



# First-Quarter 2024 Earnings Review

Thursday, April 25, 2024



# Cautionary Statement



This document contains forward-looking statements about Whirlpool Corporation and its consolidated subsidiaries ("Whirlpool") that speak only as of this date. Whirlpool disclaims any obligation to update these statements. Forward-looking statements in this document may include, but are not limited to, statements regarding future financial results, long-term value creation goals, restructuring and resegmentation expectations, productivity, raw material prices and related costs, supply chain, transaction-related closing and synergies expectations, asset impairment, litigation, ESG efforts, debt repayment expectations, and the impact of COVID-19 and the Russia/Ukraine, Israel and Red Sea conflicts 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, 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, other public health emergency-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; (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) Whirlpool's 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; (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. Additional information concerning these and other factors can be found in "Risk Factors" in Item 1A of Whirlpool's 2023 10-K report. 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.

# Non-GAAP Measures



This presentation includes certain 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 EBIT margin, and ongoing earnings per diluted share. Other non-GAAP financial measures that may be included in this presentation are free cash flow, free cash flow as percentage of sales, adjusted effective tax rate, net debt leverage and return on invested capital (ROIC).

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. Slide(s): N/A

Ongoing EBIT margin: Ongoing EBIT 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. Slide(s): 5, 16, 21, 23

Segment EBIT: Consolidated EBIT broken down by the Company's reportable segments and are metrics used by the chief operating decision maker in accordance with ASC 280. Consolidated EBIT also includes corporate "Other/Eliminations" of \$(322) million and \$(357) million for the first quarters of 2024 and 2023, respectively. Management believes segment EBIT provides stockholders with a clearer basis to assess our results over time for each segment. Slide(s): 7, 10, 11, 12, 13, 21, 22

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. Slide(s): 4, 5, 16, 24

Free cash flow: Cash provided by (used in) operating activities less capital expenditures. Management believes that free cash flow and free cash flow as a percentage of sales provides stockholders with a relevant measure of liquidity and a useful basis for assessing Whirlpool's ability to fund its activities and obligations. Slide(s): 5, 16, 17, 18, 19

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. Slide(s): 24

Please refer to the supplemental information pack located in the events section of our Investor Relations website at [investors.whirlpoolcorp.com](https://investors.whirlpoolcorp.com) for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures. Whirlpool does not provide a Non-GAAP reconciliation for its forward-looking long-term value creation goals, such as organic net sales, ongoing EBIT, free cash flow conversion, ROIC and net 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.

# Executive Summary



- North America slow start from promotional environment & sticky inflation
  - Announced ~5% increase to all MDA promotional program prices
- Cost take out slower than anticipated; first wave of organizational simplification complete
- Strong performance in SDA Global and MDA Latin America & Asia
- Europe transaction closed on April 1st
- Repaid \$500M of term loan maturity in April 2024
- Reaffirming full year ongoing earnings per share guidance of \$13.00-\$15.00

# 2024 First-Quarter Results



## PROFITABLE GROWTH

Net Sales	YoY Change
<b>\$4.5B</b>	<b>(3.4)%</b> (4.4)% ex-currency

- Net sales decline ~3% with strong share gains in Latin America and flat share in North America

## MARGIN EXPANSION

Ongoing EBIT Margin	YoY Change
<b>4.3%</b>	<b>(1.1) pts</b>

- On track for \$300-\$400M of full-year cost take out; ~\$100M in Q1
- Delivered ongoing EPS of \$1.78
  - ~5.5% ongoing EBIT margin, excluding MDA EMEA

## CASH CONVERSION

Free Cash Flow	FCF as % of Net Sales
<b>\$(988)M</b>	<b>(22.0)%</b>

- Free cash flow impacted by unwinding EMEA working capital financing
- Paid \$1.75 dividend per share in Q1

# Ongoing EBIT Margin Drivers

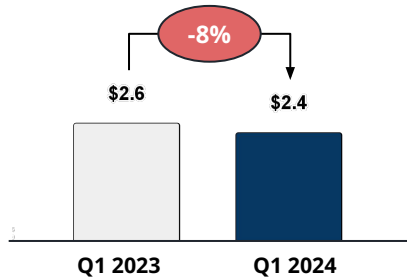
<i>(Approximate impact)</i>	Q1
<b>2023 Ongoing EBIT Margin</b>	<b>5.4%</b>
Price/Mix	-3.75
Net Cost*	+2.25
Raw Material Inflation	nm
Marketing & Technology Investments	nm
Currency	+0.50
<b>2024 Ongoing EBIT Margin</b>	<b>4.3%</b>

