.6	**57.0**	101.2
Acquisition integration-related costs	**—**	0.1	**—**	1.0
Restructuring and acquisition integration-related costs	$ **16.4**	42.7	**57.0**	102.2
Selling, general and administrative expenses:				
Restructuring costs	$ **3.0**	1.1	**10.4**	6.9
Acquisition transaction-related costs	**—**	0.7	**0.2**	2.0
Acquisition integration-related costs	**0.1**	2.6	**1.1**	9.8
Restructuring, acquisition transaction and integration-related costs	$ **3.1**	4.4	**11.7**	18.7

During 2022 and 2023, the Company implemented a number of restructuring actions, productivity initiatives and manufacturing enhancements focused on reducing costs to enhance future performance, including certain facility, asset and product rationalizations and workforce reductions. In 2024, the Company announced further restructuring actions to take advantage of additional opportunities related to the activities described above.

The following table summarizes the restructuring activities for the three months ended September 28, 2024:

(In millions)	Lease impairments	Asset Write-Downs and (Gains) on Disposals, net	Severance	Other Restructuring Costs	Total
Balance as of June 29, 2024	$ **—**	**—**	**16.3**	**—**	**16.3**
Restructuring costs					
Global Ceramic	**0.8**	**3.3**	**1.0**	**2.2**	**7.3**
Flooring NA	**—**	**2.9**	**0.5**	**4.7**	**8.1**
Flooring ROW	**—**	**3.3**	**0.7**	**0.1**	**4.1**
Corporate	**—**	**—**	**(0.1)**	**—**	**(0.1)**
Total restructuring costs	**0.8**	**9.5**	**2.1**	**7.0**	**19.4**
Cash payments	**—**	**0.5**	**(6.3)**	**(6.5)**	**(12.3)**
Non-cash items	**(0.8)**	**(10.0)**	**0.5**	**(0.5)**	**(10.8)**
Balances as of September 28, 2024	$ **—**	**—**	**12.6**	**—**	**12.6**
Restructuring costs recorded in:					
Cost of sales	$ **—**	**9.2**	**1.1**	**6.1**	**16.4**
Selling, general and administrative expenses	**0.8**	**0.3**	**1.0**	**0.9**	**3.0**
Total restructuring costs	$ **0.8**	**9.5**	**2.1**	**7.0**	**19.4**

The following table summarizes the restructuring activities for the nine months ended September 28, 2024:

(In millions)		Lease impairments	Asset Write-Downs and (Gains) on Disposals, net	Severance	Other restructuring costs	Total
Balances as of December 31, 2023	$	—	—	12.1	—	12.1
Restructuring costs						
Global Ceramic		0.8	12.5	6.5	2.2	22.0
Flooring NA		—	4.6	0.6	7.5	12.7
Flooring ROW		—	24.3	7.7	0.5	32.5
Corporate		—	—	0.2	—	0.2
Total restructuring costs		0.8	41.4	15.0	10.2	67.4
Cash payments		—	0.5	(14.6)	(9.6)	(23.7)
Non-cash items		(0.8)	(41.9)	0.1	(0.6)	(43.2)
Balances as of September 28, 2024	$	—	—	12.6	—	12.6
Restructuring costs recorded in:						
Cost of sales	$	—	41.1	7.8	8.1	57.0
Selling, general and administrative expenses		0.8	0.3	7.2	2.1	10.4
Total restructuring costs	$	0.8	41.4	15.0	10.2	67.4

The Company currently estimates that it will incur additional restructuring costs of approximately $75-$90 million primarily related to asset write-downs and other restructuring related costs, which are expected to be executed throughout 2025 and into 2026.

As of September 28, 2024, the accrual balance related to restructuring activities was $4.8 million for plans approved prior to 2024 and $7.8 million for plans approved during 2024.

For the plans approved prior to 2024, restructuring expenses of $4.9 million and $17.3 million were recorded during the three and nine months ended September 28, 2024, respectively. For the plans approved during 2024, restructuring expenses of $14.5 million and $50.1 million were recorded during the three and nine months ended September 28, 2024, respectively.

The Company expects the remaining severance and other restructuring costs to be paid over the next 12 months.

5. Receivables, net

(In millions)		September 28, 2024	December 31, 2023
Customers, trade	$	1,922.9	1,716.3
Income tax receivable		28.7	48.4
Other		157.2	176.8
Less: allowance for discounts, claims and doubtful accounts		65.4	66.8
Receivables, net	$	2,043.4	1,874.7

6. Inventories

(In millions)		September 28, 2024	December 31, 2023
Finished goods	$	1,849.8	1,797.0
Work in process		155.0	164.2
Raw materials		607.3	590.7
Total inventories	$	2,612.1	2,551.9

7. Goodwill and Intangible Assets

The components of goodwill and other intangible assets are as follows:

Goodwill:

(In millions)		Global Ceramic	Flooring NA	Flooring ROW	Total
Balance as of December 31, 2023 [1]	**$**	**—**	**372.3**	**787.4**	**1,159.7**
Currency translation		**—**	**—**	**8.9**	**8.9**
Balance as of September 28, 2024	**$**	**—**	**372.3**	**796.3**	**1,168.6**

[1] Net of accumulated impairment losses of $2,886.7 ($1,644.7 in Global Ceramic, $557.9 in Flooring NA and $684.1 in Flooring ROW).

Intangible assets not subject to amortization:

(In millions)		Tradenames
Balance as of December 31, 2023	**$**	**705.7**
Currency translation during the period		**(4.5)**
Balance as of September 28, 2024	**$**	**701.2**

Intangible assets subject to amortization:

(In millions)		Customer Relationships	Patents	Other	Total
Balance as of December 31, 2023					
Gross carrying amount	$	691.5	249.7	8.7	949.9
Accumulated amortization		(531.0)	(247.2)	(2.1)	(780.3)
Net intangible assets subject to amortization		160.5	2.5	6.6	169.6
Balance as of September 28, 2024					
Gross carrying amount		**696.4**	**252.5**	**8.9**	**957.8**
Accumulated amortization		**(555.6)**	**(250.4)**	**(2.3)**	**(808.3)**
Net intangible assets subject to amortization	**$**	**140.8**	**2.1**	**6.6**	**149.5**

		Three Months Ended		Nine Months Ended	
(In millions)		**September 28, 2024**	September 30, 2023	**September 28, 2024**	September 30, 2023
Amortization expense	**$**	**7.0**	7.0	**20.7**	21.2

8. Accounts Payable and Accrued Expenses

(In millions)		**September 28, 2024**	December 31, 2023
Outstanding checks in excess of cash	**$**	**0.9**	2.2
Accounts payable, trade		**1,061.2**	1,038.0
Accrued expenses		**788.2**	667.7
Product warranties		**34.2**	37.6
Accrued interest		**11.8**	20.1
Accrued compensation and benefits		**297.8**	269.7
Total accounts payable and accrued expenses	**$**	**2,194.1**	2,035.3

9. Accumulated Other Comprehensive Income (Loss)

(In millions)		Foreign Currency Translation Adjustments	Prior Pension and Post-Retirement Benefit Service Cost and Actuarial Gain (Loss)	Total
Balance as of December 31, 2023	**$**	**(1,079.3)**	**(0.7)**	**(1,080.0)**
Current period other comprehensive income (loss)		**(124.5)**	**—**	**(124.5)**
Balance as of September 28, 2024	**$**	**(1,203.8)**	**(0.7)**	**(1,204.5)**

10. Stock-Based Compensation

The Company recognizes compensation expense for all stock-based payments granted based on the grant-date fair value estimated in accordance with the provisions of ASC 718-10. Compensation expense is recognized on a straight-line basis over the awards' estimated lives for fixed awards with ratable vesting provisions.

The Company granted 5,048 restricted stock units ("RSUs") at a weighted average grant-date fair value of $150.84 per unit for the three months ended September 28, 2024. The Company granted 293,602 RSUs at a weighted average grant-date fair value of $115.21 per unit for the nine months ended September 28, 2024. The Company granted 1,250 RSUs at a weighted average of grant-date fair value of $103.07 per unit for the three months ended September 30, 2023. The Company granted 262,677 RSUs at a weighted average grant-date fair value of $102.09 per unit for the nine months ended September 30, 2023. The Company recognized stock-based compensation expense related to RSUs of $7.0 million ($5.2 million net of taxes) and $5.3 million ($4.0 million net of taxes) for the three months ended September 28, 2024 and September 30, 2023, respectively, which has been allocated to cost of sales and selling, general and administrative expenses. The Company recognized stock-based compensation costs related to RSUs of $20.6 million ($15.2 million net of taxes) and $15.7 million ($11.6 million net of taxes) for the nine months ended September 28, 2024 and September 30, 2023, respectively, which has been allocated to cost of sales and selling, general and administrative expenses. Pre-tax unrecognized compensation expense for unvested RSUs granted to employees, net of estimated forfeitures, was $25.7 million as of September 28, 2024, and will be recognized as expense over a weighted-average period of approximately 1.79 years.

11. Other Income and Expense, net

		Three Months Ended		Nine Months Ended	
(In millions)		**September 28, 2024**	September 30, 2023	**September 28, 2024**	September 30, 2023
Foreign currency (gains) losses, net	**$**	**2.8**	(0.1)	**6.7**	11.6
All other, net		**(3.5)**	(8.4)	**(6.9)**	(18.5)
Total other (income) and expense, net	**$**	**(0.7)**	(8.5)	**(0.2)**	(6.9)

12. Income Taxes

For the three months ended September 28, 2024, the Company recorded income tax expense of $39.8 million on earnings before income taxes of $201.8 million for an effective tax rate of 19.7%. For the three months ended September 30, 2023, the Company recorded income tax expense of $15.0 million on loss before income taxes of $745.3 million, for an effective tax rate of (2.0)%. The increase in the effective tax rate was primarily driven by a shift from losses before income taxes to earnings before income taxes and the impairment of non-deductible goodwill during the three months ended September 30, 2023.

For the nine months ended September 28, 2024, the Company recorded income tax expense of $109.9 million on earnings before income taxes of $534.5 million for an effective tax rate of 20.6%, as compared to income tax expense of $70.7 million on loss before income taxes of $508.1 million, for an effective tax rate of (13.9)% for the nine months ended September 30, 2023. The increase in the effective tax rate was primarily driven by a shift from losses before income taxes to earnings before income taxes and the impairment of non-deductible goodwill during the nine months ended September 30, 2023.

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13. Stockholders' Equity

The following tables reflect the changes in stockholders' equity for the three months ended September 28, 2024 and September 30, 2023.

