



SUPPLEMENTAL INFORMATION

Second-Quarter 2023
July 24, 2023

SUPPLEMENTAL INFORMATION - CONSOLIDATED FINANCIAL STATEMENTS RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(Millions of dollars except per share data) (Unaudited)

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. These measures may include earnings before interest and taxes (EBIT), EBIT margin, ongoing EBIT, ongoing EBIT margin, ongoing earnings per diluted share, adjusted effective tax rate, organic net sales, gross debt leverage (Gross Debt/Ongoing EBITDA), return on invested capital (ROIC) and free cash flow.

Ongoing measures 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.

Sales excluding foreign currency: Current period net sales translated in functional currency, to U.S. dollars using the applicable prior period's exchange rate compared to the applicable prior 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.

Organic net sales: Sales excluding the impact of certain acquisitions or divestitures, and foreign currency. Management believes that organic net sales provides stockholders with a clearer basis to assess our results over time, excluding the impact of exchange rate fluctuations and certain acquisitions and/or divestitures.

Ongoing EBIT margin: Ongoing earnings before interest and taxes divided by net sales. Ongoing measures 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.

Ongoing earnings per diluted share: Diluted net earnings per share from continuing operations, adjusted to exclude items that may not be indicative of, or are unrelated to, results from our ongoing operations. Ongoing measures provide a better baseline for analyzing trends in our underlying businesses.

Gross debt leverage: Gross debt to ongoing earnings before interest, taxes, depreciation, and amortization (EBITDA) ratio is gross debt outstanding, including long-term debt, current maturities of long-term debt, and notes payable, divided by ongoing EBITDA. Management believes that gross debt leverage provides stockholders with a view of our ability to generate earnings sufficient to service our debt.

Return on invested capital: Ongoing EBIT after taxes divided by total invested capital, defined as total assets less non-interest bearing current liabilities (NIBCLS). NIBCLS is defined as current liabilities less current maturities of long-term debt and notes payable. This ROIC definition may differ from other companies' methods and therefore may not be comparable to those used by other companies. Management believes that ROIC provides stockholders with a view of capital efficiency, a key driver of stockholder value creation.

Adjusted effective tax rate: Effective tax rate, excluding pre-tax income and tax effect of certain unique items. Management believes that adjusted tax rate provides stockholders with a meaningful, consistent comparison of the Company's effective tax rate, excluding the pre-tax income and tax effect of certain unique items.

Free cash flow: Cash provided by (used in) operating activities less capital expenditures. Management believes that free cash flow provides stockholders with a relevant measure of liquidity and a useful basis for assessing the company's ability to fund its activities and obligations.

Whirlpool does not provide a non-GAAP reconciliation for its forward-looking long-term value creation goals, such as organic net sales, EBIT, free cash flow conversion, ROIC and gross debt leverage, as these long-term management goals are not annual guidance, and the reconciliation of these long-term measures would rely on market factors and certain other conditions and assumptions that are outside of the company's control.

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 ongoing financial measures should not be considered in isolation or as a substitute for reported net earnings available to Whirlpool per diluted share, net earnings, net earnings available to Whirlpool, net earnings margin, return on assets, net sales, effective tax rate and cash provided by (used in) operating activities, the most directly comparable GAAP financial measures.

We also disclose segment EBIT as an important financial metric used by the Company's Chief Operating Decision Maker to evaluate performance and allocate resources in accordance with ASC 280 - Segment Reporting.

GAAP net earnings available to Whirlpool per basic or diluted share (as applicable) and ongoing earnings per diluted share are presented net of tax, while individual adjustments in each reconciliation are presented on a pre-tax basis; the income tax impact line item aggregates the tax impact for these adjustments. The tax impact of individual line item adjustments may not foot precisely to the aggregate income tax impact amount, as each line item adjustment may include non-taxable components. Historical quarterly earnings per share amounts are presented based on a normalized tax rate adjustment to reconcile quarterly tax rates to full-year tax rate expectations. 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.

