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Whirlpool Corp. (WHR)

Q3 2025 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, and welcome to Whirlpool Corporation's Third Quarter 2025 Earnings Call. Today's call is being recorded. Joining me today are Marc Bitzer, our Chairman and Chief Executive Officer; and Jim Peters, our Chief Financial and Administrative officer. Our remarks today track with the presentation available on the Investors section of our website at WhirlpoolCorp.com.

Before we begin, I want to remind you that as we conduct this call, we will be making forward-looking statements to assist you in better understanding Whirlpool Corporation's future expectations. Our actual results could differ materially from these statements due to many factors discussed in our latest 10-K, 10-Q and other periodic reports.

We also want to remind you that today's presentation includes the non-GAAP measures outlined in further detail at the beginning of our earnings presentation. We believe these measures are important indicators of our operations as they exclude items that may not be indicative of results from ongoing business operations. We think the adjusted measures will provide you with a better baseline for analyzing trends in our ongoing business operations. Listeners are directed to the supplemental information package posted on the Investor Relations section of our website for reconciliations of non-GAAP items to the most directly comparable GAAP measures.

At this time, all participants are in listen-only mode. Following our prepared remarks, the call will be open for analyst questions. As a reminder, we ask that participants ask no more than two questions. With that, I'll turn the call over to Marc.

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

Good morning, everyone. Over the next hour, we will discuss our Q3 results and we will provide you with plenty of data in detail. However, if you ask me to summarize the Q3 message in just one sentence, it is: our Q3 results demonstrate organic growth, while our margins are still impacted by tariff preloading in the industry.

Let me first talk about our organic growth. We had two sources of growth in our business. One, our KitchenAid small domestic appliance business, which achieved a double-digit revenue growth. Two, market share gains in our North American major appliance business on the back of our new product launches, despite an intense promotional environment.

As discussed in prior earnings calls, we have a largest number of new product launches in North America in over a decade. These new products have already secured strong flooring gains, and we are beginning to see very encouraging sell-out performance.

Now, let me address our operating margins. Our North American operating margins are 1 point below our expectations, which is not where we want to happen. So, why is that? During our last earnings call, we presented three catalysts for value creation and margin improvement in North America. One, our new product launches. They are fully on track. Two, the housing cycle, which will undoubtedly benefit us, but not in 2025, which leaves the tariffs as the third catalyst for margin improvement. Tariffs come in various forms and have been slowly ramping up during Q3. In fact, the full burden of reciprocal tariffs, which were announced in August 7, only became effective as of October 5, and are now finally fully in place. This ramp-up brought extensive preloading of inventories ahead of tariffs. And while this is not a surprise, it lasted longer than we anticipated.

Regardless of these temporary impacts, the fundamental perspective on tariffs remains the same. We are the domestic producer with more than 80% of our US sales produced in the US, while our competitors are largely importers. Tariffs, by definition, support with domestic producer. The question is not if, but when. And we do believe we are close to a turning point.

Container import volumes suggested deceleration of imports in August and September, following the peak in July. This is also supported by 17 consecutive weeks of container rate declines from mid-June. We do strongly believe in our value creation upside, in particular in our North American business, not only because of our promising new products, but also because of our US-based manufacturing footprint, which will, without any question, emerge as a competitive advantage. And our recent announcement of a \$300 million investment in our US laundry facilities is evidence of our confidence in our North American business.

With this, let me hand it over to Jim, who will discuss the Q3 results as well as our full year guidance.

James W. Peters

Executive Vice President & Chief Financial and Administrative Officer, Whirlpool Corp.

Thanks, Marc. Good morning, everyone. Turning to slide 6, I will provide an overview of our third quarter results. We delivered 100 basis points of revenue growth year-over-year, driven by our new product launches in MDA North America, and a strong double-digit growth of our SDA Global business. Global ongoing EBIT margins of

4.5% were unfavorably impacted by the ramp-up effects of tariffs and foreign competitors' preloading of Asian-produced inventory. This resulted in a continued highly promotional environment through the third quarter of 2025.

Ultimately, we delivered ongoing earnings per share of \$2.09, which was also supported by an updated adjusted effective tax rate of 8%, resulting in approximately \$1 of favorability. Our free cash flow was unfavorable versus prior year by approximately \$320 million, driven by the timing impact of tariff payments and the inventory build to support both new product launches and the incremental cost of tariffs.

Turning to slide 7, I will provide an overview of our third quarter ongoing EBIT margin drivers. Price mix favorably impacted margin by 50 basis points. We are seeing positive momentum from the cumulative effect of our new product launches and benefits of previously announced pricing actions. At the same time, these benefits have been dampened by the effects of inventory preloading, resulting in continued promotional intensity. Our cost takeout actions delivered as expected, resulting in margin expansion of 100 basis points year-over-year, led by our manufacturing and supply chain efficiencies. Raw materials were essentially flat, as expected.

In the third quarter, we experienced incremental costs of tariffs of approximately 250 basis points. While marketing and technology was flat versus prior year, we have continued to invest in our products and brands. Lastly, currency depreciation associated with the Argentinian peso and Indian rupee resulted in an unfavorable margin impact of 25 basis points.

Turning to slide 8. I'll review the third quarter results for our MDA North America business. The segment achieved revenue growth both sequentially and year-over-year, as new product introductions gained momentum and supported share gains. The tariff policy implementation delays and on-the-water exemptions led to continued preloading of Asian-produced products in the third quarter.

While our tariff costs are near steady state, some of our competitors are operating with largely pre-tariff inventory, which has resulted in a continued promotional environment, which negatively affected price mix. Despite these challenges, we are seeing positive signs that import volumes by foreign competitors are likely decelerating, giving us confidence that we will operate in a more level playing field as we enter 2026.

Turning to slide 9, let me review our new products supporting our growth in our MDA North America business. As previously mentioned, we have had a very strong lineup of product launches this year, with MDA North America transitioning over 30% of its products. A few highlights of our new product lineup include the Whirlpool and KitchenAid French door refrigerators. The true counter depth size seamlessly fits into your kitchen, allowing you to maximize your kitchen space, while the full depth size offers increased capacity and elevated aesthetic appeal to meet modern consumer expectations. The new KitchenAid dishwasher will allow you to discover next level dishwashing with the automatic door open dry system, versatile third rack, and filtration system that cleans itself.