	Total Stockholders' Equity								
	Common Stock					Treasury Stock			
(In millions)	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shares	Amount	Noncontrolling Interests	Total Stockholders' Equity
Balances as of June 29, 2024	**70.4**	**$0.7**	**$1,955.0**	**$7,144.8**	**($1,238.7)**	**(7.3)**	**($215.3)**	**$6.0**	**$7,652.5**
Shares issued under employee and director stock plans, net of shares withheld to pay taxes on employees' equity awards	—	—	**(0.2)**	—	—	—	—	—	**(0.2)**
Stock-based compensation expense	—	—	**7.0**	—	—	—	—	—	**7.0**
Repurchases of common stock	—	—	—	—	—	—	—	—	—
Net earnings attributable to noncontrolling interests	—	—	—	—	—	—	—	—	—
Currency translation adjustment on noncontrolling interests	—	—	—	—	—	—	—	**0.2**	**0.2**
Purchase of noncontrolling interest, net of taxes	—	—	—	—	—	—	—	—	—
Currency translation adjustment	—	—	—	—	**34.2**	—	—	—	**34.2**
Prior pension and post-retirement benefit service cost and actuarial loss	—	—	—	—	—	—	—	—	—
Net earnings	—	—	—	**162.0**	—	—	—	—	**162.0**
Balances as of September 28, 2024	**70.4**	**$0.7**	**$1,961.8**	**$7,306.8**	**($1,204.5)**	**(7.3)**	**($215.3)**	**$6.2**	**$7,855.7**

	Total Stockholders' Equity								
	Common Stock					Treasury Stock			
(In millions)	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shares	Amount	Noncontrolling Interests	Total Stockholders' Equity
Balances as of July 1, 2023	71.0	$0.7	$1,937.4	$7,591.2	($1,107.8)	(7.3)	($215.4)	$5.9	$8,212.0
Shares issued under employee and director stock plans, net of shares withheld to pay taxes on employees' equity awards	—	—	(0.1)	—	—	—	—	—	(0.1)
Stock-based compensation expense	—	—	5.3	—	—	—	—	—	5.3
Repurchases of common stock	—	—	—	—	—	—	—	—	—
Net earnings attributable to noncontrolling interests	—	—	—	—	—	—	—	0.1	0.1
Currency translation adjustment on noncontrolling interests	—	—	—	—	—	—	—	(0.2)	(0.2)
Purchase of noncontrolling interest, net of taxes	—	—	—	—	—	—	—	—	—
Currency translation adjustment	—	—	—	—	(185.3)	—	—	—	(185.3)
Prior pension and post-retirement benefit service cost and actuarial gain	—	—	—	—	—	—	—	—	—
Net earnings	—	—	—	(760.4)	—	—	—	—	(760.4)
Balances as of September 30, 2023	71.0	$0.7	$1,942.6	$6,830.8	($1,293.1)	(7.3)	($215.4)	$5.8	$7,271.4

The following tables reflect the changes in stockholders' equity for the nine months ended September 28, 2024 and September 30, 2023.

	Total Stockholders' Equity								
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Noncontrolling Interest	Total Stockholders' Equity
(In millions)	Shares	Amount				Shares	Amount		
Balances as of December 31, 2023	71.0	$0.7	$1,947.5	$6,970.2	($1,080.0)	(7.3)	($215.4)	$6.1	$7,629.1
Shares issued under employee and director stock plans, net of shares withheld to pay taxes on employees' equity awards	0.2	—	(6.3)	—	—	—	0.1	—	(6.2)
Stock-based compensation expense	—	—	20.6	—	—	—	—	—	20.6
Repurchases of common stock	(0.8)	—	—	(87.9)	—	—	—	—	(87.9)
Net earnings attributable to noncontrolling interests	—	—	—	—	—	—	—	0.1	0.1
Currency translation adjustment on noncontrolling interests	—	—	—	—	—	—	—	—	—
Purchase of noncontrolling interest, net of taxes	—	—	—	—	—	—	—	—	—
Currency translation adjustment	—	—	—	—	(124.5)	—	—	—	(124.5)
Prior pension and post-retirement benefit service cost and actuarial loss	—	—	—	—	—	—	—	—	—
Net earnings	—	—	—	424.5	—	—	—	—	424.5
Balances as of September 28, 2024	70.4	$0.7	$1,961.8	$7,306.8	($1,204.5)	(7.3)	($215.3)	$6.2	$7,855.7

	Total Stockholders' Equity								
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Noncontrolling Interest	Total Stockholders' Equity
(In millions)	Shares	Amount				Shares	Amount		
Balances as of December 31, 2022	70.9	$0.7	$1,930.8	$7,409.8	($1,114.3)	(7.3)	($215.5)	$6.4	$8,017.9
Shares issued under employee and director stock plans, net of shares withheld to pay taxes on employees' equity awards	0.1	—	(4.0)	—	—	—	0.1	—	(3.9)
Stock-based compensation expense	—	—	15.7	—	—	—	—	—	15.7
Repurchases of common stock	—	—	—	—	—	—	—	—	—
Net earnings attributable to noncontrolling interests	—	—	—	—	—	—	—	0.2	0.2
Currency translation adjustment on noncontrolling interests	—	—	—	—	—	—	—	(0.6)	(0.6)
Purchase of noncontrolling interest, net of taxes	—	—	0.1	—	—	—	—	(0.2)	(0.1)
Currency translation adjustment	—	—		—	(178.3)	—	—	—	(178.3)
Prior pension and post-retirement benefit service cost and actuarial gain	—	—	—	—	(0.5)	—	—	—	(0.5)
Net earnings	—	—	—	(579.0)	—	—	—	—	(579.0)
Balances as of September 30, 2023	71.0	$0.7	$1,942.6	$6,830.8	($1,293.1)	(7.3)	($215.4)	$5.8	$7,271.4

14. Earnings (Loss) Per Share

Basic earnings (loss) per common share is computed by dividing net earnings (loss) available to common stockholders by the weighted average number of common shares outstanding during each period. Diluted earnings (loss) per common share assumes the vesting of RSUs using the treasury stock method when the effects of such assumptions are dilutive. A reconciliation of net earnings (loss) attributable to Mohawk Industries, Inc. and weighted-average common shares outstanding for purposes of calculating basic and diluted earnings (loss) per share is as follows:

	Three Months Ended		Nine Months Ended	
(In millions, except per share data)	**September 28, 2024**	September 30, 2023	**September 28, 2024**	September 30, 2023
Net earnings (loss) attributable to Mohawk Industries, Inc.	**$ 162.0**	(760.4)	**424.5**	(579.0)
Weighted-average common shares outstanding—basic and diluted:				
Weighted-average common shares outstanding—basic	**63.1**	63.7	**63.5**	63.6
Add dilutive potential common shares—RSUs[1]	**0.3**	—	**0.3**	—
Weighted-average common shares outstanding—diluted	**63.4**	63.7	**63.8**	63.6
Earnings (loss) per share attributable to Mohawk Industries, Inc.				
Basic	**$ 2.57**	(11.94)	**6.69**	(9.10)
Diluted	**$ 2.55**	(11.94)	**6.66**	(9.10)

[1] Due to the anti-dilutive effect, 252 and 235 shares of common stock equivalents for the three and nine months ended September 30, 2023, respectively, were omitted from the calculation of diluted weighted-average common shares outstanding.

15. Segment Reporting

The Company has three reporting segments: Global Ceramic, Flooring NA and Flooring ROW. Global Ceramic designs, manufactures, sources and markets a broad line of ceramic tile, porcelain tile, natural stone, porcelain slabs, quartz countertops and other products, which it distributes primarily in North America, Europe and Latin America through its network of regional distribution centers and Company-operated service centers using Company-operated trucks, common carriers or rail transportation. The segment's product lines are distributed through various channels, including home centers, Company-owned service centers and stores, floor covering retailers, ceramic tile specialists, e-commerce retailers, residential builders, independent distributors, commercial contractors and commercial end users. Flooring NA designs, markets, manufactures, distributes and sources its floor covering product lines, including carpets, rugs, carpet pad, laminate, resilient (including sheet vinyl and luxury vinyl tile ("LVT")) and wood flooring, which it distributes through its network of regional distribution centers and satellite warehouses using Company-operated trucks, common carriers or rail transportation. The segment's product lines are sold through various selling channels, including floor covering retailers, home centers, mass merchandisers, department stores, e-commerce retailers, shop at home, buying groups, residential builders, independent distributors, commercial contractors and commercial end users. Flooring ROW designs, markets, manufactures, licenses, distributes and sources laminate, LVT, sheet vinyl, wood flooring, broadloom carpet, carpet tiles, roofing elements, insulation boards, medium-density fiberboard ("MDF"), chipboards, decorative panels and other wood products, which it distributes primarily in Europe and Australasia through various selling channels, which include floor retailers, wholesalers, home centers, Company-operated distributors, residential builders, independent distributors, commercial contractors and commercial end users.

The accounting policies for each operating segment are consistent with the Company's policies for the Consolidated Financial Statements. Amounts disclosed for each segment are prior to any elimination or consolidation entries. Corporate general and administrative expenses attributable to each segment are estimated and allocated accordingly. Segment performance is evaluated based on operating income.

(In millions)	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	**September 28, 2024**	September 30, 2023
Net sales:				
Global Ceramic	**$ 1,058.0**	1,091.7	**3,218.4**	3,306.4
Flooring NA	**974.0**	962.2	**2,832.7**	2,917.3
Flooring ROW	**687.0**	712.2	**2,148.6**	2,299.1
Total	**$ 2,719.0**	2,766.1	**8,199.7**	8,522.8
Operating income (loss):				
Global Ceramic	**$ 83.4**	(355.2)	**215.3**	(207.9)
Flooring NA	**73.0**	(167.0)	**196.3**	(131.8)
Flooring ROW	**67.8**	(159.6)	**204.3**	2.6
Corporate and intersegment eliminations	**(11.9)**	(51.9)	**(43.0)**	(117.8)
Total	**$ 212.3**	(733.7)	**572.9**	(454.9)

(In millions)	**September 28, 2024**	December 31, 2023
Assets:		
Global Ceramic	**$ 4,892.7**	4,988.3
Flooring NA	**3,958.9**	3,909.9
Flooring ROW	**4,020.7**	4,051.6
Corporate and intersegment eliminations	**440.9**	610.0
Total	**$ 13,313.2**	13,559.8

16. Commitments and Contingencies

From time to time in the regular course of its business, the Company is involved in various lawsuits, claims, investigations and other legal matters. Except as noted below, there are no material legal proceedings pending or known by the Company to be contemplated to which the Company is a party or to which any of its property is subject.

Perfluorinated Compounds ("PFCs") Litigation

In December 2019, Jarrod Johnson filed a putative class action against certain manufacturers, suppliers, and users of chemicals containing certain perfluorinated compounds (PFCs) in the Superior Court of Floyd County, Georgia purporting to represent all water subscribers with the Rome (Georgia) Water and Sewer Division and/or the Floyd County (Georgia) Water Department seeking to recover, among other things, damages in the form of alleged increased rates and surcharges incurred by ratepayers for the costs associated with eliminating certain PFCs from their drinking water, as well as injunctive relief. The defendants removed the class action to federal court. The Company has filed a motion for summary judgment and that motion is pending before the court.

