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# Whirlpool Corp. (WHR)

Q1 2026 Earnings Call

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## MANAGEMENT DISCUSSION SECTION

**Scott Cartwright**

*Head-Investor Relations & Treasury, Whirlpool Corp.*

Good morning, and welcome to Whirlpool Corporation's first quarter 2026 earnings call. Today's call is being recorded.

Joining me today are Marc Bitzer, our Chairman and Chief Executive Officer, Roxanne Warner, our Chief Financial Officer, Juan Carlos Puente, our Executive President of North America and Global Strategic Sourcing, and Ludovic Beaufils, our Executive President of KitchenAid Small Appliances in Latin America. Our remarks track with the presentation available on the Investors section of our website at [whirlpoolcorp.com](http://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 non-GAAP measures outlined in further detail at the beginning of our earnings presentation. We believe these measures are important indicators in our operations as they exclude items that may not be indicative of our results from ongoing business operations. We also 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 no analyst ask more than two questions.

With that, I'll turn the call over to Marc.

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## Marc Robert Bitzer

*Chairman & Chief Executive Officer, Whirlpool Corp.*

Thanks, Scott, and good morning, everyone. During today's call, you will hear three messages from us. First, we finished a tough quarter in our North American business. The month of March, which typically carries the quarter in North America, was exceptionally weak due to these four drivers, which I will discuss in further detail in the following slides.

Second, we are taking decisive and bold actions to restore North American margins back to healthy levels. We have issued the largest price increase in more than a decade that raised prices by more than 10%, and we're doubling down and accelerating our cost actions despite higher inflationary headwinds.

Third, our equity offering and a renewed revolver credit line, which we expect to finalize in Q2, puts our balance sheet in a strong position to weather this difficult industry cycle. Before we get into the numbers, I want to provide a bit of background about the macro environment in North America. Not as an excuse, but as context for what happened in the second half of the first quarter.

Turning to slide 7, we can see that consumer sentiment has dropped to its lowest level in 50 years. The consumer sentiment was already on a very low level by any historical standard. But the war in Iran amplified consumer concerns about the cost of living.

As a direct result, the Consumer Sentiment Index in the US plunged, reaching the lowest level on record in March. Now, while our view is that consumer sentiment is unsustainably low and should rebound from here, these events clearly pressured our industry, and particularly discretionary demand.

Turning to slide 8, you can see the resulting impact on the US appliance industry. The US appliance industry demand declined 7.4% in the first quarter, with March being down 10%. This level of industry decline is similar to what we have observed during the global financial crisis, and even higher than during other recessionary periods.

Keep in mind that we're operating in an environment where duress replacement demand drives more than 60% of the industry, and this part of the demand is relatively stable. So this gives you a sense about how dramatic the impact on discretionary demand was.

While we do believe that the negative industry demand in March was somewhat of an outlier, we do not anticipate a full recovery, and are now forecasting US industry demand being down by 5% on a full-year basis.

Turning to slide 9, I want to share a snapshot of the industry pricing over the past 15 months. This picture represents an aggregate view of literally thousands of price points which we collect weekly. It is based on publicly available retail sell-out data. While it may not be 100% accurate, it is, in our view, directionally correct.

In 2025, the multiple changes in tariff policy, delays, and [ph] on the wall (00:04:54) exemptions as well as the effect of inventory preloading by Asian competitors created significant volatility in promotional behavior. However, immediately after Black Friday, pricing improved slightly above pre-Black Friday levels. While the price changes were still below the level needed to fully offset the accumulated inflation and cost of tariffs, it was a positive development in line with our expectation coming into the year.

As you can clearly see in the small chart on the top right of the page, after the IEEPA ruling by the Supreme Court, promotion pricing reverted back in the following weeks. We believe the Supreme Court ruling, the broader skepticism about the durability of tariffs, and the anticipation of refunds related to the tariffs resulted in the resumption of an aggressive promotion environment.

It is also obvious that price changes of 1% to 2%, as we've seen in February and March by the competition, did not even remotely cover the cost of inflation tariffs. You can also see that after the price changes which we announced on April 17, Whirlpool sell-out prices as determined by our retail customers have moved up by 10% compared to January 2025.

At the same time, the behavior from our competitors has shifted more favorably. A key development for the US appliance industry this quarter was the change in Section 232 tariffs, which brought clarity and predictability to the tariff landscape. We will later discuss these changes in detail, but what might appear as a small change in the 232 tariffs has significant and lasting ramifications on the entire industry.

Essentially, every imported appliance into this country, irrespective of where it comes from, will have to pay a tariff of 25% on full product value, and in the case of China, even more. The combination of dropping consumer sentiment, decline of consumer demand, and irrational industry pricing created an almost perfect storm during this first quarter. But we are taking decisive and bold pricing and cost actions that we expect will bring our North American business back on its path towards healthy margins.

With that, let me hand it over to Roxanne, who will discuss the first quarter results in more detail.

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## Roxanne Warner

*Chief Financial Officer & Executive Vice President, Whirlpool Corp.*

Thanks, Marc. Turning to slide 10, I will provide an overview of our first quarter results. As Marc mentioned, our results in the first quarter were negatively impacted by the ongoing macroeconomic and geopolitical events that have developed since late February. We delivered an ongoing EBIT margin of 1.3% and an ongoing earnings per share of negative \$0.56. Our earnings per share in particular was negatively impacted by approximately \$0.32 from the non-cash loss associated with our minority interest in Beko Europe B.V.

Looking at our segment performance, MDA North America was severely impacted by a sharp decline in consumer sentiment and the costs associated with our inventory reduction actions. MDA Latin America margin was pressured by the intense promotional environment. This was partially offset by the gains associated with the default tax ruling in Brazil.

Conversely, the SDA Global segment continues to perform exceptionally well. Our free cash flow was negative \$896 million as the benefit from our inventory reduction efforts was more than offset by lower earnings. Finally, we returned cash to shareholders and paid a \$0.90 dividend per share in the first quarter.