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

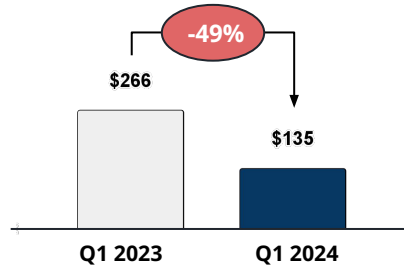
# MDA North America First-Quarter Results



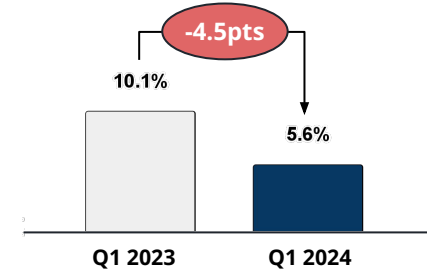
## NET SALES (\$B)



## EBIT (\$M)



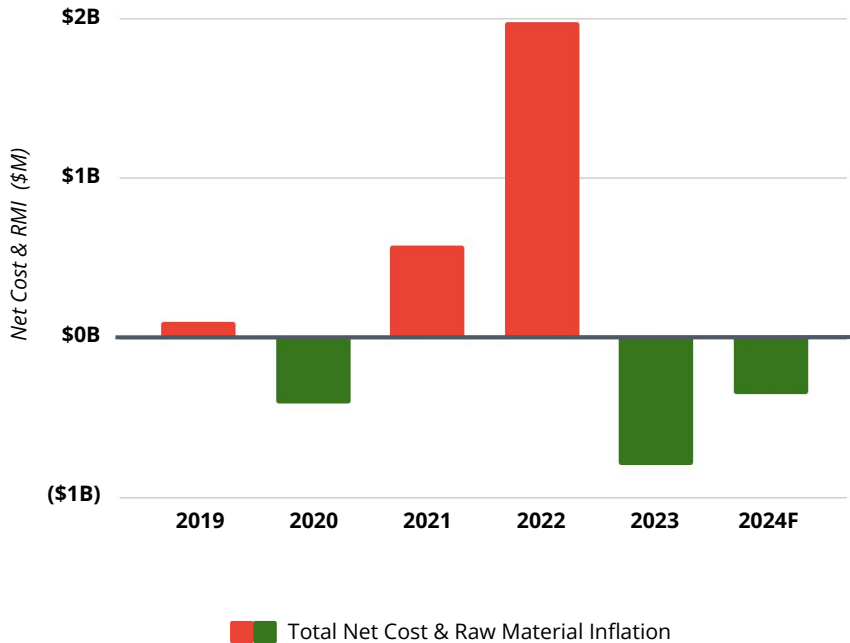
## EBIT MARGIN



- Flat share year-over-year & slightly up sequentially
- Net sales decrease resulting from negative price/mix and industry decline of ~2%
- EBIT impacted by promotional intensity and slow ramp up of cost actions

# Sticky Inflation Leading to Slower Ramp in Incremental Cost Actions in North America

## GLOBAL COST BASE 2019 - 2024



- Elevated cost base from unprecedented \$2.5B of inflation in 2021 through 2022
- Sticky inflation persistent in 2024
  - Raw materials, logistics, and labor costs remain elevated
- ~\$100M cost take out in Q1 with strong prior year carryover delivery
- Organizational simplification and cost take out is on track and completed by Q2



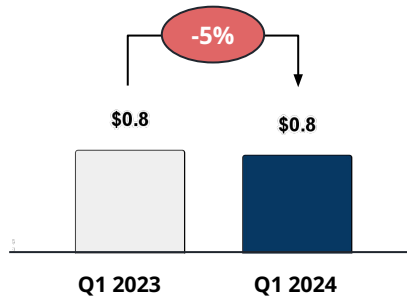
# North America Promotional Environment and Actions To Expand Margins



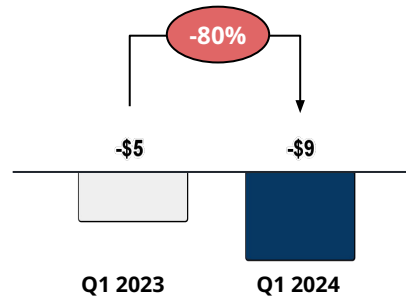
- H2 2023 promotional environment carried over into Q1
  - Limited incremental discretionary demand from promotional activity
- Took action to reduce promotional investments:
  - ~5% increase of all promotional program prices
  - New promotional program prices in effect April 25

