



Second Quarter 2022
Earnings Review

TUESDAY, JULY 26, 2022

Cautionary Statement



This document contains forward-looking statements about Whirlpool Corporation and its consolidated subsidiaries ("Whirlpool") that speak only as of this date. Whirlpool disclaims any obligation to update these statements. Forward-looking statements in this document may include, but are not limited to, statements regarding future financial results, long-term value creation goals, portfolio transformation, restructuring and repurchase expectations, productivity, direct-to-consumer sales growth, raw material prices and the impact of COVID-19 and the Russia/Ukraine conflict on our operations. Such statements can be identified by the use of terminology such as "may," "could," "will," "should," "possible," "plan," "predict," "forecast," "potential," "anticipate," "estimate," "expect," "project," "intend," "believe," "may impact," "on track," and similar words or expressions. Many risks, contingencies and uncertainties could cause actual results to differ materially from Whirlpool's forward-looking statements. Among these factors are: (1) the ongoing Russian invasion of Ukraine and related conflict and sanctions; (2) COVID-19 pandemic-related business disruptions and economic uncertainty; (3) intense competition in the home appliance industry reflecting the impact of both new and established global competitors, including Asian and European manufacturers, and the impact of the changing retail environment, including direct-to-consumer sales; (4) Whirlpool's ability to maintain or increase sales to significant trade customers and the ability of these trade customers to maintain or increase market share; (5) Whirlpool's ability to maintain its reputation and brand image; (6) the ability of Whirlpool to achieve its business objectives and leverage its global operating platform, and accelerate the rate of innovation; (7) Whirlpool's ability to understand consumer preferences and successfully develop new products; (8) Whirlpool's ability to obtain and protect intellectual property rights; (9) acquisition and investment-related risks, including risks associated with our past acquisitions; (10) Whirlpool's ability to navigate risks associated with our presence in emerging markets; (11) risks related to our international operations, including changes in foreign regulations; (12) Whirlpool's ability to respond to unanticipated social, political and/or economic events; (13) information technology system failures, data security breaches, data privacy compliance, network disruptions, and cybersecurity attacks; (14) product liability and product recall costs; (15) the ability of suppliers of critical parts, components and manufacturing equipment to deliver sufficient quantities to Whirlpool in a timely and cost-effective manner; (16) our ability to attract, develop and retain executives and other qualified employees; (17) the impact of labor relations; (18) fluctuations in the cost of key materials (including steel, resins, copper and aluminum) and components and the ability of Whirlpool to offset cost increases; (19) Whirlpool's ability to manage foreign currency fluctuations; (20) impacts from goodwill impairment and related charges; (21) triggering events or circumstances impacting the carrying value of our long-lived assets; (22) inventory and other asset risk; (23) health care cost trends, regulatory changes and variations between results and estimates that could increase future funding obligations for pension and postretirement benefit plans; (24) litigation, tax, and legal compliance risk and costs, especially if materially different from the amount we expect to incur or have accrued for, and any disruptions caused by the same; (25) the effects and costs of governmental investigations or related actions by third parties; (26) changes in the legal and regulatory environment including environmental, health and safety regulations, and taxes and tariffs; (27) Whirlpool's ability to respond to the impact of climate change and climate change regulation; and (28) the uncertain global economy and changes in economic conditions which affect demand for our products. Price increases and/or actions referred to throughout the document reflect previously announced cost-based price increases.

Global Overview



Marc Bitzer

CHAIRMAN AND
CHIEF EXECUTIVE OFFICER



2022 Second-Quarter Results



PROFITABLE GROWTH

Net Sales	YoY Change
\$5.1B	(4.3)% (2.3)% ex-currency

- Solid Q2 performance, despite elevated cost inflation and demand slowdown
- Delivered ongoing EPS⁽¹⁾ of \$5.97 and ongoing EBIT margin⁽¹⁾ of 9.0%, with 14% margins in North America, demonstrating the region's strength

MARGIN EXPANSION

Ongoing EBIT Margin ⁽¹⁾	YoY Change
9.0%	(2.4) pts

- Returned ~\$400M to shareholders in buybacks and dividends
- Signed agreement for the divestiture of Whirlpool Russia business, triggering a \$747M one-time, primarily non-cash charges

CASH CONVERSION

Free Cash Flow ⁽²⁾	FCF as % of Net Sales
\$(397)M	(4.0)%

- Revising full-year ongoing EPS⁽¹⁾ guidance from \$24.00 - \$26.00 to \$22.00 - \$24.00 due to near-term impact on demand from consumer sentiment and supply disruptions

Ongoing EBIT Margin⁽¹⁾ Drivers

<i>(Approximate impact)</i>	Q2
2021 Ongoing EBIT Margin	11.4%
Price/Mix	+6.75
Net Cost*	-1.75
Raw Material Inflation	-7.50
Marketing & Technology Investments	nm
Currency	nm
2022 Ongoing EBIT Margin	9.0%

*Inclusive of Fixed Cost Takeout, Ongoing Cost Productivity (Including Conversion and Freight & Warehousing), Volume Leveraging and Restructuring Benefits.