In April 2023, Shelby County, Alabama and Talladega County, Alabama filed a complaint in the Circuit Court of Talladega County, Alabama against certain manufacturers, suppliers, and users of chemicals containing certain PFCs, seeking monetary damages and injunctive relief and claiming that their water supplies contain excessive amounts of PFCs. The Company moved to dismiss all claims, and the Court agreed to dismiss certain claims on September 9, 2024. The Company believes the allegations are without merit and continues to vigorously defend against claims relating to its prior use of certain PFCs in the carpet manufacturing process.

Securities Actions

The Company and certain of its present and former executive officers were named as defendants in certain investor actions, filed in the State Court of Fulton County of the State of Georgia on April 22, 2021 and April 23, 2021. The claims alleged include fraud, negligent misrepresentation, violations of the Georgia Securities Act, and violations of the Georgia Racketeering and Corrupt Organizations statute. Plaintiffs in the investor actions seek compensatory and punitive damages. On October 5, 2021, the investor actions were transferred by the State Court of Fulton County to the Metro Atlanta Business Case Division. On October 4, 2023, plaintiffs filed amended complaints in the remaining four investor actions. On April 12, 2024, the Company and the individual defendants filed motions for summary judgment in each investor action. The Company believes the claims are without merit and intends to vigorously defend against the claims in these actions.

The Company and certain of its executive officers and directors were named as defendants in certain derivative actions filed in the United States District Court for the Northern District of Georgia on May 18, 2020 and August 6, 2020, respectively (the "NDGA Derivative Actions"), in the Superior Court of Gordon County of the State of Georgia on March 3, 2021 and July 12, 2021, and in the Delaware Court of Chancery on March 10, 2022. The complaints allege that defendants breached their fiduciary duties to the Company by causing the Company to issue materially false and misleading statements. On December 20, 2023, plaintiffs in the NDGA Derivative Actions filed an amended complaint. On February 9, 2024, the Company and the individual defendants filed a motion to dismiss the amended complaint. On June 28, 2024, the parties in the NDGA Derivative Actions informed the Court that they believed they had reached agreement on the structure of a settlement of the NDGA Derivative Actions. On October 1, 2024, the Court in the NDGA Derivative Actions directed the parties to either file a proposed motion for settlement agreement or other case status report on or before October 31, 2024. The Company believes the claims are without merit and intends to vigorously defend against the claims.

General

The Company believes that adequate provisions for resolution of all contingencies, claims and pending litigation have been made for probable losses that are reasonably estimable. These contingencies are subject to significant uncertainties and the Company is unable to estimate the amount or range of loss, if any, in excess of amounts accrued. The Company does not believe that the ultimate outcome of these actions will have a material adverse effect on its financial condition but could have a material adverse effect on its results of operations, cash flows or liquidity in a given quarter or year.

The Company is subject to various federal, state, local and foreign environmental health and safety laws and regulations, including those governing air emissions, wastewater discharges, the use, storage, treatment, recycling and disposal of solid and hazardous materials and finished product, and the cleanup of contamination associated therewith. Because of the nature of the Company's business, the Company has incurred, and will continue to incur, costs relating to compliance with such laws and regulations. The Company is involved in various proceedings relating to environmental matters and is currently engaged in environmental investigation, remediation and post-closure care programs at certain sites. The Company has provided accruals for such activities that it has determined to be both probable and reasonably estimable. The Company does not expect that the ultimate liability with respect to such activities will have a material adverse effect on its financial condition but acknowledges that it could have a material adverse effect on its results of operations, cash flows or liquidity in a given quarter or year.

17. Debt

Senior Credit Facility

On August 12, 2022, the Company entered into a fourth amendment (the "Amendment") to its existing senior revolving credit facility (the "Senior Credit Facility"). The Amendment, among other things, (i) extended the maturity of the Senior Credit Facility from October 18, 2024 to August 12, 2027, (ii) renewed the Company's option to extend the maturity of the Senior Credit Facility up to two times for an additional one-year period each, (iii) increased the Consolidated Interest Coverage Ratio financial maintenance covenant from 3.00:1.00 to 3.50:1.00, (iv) eliminated certain covenants applicable to the Company and its subsidiaries, including, but not limited to, restrictions on dispositions, restricted payments, and transactions with affiliates, and the Consolidated Net Leverage Ratio financial covenant, and (v) increased the amount available under the Senior Credit Facility to $1,950.0 million until October 18, 2024, after which the amount available under the Senior Credit Facility will decrease to $1,485.0 million. The Amendment also permits the Company to increase the commitments under the Senior Credit Facility by an aggregate amount not to exceed $600.0 million. On August 5, 2024, the Company entered into a Lender Joinder Agreement, which increased commitments under the Senior Credit Facility by an additional $100.0 million until August 12, 2027 and further amended the Senior Credit Facility to permit the Company to increase the commitments under the Senior Credit Facility by an aggregate amount not to exceed $500.0 million.

At the Company's election, U.S.-dollar denominated revolving loans under the Senior Credit Facility bear interest at annual rates equal to either (a) SOFR (plus a 0.10% SOFR adjustment) for 1, 3 or 6 month periods, as selected by the Company, plus an applicable margin ranging between 1.00% and 1.75% (1.13% as of September 28, 2024), or (b) the Base Rate (defined as the higher of the Wells Fargo Bank, National Association prime rate, the Federal Funds Effective Rate plus 0.5%, or SOFR (plus a 0.10% SOFR adjustment) for a 1 month period rate plus 1.0%), plus an applicable margin ranging between 0.00% and 0.75% (0.13% as of September 28, 2024). At the Company's election, revolving loans under the Senior Credit Facility denominated in Canadian dollars, Australian dollars, Hong Kong dollars or euros bear interest at annual rates equal to either (a) the applicable benchmark for such currency plus an applicable margin ranging between 1.00% and 1.75% (1.13% as of September 28, 2024), or (b) the Base Rate plus an applicable margin ranging between 0.00% and 0.75% (0.13% as of September 28, 2024). The Company also pays a commitment fee to the lenders under the Senior Credit Facility on the average amount by which the aggregate commitments of the lenders exceed utilization of the Senior Credit Facility ranging from 0.09% to 0.20% per annum (0.11% as of September 28, 2024). The applicable margins and the commitment fee are determined based on whichever of the Company's Consolidated Net Leverage Ratio or its senior unsecured debt rating (or if not available, corporate family rating) results in the lower applicable margins and commitment fee (with applicable margins and the commitment fee increasing as that ratio increases or those ratings decline, as applicable). On October 28, 2021, the Company amended the Senior Credit Facility to replace LIBOR for euros with the EURIBOR benchmark rate.

The obligations of the Company and its subsidiaries in respect of the Senior Credit Facility are unsecured.

The Senior Credit Facility includes certain affirmative and negative covenants that impose restrictions on the Company's financial and business operations, including limitations on liens, subsidiary indebtedness, fundamental changes, future negative pledges, and changes in the nature of the Company's business. The limitations contain customary exceptions or, in certain cases, do not apply as long as the Company is in compliance with the financial ratio requirement and is not otherwise in default. As described above, the Consolidated Net Leverage Ratio financial covenant was eliminated on August 12, 2022.

The Senior Credit Facility also contains customary representations and warranties and events of default, subject to customary grace periods.

In 2022, the Company paid financing costs of $1.9 million in connection with the Amendment of its Senior Credit Facility. These costs were deferred and, along with previously unamortized costs of $2.7 million, are being amortized over the term of the Senior Credit Facility.

As of September 28, 2024, amounts utilized under the Senior Credit Facility included $22.3 million borrowings and $0.7 million of standby letters of credit related to various insurance contracts and foreign vendor commitments. Any outstanding borrowings under the Company's U.S. and European commercial paper programs reduce the availability of the Senior Credit Facility. Including commercial paper borrowings, the Company has utilized $445.0 million under the Senior Credit Facility, resulting in a total of $1,605.0 million available as of September 28, 2024.

Commercial Paper

On February 28, 2014 and July 31, 2015, the Company established programs for the issuance of unsecured commercial paper in the United States and Eurozone capital markets, respectively. Commercial paper issued under the U.S. and European programs will have maturities ranging up to 397 and 183 days, respectively. None of the commercial paper notes may be voluntarily prepaid or redeemed by the Company and rank pari passu with the Company's other unsecured and unsubordinated indebtedness. To the extent that the Company issues European commercial paper notes through a subsidiary of the Company, the notes will be fully and unconditionally guaranteed by the Company.

The Company uses its Senior Credit Facility as a liquidity backstop for its commercial paper programs. Accordingly, the total amount outstanding under the Company's commercial paper programs may not exceed $2,050.0 million (less any amounts drawn on the Senior Credit Facility) at any time.

The proceeds from the issuance of commercial paper notes will be available for general corporate purposes. As of September 28, 2024, there was $249.0 million outstanding under the U.S. commercial paper program, and $173.0 million outstanding under the European program. The weighted-average interest rate and maturity period for the U.S. program were 5.18% and 23.81 days, respectively. The weighted-average interest rate and maturity period for the European program were 3.68% and 20.90 days, respectively.

Senior Notes

On September 18, 2023, the Company completed the issuance and sale of $600.0 million aggregate principal amount of 5.850% Senior Notes ("5.850% Senior Notes") due September 18, 2028. The 5.850% Senior Notes are senior unsecured obligations of the Company and rank pari passu with the Company's other existing and future senior unsecured indebtedness. Interest on the 5.850% Senior Notes is payable semi-annually in cash on March 18 and September 18 of each year, commencing on March 18, 2024. The Company paid financing costs of $5.6 million in connection with the 5.850% Senior Notes. These costs were deferred and are being amortized over the term of the 5.850% Senior Notes.

On June 12, 2020, Mohawk Capital Finance S.A. ("Mohawk Finance"), an indirect wholly-owned finance subsidiary of the Company, completed the issuance and sale of €500.0 million aggregate principal amount of 1.750% Senior Notes ("1.750% Senior Notes") due June 12, 2027. The 1.750% Senior Notes are senior unsecured obligations of Mohawk Finance and rank pari passu with Mohawk Finance's other existing and future senior unsecured indebtedness. The 1.750% Senior Notes are fully, unconditionally and irrevocably guaranteed by the Company on a senior unsecured basis. Interest on the 1.750% Senior Notes is payable annually in cash on June 12 of each year, commencing on June 12, 2021. The Company paid financing costs of $4.4 million in connection with the 1.750% Senior Notes. These costs were deferred and are being amortized over the term of the 1.750% Senior Notes.