Turning to slide 11, I will provide an overview of our first quarter margin work. Price/mix unfavorably impacted margin by 275 basis points. This was driven by two key drivers. One, collapsing consumer sentiment, further reduced discretionary demand, and negatively impacted mix; two, the encouraging industry pricing progress we observed in the first few weeks of the year was heavily disrupted by the Supreme Court's IEEPA tariff ruling and the anticipation of refunds, which created further external volatility and the return of an intense promotional environment.

Our net cost was negatively impacted by volume decline and one-time costs associated with the planned inventory reduction, resulting in 175 basis points of margin contraction year-over-year. We executed our originally planned inventory reductions and executed incremental reductions due to the unexpected industry decline. Overall, we drove 20% year-over-year volume reduction.

Raw materials unfavorably impacted margins by 50 basis points, driven by inflation of steel, base metals, and resins. The current and projected steel costs are now putting us at the maximum pricing of our long-term steel agreements.

We experienced a neutral impact from tariffs in the first quarter, as the incremental cost from changes to Section 232, implemented in the second half of 2025 were offset by tariff recovery and mitigation actions.

Marketing and technology was favorable 50 basis points versus prior year, driven by reduced transition costs and a pullback in spending as we saw consumer sentiment shifts. Currency was also favorable by 50 basis points, driven by the appreciation of the Mexican peso and Brazilian real.

Lastly, transaction impacts were an unfavorable 50 basis points due to the non-cash loss associated with our minority interest in Beko Europe B.V. It is important to note that based on the current carrying value of this investment, Whirlpool will no longer recognize any further losses from Beko Europe B.V.

Now I will turn the call over to Juan Carlos to review our MDA North America results.

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## Juan Carlos Puente

*Executive President, NAR and Global Strategic Sourcing, Whirlpool Corp.*

Thanks, Roxanne. Turning to slide 12, I will provide an overview of our first quarter results of our MDA North America segment. In the first quarter, net sales decreased 8% year-over-year to \$2.2 billion. Consumer sentiment collapsed into record lows due to the war in Iran prevented the recovery of the volume loss during the winter storms and resulted in recession level industry contractions, with discretionary demand down approximately 15%.

The segment delivered breakeven performance with EBIT margins negatively impacted by the sharp decline in demand, higher than expected cost to reduce inventory, and the return of an intense promotional environment after the Supreme Court IEEPA rule. While we experienced high costs from the actions to reduce inventory levels and higher tariff costs year-over-year, these were partially offset by tariff recovery and mitigation actions.

As over three years of accumulated inflation continues to pressure our business, we have announced the largest price increase in a decade in conjunction with acceleration of critical initiatives to drive cost reduction. We expect

these aggressive actions to put MDA North America profitability back on track. We'll share more details of those actions shortly.

Now, I'll turn it over to Ludo to review the MDA Latin America and SDA Global results.

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## Ludovic Beaufils

*Executive President, KitchenAid Small Appliances, LAR, Global Information Technology, and Design, Whirlpool Corp.*

Thanks, Juan Carlos. Turning to slide 13, I'll review the results for our MDA Latin America business. Excluding currency, net sales decreased approximately 4% year-over-year. This is the net impact of an aggressive promotional environment in the region, and volume increases from a growing industry and share gains.

Due to the promotional pressure, the segment's EBIT margin was 6%. This margin was supported by a favorable Brazil tax ruling and our ongoing cost takeout initiatives, which partially offset the unfavorable price/mix.

Turning to slide 14, I'll review the results for our SDA Global business. This business continues to perform exceptionally well, delivering approximately 10% net sales growth year-over-year, excluding currency.

EBIT margins expanded an impressive 250 basis points year-over-year to 21%, driven by continued growth in our direct-to-consumer business, solid execution of cost takeout initiatives, and some marketing investment timing changes versus prior year.

We are proud to celebrate the sixth consecutive quarter of year-over-year revenue growth, clearly underscoring the strength of our product portfolio and of our value creation strategy.

On slide 15, we showcase a few exciting new products that we're bringing to the market this year. We're proud to bring meaningful, consumer-centric innovation to the stand mixer while maintaining our iconic design and heritage.

The new Artisan Plus stand mixer is now featuring an integrated bowl light and precise speed control. And our compact fully automatic espresso machine with iced coffee gives consumers the option to brew at a lower temperature while also delivering a space saving design that fits effortlessly into many kitchens.

Now, I will turn the call back over to Juan Carlos to review the critical actions we are accelerating to recover profitability in MDA North America.

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## Juan Carlos Puente

*Executive President, NAR and Global Strategic Sourcing, Whirlpool Corp.*

Thanks, Ludo. Turning to slide 17, I'll review some of our bold actions to restore MDA North America margins. On April 17, we announced the largest price increase in more than a decade. This price change is being executed in two steps.

First, we executed a promotional price increase, which is already in effect, of more than 10% relative to the first quarter prices. This is the most impactful change, and is expected to start driving price/mix improvements in Q2, ramping up throughout the year.

Secondly, we announced a list price increase effective on July 9. This second wave represents an additional price increase of approximately 4%. This multi-step plan is designed to offset the cost inflation accumulated over the

last three years that has not yet been reflected in prices, the anticipated cost inflation in 2026, and some residual impact of tariffs.

In addition to these pricing actions, we will continue to deliver product innovation and expand our mass premium and premium product offerings. The 30% incremental flooring gain on the back of the record year of product launches in 2025 is largely installed.

And we are seeing the results of KitchenAid major appliances continue to deliver strong sell-through performance year-over-year, despite the softer industry. Our robust innovation pipeline was further validated by the outstanding award winning performance at KBIS, where Whirlpool Corporation secured an impressive 23 awards.

Turning to slide 18, I will highlight the successful launch of our Whirlpool branded UV laundry tower, which we presented in our last earning call. The national rollout of this product featuring the industry-first UV clean technology that reduces bacteria in the wash while keeping fabric care in mind has been exceptionally well received and is exceeding expectations. This innovation is driving rapid share gains, capturing approximately 5 points within weeks, and increasing our balance of sales with trade partners who have flooded the unit. This confirms the competitive advantage of our game-changer UV Clean Technology.