Regional Overview



Joe Liotine

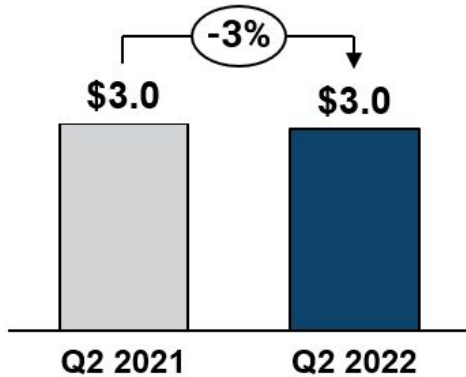
**PRESIDENT AND
CHIEF OPERATING OFFICER**



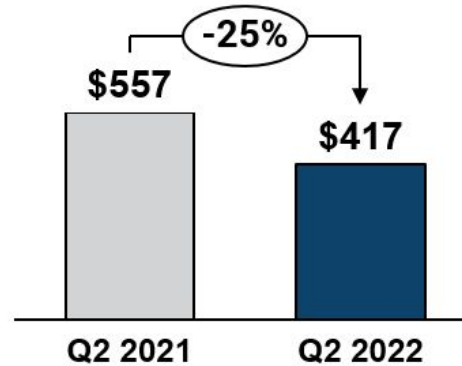
North America Second-Quarter Results



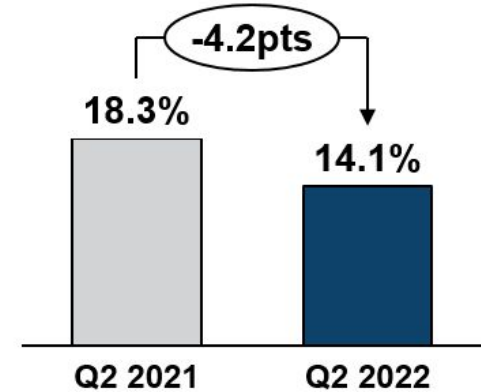
Net Sales (\$B)



EBIT⁽³⁾ (\$M)



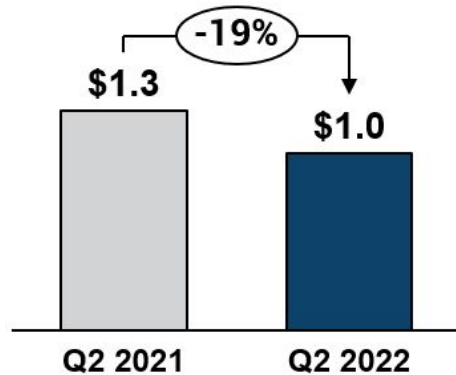
EBIT Margin⁽³⁾



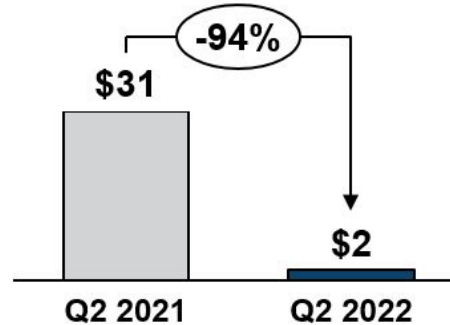
- Industry volumes down 6% year over year, largely offset by strong execution of pricing actions
- EBIT performance of 14.1% despite cost inflation increases peaking
- Demand fundamentals remain intact with appliance usage holding at elevated levels

EMEA Second-Quarter Results

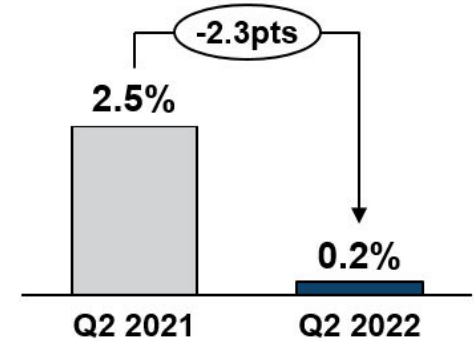
Net Sales (\$B)



