

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

FORM 10-Q

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

For the quarterly period ended March 31, 2023

OR

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

Commission file number 1-3932



WHIRLPOOL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware  
(State of Incorporation)

2000 North M-63  
Benton Harbor, Michigan  
(Address of principal executive offices)

38-1490038  
(I.R.S. Employer Identification No.)

49022-2692  
(Zip Code)

Registrant's telephone number, including area code (269) 923-5000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, par value \$1.00 per share	WHR	Chicago Stock Exchange and 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 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class of common stock	Shares outstanding at April 21, 2023
Common stock, par value \$1.00 per share	54,757,938

**WHIRLPOOL CORPORATION**  
**QUARTERLY REPORT ON FORM 10-Q**

Three months ended March 31, 2023

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## FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. Certain statements contained in this quarterly report, including those within the forward-looking perspective section within the Management's Discussion and Analysis section, and other written and oral statements made from time to time by us or on our behalf do not relate strictly to historical or current facts and may contain forward-looking statements that reflect our current views with respect to future events and financial performance. As such, they are considered "forward-looking statements" which provide current expectations or forecasts of future events. 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," "guarantee," "seek," and the negative of these words and words and terms of similar substance. Our forward-looking statements generally relate to our growth strategies, financial results, product development, and sales efforts. These forward-looking statements should be considered with the understanding that such statements involve a variety of risks and uncertainties, known and unknown, and may be affected by inaccurate assumptions. Consequently, no forward-looking statement can be guaranteed and actual results may vary materially.

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, restructuring expectations, productivity, raw material prices and related costs, supply chain, transaction-related closing and synergies expectations, asset impairment, litigation, ESG efforts, and the impact of COVID-19 and the Russia/Ukraine conflict on our operations. Many risks, contingencies and uncertainties could cause actual results to differ materially from Whirlpool's forward-looking statements. Among these factors are: (1) 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; (2) Whirlpool's ability to maintain or increase sales to significant trade customers; (3) Whirlpool's ability to maintain its reputation and brand image; (4) the ability of Whirlpool to achieve its business objectives and leverage its global operating platform, and accelerate the rate of innovation; (5) Whirlpool's ability to understand consumer preferences and successfully develop new products; (6) Whirlpool's ability to obtain and protect intellectual property rights; (7) acquisition, divestiture, and investment-related risks, including risks associated with our past acquisitions; (8) the ability of suppliers of critical parts, components and manufacturing equipment to deliver sufficient quantities to Whirlpool in a timely and cost-effective manner; (9) COVID-19 pandemic-related business disruptions and economic uncertainty; (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) our ability to attract, develop and retain executives and other qualified employees; (16) the impact of labor relations; (17) fluctuations in the cost of key materials (including steel, resins, base metals) and components and the ability of Whirlpool to offset cost increases; (18) Whirlpool's ability to manage foreign currency fluctuations; (19) impacts from goodwill impairment and related charges; (20) triggering events or circumstances impacting the carrying value of our long-lived assets; (21) inventory and other asset risk; (22) health care cost trends, regulatory changes and variations between results and estimates that could increase future funding obligations for pension and postretirement benefit plans; (23) 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; (24) the effects and costs of governmental investigations or related actions by third parties; (25) changes in the legal and regulatory environment including environmental, health and safety regulations, data privacy, and taxes and tariffs; (26) Whirlpool's ability to respond to the impact of climate change and climate change regulation; and (27) the uncertain global economy and changes in economic conditions which affect demand for our products.

We undertake no obligation to update any forward-looking statement, and investors are advised to review disclosures in our filings with the SEC. It is not possible to foresee or identify all factors that could cause actual results to differ from expected or historic results. Therefore, investors should not consider the foregoing factors to be an exhaustive statement of all risks, uncertainties, or factors that could potentially cause actual results to differ from forward-looking statements.

Additional information concerning these and other factors can be found in the "Risk Factors" section of our Annual Report on Form 10-K, as updated in Part II, Item 1A of our Quarterly Reports on Form 10-Q.

Unless otherwise indicated, the terms "Whirlpool," "the Company," "we," "us," and "our" refer to Whirlpool Corporation and its consolidated subsidiaries.

#### **Website Disclosure**

We routinely post important information for investors on our website, whirlpoolcorp.com, in the "Investors" section. We also intend to update the Hot Topics Q&A portion of this webpage as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investors section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our webpage is not incorporated by reference into, and is not a part of, this document.

## PART I. FINANCIAL INFORMATION

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**WHIRLPOOL CORPORATION**  
**CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)**  
**FOR THE PERIODS ENDED MARCH 31**  
(Millions of dollars, except per share data)

	Three Months Ended	
	2023	2022
<b>Net sales</b>	\$ 4,649	\$ 4,920
<b>Expenses</b>		
Cost of products sold	3,886	4,069
Gross margin	763	851
Selling, general and administrative	487	376
Intangible amortization	11	9
Restructuring costs	—	5
(Gain) loss on sale and disposal of businesses	222	—
Operating profit (loss)	43	461
<b>Other (income) expense</b>		
Interest and sundry (income) expense	77	(7)
Interest expense	75	41
Earnings (loss) before income taxes	(109)	427
Income tax expense (benefit)	68	106
Equity method investment income (loss), net of tax	1	(5)
Net earnings (loss)	(176)	316
Less: Net earnings (loss) available to noncontrolling interests	3	3
Net earnings (loss) available to Whirlpool	\$ (179)	\$ 313
<b>Per share of common stock</b>		
Basic net earnings available to Whirlpool	\$ (3.27)	\$ 5.37
Diluted net earnings available to Whirlpool	\$ (3.27)	\$ 5.33
Dividends declared	\$ 1.75	\$ 1.75
<b>Weighted-average shares outstanding (in millions)</b>		
Basic	54.8	58.3
Diluted	54.8	58.7
<b>Comprehensive income (loss)</b>	\$ (177)	\$ 374

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

**WHIRLPOOL CORPORATION**  
**CONSOLIDATED CONDENSED BALANCE SHEETS**  
(Millions of dollars, except share data)

	(Unaudited)	
	March 31, 2023	December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,359	\$ 1,958
Accounts receivable, net of allowance of \$49 and \$49, respectively	1,612	1,555
Inventories	2,351	2,089
Prepaid and other current assets	630	653
Assets held for sale	143	139
Total current assets	6,095	6,394
Property, net of accumulated depreciation of \$5,064 and \$4,808, respectively	2,104	2,102
Right of use assets	697	691
Goodwill	3,328	3,314
Other intangibles, net of accumulated amortization of \$410 and \$400, respectively	3,154	3,164
Deferred income taxes	1,096	1,063
Other noncurrent assets	390	396
Total assets	\$ 16,864	\$ 17,124
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 3,467	\$ 3,376
Accrued expenses	542	481
Accrued advertising and promotions	421	623
Employee compensation	151	159
Notes payable	9	4
Current maturities of long-term debt	300	248
Other current liabilities	631	550
Liabilities held for sale	461	490
Total current liabilities	5,982	5,931
Noncurrent liabilities		
Long-term debt	7,382	7,363
Pension benefits	156	184
Postretirement benefits	93	96
Lease liabilities	594	584
Other noncurrent liabilities	423	460
Total noncurrent liabilities	8,648	8,687
Stockholders' equity		
Common stock, \$1 par value, 250 million shares authorized, 114 million and 114 million shares issued, respectively, and 55 million and 54 million shares outstanding, respectively	114	114
Additional paid-in capital	3,064	3,061
Retained earnings	7,985	8,261
Accumulated other comprehensive loss	(2,091)	(2,090)
Treasury stock, 60 million and 60 million shares, respectively	(7,011)	(7,010)
Total Whirlpool stockholders' equity	2,061	2,336
Noncontrolling interests	173	170
Total stockholders' equity	2,234	2,506
Total liabilities and stockholders' equity	\$ 16,864	\$ 17,124

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

**WHIRLPOOL CORPORATION**  
**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIODS ENDED MARCH 31**  
(Millions of dollars)

	Three Months Ended	
	2023	2022
<b>Operating activities</b>		
Net earnings (loss)	\$ (176)	\$ 316
Adjustments to reconcile net earnings to cash provided by (used in) operating activities:		
Depreciation and amortization	89	112
(Gain) loss on sale and disposal of businesses	222	—
Changes in assets and liabilities:		
Accounts receivable	(155)	248
Inventories	(284)	(384)
Accounts payable	(24)	(217)
Accrued advertising and promotions	(229)	(272)
Accrued expenses and current liabilities	99	186
Taxes deferred and payable, net	43	79
Accrued pension and postretirement benefits	(14)	(28)
Employee compensation	3	(234)
Other	(51)	(134)
Cash provided by (used in) operating activities	<u>(477)</u>	<u>(328)</u>
<b>Investing activities</b>		
Capital expenditures	(96)	(87)
Proceeds from sale of assets and businesses	—	75
Acquisition of businesses, net of cash acquired	(14)	—
Cash provided by (used in) investing activities	<u>(110)</u>	<u>(12)</u>
<b>Financing activities</b>		
Net proceeds from borrowings of long-term debt	303	—
Net proceeds (repayments) of long-term debt	(250)	—
Net proceeds (repayments) from short-term borrowings	9	—
Dividends paid	(97)	(103)
Repurchase of common stock	—	(533)
Common stock issued	1	2
Other	(4)	3
Cash provided by (used in) financing activities	<u>(38)</u>	<u>(631)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	27	41
Less: decrease in cash classified as held for sale	(1)	—
Increase (decrease) in cash, cash equivalents and restricted cash	<u>(599)</u>	<u>(930)</u>
Cash, cash equivalents and restricted cash at beginning of year	1,958	3,044
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,359</u>	<u>\$ 2,114</u>

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

## NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

### (1) BASIS OF PRESENTATION

#### General Information

The accompanying unaudited Consolidated Condensed Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information, and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information or footnotes required by U.S. GAAP for complete financial statements. As a result, this Form 10-Q should be read in conjunction with the Consolidated Financial Statements and accompanying Notes in our Form 10-K for the year ended December 31, 2022.

Management believes that the accompanying Consolidated Condensed Financial Statements reflect all adjustments, including normal recurring items, considered necessary for a fair presentation of the interim periods.

We are required to make estimates and assumptions that affect the amounts reported in the Consolidated Condensed Financial Statements and accompanying Notes. Actual results could differ materially from those estimates.

We have eliminated all material intercompany transactions in our Consolidated Condensed Financial Statements. We do not consolidate the financial statements of any company in which we have an ownership interest of 50% or less, unless that company is deemed to be a variable interest entity ("VIE") of which we are the primary beneficiary. VIEs are consolidated when the company is the primary beneficiary of these entities and has the ability to directly impact the activities of these entities.

#### Risks and Uncertainties

During the first quarter of 2022, Russia commenced a military invasion of Ukraine, and the ensuing conflict has created disruption in the EMEA region and around the world. While we continued experiencing some of this disruption during the quarter, the duration and severity of the effects on our business and the global economy are inherently unpredictable. We continue to closely monitor the ongoing conflict which could materially impact our financial results in the future. We have some sales and distribution operations in Ukraine, however, the revenues and net assets are not material to our EMEA operating segment and consolidated results.

On June 27, 2022, our subsidiary Whirlpool EMEA SpA entered into a share purchase agreement with Arçelik A.Ş. ("Arçelik") to sell our Russian business to Arçelik for contingent consideration. The sale of the Russian business was completed on August 31, 2022. Furthermore, macroeconomic volatility continues to impact countries across the world, and the duration and severity of the effects are currently unknown.

The Consolidated Condensed Financial Statements presented herein reflect estimates and assumptions made by management at March 31, 2023. These estimates and assumptions affect, among other things, the Company's goodwill, long-lived asset and indefinite-lived intangible asset valuation; inventory valuation; assessment of the annual effective tax rate; valuation of deferred income taxes and income tax contingencies; and the allowance for expected credit losses and bad debt. Events and changes in circumstances arising after April 25, 2023, including those resulting from the impacts of macroeconomic volatility as well as the ongoing conflict in Ukraine, will be reflected in management's estimates for future periods.

#### *Goodwill and Indefinite-lived Intangible Assets*

We continue to monitor the significant global economic uncertainty to assess the outlook for demand for our products and the impact on our business and our overall financial performance. Our *JennAir* and *Maytag* trademarks continue to be at risk at March 31, 2023. The goodwill in our reporting units or other indefinite-lived intangible assets are not presently at risk for future impairment.

The potential impact of demand disruptions, production impacts or supply constraints along with a number of other factors could negatively effect revenues for the *JennAir* and *Maytag* trademarks, but we remain committed to the strategic actions necessary to realize the long-term forecasted revenues and profitability of these trademarks. A lack of recovery or further deterioration in market conditions, a sustained trend of

weaker than expected financial performance for our *JennAir* or *Maytag* trademarks, among other factors, as a result of the macroeconomic factors or other unforeseen events could result in an impairment charge in future periods which could have a material adverse effect on our financial statements.

As a result of our analysis, and in consideration of the totality of events and circumstances, there were no triggering events of impairment identified during the first quarter of 2023.

#### *Income taxes*

Under U.S. GAAP, the Company calculates its quarterly tax provision based on an estimated effective tax rate for the year and then adjusts this amount by certain discrete items each quarter. Potential changing and volatile macro-economic conditions could cause fluctuations in forecasted earnings before income taxes. As such, the Company's effective tax rate could be subject to volatility as forecasted earnings before income taxes are impacted by events which cannot be predicted. In addition, potential future economic deterioration brought on by the pandemic, ongoing conflict in Ukraine, and related sanctions or other factors, such as potential sales of businesses and changes in tax rates may negatively impact the realizability and/or valuation of certain deferred tax assets.