Turning to slide 19. I'm pleased to showcase the new KitchenAid intelligent wall oven, which earned the prestigious Best of Show Award, the highest honor at KBIS. This new wall oven is one of the many products available in our new KitchenAid suite, which began shipping late last year. This product allows consumers to experience cooking through a new lens with the intelligent cooking camera that identifies food, monitors doneness, and remembers your preference for your favorite recipes. We continue to see strong sell-out through our KitchenAid market share gains to trend towards the highest level in over a decade.

Turning to slide 20, I will highlight exciting innovation coming to our InSinkErator business. The new LEDefense odor fighting sink flange features a UV-free LED light that kills 99% of common germs, including order causing bacteria. This innovation feature addresses one of the biggest consumer pain points of bacteria odor. This is yet another product that received recognitions at KBIS this year and, as the next door neighbor to the dishwasher, continues to position us well for the eventual housing recovery.

Turning to slide 21, let me provide an update of the initiatives we are accelerating to bring our business back on track. As we navigate the current macro pressures, we maintain our commitment to deliver our \$115 million in cost takeout in 2026, which will be fundamentally supported by our ongoing design-to-value engineering efforts. Given our current EBITDA margins, we're taking decisive structural actions across several key levers to accelerate our cost actions.

First, we're heavily leaning into the vertical integration, automation, and the optimization of our manufacturing and logistics footprint. As part of these initiatives, we announced three key projects: one, our new strategic investment in Perrysburg, Ohio; two, the ongoing modernization of our Amana, Iowa plant; three, shifting production from Pilar, Argentina to Rio Claro, Brazil.

Together, these footprint and integration moves are expected to unlock approximately \$45 million in savings in 2026, while significantly improving our product quality, speed of innovation, and overall supply chain resiliency. Additionally, as we shared previously, we are renewing our strategic sourcing initiatives. We have already completed the first phase of this project, and we're making good progress on the second phase. We expect to capture roughly \$15 million in savings in 2026.

Finally, we're introducing a new measure which encompass targeted fixed cost actions within our corporate center. We expect to generate approximately \$20 million in savings, which we will plan to share more details about it in the near future. Collectively, these actions will have a carryover benefit into 2027, ensuring that we are actively managing the elements within our control to offset external headwinds and restore our profitability.

Turning to slide 22, let me detail the accelerating of our vertical integration and how it will significantly strengthen our US manufacturing footprint. We recently announced that we are making a 60 million investment in our new state-of-the-art production facility in Perrysburg, Ohio.

This represents our 11th factory in the US and our sixth in the state of Ohio. Reinforcing a legacy that we have incredibly proud of, we started in America and we've stayed in America for over 100 years. This strategic investment will drive greater efficiency and is expected to deliver approximately \$30 million in annualized EBIT benefits.

Turning to slide 23, we are executing critical factory footprint changes to unlock greater operational efficiencies within our regional manufacturing network. First, in our Amana, Iowa, we are undergoing a multi-year modernization effort. This modernization will refocus our manufacturing of bottom-mount refrigeration and optimize our part production and sub-assemblies, generating an expected annualized EBIT benefit of approximately \$70 million.

We're also optimizing our Latin America operations by shifting our front load washer production from Argentina to our Rio Claro facility in Brazil. This strategic shift drives valuable manufacturing cost efficiencies and logistic cost optimization, which we expect to deliver an additional \$20 million in annualized EBIT benefits.

Turning to slide 24. Let me provide an update on Section 232 tariffs. While the Supreme Court overturned IEEPA tariffs in late February, the administration took significant actions in early April to strength Section 232 steel tariffs on home appliances. The update 232 framework represents a significant win for the US manufacturing and lasting structural advantage for Whirlpool.

As a reminder, Section 232 steel tariffs were first implemented in 2018 and have proven their durability by remaining in effect throughout multiple administrations. While home appliances were officially covered under the framework in the mid 2025, the recent updates in April have increased the overall tariff rate on home appliances and greatly simplify both compliance and enforcement.

Because we proudly manufacture the vast majority of our products domestically and continue to invest in domestic manufacturing, this trade policy strongly supports our position. We estimate that the 25% tariff impact on our competitors will now be between 10% to 15% of our competitors' total US major appliance net sales. By contrast, the impact of our MDA North America business is estimate to only be about 5%. Ultimately, these changes bring much needed predictability to the industry and deeply strength our competitive advantage as by far the largest domestic appliance producer.

Now I will turn the call back over to Roxanne to review our revised expectations for 2026.

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## Roxanne Warner

*Chief Financial Officer & Executive Vice President, Whirlpool Corp.*

Thanks, Juan Carlos. Turning to slide 26, I will review our updated guidance for 2026. Given the rapid deterioration of the macro environment since late February, we have revised our expectations for our 2026 results. On a like-for-like basis, we expect revenue growth of approximately 1.5% in 2026 due to our revised

expectations for the North American industry. Even though the industry has seen substantial degradation, our new product launches are expected to continue delivering growth in MDA North America. We expect our MDA Latin America business to regain momentum, and expect continued strength in our SDA Global business.

On a like-for-like basis, we expect approximately 70 basis points of ongoing EBIT margin contraction to a full-year EBIT margin of approximately 4%. Free cash flow is expected to deliver more than \$300 million, or approximately 2% of net sales, driven by significant structural inventory optimization.

We expect full-year ongoing earnings per share of \$3 to \$3.50. This includes approximately \$1 impact due to the recent equity offering, alongside an additional \$1 impact due to an adjusted effective tax rate of approximately 25%, which is an increase compared to 2025.

Turning to slide 27, we show the drivers supporting our 2026 ongoing EBIT margin guidance. We have updated our expectation of price/mix to 150 basis points, reflecting the current impact of collapsed consumer sentiment offset by the impact of our bold pricing actions announced in April.

We expect to substantially improve price/mix as we progress through the year with the benefits starting in May and ramping throughout the year. Net cost takeout reflects the expectation of delivering more than \$150 million supported by our accelerated cost actions.

While we have long-term steel contracts in place, the current and projected costs are putting us essentially at the maximum pricing of those contracts. This has a minor impact to our full-year RMI expectations. However, combined with the inflation of base metals and resins, we have updated our expectations to approximately 75 basis points of negative impact from raw materials.