# MDA Europe First-Quarter Results

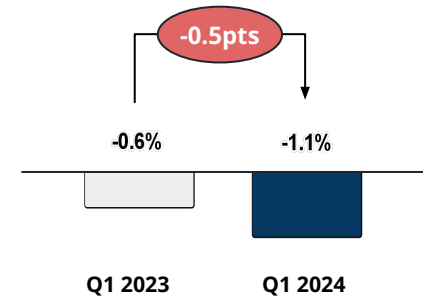
## NET SALES (\$B)



## EBIT (\$M)



## EBIT MARGIN

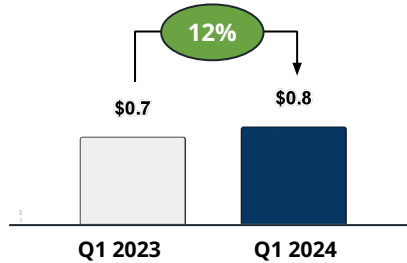


- Continued demand weakness
- EBIT margins impacted by negative price/mix
- Europe transaction closed April 2024 as expected

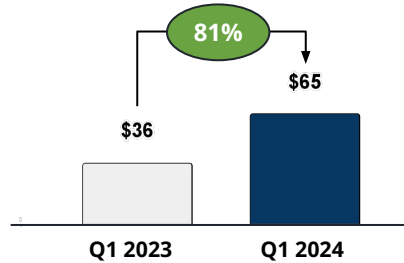
# MDA Latin America First-Quarter Results



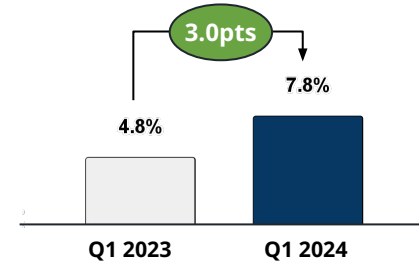
## NET SALES (\$B)



## EBIT (\$M)



## EBIT MARGIN

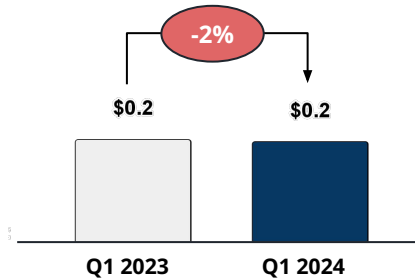


- Net sales increased ~8% excluding currency
- Strong share gains throughout the region more than offset unfavorable price/mix
- EBIT margins expanded by incremental volumes and cost actions; Q1 includes ~200 bps operating tax benefit

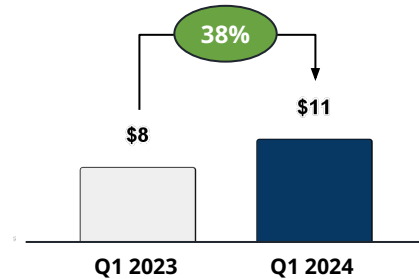
# MDA Asia First-Quarter Results



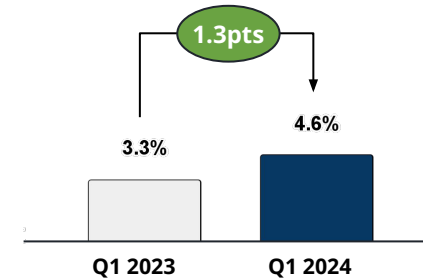
## NET SALES (\$B)



## EBIT (\$M)



## EBIT MARGIN

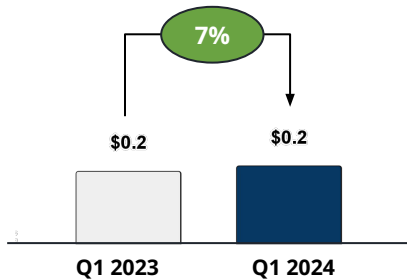


- Increased volumes from share gains
- Net sales excluding currency down ~2% with unfavorable price/mix
- EBIT margin expansion driven by cost actions partially offset by negative price/mix