#### **Other Accounting Matters**

##### *Synthetic Lease Arrangements*

We have a number of synthetic lease arrangements with financial institutions for non-core properties. The leases contain provisions for options to purchase, extend the original term for additional periods or return the property. As of March 31, 2023 and December 31, 2022, these arrangements include residual value guarantees of up to approximately \$334 million and \$334 million, respectively, that could potentially come due in future periods. We do not believe it is probable that any material amounts will be owed under these guarantees. Therefore, no material amounts related to the residual value guarantees are included in the lease payments used to measure the right-of-use assets and lease liabilities.

The majority of these leases are classified as operating leases. We have assessed the reasonable certainty of these provisions to determine the appropriate lease term. The leases were measured using our incremental borrowing rate and are included in our right of use assets and lease liabilities in the Consolidated Condensed Balance Sheets. Rental payments are calculated at the applicable reference rate plus a margin. The impact to the Consolidated Condensed Balance Sheets and Consolidated Condensed Statements of Comprehensive Income (Loss) is nominal.

##### *Sale-leaseback Transaction*

In the first quarter of 2022, the Company sold and leased back a group of non-core properties for net proceeds of approximately \$52 million. The initial total annual rent for the properties is approximately \$2 million per year over an initial 15 year lease term and is subject to annual rent increases. Under the terms of the lease agreement, the Company is responsible for all taxes, insurance and utilities and is required to adequately maintain the properties for the lease term. The Company has two sequential 5-year renewal options.

The transaction met the requirements for sale-leaseback accounting. Accordingly, the Company recorded the sale of the properties, which resulted in a gain of approximately \$44 million (\$36 million, net of tax) recorded in selling, general and administrative expense in the Consolidated Condensed Statements of Comprehensive Income (Loss). The related land and buildings were removed from property, plant and equipment, net and the appropriate right-of-use asset and lease liabilities of approximately \$32 million were recorded in the Consolidated Condensed Balance Sheets.

##### *Supply Chain Financing Arrangements*

The Company has ongoing agreements globally with various third-parties to provide certain suppliers the opportunity to sell receivables due from us to participating financial institutions at the sole discretion of both the suppliers and the financial institutions. Under these agreements, the average payment terms range from 120 to 180 days and are based on industry standards and best practices within each of our global regions. Whirlpool has no assets pledged as part of our global programs.

We have no economic interest in the sale of these receivables and no direct financial relationship with the financial institutions concerning these services. For certain arrangements, the Company will guarantee receivables due from wholly-owned subsidiaries. Our obligations to suppliers, including amounts due and scheduled payment terms, are not impacted. All outstanding balances under these programs are recorded in accounts payable on our Consolidated Condensed Balance Sheets. Approximately \$1.2 billion have been issued to participating financial institutions as of March 31, 2023 and \$1.1 billion as of December 31, 2022, respectively, of which \$408 million and \$368 million, respectively, of the balance issued is related to our European major domestic appliance business which was classified as held for sale in the fourth quarter of 2022.

A downgrade in our credit rating or changes in the financial markets could limit the financial institutions' willingness to commit funds to, and participate in, the programs. We do not believe such risk would have a material impact on our working capital or cash flows.

#### *Equity Method Investments*

Whirlpool holds an equity interest of 20% in Whirlpool (China) Co., Ltd. (Whirlpool China), an entity which was previously controlled by the Company. The following tables summarize balances and transactions with Whirlpool China and its subsidiaries during the periods presented.

Millions of dollars		March 31, 2023	December 31, 2022
Other noncurrent assets	Carrying value of equity interest	\$ 203	\$ 201
Accounts payable	Outstanding amounts due	\$ 76	\$ 75

Millions of dollars	Three Months Ended March 31,	2023	2022
Purchases from Whirlpool China		\$ 59	\$ 102

The licensing revenue and outstanding accounts receivable from Whirlpool China and its subsidiaries are not material for the periods presented.

The market value of our 20% investment in Whirlpool China, based on the quoted market price, is \$179 million as of March 31, 2023. Management has concluded that there are no indicators for an other-than-temporary impairment.

#### *Related Party Transactions*

The Company has a controlling equity ownership of 87% in Elica PB India which is consolidated in Whirlpool Corporation's financial statements and is reported within our Asia reportable segment. Elica PB India is a VIE for which the Company is the primary beneficiary. The carrying amount of customer relationships, which are included in Other intangible assets, net of accumulated amortization, amounts to \$30 million as of March 31, 2023 and \$31 million as of December 31, 2022, respectively. Other assets or liabilities of Elica PB India are not material to the Consolidated Condensed Financial Statements of the Company for the periods presented.

Both Whirlpool India and the non-controlling interest shareholders retain an option for Whirlpool India to purchase the remaining equity interest in Elica PB India for fair value, which could be material to the financial statements of the Company, depending on the performance of the business.

#### **Adoption of New Accounting Standards**

We adopted the following standard as of January 1, 2023:

Standard	Effective Date
2022-04 Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations	January 1, 2023

All other issued and not yet effective accounting standards are not relevant or material to the Company.

## (2) REVENUE RECOGNITION

### Disaggregation of Revenue

The following table presents our disaggregated revenues by revenue source. We sell products within all product categories in each operating segment. For additional information on the disaggregated revenues by geographic regions, see Note 12 to the Consolidated Condensed Financial Statements.

Millions of dollars	Three Months Ended March 31,	
	2023	2022
<b>Major product categories:</b>		
Laundry	\$ 1,295	\$ 1,333
Refrigeration	1,372	1,528
Cooking	1,092	1,281
Dishwashing	432	450
<b>Total major product category net sales</b>	<b>\$ 4,191</b>	<b>\$ 4,592</b>
Spare parts and warranties	236	234
Other	222	94
<b>Total net sales</b>	<b>\$ 4,649</b>	<b>\$ 4,920</b>

The impact to revenue related to prior period performance obligations is less than 1% of global consolidated revenues for the three months ended March 31, 2023.

### Allowance for Expected Credit Losses and Bad Debt Expense

We estimate our expected credit losses primarily by using an aging methodology and establish customer-specific reserves for higher risk trade customers. Our expected credit losses are evaluated and controlled within each geographic region considering the unique credit risk specific to the country, marketplace and economic environment. We take into account past events, current conditions and reasonable and supportable forecasts in developing the reserve.

The following table summarizes our allowance for expected credit losses and bad debt by operating segment for the three months ended March 31, 2023:

Millions of dollars	December 31, 2022	Charged to Earnings	Write-offs	Foreign Currency	Other <sup>(1)</sup>	March 31, 2023
<b>Accounts receivable allowance</b>						
North America	\$ 6	\$ (1)	(1)	\$ —	\$ —	4
EMEA	2	—	—	1	(1)	2
Latin America	38	1	(1)	2	—	40
Asia	3	—	—	—	—	3
Consolidated	\$ 49	\$ —	(2)	\$ 3	(1)	49
<b>Financing receivable allowance</b>						
Latin America	\$ 27	\$ —	—	\$ 1	\$ —	28
Consolidated	\$ 76	\$ —	(2)	\$ 4	(1)	77

<sup>(1)</sup> Starting from the fourth quarter of 2022, accounts receivable allowance of our European major domestic appliance business is transferred to assets held for sale. For additional information, see Note 13 to the Consolidated Condensed Financial Statements.

We recorded an immaterial amount of bad debt expense for the periods ended March 31, 2023 and December 31, 2022, respectively.

### (3) INVENTORIES

The following table summarizes our inventories at March 31, 2023 and December 31, 2022:

Millions of dollars	March 31, 2023	December 31, 2022
Finished products	\$ 1,820	\$ 1,580
Raw materials and work in process	531	509
Total Inventories	\$ 2,351	\$ 2,089

### (4) PROPERTY, PLANT AND EQUIPMENT

The following table summarizes our property, plant and equipment at March 31, 2023 and December 31, 2022:

Millions of dollars	March 31, 2023	December 31, 2022
Land	\$ 32	\$ 32
Buildings	876	862
Machinery and equipment	6,260	6,016
Accumulated depreciation	(5,064)	(4,808)
Property, plant and equipment, net	\$ 2,104	\$ 2,102

During the three months ended March 31, 2023, we disposed of land, buildings, machinery and equipment with a net book value of \$1 million, compared to \$17 million in the same period of 2022. The net loss on the disposals was not material for the three months ended March 31, 2023. The net gain on the disposals of \$57 million for the same period of 2022 was primarily driven by a sale-leaseback transaction.

For additional information see Note 1 to the Consolidated Condensed Financial Statements.

### (5) FINANCING ARRANGEMENTS

#### Debt Offering

On February 22, 2023, the Company completed its offering of \$300 million aggregate principal amount of 5.5% Senior Notes due 2033 (the "2033 Notes"), in a public offering pursuant to a registration statement on Form S-3 (File No. 333-255372). The 2033 Notes were issued under an indenture (the "Indenture"), dated March 20, 2000, between the Company, as issuer, and U.S. Bank Trust Company, National Association (as successor to U.S. Bank, National Association and Citibank, N.A.), as trustee. The sale of the 2033 Notes was made pursuant to the terms of an Underwriting Agreement, dated February 14, 2023, with BNP Paribas Securities Corp., ING Financial Markets LLC, Mizuho Securities USA LLC, SMBC Nikko Securities America, Inc. and SG Americas Securities, LLC, as representatives of the several underwriters in connection with the offering and sales of the 2033 Notes. The Company used the net proceeds from the sale of the 2033 Notes to repay \$250 million aggregate principal amount of 3.7% Notes which were paid on March 1, 2023, and for general corporate purposes.

On May 4, 2022, the Company completed its offering of \$300 million in principal amount of 4.7% Senior Notes due 2032 (the "2032 Notes"), in a public offering pursuant to a registration statement on Form S-3 (File No. 333-255372). The 2032 Notes were issued under the Indenture. The sale of the 2032 Notes was made pursuant to the terms of an Underwriting Agreement, dated May 2, 2022, among the Company, as issuer, and BNP Paribas Securities Corp., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, Mizuho Securities USA LLC and Wells Fargo Securities, LLC, as representatives of the several underwriters in connection with the offering and sales of the 2032 Notes. The 2032 Notes contain covenants that limit the Company's ability to incur certain liens or enter into certain sale and lease-back transactions. In addition, if we experience a specific kind of change of control, we are required to make an offer to purchase all of the notes at a purchase price of 101% of the principal amount thereof, plus accrued and unpaid interest. The Company used the net proceeds

from the sale of the 2032 Notes to redeem \$300 million aggregate principal amount of 4.7% Notes which were paid on June 1, 2022.

### **Term Loan Agreement**

On September 23, 2022, Whirlpool Corporation (the "Company") entered into a Term Loan Agreement by and among the Company, Sumitomo Mitsui Banking Corporation ("SMBC"), as Administrative Agent and Syndication Agent and as lender, and certain other financial institutions as lenders. SMBC, BNP Paribas, ING Bank N.V., Dublin Branch, Mizuho Bank, Ltd., and Societe Generale acted as Joint Lead Arrangers and Syndication Agents; The Bank of Nova Scotia and Bank of China, Chicago Branch acted as Documentation Agents; and SMBC acted as Sole Bookrunner for the Term Loan Agreement. The Term Loan Agreement provides for an aggregate lender commitment of \$2.5 billion. The Company utilized proceeds from the term loan facility on a delayed draw basis to fund a majority of the \$3.0 billion purchase price consideration for the Company's acquisition from Emerson Corporation ("Emerson") of Emerson's InSinkErator business, as set forth in the Asset and Stock Purchase Agreement between Whirlpool and Emerson dated as of August 7, 2022 (the "Acquisition Agreement").

The term loan facility is divided into two tranches: a \$1 billion tranche with a maturity date of April 30, 2024 and a \$1.5 billion tranche with a maturity date of October 31, 2025.

The interest and fee rates payable with respect to the term loan facility based on the Company's current debt rating are as follows: (1) the spread over secured overnight financing rate ("SOFR") for the 18-month tranche is 0.75%; (2) the spread over SOFR for the 3-year tranche is 1.00%; (3) the spread over prime for both tranches is zero; and (4) the ticking fee for both tranches is 0.10%, as of the date hereof.

The Term Loan Agreement contains customary covenants and warranties including, among other things, a rolling twelve month interest coverage ratio required to be greater than or equal to 3.0 to 1.0 for each fiscal quarter. In addition, the covenants limit the Company's ability to (or to permit any subsidiaries to), subject to various exceptions and limitations: (i) merge with other companies; (ii) create liens on its property; and (iii) incur debt at the subsidiary level. We were in compliance with our interest coverage ratio under the term loan agreement as of March 31, 2023.

The outstanding amount for this term loan at March 31, 2023 was \$2.5 billion.

### **Credit Facilities**

On May 3, 2022, the Company entered into a Fifth Amended and Restated Long-Term Credit Agreement (the "Amended Long-Term Facility") by and among the Company, certain other borrowers, the lenders referred to therein, JPMorgan Chase Bank, N.A. as Administrative Agent, and Citibank, N.A., as Syndication Agent. BNP Paribas, Mizuho Bank, Ltd. and Wells Fargo Bank, National Association acted as Documentation Agents. JPMorgan Chase Bank, N.A., BNP Paribas Securities Corp., Citibank, N.A., Mizuho Bank, Ltd. and Wells Fargo Securities, LLC acted as Joint Lead Arrangers and Joint Bookrunners for the Amended Long-Term Facility. Consistent with the Company's prior credit agreement, the Amended Long-Term Facility provides an aggregate borrowing capacity of \$3.5 billion. The facility has a maturity date of May 3, 2027, unless earlier terminated.