We expect approximately 175 basis points of negative impact from the tariff announced in 2025 and updated in April 2026. We expect the benefits seen in Q1 from the tariff recovery and mitigation actions to be more than offset by additional tariff costs due to the Section 232 tariff changes announced in April.

It is important to note that these impacts represent currently announced tariffs and do not factor in any future or potential changes in trade policy. Our expectations for marketing and technology, currency, and transaction impacts remain unchanged.

Turning to slide 28, I will review our segment guidance. Starting with industry demand, we expect the global industry to be down approximately 3% in 2026. In North America, given the drastic decline already seen in Q1 and the anticipated prolonged inflationary environment, we now expect full-year industry demand to decline by approximately 5%.

Our industry expectations for MDA Latin America and SDA Global remain unchanged. For MDA North America, we now expect to deliver a full-year EBIT margin of approximately 4%. The bold pricing actions we've taken and accelerated cost takeout initiatives are expected to drive profitability recovery in MDA North America. Margin expectations for MDA Latin America and SDA Global remain unchanged.

Turning to slide 29, I will provide the drivers of our free cash flow guidance. We have updated our cash earnings and other operating accounts consistent with full-year EBIT guidance. We have not changed our expectations for capital expenditures, and continue to focus on delivering product excellence and investing in our US manufacturing footprint.

We have taken necessary actions to optimize our inventory, and are updating our expectations to improve working capital by approximately \$150 million to support cash generation in 2026.

As seen in our first quarter results, our working capital initiatives are off to a very strong start, and we expect these structural changes to improve our day-to-day inventory levels. Our expectations for restructuring cash outlays related to our manufacturing and logistics footprint optimization efforts are unchanged. Overall, we expect to deliver free cash flow of more than \$300 million, or approximately 2% of net sales.

Turning to slide 30, I will review our capital allocation priorities, which have been updated to reflect the current business environment. Investing in organic growth through product innovation remains critical to our business, and this will continue to be one of our top priorities. We will continue to invest in product innovation, digital transformation, and cost efficiency projects with approximately \$400 million of capital expenditure expected this year.

Secondly, we are committed to reducing our debt levels, now more than ever. We expect to pay down more than \$900 million of debt in 2026, continuing our commitment to deleverage. Lastly, after careful consideration with a focus on ensuring financial flexibility during this challenging operating environment, we have made the prudent decision to pause our quarterly dividend starting in the second quarter. This decision is critical to ensure we create the capacity on our balance sheet to pay down debt and fund organic growth.

Turning to slide 31, I will review how we are taking additional actions to manage our debt maturities and ensure liquidity in an uncertain macro environment. We recently executed a strategic equity offering that successfully raised approximately \$1.1 billion in capital. The use of these proceeds was focused on debt paydown and accelerating our vertical integration and automation efforts. The proceeds were used as expected. We paid down more than \$900 million in debt and began to invest in vertical integration with the acquisition of our Perrysburg, Ohio facility.

We are in the process of moving to an asset-based lending facility. As we transition, we entered into an amendment to our existing credit facility, reducing our available line of credit from \$3.5 billion to approximately \$2.25 billion effective in May. This amendment provides us with a valuable near-term flexibility and ample borrowing capacity. We have strong lender support on the asset-based lending facility, and are tracking well to closing the next credit facility over the coming weeks. These decisive actions demonstrate our continued focus on debt paydown as we work to drive our long-term debt below \$5 billion.

Now I will turn the call back to Marc for closing remarks.

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## Marc Robert Bitzer

*Chairman & Chief Executive Officer, Whirlpool Corp.*

Thanks, Roxanne. Turning to slide 32, let me summarize what you heard today. As we discussed, our first quarter results were heavily impacted by severe external volatility and onetime events. The sudden macro pressures from a war in Iran, resulting plunge in consumer sentiment, and the disruptions to industry demand and pricing all mask the underlying operational progress we have made.

However, we are actively managing what is within our control. We have announced significant pricing and structural cost actions that are firmly in place to restore profitability to our MDA North America business. By driving over \$150 million in cost takeout initiatives and executing our largest price increase in a decade, we're aggressively addressing our margin pressures.

More importantly, our ongoing US footprint optimization and the recent Section 232 tariff updates meaningfully strengthen our competitive advantage as a domestic producer. Because we proudly build approximately 80% of the products we sell in the US here in America, we're structurally positioned to win in this new tariff landscape.

Additionally, our SDA Global business continues to perform exceptionally well, remaining a bright spot in our portfolio, consistently delivering revenue growth and margin expansion. Whether it is in small appliances or our major domestic categories, we continue to hold a leading position supported by our portfolio of iconic brands and innovative products.

Looking further ahead, we know the US housing market trough will be over at one point, and the March rate of housing starts maybe in early indication of a more positive trend. The eventual tailwinds from an inevitable recovery will be strongly catalyzed by our leading established position in the builder channel, as well as the strength of our InSinkErator business.

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

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## QUESTION AND ANSWER SECTION

**Operator:** [Operator Instructions] Your first question comes from the line of Michael Rehaut from JPMorgan. Your line is open.

**Michael Rehaut**

*Analyst, JPMorgan Securities LLC*

Q

Thanks. Good morning, everyone. Thanks for taking my questions.

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Good morning, Michael.

**Michael Rehaut**

*Analyst, JPMorgan Securities LLC*

Q

I wanted to take a step back – good morning, and just kind of – my question is really just on the consumer. And you highlighted the all-time low in confidence impacting results. So far this earnings season, we've heard from other building product companies where volumes are down, but not to the extent that we're seeing in appliances. And many have reported that, while the consumer confidence is shaky, demand trends have been somewhat more stable, perhaps than what you've seen in your own industry.

So I was wondering if you could contrast what the drivers are that maybe has created that greater amount of volatility in appliances as you see it from the consumers' perspective compared to other products like power tools, flooring, paint, plumbing, et cetera.

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Yeah. So, Michael, obviously, just to repeat the numbers, we saw minus 7.4% industry demand in Q1, of which March was minus 10%. So that is, even in our industry, as we pointed out, a very, very unusual low level. And that's why we pointed the last time we've seen minus 10% was during the global financial crisis.