On May 14, 2020, the Company completed the issuance and sale of $500.0 million aggregate principal amount of 3.625% Senior Notes ("3.625% Senior Notes") due May 15, 2030. The 3.625% Senior Notes are senior unsecured obligations of the Company and rank pari passu with the Company's existing and future unsecured indebtedness. Interest on the 3.625% Senior Notes is payable semi-annually in cash on May 15 and November 15 of each year, commencing on November 15, 2020. The Company paid financing costs of $5.5 million in connection with the 3.625% Senior Notes. These costs were deferred and are being amortized over the term of the 3.625% Senior Notes.

As defined in the related agreements, the Company's senior notes contain covenants, representations and warranties and events of default, subject to exceptions, and restrictions on the Company's financial and business operations, including limitations on liens, restrictions on entering into sale and leaseback transactions, fundamental changes, and a provision allowing the holder of the notes to require repayment upon a change of control triggering event.

Term Loan

On August 12, 2022, the Company and its indirect wholly-owned subsidiary, Mohawk International Holdings S.à r.l. ("Mohawk International"), entered into an agreement that provides for a delayed draw term loan facility (the "Term Loan Facility"), consisting of borrowings of up to $575.0 million and €220.0 million. On October 3, 2022, an additional $100.0 million of borrowing capacity was added to the Term Loan Facility. The Term Loan Facility could be drawn upon in up to two advances on any business day on or before December 31, 2022, with the proceeds being used for funding working capital and general corporate purposes. On October 31, 2022 and December 6, 2022, the Company made draws of $675.0 million and €220.0 million, respectively. Principal amounts outstanding under the Term Loan Facility, along with any accrued and unpaid interest, could, at any time prior to the maturity date of August 12, 2024, be prepaid by the Company without premium or penalty. On January 31, 2024, the Company prepaid the entirety of the USD portion of the Term Loan Facility, in the amount of $675.0 million plus accrued and unpaid interest. On February 16, 2024, the Company prepaid the entirety of the EUR portion of the Term Loan Facility, in the amount of €220.0 million plus accrued and unpaid interest.

The fair values and carrying values of the Company's debt instruments are detailed as follows:

	September 28, 2024		December 31, 2023	
(In millions)	Fair Value	Carrying Value	Fair Value	Carrying Value
1.750% Senior Notes, payable June 12, 2027; interest payable annually	**$ 544.0**	**558.1**	521.9	551.9
3.625% Senior Notes, payable May 15, 2030; interest payable semi-annually	**482.0**	**500.0**	464.0	500.0
5.85% Senior Notes, payable September 18, 2028; interest payable semi-annually	**634.0**	**600.0**	622.9	600.0
U.S. commercial paper	**249.0**	**249.0**	—	—
European commercial paper	**173.0**	**173.0**	—	—
Senior Credit Facility, payable August 12, 2027	**22.3**	**22.3**	67.1	67.1
U.S. Term Loan Facility	—	—	675.0	675.0
European Term Loan Facility	—	—	242.8	242.8
Finance leases and other	**88.4**	**88.4**	77.7	77.7
Unamortized debt issuance costs	**(9.1)**	**(9.1)**	(11.0)	(11.0)
Total debt	**2,183.6**	**2,181.7**	2,660.4	2,703.5
Less: current portion of long term-debt and commercial paper	**465.3**	**465.3**	1,001.7	1,001.7
Long-term debt, less current portion	**$ 1,718.3**	**1,716.4**	1,658.7	1,701.8

The fair values of the Company's debt instruments were estimated using market observable inputs, including quoted prices in active markets, market indices and interest rate measurements. Within the hierarchy of fair value measurements, these are Level 2 fair values.

18. Supplemental Cash Flow Information

		Nine Months Ended	
(In millions)		**September 28, 2024**	September 30, 2023
Net cash paid during the periods for:			
Interest	**$**	**61.2**	70.8
Income taxes	**$**	**103.9**	128.6
Supplemental schedule of non-cash investing and financing activities:			
Unpaid property plant and equipment in accounts payable and accrued expenses	**$**	**62.7**	88.0
ROU assets obtained in exchange for lease obligations:			
Operating leases	**$**	**53.9**	111.9
Finance leases	**$**	**21.8**	25.7

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto, which are included in this report, as well as our audited consolidated financial statements for the year ended December 31, 2023, which are included in our Annual Report on Form 10-K for the year ended December 31, 2023.

References to "Mohawk," "the Company," "we," "our" and "us" refer to Mohawk Industries, Inc. and its consolidated subsidiaries as a whole, unless the context otherwise requires.

Overview

Mohawk is a significant supplier of every major flooring category with manufacturing operations in 19 nations and sales in approximately 170 countries. Based on its annual sales, the Company believes it is the world's largest flooring manufacturer. A majority of the Company's long-lived assets are located in the United States and Europe, which are also the Company's primary markets. Additionally, the Company maintains operations in Australia, Brazil, Malaysia, Mexico, New Zealand, Russia and other parts of the world. The Company is a leading provider of flooring for residential and commercial markets and has earned significant recognition for its innovation in design and performance as well as sustainability.

During 2022 and 2023, the Company implemented a number of restructuring actions, productivity initiatives and manufacturing enhancements focused on reducing costs to enhance future performance, including certain facility, asset and product rationalizations and workforce reductions. The Company anticipates these projects will deliver annual savings of approximately $150 million, with an estimated cost of approximately $215 million. In 2024, the Company announced further restructuring actions, including additional facility, assets and product rationalizations and workforce reductions to further reduce costs and prepare the business for the future. The Company anticipates these projects will deliver annual savings of approximately $115 million, with an estimated cost of approximately $130 million. Execution timelines will vary by project, with some savings extending into 2026.

Residential remodeling is the primary sales driver of flooring products and most flooring is replaced before a home is listed for sale or just after a home purchase is completed. Currently, consumers are delaying their discretionary spending habits due to inflationary pressures and other macroeconomic factors, and this trend continues to impact new home construction and residential renovation and remodeling activity. While the U.S. federal funds rate decreased in September 2024 for the first time since March 2020, housing turnover rates remain suppressed due to elevated home mortgage rates and the "locked-in" effect on homeowners, and consumers continue to face a higher cost of living and postpone large purchases of durable goods such as flooring. The Company has, to some extent, offset the impact of a soft housing market and decreased renovation activity through cost containment, productivity and lower input costs. Due to low housing availability, aging stock and greater household formation, the Company believes demand in its markets will accelerate when interest rates decline. In addition, declining costs in energy and raw materials, coupled with lower industry volumes, have continued to exert pressure on selling prices, although energy prices in certain geographies and materials prices in some product categories remain volatile and may change significantly and unpredictably.

Due to its global footprint, Mohawk's business is sensitive to geopolitical conflict, including the Russia-Ukraine conflict and conflicts in the Middle East. Since the first quarter of 2022, the Company has suspended new investments in Russia in response to ongoing Russian military actions in Ukraine, and the United States, the European Union and other governments have imposed and extended sanctions on Russia as well as on certain individuals and financial institutions, and have proposed the use of broader economic sanctions. Increased restrictions on global trade could result in, among other things, increased volatility in foreign exchange rates and financial markets, supply chain disruptions, and decreased consumer discretionary spending, any of which may adversely affect the Company's business and supply chain. While the Company has had success sourcing alternate suppliers of raw materials to counteract supply chain disruptions, the Company may be negatively impacted by additional supply chain disruption in the future caused by further escalation of geopolitical conflict. In addition, the Company may be impacted by global increases in the cost of natural gas, oil and oil-based raw materials and chemicals. The broader consequences of current ongoing military conflicts, which may include further economic sanctions, embargoes, regional instability, and geopolitical shifts; potential retaliatory actions, including nationalization of foreign-owned businesses; increased tensions between the United States and countries in which the Company operates; and the extent of the conflict's effect on the Company's business and results of operations, as well as the global economy, cannot be predicted. In addition, a prolonged and more expansive conflict in the Middle East region could escalate oil and petroleum-based chemical prices as well as lead to the introduction of sanctions or transportation barriers, though the extent of the impact on the Company's business and results of operations, as well as the global economy, cannot be predicted.

The Company believes that a number of circumstances may influence trends in 2024, including interest rates, escalation of geopolitical conflict and decreased availability of material due to disruptions in the global supply chain, but the extent and duration of such impacts cannot be predicted.

The Company believes it is well positioned with a strong balance sheet. Based on its current liquidity and available credit, the Company is in a position to finance internal investments, acquisitions and/or additional stock purchases and pay current debt as it becomes due. For information on risks that could impact the Company's results, please refer to *Risk Factors* in Part I, Item 1A in the Company's 2023 Annual Report filed on Form 10-K.

In 2024, the Company plans to invest approximately $450 million focused on completing capacity expansion projects and targeted initiatives that will drive cost reduction while improving operational performance.

For the three months ended September 28, 2024, the net earnings attributable to the Company were $162.0 million compared to the net loss attributable to the Company of $760.4 million for the three months ended September 30, 2023. The change was primarily attributable to lower impairment charges to reduce the carrying amount of goodwill and indefinite-lived intangibles; productivity gains; lower legal settlements, reserves and fees; lower restructuring, acquisition and integration-related, and other costs and lower input costs, partially offset by the unfavorable net impact of price and product mix.

For the nine months ended September 28, 2024, the net earnings attributable to the Company were $424.5 million compared to the net loss attributable to the Company of $579.0 million for the nine months ended September 30, 2023. The change was primarily attributable to lower impairment charges to reduce the carrying amount of goodwill and indefinite-lived intangibles; lower input costs; productivity gains; lower legal settlements, reserves and fees and lower restructuring, acquisition and integration-related, and other costs, partially offset by the unfavorable net impact of price and product mix.

For the nine months ended September 28, 2024, the Company generated $736.9 million of cash from operating activities. As of September 28, 2024, the Company had cash and cash equivalents of $424.0 million, of which $245.6 million was in the United States and $178.4 million was in foreign countries.

Results of Operations

Quarter Ended September 28, 2024, as compared with Quarter Ended September 30, 2023

Net sales

Net sales for the three months ended September 28, 2024 were $2,719.0 million compared to net sales of $2,766.1 million for the three months ended September 30, 2023. The change was primarily attributable to the unfavorable net impact of price and product mix of approximately $56 million, partially offset by more shipping days for the quarter ended September 28, 2024 of approximately $14 million.

Global Ceramic—Net sales for the three months ended September 28, 2024 were $1,058.0 million compared to net sales of $1,091.7 million for the three months ended September 30, 2023. The change was primarily attributable to lower sales volume of approximately $18 million and the unfavorable net impact of foreign exchange rates of approximately $13 million.

Flooring NA—Net sales for the three months ended September 28, 2024 were $974.0 million compared to net sales of $962.2 million for the three months ended September 30, 2023. The change was primarily attributable to higher sales volume of approximately $39 million, partially offset by the unfavorable net impact of price and product mix of approximately $27 million.