SECOND-QUARTER 2023 ONGOING EARNINGS BEFORE INTEREST AND TAXES AND ONGOING EARNINGS PER DILUTED SHARE

The reconciliation provided below reconciles the non-GAAP financial measures ongoing earnings before interest and taxes and ongoing earnings per diluted share, with the most directly comparable GAAP financial measures, net earnings (loss) available to Whirlpool and net earnings (loss) per diluted share available to Whirlpool, for the three months ended June 30, 2023. Net earnings (loss) margin is calculated by dividing net earnings (loss) available to Whirlpool by net sales. Ongoing EBIT margin is calculated by dividing ongoing EBIT by net sales. EBIT margin is calculated by dividing EBIT by net sales. The earnings per diluted share GAAP measure and ongoing measure are presented net of tax, while each adjustment is presented on a pre-tax basis. Our second-quarter GAAP tax rate was 55.9%. The aggregate income tax impact of the taxable components of each adjustment is presented in the income tax impact line item at our second-quarter adjusted tax rate (non-GAAP) of 10.9%.

Earnings Before Interest & Taxes Reconciliation:		Three Months Ended June 30, 2023
Net earnings (loss) available to Whirlpool		\$ 85
Net earnings (loss) available to noncontrolling interests		2
Income tax expense (benefit)		114
Interest expense		89
Earnings before interest & taxes		<u>\$ 290</u>
Net sales		<u>\$ 4,792</u>
Net earnings (loss) margin		1.8 %

	Results classification	Earnings before interest & taxes	Earnings per diluted share
Reported measure		\$ 290	\$ 1.55
Impact of M&A transactions ^(a)	(Gain) loss on sale and disposal of businesses & Selling, general and administrative	26	0.47
Legacy EMEA legal matters ^(b)	Interest and sundry (income) expense	36	0.65
Total income tax impact			(0.12)
Normalized tax rate adjustment ^(c)		—	1.66
Ongoing measure		<u>\$ 352</u>	<u>\$ 4.21</u>
Net sales		<u>\$ 4,792</u>	
Ongoing EBIT margin		7.3 %	

Note: Numbers may not reconcile due to rounding

SECOND-QUARTER 2022 ONGOING EARNINGS BEFORE INTEREST AND TAXES AND ONGOING EARNINGS PER DILUTED SHARE

The reconciliation provided below reconciles the non-GAAP financial measures ongoing earnings before interest and taxes and ongoing earnings per diluted share, with the most directly comparable GAAP financial measures, net earnings (loss) available to Whirlpool and net earnings (loss) per basic share available to Whirlpool, for the three months ended June 30, 2022. Net earnings (loss) margin is calculated by dividing net earnings (loss) available to Whirlpool by net sales. Ongoing EBIT margin is calculated by dividing ongoing EBIT by net sales. EBIT margin is calculated by dividing EBIT by net sales. The earnings per basic share GAAP measure and ongoing measure are presented net of tax, while each adjustment is presented on a pre-tax basis. Our second-quarter GAAP tax rate was (11.1)%. The aggregate income tax impact of the taxable components of each adjustment is presented in the income tax impact line item at our second-quarter adjusted tax rate (non-GAAP) of 18.8%.

Earnings Before Interest & Taxes Reconciliation:		Three Months Ended June 30, 2022
Net earnings (loss) available to Whirlpool	\$	(371)
Net earnings (loss) available to noncontrolling interests		3
Income tax expense (benefit)		37
Interest expense		45
Earnings before interest & taxes	\$	(286)
Net sales	\$	5,097
Net earnings (loss) margin		(7.3)%

Results classification		Earnings before interest & taxes	Earnings per diluted share
Reported measure		\$ (286)	\$ (6.62)
Impairment of goodwill and other intangibles ^(d)	Impairment of goodwill and other intangibles	384	6.86
Impact of M&A transactions ^(a)	(Gain) loss on sale and disposal of businesses & Selling, general and administrative	363	6.49
Total income tax impact			(2.51)
Normalized tax rate adjustment ^(c)			1.78
Share adjustment*			(0.03)
Ongoing measure		\$ 461	\$ 5.97
Net sales		\$ 5,097	
Ongoing EBIT margin		9.0 %	

Note: Numbers may not reconcile due to rounding

*As a result of our current period GAAP earnings loss, the impact of antidilutive shares was excluded from the loss per share calculation on a GAAP basis. The share count adjustment used in the calculation of the second-quarter ongoing earnings per diluted share includes basic shares outstanding of 56.0 million plus the impact of antidilutive shares of 0.3 million which were excluded on a GAAP basis.