I think one of the key elements which makes our category maybe slightly different for other categories, at the end of the day, for the majority of US households, appliances or the purchase of appliances are a significant portion of their disposable income. So ultimately, it's a decision against confidence the consumer has about the financial future. It's just a big ticket item. It's not a \$50 item purchase.

And that I think explains a little bit what we've been seeing right now in Q1. And by the way, just a little bit more anecdotes, one of the strongest businesses which we had in Q1 was actually our spare parts and repair business, which just is an indicator that even consumers are holding back replacing products and rather repairing it. We've seen that also in 2008.

Now, the flip side is consumer confidence is on a 50 year low, but we've seen in other phases, consumer confidence actually moves pretty fast. And I wouldn't expect that level of confidence, but also that level of industry demand being that much down for the rest of the year. So we do anticipate a recovery. But at the end of the first three months already took the industry so much down, no matter how you do the math, if you anticipate kind of a more flattish environment going forward, that's why you ended at a minus 5%.

So I do consider, and I agree with you, March was probably an exceptionally low outlier, which we didn't expect. Will that be the same going forward? No, but it's not going to be an immediate recovery for consumer environment.

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**Michael Rehaut**

*Analyst, JPMorgan Securities LLC*

Q

Great. Fair enough. Thank you for that, Marc. And I guess, secondly, obviously, big price increases by yourself. And it looks like from slide 9, the industry as well in the most recent couple of weeks. How are you thinking about second quarter EBIT margins for North America? And if your assumptions hold, what are you thinking about the trajectory for the back half as well?

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**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

So Michael, as you know, we're not giving specific Q2 margin guidance. But let me give you a little bit of broader perspective on this pricing and what we're seeing and how it flows through our bottom line. So first of all, and I want to refer to a slide which we presented. This is the biggest price increase I think we referred to in a decade. Honestly, three decades in the company, I've not seen that level of price increase.

Keep in mind, there's basically essentially three components of that price increase. One, a very significant promotional price map or PMAP increase of more than 10%. That's already out there, and you see that already reflected in the retailer pricing towards the consumer. Two, we significantly reduced our participation in promotions. So for example, July 4, we're going two weeks as opposed to three weeks, and we're not participating in all house promotions. And three, we have a list price increase also kicking in in July on the vast majority of our products. So it's kind of a multi-tiered approach.

I would say the first two weeks of what we've seen in consumer visible prices have been very encouraging. So you could use the term first two weeks, yeah, the pricing is sticking. Needless to say, that is key to everything going forward on the EBIT margin. And if that holds, then we will be in a good place. Now keep in mind also, and

this explains a little bit Q1 and then you should also anticipate in Q2, but chart shows you consumer pricing. That is not exactly how it exactly means it flows to our bottom line.

What I'm referring to, for example, take Q1. In Q1, you still pay for the promotion investments on Q4 because it's a delayed or trailing effect. So even though the April pricing consumer starts, you're still partially paying for the March promotions out there. So there's a little bit of delay effect, which also will flow through Q2. But again, if the pricing holds, as we've seen in the two weeks, I think you will absolutely see the gradual recovery of our EBIT margin as we kind of pretty much laid it out.

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

**David S. MacGregor**

*Analyst, Longbow Research LLC*

Q

Yes. Good morning, everyone, and thanks for taking my questions.

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Good morning, David.

**David S. MacGregor**

*Analyst, Longbow Research LLC*

Q

My first question – good morning, Marc. My first question was just on the guidance. And I guess a few parts to this, but can you explain why you're calling out the improving price environment and at the same time taking down your full-year price/mix guidance? And would you tell us how much of the price improvement you're including in the revised guidance? It looks like you've got partial inclusion with the reduced PMAPs, but maybe none of the July increase. And then how much are you specifically assuming for mix? And I have a follow-up.

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Yeah. So David, first of all, the full-year number, which you've seen on this page 27, keep in mind, we basically have three months of negative pricing. And you saw that in the earlier pricing margin walk. So, you first have to overcompensate on a full-year basis, what you already lost in Q1.

So put it differently, yes, on a full year basis, it looks like it's 25 points down. Actually on the Q2 to Q4 point, it's significantly up. Did we factor in the full amount of a price increase? No, which also means, yeah, the success of a stickiness price will determine a lot. But we took a – of course there's a certain assumption which we took into account here, but maybe not the full, full amount. But let's see how these things develop. But big uncertainty, and this is why we're a little bit, still a little bit cautious.

And you alluded to this one is mix. And let me explain that a little bit because that's probably on everybody's mind. I know some people will ask or may ask about what happens to price elasticity. Actually in all previous years, we've not seen so much an impact on consumer price elasticity for simple reason last time consumer bought an appliance was 10 years ago. By and large the prices are very similar. So we don't see the big elasticity from a pure demand, particularly in replacement markets.

What you do see, however, that in particular in a distressed environment, that consumers enter the store with a budget in mind. So what I mean is they have a budget, let's say \$600. And they're basically going to stick with that price point. So what you see as opposed to a product which used to cost \$599 is now \$649. They stick to a \$599 price point. What it means is for us, a mix down to another SKU.

So we saw in our circumstances not necessarily an impact on volume of demand, but you got to manage the mix very careful. And that's what we – but obviously, that's the kind of biggest uncertainty. That's why we didn't fully factor in what happens to mix, how much can we compensate, how much can we mitigate?

We have tools in place, in particular with our new products, to manage the mix in the right direction, but that is really the consumer uncertainty about what happens to mix when you go out in an environment which, from consumer perspective, is distressed.

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**David S. MacGregor**

*Analyst, Longbow Research LLC*



Got it. Okay. Thank you for that detail. Just as a follow-up, I guess this is maybe a higher level question. But can you just update us on the path from where we are now to your 9% target for EBIT margins longer term? How does that 500-basis-point bridge look in terms of price/mix, net cost, volume leverage, RMI, the framework you typically employ?

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**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*



Yeah. David, the first big step is actually what will – is happen in 2026. And as you can obviously, and I know you probably already did the math. Net guidance, which we've given on 4% this year implies that basically you have an exit rate which is very different from where we are today.