The interest rate payable with respect to the Amended Long-Term Facility reflect a decrease of 0.125% in the interest rate margin from the Company's prior credit facility, and will be based on the Company's current debt rating, Term SOFR (Secured Overnight Financing Rate) + 1.00% interest rate margin per annum (with a 0.10% SOFR spread adjustment) or the Alternate Base Rate + 0.00% per annum, at the Company's election.

The Amended Long-Term Facility contains customary covenants and warranties, such as, among other things, a rolling four quarter interest coverage ratio required to be greater than or equal to 3.0 as of the end of each fiscal quarter. The Amended Long-Term Facility also includes limitations on the Company's ability to (or to permit any subsidiaries to), subject to various exceptions and limitations: (i) merge with other companies; (ii) create liens on its property; and (iii) incur debt at the subsidiary level. Many of the lenders have in the past performed, and may in the future from time to time perform, investment banking, financial advisory, lending and/or commercial banking services, or other services for Whirlpool Corporation and its subsidiaries, for which they have received, and may in the future receive, customary compensation and expense reimbursement. We were in compliance with our interest coverage ratio under the revolving credit facility as of March 31, 2023.

In addition to the committed \$3.5 billion Amended Long-Term Facility and the committed \$2.5 billion term loan, we have committed credit facilities in Brazil and India. These committed credit facilities provide borrowings up to approximately \$209 million at March 31, 2023 and \$204 million at December 31, 2022, based on exchange rates then in effect, respectively. These committed credit facilities have maturities that run through 2024.

We had \$2.5 billion drawn on the committed credit facilities at March 31, 2023 and December 31, 2022, respectively.

### Notes Payable

Notes payable, which consist of short-term borrowings payable to banks or commercial paper, are generally used to fund working capital requirements. The fair value of our notes payable approximates the carrying amount due to the short maturity of these obligations.

The following table summarizes the carrying value of notes payable at March 31, 2023 and December 31, 2022:

Millions of dollars	March 31, 2023	December 31, 2022
Total notes payable	\$ 9	\$ 4

### Transfers and Servicing of Financial Assets

In an effort to manage economic and geographic trade customer risk, from time to time, the Company will transfer, primarily without recourse, accounts receivable balances of certain customers to financial institutions resulting in a nominal impact recorded in interest and sundry (income) expense. These transactions are accounted for as sales of the receivables resulting in the receivables being de-recognized from the Consolidated Condensed Balance Sheets. These transfers do not require continuing involvement from the Company.

Certain arrangements include servicing of transferred receivables by Whirlpool. The amount of cash proceeds received under these arrangements was \$51 million for the three months ended March 31, 2023. No amounts were received under these arrangements for the three months ended March 31, 2022. Outstanding accounts receivable transferred under arrangements where the Company continues to service the transferred asset were \$51 million as of March 31, 2023 and \$80 million as of December 31, 2022, respectively.

## (6) COMMITMENTS AND CONTINGENCIES

### Embraco Antitrust Matters

Beginning in February 2009, our former Embraco compressor business headquartered in Brazil ("Embraco") was notified of antitrust investigations of the global compressor industry by government authorities in various jurisdictions. Embraco resolved the government investigations and related claims in various jurisdictions and certain other claims remain pending.

Whirlpool agreed to retain potential liabilities related to this matter following closing of the Embraco sale transaction. We have resolved all potentially material claims and do not anticipate any additional material financial impacts related to this matter.

### BEFIEX Credits and Other Brazil Tax Matters

In previous years, our Brazilian operations earned tax credits under the Brazilian government's export incentive program (BEFIEX). These credits reduced Brazilian federal excise taxes on domestic sales.

Our Brazilian operations have received tax assessments for income and social contribution taxes associated with certain monetized BEFIEX credits. We do not believe BEFIEX credits are subject to income or social contribution taxes. We believe these tax assessments are without merit and are vigorously defending our positions. We have not provided for income or social contribution taxes on these BEFIEX credits, and based on the opinions of tax and legal advisors, we have not accrued any amount related to these assessments at March 31, 2023. The total amount of outstanding tax assessments received for income and social contribution taxes relating to the BEFIEX credits, including interest and penalties, is approximately 2.2 billion Brazilian reais

(approximately \$428 million at March 31, 2023).

Relying on existing Brazilian legal precedent, in 2003 and 2004, we recognized tax credits in an aggregate amount of \$26 million, adjusted for currency, on the purchase of raw materials used in production ("IPI tax credits"). The Brazilian tax authority subsequently challenged the recording of IPI tax credits. No such credits have been recognized since 2004. In 2009, we entered into a Brazilian government program ("IPI Amnesty") which provided extended payment terms and reduced penalties and interest to encourage taxpayers to resolve this and certain other disputed tax credit amounts. As permitted by the program, we elected to settle certain debts through the use of other existing tax credits and recorded charges of approximately \$34 million in 2009 associated with these matters. In July 2012, the Brazilian revenue authority notified us that a portion of our proposed settlement was rejected and we received tax assessments of 275 million Brazilian reais (approximately \$54 million at March 31, 2023), reflecting interest and penalties to date. We believe these tax assessments are without merit and we are vigorously defending our position. The government's assessment in this case relies heavily on its arguments regarding taxability of BEFIEEX credits for certain years, which we are disputing in one of the BEFIEEX government assessment cases cited in the prior paragraph. Because the IPI Amnesty case is moving faster than the BEFIEEX taxability case, we could be required to pay the IPI Amnesty assessment before obtaining a final decision in the BEFIEEX taxability case.

We have received tax assessments from the Brazilian federal tax authorities relating to amounts allegedly due regarding insurance taxes (PIS/COFINS) for tax credits recognized since 2007. These credits were recognized for inputs to certain manufacturing and other business processes. These assessments are being challenged at the administrative and judicial levels in Brazil. The total amount of outstanding tax assessments received for credits recognized for PIS/COFINS inputs is approximately \$313 million Brazilian reais (approximately \$62 million at March 31, 2023). We believe these tax assessments are without merit and are vigorously defending our positions. Based on the opinion of our tax and legal advisors, we have not accrued any amount related to these assessments.

In addition to the BEFIEEX, IPI tax credit and PIS/COFINS inputs matters noted above, other assessments issued by the Brazilian tax authorities related to indirect and income tax matters, and other matters, are at various stages of review in numerous administrative and judicial proceedings. The amounts related to these assessments will continue to be increased by monetary adjustments at the Selic rate, which is the benchmark rate set by the Brazilian Central Bank. In accordance with our accounting policies, we routinely assess these matters and, when necessary, record our best estimate of a loss. We believe these tax assessments are without merit and are vigorously defending our positions.

Litigation is inherently unpredictable and the conclusion of these matters may take many years to ultimately resolve. Amounts at issue in potential future litigation could increase as a result of interest and penalties in future periods. Accordingly, it is possible that an unfavorable outcome in these proceedings could have a material adverse effect on our financial statements in any particular reporting period.

#### **Legacy EMEA Legal Matters**

##### ***Competition Investigation***

In 2013, the French Competition Authority ("FCA") commenced an investigation of appliance manufacturers and retailers in France, including Whirlpool and Indesit. The FCA investigation was split into two parts, and in December 2018, we finalized a settlement with the FCA on the first part of the investigation. The second part of the FCA investigation, which is focused primarily on manufacturer interactions with retailers, is ongoing. The Company is fully cooperating with this investigation.

Although it is currently not possible to assess the impact, if any, that additional matters related to the FCA investigation may have on our financial statements, matters related to the FCA investigation could have a material adverse effect on our financial statements in any particular reporting period.

##### ***Trade Customer Insolvency***

The Company was a former indirect minority shareholder of Alno AG, a longstanding trade customer that filed for insolvency protection in Germany. In 2020, we paid a settlement of €52.75 million (approximately \$59 million at the time of payment) to resolve any potential claims the insolvency trustee might have against the Company. We are also defending third-party claims related to Alno's insolvency that we believe are

without merit, and believe the ultimate resolution of these claims will not have a material adverse effect on our financial statements.

The aggregate amount accrued by the Company related to legacy EMEA legal matters was \$62 million as of March 31, 2023.

#### **Latin America Indirect Tax Review**

In the first quarter of 2023, we accrued an immaterial amount in our consolidated condensed financial statements related to prior-period Value Added Tax (VAT) remittances in our Latin America region. We are continuing to review the matter and any potential additional impacts, if any; such matter could have a material adverse effect on our financial statements in any particular reporting period.

#### **Grenfell Tower**

On June 23, 2017, London's Metropolitan Police Service released a statement that it had identified a Hotpoint-branded refrigerator as the initial source of the Grenfell Tower fire in West London. U.K. authorities are conducting investigations, including regarding the cause and spread of the fire. The model in question was manufactured by Indesit Company between 2006 and 2009, prior to Whirlpool's acquisition of Indesit in 2014. We are fully cooperating with the investigating authorities. Whirlpool was named as a defendant in a product liability suit in Pennsylvania federal court related to this matter. The federal court dismissed the case with prejudice in September 2020 and the dismissal was affirmed on appeal in July 2022. Plaintiffs filed a petition with the U.S. Supreme Court in January 2023 which was subsequently denied. In December 2020, lawsuits related to Grenfell Tower were filed in the U.K. against approximately 20 defendants, including Whirlpool Corporation and certain Whirlpool subsidiaries. In the fourth quarter of 2022, we accrued an immaterial amount related to these claims in our financial statements. Additional claims may be filed related to this incident.

#### **Other Litigation**

See Note 11 for information on certain U.S. income tax litigation. In addition, we are currently defending against two lawsuits that have been certified for treatment as class actions in U.S. federal court, relating to two top-load washing machine models. In December 2019, the court in one of these lawsuits entered summary judgment in Whirlpool's favor. That ruling remains subject to appeal, and the other lawsuit is ongoing. We believe the lawsuits are without merit and are vigorously defending them. Given the preliminary stage of the proceedings, we cannot reasonably estimate a range of loss, if any, at this time. The resolution of these matters could have a material adverse effect on our financial statements in any particular reporting period.

We are currently vigorously defending a number of other lawsuits related to the manufacture and sale of our products which include class action allegations, and may become involved in similar actions. These lawsuits allege claims which include negligence, breach of contract, breach of warranty, product liability and safety claims, false advertising, fraud, and violation of federal and state regulations, including consumer protection laws. In general, we do not have insurance coverage for class action lawsuits. We are also involved in various other legal actions arising in the normal course of business, for which insurance coverage may or may not be available depending on the nature of the action. We dispute the merits of these suits and actions, and intend to vigorously defend them. Management believes, based upon its current knowledge, after taking into consideration legal counsel's evaluation of such suits and actions, and after taking into account current litigation accruals, that the outcome of these matters currently pending against Whirlpool should not have a material adverse effect, if any, on our financial statements.

## Product Warranty Reserves

Product warranty reserves are included in other current and other noncurrent liabilities in our Consolidated Condensed Balance Sheets. The following table summarizes the changes in total product warranty liability reserves for the periods presented:

Millions of dollars	Product Warranty	
	2023	2022
Balance at January 1 <sup>(1)</sup>	\$ 190	\$ 286
Issuances/accruals during the period	58	71
Settlements made during the period/other	(56)	(79)
Balance at March 31	\$ 192	\$ 278
Current portion	\$ 131	\$ 187
Non-current portion	61	91
Total	\$ 192	\$ 278

<sup>(1)</sup> Product warranty reserve of \$59 million of our European major domestic appliance business has been transferred to liabilities held for sale in the fourth quarter of 2022.

In the normal course of business, we engage in investigations of potential quality and safety issues. As part of our ongoing effort to deliver quality products to consumers, we are currently investigating certain potential quality and safety issues globally. As necessary, we undertake to effect repair or replacement of appliances in the event that an investigation leads to the conclusion that such action is warranted.

## Guarantees

We have guarantee arrangements in a Brazilian subsidiary. For certain creditworthy customers, the subsidiary guarantees customer lines of credit at commercial banks to support purchases following its normal credit policies. If a customer were to default on its line of credit with the bank, our subsidiary would be required to assume the line of credit and satisfy the obligation with the bank. At March 31, 2023 and December 31, 2022, the guaranteed amounts totaled 854 million Brazilian reais (approximately \$168 million at March 31, 2023) and 1,122 million Brazilian reais (approximately \$215 million at December 31, 2022), respectively. The fair value of these guarantees were nominal at March 31, 2023 and December 31, 2022. Our subsidiary insures against a significant portion of this credit risk for these guarantees, under normal operating conditions, through policies purchased from high-quality underwriters.

We provide guarantees of indebtedness and lines of credit for various consolidated subsidiaries. The maximum contractual amount of indebtedness and lines of credit available under these lines for consolidated subsidiaries totaled approximately \$2.9 billion at March 31, 2023 and \$2.9 billion at December 31, 2022, respectively. Our total short-term outstanding bank indebtedness under guarantees was nominal at both March 31, 2023 and December 31, 2022.