Flooring ROW—Net sales for the three months ended September 28, 2024 were $687.0 million compared to net sales of $712.2 million for the three months ended September 30, 2023. The change was primarily attributable to the unfavorable net impact of price and product mix of approximately $26 million and lower sales volume of approximately $19 million, partially offset by more shipping days for the quarter ended September 28, 2024 of approximately $11 million and the favorable net impact of foreign exchange rates of approximately $9 million.

Gross profit

Gross profit for the three months ended September 28, 2024 was $692.6 million compared to gross profit of $692.0 million for the three months ended September 30, 2023. The change was primarily attributable to productivity gains of approximately $33 million; lower input costs of approximately $25 million and lower restructuring, acquisition and integration-related, and other costs of approximately $24 million, partially offset by the unfavorable net impact of price and product mix of approximately $69 million. Gross profit did not significantly change as a percentage of net sales for the three months ended September 28, 2024 compared to the three month ended September 30, 2023.

Selling, general and administrative expenses

Selling, general and administrative expenses for the three months ended September 28, 2024 were $480.3 million compared to $549.6 million for the three months ended September 30, 2023. The change was primarily attributable to lower legal settlements, reserves and fees of $43 million.

Impairment of goodwill and indefinite-lived intangibles

Impairment of goodwill and indefinite-lived intangibles for the three months ended September 28, 2024 was zero compared to impairment of goodwill and indefinite-lived intangibles of $876.1 million for the three months ended September 30, 2023. During the third quarter of 2023, due to the impact of a higher WACC, macroeconomic conditions, and the reduction in the Company's market capitalization, the Company performed interim impairment tests of its goodwill and indefinite-lived intangible assets, which resulted in impairment charges of $876.1 million. If, in the future, the Company's market capitalization and/or the estimated fair value of the Company's reporting units were to decline further, it may be necessary to record additional impairment charges.

Operating income (loss)

Operating income for the three months ended September 28, 2024 was $212.3 million compared to operating loss of $733.7 million for the three months ended September 30, 2023. The change was primarily attributable to lower impairment charges to reduce the carrying amount of goodwill and indefinite-lived intangibles of approximately $876 million; productivity gains of approximately $44 million; lower legal settlements, reserves and fees of approximately $43 million; lower restructuring, acquisition and integration-related, and other costs of approximately $20 million and lower input costs of approximately $15 million, partially offset by the unfavorable net impact of price and product mix of approximately $70 million.

Global Ceramic—Operating income was $83.4 million for the three months ended September 28, 2024 compared to operating loss of $355.2 million for the three months ended September 30, 2023. The change was primarily attributable to lower impairment charges to reduce the carrying amount of goodwill and indefinite-lived intangibles of approximately $425 million; productivity gains of approximately $22 million and lower restructuring, acquisition and integration-related, and other costs of approximately $10 million, partially offset by the unfavorable net impact of price and product mix of approximately $15 million.

Flooring NA—Operating income was $73.0 million for the three months ended September 28, 2024 compared to operating loss of $167.0 million for the three months ended September 30, 2023. The change was primarily attributable to lower impairment charges to reduce the carrying amount of goodwill and indefinite-lived intangibles of approximately $216 million; productivity gains of approximately $14 million; lower input costs of approximately $12 million; lower restructuring, acquisition and integration-related, and other costs of approximately $11 million and higher sales volume of approximately $11 million, partially offset by the unfavorable net impact of price and product mix of approximately $28 million.

Flooring ROW—Operating income was $67.8 million for the three months ended September 28, 2024 compared to operating loss of $159.6 million for the three months ended September 30, 2023. The change was primarily attributable to lower impairment charges to reduce the carrying amount of goodwill and indefinite-lived intangibles of approximately $235 million, partially offset by the unfavorable net impact of price and product mix of approximately $27 million.

Interest expense

Interest expense was $11.2 million for the three months ended September 28, 2024 compared to interest expense of $20.1 million for the three months ended September 30, 2023. The change was primarily attributable to strong cash flow and the resulting lower debt level.

Other income and expense, net

Other income and expense, net was income of $0.7 million for the three months ended September 28, 2024 compared to other income of $8.5 million for the three months ended September 30, 2023. Other income and expense, net did not significantly change for the three months ended September 28, 2024 from the three months ended September 30, 2023.

Income tax expense

For the three months ended September 28, 2024, the Company recorded income tax expense of $39.8 million on earnings before income taxes of $201.8 million, for an effective tax rate of 19.7%. For the three months ended September 30, 2023, the Company recorded income tax expense of $15.0 million on loss before income taxes of $745.3 million, for an effective tax rate of (2.0)%. The increase in the effective tax rate was primarily driven by a shift from losses before income taxes to earnings before income taxes and the impairment of non-deductible goodwill during the three months ended September 30, 2023.

Nine Months Ended September 28, 2024, as compared with Nine Months Ended September 30, 2023

Net sales

Net sales for the nine months ended September 28, 2024 were $8,199.7 million compared to net sales of $8,522.8 million for the nine months ended September 30, 2023. The change was primarily attributable to the unfavorable net impact of price and product mix of approximately $357 million and the unfavorable net impact of foreign exchange rates of approximately $34 million, partially offset by higher sales volume attributable to acquisitions of approximately $48 million and higher legacy sales volume of approximately $20 million.

Global Ceramic—Net sales for the nine months ended September 28, 2024 were $3,218.4 million compared to net sales of $3,306.4 million for the nine months ended September 30, 2023. The change was primarily attributable to the unfavorable net impact of price and product mix of approximately $69 million; lower legacy sales volume of approximately $35 million and the unfavorable net impact of foreign exchange rates of approximately $32 million, partially offset by higher sales volume attributable to acquisitions of approximately $48 million.

Flooring NA—Net sales for the nine months ended September 28, 2024 were $2,832.7 million compared to net sales of $2,917.3 million for the nine months ended September 30, 2023. The change was primarily attributable to the unfavorable net impact of price and product mix of approximately $99 million.

Flooring ROW—Net sales for the nine months ended September 28, 2024 were $2,148.6 million compared to net sales of $2,299.1 million for the nine months ended September 30, 2023. The change was primarily attributable to the unfavorable net impact of price and product mix of approximately $189 million, partially offset by higher sales volume of approximately $41 million.

Gross profit

Gross profit for the nine months ended September 28, 2024 was $2,065.9 million compared to gross profit of $2,067.4 million for the nine months ended September 30, 2023. The change was primarily attributable to the unfavorable net impact of price and product mix of approximately $332 million, partially offset by lower input costs of approximately $266 million and productivity gains of approximately $117 million. Gross profit did not significantly change as a percentage of net sales for the nine months ended September 28, 2024 compared to the nine month ended September 30, 2023.

Selling, general and administrative expenses

Selling, general and administrative expenses for the nine months ended September 28, 2024 were $1,493.0 million compared to $1,646.2 million for the nine months ended September 30, 2023. The change was primarily attributable to lower legal settlements, reserves and fees of $82 million.

Impairment of goodwill and indefinite-lived intangibles

Impairment of goodwill and indefinite-lived intangibles for the nine months ended September 28, 2024 was zero compared to impairment of goodwill and indefinite-lived intangibles of $876.1 million for the nine months ended September 30, 2023. During the nine months ended September 30, 2023, due to the impact of a higher WACC, macroeconomic conditions, and the reduction in the Company's market capitalization, the Company performed interim impairment tests of its goodwill and indefinite-lived intangible assets, which resulted in impairment charges of $876.1 million. If, in the future, the Company's market capitalization and/ or the estimated fair value of the Company's reporting units were to decline further, it may be necessary to record additional impairment charges.

Operating income (loss)

Operating income for the nine months ended September 28, 2024 was $572.9 million compared to operating loss of $454.9 million for the nine months ended September 30, 2023. The change was primarily attributable to lower impairment charges to reduce the carrying amount of goodwill and indefinite-lived intangibles of approximately $876 million; lower input costs of approximately $234 million; productivity gains of approximately $139 million; lower legal settlements, reserves and fees of approximately $82 million and lower restructuring, acquisition and integration-related, and other costs of approximately $49 million, partially offset by the unfavorable net impact of price and product mix of approximately $334 million.

Global Ceramic—Operating income was $215.3 million for the nine months ended September 28, 2024 compared to operating loss of $207.9 million for the nine months ended September 30, 2023. The change was primarily attributable to lower impairment charges to reduce the carrying amount of goodwill and indefinite-lived intangibles of approximately $425 million; productivity gains of approximately $50 million and lower input costs of approximately $50 million, partially offset by the unfavorable net impact of price and product mix of approximately $80 million.

Flooring NA—Operating income was $196.3 million for the nine months ended September 28, 2024 compared to operating loss of $131.8 million for the nine months ended September 30, 2023. The change was primarily attributable to lower impairment charges to reduce the carrying amount of goodwill and indefinite-lived intangibles of approximately $216 million; lower input costs of approximately $104 million; productivity gains of approximately $56 million and lower restructuring, acquisition and integration-related, and other costs of approximately $32 million, partially offset by the unfavorable net impact of price and product mix of approximately $84 million.

Flooring ROW—Operating income was $204.3 million for the nine months ended September 28, 2024 compared to operating income of $2.6 million for the nine months ended September 30, 2023. The change was primarily attributable to lower impairment charges to reduce the carrying amount of goodwill and indefinite-lived intangibles of approximately $235 million; lower input costs of approximately $84 million and productivity gains of approximately $32 million, partially offset by the unfavorable net impact of price and product mix of approximately $170 million.

Interest expense

Interest expense was $38.6 million for the nine months ended September 28, 2024 compared to interest expense of $60.1 million for the nine months ended September 30, 2023. The change was primarily attributable to strong cash flow and the resulting lower debt level.

Other income and expense, net

Other income and expense, net was income of $0.2 million for the nine months ended September 28, 2024 compared to other income of $6.9 million for the nine months ended September 30, 2023. Other income and expense, net did not significantly change for the nine months ended September 28, 2024 from the nine months ended September 30, 2023.

Income tax expense

For the nine months ended September 28, 2024, the Company recorded income tax expense of $109.9 million on earnings before income taxes of $534.5 million, for an effective tax rate of 20.6%. For the nine months ended September 30, 2023, the Company recorded income tax expense of $70.7 million on loss before income taxes of $508.1 million, for an effective tax rate of (13.9)%. The change in the effective tax rate was primarily driven by a shift from losses before income taxes to earnings before income taxes and the impairment of non-deductible goodwill during the nine months ended September 30, 2023.

Liquidity and Capital Resources

The Company's primary capital requirements are for working capital, capital expenditures and acquisitions. The Company's capital needs are met primarily through a combination of internally generated funds, commercial paper, bank credit lines, term and senior notes and credit terms from suppliers.

Net cash provided by operating activities in the first nine months of 2024 was $736.9 million, compared to net cash provided by operating activities of $1,032.9 million in the first nine months of 2023. The change was primarily attributable to cash used for inventory and accounts receivable, partially offset by cash provided by higher net earnings and the change in accounts payable.