And without getting into the details of quarter-by-quarter margin, then you basically talking about exit rate of whatever, 6% plus for North America. That is the fundamental step on everything. So the question of your 9% starts with exit rate of Q4 this year. The pricing actions together with the cost actions will put us on the right trajectory.

On a cost actions, and a lot of things which we talk today about, obviously, as you can imagine, have a lot of carryover benefits. So all the manufacturing footprints, the vertical integration, the numbers for 2026, as you could tell, are, yeah, they're okay. They give some benefits, but the real benefit starts 2027 going forward. That's when you see a lot of these benefits.

So we carry the exit rate into next year. We have additional cost actions. That puts us on the path towards the 9%. I'm not saying that's a 2027 number, but it puts us on the right path.

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

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**Sam J. Darkatsh**

*Analyst, Raymond James & Associates, Inc.*



Good morning, Marc. Good morning, Roxanne.

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**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*



Good morning, Sam.

**Roxanne Warner**

*Chief Financial Officer & Executive Vice President, Whirlpool Corp.*

A

Good morning, Sam.

**Sam J. Darkatsh**

*Analyst, Raymond James & Associates, Inc.*

Q

So the two questions. First off, around the RMI guide, I think you raised it by about \$100 million versus prior. Does that contemplate current market prices for PVC and resin and base metals? Or does that contemplate some giveback from current market prices in the second half of the year? And then I've got a follow-up.

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Sam, the short answer, it does. Let me give you a little bit context. So as you know, you know it very well, our number one purchase product is steel. Steel, to Roxanne's earlier point, we're kind of getting to the cap of our long-term agreements. We were hoping maybe a little bit below the cap, but that's fully factored in, but it's not volatile going forward for us.

On the resins, it does not reflect the current spot because the current spot and the way how we buy it is still reasonably okay. But it anticipates that Q3 and Q4 we have some headwinds on all plastic components. It's just ultimately a result of what we're seeing on oil prices. There's another element which may be, on a relative case, may be a little bit more favorable for North America as opposed to Asia. I think there might be also some supply constraints on plastics, in particular for Asia, which ultimately will also drive prices on plastics.

**Sam J. Darkatsh**

*Analyst, Raymond James & Associates, Inc.*

Q

But they do, because the second half does contemplate like current market prices for resin and oil throughout the year, and then it just hits you in the back half? Just clarifying that.

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Yeah. It implies an increase of plastic prices in Q3, Q4 versus where we are today.

**Sam J. Darkatsh**

*Analyst, Raymond James & Associates, Inc.*

Q

Got you. And then my follow-up, you cut a lot of production, obviously. You get the inventories in better shape during the first quarter. The rest of the year, are you anticipating production and shipments to largely match? Or are there more production cuts to come?

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Yeah. So Sam, first of all, to clarify Q1, we already planned and we alluded to this one in January, that we want to bring down inventory to the right levels. Obviously with the industry demand being what it is, we had to cut even more production than we ever had in mind. That cost us in the quarter around \$60 million. So it was massive. But

the good news is right now, inventories in North America are what I would call on a really good level. They're on a healthy sustainable level.

Now having said that, we are anticipating also on a full-year basis that the industry demand will not fully recover. So also going forward, we will produce less than we, for example, produced last year. But we know that now we can adjust accordingly. So there's not going to be a big one-time reduction in inventory, but it's just more we want to keep production in line with what we're seeing on the industry demand.

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

**Michael Dahl**

*Analyst, RBC Capital Markets LLC*

Q

Good morning. Thanks for taking my questions. I wanted to ask first about tariff dynamics. So two parts. First is, you didn't record a material tariff impact in first quarter, and you're still lapping the tariffs from last year. So curious if there was any booking of refunds or anything other one-time in nature there. And then when you think about then the net tariff impact going up for the full year despite that, can you just help us parse out like what the – like obviously your competitors are more impacted by 232. But what your net puts and takes are around the current guide and what's contemplated and how much is specific to 232.

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Yeah. So Michael, so let me first talk about how it impacts us, and then maybe broader on this 232 tariff and I'll read into this one. So first of all, as you know, we as a company, we pay three different types of tariffs. That's the 232, the 301, in the past was the IEEPA and now, to some extent, 122. So it's always going to be a stacked layer of this one.

In Q1 we had a number of favorable tariff mitigation actions. That's a combination of post-summary corrections. It's on tariff claim sales and tariff refunds on the IEEPA piece. Not on this 301 and 232. So in Q1, there was actually pretty neutral guide. I'll put it differently. Pretty much helped offsetting the cost of inventory reduction, so it's a wash.

On a full-year basis, we do anticipate, and that's now the effect of 232 and also with 122 changes, that the tariff cost on a full-year basis go up 0.5 point. That's fully factored in. Now, again, that's from today's environment. If something changes, then something will change. But that's pretty much what we expect on a full year basis.

But keep in mind in every given quarter you may have ins and outs. That depends on shipment patterns, that depends on what happens on the three different tariffs. But on the current state, if a tariff now is disabled, I think the 1.275% is pretty – that's pretty much what you should expect.

Now the broader comment I want to make on 232, and Juan Carlos in his comments earlier already alluded to this one. I know it may feel to the outside like this is a small change in 232. It is actually big in ramification just for our industry. And let me just explain it once again.

Before it was fairly complicated, but the appliance the first time were included in 232 last year in April, the way how it was set up with declared steel value and declared weight was very complicated and I would say left many doors open for maybe not a full declaration of real cost.

What changed now is a flat rate of 25% against the full declared product value. That brings a lot of stability and clarity to the equation, because the border authorities, which are very competent, they have a lot of history and understanding of full product declaration. So the ability to kind of circumvent that are very limited. And 25% on every single imported appliance into a country is massive. Nobody can escape that.

And of course with our domestic production footprint, that, what I would call is finally the environment which allows a level playing field. Honestly, we've been waiting for this one essentially for a year. It's now as of April 6 finally in place. And I personally believe it will drive a lot of positive changes for us.