## (7) PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

The following table summarizes the components of net periodic pension cost and the cost of other postretirement benefits for the periods presented:

Millions of dollars	Three Months Ended March 31,					
	United States Pension Benefits		Foreign Pension Benefits		Other Postretirement Benefits	
	2023	2022	2023	2022	2023	2022
Service cost	\$ 1	\$ 1	\$ 1	\$ 1	\$ —	\$ —
Interest cost	29	20	6	4	2	2
Expected return on plan assets	(36)	(36)	(6)	(9)	—	—
Amortization:						
Actuarial loss	9	15	2	3	—	—
Prior service credit	—	—	—	—	(11)	(12)
Settlement and curtailment (gain) loss	—	—	—	1	—	—
Net periodic benefit cost (credit)	\$ 3	\$ —	\$ 3	\$ —	\$ (9)	\$ (10)

The following table summarizes the net periodic cost recognized in operating profit and interest and sundry (income) expense for the periods presented:

Millions of dollars	Three Months Ended March 31,					
	United States Pension Benefits		Foreign Pension Benefits		Other Postretirement Benefits	
	2023	2022	2023	2022	2023	2022
Operating profit (loss)	\$ 1	\$ 1	\$ 1	\$ 1	\$ —	\$ —
Interest and sundry (income) expense	2	(1)	2	(1)	(9)	(10)
Net periodic benefit cost	\$ 3	\$ —	\$ 3	\$ —	\$ (9)	\$ (10)

## (8) HEDGES AND DERIVATIVE FINANCIAL INSTRUMENTS

Derivative instruments are accounted for at fair value based on market rates. Derivatives where we elect hedge accounting are designated as either cash flow, fair value or net investment hedges. Derivatives that are not accounted for based on hedge accounting are marked to market through earnings. If the designated cash flow hedges are highly effective, the gains and losses are recorded in other comprehensive income (loss) and subsequently reclassified to earnings to offset the impact of the hedged items when they occur. In the event it becomes probable the forecasted transaction to which a cash flow hedge relates will not occur, the derivative would be terminated and the amount in accumulated other comprehensive income (loss) would be recognized in earnings. The fair value of the hedge asset or liability is presented in either other current assets / liabilities or other noncurrent assets / liabilities on the Consolidated Condensed Balance Sheets and in other within cash provided by (used in) operating activities in the Consolidated Condensed Statements of Cash Flows.

Using derivative instruments means assuming counterparty credit risk. Counterparty credit risk relates to the loss we could incur if a counterparty were to default on a derivative contract. We generally deal with investment grade counterparties and monitor the overall credit risk and exposure to individual counterparties. We do not anticipate nonperformance by any counterparties. The amount of counterparty credit exposure is limited to the unrealized gains, if any, on such derivative contracts. We do not require nor do we post collateral on such contracts.

### Hedging Strategy

In the normal course of business, we manage risks relating to our ongoing business operations including those arising from changes in commodity prices, foreign exchange rates and interest rates. Fluctuations in these rates and prices can affect our operating results and financial condition. We use a variety of strategies, including the use of derivative instruments, to manage these risks. We do not enter into derivative financial instruments for trading or speculative purposes.

### Commodity Price Risk

We enter into commodity derivative contracts on various commodities to manage the price risk associated with forecasted purchases and sales of material used in our manufacturing process. The objective of these

hedges is to reduce the variability of cash flows associated with the forecasted purchases and sales of commodities.

### **Foreign Currency and Interest Rate Risk**

We incur expenses associated with the procurement and production of products in a limited number of countries, while we sell in the local currencies of a large number of countries. Our primary foreign currency exchange exposures result from cross-currency sales of products. As a result, we enter into foreign exchange contracts to hedge certain firm commitments and forecasted transactions to acquire products and services that are denominated in foreign currencies. We enter into certain undesignated non-functional currency asset and liability hedges that relate primarily to short-term payables, receivables, intercompany loans and dividends. When we hedge a foreign currency denominated payable or receivable with a derivative, the effect of changes in the foreign exchange rates are reflected currently in interest and sundry (income) expense for both the payable/receivable and the derivative. Therefore, as a result of the economic hedge, we do not elect hedge accounting.

We also enter into hedges to mitigate currency risk primarily related to forecasted foreign currency denominated expenditures, intercompany financing agreements and royalty agreements and designate them as cash flow hedges. Gains and losses on derivatives designated as cash flow hedges, to the extent they are included in the assessment of effectiveness, are recorded in other comprehensive income (loss) and subsequently reclassified to earnings to offset the impact of the hedged items when they occur.

We may enter into cross-currency interest rate swaps to manage our exposure relating to cross-currency debt. Outstanding notional amounts of cross-currency interest rate swap agreements were \$618 million at March 31, 2023 and December 31, 2022, respectively.

We may enter into interest rate swap agreements to manage interest rate risk exposure. Our interest rate swap agreements, if any, effectively modify our exposure to interest rate risk, primarily through converting certain floating rate debt to a fixed rate basis, or certain fixed rate debt to a floating rate basis. These agreements involve either the receipt or payment of floating rate amounts in exchange for fixed rate interest payments or receipts, respectively, over the life of the agreements without an exchange of the underlying principal amounts. We may enter into swap rate lock agreements to effectively reduce our exposure to interest rate risk by locking in interest rates on probable long-term debt issuances. There were no outstanding notional amounts of interest rate swap agreements at March 31, 2023 and December 31, 2022.

We may enter into instruments that are designated and qualify as a net investment hedge to manage our exposure related to foreign currency denominated investments. The effective portion of the instruments' gain or loss is reported as a component of other comprehensive income (loss) and recorded in accumulated other comprehensive loss. The gain or loss will be subsequently reclassified into net earnings when the underlying net investment is either sold or substantially liquidated. The remaining change in fair value of the hedge instruments represents the ineffective portion, which is immediately recognized in interest and sundry (income) expense on our Consolidated Condensed Statements of Comprehensive Income (Loss). There were no outstanding notional amounts of net investment hedges as of March 31, 2023 and December 31, 2022.

The following table summarizes our outstanding derivative contracts and their effects in our Consolidated Condensed Balance Sheets at March 31, 2023 and December 31, 2022. Hedge assets and liabilities of our European major domestic appliance business have been classified as held for sale and are excluded from the table below.

Millions of dollars	Notional Amount		Fair Value of				Maximum Term (Months)		
	2023	2022	Hedge Assets		Hedge Liabilities		2023	2022	
			2023	2022	2023	2022			
<b>Derivatives accounted for as hedges<sup>(1)</sup></b>									
Commodity swaps/options	\$ 220	\$ 170	\$ 4	\$ 7	\$ 15	\$ 17	(CF)	21	24
Foreign exchange forwards/options	1,094	998	17	24	27	20	(CF/NI)	15	15
Cross-currency swaps	618	618	5	5	46	42	(CF)	71	74
Total derivatives accounted for as hedges			\$ 26	\$ 36	\$ 88	\$ 79			
<b>Derivatives not accounted for as hedges</b>									
Commodity swaps/options	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —	N/A	0	0
Foreign exchange forwards/options	331	439	—	5	1	6	N/A	5	5
Total derivatives not accounted for as hedges			—	5	1	6			
Total derivatives			\$ 26	\$ 41	\$ 89	\$ 85			
Current			\$ 25	\$ 40	\$ 40	\$ 41			
Noncurrent			1	1	49	44			
Total derivatives			\$ 26	\$ 41	\$ 89	\$ 85			

<sup>(1)</sup> Derivatives accounted for as hedges are considered cash flow (CF) hedges.

The following tables summarize the effects of derivative instruments on our Consolidated Condensed Statements of Comprehensive Income (Loss) for the periods presented:

Millions of dollars	Three Months Ended March 31,	
	Gain (Loss) Recognized in OCI (Effective Portion) <sup>(2)</sup>	
	2023	2022
Cash flow hedges		
Commodity swaps/options	\$ —	\$ 39
Foreign exchange forwards/options	(20)	(43)
Cross-currency swaps	(1)	8
Interest rate derivatives	(1)	23
Net Investment hedges		
Foreign currency	—	(16)
	(22)	11

Cash Flow Hedges - Millions of dollars	Location of Gain (Loss) Reclassified from OCI into Earnings (Effective Portion)	Three Months Ended March 31,	
		Gain (Loss) Reclassified from OCI into Earnings (Effective Portion) <sup>(3)</sup>	
		2023	2022
Commodity swaps/options	Cost of products sold	\$ —	\$ 18
Foreign exchange forwards/options	Net sales	—	—
Foreign exchange forwards/options	Cost of products sold	(8)	(5)
Foreign exchange forwards/options	Interest and sundry (income) expense	9	29
Cross-currency swaps	Interest and sundry (income) expense	(7)	41
Interest rate derivatives	Interest expense	—	—
		(6)	83

Derivatives not Accounted for as Hedges - Millions of dollars	Location of Gain (Loss) Recognized on Derivatives not Accounted for as Hedges	Three Months Ended March 31,	
		Gain (Loss) Recognized on Derivatives not Accounted for as Hedges	
		2023	2022
Foreign exchange forwards/options	Interest and sundry (income) expense	\$ 13	\$ (16)

<sup>(2)</sup> Change in gain (loss) recognized in OCI (effective portion) for the three months ended March 31, 2023 is primarily driven by fluctuations in currency and commodity prices and interest rates compared to prior year. The tax impact of the cash flow hedges was \$5 million and \$19 million for the three months ended March 31, 2023 and 2022, respectively. The tax impact of the net investment hedges was \$0 million and \$3 million for the three months ended March 31, 2023 and 2022, respectively.

<sup>(3)</sup> Change in gain (loss) reclassified from OCI into earnings (effective portion) for the three months ended March 31, 2023 was primarily driven by fluctuations in currency and commodity prices and interest rates compared to prior year.

For cash flow hedges, the amount of ineffectiveness recognized in interest and sundry (income) expense was nominal for the periods ended March 31, 2023, and 2022. There were no hedges designated as fair value for the periods ended March 31, 2023, and 2022. The net amount of unrealized gain or loss on derivative instruments included in accumulated OCI related to contracts maturing and expected to be realized during the next twelve months is a loss of \$20 million at March 31, 2023.

## (9) FAIR VALUE MEASUREMENTS

Fair value is measured based on an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions market participants would use in pricing an asset or liability. Assets and liabilities measured at fair value are based on a market valuation approach using prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. As a basis for considering such assumptions, a three-tiered fair value

hierarchy is established, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets that are observable, either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The following table summarizes the valuation of our assets and liabilities measured at fair value on a recurring basis at March 31, 2023 and December 31, 2022:

Millions of dollars	Total Cost Basis		Fair Value					
			Level 1		Level 2		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Measured at fair value on a recurring basis:</b>								
Short-term investments <sup>(1)</sup>	\$ 985	\$ 1,209	\$ 773	\$ 934	\$ 212	\$ 275	\$ 985	\$ 1,209
Net derivative contracts	—	—	—	—	(63)	(44)	(63)	(44)

<sup>(1)</sup> Short-term investments are primarily comprised of money market funds and highly liquid, low risk investments with initial maturities less than 90 days.

#### European Major Domestic Appliance Business Held for Sale

On January 16, 2023, the Company entered into a contribution agreement with Arçelik A.Ş. (“Arcelik”). Under the terms of the agreement, Whirlpool will contribute its European major domestic appliance business, and Arcelik will contribute its European major domestic appliance, consumer electronics, air conditioning, and small domestic appliance businesses into the newly formed entity of which Whirlpool will own 25% and Arcelik 75%.

On December 20, 2022, the Company's board authorized the transaction with Arcelik and the European major domestic appliance business was classified as held for sale during the fourth quarter of 2022. The disposal group was measured at fair value less cost to sell. We used a discounted cash flow analysis and multiple market data points in our analysis to determine fair value (Level 3 input) of the 25% interest retained, resulting in an estimated fair value of \$143 million. The discounted cash flow analysis utilized a discount rate of 16.5%.

During the three months ended March 31, 2023, we recorded an increase of \$222 million to the loss on sale and disposal of businesses. The adjustment reflects ongoing reassessment of the fair value less costs to sell of the disposal group and transaction costs and will continue to be evaluated each reporting period until completion of the transaction.

See Note 13 to the Consolidated Condensed Financial Statements for additional information.

#### InSinkErator Acquisition

On October 31, 2022, we completed the acquisition of the InSinkErator business pursuant to the terms of the Acquisition Agreement with Emerson. The acquisition has been accounted for as a business combination under the acquisition method of accounting. This requires allocation of the purchase price to the estimated fair values of the identifiable assets acquired and liabilities assumed, including goodwill and other intangible assets. The Company is in the process of finalizing third-party valuations for the purchase price allocation which are subject to change.

The estimated value of property, plant and equipment included adjustments totaling \$36 million to increase the net book value to the preliminary fair value estimate of \$174 million. The fair value of property, plant and equipment was determined using both a cost and market approach. The model used primarily included Level 2 and 3 inputs. This estimate is based on other comparable acquisitions and historical experience, and preliminary expectations as to the duration of time we expect to realize benefits from those assets.

The estimated value of inventory included adjustments totaling \$10 million to step-up inventory to an estimated fair value of \$93 million. The fair value of inventory was estimated using the comparative sales method. The model used primarily included Level 2 and 3 inputs. To estimate the fair value of inventory, we considered the components of InSinkErator's inventory, as well as estimates of selling prices and selling and distribution costs that were based on InSinkErator's historical experience.

The estimated fair values of identifiable intangible assets acquired were prepared using an income valuation approach, which requires a forecast of expected future revenues, future cash flows and discount rates (Level 3)

inputs), either through the use of the relief-from-royalty method, the multi-period excess earnings method or the with and without method.

During the first quarter of 2023, Whirlpool finalized the total consideration paid for the InSinkErator business and processed applicable measurement period adjustments. The purchase accounting adjustments during the period were not material. The Company expects to finalize any further purchase accounting adjustments as soon as practicable, but no later than one year from the acquisition date. See Note 13 to the Consolidated Condensed Financial Statements for additional information.

#### **Other Fair Value Measurements**

The fair value of long-term debt (including current maturities) was \$7.2 billion and \$7.0 billion at March 31, 2023 and December 31, 2022, respectively, and was estimated using discounted cash flow analysis based on incremental borrowing rates for similar types of borrowing arrangements (Level 2 input).