EBIT⁽³⁾ (\$M)



EBIT Margin⁽³⁾



- Demand negatively impacted by War in Ukraine; revenue decline, excluding currency, of 10.3%
- EBIT impacted by lower volumes and cost inflation, partially offset by cost-based price increases
- Strategic review of EMEA progressing

Russia Business Divestiture



- Signed share purchase agreement with Arcelik, closing expected in Q3

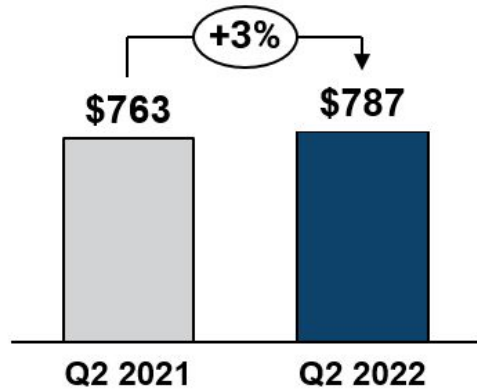
- Non-recurring charges of \$747M reflected in Q2 results
 - \$346M primarily Russia asset write-down

 - \$384M goodwill and intangible asset impairment in EMEA region

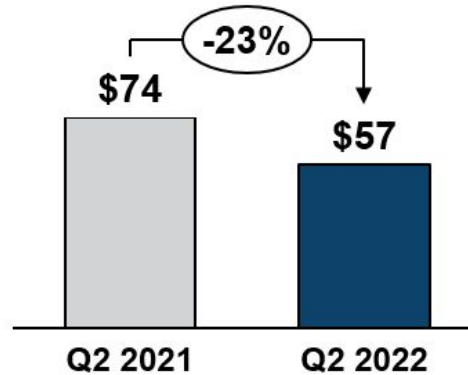
 - Other M&A related charges, including the strategic review of EMEA

Latin America Second-Quarter Results

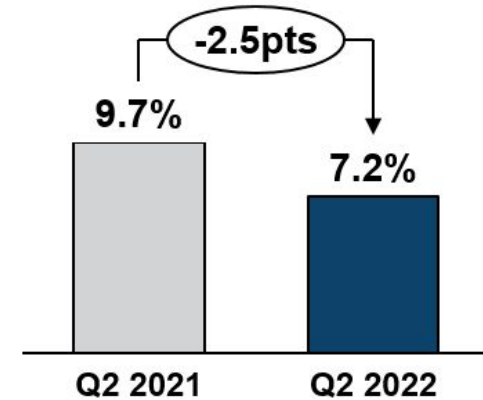
Net Sales (\$M)



EBIT⁽³⁾ (\$M)



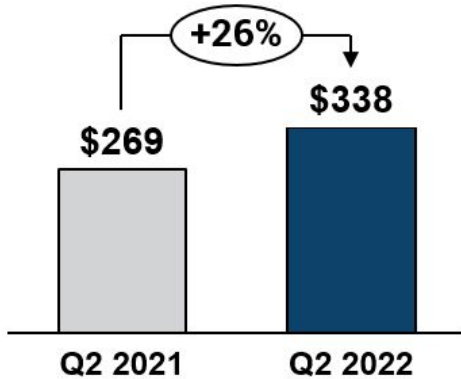
EBIT Margin⁽³⁾



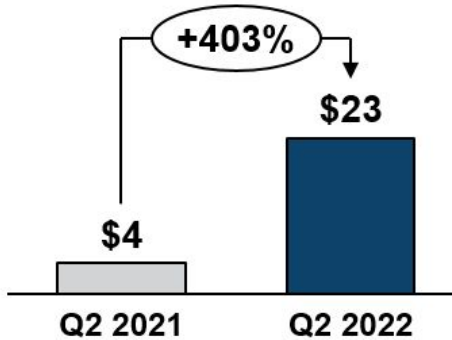
- Revenue driven by strong execution of cost-based price increases fully offsetting industry decline
- EBIT impacted by cost inflation partially offset by pricing actions
- Strong EBIT margin performance