Finally, we have our new Whirlpool top load laundry, which combines refreshed aesthetics with performance, allowing you to choose how to wash with the 2-in-1 removable agitator. These products are just a few examples of how we continue to position our business for growth in MDA North America, by bringing new innovation into consumers' homes.

Turning to slide 10. I'll review the results for our MDA Latin America business. In the third quarter, MDA Latin America experienced a net sales decline of 6% year-over-year, excluding currency, due to volume decline. The challenging business environment in Argentina has negatively impacted the segment performance by approximately 100 basis points, resulting in an EBIT margin of 5.7%.

Turning to slide 11. I'll review the results of our MDA Asia business. In the third quarter, MDA Asia saw a net sales decline of 4% year-over-year, excluding currency, driven by volume decline. Continued cost takeout was offset by industry volume declines, resulting in approximately 2% EBIT margin for the segment.

Turning to slide 12. I'll review the results of our SDA Global business. The segment achieved double-digit net sales growth of 10% year-over-year, driven by the success of its new product launches. The segment continued to deliver a very strong EBIT margin of 16.5%, as favorable price mix and strong direct-to-consumer business continued to deliver margin expansion.

Turning to slide 13, I will highlight how our SDA Global business continues to create consumer loyalty and excitement, while bringing relevant new products to market. First, I want to highlight the highly sought-after walnut wood accents now available in the espresso kit, beautifully crafted with the warmth and natural texture of real walnut wood. Our 3-in-1 pasta stand mixer attachment is designed to simplify the pasta-making process, allowing the maker to roll and cut their pasta, enhancing overall kitchen experience with one easy-to-use attachment.

We also recently held an exciting stand mixer sweepstakes, where our limited edition, Tangerine Twinkle color sparked interest across generations, earning approximately 2.5 billion media impressions in the first five days. These initiatives are just a few examples showcasing the success of our SDA Global business and the strength of this iconic brand.

Turning to slide 15, I will review our guidance for 2025. As Marc highlighted, the near-record levels of pre-loaded Asian imports have unfavorably impacted our 2025 financial results. As a result, we are narrowing our full-year EPS guidance and revising other components of guidance to reflect the timing at which we expect some of these headwinds to subside.

Our net sales guidance of \$15.8 billion is unchanged. As we continue to experience promotional intensity due to foreign competitor inventory preloading, we now expect to deliver a full-year ongoing EBIT margin of approximately 5%. As mentioned, we are narrowing our full-year ongoing earnings per share to approximately \$7, supported by an improved adjusted effective tax rate.

The One Big Beautiful Bill Act, enacted in July 2025, includes the permanent extension of certain tax provisions and modifications to the international tax framework. As a result, we now expect an adjusted full year tax rate of approximately 8%. Without the benefit of our updated tax rate, we would be at the low end of the previous ongoing EPS guidance. Lastly, we have updated our free cash flow guidance to approximately \$200 million. This reflects the updated expected EBIT margin and the impact of cash payments related to tariffs.

Turning to slide 16. We show the drivers of our updated full-year ongoing EBIT margin guidance. We have updated our expectation of price mix to 75 basis points to reflect the intense promotional environment continuing through Q4 of 2025. Net cost takeout is unchanged and reflects the expectation to deliver approximately \$200 million. The expected impact of incremental tariffs is still projected to be 150 basis points. It is important to reiterate that these impacts represent currently announced tariffs and do not factor in any future or potential changes in trade policy.

Marketing and technology investments reflect our continued efforts to invest in our products and brands. And the improvement of 25 basis points demonstrates our ability to deliver more efficient marketing assets. Currency and transaction impacts are unchanged.

Turning to slide 17. I will review our revised segment expectations. We have adjusted EBIT margin in North America to reflect the lower than expected price mix due to competitor preloading. We expect a full-year MDA North America margin of 5% to 5.5%. With unfavorable currency impacts and continued macro volatility in Argentina, we now expect an EBIT margin of approximately 6% in MDA Latin America. We expect MDA Asia and SDA Global EBIT margins of approximately 5% and 15.5%, respectively, unchanged from our prior guidance.

Turning to slide 18. I will review our free cash flow guidance. We've updated our cash earnings and other operating items, consistent with full year EBIT guidance, to reflect the impact of tariff costs. We now expect capital expenditures of approximately \$400 million as we continue to prioritize and optimize our capital investments. We expect to build approximately \$100 million of working capital, primarily driven by incremental tariff costs in our inventory.

Additionally, the timing of tariff payments is negatively impacting our working capital, as tariff payment terms to the government are much shorter than our existing supplier payment terms. The full effect of tariffs is now reflected in our free cash flow expectations. Our restructuring costs due to previously announced organizational actions are unchanged at approximately \$50 million. Overall, we expect free cash flow of approximately \$200 million for the year.

Turning to slide 19, I will review our capital allocation priorities. As demonstrated through our 100-plus new products launching this year, investing in innovation that meets our consumer needs is a critical priority to drive our organic growth. Secondly, we are committed to reducing debt levels. We continue to expect to pay down \$700 million of debt, taking a significant step toward our long-term target of 2 times net debt leverage. As the ramp-up effects of tariffs impact 2025 financial results, our debt paydown will be delayed into 2026. Lastly, we have declared a fourth quarter dividend of \$0.90 per share, continuing to return cash to shareholders through funding a healthy dividend.

Turning to slide 20. I will give an update on the anticipated Whirlpool of India transaction. As you may have seen announced earlier this month, we have now entered into strategic agreements between Whirlpool Corporation and Whirlpool of India, which include brand and technology licensing. These agreements, along with the transition services agreement, paved the way for how Whirlpool Corporation and Whirlpool of India will operate together over the next several years. This is a critical and prerequisite milestone to support the advancement of our expected transaction. With this structure in place, we continue to work toward an ownership reduction to approximately 20%. Ultimately, the proceeds from this ownership reduction will be used to pay down debt. We expect to announce a share sale transaction by December of 2025, and are targeting transaction completion in the first half of 2026.

Now, I will turn the call over to Marc.