## (10) STOCKHOLDERS' EQUITY

The following table summarizes the changes in stockholders' equity for the periods presented:

	Whirlpool Stockholders' Equity					
	Total	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock / Additional Paid-In-Capital	Common Stock	Non-Controlling Interest
<b>Balances, December 31, 2022</b>	\$ 2,506	\$ 8,261	\$ (2,090)	\$ (3,949)	\$ 114	\$ 170
Comprehensive income (loss)						
Net earnings (loss)	(176)	(179)	—	—	—	3
Other comprehensive income	(1)	—	(1)	—	—	—
Comprehensive income (loss)	(177)	(179)	(1)	—	—	3
Stock issued (repurchased)	2	—	—	2	—	—
Dividends declared	(97)	(97)	—	—	—	—
<b>Balances, March 31, 2023</b>	<b>2,234</b>	<b>7,985</b>	<b>(2,091)</b>	<b>(3,947)</b>	<b>114</b>	<b>173</b>

	Whirlpool Stockholders' Equity					
	Total	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock / Additional Paid-In-Capital	Common Stock	Non-Controlling Interest
<b>Balances, December 31, 2021</b>	\$ 5,013	\$ 10,170	\$ (2,357)	\$ (3,081)	\$ 114	\$ 167
Comprehensive income (loss)						
Net earnings (loss)	316	313	—	—	—	3
Other comprehensive income	58	—	58	—	—	—
Comprehensive income (loss)	374	313	58	—	—	3
Stock issued (repurchased)	(539)	—	—	(539)	—	—
Dividends declared	(103)	(103)	—	—	—	—
<b>Balances, March 31, 2022</b>	<b>4,745</b>	<b>10,380</b>	<b>(2,299)</b>	<b>(3,620)</b>	<b>114</b>	<b>170</b>

## Other Comprehensive Income (Loss)

The following table summarizes our other comprehensive income (loss) and related tax effects for the periods presented:

Millions of dollars	Three Months Ended March 31,					
	2023			2022		
	Pre-tax	Tax Effect	Net	Pre-tax	Tax Effect	Net
Currency translation adjustments	\$ (1)	—	\$ (1)	\$ 105	3	\$ 108
Cash flow hedges	(16)	5	(11)	(56)	19	(37)
Pension and other postretirement benefits plans	13	(2)	11	(15)	2	(13)
Other comprehensive income (loss)	(4)	3	(1)	34	24	58
Less: Other comprehensive income (loss) available to noncontrolling interests	—	—	—	—	—	—
Other comprehensive income (loss) available to Whirlpool	<u>\$ (4)</u>	<u>\$ 3</u>	<u>\$ (1)</u>	<u>\$ 34</u>	<u>\$ 24</u>	<u>\$ 58</u>

## Reclassifications Out of Accumulated Other Comprehensive Income (Loss)

There were no material net impacts of the reclassification adjustments out of accumulated other comprehensive income (loss) included in net earnings (loss) for the three months ended March 31, 2023:

## Net earnings (loss) per Share

Diluted net earnings (loss) per share of common stock include the dilutive effect of stock options and other share-based compensation plans. Basic and diluted net earnings (loss) per share of common stock for the periods presented were calculated as follows:

Millions of dollars and shares	Three Months Ended March 31,	
	2023	2022
Numerator for basic and diluted earnings per share - Net earnings (loss) available to Whirlpool	<u>\$ (179)</u>	<u>\$ 313</u>
Denominator for basic earnings per share - weighted-average shares	<u>54.8</u>	<u>58.3</u>
Effect of dilutive securities - share-based compensation	<u>—</u>	<u>0.4</u>
Denominator for diluted earnings per share - adjusted weighted-average shares	<u>54.8</u>	<u>58.7</u>
Anti-dilutive stock options/awards excluded from earnings per share	<u>0.9</u>	<u>0.3</u>

## Share Repurchase Program

On April 19, 2021, our Board of Directors authorized a share repurchase program of up to \$2 billion, which has no expiration date. On February 14, 2022, the Board of Directors authorized an additional \$2 billion in share repurchases under the Company's ongoing share repurchase program. During the three months ended March 31, 2023, we did not repurchase any shares under these share repurchase programs. At March 31, 2023, there were approximately \$2.6 billion in remaining funds authorized under this program.

Share repurchases are made from time to time on the open market as conditions warrant. The programs do not obligate us to repurchase any of our shares and have no expiration date.

## (11) INCOME TAXES

Income tax expense was \$68 million for the three months ended March 31, 2023, compared to income tax expense of \$106 million in the same period of 2022. For the three months ended March 31, 2023, the decrease in income tax expense from the prior period is primarily due to overall lower level of earnings and related tax expense, audits and settlements, and impacts of non-deductible charges, including loss on sale and disposal and non-deductible fines and penalties.

The following table summarizes the difference between income tax expense (benefit) at the U.S. statutory rate of 21% and the income tax expense (benefit) at effective worldwide tax rates for the respective periods:

Millions of dollars	Three Months Ended March 31,	
	2023	2022
Earnings (Loss) before income taxes	\$ (109)	\$ 427
Income tax expense (benefit) computed at United States statutory tax rate	(23)	90
State and local taxes, net of federal tax benefit	1	9
Valuation allowances	4	7
Audit and Settlements	20	—
U.S. foreign income items, net of credits	2	(8)
Non deductible impairments	50	—
Non deductible fines and penalties	10	—
Other	4	8
Income tax expense (benefit) computed at effective worldwide tax rates	<u>68</u>	<u>106</u>

(1) Prior year amounts on the table above have been reclassified to conform with current year presentation.

At the end of each interim period, we estimate the effective tax rate expected to be applicable for the full fiscal year and the impact of discrete items, if any, and adjust the quarterly rate as necessary.

### Other Income Tax Matters

During its examination of Whirlpool's 2009 U.S. federal income tax return, the IRS asserted that income earned by a Luxembourg subsidiary via its Mexican branch should be recognized as income on its 2009 U.S. federal income tax return. The Company believed the proposed assessment was without merit and contested the matter in United States Tax Court (US Tax Court). Both Whirlpool and the IRS moved for partial summary judgment on this issue. On May 5, 2020, the US Tax Court granted the IRS's motion for partial summary judgment and denied Whirlpool's.

The Company appealed the US Tax Court decision to the United States Court of Appeals for the Sixth Circuit, and, on December 6, 2021, the three-judge panel, in a divided decision, affirmed the U.S. Tax Court decision (the "Ruling"). The Company recorded a reserve of \$98 million in the fourth quarter of 2021, which represents the expected increase in the Company's net income tax expense, plus interest, for 2009 through 2019, which represents all of the Company's tax years that were affected by the Ruling. On January 20, 2022, the Company filed a petition for rehearing with the Sixth Circuit, which was denied on March 2, 2022. On June 30, 2022, the Company filed a petition for certiorari with the U.S. Supreme Court, which was denied on November 21, 2022. The Company considers this tax dispute settled and no adjustments to the reserve have been recognized.

## (12) SEGMENT INFORMATION

Our reportable segments are based upon geographical region and are defined as North America, EMEA, Latin America and Asia. These regions also represent our operating segments. Each segment manufactures home appliances and related components, but serves strategically different marketplaces. The chief operating decision maker, who is the Company's Chairman and Chief Executive Officer, evaluates performance based on each segment's earnings (loss) before interest and taxes (EBIT), which we define as operating profit less interest and sundry (income) expense and excluding restructuring costs, asset impairment charges and certain other items that management believes are not indicative of the region's ongoing performance, if any. Total assets by segment are those assets directly associated with the respective operating activities. The "Other/Eliminations" column primarily includes corporate expenses, assets and eliminations, as well as restructuring costs, asset impairment charges and certain other items that management believes are not indicative of the region's ongoing performance, if any. Intersegment sales are eliminated within each region.

The tables below summarize performance by operating segment for the periods presented:

	Three Months Ended March 31,						
	OPERATING SEGMENTS						Total Whirlpool
	North America	EMEA	Latin America	Asia	Other / Eliminations		
<b>Net sales</b>							
	2023	\$ 2,747	\$ 889	\$ 757	\$ 256	\$ —	\$ 4,649
	2022	2,791	1,084	760	285	—	4,920
<b>Intersegment sales</b>							
	2023	\$ 58	\$ 23	\$ 377	\$ 11	\$ (469)	\$ —
	2022	72	24	360	11	(467)	—
<b>Depreciation and amortization</b>							
	2023	\$ 52	\$ —	\$ 17	\$ 5	\$ 15	\$ 89
	2022	43	35	16	5	13	112
<b>EBIT</b>							
	2023	\$ 274	\$ 5	\$ 39	\$ 8	\$ (359)	\$ (33)
	2022	454	(27)	54	14	(32)	463
<b>Total assets</b>							
	March 31, 2023	\$ 11,052	\$ 4,990	\$ 4,498	\$ 1,600	\$ (5,276)	\$ 16,864
	December 31, 2022	10,913	5,240	4,343	1,516	(4,888)	17,124
<b>Capital expenditures</b>							
	2023	\$ 47	\$ 19	\$ 15	\$ 3	\$ 12	\$ 96
	2022	30	12	23	6	16	87

The following table summarizes the reconciling items in the Other/Eliminations column for total EBIT for the periods presented:

in millions	Three Months Ended March 31,	
	2023	2022
Items not allocated to segments:		
Restructuring charges	\$ —	\$ (5)
Legacy EMEA legal matters	(62)	—
Gain (loss) on sale and disposal of businesses	(222)	—
Corporate expenses and other	(75)	(27)
Total other/eliminations	\$ (359)	\$ (32)

A reconciliation of our segment information for total EBIT to the corresponding amounts in the Consolidated Condensed Statements of Comprehensive Income (Loss) is shown in the table below for the periods presented:

in millions	Three Months Ended March 31,	
	2023	2022
Operating profit	\$ 43	\$ 461
Interest and sundry (income) expense	77	(7)
Equity method investment income (loss), net of tax	1	(5)
Total EBIT	\$ (33)	\$ 463
Interest expense	75	41
Income tax expense	68	106
Net earnings (loss)	\$ (176)	\$ 316
Less: Net earnings available to noncontrolling interests	3	3
Net earnings (loss) available to Whirlpool	\$ (179)	\$ 313

### (13) ACQUISITIONS AND DIVESTITURES

#### European Major Domestic Appliance Business Held for Sale

On January 16, 2023, Whirlpool entered into a contribution agreement with Arçelik B.V. ("Arçelik") to carve out and contribute our major domestic appliance European business operations into a newly formed European appliance company which constitutes a combination of Arçelik's and Whirlpool's European businesses. Whirlpool will own approximately 25% and Arçelik will own approximately 75% of the European appliance company. Separately, Whirlpool agreed in principle to the sale of Whirlpool's Middle East and Africa business to Arçelik. These transactions are collectively referred to as European major domestic appliance business. The sale includes the Company's major domestic appliance business in EMEA, including nine production sites. The transaction is subject to certain closing conditions and expected to be completed in the second half of 2023.

European major domestic appliance business is reported within our EMEA reportable segment and met the criteria for held for sale accounting during the fourth quarter of 2022. The operations of the European disposal group did not meet the criteria to be presented as discontinued operations.

Upon closing, the transaction will result in the deconsolidation of the European major appliances business. In connection with the sale, we recorded a loss on disposal of \$1,521 million in the fourth quarter of 2022. The loss includes a write-down of the net assets of \$1,151 million of the disposal group to a fair value of \$139 million and also includes \$393 million of cumulative currency translation adjustments, \$98 million release of other comprehensive loss on pension and \$18 million of other transaction related costs. No goodwill is included in the disposal group.

We recorded an adjustment of \$222 million during the three months ending March 31, 2023, primarily due to seasonal working capital fluctuations, which resulted in a total loss of \$1,743 million for the transaction. This adjustment is recorded in the loss on sale and disposal of businesses and reflects transaction costs and ongoing reassessment of the fair value less costs to sell of the disposal group which will continue to be evaluated each reporting period until completion of the transaction.

Both Whirlpool and the post-closing controlling interest shareholder retain an option for Arçelik to purchase the remaining equity interest in a newly formed European appliance company for fair value, which could be material to the financial statements of the Company, depending on the performance of the business.

The following table presents the carrying amounts of the major classes of the disposal group's assets and liabilities as of March 31, 2023 and December 31, 2022, respectively.

Millions of dollars		March 31, 2023	December 31, 2022
<b>Carrying amounts of major classes of assets</b>			
Current Assets			
Cash and cash equivalents		\$ 95	\$ 94
Accounts receivable, net of allowance of \$33 and \$32, respectively		792	667
Inventories		673	650
Prepaid and other current assets		128	145
Total current assets		\$ 1,688	\$ 1,556
Property, net of accumulated depreciation of \$1,666 and \$1,648, respectively		\$ 854	\$ 822
Right of use assets		155	163
Other intangibles, net of accumulated amortization of \$144 and \$141, respectively		282	279
Deferred income taxes		619	610
Other noncurrent assets		17	17
Total noncurrent assets		\$ 1,927	\$ 1,891
Total assets		\$ 3,615	\$ 3,447
<b>Carrying amounts of major classes of liabilities</b>			
Current liabilities			
Accounts payable		\$ 1,336	\$ 1,394
Accrued expenses		169	152
Accrued advertising and promotions		152	172
Employee compensation		117	107
Notes payable		6	3
Other current liabilities		111	125
Total current liabilities		\$ 1,891	\$ 1,953
Noncurrent liabilities			
Long-term debt		\$ 1	\$ 2
Pension benefits		107	122
Lease liabilities		125	131
Other noncurrent liabilities		97	88
Total noncurrent liabilities		\$ 330	\$ 343
Total liabilities		\$ 2,221	\$ 2,296
<b>Total net assets of the disposal group classified as held for sale</b>		\$ 1,394	\$ 1,151
<b>Assets held for sale</b>	Fair value of interest retained	\$ 143	\$ 139
<b>Liabilities held for sale</b>	Cumulative currency translation adjustment and Other comprehensive income on pension	\$ 461	\$ 490

The following table summarizes European major appliances business' earnings (loss) available to Whirlpool before income taxes for the three months ended March 31, 2023 and March 31, 2022 respectively:

in millions	Three Months Ended March 31,	
	2023	2022
<b>Earnings (loss) before income taxes</b>	\$ —	\$ (30)

Earnings (loss) before income taxes excludes intercompany other income and expense which eliminates at Total Whirlpool level. Additionally, the EMEA operating segment includes other businesses which are not classified as held for sale.