FIRST-QUARTER 2023 ONGOING EARNINGS BEFORE INTEREST AND TAXES AND ONGOING EARNINGS PER DILUTED SHARE

The reconciliation provided below reconciles the non-GAAP financial measures ongoing earnings before interest and taxes and ongoing earnings per diluted share, with the most directly comparable GAAP financial measures, net earnings (loss) available to Whirlpool and net earnings (loss) per basic share available to Whirlpool, for the three months ended March 31, 2023. Net earnings (loss) margin is calculated by dividing net earnings (loss) available to Whirlpool by net sales. Ongoing EBIT margin is calculated by dividing ongoing EBIT by net sales. EBIT margin is calculated by dividing EBIT by net sales. The earnings per basic share GAAP measure and ongoing measure are presented net of tax, while each adjustment is presented on a pre-tax basis. Our first-quarter GAAP tax rate was (62.4)%. The aggregate income tax impact of the taxable components of each adjustment is presented in the income tax impact line item at our first-quarter adjusted tax rate (non-GAAP) of 15.0%.

Earnings Before Interest & Taxes Reconciliation:		Three Months Ended March 31, 2023
Net earnings (loss) available to Whirlpool	\$	(179)
Net earnings (loss) available to noncontrolling interests		3
Income tax expense (benefit)		68
Interest expense		75
Earnings before interest & taxes	\$	(33)
Net sales	\$	4,649
Net earnings (loss) margin		(3.9)%

Results classification		Earnings before interest & taxes	Earnings per diluted share
Reported measure		\$ (33)	\$ (3.27)
Impact of M&A transactions ^(a)	(Gain) loss on sale and disposal of businesses	222	4.05
Legacy EMEA legal matters ^(b)	Interest and sundry (income) expense	62	1.14
Total income tax impact			(0.78)
Normalized tax rate adjustment ^(c)			1.54
Share adjustment*			(0.02)
Ongoing measure		\$ 251	\$ 2.66
Net sales		\$ 4,649	
Ongoing EBIT margin		5.4 %	

Note: Numbers may not reconcile due to rounding

*As a result of our current period GAAP earnings loss, the impact of antidilutive shares was excluded from the loss per share calculation on a GAAP basis. The share count adjustment used in the calculation of the first-quarter ongoing earnings per diluted share includes basic shares outstanding of 54.8 million plus the impact of antidilutive shares of 0.4 million which were excluded on a GAAP basis.

FULL-YEAR 2023 OUTLOOK FOR ONGOING EARNINGS BEFORE INTEREST AND TAXES AND ONGOING EARNINGS PER DILUTED SHARE

The reconciliation provided below reconciles the non-GAAP financial measures ongoing earnings before interest and taxes and ongoing earnings per diluted share, with the most directly comparable GAAP financial measures, net earnings available to Whirlpool and net earnings per diluted share available to Whirlpool, for the twelve months ending December 31, 2023. Ongoing EBIT margin is calculated by dividing ongoing EBIT by net sales. EBIT margin is calculated by dividing EBIT by net sales. The earnings per diluted share GAAP measure and ongoing measure are presented net of tax, while each adjustment is presented on a pre-tax basis. Our anticipated full-year GAAP tax rate is 15.0% to 20.0%. The aggregate income tax impact of the taxable components of each adjustment is presented in the income tax impact line item at our anticipated full-year adjusted tax (non-GAAP) rate between 10.0% and 15.0%.

		Twelve Months Ending December 31, 2023	
	Results classification	Earnings before interest & taxes*	Earnings per diluted share
Reported measure		~\$1,200	\$13.00 - \$15.00
Impact of M&A transactions ^(a)	(Gain) loss on sale and disposal of businesses & Selling, general and administrative	125	2.26
Legacy EMEA legal matters ^(b)	Interest and sundry (income) expense	98	1.78
Total income tax impact			(0.51)
Normalized tax rate adjustment ^(c)			0.39
Ongoing measure		~\$1,410	\$16.00 - \$18.00

Note: Numbers may not reconcile due to rounding

**Earnings Before Interest & Taxes (EBIT) is a non-GAAP measure. The Company does not provide a forward-looking quantitative reconciliation of EBIT to the most directly comparable GAAP financial measure, net earnings available to Whirlpool, because the net earnings available to noncontrolling interests item of such reconciliation -- which has historically represented a relatively insignificant amount of the Company's overall net earnings -- implicates the Company's projections regarding the earnings of the Company's non wholly-owned subsidiaries and joint ventures that cannot be quantified precisely or without unreasonable efforts.*

FOOTNOTES

- a. **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, we recorded a non-cash loss on disposal of \$240 million for the six months ended June 30, 2023, of which \$18 million was recorded during the second quarter, resulting in a total loss of \$1,761 million for the transaction.