Asia Second-Quarter Results

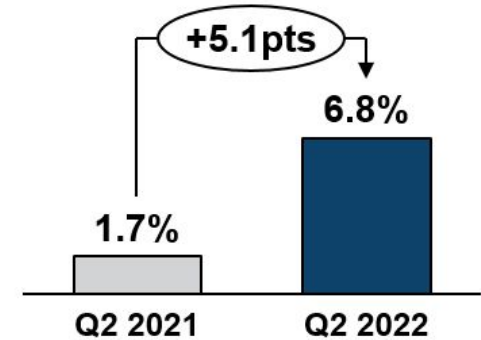
Net Sales (\$M)



EBIT⁽³⁾ (\$M)



EBIT Margin⁽³⁾



- Revenue increase driven by strong volume growth compared to last year's Covid-related shutdowns in India
- Top-line growth and pricing actions fully offsetting cost inflation
- Significant EBIT improvement (+\$19M)

2022 Guidance & Business Update



Marc Bitzer

**CHAIRMAN AND
CHIEF EXECUTIVE OFFICER**



Jim Peters

**EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER**



2022 Guidance



LONG-TERM GOALS

PROFITABLE GROWTH

5-6%

ANNUAL ORGANIC NET SALES GROWTH

Net Sales YoY Change

~\$22.5B 2-3%

~\$20.7B ~(6)%

MARGIN EXPANSION

11-12%

ONGOING EARNINGS BEFORE INTEREST AND TAX, % OF NET SALES

Ongoing EBIT Margin⁽¹⁾ YoY Change

~9.5% ~(125)bps

~9.0% ~(180)bps

CASH CONVERSION

7-8%

FREE CASH FLOW AS % OF NET SALES

Free Cash Flow⁽²⁾ FCF as % of Net Sales

\$1.25B ~5.5%

\$1.25B ~6.0%

2022 GUIDANCE

Current Previous

Full-year ongoing EPS revised from \$24.00 - \$26.00 to \$22.00 - \$24.00






Full-Year 2022 Ongoing EBIT Margin⁽¹⁾ Guidance



<i>(Approximate impact)</i>	Previous	Current	Comments
2021 Ongoing EBIT Margin	10.8%	10.8%	
Price/Mix	+7.25	+7.25	<ul style="list-style-type: none"> • Previously announced cost-based price increases in place • Product launches driving price/mix
Net Cost*	-1.00	-1.50	<ul style="list-style-type: none"> • Accelerated ongoing cost reduction initiatives • Increased logistics and energy cost; ~\$0.25B of non-structural inefficiencies and temporary volume deleveraging
Raw Material Inflation	-7.25	-7.25	<ul style="list-style-type: none"> • Expect \$1.5B to \$1.75B of material inflation, primarily driven by steel and resins
Marketing & Technology Investments	-0.25	-0.25	<ul style="list-style-type: none"> • Increased brand and product investments
Currency	nm	-0.25	<ul style="list-style-type: none"> • Primarily BRL & INR
2022 Ongoing EBIT Margin	~9.5%	~9.0%	

*Inclusive of Fixed Cost Takeout, Ongoing Cost Productivity (Including Conversion and Freight & Warehousing), Volume Leveraging and Restructuring Benefits

2022 Regional Guidance

		Industry		EBIT %	
		Previous	Current	Previous	Current
	North America	~0%	(7) - (5)%	~16%	~15%
	Europe, Middle East & Africa	(5) - (3)%	unchanged	~0%	unchanged
	Latin America	(4) - (2)%	unchanged	~7%	unchanged
	Asia	5 - 6%	unchanged	~6%	unchanged
	Total	(2) - 0%	(6) - (4)%	~9.5%	~9.0%

2022 Free Cash Flow⁽²⁾ Guidance

<i>(Approximate impact in millions)</i>	2021	2022		Comments
		Previous	Current	
Cash Earnings and Other Operating Items	\$2,254	\$2,200	\$2,000	
Capital Expenditures	\$(525)	\$(700)	\$(600)	<ul style="list-style-type: none"> • Innovation, digital transformation and capacity investments
Working Capital	\$68	\$(200)	\$(100)	<ul style="list-style-type: none"> • Modest inventory build
Restructuring Cash Outlays	\$(146)	\$(50)	\$(50)	<ul style="list-style-type: none"> • Driven by previously executed actions
Free Cash Flow	\$1,651	\$1,250	\$1,250	

Executive Summary

- Global actions in place for strong second half of 2022
 - Cost inflation expected to peak Q2/Q3
 - Previously announced price increases fully executed
 - Strong cost actions already initiated, including hiring freezes and cost-reduction initiatives

- Long-term demand fundamentals remain intact
 - Demand will be negatively impacted in 2022
 - Replacement and usage trends remain strong