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

Thanks, Jim. And turning to slide 22, let me revisit why North America is well positioned to create significant value in the mid and long term. As mentioned earlier, there are three fundamental components that serve as catalysts for growth for our North America MDA business. First, we are strengthening our product portfolio with over 30% of our North American products transitioning to new products in 2025. This compares to less than 10% product renewal in a normal year.

Secondly, our strong US-based manufacturing footprint positions us as a net winner of new tariff and trade policies. Thirdly, turning to the US housing market, we continue to see strong underlying fundamentals that point

to a likely multi-year recovery. It is a well-established fact that the US housing market is significantly undersupplied by approximately 3 million to 4 million homes, which is compounded by an aging housing stock with a median age of 40 years. Additionally, the elevated mortgage rates have created pent-up demand that we expect to unlock once interest rates start to ease.

Turning to slide 23, I'm pleased to showcase the new KitchenAid Suite, which we began shipping to our trade customers in September. To put this in perspective, this is the first full KitchenAid redesign in a decade. And this line of products represent over \$1 billion of annual business with strong margins. We've seen both strong flooring gains as well as very promising sell-out trends over the past weeks. And our KitchenAid market share is now trending towards its highest level in over a decade. Beyond the exciting new colors, the modern design is aesthetic. This line is unique in its personalization opportunities. The personalization comes from a combination of interchangeable colors of handles and knobs, which can be easily changed at the consumer's home.

Turning to slide 24, I will reinforce how Whirlpool will be the net winner of trade tariffs. So far in 2025, tariffs have been a headwind to our business. As they ramped up, our margins were impacted by approximately \$100 million of incremental costs in the third quarter. These costs are largely related to imported components and, to a lesser extent, to imported finished goods.

Our competitors, on the other hand, took advantage of implementation delays and on-the-water exemptions to accelerate imports from Asia and flood the market with lower cost inventory. In fact, during the first half of 2025, we experienced nearly the highest level of appliance imports from Asia on record.

As a result, and not surprisingly, the promotional environment has remained elevated, preventing us from realizing our competitive advantage as the largest US-based producer of appliances. Since reaching peak levels in June and July, we have seen signs that point towards a deceleration of imports. While we do not have import data for August and September available, the ocean container costs have been dropping at a rapid pace, a clear indication of lower demand for ocean containers.

Also, as of October 5, we are operating in an environment where all imported appliances will be subject to the full reciprocal tariffs as well as the section 232 tariffs. With this, the tariffs will finally begin to turn the tides in our favor, given our unmatched domestic footprint. As a domestic producer with more than 80% local production, we will have a clear relative advantage over our competitors.

To put this relative advantage in numbers, as Whirlpool, we expect to face approximately 3% cost increase on an annualized basis. Our foreign competitors, on the other hand, are estimated to experience approximately 5% to 15% cost increase depending on their production footprint as they are largely importers in the US. We are confident that these headwinds are temporary, and ultimately, Whirlpool is uniquely positioned to benefit from these policies mid and long-term.

Turning to slide 25. Let me summarize our progress against these catalysts for growth. One, we are pleased by the early success of our new products launched this year. We've seen a positive reaction from our trade customers, gaining 30% increase in flooring compared to prior year. Two, with our domestic manufacturing becoming a competitive advantage, we're investing even more capital in our US footprint. We just announced a \$300 million investment in our laundry factories, which will add capacity and further fuel our innovation pipeline. And three, even though the housing market will need further mortgage rates reductions to finally gain momentum, we're exceptionally well positioned to win in the eventual housing recovery.

We continue to see strength in our builder channel position, and have just recently renewed a multi-year contract with one of the top three builders. As a reminder, we have contracts with 8 out of the top 10 US builders, supported by our product and brand portfolio, as well as our final-mile delivery capabilities.

Turning to slide 26. Let me just summarize what you heard today. We're pleased to have achieved organic revenue growth in the third quarter. Our SDA Global business continues to be a bright spot. New products and a successful D2C strategy delivered sustained growth and margin expansion throughout 2025, and will continue to drive value creation.

Our market share gains in North American major appliances are just the beginning, and we're encouraged by the success of our new products. Beyond the success of these new products, there is no doubt that the two big macro cycles, US tariffs and US housing, will ultimately turn in our favor. Even with these macro cycles turning to our favor, we remain very focused on cost takeout initiatives and see more cost takeout opportunities as we head into 2026.

And now, we will end our formal remarks, and open it up for questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Your first question comes from the line of Susan Maklari from Goldman Sachs. Your line is open.

Susan Maklari

Analyst, Goldman Sachs & Co. LLC

Q

Thank you. Good morning, everyone.

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Good morning, Susan.

James W. Peters

Executive Vice President & Chief Financial and Administrative Officer, Whirlpool Corp.

A

Good morning.

Susan Maklari

Analyst, Goldman Sachs & Co. LLC

Q

My first question is around the share gains that you have seen this quarter. Can you talk a bit about how much of that is driven by the new product launch and the momentum that you're seeing there, relative to promotions and any changes that you saw company-specific in that during the quarter?

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Yeah. Susan, so, obviously your share gains referred to our majors business in North America, where we had a 2.8% revenue growth, which is obviously a very encouraging promising sign. And it's the first growth which we

had in quite a while. So, the share gains which we had in Q3 essentially completely offset anything which we lost in the first half. So, we're right now – we feel good about the share position.

To your question about where it's coming from, in very simple terms, the share gains came from new products and on the promotion side of the business, we pretty much held our line. So, it's a combination of both factors. So, we held our line in promotions. Despite the pressure, the share gains came with all the new products. I think you heard in my previous remarks that we feel particularly good about the KitchenAid business. KitchenAid had pretty much an all-time record market share in majors. And obviously, that is not the promotional part of the business. That is really new product launches.

But we feel also very good about – we launched a new French Door Bottom Mounts, we have entire mid-layer of top load laundry which came out. So, we feel very, very good about where we are with these new products. Not only in the flooring, but now with a couple of weeks in the market, we have also some pretty good sell-out data, which is, lining up very well for what's about to come.

Susan Maklari

Analyst, Goldman Sachs & Co. LLC



Okay. That's helpful. And then, it's nice to see the continued strength in the SDA business. Can you talk about what is driving that? And especially it seems to be coming, despite the weakness that we're seeing in the housing and even with the consumer volatility out there. So, can you just talk about the momentum there and how you're thinking about that business going forward?