Additionally, we have incurred other unique transaction related costs related to portfolio transformation for a total of \$8 million for the three and six months ended June 30, 2023. These transaction costs are recorded in Selling, General and Administrative expenses on our Consolidated Condensed Statements of Comprehensive Income (Loss).

During the second quarter of 2022, we entered into an agreement to sell our Russia business. We classified this disposal group as held for sale and recorded an impairment loss of \$346 million for the write-down of the net assets to their fair value. Additionally, we incurred unique transaction related costs of \$17 million related to portfolio transformation and EMEA strategic assessment expenses.

- b. **LEGACY EMEA LEGAL MATTERS** - The aggregate amount accrued by the Company related to the Competition Investigation and other legacy legal matters of our European major domestic appliance business was \$36 million and \$98 million, for the three and six months ended June 30, 2023, respectively.
- c. **NORMALIZED TAX RATE ADJUSTMENT** - During the second quarter of 2023, the Company calculated ongoing earnings per share using an adjusted tax rate of 10.9%, which excludes the non-tax deductible impact of M&A transactions of approximately \$26 million recorded in the second quarter of 2023, to reconcile to our anticipated full-year ongoing effective tax rate between 10.0% and 15.0%. During the second quarter of 2022, the Company calculated ongoing earnings per share using an adjusted tax rate of 18.8% to reconcile to our anticipated full-year ongoing 2022 effective tax rate between 21% and 23%. 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%.
- d. **IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLES** - During the second quarter of 2022, we performed a quantitative assessment of the EMEA region's goodwill and intangible assets for impairment. Based on our interim quantitative impairment assessment as of June 30, 2022, we concluded the carrying value of the EMEA reporting unit exceeded its fair value, therefore goodwill and intangible assets were impaired. The impact of the impairment was \$106 million to intangible assets and \$278 million to goodwill in the second quarter of 2022.

ORGANIC NET SALES

The reconciliation provided below reconciles the non-GAAP financial measure organic net sales to GAAP reported net sales, for three months ended June 30, 2022 and 2023 for the Whirlpool business.

<i>(Approximate impact in millions)</i>	Three Months Ended June 30		
	2022	2023	Change
Net Sales	\$ 5,097	\$ 4,792	(6.0)%
Less: Russia Divested Business	51	—	
Less: InSinkErator Acquired Business	—	128	
Less: Currency	—	(21)	
Organic Net Sales	<u>\$ 5,046</u>	<u>\$ 4,685</u>	<u>(7.2)%</u>

The reconciliation provided below reconciles the non-GAAP financial measure organic net sales to GAAP reported net sales, for three months ended June 30, 2022 and 2023 for the Whirlpool EMEA business.

<i>(Approximate impact in millions)</i>	Three Months Ended June 30		
	2022	2023	Change
Net Sales	\$ 1,008	\$ 854	(15.3)%
Less: Russia Divested Business	51	—	
Less: Currency	—	10	
Organic Net Sales	<u>\$ 957</u>	<u>\$ 844</u>	<u>(11.8)%</u>

Note: Numbers may not reconcile due to rounding

Gross Debt Leverage

The reconciliation provided below reconciles the non-GAAP financial measure gross debt leverage. The company defines Gross debt leverage as gross debt divided by ongoing earnings before interest, taxes, depreciation, and amortization (EBITDA). This ratio is gross debt outstanding, including long-term debt, current maturities of long-term debt, and notes payable, divided by ongoing EBITDA. Management believes that gross debt leverage provides stockholders with a view of our ability to generate earnings sufficient to service our debt.