## InSinkErator Acquisition

On August 7, 2022, the Company entered into an Asset and Stock Purchase Agreement (the "Purchase Agreement") with Emerson Electric Co. ("Emerson") to purchase Emerson's InSinkErator business, a manufacturer of food waste disposers and instant hot water dispensers for home and commercial use, for a purchase price of \$3 billion in cash, subject to customary adjustments.

On October 31, 2022, we completed the acquisition of the InSinkErator business pursuant to the terms of the Purchase Agreement. We used the net proceeds from a \$2.5 billion borrowing under our delayed draw term loan facility and \$500 million of cash on hand to fund the acquisition. See Note 5 to the Consolidated Condensed Financial Statements for additional information about the term loan facility.

### Purchase Price Allocation

The acquisition has been accounted for as a business combination under the acquisition method of accounting. This requires allocation of the purchase price to the estimated fair values of the identifiable assets acquired and liabilities assumed, including goodwill and other intangible assets. The Company is in the process of finalizing third-party valuations for the preliminary purchase price allocation which are subject to change. During the first quarter of 2023, Whirlpool finalized the total consideration paid for the InSinkErator business and processed applicable measurement period adjustments. An additional \$14 million of consideration was paid for the InSinkErator business, which increased the amount of goodwill recognized as a result of the acquisition. Other purchase accounting adjustments during the period were not material. The Company expects to finalize any further purchase accounting adjustments as soon as practicable, but no later than one year from the acquisition date.

The following table presents the preliminary allocation of purchase price related to the InSinkErator acquisition, as of March 31, 2023:

<i>(in millions)</i>	Amount
Cash and cash equivalents	\$ 7
Receivables, net	74
Inventories	93
Other current assets	1
Property, plant and equipment, net	174
Goodwill	1,151
Other intangible assets	1,630
Other assets	11
Accounts payable	49
Accrued expenses	26
Other current liabilities	34
Deferred income taxes	1
Other long-term liabilities	10
<b>Total Estimated Purchase Consideration</b>	<b>\$ 3,021</b>

## (14) GOODWILL AND OTHER INTANGIBLES

### Goodwill

The following table summarizes goodwill attributable to our reporting units for the periods presented:

Millions of dollars	North America	Latin America	Asia	Total Whirlpool
Beginning balance December 31, 2022	\$ 2,829	\$ 33	\$ 452	\$ 3,314
Acquisitions <sup>(1)</sup>	14	—	—	14
Ending net balance March 31, 2023	\$ 2,843	\$ 33	\$ 452	\$ 3,328

<sup>(1)</sup> Increase in goodwill is related to the purchase of InSinkErator business. For additional information, see Notes 9 and 13 to the Consolidated Condensed Financial Statements.

For the three months ended March 31, 2023, there no indicators of goodwill impairment for any of our reporting units based on our qualitative assessment.

### Other Intangible Assets

The following table summarizes other intangible assets for the periods presented:

Millions of dollars	March 31, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Other intangible assets, finite lives						
Customer relationships <sup>(1)</sup>	\$ 668	\$ (296)	\$ 372	\$ 668	\$ (287)	\$ 381
Patents and other <sup>(2)</sup>	116	(114)	2	116	(113)	3
Total other intangible assets, finite lives	\$ 784	\$ (410)	\$ 374	\$ 784	\$ (400)	\$ 384
Trademarks, indefinite lives	2,780	—	2,780	2,780	—	2,780
Total other intangible assets	\$ 3,564	\$ (410)	\$ 3,154	\$ 3,564	\$ (400)	\$ 3,164

<sup>(1)</sup> Customer relationships have an estimated useful life of 5 to 19 years.

<sup>(2)</sup> Patents and other intangibles have an estimated useful life of 3 to 43 years.

For the three months ended March 31, 2023, there were no indicators of impairment associated with other intangible assets based on our qualitative assessment.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to promote understanding of the results of operations and financial condition of the Company and generally discusses the results of operations for the current quarter compared to the same prior year period. MD&A is provided as a supplement to, and should be read in connection with, the Consolidated Condensed Financial Statements and Notes to the Consolidated Condensed Financial Statements included in this Form 10-Q.

Certain references to particular information in the Notes to the Consolidated Condensed Financial Statements are made to assist readers.

### ABOUT WHIRLPOOL

Whirlpool Corporation ("Whirlpool"), committed to being the best global kitchen and laundry company, in constant pursuit of improving life at home, was incorporated in 1955 under the laws of Delaware and was founded in 1911. Whirlpool manufactures products in ten countries and markets products in nearly every country around the world. We have received worldwide recognition for accomplishments in a variety of business and social efforts, including leadership, diversity, innovative product design, business ethics, social responsibility and community involvement. We conduct our business through four operating segments, which we define based on geography. Whirlpool's operating segments consist of North America, Europe, Middle East and Africa ("EMEA"), Latin America and Asia. Whirlpool had approximately \$20 billion in annual net sales and 61,000 employees in 2022.

### OVERVIEW

Whirlpool delivered first-quarter GAAP net earnings (loss) available to Whirlpool of \$(179) million (net earnings (loss) margin of (3.9)%), or \$(3.27) per share, compared to GAAP net earnings available to Whirlpool of \$313 million (net earnings margin of 6.4%), or \$5.33 per share in the same prior-year period. Whirlpool delivered cash provided by (used in) operating activities of \$(477) million, compared to \$(328) million in the same prior year period and free cash flow (non-GAAP) of \$(573) million, compared to free cash flow of \$(415) million in the same prior year period.

Whirlpool delivered first-quarter ongoing (non-GAAP) earnings per share of \$2.66 and ongoing EBIT margin of 5.4%, compared to \$5.31 and 9.4% in the same prior-year period. On a GAAP basis, net loss margins were impacted by approximately \$284 million primarily due to a non-cash charge related to the strategic review of EMEA (see Footnote 13 for further information) and charges associated with legacy EMEA legal matters. On a GAAP and ongoing basis, quarterly results were impacted by unfavorable industry demand, price/mix and cost inflation, partially offset by share gains in North America along with portfolio transformation and cost takeout actions.

We continue to take actions to deliver shareholder value as we navigate through a challenging macro environment, demonstrated by strong market share gains in North America while advancing our portfolio transformation with the integration of InSinkErator and we continue to progress towards completing the European major domestic appliance transaction in the second half of 2023.

For additional information regarding non-GAAP financial measures, see the Non-GAAP Financial Measures section of this Management's Discussion and Analysis.

## RESULTS OF OPERATIONS

The following table summarizes the consolidated results of operations for the periods presented:

Consolidated - Millions of dollars, except per share data	Three Months Ended March 31,		
	2023	2022	Better/(Worse) %
<b>Net sales</b>	<b>\$ 4,649</b>	<b>\$ 4,920</b>	<b>(5.5)%</b>
Gross margin	<b>763</b>	851	(10.3)
Selling, general and administrative	<b>487</b>	376	(29.5)
Restructuring costs	<b>—</b>	5	nm
(Gain) loss on sale and disposal of businesses	<b>222</b>	—	nm
Interest and sundry (income) expense	<b>77</b>	(7)	nm
Interest expense	<b>75</b>	41	(82.9)
Income tax expense (benefit)	<b>68</b>	106	35.8
Net earnings (loss) available to Whirlpool	<b>\$ (179)</b>	<b>\$ 313</b>	nm
Diluted net earnings (loss) available to Whirlpool per share	<b>\$ (3.27)</b>	<b>\$ 5.33</b>	nm

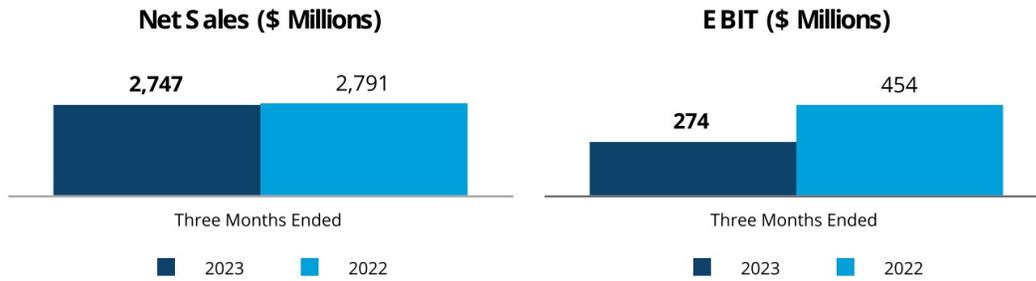
Consolidated net sales decreased 5.5% for the three months ended March 31, 2023, compared to the same period in 2022. The decrease for the three months ended March 31, 2023 was primarily driven by unfavorable industry demand and product price/mix, partially offset by share gains in North America and impacts of portfolio transformation. Excluding the impact of foreign currency, net sales decreased 3.7% for the three months ended March 31, 2023, compared to the same period in 2022.

The consolidated gross margin percentage of 16.4% for the three months ended March 31, 2023 decreased compared to 17.3% in the same prior-year period, driven by unfavorable industry demand and productivity, partially offset by reduced cost inflation.

Our operating segments are based upon geographical region and are defined as North America, EMEA, Latin America and Asia. These regions also represent our reportable segments. The chief operating decision maker evaluates performance based on each segment's earnings (loss) before interest and taxes (EBIT), which we define as operating profit less interest and sundry (income) expense and excluding restructuring costs, asset impairment charges and certain other items that management believes are not indicative of the region's ongoing performance, if any. For additional information, see Note 12 to the Consolidated Condensed Financial Statements.

The following is a discussion of results for each of our operating segments. Each of our operating segments have been impacted by disruptions in supply chains and distribution channels, which largely stabilized in the first quarter of 2023, among other macroeconomic impacts.

## NORTH AMERICA



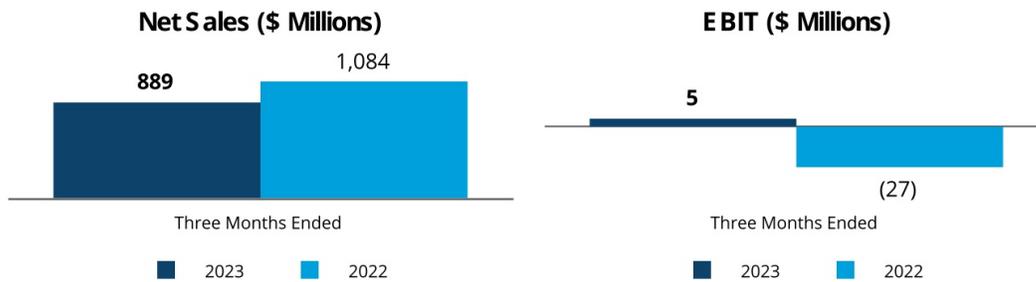
### Net Sales

Net sales decreased 1.6% for the three months ended March 31, 2023 compared to the same period in 2022, primarily driven by lower volume, partially offset by net sales from InSinkErator business which was acquired during the fourth quarter of 2022. Excluding the impact from foreign currency, net sales decreased 1.1% for the three months ended March 31, 2023, compared to the same period in 2022.

### EBIT

EBIT decreased for the three months ended March 31, 2023 compared to the same period in 2022 primarily due to unfavorable impacts of cost inflation and product/price mix, partially offset by favorable impact of the InSinkErator acquisition. EBIT margin was 10.0% for the three months ended March 31, 2023, compared to 16.3% for the same period in 2022.

## EMEA



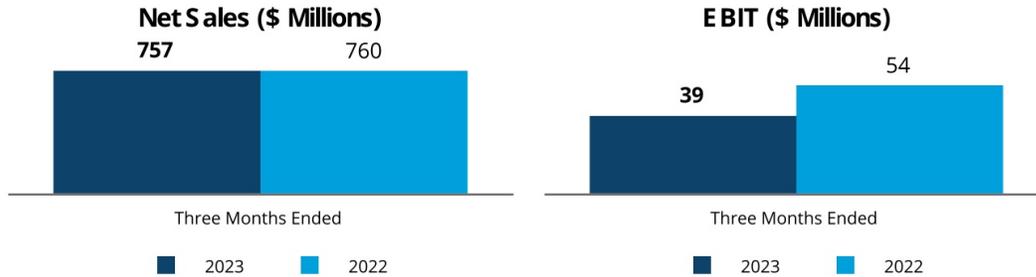
### Net Sales

Net sales decreased 18.0% for the three months ended March 31, 2023, compared to the same period in 2022. The decrease is primarily driven by lower volume, partially offset by favorable product price/mix. Excluding the impact from foreign currency, net sales decreased 13.2% for the three months ended March 31, 2023, compared to the same period in 2022.