Susan Maklari

Analyst, Goldman Sachs & Co. LLC



Yeah, Susan, in short, we feel very good about where we are from a SDA perspective and the momentum which we have, which we also think bodes very well also for next year. I think there's a couple of factors here at play. First of all, because you mentioned the housing, the small domestic appliance market is less driven by the housing than the majors. There's just a fundamental difference. So, it's much more of a discretionary sales, less of replacement, more of a discretionary sale.

What helped us, I would say, is essentially three factors coming together. Two internally, one macro. The first one, we have a lot of new products already launched in the last year. We have a lot of new products in the pipeline. And I think we're also – we've demonstrated and you've seen that our advertising investments. We supported these new product launches with significant investments. So, all these new products help us building a business, particularly outside the stand mixer also, but also [ph] inside the (00:26:45) stand mixer. That's one.

Two, we continue to see great growth and strength in our D2C business, which as you know – this is a kind of business, the more volume you get through D2C business, the more profitable it becomes, just because of a surge and traffic costs are spread over in a much more favorable way. So, we feel very good about the D2C progress.

And thirdly, and this is – and it may feel like SDA is not so much of a tariff story. It's a different one because almost an entire production of SDA, call it, outside our Ohio – Greenville, Ohio factory is largely China-based production. So, you had an earlier impact of tariffs in the SDA market, because the China tariffs came into effect a little bit earlier than the rest of Asia. So, that drove already a lot of industry changes and behaviors in the SDA segment. So, I would say, in some ways, you could say the tariffs have found their way in the marketplace earlier in the SDA than they have seen it in the major business.

Operator: Your next question comes from a line of David MacGregor from Longbow Research. Your line is open.

David S. MacGregor

Analyst, Longbow Research LLC

Good morning, everyone.

Q

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

Good morning, David.

A

David S. MacGregor

Analyst, Longbow Research LLC

Marc – yeah. Good morning. You talked about the gains in retail flooring. And I'm just wondering – I realized each of these listings would have a different velocity, but in total, under current demand conditions, what would those incremental listings represent in terms of 2026 unit growth?

Q

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

David, that's a very specific question. So – and I'm obviously shying a little bit away from giving the 2026 unit growth perspective. But again, first of all, there's two parameters which we already referred to. We replaced about 30% of the SKUs in North America in 2025. Now, that's not all completed, but now with a KitchenAid DBL, I would say 90% of our products which we want to launch in 2025 has been launched. As a little reminder, and I know it's only footnote, a launching product comes with a cost, because we typically pay for display costs, et cetera, which of course you see reflected in the margin. So, they don't immediately give you value accretion, because you pay for the flooring.

A

Now, typically when you launch these new products, you have first of all the flooring discussions, where we feel exceptionally good about where we are. We – in 30% of new products, which again compares to typically slightly less than 10% a normal year, we gained about 29% more floors than we had in pre-succession SKUs. So, that's very encouraging.

Now, everybody in the retail industry knows getting flooring is one thing. Then you need to get the sell-out. The sell-out data is of course, in some elements, already a little bit more mature and some elements less mature. But I would say across the board, in particular, in the KitchenAid launch, but also with top load launch, which I mentioned before in the French Door, we feel very, very good. So put this all together, David, I would say we feel very good about the organic growth opportunities heading to 2026 in North America, irrespective of what the market does. We feel really good about the momentum which we have. And the flooring costs will be behind us. So, we feel – and I know it may not fully reflect in Q3 margins, but trust me, we feel we have a good tailwind in our back coming from these product launches.

David S. MacGregor

Analyst, Longbow Research LLC

Great. And just to be clear on this, and I have a follow-up question, but just to be clear, you're expecting the flooring costs, the upfront flooring costs to be fully realized by the end of the calendar year?

Q

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Yeah, we will be – by the end of Q4, we will have pretty much fully absorb it. Now, we also – next year, we will also have some product launches, but it will be just, of course, a lot less than this year. This year has been the peak of all the product launches.

David S. MacGregor

Analyst, Longbow Research LLC

Q

Right. Right. Okay. And the second question is regarding the tariffs and the \$225 million of expected unrecovered 2025 tariff expense, how much of this do you expect to recover in 2026, presumably once you have the benefit of tariff protection?

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Well, again, David, the tariff is – there is a gross and a net component. On the gross side, we pay tariffs. So, right now, with \$225 million which we'll pay this year, assuming the tariffs are now stable, that is of course a big assumption, because as we all experience, there's a lot of moving pieces, basically the same amount next year probably will be in the ballpark of \$300 million to \$350 million and just this is an early number. So, of course, when you need to look at the delta of the growth tariffs, but when year-over-year comparison [ph] basically happen (00:31:28), the Q1 and apart from Q2, which we basically have to kind of transition into.

Now, a real benefit comes to us is, as we mentioned before, for us, this represents about 3% of our North America sales. If you calibrate the country of production of our competitors with respective tariff rates, you would come to the conclusion that their respective headwind is about 5% to 15%. So, of course, it puts us on a relative competitive advantage, which we ultimately should see in volume growth and overall margin appreciation in North America.

Operator: Your next question comes from a line of Michael Rehaut from JPMorgan. Your line is open.

Michael Rehaut

Analyst, JPMorgan Securities LLC

Q

Thanks. Good morning. Thanks for taking my questions.

James W. Peters

Executive Vice President & Chief Financial and Administrative Officer, Whirlpool Corp.

A

Good morning.

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Good morning, Mike.

Michael Rehaut

Analyst, JPMorgan Securities LLC

Q

First, I just wanted to – good morning. I just wanted to kind of take a step back and look at – obviously, the continued promotional environment is the culprit here. And you expect it to continue through the end of the year.

Just wanted to understand how this promotional environment compares to pre-COVID norms. If there are certain metrics that you can kind of point to that would say, this is 5% more intense from a net pricing standpoint than prior periods or certain metrics that can – we can kind of grab on to, to understand maybe if things normalize and inventory – excess inventory or excess promotions come out of the channel or so forth, we can kind of get a better yardstick of what to expect as things kind of calm down, let's say.