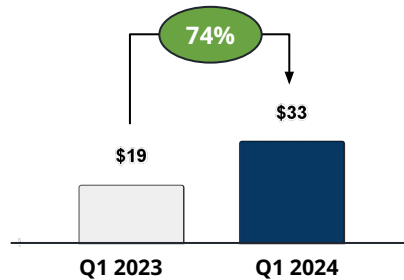
# SDA Global First-Quarter Results



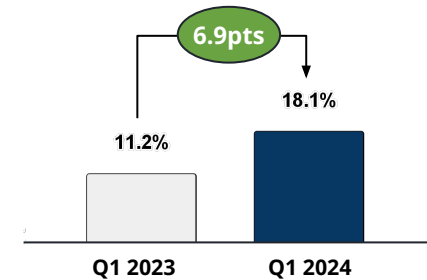
## NET SALES (\$B)



## EBIT (\$M)



## EBIT MARGIN



- Net sales growth throughout key countries and direct to consumer business
- Continued momentum from new product introductions
- EBIT margins driven by cost actions and volume growth

## KITCHENAID ESPRESSO MAKER

Fully automatic espresso machine allows you to personalize and store recipes.



## MAYTAG PETS DISHWASHER

Kill 99.99% of bacteria in pet bowls.\* The Pet Pro Sanitization cycle uses high temperatures to wash and sanitize 2x faster than Normal cycle.\*\*



## KITCHENAID GRAIN AND RICE COOKER

Integrated scale and water tank dispenses the right amount of water to match the water-to-grain ratio for what you are cooking.



## ACROS MAX FREE STANDING RANGE

The most powerful standard burner in the value segment, with preheat alarm and oven cavity guided cooking.



\*See UL Verify for specific organisms.

\*\*When compared to Normal Wash cycle plus Sani Rinse option and Heated Dry.

# Europe Transaction Closed April 1st, 2024



- Whirlpool has 25 percent ownership in new entity, Beko Europe B.V.
  - Governance structure includes 2 of 6 board seats
- Transaction expected to deliver \$750M+ net present value of future cash flow
- \$250-\$300M incremental free cash flow expected in 2025

# Reaffirming 2024 Full Year Guidance



## PROFITABLE GROWTH

**~\$17.2B**

ANNUAL ORGANIC NET SALES

Net Sales	YoY Change
-----------	------------

~\$16.9B

~\$16.9B      ~Flat

## MARGIN EXPANSION

**~9.0%**

ONGOING EARNINGS BEFORE INTEREST  
AND TAX, % OF NET SALES

Ongoing EBIT Margin	YoY Change
------------------------	------------

~6.9%

~6.8%      ~Flat

## CASH CONVERSION

**~7.0%**

FREE CASH FLOW  
AS % OF NET SALES

Free Cash Flow	FCF as % of Net Sales
-------------------	--------------------------

N/A

\$550-650M      ~3.5%

2026  
GOALS

2023  
LIKE FOR LIKE  
excludes MDA Europe Q2 - Q4

2024 GUIDANCE

**Full-year ongoing EPS of \$13.00 - \$15.00**



# 2024 Free Cash Flow Guidance



<i>(Approximate impact in millions)</i>	2023	2024	Comments
Cash Earnings and Other Operating Items	\$910	\$1,100 - \$1,200	• Earnings Improvement
Capital Expenditures	\$(549)	~\$(600)	• Innovation, digital transformation and capacity investments
Working Capital	\$37	~\$100	• Working capital reduction
Restructuring Cash Outlays	\$(32)	~\$(50)	• Driven by previously executed actions and complexity reduction
<b>Free Cash Flow</b>	<b>\$366M</b>	<b>\$550 - \$650M</b>	• 2024 includes \$250-\$300M of MDA Europe cash usage

# 2024 Capital Allocation Priorities On Track



## 2024 Cash Expectations

**Beginning Cash on Hand** ~\$1.6B

**2024 FCF** \$0.55 - \$0.65B

**India share sale & pending Brastemp water business** ~\$0.5B

## Clear Capital Allocation Priorities

- ✓ Q1 dividend paid, Q2 declared → Expect ~\$400M\* in 2024
- ✓ \$500M of term loan repaid in April
- ✓ ~\$50M share buyback in Q1