### EBIT

EBIT increased for the three months ended March 31, 2023 compared to the same period in 2022, primarily due to favorable product price/mix and the benefits of held for sale treatment, partially offset by unfavorable material costs and reduced volume. EBIT margin was 0.6% for the three months ended March 31, 2023, compared to (2.5)% for the same period in 2022.

## LATIN AMERICA



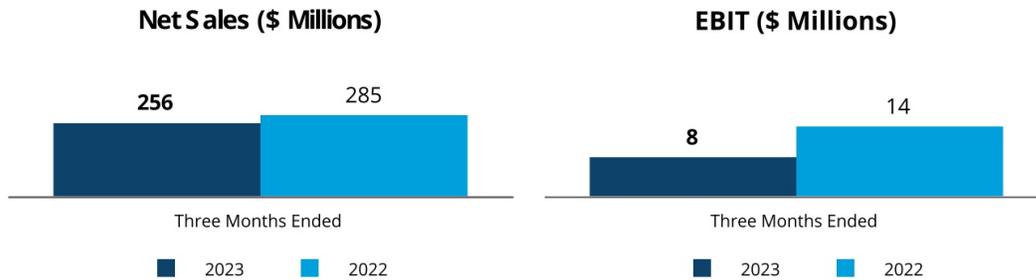
### Net Sales

Net sales were relatively flat for the three months ended March 31, 2023, compared to the same period in 2022. The sales were impacted by lower volume, offset by favorable product price/mix. Excluding the impact from foreign currency, net sales were flat for the three months ended March 31, 2023, compared to the same period in 2022.

### EBIT

EBIT decreased for the three months ended March 31, 2023 compared to the same period in 2022 primarily due to unfavorable cost inflation and foreign currency, partially offset by favorable product price/mix. EBIT margin was 5.2% for the three months ended March 31, 2023, compared to 7.1% for the same period in 2022.

## ASIA



### Net Sales

Net sales decreased 10.2% for the three months ended March 31, 2023 compared to the same period in 2022. The decrease is primarily driven by the impact of foreign currency. Excluding the impact from foreign currency, net sales decreased 3.4% for the three months ended March 31, 2023 compared to the same period in 2022.

### EBIT

EBIT decreased for the three months ended March 31, 2023 compared to the same period in 2022. The decrease was primarily due to unfavorable product price/mix and the impact of foreign currency, partially offset by reduced cost inflation. EBIT margin was 3.1% for the three months ended March 31, 2023 compared to 4.8% for the same period in 2022.

## Selling, General and Administrative

The following table summarizes selling, general and administrative expenses as a percentage of net sales by region for the periods presented:

Millions of dollars	Three Months Ended March 31,			
	2023	As a % of Net Sales	2022	As a % of Net Sales
North America	\$ 219	8.0 %	\$ 160	5.7 %
EMEA	87	9.8	95	8.8
Latin America	80	10.5	64	8.4
Asia	30	11.7	32	11.2
Corporate/other	71	—	25	—
Consolidated	<u>\$ 487</u>	<u>10.5 %</u>	<u>\$ 376</u>	<u>7.6 %</u>

Consolidated selling, general and administrative expenses increased for the three months ended March 31, 2023 compared to the same period in 2022 and is primarily driven by increase in employee compensation accruals and marketing investments, in addition to a gain from the sale-leaseback transaction in the prior period.

For additional information, see Note 1 to the Consolidated Condensed Financial Statements.

## Restructuring

We incurred immaterial restructuring charges for the three months ended March 31, 2023 and 2022, respectively. For the full year 2023, we expect to incur less than \$50 million of restructuring charges, similar to the past two years.

## (Gain) Loss on Sale and Disposal of Businesses

In the fourth quarter of 2022, we incurred a loss of \$1,521 million related to the planned divestiture of our European major domestic appliance business. We recorded additional adjustment of \$222 million during the three months ending March 31, 2023, primarily due to seasonal working capital fluctuations, which resulted in a total loss of \$1,743 million for the transaction. This adjustment is recorded in the loss on sale and disposal of businesses and reflects transaction costs and ongoing reassessment of the fair value less costs to sell of the disposal group which will continue to be evaluated each reporting period until completion of the transaction.

For additional information, see Note 13 to the Consolidated Condensed Financial Statements.

## Interest and Sundry (Income) Expense

Net interest and sundry expense increased for the three months ended March 31, 2023 compared to the same period in 2022 primarily due to reserves related to legacy EMEA legal matters. For additional information, see Note 6 to the Consolidated Condensed Financial Statements.

## Interest Expense

Interest expense was \$75 million for the three months ended March 31, 2023 compared to \$41 million in the same period in 2022. The increase is primarily due to increase in long-term debt driven by the InSinkErator acquisition.

## Income Taxes

Income tax expense was \$68 million for the three months ended March 31, 2023 compared to income tax expense of \$106 million in the same period of 2022. The decrease was primarily driven by overall lower level of earnings and related tax expense, audits and settlements, and impacts of non-deductible charges, including loss on sale and disposal and non-deductible fines and penalties.

For additional information, see Note 11 to the Consolidated Condensed Financial Statements.

## Other Information

Our Critical Accounting Policies and Estimates for goodwill and other indefinite-lived intangibles are disclosed in Note 1 to the Consolidated Financial Statements and in Management's Discussion and Analysis of our annual report on Form 10-K for the fiscal year ended December 31, 2022.

We continue to monitor the significant global economic uncertainty to assess the outlook for demand for our products and the impact on our business and our overall financial performance. Our *Maytag* and *JennAir* trademarks continue to be at risk at March 31, 2023. None of our reporting units or other indefinite-lived intangible assets are presently at risk for future impairment.

For additional information, see Note 1 to the Consolidated Condensed Financial Statements.

## FINANCIAL CONDITION AND LIQUIDITY

### *Background*

Our objective is to finance our business through operating cash flow and the appropriate mix of long-term and short-term debt. By diversifying the maturity structure, we avoid concentrations of debt, reducing liquidity risk. We have varying needs for short-term working capital financing as a result of the nature of our business. We regularly review our capital structure and liquidity priorities, which include funding innovation and growth through capital expenditures and research and development expenditures as well as opportunistic mergers and acquisitions; and providing returns to shareholders through dividends, share repurchases and maintaining our strong investment grade rating.

The Company believes that free cash flow provides stockholders with a relevant measure of liquidity and a useful basis for assessing Whirlpool's ability to fund its activities and obligations. Whirlpool has historically been able to leverage its strong free cash flow generation to fund our operations, pay for any debt servicing costs and allocate capital for reinvestment in our business, funding share repurchases and dividend payments.

Our short-term potential uses of liquidity include funding our business operations, ongoing capital spending, debt repayment, and returns to shareholders. We currently have \$300 million of long-term debt maturing in the next twelve months, and are currently evaluating our options in connection with this maturing debt, which may include repayment through refinancing, free cash flow generation or cash on hand.

We monitor the credit ratings and market indicators of credit risk of our lending, depository, derivative counterparty banks, and customers regularly, and take certain actions to manage credit risk. We diversify our deposits and investments in short-term cash equivalents to limit the concentration of exposure by counterparty.

### *Cash and cash equivalents*

The Company had cash and cash equivalents of approximately \$1.4 billion at March 31, 2023, the majority of which was held in the United States. For cash in each of its foreign subsidiaries, the Company makes an assertion regarding the amount of earnings intended for permanent reinvestment, with the balance available to be repatriated to the United States. The cash held by foreign subsidiaries for permanent reinvestment is generally used to finance the subsidiaries' operational activities and expected future foreign investments. Our intent is to permanently reinvest these funds outside of the United States and our current plans do not demonstrate a need to repatriate the cash to fund our U.S. operations. However, if these funds were repatriated, we would be required to accrue and pay applicable United States taxes (if any) and withholding taxes payable to various countries. It is not practicable to estimate the amount of the deferred tax liability associated with the repatriation of cash due to the complexity of its hypothetical calculation.

At March 31, 2023, we had cash or cash equivalents greater than 1% of our consolidated assets in the United States (2.5%), Brazil (1.9%) and India (1.2%). In addition, we had third-party accounts receivable outside of the United States greater than 1% of our consolidated assets in Brazil, which represented 1.8%. We continue to monitor general financial instability and uncertainty globally.

### Revolving credit facility and other committed credit facilities

The Company maintains a \$3.5 billion revolving credit facility and a committed \$2.5 billion term loan. There were \$2.5 billion drawn on the committed credit facilities at March 31, 2023. In addition to these facilities, we have committed credit facilities in Brazil and India that provide borrowings up to approximately \$209 million at March 31, 2023. These facilities have maturities that run through 2027.

We were in compliance with our interest coverage ratio under the revolving credit facility as of March 31, 2023.

### Notes payable

Notes payable consists of short-term borrowings payable to banks and commercial paper, which are generally used to fund working capital requirements. At March 31, 2023, we have no notes payable under the revolving credit facility or commercial paper programs. For additional information, see Note 5 to the Consolidated Condensed Financial Statements.

### Trade customers

We continue to review customer conditions globally. We had no material impacts from customer insolvencies during the three months ended March 31, 2023, nor do we have immediate visibility into material customer insolvency situations occurring in the future. We continue to monitor these situations, considering each geographic region, the unique credit risk specific to the country, marketplace and economic environment, and take appropriate risk mitigation steps.

For additional information on guarantees, see Note 6 to the Consolidated Condensed Financial Statements.

## Share Repurchase Program

For additional information about our share repurchase program, see Note 10 to the Consolidated Condensed Financial Statements.

## Sources and Uses of Cash

The following table summarizes the net increase (decrease) in cash, cash equivalents and restricted cash for the periods presented:

Millions of dollars	Three Months Ended March 31,	
	2023	2022
<b>Cash provided by (used in):</b>		
Operating activities	\$ (477)	\$ (328)
Investing activities	(110)	(12)
Financing activities	(38)	(631)
Effect of exchange rate changes	27	41
Less: decrease in cash classified as held for sale	(1)	—
Net change in cash, cash equivalents and restricted cash	<u>\$ (599)</u>	<u>\$ (930)</u>

## Cash Flows from Operating Activities

More cash was used in operating activities during the three months ended March 31, 2023 compared to the same period in 2022. The increase in cash used in operating activities was primarily driven by lower cash earnings and unfavorable changes in working capital, partially offset by a decrease in employee payments. The working capital change was primarily impacted by a decrease in volume.

The timing of cash flows from operations varies significantly throughout the year primarily due to changes in production levels, sales patterns, promotional programs, funding requirements, credit management, as well as receivable and payment terms. Depending on the timing of cash flows, the location of cash balances, as well as the liquidity requirements of each country, external sources of funding are used to support working capital requirements.

## Cash Flows from Investing Activities

Cash used in investing activities during the three months ended March 31, 2023 increased compared to the same prior year period primarily due to impacts of proceeds from the sale of assets and businesses in the prior year period.

## Cash Flows from Financing Activities

Cash used in financing activities during the three months ended March 31, 2023 decreased compared to the same period in 2022, which primarily reflects lower share repurchases.

## Financing Arrangements

The Company had total committed credit facilities of approximately \$6.2 billion at March 31, 2023. These facilities are geographically reflective of the Company's global operations. The Company is confident that the committed credit facilities are sufficient to support its global operations. We had \$2.5 billion drawn on the committed credit facilities (representing amounts drawn on the term loan) at March 31, 2023 and December 31, 2022, respectively, which were used to fund the InSinkErator acquisition in the fourth quarter of 2022.

For additional information about our financing arrangements, see Note 5 to the Consolidated Condensed Financial Statements.

## Dividends

On February 20, 2023, our Board of Directors approved a quarterly dividend on our common stock of \$1.75 per share.

## Off-Balance Sheet Arrangements

In the ordinary course of business, we enter into agreements with financial institutions to issue bank guarantees, letters of credit, and surety bonds. These agreements are primarily associated with unresolved tax matters in Brazil, as is customary under local regulations, and other governmental obligations and debt agreements. At March 31, 2023, we had approximately \$438 million outstanding under these agreements.

For additional information about our off-balance sheet arrangements, see Notes 5 and 6 to the Consolidated Condensed Financial Statements.

## NON-GAAP FINANCIAL MEASURES

We supplement the reporting of our financial information determined under U.S. generally accepted accounting principles (GAAP) with certain non-GAAP financial measures, some of which we refer to as "ongoing" measures, including:

- Earnings before interest and taxes (EBIT)
- EBIT margin
- Ongoing EBIT
- Ongoing earnings per diluted share
- Ongoing EBIT margin
- Sales excluding foreign currency
- Free cash flow
- Gross debt leverage

Ongoing measures, including ongoing earnings per diluted share and ongoing EBIT, exclude items that may not be indicative of, or are unrelated to, results from our ongoing operations and provide a better baseline for analyzing trends in our underlying businesses. EBIT margin is calculated by dividing EBIT by net sales. Sales excluding foreign currency is calculated by translating the current period net sales, in functional currency, to

U.S. dollars using the prior-year period's exchange rate compared to the prior-year period net sales. Management believes that sales excluding foreign currency provides stockholders with a clearer basis to assess our results over time, excluding the impact of exchange rate fluctuations. Management believes that Gross Debt Leverage (Gross Debt/Ongoing EBITDA) provides stockholders with a clearer basis to assess the Company's ability to pay off its incurred debt. We also disclose segment EBIT, which we define as operating profit less interest and sundry (income) expense and excluding restructuring costs, asset impairment charges and certain other items, if any, that management believes are not indicative of the region's ongoing performance, as the financial metric used by the Company's Chief Operating Decision Maker to evaluate performance and allocate resources in accordance with ASC 280, *Segment Reporting*.