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Yeah. Michael, it's Marc. Obviously, that's a big question. And there's no precise answer to it, to be very transparent. So, first of all, on a multiyear perspective, as you all remember, we had, I would say, pre-COVID, more or less a normal promotion environment. And it is just a consumer market, which every once in a while needs to be stimulated with some promotional around the holidays. That's nothing new, nothing [ph] abnormal (00:33:49). Now, post-COVID, in particular, in the context of supply chain crisis, there was essentially a no promotion environment. And then these promotions quickly ran back up again into the market in late 2023, but in particular in 2024. So, these were big cycles.

Now, this year, on top of this massive swing, you have a very rapid change in volatile environment, because of course, when everybody started the year, we didn't anticipate tariffs to that extent. We didn't anticipate the preloading. So, you have right now a lot of industry volumes, shifting in the markets, which is just not comparable to any normal year. So, your question around normal or not normal, I would more refer to the volumes which are shipped into the country, which is just outside any normal pattern. The consumer will always need some stimulation around some holidays, but that is nothing new. So, the real normalization effect comes from just industry shipments balancing and reflecting both the normal trends, but even more important, reflecting real underlying costs.

The volumes which were shipped into the country – and to give you a little bit more expansion, we have a July import data, but we do not have the August and September data, because of the government shutdown. So, the July shipment data still showed elevated shipments into the country, despite the flat market, which we all know. And as Jim showed earlier or mentioned earlier, the first half of 2025 pretty much was close to an all-time record on appliance shipment from Asia. So, it's very, very high and certainly above the market demand. So, we know there's quite a bit of an inventory overhang, inventory which was at pre-tariff cost. That's an important one.

Of course, by definition, as you go through Q3 and Q4, with the anticipation that import volumes come down, that excess inventory at one point will "flush through the system." We would expect that to be happening kind of towards the end of Q4. We assume Black Friday volumes are pretty much set and prices are being determined already. So, I would strongly believe that by Q4, any pre-tariff inventory is more or less gone out of the system. So, with that in mind, I would expect, in 2026, to see industry behavior, which is more reflective of normal shipment patterns and particularly more important of the underlying cost base.

James W. Peters

Executive Vice President & Chief Financial and Administrative Officer, Whirlpool Corp.

A

I mean, Michael, just to highlight, as Marc kind of discussed earlier in some of his remarks, I mean, next year, in the industry, the tariffs will create an unprecedented level of cost increases for many of the participants. And so, it's very hard to predict, but obviously that should have an impact.

Michael Rehaut

Analyst, JPMorgan Securities LLC

Q

Right. No, I appreciate that. I know it's obviously a very fluid environment to say the least. Secondly, I wanted to shift focus a little bit to the balance sheet and, you've kind of outlined that you've delayed the \$700 million debt paid out into, I guess, the first half of next year. I was wondering if you could also just kind of address with over the next couple of years, how you're going to manage the revolver and financing needs as certain elements of the revolver come due over the next two years, and if the remainder of those financing needs are going to be simply refinanced and pushed out, or if there's going to be additional debt pay down. Any other kind of details around that front would be helpful.

James W. Peters

Executive Vice President & Chief Financial and Administrative Officer, Whirlpool Corp.

A

Yeah. Michael, this is Jim. And I'd probably start with that. Our long-term goals haven't changed. And our long-term goals to get to a 2 times net-debt-to-EBITDA have not changed. As you highlighted, I think the timing of some of that has changed. And maybe we start with the beginning of the year, where we were able to refinance \$1.2 billion of the term loan that we had and we feel very good about that setting us up very well.

As then you mentioned, the India transaction, which we feel we're progressing very well with, and we've just announced that we've got all the major agreements in place that we need to get that transaction done. Now, that's delayed into 2026, at least from a closing perspective, but we still feel good about getting the proceeds of that and using that to pay down debt. And so, as you look at that, again, from an overall liquidity perspective, we feel good, obviously, with the revolver that we utilize right now. That's always a cycle. And we've gone through that years – for many, many years that we go out, we renew it, we continue it forward. So, we believe we're in a good position there right now.

So, as I said, really, from an overall capital allocation and debt perspective, nothing has changed other than pushing the timing out. From a liquidity perspective, we feel good about where we are and what we have access to. And then in terms of the actions that we're taking to reduce our debt levels, we also feel good about how we positioned ourselves to complete those in the not-so-distant future. So, again, as we go forward, we never talk about what our intentions are in terms of different things and all that. But the overarching strategy has not changed. And our intention to continue to pay down debt has not changed.

Operator: Your next question comes from the line of Mike Dahl from RBC Capital Markets. Your line is open.

Mike Dahl

Analyst, RBC Capital Markets LLC

Q

Hi. Thanks for taking my questions. I want to follow up on effectively a balance sheet and cash flow dynamic. The free cash flow guide, while reduced, still implies a pretty meaningful ramp in the fourth quarter, and that's kind of despite what you've articulated in terms of the higher product costs. So, can you help us understand the moving pieces on free cash that you can drive that?

And then, if tariff payments, the second part of this, start to step up again in next year, obviously, there's going to be moving pieces on other lines, but your free cash at \$200 million is roughly in line with your reduced dividend. So, it doesn't exactly drive incremental deleveraging. So, how are you thinking about – are you thinking about the dividend? And any other color you can provide on kind of maybe the path of free cash beyond 2025?

James W. Peters

Executive Vice President & Chief Financial and Administrative Officer, Whirlpool Corp.

A

Yeah. Mike, this is Jim. And I'll kind of take this here. What I would say is, is first off, the path to get to our free cash flow at the end of the year. Right now, we are sitting on a higher level of working capital than even we typically are at this point in time. And if you really look at it, one, we've – with all the new product launches that we've done and everything, the amount of inventory that we've built ahead of time to position ourselves well through that, as well as the cost of the tariffs that goes into inventory. And so, you've got an elevated level of inventory there. Also, our receivables are at a typical level that they are before year-end, which they come down as we ship a lot of product and then collect the cash before year-end. So, just working capital loan is probably a \$600 million-plus benefit to us as we head towards the back half of the year.