# Closing Summary



- Q1 largely in line with expectations, strong performances across our international regions and Global SDA
- Actions in place to address challenging North America macroeconomic environment and expand margins
- 2024 Cost take out actions on track to deliver \$300-\$400M
  - Organizational simplification wave 2 to be completed in early Q2
- \$550-\$650M Free Cash Flow expected in 2024; \$250-\$300M incremental cash flow expected in 2025 from removal of EMEA

# Closing Remarks and Q&A








# 2024 Guidance Bridge



	2023 As Reported	Q2-Q4 2023 MDA Europe*	2023 Like for Like	2024 Guidance
Net Sales ( <i>in billions</i> )	\$19.5	\$2.6	\$16.9	\$16.9
Ongoing EBIT ( <i>in millions</i> )	\$1,191	\$30	\$1,162	~\$1,150
Ongoing EBIT Margin	6.1%	1.2%	~6.9%	~6.8%

# 2024 Segment Guidance

		Industry	EBIT %
	MDA North America	0 - 2%	~9%
	MDA Latin America	0 - 3%	~6.5%
	MDA Asia	4 - 6%	~3%
	SDA Global	2 - 4%	~15.5%
	MDA Europe (Q1 Actuals)	(1)%	(1.1)%
<b>Total</b>		<b>~0 - 2%</b>	<b>~6.8%</b>

# Full-Year 2024 Ongoing EBIT Margin Guidance



<i>(Approximate impact)</i>	EBIT Margin	Comments
<b>2023 Ongoing EBIT Margin</b>	<b>6.1%</b>	
Price/Mix	-1.5 to -1.75	• ~5% promotional program actions
Net Cost*	+1.75	• Cost actions expected to deliver \$300 - \$400M benefit
Raw Material Inflation	nm	• Unfavorable recent commodity trends (resins, components, etc.)
Marketing & Technology Investments	-0.25	• Increased brand and new product investments
Currency	nm	
Europe Transaction	+0.75	• EMEA transaction expected to contribute ~75 bps of 2024 margin
<b>2024 Ongoing EBIT Margin</b>	<b>~6.8%</b>	

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

# Key Assumptions - Guidance



Income Statement	FY2023	FY2024E
Raw Material (Inflation) / Deflation	\$460M	nm
Restructuring Costs*	\$16M	~\$50M
Interest Expense	\$351M	~\$350M
Corporate Center	\$200M	~\$200M
Weighted-Average Diluted Shares Outstanding	55.2M	54.9M**
GAAP Earnings per Diluted Share	\$8.72	\$5.00 - \$7.00
Ongoing Earnings per Diluted Share	\$16.16	\$13.00 - \$15.00
GAAP Tax Rate	13.0%	~25%
Adjusted (non-GAAP) Tax Rate	(6.7)%	~0%

Cash Flow Statement	FY2023A	FY2024E
Capital Expenditures	\$549M	~\$600M
Dividends Paid***	\$384M	~\$400M
Amount of Stock Repurchased	-	~\$50M
Restructuring Cash Outlays	\$32M	~\$50M
Cash Tax Rate	20.2%	~20%

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

\*\*Estimated full-year weighted-average diluted shares outstanding inclusive of actual share repurchases as of 3/31/2024; Does not reflect potential additional 2024 share repurchases or share dilution

\*\*\*Subject to board approval



# Interest and Sundry (Income) Expense



<i>(Approximate impact in millions)</i>	Q1		Comments
	2023	2024	
Net Foreign Exchange	\$12	(\$5)	<ul style="list-style-type: none"> <li>Includes foreign exchange and hedge (gain)/loss</li> </ul>
Interest (Income) Expense/Other	65	(23)	<ul style="list-style-type: none"> <li>2024 interest income and LAR tax provision adjustment</li> <li>2023 legacy EMEA legal matters</li> </ul>
Equity Method Investment Income (Loss)*	(1)	(0)	
<b>Interest and Sundry (Income) Expense</b>	<b>\$77</b>	<b>(\$29)</b>	

Note: Numbers may not reconcile due to rounding  
 \*Equity Method Investment Income (Loss), Net of Tax

# Restructuring Cash Outlays



<i>(Approximate impact in millions)</i>	2023	2024E	Comments
COVID-19 Related Actions	\$20	\$0	
Other Initiatives	\$12	~\$50	<ul style="list-style-type: none"><li>Primarily due to organizational simplification</li></ul>
<b>Total</b>	<b>\$32</b>	<b>~\$50</b>	

Note: Numbers may not reconcile due to rounding



Whirlpool

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