Net cash used in investing activities in the first nine months of 2024 was $293.6 million compared to net cash used in investing activities of $730.0 million in the first nine months of 2023. The change was primarily attributable to the decrease in acquisition costs of $515.4 million and the decrease in capital expenditures of $79.0 million, partially offset by the decrease in the redemptions of short-term investments of $158.0 million (net of purchases of short-term investments).

Net cash used in financing activities in the first nine months of 2024 was $651.6 million compared to net cash used in financing activities of $273.8 million in the first nine months of 2023. The change was primarily attributable to higher payments of term loan facility of $912.3 million, lower proceeds from Senior Notes of $600.0 million, higher share repurchase of $87.9 million and lower proceeds from Senior Credit Facility of $35.9 million (net of payments), partially offset by the higher proceeds from commercial paper of $1,239.3 million (net of payments).

As of September 28, 2024, the Company had cash of $424.0 million, of which $245.6 million was in the United States and $178.4 million was in foreign countries. The Company plans to permanently reinvest the cash held outside the United States. The Company believes that its cash and cash equivalents on hand, cash generated from operations and availability under its existing credit facilities will be sufficient to meet its capital expenditure, working capital and debt servicing requirements over at least the next twelve months. The Company continually evaluates its projected needs and may conduct additional debt financings, subject to market conditions, to increase its liquidity and to take advantage of attractive financing opportunities.

On February 10, 2022, the Company's Board of Directors approved a new share repurchase program, authorizing the Company to repurchase up to $500 million of its common stock (the "2022 Share Repurchase Program"). As of September 28, 2024, there remained $141.4 million authorized under the 2022 Share Repurchase Program.

See Note 17, *Debt*, of the notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q for further discussion of the Company's long-term debt. The Company may continue, from time to time, to retire its outstanding debt through cash purchases in the open market, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, the Company's liquidity requirements, contractual restrictions and other factors. The amount involved may be material.

Contractual Obligations

There have been no significant changes to the Company's contractual obligations as disclosed in the Company's 2023 Annual Report filed on Form 10-K except as described herein.

Critical Accounting Policies and Estimates

There have been no significant changes to the Company's critical accounting policies and estimates during the period. The Company's critical accounting policies are described in its 2023 Annual Report filed on Form 10-K.

Impact of Inflation

Inflation affects the Company's manufacturing costs, distribution costs and operating expenses. The Company expects raw material prices, many of which are petroleum-based, to fluctuate based upon worldwide supply and demand of commodities utilized in the Company's production processes. Although the Company attempts to pass on increases in raw material, labor, energy and fuel-related costs to its customers, the Company's ability to do so is dependent upon the rate and magnitude of any increase, competitive pressures and market conditions for the Company's products. There have been in the past, and may be in the future, periods of time during which increases in these costs cannot be fully recovered. In the past, the Company has often been able to enhance productivity and develop new product innovations to help offset increases in costs resulting from inflation in its operations.

Off-Balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements as of September 28, 2024.

Seasonality

The Company is a calendar year-end company. Global Ceramic and Flooring NA typically have higher net sales in the second and third quarters. Flooring ROW typically has higher net sales in the second and fourth quarters. Because periods of economic downturn can affect the seasonality of each segment, sales for any one quarter are not necessarily indicative of the sales that may be achieved for any other quarter or for the full year.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of September 28, 2024, approximately 80% of the Company's debt portfolio was comprised of fixed-rate debt and 20% was floating-rate debt. A 1.0 percentage point increase in the interest rate of the floating-rate debt would have resulted in an increase in interest expense of $1.1 million and $3.3 million for the three and nine months ended September 28, 2024.

There have been no significant changes to the Company's exposure to market risk as disclosed in the Company's 2023 Annual Report filed on Form 10-K.

Item 4. Controls and Procedures

Based on an evaluation of the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended), which have been designed to provide reasonable assurance that such controls and procedures will meet their objectives, as of the end of the period covered by this report, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that such controls and procedures were effective at a reasonable assurance level for the period covered by this report.

There were no changes in the Company’s internal control over financial reporting that occurred during the period covered by this report that materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in various lawsuits, claims, investigations and other legal matters from time to time in the regular course of its business. Except as noted elsewhere in this report, there are no material legal proceedings pending or known by the Company to be contemplated to which the Company is a party or to which any of its property is subject.

See Note 16, *Commitments and Contingencies,* of the notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q for a discussion of the Company's legal proceedings.

Item 1A. Risk Factors

There have been no material changes in the Company's risk factors from those disclosed in Part I, Item 1A to the Company's Annual Report on Form 10-K for the year ended December 31, 2023. The risk factors disclosed in these reports, in addition to the other information set forth in this report, could materially affect the Company's business, financial condition or results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On February 10, 2022, the Company's Board of Directors approved a new share repurchase program, authorizing the Company to repurchase up to $500 million of its common stock (the "2022 Share Repurchase Program"). In the third quarter of 2024, the Company did not purchase any of its common stock. As of September 28, 2024, there remained $141.4 million authorized under the 2022 Share Repurchase Program.

Under the 2022 Share Repurchase Program, the Company may purchase common stock in open market transactions, block or privately negotiated transactions, and may from time to time purchase shares pursuant to trading plans in accordance with Rules 10b5-1 or 10b-18 under the Exchange Act or by any combination of such methods. The number of shares to be purchased and the timing of the purchases are based on a variety of factors, including, but not limited to, the level of cash balances, credit availability, debt covenant restrictions, general business conditions, regulatory requirements, the market price of the Company's stock and the availability of alternative investment opportunities. No time limit was set for completion of repurchases under the 2022 Share Repurchase Program and the 2022 Share Repurchase Program may be suspended or discontinued at any time.

The following table provides information regarding share repurchase activity during the three months ended September 28, 2024:

Period	Total Number of Shares Purchased in Millions	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan in Millions	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plan in Millions
June 30 through August 3, 2024	—	$ —	0.0	$ 141.4
August 4 through August 31, 2024	—	$ —	0.0	$ 141.4
September 1 through September 28, 2024	—	$ —	0.0	$ 141.4
Total	—	$ —	0.0	

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95.1 to this quarterly report on Form 10-Q.

Item 5. Other Information

Trading Arrangements

During the fiscal quarter ended September 28, 2024, no director or officer of the Company notified us that they adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of the SEC’s Regulation S-K.

Item 6. Exhibits

No.	Description
3.1	Restated Certificate of Incorporation of Mohawk, as amended. (Incorporated herein by reference to Exhibit 3.1 in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998.)
3.2	Restated Bylaws of Mohawk. (Incorporated herein by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed on February 19, 2019.)
10.1	Lender Joinder Agreement, dated as of August 5, 2024, by and among the Company and certain of its subsidiaries, as borrowers, Wells Fargo Bank, National Association, as an administrative agent, swing line lender, and an L/C issuer, and the other lenders party thereto.
10.2	Employment Agreement dated January 30, 2017 by and between Mohawk Industries, Inc. and Mauro Vandini.
31.1	Certification Pursuant to Rule 13a-14(a).
31.2	Certification Pursuant to Rule 13a-14(a).
32.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
95.1	Mine Safety Disclosure pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

			MOHAWK INDUSTRIES, INC. (Registrant)
Dated:	October 25, 2024	By:	/s/ Jeffrey S. Lorberbaum
			JEFFREY S. LORBERBAUM *Chairman and Chief Executive Officer* *(principal executive officer)*
Dated:	October 25, 2024	By:	/s/ James F. Brunk
			JAMES F. BRUNK *Chief Financial Officer* *(principal financial officer)*

LENDER JOINDER AGREEMENT

Dated as of August 5, 2024

among

MOHAWK INDUSTRIES, INC.

and

CERTAIN OF ITS SUBSIDIARIES,
as the Borrowers,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent, Swing Line Lender and a L/C Issuer,

and

The Lenders Party Hereto

◊ ◊ ◊ ◊

WELLS FARGO SECURITIES, LLC,
BNP PARIBAS,
JPMORGAN CHASE BANK, N.A.,
MIZUHO BANK, LTD.,
U.S. BANK NATIONAL ASSOCIATION,
UNICREDIT BANK GMBH, NEW YORK BRANCH,
BARCLAYS BANK PLC
and
BOFA SECURITIES, INC.,
as Joint Lead Arrangers and Joint Bookrunners

BNP PARIBAS,
JPMORGAN CHASE BANK, N.A.,
MIZUHO BANK, LTD.,
U.S. BANK NATIONAL ASSOCIATION,
UNICREDIT BANK GMBH, NEW YORK BRANCH,
BARCLAYS BANK PLC
and
BANK OF AMERICA, N.A.,
as Syndication Agents

LENDER JOINDER AGREEMENT

THIS LENDER JOINDER AGREEMENT (this "Agreement") is entered into as of August 5, 2024 (the "2024 Increase Effective Date") is among MOHAWK INDUSTRIES, INC., a Delaware corporation (the "Company"), ALADDIN MANUFACTURING CORPORATION, a Delaware corporation ("Aladdin"), DAL-TILE DISTRIBUTION, LLC, a Delaware limited liability company ("Dal-Tile"; Dal-Tile, together with the Company and Aladdin, the "Domestic Borrowers"), MOHAWK UNITED INTERNATIONAL B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its official seat (*statutaire zetel*) in Oisterwijk, the Netherlands and its office at Beneluxstraat 1 (5061 KD) Oisterwijk, the Netherlands, and registered with the Trade Register of the Dutch Chamber of Commerce under number 17229715 ("Mohawk BV"), MOHAWK INTERNATIONAL HOLDINGS S.À.R.L., a private limited liability company (*société à responsabilité limitée),* organized and existing under the laws of Luxembourg, having its registered address at 10B, Rue des Mérovingiens, L-8070 Bertrange, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés, Luxembourg*) under number B-110.608 ("Mohawk International"), UNILIN BV, a private limited liability company (*besloten vennootschap*) organized under the laws of Belgium, having its statutory seat (*statutaire zetel*) at Ooigemstraat 3, 8710 Wielsbeke and registered with the Crossroads Bank for Enterprises under nr. 0405.414.072 RPR/RPM Ghent, Kortrijk division ("Unilin"), PREMIUM FLOORS AUSTRALIA PTY LIMITED, a proprietary company with limited liability incorporated under the laws of Australia registered under ACN 152 867 984 ("Premium Australia"; Premium Australia, together with Mohawk BV, Mohawk International and Unilin, the "Foreign Borrowers"; the Foreign Borrowers, together with the Domestic Borrowers, each, a "Borrower" and collectively, the "Borrowers"), each Guarantor party hereto, the Increase Lender (as defined below), the L/C Issuers and WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Administrative Agent, the Swing Line Lender, and an L/C Issuer. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Existing Credit Agreement (as defined below) or the Existing Credit Agreement, as amended by this Agreement (the "Amended Credit Agreement"), as applicable.