Additionally, what you've got is with the promotional payments that we make a lot of those happen early in the year for the prior year, and then we build up the accrual as it goes. So, that's another thing that benefits us late in the year, because we then don't pay a lot of that out until next year. So, from a free cash flow perspective, at least for this year, there's a lot of big moving parts, but the piece that I alluded to earlier that is unusual for many other years, that the tariffs are such a significant amount and that we had to pay those within 30 days, and that was a one-time effect right now, that we've now fully absorbed into there. And so, for next year, it's not a negative effect anymore. It's just an ongoing type of thing that occurs.

Now, your point on the dividend there and that our free cash flow matches about at the dividend level, we do believe, obviously, our free cash flow will be higher next year. And like I said to begin with, you don't have the one-off impact of the tariffs coming in, which automatically gives you a benefit going into next year. I would say, as we look towards next year and we're not giving guidance or anything right now, but I think we get back to a more normalized level and get some of these working capital effects out, especially the timing of some of them, and kind of return to what is a more earnings driven free cash flow type of profile.

Mike Dahl

Analyst, RBC Capital Markets LLC

Q

Okay, Yeah, that's helpful color, Jim. Thank you for that. The second question, I guess, is on the implied fourth quarter guidance and the margin dynamics seem pretty clear. It seems like the revenue guidance implies that there's a healthy step-up in year-on-year growth in the fourth quarter, despite this competitive environment and soft macro. Can you just talk a little bit more about what's underlying that fourth quarter assumption to get to the \$15.8 billion for the full year?

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Yeah. Mike, it's Marc. So, actually, ultimately, the Q4 revenue or implicit revenue guidance for the fourth quarter is largely driven by what I mentioned before. Our Q3 itself from a growth perspective, the organic growth perspective was very good, and in particular on the two components, SDA, which by definition even Q4 is bigger than Q3. So, you have this SDA component, where you carry a lot of momentum into Q4 and we feel very good. But the same is true for majors, North American majors. The new products are working, and particularly the KitchenAid Suite, which I've presented earlier. That is only flooring now. So, we start now seeing the full revenue benefit. So, we feel really strengthened by these product launches in majors and with SDA and that ultimately drives that too. We do not assume a higher-than-usual participation in promotional environments. We do what is right for our business and what creates value. So, it's really coming from a new product.

Operator: Your next question comes from the line of Jeffrey Stevenson from Loop Capital. Your line is open.

Jeffrey Patrick Stevenson

Analyst, Loop Capital Markets LLC

Hi. Thanks for taking my questions today.

Q

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

Good morning.

A

Jeffrey Patrick Stevenson

Analyst, Loop Capital Markets LLC

Hi. Good morning. How has demand historically trended the following year after elevated levels of new product introductions and incremental floor space ones like we've seen this year? And have you typically seen an acceleration in demand the following year for new products benefiting from areas such as brand and marketing investments and then a full year of in-store floor displays?

Q

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

Yeah. So – I'm smiling. There's an old saying in the appliance industry that the best year of a product launch is the year after, and there's some truth to it. And the truth comes -whenever you have a phase in and phase out, it costs you quite a bit of money industrially because you have a factory ramp down with all spare parts, which might be obsolete. And we have to ramp up, which is biggest expenses. And the same, of course, on trade floors. So, you basically need to take care of the old product, the new products. There's physically flooring costs, there's margin expectations of retailers, et cetera. So, a new product introduction, as exciting as it is, it costs, okay?

A

And the year after, you just have a benefit of a full year product available, and you don't carry the cost. But there's also a dynamics on the retail side. Sales associates also need to get accustomed to the new product. They need to know which features to sell, what sells. And I think with every month after launch passing by, the sales associates on the floor to get more confident selling the products, and particularly if they see the right rotation. So, very often, Jeffrey, to your point, the year after is actually the stronger year. We certainly assume it's true in our case as well, but that's historically been the norm.

James W. Peters

Executive Vice President & Chief Financial and Administrative Officer, Whirlpool Corp.

With the KitchenAid product, the KitchenAid major products that we've launched, there will be a multiplier effect as the housing market recovers eventually, because this is the segment that's probably been hit the hardest the discretionary segment and the premium segment. And so, to Marc's point, you get the benefit of the launch into next year. But then, as the housing market recovers, this is the segment that will benefit the most. And so, we kind of see this as a multiyear opportunity.

A

Jeffrey Patrick Stevenson

Analyst, Loop Capital Markets LLC

Okay. Great color. That's very helpful. And then, I wanted to shift to the \$300 million capital investment to add new capacity to your Ohio laundry manufacturing facilities. Can you just walk me through what went into that decision and why now was the right time to move forward with both projects?

Q

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Yeah. So, basically what you're referring to is a \$300 million investment decision, which we did in particular focused on our Clyde and Marion laundry factories. First of all, our laundry business is doing well, in some cases, and particularly in the top load, the new products, we're almost running out of capacity. So, it's going really well, not across the board, but there's some constraints here.

Whenever you do a capital investment of that size – first of all, it's not an investment in one quarter, this is extended over one or two years. It's never an investment against the past. It's an investment against the future. And we are ultimately – based on everything which we said before about the macro cycles, we are convinced right now that the investments in, particularly, US manufacturing, US-made products drive very attractive returns. And frankly, I mean very – in very simplistic ways, the tariffs make just the return on investments [indiscernible] (00:47:43) just much more attractive. That's what it does. So yes, that is an investment done consciously against the perspective of a very promising future with US manufacturing.

Operator: Your next question comes from a line of Sam Darkatsh from Raymond James. Your line is open.

Sam J. Darkatsh

Analyst, Raymond James & Associates, Inc.

Q

Good morning, Marc. Good morning, Jim. How are you?

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Good morning, Sam.

James W. Peters

Executive Vice President & Chief Financial and Administrative Officer, Whirlpool Corp.

A

Hi, Sam. Good morning.

Sam J. Darkatsh

Analyst, Raymond James & Associates, Inc.

Q

Thanks for fitting me in this morning. So, a couple of just clarification questions. First obvious one would be, any view yet, Jim, on what a ballpark 2026 tax rate might be?

James W. Peters

Executive Vice President & Chief Financial and Administrative Officer, Whirlpool Corp.