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**Michael Dahl**

*Analyst, RBC Capital Markets LLC*

Q

Thanks for that, Marc. That's helpful. My second question is more demand related and specific to North America MDA. The understanding March was kind of acute weakness. What are the trends that you've seen since March and April and midway through May, especially as you and others have tried to implement price? Because I know you're saying that you're not assuming full recovery from a demand standpoint, but it still seems like, to get to your full-year revenue guide, volume trends in addition to price/mix have to improve through the year.

And it also seems to imply still some share gain while your own charts show you trying to take, at least at this point in time, more price than your peers. So I'm just hoping to get a better walk for the more recent dynamics you've seen, and then how you're envisioning the balance of the year.

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**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Yeah. So Michael, obviously Q1 was really rough from an industry demand in March in particular. That March was just a fall off the cliff from demand. April slightly improved, but still on a negative trajectory. And honestly, that's pretty much what we expect. As long as the consumer sentiment is that much down, I don't think you will see strong market demand patterns, but not to the level of what we've seen in March. March was just a shock to the system. So April is slightly improving. What we do see, again, the basic trends of this is a replacement market continues.

What we do see is still mix being under pressure. Consumers are budget constrained. It doesn't impact necessarily the volume of appliance sales sold, but it impacts the mix. That's what we've seen in Q1 and that's what we've also seen in April. And that relates back to my comments is we do go very aggressively on the overall pricing, but we got to manage mix in the meantime. So that's a market trend which I think you will see pretty much Q2 and Q3, i.e. volumes being soft to slightly negative and mix being under pressure.

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

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**Eric Bosshard**

*Analyst, Cleveland Research Co. LLC*

Q

Good morning. Thank you.

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**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Good morning, Eric.

**Eric Bosshard**

*Analyst, Cleveland Research Co. LLC*

Q

Just a clarification, if you – yeah, good morning. A clarification on two things. One, the March and April, the demand, this is industry shipments. Is that correct?

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

That is correct, Eric. Maybe to elaborate on this – keep on going.

**Eric Bosshard**

*Analyst, Cleveland Research Co. LLC*

Q

Yeah, I was just going to ask, I'm just curious on sell-through. Is the sell-through at what you're seeing at retail down 10% in March and a similar level in April, or is this just a shipment issue?

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Yeah. So Eric, you're pointing out a good point. So what I'm referring to is industry shipment into the trade. In Q1, and of course we don't have industry inventory levels. We know our own product inventory levels with retailers. So I would say estimate in the 7.4% down. That probably was 0.5 point to 1 point of inventory reduction of trade included in there, but not more. But that's just an estimate from our side.

I think I would say on our products, because we don't have industry sell-out data, our products in Q1 actually held reasonably good ground. So I would say the last 13 weeks, what we've seen is pretty much a flat to slightly down sell-out, so a little bit better than the sell-in. And that's what we continue to see.

Again, that relates back to we feel good about our product range. Our products are selling and to what Juan Carlos showed you earlier, the KitchenAid products, even that market is still growing at double-digit rate. So we know our new products are selling, but the sentiment is just weak overall.

**Eric Bosshard**

*Analyst, Cleveland Research Co. LLC*

Q

Okay. And so the dramatic change, the impact from the war is on the sell-in. The sell-out has not changed meaningfully. Is that your point?

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Well, just I need to clarify, on our products. But even in March, the sell-out was – there were one or two weeks in the overall sell-out which were really down. Our products right now overall in the sell-out are a little bit better than what we see from a sell-in from the broader markets. But now we need to see what's going forward. But I mean, again, March also on the sell-out was not the strongest.

**Eric Bosshard**

*Analyst, Cleveland Research Co. LLC*

Q

Okay. And then secondly, just to make sure I understand that, you talked through the strategy with promotions and less weeks that you're going to participate. And all of that is then reflected in the industry down 5%. Is that the – and I know elasticity this is not an industry that responds a lot to price and price is not that important is what I've

heard you say. But in terms of your expectation on volume, that's all captured in this industry now down 5% versus 0%. That's the expectation of these changes. Is that correct?

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

That is correct. And just again, it's in a market which is strongly replacement driven, again, more than 60%, it just does not make sense to have promotions on July 4 which are three week long. You're not going to increase market demand. You pull forward at best. But you're not going to change market demand.

That's what our decision. Let retailers make their own decision. Our decision is we will only support on July 4 two weeks and not three weeks. And we're also not going to promote in every or participate in everything house promotion. Again, retailers may make their own independent decision. That's what I'm referring to is what we are supporting, because in such a market, you will not increase demand by excessive promotions.

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

**Shaun Calnan**

*Analyst, BofA Securities, Inc.*

Q

Hi, guys. This is Shaun Calnan on for Rafe. Just first one. You guys are raising price a little more than your competitors despite the higher tariff impact for them. Are you expecting them to have to catch up on the price increases? And then with that in mind, what are you guys expecting for share gains this year?

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Yeah. So Shaun, first of all, I really want to be clear to the audience. We're raising price not just because of tariffs. We have three years of pent up inflation, which we have never reflected. The entire industry has not reflected that. Many people could argue that we have 20 years of inflation which has never been passed on to consumers. So we're passing on three years of pent up inflation, which, at one point, we just have to pass on to consumers in addition to tariffs.

Now that mix of inflation and tariffs may be different for every competitors, and they make their own decision. We know what we have to do because of our cost base. We will reflect the cost of our products in the consumer prices. And your question about are we slightly higher than competitors, it's more. Yeah, we also have a lot of new products, which I think deserve a higher value.

**Shaun Calnan**

*Analyst, BofA Securities, Inc.*

Q

Okay. That makes sense. And then on the 10% to 15% impact from 232 to competitors, how does that compare to what you guys thought the IEEPA impact was?

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

First of all, the IEEPA impact, I think there was a lot of uncertainty in terms of how much was really paid and how much flow through. For me, the more relevant point is it's very stable. It's hard to circumvent and bypass. There is no country hopping which will happen because of different rates. So nominally, it's probably slightly higher. But in

terms of real effect, I think you could call that tariff has grip. And I think that's a very, very different landscape than what we've seen a year ago. Very different.