Earnings before interest, taxes, depreciation, and amortization reconciliation:	2023F**	2022	2021	2020	2019	2018	2017	2016	2015
Net earnings (loss) available to Whirlpool	—	(1,519)	\$1,783	\$1,075	\$1,168	\$(149)	\$350	\$888	\$783
Net earnings (loss) available to noncontrolling interests	—	8	23	(10)	14	24	(13)	40	39
Income tax expense (benefit)	—	265	518	382	348	150	550	186	209
Interest expense	—	190	175	189	187	192	162	161	165
Reported measure (EBIT)*	~\$1,200	\$(1,056)	\$2,499	\$1,636	\$1,717	\$217	\$1,049	\$1,275	\$1,196
Acquisition related transition costs	—	—	—	—	—	—	—	86	64
Antitrust and dispute resolutions	—	—	—	—	—	103	—	—	35
Benefit plan curtailment gain	—	—	—	—	—	—	—	—	(62)
Brazilian (BEFIEX) tax credits	—	—	—	—	(180)	—	—	—	—
Corrective action recovery	—	—	—	(14)	—	—	—	—	—
(Gain) loss on previously held equity interest	—	—	(42)	—	—	—	—	—	—
(Gain) loss on sale and disposal of businesses	—	—	(107)	(7)	(437)	21	—	—	—
Gain/expenses related to a business investment	—	—	—	—	—	—	—	—	(46)
Impact of M&A Transactions	125	1,936	—	—	—	—	—	—	—
Impairment of goodwill and intangibles	—	396	—	—	—	747	—	—	—
Legacy EMEA legal matters	98	—	—	—	—	—	—	—	—
Legacy product warranty and liability expense	—	—	—	—	—	—	—	(23)	42
Out-of-period adjustment	—	—	—	—	—	—	40	—	—
Pension settlement charges	—	—	—	—	—	—	—	—	15
Product warranty and liability expense	—	—	(9)	(30)	131	—	—	—	—
Restructuring expense	—	—	38	288	188	247	275	173	201
Sale leaseback, real estate, and receivable adjustments	—	—	—	(113)	(86)	—	—	—	—
Substantial liquidation of subsidiary	—	84	—	—	—	—	—	—	—
Trade customer insolvency	—	—	—	—	59	30	—	—	—
Ongoing business measure (EBIT)	~\$1,410	\$1,360	\$2,379	\$1,760	\$1,392	\$1,365	\$1,364	\$1,511	\$1,445
Depreciation and Amortization	~400	\$475	\$494	\$568	\$587	\$645	\$654	\$655	\$668
Ongoing EBITDA	~\$1,810	\$1,835	\$2,873	\$2,328	\$1,979	\$2,010	\$2,018	\$2,166	\$2,113
Gross debt outstanding	2023F**	2022	2021	2020	2019	2018	2017	2016	2015
Long-term debt	—	\$7,363	\$4,929	\$5,059	\$4,140	\$4,046	\$4,392	\$3,876	\$3,470
Current maturities of long-term debt	—	248	298	298	559	947	376	560	508
Notes payable	—	4	10	12	294	1,034	450	34	20
Gross debt outstanding	~\$7,200	\$7,615	\$5,237	\$5,369	\$4,993	\$6,027	\$5,218	\$4,470	\$3,998
Gross debt to EBITDA ratio	2023F**	2022	2021	2020	2019	2018	2017	2016	2015
Gross debt outstanding	~\$7,200	\$7,615	\$5,237	\$5,369	\$4,993	\$6,027	\$5,218	\$4,470	\$3,998
Ongoing EBITDA	~\$1,810	\$1,835	\$2,873	\$2,328	\$1,979	\$2,010	\$2,018	\$2,166	\$2,113
Gross debt to EBITDA ratio	~4	4.1	1.8	2.3	2.5	3.0	2.6	2.1	1.9

*recast for LIFO/FIFO change (2018-2020)

**2023 outlook is based off of 2023 FY guidance as of 07/24/2023

FREE CASH FLOW

Free cash flow is cash provided by (used in) operating activities after capital expenditures. The reconciliation provided below reconciles six months ended June 30, 2023 and 2022 and 2023 full-year free cash flow with cash provided by (used in) operating activities, the most directly comparable GAAP financial measure. Free cash flow as a percentage of net sales is calculated by dividing free cash flow by net sales.

(millions of dollars)	Six Months Ended June 30,		
	2023	2022	2023 Outlook
Cash provided by (used in) operating activities	\$(370)	\$(180)	~\$1,400
Capital expenditures	(217)	(217)	~(600)
Free cash flow	<u>\$(587)</u>	<u>\$(397)</u>	<u>~\$800</u>
Cash provided by (used in) investing activities*	(222)	(142)	
Cash provided by (used in) financing activities*	(110)	(1,022)	

**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.*

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