A

Yeah, Sam, obviously, we aren't giving guidance yet and all that. But I think if you go back to the beginning of this year, as we kind of said where we think our rate eventually normalizes could be in the 20% to 25%, but again, we've had a numerous years here where we've been well below that. I think as we continue to evaluate what has happened with the environment and the different things that we've been able to take advantage of with recent changes, we'll obviously update that at year-end, but I think that's a good thought to at least continue to use as a long-term type of rate.

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Sam, it's Marc, just as a reminder also, a big part of a favorable tax rate came on the back of Big and Beautiful Bill, which we didn't know at the beginning of the year. So I'm not – well, of course, we can always wish. I don't think there will be a similar tax bill change next year. And with that in mind, I think we should expect a more normalized tax rate. But we will of course give more details in January.

Sam J. Darkatsh

Analyst, Raymond James & Associates, Inc.

Q

My second question – and I respect that you're being hesitant to talk too much granularity about 2026, but you do have a bit of an unusual situation with steel costs and that you've locked in a lot of your costs in 2026, whereas your peers have not. What's your sense as to, as it stands right now, what that relative cost advantage might be versus [audio gap] (00:49:55) for next year specific to steel? And then, if there's – typically this time of year, around the third quarter, you do at least give us a sense of what raw materials might look like on a year-on-year basis for the following year. Any kind of color you can give when that would be helpful. Thanks.

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Yes, Sam, I appreciate the question and as and every year we're not yet giving the exact guidance on raw materials. But first of all, on steel, as you rightfully pointed out, pretty much one year ago, we went from typically one-year contracts to multiyear contracts. They're largely locked. And they're not all the same, but they pretty much operate within certain parameters. So in some ways, you can consider our two- to three-year steel contracts pretty much as hedge kind of set up for contracts. So, they give us a very predictable and stable steel cost base, bearing also in mind 96% of the steel which we purchase for our US products are US steel made, so – in US made. So, that gives us a very good predictable base.

Typically, when we set up these contracts, we expect a certain discount versus the public available market data. And right now, we're well within that range. So, we buy on average better than the market. Now, sometimes you have spot rate fluctuations. But we're right now buying, I would say, slightly below markets. And that's what we expect for next year. Keep also in mind, we still pay a lot more than for any China steel. Hence, the whole discussion about the tariffs. So, we're still about 2.5 times as much as China's. You could – never forget that.

So, bit it's still a very significant cost burden. But to put it in a positive context, we do not expect any surprise on steel side. And I would also at this point do not expect major, major negative or positive surprises on the raw materials side in next year. I would say in raw material, there's a couple of pluses and minuses. We also see the copper trends, but then there's other offsetting elements. So by and large, I would expect a normalized raw material environment for 2026.

Operator: Your next question comes from the line of Andrew Carter from Stifel. Your line is open.

W. Andrew Carter

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Thank you. Good morning. First question I wanted to ask, getting back to kind of the cash flow for the year, you went from a neutral to \$100 million since the last quarter. I realize things change, but – and the tariffs have changed a little bit. So, I'd ask why such a significant change? And also what does that say kind of in terms of your visibility into all the tariffs and all the dynamics? And do you have complete visibility into what the actual cost should be, what your buy should be, et cetera? Thanks.

James W. Peters

Executive Vice President & Chief Financial and Administrative Officer, Whirlpool Corp.

A

Yeah, I'll start this up. And this is Jim. And then, Marc can kind of comment, if he wants. But I think to begin with on the tariff environment, obviously, it's been evolving throughout the year. And for everybody, it's been a – you've had to understand what the tariffs are, how they should be calculated. You're working with – it's not just internal. You're working with third-party brokers and other folks and all that. So, it's a more complex process than probably all of us anticipated at the very beginning.

With that said, I feel that now we have a very good understanding of it, and that's why we've kind of updated our numbers to reflect what they show. Now, from a cash flow perspective, again, the thing is that as you go through that, and as we talked about earlier, the payment terms being relatively short was something that we obviously knew, but the dollar amount has continued to change and we feel we've got that revised right now. Then, you look at how that just flows through your cash conversion cycle. And unfortunately, it doesn't change, on the other side, your ability to collect the cash further. And so, that became very apparent throughout the process.

And that's why, when you look at – I think you're referring to the \$100 million change is really with working capital, as that reflects, obviously, the cost of the tariffs, but also as we talked about in there, with all the new product launches and all the other things we've had going on, obviously, we've built a certain levels of inventory, which on a normal year, you can have some variability there, but on a year like this, with this much product – new product introduction, you have a little bit more variability that comes into it. And we believe that that will normalize itself as we continue to stock up the retailers with this inventory, because as Marc also talked about earlier, the flooring has done very, very well. And so, we want to make sure now that we have enough product to support the sell-through that goes with that flooring.

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Maybe, Andrew, just adding to the fundamental question on tariffs, first of all, we – of course, you read a lot and we're in very good and constructive dialogue with various parts of the administration. Very transparent, very supportive, but of course, appliance industry is not the only tariff element. So, there's a lot going on right now. But again, I really want to emphasize a very good and constructive way. I would right now – there are certain parts of the tariff landscape which I would consider absolutely stable and will stay. That's in particular about the Section 232 tariffs, because they have been in place since 2018. These parts are very stable. We also know there's other parts which are challenged. I still would ultimately believe, but that's purely my guestimate, that the Supreme Court will confirm in one way or another. But again, that's just me.

So, from today's perspective, I would consider the tariff environment entering a more stable phase, but we should still be – there could still be moving elements. Obviously, the biggest question mark is what happens about the China negotiation. But also here I would assume there will be some form of a solution, a smaller one which may have gone unnoticed, but is a good thing for us. We were heavily impacted by the tariffs from US into Canada. That was about \$20 million to \$25 million every quarter. And there that has been pretty much gone now. So – but it's a good news, but that pretty much only impacted us in a negative way. So, moves of a similar fashion I still expect going forward. But compared to where we were two quarters ago, I think we have a much more stable and, to some extent, more predictable tariff environment.

W. Andrew Carter

Analyst, Stifel, Nicolaus & Co., Inc.

Q

And the second question I have on MDA North America, margin for the year of 5.5%. I believe the guidance from a couple of years ago for 2026 was kind of 11% to 12% – correct me, if I'm wrong – as a long term. I guess, how much of that do you think you can recover? How much of that is tariff impacted? And I know you talk a lot about discretionary being below trend line, if you will, that would be the dishes and cooking. Any estimation of if those revert back to trend line? What margin tailwind would that be? Just any kind of helping box to get back to that long term? Thanks.