**Operator:** Your next question comes from the line of Susan Maklari from Goldman Sachs. Your line is open.

**Susan Maklari**

*Analyst, Goldman Sachs & Co. LLC*

Thank you. Good morning, everyone.

Q

**Roxanne Warner**

*Chief Financial Officer & Executive Vice President, Whirlpool Corp.*

Good morning, Susan.

A

**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

Hi, Susan.

A

**Susan Maklari**

*Analyst, Goldman Sachs & Co. LLC*

Good morning. My first question is on the strength that you actually saw in SDA, which seems to be quite contrary to what is going on with the consumer and your overall comments on demand.

Q

Can you talk about how much of that strength is driven by your products specifically, and the investments and innovation versus the exposure that you have there, the price point, and how you're thinking about the sustainability of that, given the environment?

**Ludovic Beaufils**

*Executive President, KitchenAid Small Appliances, LAR, Global Information Technology, and Design, Whirlpool Corp.*

Hi, Susan. Good morning. This is Ludo. Thanks for the question. So in terms of the overall industry, we have not observed as much of a compression in consumer demand in SDA as what we just discussed in MDA, be it in North America or in other regions. There's probably a couple of reasons for that. And actually some of you alluded to it. We're looking at lower ticket items, and so the consumer resilience is a little stronger.

A

In that context, we're gaining share. And I think that's based on the fact that we're selling at more premium prices where the consumer also has more resilience, number one. Number two, we're doing really well with our new products. So whether that's the carryover effect from launches last year in blenders, for example, or just now the effect that are starting to show up in terms of stand mixer innovation and compact espresso, we're seeing just really strong numbers all around. So really pleased with how that's shaking out so far.

We're going to continue to monitor the industry going forward. But with the strategy we have and the launches we've done so far, we're pretty upbeat about the rest of the year.

**Susan Maklari**

*Analyst, Goldman Sachs & Co. LLC*

Okay. That's helpful. And turning to the dividend. Can you talk a bit more about the decision to suspend that? What needs to happen to perhaps start to bring that back in? And then just more broadly, your thoughts on the

Q

current capital structure post the offering. And I know you talked about that path to deleveraging. But can you just give us a bit more color on how you're thinking about the future of the capital structure and what that will mean for uses of cash?

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**Marc Robert Bitzer**

*Chairman & Chief Executive Officer, Whirlpool Corp.*

A

Yeah. So Susan, first of all, to clarify, dividend decisions are made by our board. But as the CEO, yeah, to suspend the dividend is a very, very painful decision. I mean, just what it is. And certainly it's not something which I want to keep for very many quarters in place. So we would like to resume the dividend as quickly as possible, but clearly, it's a board decision.

What has to be true is basically we need to have a better ongoing operating margin, and we want to continue to pay down our debt. That's basically what has to be true before we'll resume the dividend. But it's really a reflection of we want to pay down our debt this year. You saw earlier \$900 million. That's massive. And at the same time, we want to continue to invest in our future, i.e. in products, but we did not want to cut back our capital investments. That's why we took the difficult decision. It's the right decision on capital allocation, and we will reassess as the operating margins will improve. But again, it's ultimately a board decision.

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**Roxanne Warner**

*Chief Financial Officer & Executive Vice President, Whirlpool Corp.*

A

Susan, to tap into your question related to overall what we would do with capital allocation post the equity offering. We do have, at this time, ample liquidity to operate the business in the uncertain environment. As you do know, we have the \$3.5 billion unsecured revolver. At the end of Q1, we moved to a \$2.25 billion unsecured revolver as part of our covenant amendment. With that revolver, we, as I said, have ample liquidity.

But with that said, given the uncertain environment that Marc just touched on, we will continue to look at all opportunities to further bolster our balance sheet, whether it be continuing to evaluate asset sales, as we mentioned in the last earnings call. And then also continuing to look at financial alternatives like tapping into the capital market as needed with a focus on ensuring that our net debt leverage continues to improve.

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**Operator:** Your final question comes from the line of Kyle Menges from Citi. Your line is open.

Q

Good morning. This is Randy on for Kyle. Yeah, I was just hoping you could talk a little bit about what you're seeing in that promotional environment in Latin America, and I guess your expectations around how you'd expect pricing behavior to shape up in that market from here.

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**Ludovic Beaufils**

*Executive President, KitchenAid Small Appliances, LAR, Global Information Technology, and Design, Whirlpool Corp.*

A

Yeah. Hi. This is Ludo. So in terms of the promotional environment in Latin America, first of all, the general background is one of pretty significant growth in the market at this point. We're seeing growth in Brazil. We're also seeing growth in a large number of markets around Latin America. With that said, we're cautious, I would, say with the outlook for the rest of the year, considering the political environment, a number of elections coming up, and just general volatility in the region.

I think the promotional environment is being particularly intense in Brazil lately with foreign competitors in particular, and imports being pretty aggressive on the back of a strong real. So we're responding to this with product launches, particularly in the premium side of the market where we've got a nice lineup coming through that's being very successful right now, and specifically in refrigeration and laundry, number one.

And number two, we have a lot of cost actions accelerating in order to provide competitiveness in this particular market, whether it's vertical integration, whether it's the Rio Claro production facility expansion to take in the front load volume that was previously built in our Argentina plant. So we're confident we're building the competitiveness that will enable us to be successful in a highly competitive environment.

Q

Got it. That's helpful. Thank you.

**Operator:** Ladies and gentlemen, that concludes – oh, please go ahead.

### Marc Robert Bitzer

*Chairman & Chief Executive Officer, Whirlpool Corp.*

I think that pretty much concludes today's questions and the earnings call. So first of all, I appreciate everybody joining. I'm not going to repeat all the comments which we made, but you obviously saw we had a challenging Q1, which was driven by a very, very rough environment in North America. But even more importantly, we took right, bold and decisive actions.

And we're talking about actions which are not just planned actions or hope, were already in place. And you've seen also in the pricing charts, we start seeing the effects of this one. So, yes, the Q1 was challenging. But the actions are in place. And we have 100% focus on reverting the current profitability trends in North America. And we have full confidence behind that.

So thanks for joining me and we will talk to each other in July. Thanks.

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

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