RECITALS

WHEREAS, the Borrowers, the Designated Borrowers party thereto, the Lenders from time to time party thereto, Wells Fargo Bank, National Association, as the Administrative Agent, the Swing Line Lender and a L/C Issuer, and the other L/C Issuers party thereto, entered into that certain Second Amended and Restated Credit Agreement, dated as of October 18, 2019 (as amended, restated, amended and restated, supplemented, extended, replaced or otherwise modified from time to time prior to the 2024 Increase Effective Date, the "Existing Credit Agreement");

WHEREAS, the Borrowers have requested an increase in the Facility in the amount of $100,000,000 pursuant to Section 2.15 of the Existing Credit Agreement (the "Increase");

WHEREAS, in connection with the Increase, the Person identified in the table set forth in Section 1(a) (the "Increase Lender") is willing to provide a Commitment in the amount set opposite such Increase Lender's name in the table forth in Section 1(a), in each case subject to the terms and conditions set forth in this Agreement; and

WHEREAS, in reliance on Section 2.15 of the Existing Credit Agreement, the parties hereto desire to amend the Existing Credit Agreement as set forth in Section 1(f) to evidence the Increase.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Increase in Facility.

(a) The Increase Lender hereby agrees to provide a Commitment in the amount set forth opposite such Increase Lender's name in the table below:

Increase Lender	Amount of Commitment Provided in Connection with the Increase
Regions Bank	$100,000,000.00
Total:	**$100,000,000.00**

(b) The Increase Effective Date for the Increase is the 2024 Increase Effective Date.

(c) By execution of this Agreement, the Increase Lender hereby acknowledges, agrees and confirms that such Increase Lender shall be deemed to be a party to the Amended Credit Agreement as of the 2024 Increase Effective Date and a "Lender" for all purposes of the Amended Credit Agreement and shall have all of the obligations of a Lender thereunder. The Increase Lender hereby ratifies, as of the 2024 Increase Effective Date, and agrees to be bound by, all of the terms, provisions and conditions applicable to Lenders contained in the Amended Credit Agreement. The Increase Lender acknowledges and agrees to the provisions set forth in this Section 1. The Borrowers agree that, as of the 2024 Increase Effective Date, the Increase Lender shall (i) be a party to the Amended Credit Agreement, (ii) be a "Lender" for all purposes of the Amended Credit Agreement and the other Loan Documents, and (iii) have the rights and obligations of a Lender under the Amended Credit Agreement and the other Loan Documents.

(d) The Increase Lender (i) represents and warrants that (A) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Amended Credit Agreement, (B) it satisfies the requirements of an Eligible Assignee, (C) from and after the 2024 Increase Effective Date, it shall be bound by the provisions of the Amended Credit Agreement as a Lender thereunder and shall have the obligations of a Lender thereunder, (D) it is sophisticated with respect to its decision to enter into this Agreement and to become a Lender under the Amended Credit Agreement and either it, or the Person exercising discretion in making its decision to enter into this Agreement and to become a Lender under the Amended Credit Agreement, is experienced in transactions of this type, (E) it has received a copy of the Existing Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to the Existing Credit Agreement and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Agreement and to become a Lender under the Amended Credit Agreement, and (F) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and become a Lender under the Amended Credit Agreement; and (ii) agrees that (A) it will, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (B) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender

(e) The address of the Increase Lender for purposes of Section 10.02 of the Amended Credit Agreement is as set forth in the Increase Lender's Administrative Questionnaire delivered to the Administrative Agent on or prior to the 2024 Increase Effective Date, or such other address as shall be designated by the Increase Lender in accordance with Section 10.02 of the Amended Credit Agreement.

(f) In connection with the Increase:

(i) The last sentence of the definition of "Commitment" in Section 1.01 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

As of the 2024 Increase Effective Date, the aggregate Commitments of all Lenders shall equal $2,050,000,000.

(ii) The last sentence of the definition of "Applicable Percentage" in Section 1.01 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

On the Fourth Amendment Effective Date, the Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 (as in effect on the Fourth Amendment Effective Date), or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable; and, on the 2024 Increase Effective Date, after giving effect to the 2024 Increase, the Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 (as in effect on the 2024 Increase Effective Date), or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

(iii) Section 1.01 of the Existing Credit Agreement is hereby amended to add the following new defined terms in the appropriate alphabetical order:

"2024 Increase" means the increase to the Facility in accordance with terms and conditions of the Lender Joinder Agreement.

"2024 Increase Effective Date" means August 5, 2024.

"Lender Joinder Agreement" that certain Lender Joinder Agreement, dated as of the 2024 Increase Effective Date, among the Borrowers party thereto, the Guarantors party thereto, the Increase Lender (as defined in the Lender Joinder Agreement), the L/C Issuers party thereto, the Swing Line Lender, and the Administrative Agent.

(iv) Section 2.15(a)(i) of the Existing Credit Agreement is hereby amended to read as follows:

(i) the principal amount for all such Incremental Increases in the aggregate after the 2024 Increase Effective Date shall not exceed $500,000,000,

(v) Schedule 2.01 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as set forth on Schedule 2.01 attached hereto.

2. Conditions Precedent.

(a) This Agreement shall be effective on the 2024 Increase Effective Date upon satisfaction of the following conditions precedent:

(i) receipt by the Administrative Agent of counterparts of this Agreement duly executed by the Company, the other Loan Parties party hereto, the Increase Lender, each L/C Issuer, the Swing Line Lender, and the Administrative Agent;

(ii) receipt by the Administrative Agent of a certificate of each Loan Party (excluding the Foreign Borrowers and Foreign Guarantors) dated as of the 2024 Increase Effective Date signed by a Responsible Officer of such Loan Party: (A) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to the Increase; and (B) in the case of the Borrowers, certifying that, before and after giving effect to such increase, (1) the representations and warranties contained in Article V of the Amended Credit Agreement and the other Loan Documents are true and correct in all material respects (or, if qualified by materiality or Material Adverse Effect, in all respects) on and as of the 2024 Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Section 2(a)(ii)(B)(1), the representations and warranties contained in Section 5.05(a) of the Amended Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Section 6.01(a) of the Existing Credit Agreement, (2) no Default exists and is continuing and (3) the Company and its Restricted Subsidiaries are in pro forma compliance with the financial covenant contained in Section 7.12 of the Amended Credit Agreement.

(iii) on the 2024 Increase Effective Date, the Borrowers shall prepay any Revolving Credit Loans outstanding on the 2024 Increase Effective Date (and pay any additional amounts required pursuant to Section 3.05 of the Existing Credit Agreement) to the extent necessary to keep the outstanding Revolving Credit Loans ratable with any revised Applicable Percentages arising from any non-ratable increase in the Commitments in connection with the Increase;

(iv) any fees and expenses required to be paid to the Increase Lender on or before the 2024 Increase Effective Date shall have been paid; and

(v) unless waived by the Administrative Agent, the Company shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced at least two (2) Business Days prior to the 2024 Increase Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided, that, such estimate shall not thereafter preclude a final settling of accounts between the Company and the Administrative Agent).

3. Miscellaneous.

(a) The Loan Documents and the obligations of the Loan Parties thereunder are hereby ratified and confirmed and shall remain in full force and effect according to their terms. This Agreement (i) is an amendment implemented in reliance on Section 2.15 of the Existing Credit Agreement and (ii) is a Loan Document. The Increase Lender is deemed to be a Fourth Amendment Extending Lender.

(b) Each Guarantor (i) acknowledges and consents to all of the terms and conditions of this Agreement, (ii) reaffirms all of its obligations under the Loan Documents, subject to any applicable limitations included in the Loan Documents, and (iii) agrees that this Agreement and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents.

(c) Each Loan Party represents and warrants that: (i) such Loan Party has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under this Agreement; (ii) the execution, delivery and performance by such Loan Party of this Agreement have been duly authorized by all necessary corporate or other organizational action, and do not and will not (A) contravene the terms of such Loan Party's Organization Documents, (B) conflict with or result in any breach or contravention of (1) any material Contractual Obligation to which such Loan Party is a party or affecting such Loan Party or the properties of such Loan Party or any of its Restricted Subsidiaries, or (2) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Loan Party or its property is subject, (C) result in the creation of any Lien under any material Contractual Obligation to which such Loan Party is a party or affecting such Loan Party or the properties of such Loan Party or any of its Restricted Subsidiaries, except for Liens permitted under the Amended Credit Agreement, or (D) violate any Law; (iii) no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by such Loan Party of this Agreement; (iv) this Agreement has been duly executed and delivered by such Loan Party and constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms; provided, that, the enforceability of this Agreement is subject in each case to general principles of equity and to bankruptcy, insolvency (including administration) and similar Laws affecting the enforcement of creditors' rights generally; and (v) after giving effect to this Agreement and the Amended Credit Agreement, (A) the representations and warranties contained in Article V of the Amended Credit Agreement or in any other Loan Document, or in any document furnished at any time under or in connection therewith, shall be true and correct in all material respects (or, if qualified by materiality or Material Adverse Effect, in all respects) on and as of the 2024 Increase Effective Date (except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date) and except that for purposes of this Section 3(c)(v)(A), the representations and warranties contained in Section 5.05(a) of the Amended Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Section 6.01(a) of the Existing Credit Agreement, and (B) no Default shall exist.

(d) Subject to Section 10.17 of the Amended Credit Agreement, this Agreement may be in the form of an Electronic Record and may be executed using Electronic Signatures (including facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. This Agreement may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Agreement.

(e) If any provision of this Agreement is held to be illegal, invalid or unenforceable, (i) the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(g) The terms of Sections 10.14 and 10.15 of the Amended Credit Agreement with respect to submission to jurisdiction, waiver of venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

[*Signature pages follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWERS AND GUARANTORS: MOHAWK INDUSTRIES, INC.

By: /s/ Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Vice President and Treasurer

ALADDIN MANUFACTURING CORPORATION

By: /s/ Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Vice President and Treasurer

DAL-TILE DISTRIBUTION, LLC

By: /s/ Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Vice President and Treasurer

MOHAWK UNITED INTERNATIONAL B.V.

By: /s/ Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Authorized Representative

MOHAWK INTERNATIONAL HOLDINGS S.À. R.L.