Management believes that free cash flow provides stockholders with a relevant measure of liquidity and a useful basis for assessing Whirlpool's ability to fund its activities and obligations. The Company provides free cash flow related metrics, such as free cash flow as a percentage of net sales, as long-term management goals, not an element of its annual financial guidance, and as such does not provide a reconciliation of free cash flow to cash provided by (used in) operating activities, the most directly comparable GAAP measure, for these long-term goal metrics. Any such reconciliation would rely on market factors and certain other conditions and assumptions that are outside of the Company's control. Whirlpool does not provide a non-GAAP reconciliation for its other forward-looking long-term value creation and other goals, such as organic net sales, EBIT, and gross debt/Ongoing EBITDA, as such reconciliation would rely on market factors and certain other conditions and assumptions that are outside of the company's control.

We believe that these non-GAAP measures provide meaningful information to assist investors and stockholders in understanding our financial results and assessing our prospects for future performance, and reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP financial measures, provide a more complete understanding of our business. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. These non-GAAP financial measures should not be considered in isolation or as a substitute for reported net earnings (loss) available to Whirlpool, net sales, net earnings (loss) as a percentage of net sales (net earnings margin), net earnings (loss) per diluted share and cash provided by (used in) operating activities, the most directly comparable GAAP financial measures. We strongly encourage investors and stockholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

Please refer to a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures below.

Ongoing Earnings Before Interest & Taxes (EBIT) Reconciliation: <i>in millions</i>	Three Months Ended March 31,	
	2023	2022
Net earnings (loss) available to Whirlpool <sup>(1)</sup>	\$ (179)	\$ 313
Net earnings (loss) available to noncontrolling interests	3	3
Income tax expense (benefit)	68	106
Interest expense	75	41
Earnings before interest & taxes	\$ (33)	\$ 463
Impact of M&A transactions <sup>(a)</sup>	222	—
Legacy EMEA legal matters <sup>(b)</sup>	62	—
Ongoing EBIT <sup>(2)</sup>	\$ 251	\$ 463

<sup>(1)</sup> Net earnings (loss) margin is approximately (3.9)% for the three months ended March 31, 2023 compared to 6.4% in the same prior year period. Net earnings margin is calculated by dividing net earnings (loss) available to Whirlpool by consolidated net sales for the three months ended March 31, 2023 and March 31, 2022, respectively.

<sup>(2)</sup> Ongoing EBIT margin is approximately 5.4% for the three months ended March 31, 2023 compared to 9.4% in the same prior year period. Ongoing EBIT margin is calculated by dividing Ongoing EBIT by consolidated net sales for the three months ended March 31, 2023 and March 31, 2022, respectively.

Earnings Per Diluted Share	Three Months Ended March 31,	
	2023	2022
Earnings per diluted share	\$ (3.27)	\$ 5.33
Impact of M&A transactions <sup>(a)</sup>	4.05	—
Legacy EMEA legal matters <sup>(b)</sup>	1.14	—
Income tax impact	(0.78)	—
Normalized tax rate adjustment <sup>(c)</sup>	1.54	(0.02)
Share count adjustment <sup>(d)</sup>	(0.02)	—
Ongoing earnings per diluted share	\$ 2.66	\$ 5.31

## Footnotes

) **IMPACT OF M&A TRANSACTIONS** - On January 16, 2023, we signed a contribution agreement to contribute our European major domestic appliance business into a newly formed entity with Arçelik. In connection with the transaction, the Company recorded a non-cash loss on disposal of \$1,521 million in the fourth-quarter of 2022. During the first quarter of 2023 we recorded an adjustment of \$222 million to the loss on sale and disposal of businesses increasing the total non-cash loss on disposal to \$1,743 million for the transaction. The adjustment reflects ongoing reassessment of the fair value less costs to sell of the disposal group.

) **LEGACY EMEA LEGAL MATTERS** - The aggregate amount accrued by the Company related to the Competition Investigation and Trade Customer Insolvency matters of our European major domestic appliance business was \$62 million for the three months ended March 31, 2023. For additional information, see Note 6 to the Consolidated Condensed Financial Statements.

) **NORMALIZED TAX RATE ADJUSTMENT** - During the first quarter of 2023, the Company calculated ongoing earnings per share using an adjusted tax rate of 15.0%, which excludes the non-tax deductible impact of M&A transactions of approximately \$222 million recorded in the first quarter of 2023, to reconcile to our anticipated full-year ongoing effective tax rate between 14.0% and 16.0%. During the first quarter of 2022, the Company calculated ongoing earnings per share using an adjusted tax rate of 25.0% to reconcile to our anticipated full-year ongoing 2022 effective tax rate between 24% and 26%.

) **SHARE COUNT ADJUSTMENT** - During the first quarter of 2023, the Net earnings (loss) available to Whirlpool was a loss. Consequently any increases in the number of shares within the denominator results in a lower loss per share and is therefore antidilutive. As a result, the shares are not included in the Company's ongoing earnings per diluted share calculation.

## FORWARD-LOOKING PERSPECTIVE

Earnings per diluted share presented below are net of tax. We currently estimate at our anticipated 2023 full-year adjusted tax rate between 14.0% and 16.0%. We currently estimate earnings per diluted share for 2023 to be within the following ranges:

	2023 Current Outlook
<b>Estimated GAAP earnings per diluted share, for the year ending December 31, 2023</b>	<b>\$13.00 - \$15.00</b>
Including:	
Impact of M&A transactions	\$1.67
Legacy EMEA legal matters	\$1.13
Income tax impact	\$(0.42)
Normalized tax rate adjustment	\$0.62
<b>Industry Demand</b>	
North America	(6) - (4)%
EMEA	(6) - (4)%
Latin America	(3) - (1)%
Asia	2 - 4%

For the full-year 2023, we expect to generate cash from operating activities of approximately \$1,400 million and free cash flow of approximately \$800 million, including restructuring cash outlays of approximately \$25 million and capital expenditures of approximately \$600 million.

The table below reconciles projected 2023 cash provided by operating activities determined in accordance with GAAP to free cash flow, a non-GAAP measure. Management believes that free cash flow provides stockholders with a relevant measure of liquidity and a useful basis for assessing Whirlpool's ability to fund its activities and obligations. There are limitations to using non-GAAP financial measures, including the difficulty associated with comparing companies that use similarly named non-GAAP measures whose calculations may differ from our calculations. We define free cash flow as cash provided by operating activities less capital expenditures. For additional information regarding non-GAAP financial measures, see the Non-GAAP Financial Measures section of this Management's Discussion and Analysis.

Millions of dollars	2023 Current Outlook
Cash provided by (used in) operating activities <sup>(1)</sup>	~1,400
Capital expenditures	~600
Free cash flow	<u>~800</u>

<sup>(1)</sup> Financial guidance on a GAAP basis for cash provided by (used in) financing activities and cash provided by (used in) investing activities has not been provided because in order to prepare any such estimate or projection, the Company would need to rely on market factors and certain other conditions and assumptions that are outside of its control.

The projections above are based on many estimates and are inherently subject to change based on future decisions made by management and the Board of Directors of Whirlpool, and significant economic, competitive and other uncertainties and contingencies. Additional information concerning these and other factors can be found in the "Risk Factors" section of our Annual Report on Form 10-K, as updated in Part II, Item 1A of our Quarterly Reports on Form 10-Q.

## OTHER MATTERS

For additional information regarding certain of our loss contingencies/litigation, see Note 6 to the Consolidated Financial Statements. Unfavorable outcomes in these proceedings could have a material adverse effect on our financial statements in any particular reporting period.

## Antidumping Petitions

As previously reported, Whirlpool filed petitions in 2011 and 2015 alleging that Samsung, LG and Electrolux violated U.S. and international trade laws by dumping large residential washers into the U.S. Those petitions resulted in orders imposing antidumping duties on certain large residential washers imported from South Korea, Mexico, and China, and countervailing duties on certain large residential washers from South Korea. In March 2019, the order covering certain large residential washers from Mexico was extended for an additional five years, while the order covering certain large residential washers from South Korea was revoked. In August 2022, the order covering certain large residential washers from China was extended for an additional five years.

## Raw Materials and Global Economy

The current domestic and international political environment have contributed to uncertainty surrounding the future state of the global economy. We have experienced raw material inflation in certain prior years based on the impact of U.S. tariffs and other global macroeconomic factors. Due to many factors beyond our control, including the conflict in Ukraine and related sanctions, COVID-related shutdowns and government actions in China, we expect to continue to be impacted by the following factors: a global shortage of certain components, such as semiconductors, a strain on raw material and input cost inflation which are expected to ease throughout 2023. This could require us to modify our current business practices, and could have a material adverse effect on our financial statements in any particular reporting period. In addition, we are pursuing a business interruption insurance claim related to the 2021 Texas freeze, amounts related to which could be a material gain in a future period.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our exposures to market risk since December 31, 2022.

## ITEM 4. CONTROLS AND PROCEDURES

### (a) Evaluation of disclosure controls and procedures

Prior to filing this report, we completed an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) as of March 31, 2023. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2023.

### (b) Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting that occurred during the most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

Information with respect to legal proceedings can be found under the heading "Commitments and Contingencies" in Note 6 and "Other Income Tax Matters" in Note 11 to the Consolidated Condensed Financial Statements contained in Part I, Item 1 of this report.

### ITEM 1A. RISK FACTORS

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A to our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On April 19, 2021, our Board of Directors authorized a share repurchase program of up to \$2 billion, which has no expiration date. On February 14, 2022, the Board of Directors authorized an additional \$2 billion in share repurchases under the Company's ongoing share repurchase program. During the three months ended March 31, 2023, we did not repurchase any shares under these programs. At March 31, 2023, there were approximately \$2.6 billion in remaining funds authorized under this program.

The following table summarizes repurchases of Whirlpool's common stock in the three months ended March 31, 2023:

Period (Millions of dollars, except number and price per share)	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans
January 1, 2023 through January 31, 2023	—	—	—	\$ 2,587
February 1, 2023 through February 28, 2023	—	—	—	\$ 2,587
March 1, 2023 through March 31, 2023	—	—	—	\$ 2,587
Total	—	—	—	—

Share repurchases are made from time to time on the open market as conditions warrant. The programs do not obligate us to repurchase any of our shares and have no expiration date.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

None.

## ITEM 6. EXHIBITS

Exhibit 2.1*	<a href="#">Contribution Agreement dated January 16, 2023 by and among Whirlpool Corporation, Whirlpool EMEA Holdings LLC, Arçelik A.Ş., Beko Europe B.V. and Ardutch B.V.</a> [Incorporated by reference from Exhibit 2.1 to the Company's Form 8-K (Commission file number 1-3932) filed January 17, 2023]
Exhibit 3.1	<a href="#">By-laws of Whirlpool Corporation (as of February 20, 2023)</a> [Incorporated by reference from Exhibit 3.1 to the Company's Form 8-K (Commission file number 1-3932) filed February 21, 2023]
Exhibit 4.1	<a href="#">Certificate of Designated Officers of Whirlpool Corporation, dated February 22, 2023</a> [Incorporated by reference from Exhibit 4.1 to the Company's Form 8-K (Commission file number 1-3932) filed on February 22, 2023]
Exhibit 10.1**	<a href="#">Waiver and Release Agreement effective March 16, 2023 by and between the Company and Joseph T. Liotine</a> [Incorporated by reference from Exhibit 10.1 to the Company's Form 8-K (Commission file number 1-3932) filed on March 22, 2023]
Exhibit 10.2**	<a href="#">Business Confidentiality, Cooperation, Termination, Settlement and Release Agreement dated March 24, 2023 between the Company and João Brega</a> [Incorporated by reference from Exhibit 10.1 to the Company's Form 8-K (Commission file number 1-3932) filed on March 30, 2023]
Exhibit 10.3**	<a href="#">Agreement for the Binding Exercise of the Position of Member of the Board of Directors and Non Compete dated March 24, 2023 between Whirlpool S.A. and João Brega</a> [Incorporated by reference from Exhibit 10.2 to the Company's Form 8-K (Commission file number 1-3932) filed on March 30, 2023]
Exhibit 31.1	<a href="#">Certification of Chief Executive Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
Exhibit 31.2	<a href="#">Certification of Chief Financial Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
Exhibit 32.1	<a href="#">Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Schedules and similar attachments have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or similar attachment will be furnished to the Securities and Exchange Commission upon request.

\*\*Management contract or compensatory plan or arrangement

## 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.

WHIRLPOOL CORPORATION  
(Registrant)

By: /s/ JAMES W. PETERS  
Name: James W. Peters  
Title: Executive Vice President  
and Chief Financial Officer  
Date: April 25, 2023

## CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Marc R. Bitzer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Whirlpool Corporation;
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 Rule 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: April 25, 2023

/s/ MARC R. BITZER

Name: Marc R. Bitzer

Title: Chairman of the Board, President and Chief Executive Officer

## CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James W. Peters, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Whirlpool Corporation;
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 Rule 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: April 25, 2023

/s/ JAMES W. PETERS

Name: James W. Peters

Title: Executive Vice President and Chief Financial Officer

Certifications Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to Section 906 of the  
Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Whirlpool Corporation ("Whirlpool") for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Marc R. Bitzer, as Chief Executive Officer of Whirlpool, and James W. Peters, as Chief Financial Officer of Whirlpool, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his 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 Whirlpool.

/s/ MARC R. BITZER

Name: Marc R. Bitzer

Title: Chairman of the Board, President and Chief Executive Officer

Date: April 25, 2023

/s/ JAMES W. PETERS

Name: James W. Peters

Title: Executive Vice President and Chief Financial Officer

Date: April 25, 2023