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Yeah. So, Andrew, so again to repeat what I said before, we're very pleased with the growth which we have in North America, but our margins are not where we want to at. I just don't want to mislead in any way. No, we do not like where the margins are. The reason why we probably talk a little bit different today about the margin than usually because we know there is such a big promotional impact coming from these inventories. And we consider that a temporary effect, which is unfortunately, but of course, we also know the fundamental drivers will change. So, that's why you here us maybe talk a bit more optimism about it than you would usually expect on these margin levels.

Our expectation in North America remains crystal clear. North America is a business that you can, and you should be able to deliver more than 10% EBIT margins. There are certain elements, call it, which is in our control, which we can do irrespective of market environment, such as new products, which I think we've demonstrated we can do, but the other elements, we will continue and double down even more so on cost. And you will hear more in the earnings call in January.

We do believe we still have ample of cost opportunities ahead of us. But then, of course, in addition, you have a two big macro cycles. One tariff cycle and the housing cycle, which at one point will swing in our favor. I think the tariff cycle will clearly swing in our favor in 2026. The housing cycle, I think is more back half or more 2027 related, but then it will be a multiyear trend. So, what I'm trying to say is we have ample opportunities in our own control to get much closer with double digits, but of course, ultimately, you will also need the housing cycle to be clearly on the double digits or above.

Operator: Your next question comes from a line of Eric Bosshard from Cleveland Research. Your line is open.

Eric Bosshard

Analyst, Cleveland Research Co. LLC

Q

Thanks. Two things. First of all, I would love a little bit of color on what you're seeing regarding retail sell-through. You've given some sense of retail pricing, but just curious what you're seeing on retail sell-through and retail pricing in 3Q and then the trend in the 4Q.

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Yeah. So, Eric, so – and I think I mentioned this in earlier earnings call. We have our sell-through data on about 65% of the retail landscape. There's unfortunately no data source which reports across the board for all retailers. But I would say 65% of our retailers, of course, excluding the builder space, gives a pretty good perspective. And then, you always calibrate against what we know is our respective balance of sale or "market share" with the respective retailers. You calibrate these numbers. That gives you a reasonably good perspective about where industry is likely be.

I would say on a year-to-date basis, the overall industry or sell-through in appliances is very close to what we communicate beginning with the overall market demand. So, I would say it's somewhere between 0% and plus 1%, not a whole lot stronger, but a lot of ups and downs. So whatever you see as industry shipment data, which fluctuates, that's more driven by just imports, et cetera. The actual sell-through is, I would say, best in low-single digits.

We also see that continuing through Q3, so it's not negative, but keep in mind that slightly maybe 1% or 2% plus sell-through is more driven still by the replacement market and less by the discretionary. That hasn't changed, but it's not a negative market. Now, in all transparency – obviously, we can't get into too much detail. It differs pretty strongly by retailer. There are some retailers more on the winning side and some retailers more on the losing side, but overall across the market, it is, I would say, a very low-single digit growth rate.

Eric Bosshard

Analyst, Cleveland Research Co. LLC

Q

Okay. And then secondly, just to clarify, the preloaded imports, obviously, you've talked a lot about this, is this crowding out volume? Your revenue growth in North America was better-than-expected number. Is this just facilitating or delaying an increase in pricing or reduction in promotion, or is it having a negative impact on your volumes? I'm just trying to square where this – where you're implying that this is having an impact.

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

A

Yeah. So, Eric, I would say in simple terms, the volume growth for us – and I referred to this one – came large in the back – the real growth came on the back of new products. And on the promotion side of business, we held the line and that was a conscious decision. I don't want to [ph] descale our factories (01:01:31) we held our line. So, going forward, of course, it's impossible to say what our competitors might do. I would say once the inventory overhang is reduced or diminished, then you will see a more, what we would call, normalization of promotion environment, i.e. promotions reflecting the true including tariffs cost base.

Operator: Your next question comes from a line of Rafe Jadrosich from Bank of America. Your line is open.

Rafe Jadrosich

Analyst, BofA Securities, Inc.

Q

Hi. Good morning. Thanks for taking my questions. It looks like the unmitigated tariff impact is unchanged at 150 basis points. Can you talk about the mitigated impact, like what you're planning for this year, and if some of that's going to carry into the next year? And what's changed on the assumptions there?

James W. Peters

Executive Vice President & Chief Financial and Administrative Officer, Whirlpool Corp.

A

Yeah, I think, Rafe, the biggest thing is and more if you go through – and this is Jim. If you go through the margin walk, what you can see is that the tariff cost is in line with where we thought. But, to Marc's point and what he was just talking about earlier, with the amount of pre-loaded inventory that's been in the marketplace, the level of intensity and the promotional environment has been higher than we really anticipated, throughout the year-end. And so I think that's the biggest thing right now is that, as Marc said, we really held the line in terms of our promotional spend and all that, but we really thought that at some point you would see it taper off later in the year. And right now, with the amount of just inventory that was preloaded, it's continued, but we do expect now that that tapering off to probably come more next year.

Rafe Jadrosich

Analyst, BofA Securities, Inc.



Good. Great. Thank you.

Marc Robert Bitzer

Chairman & Chief Executive Officer, Whirlpool Corp.

I guess that brings us to the end of the questions. But first of all, we're already a little bit over time. Thank you all for joining us today. I don't want to recap everything we said, but I just want to come back to what I said at the very beginning. We feel really good about our growth, the underlying organic growth, in particular North American new products and small domestic. We don't like where our margins are right now. At the same time and I think you heard that we strongly believe this is a temporary effect. And in the meantime, we do what is in our control, namely the new products and cost launches.

And I think the two macro cycles, which we talk about, they will turn in our favor. It's not a question of if, it's entirely a question about when. But again, we also have a lot of opportunities with our internal growth levers and cost levers, and we will remain focused on these ones.

Again, thanks for joining us. And we will talk to each other again in late-January. Thanks a lot.

Operator: Ladies and gentlemen, that concludes today's conference call. You may now disconnect.

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