- Strategic review of EMEA
 - Executed agreement to sell Whirlpool Russia

- On track to return \$1.5B in cash to shareholders in 2022

Closing Remarks and Q&A



2022 Capital Allocation Strategy

1. Fund Innovation and Growth		Target/Update
Capital Expenditure		Invest ~3% of net sales
Research and Development		Invest ~3% of net sales
Mergers & Acquisitions		Value creating M&A to support portfolio strategy
2. Return to Shareholders		Target/Update
Dividends		~30% of trailing 12-month ongoing net earnings
Share Repurchase		~\$1B share repurchases expected in 2022 Share repurchase authorization of ~\$2.7B remaining
Targeted Capital Structure		Maintain investment grade rating and gross debt leverage of 2.0x or below

Key Assumptions - Guidance



Income Statement	FY2021A	FY2022E	
		Previous	Current
Raw Material (Inflation) / Deflation	\$(1.0)B	~\$(1.5) - (1.75)B	~\$(1.5) - (1.75)B
Restructuring Costs	\$38M	***	***
Interest Expense	\$176M	~\$175M	~\$175M
Adjusted Effective Tax Rate	23.5%	24 - 26%	21 - 23%
Weighted-Average Diluted Shares Outstanding	62.9M	58.7M	56.2M*

Cash Flow Statement	FY2021A	FY2022E	
		Previous	Current
Capital Expenditures	\$525M	~\$700M	~\$600M
Dividends Paid	\$338M	**	**
Amount of Stock Repurchased	\$1,041M	**	**
Restructuring Cash Outlays	\$146M	~\$50M	~\$50M
Cash Tax Rate	16.7%	20 - 25%	15 - 20%

Note: 2022 tax rate guidance reflects GAAP and adjusted effective tax rate

*Estimated full-year weighted-average diluted shares outstanding inclusive of actual share repurchases as of 6/30/2022; Does not reflect potential additional 2022 share repurchases or share dilution

**Not included in Company's guidance

*** Restructuring expense of less than \$50M will not be included in Company's guidance and will not be removed from ongoing earnings

Interest and Sundry (Income) Expense

<i>(Approximate impact in millions)</i>	Q2		Comments
	2021	2022	
Net Foreign Exchange	\$(3)	\$8	• Includes foreign exchange and hedge (gain)/loss
Interest (Income)/Other	(33)	(27)	• Interest income and prior year LAR tax credit
Interest and Sundry (Income) Expense	\$(36)	\$(19)	

Note: Numbers may not reconcile due to rounding

Restructuring Cash Outlays

<i>(Approximate impact in millions)</i>	2021	2022E	Comments
COVID-19 Related Actions	\$61	\$15	
Naples Closure	69	10	• Naples, Italy manufacturing facility
Other Initiatives	16	25	• Primarily previous executed actions
Total	\$146	~\$50	

Note: Numbers may not reconcile due to rounding

Use of Non-GAAP Financial Measures



This presentation includes certain non-GAAP financial measures, some of which we refer to as “ongoing”⁽¹⁾ measures:

Ongoing earnings per diluted share, earnings before interest and taxes (EBIT), EBIT margin, ongoing EBIT, and ongoing EBIT margin

Other non-GAAP financial measures that may be included in this presentation are free cash flow⁽²⁾, free cash flow as percentage of sales, net sales (excluding currency), adjusted effective tax rate, net sales (excluding divestitures and currency), which we refer to as organic net sales, gross debt leverage (Gross Debt/Ongoing EBITDA) and ROIC.

Please refer to the supplemental information pack located in the events section of our Investor Relations website at investors.whirlpoolcorp.com for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures. Whirlpool does not provide a Non-GAAP reconciliation for its forward-looking long-term value creation goals, such as organic net sales, ongoing EBIT, free cash flow conversion, ROIC and gross debt/EBITDA, as these long-term management goals are not annual guidance, and the reconciliation of these long-term measures would rely on market factors and certain other conditions and assumptions that are outside of the company's control.

(1) Ongoing measures are non-GAAP measures. See our website for reconciliation information.

(2) Free cash flow is a non-GAAP measure. The Company defines free cash flow as cash provided by operating activities less capital expenditures. See our website for reconciliation information.

(3) Segment EBIT represents our consolidated EBIT broken down by the Company's reportable segments and are metrics used by the chief operating decision maker in accordance with ASC 280. Consolidated EBIT also includes corporate "Other/Eliminations" of \$(785) million and \$53 million for the second quarters of 2022 and 2021, respectively.