By: /s/ Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Authorized Representative

UNILIN BV

By: /s/ Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Authorized Representative

Executed by Premium Floors Australia Pty Limited in accordance with section 127 of the Corporations Act 2001 (Cth):

/s/ Tania Marie Pauling	/s/ Lachlan McMurtrie
Signature of director	Signature of company secretary/director
TANIA MARIE PAULING	LACHLAN MCMURTRIE
Full name of director who states that they are a director of Premium Floors Australia Pty Limited	Full name of company secretary/director who states that they are a company secretary/director of Premium Floors Australia Pty Limited

ADMINISTRATIVE AGENT: WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Administrative Agent

By: /s/ Nathan R. Rantala
Name: Nathan R. Rantala
Title: Managing Director

INCREASE LENDER,
ISSUERS, AND SWING
LINE LENDERS: REGIONS BANK,
as an Increase Lender

By: /s/ Cheryl L. Shelhart
Name: Cheryl L. Shelhart
Title: Managing Director

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Swing Line Lender and an L/C Issuer

By: /s/ Nathan R. Rantala
Name: Nathan R. Rantala
Title: Managing Director

JPMORGAN CHASE BANK, N.A.,
as an L/C Issuer

By: /s/ Will Price
Name: Will Price
Title: Executive Director

UNICREDIT BANK GMBH, NEW YORK BRANCH,
as an L/C Issuer

By: /s/ Priya Trivedi
Name: Priya Trivedi
Title: Director

By: /s/ Peter Daugavietis
Name: Peter Daugavietis
Title: Director

BANK OF AMERICA, N.A.,
as an L/C Issuer

By: /s/ Eric Hill
Name: Eric Hill
Title: Director

PNC BANK, NATIONAL ASSOCIATION,
as an L/C Issuer

By: /s/ Larry D. Jackson
Name: Larry D. Jackson
Title: Senior Vice President

Exhibit 10.2

January 30, 2017

SUBJECT: **<u>Letter of undertaking</u>**

Dear Mr. Vandini,

We are writing in our position of ultimate holding company of the Mohawk Group for the purposes of confirming our agreements on the new terms and conditions which, starting from February 1, 2017, will be applied to the existing relationship between you and Marazzi Group S.r.l. (the **"Company")** in your position of Chief Executive Officer (the **"CEO")** of the Company (the **"Directorship").** Therefore, starting from February 1, 2017 the main terms and conditions of the Directorship shall be the following ones provided herein (the **"Offer")**.

The Offer is subject to the signing, by no later than January 31, 2017, of the form of resignation from your present position of employee of the Company and the consequent termination of the employment relationship between you and the Company.

***

1. Effective date of the new conditions and term of the Directorship

The new conditions relating to the Directorship, as described hereunder, shall be effective as from February 1, 2017. It is understood that Mohawk Industries Inc., also pursuant to Art. 1381 of the civil code, shall procure that **(i)** you will be appointed director by the shareholders meeting of the Company and CEO by the Board of Directors for the term provided at the time of the appointment and renewed from time to time. so that you may remain in office without interruption; and **(ii)** the Company shall comply with the terms of this letter.

2. Your position

In your position as CEO of the Company, you will continue to perform the tasks which have been granted to you through specific delegations of powers.

3. Fixed Compensation

3.1 Starting from February 1, 2017, the yearly fixed Directorship fee payable to you will be of **Euro 486.700,00 (four hundred eighty-six thousand seven hundred /00)** gross, increased by the company's cost savings deriving from the termination of the previous employment relationship (the "**Fixed Compensation").** The Fixed Compensation will be payable in 12 equal monthly installments.

3.2 Save as otherwise agreed between the parties, the Fixed Compensation includes and will incorporate any other compensation or fee relating to further obligations, offices, proxies, powers, connected to, or arising from, any future corporate position and/or from any future tasks which may be assigned to you by the Company, including those positions under Art. 2381 of the civil code.

4. Variable Compensation (Bonus)

4.1 In addition to the Fixed Compensation under para. 3 above, the Company may pay, consistently with the procedure and the policy of the Group, a gross yearly variable compensation (the **"Variable Compensation")** based on the achievement of specific individual and business goals which will be mutually defined between you and the Company and as will be communicated separately. Such Variable Compensation will be a gross amount, to be increased by the company's cost savings deriving from the termination of the previous employment relationship, subject to the achievement of goals agreed year by year and approved by the Chairman of the Board of Directors.

5. .Long-Term Incentive Plan (LTIP)

5.1 Consistently with your responsibilities in relation to the Directorship, you will be entitled to participate in a long-term multi-year incentive plan (the **"Plan")** which shall be adopted by the Company in compliance with applicable law and Group procedures and policies. Pursuant to the Plan, you are eligible to receive a bonus based on the achievement of specific objectives depending on personal and business results which will be defined by the Company and as will be communicated separately (the **"LTIP").** The LTIP shall be paid subject to **(i)** the achievement of the objectives determined by the Company under the Plan in proportion to the objectives actually achieved and **(ii)** your actual incumbency in the Directorship at the time in which the LTIP under the Plan shall be payable.

5.2 It is understood that also the LTIP under this para. 5 shall be paid gross, increased by the company's cost savings deriving from the termination of the previous employment relationship.

6. Termination of the Directorship in case of bad leaver

In case you will cease from the Directorship due to your resignations for any reason other than those indicated under para. 7 below, or in case of your revocation from the Directorship for just cause (namely a cause which is materially significant that it does not allow the continuation of the relationship even on a temporary basis), you will receive exclusively the Fixed Compensation for the portion accrued - and not yet paid - as of the effective date of termination / revocation from the Directorship, in addition to accrued and unpaid travel expenses, with the exclusion of any other amount, benefits, fee, compensation and reimbursement, also as Variable Compensation.

7. Termination of the Directorship in case of good leaver

7.1 In case of your revocation of the Directorship without a just cause, you will be entitled to receive **(i)** the Fixed Compensation calculated as of the effective date of the termination of the Directorship for the portion accrued as of such date and not yet paid by the Company; **(ii)** the Variable Compensation, if due, relating to the year of reference, for the portion accrued and not yet paid by the Company, and **(iii)** an additional amount equal to two years of total compensation.

7.2 The provisions of para. 7.1 above will apply also in case of:

(a) death;

(b) your resignations for just cause. For the purposes of this provision, the term resignations for just cause shall be referred to resignations caused by **(i)** significant breach by the Company of the obligations provided under applicable law and this letter, to the extent it is not remedied within 30 days from your written notice and **(ii)** any other circumstance which is materially significant that it does not allow to continue the relationship even on a temporary basis;

(c) your withdrawal from the Directorship for serious physical impediment duly certified which is permanent or materially significant to prevent the performance of the Directorship for a period longer than 6 months.

7.3 All the payments due pursuant to this paragraph shall be subject to the execution of a general settlement agreement with a novation effect pursuant to Art. 2113 of the civil code to be signed according to the law. The execution of the settlement is an essential condition for the payment of the amounts provided hereunder. Such settlement agreement, also consistently with the provisions of para. 9 below, will relate to the termination of the Directorship, as well as to the other possible corporate positions assigned to you and to any other employment relationship existing or established between you and the Company, with mutual waiver to any right or action for any reason connected and/or arising from such relationship.

8. Benefits - Insurance Policies

8.1 For the purposes of facilitating the performance of the Directorship, the Company will freely provide you with a mobile-phone, an iPad and a laptop. Such business tools shall be utilized consistently with the applicable polices and regulations of the Company.

8.2 Furthermore, the Company will provide you with a car, as provided by the business policy at the terms and conditions illustrated under the Car Policy.

8.3 The Company will enter into in your favor as beneficiary without any cost on your account
(i) an integrative health insurance policy and **(ii)** a life insurance policy.

9. Confidentiality undertakings

The parties undertake to keep strictly private and confidential the content of this Offer. Furthermore, the parties undertake not to use, utilize, disclose or communicate to third parties, with any form or means, any information, data or announcement relating to the terms and contents of this Offer, as well as the reasons, the causes and the assumptions - also economic - which have led to its execution.

***

We would kindly ask you to send us a copy of this Offer duly executed for acceptance no later than January 27, 2017, in the contrary this Offer shall be deemed not accepted.

Kind regards

Mohawk Industries, Inc.

/s/ Philip A. Brown

Philip A. Brown

SVP Human Resources

I hereby acknowledge that I have read, understood and expressly and unconditionally accepted all the terms and conditions contained in this letter.

Date

Mauro Vandini

/s/ Mauro Vandini

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey S. Lorberbaum, certify that:

1 I have reviewed this quarterly report on Form 10-Q of Mohawk Industries, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5 The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 25, 2024

/s/ Jeffrey S. Lorberbaum

Jeffrey S. Lorberbaum
Chairman and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, James F. Brunk, certify that:

1 I have reviewed this quarterly report on Form 10-Q of Mohawk Industries, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 25, 2024

/s/ James F. Brunk

James F. Brunk
Chief Financial Officer

EXHIBIT 32.1

Statement of Chief Executive Officer of
MOHAWK INDUSTRIES, INC.
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to
§ 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Mohawk Industries, Inc. (the “Company”) on Form 10-Q for the period ended September 28, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeffrey S. Lorberbaum, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

1 The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2 The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey S. Lorberbaum

Jeffrey S. Lorberbaum
Chairman and Chief Executive Officer

October 25, 2024

EXHIBIT 32.2

Statement of Chief Financial Officer of
MOHAWK INDUSTRIES, INC.
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to
§ 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Mohawk Industries, Inc. (the "Company") on Form 10-Q for the period ended September 28, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James F. Brunk, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

1 The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2 The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James F. Brunk

James F. Brunk
Chief Financial Officer

October 25, 2024

Exhibit 95.1

Mine Safety Disclosure

The following disclosures are provided pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") and Item 104 of Regulation S-K, which requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977 (the "Mine Act").

Mine Safety Information

Whenever the Federal Mine Safety and Health Administration ("MSHA") believes a violation of the Mine Act, any health or safety standard or any regulation has occurred, it may issue a citation which describes the alleged violation and fixes a time within which the U.S. mining operator must abate the alleged violation. In some situations, such as when MSHA believes that conditions pose a hazard to miners, MSHA may issue an order removing miners from the area of the mine affected by the condition until the alleged hazards are corrected. When MSHA issues a citation or order, it generally proposes a civil penalty, or fine, as a result of the alleged violation, that the operator is ordered to pay. Citations and orders can be contested and appealed, and as part of that process, may be reduced in severity and amount, and are sometimes dismissed. The number of citations, orders and proposed assessments vary depending on the size and type (underground or surface) of the mine as well as by the MSHA inspector(s) assigned.

The following table includes information required by the Act for the nine months ended September 28, 2024.

Mine (Federal Mine Safety and Health Administration (MSHA) ID)	Total # of Significant & Substantial violations under §104(a)	Total # of orders under §104(b)	Total # of unwarrantable failure citations and orders under §104(d)	Total # of violations under §110(b)(2)	Total # of orders under §107(a)	Total dollar value of proposed assessments from MSHA ($ in thousands)	Total # of mining related fatalities	Received Notice of Pattern of Violations under §104(e) (yes/no)?	Received Notice of Potential to have Pattern under §104(e) (yes/no)?	Total # of Legal Actions Pending with the Mine Safety and Health Review Commission as of the Last Day of Period	Legal Actions Initiated or Resolved During Period
TP Claims 1&2/Rosa Blanca (4100867)	1	—	—	—	—	$0	—	No	No	—	—