GAAP RECONCILIATIONS
2018 ANNUAL REPORT

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES:

We supplement the reporting of our financial information determined under U.S. generally accepted accounting principles (GAAP) with certain non-GAAP financial measures, some of which we refer to as "ongoing" measures, including ongoing earnings per diluted share, ongoing EBIT and free cash flow. Ongoing measures exclude items that may not be indicative of, or are unrelated to, results from our ongoing operations and provide a better baseline for analyzing trends in our underlying businesses. Management believes that free cash flow provides investors and stockholders with a relevant measure of liquidity and a useful basis for assessing the company's ability to fund its activities and obligations. We believe that these non-GAAP measures provide meaningful information to assist investors and stockholders in understanding our financial results and assessing our prospects for future performance, and reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP financial measures, provide a more complete understanding of our business. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. These ongoing financial measures should not be considered in isolation or as a substitute for reported operating profit (loss), net earnings available to Whirlpool per diluted share, net earnings, net earnings available to Whirlpool, net sales, reported operating profit (loss) by segment, and cash provided by (used in) operating activities, the most directly comparable GAAP financial measures. GAAP net earnings available to Whirlpool per diluted share and ongoing earnings per diluted share are presented net of tax, while individual adjustments in each reconciliation are presented on a pre-tax basis; the income tax impact line item aggregates the tax impact for these adjustments. The tax impact of individual line item adjustments may not foot precisely to the aggregate income tax impact amount, as each line item adjustment may include non-taxable components. We strongly encourage investors and stockholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

ONGOING EARNINGS BEFORE INTEREST AND TAXES

The reconciliation provided below reconciles the non-GAAP financial measure ongoing EBIT with the most directly comparable GAAP financial measure, net earnings available to Whirlpool, for the twelve months ended December 31, 2018, 2017, and 2016. Ongoing EBIT margin is calculated by dividing ongoing EBIT by net sales (or, for 2017, ongoing net sales). Ongoing net sales excludes $(32) million primarily related to an adjustment for trade promotion accruals in 2017. EBIT margin is calculated by dividing EBIT by net sales

Ongoing Earnings Before Interest & Taxes (EBIT) Reconciliation:	**Twelve Months Ended December 31,**		
in millions	**2018**	**2017**	**2016**
Net earnings (loss) available to Whirlpool	$ (183)	$ 350	$ 888
Net earnings (loss) available to noncontrolling interests	24	(13)	40
Income tax expense	138	550	186
Interest expense	192	162	161
Earnings before interest & taxes	$ 171	$ 1,049	$ 1,275
Restructuring expense[(a)]	247	275	173
Out-of-period adjustment[(b)]	-	40	-
Acquisition related transition costs	-	-	86
Legacy product warranty and liability expense[(c)]	-	-	(23)
France antitrust settlement[(e)]	103	-	-
Impairment of goodwill and intangibles[(f)]	747	-	-
Trade customer insolvency[(g)]	30	-	-
Divestiture related transition costs[(h)]	21	-	-
Ongoing EBIT	$ 1,319	$ 1,364	$ 1,511

ONGOING EARNINGS PER DILUTED SHARE:

The reconciliation provided below reconciles the non-GAAP financial measure of ongoing earnings per diluted share with the most directly comparable GAAP financial measure, net earnings per diluted share available to Whirlpool, for the twelve months ended December 31, 2018, 2017 and 2016. The earnings per diluted share GAAP measure and ongoing business measure are presented net of tax, while each adjustment is presented on a pre-tax basis. The aggregate income tax impact of the taxable components of each adjustment is presented in the income tax impact line item at our 2018, 2017, and 2016 full-year tax rates of 6.6%, 14.7%, and 16.6%, respectively.

	Earnings per Diluted Share		
	Twelve Months Ended December 31,		
	2018	2017	2016
Reported GAAP measure	$ (2.72)	$ 4.70	$ 11.50
Restructuring expense[(a)]	3.68	3.70	2.24
Out-of-period adjustment[(b)]	-	0.27	-
Acquisition related transition costs	-	-	1.11
Legacy product warranty and liability expense[(c)]	-	-	(0.30)
France antitrust settlement[(e)]	1.53	-	-
Impairment of goodwill and intangibles[(f)]	11.11	-	-
Trade customer insolvency[(g)]	0.45	-	-
Divestiture related transition costs[(h)]	0.32	-	-
Income tax impact	(0.29)	(0.56)	(0.49)
Normalized tax rate adjustment[(d)]	1.25	5.63	-
Share adjustment*	(0.17)	-	-
Ongoing measure	$ 15.16	$ 13.74	$ 14.06

*As a result of our full-year GAAP earnings loss, the impact of antidilutive shares was excluded from the loss per share calculation on a GAAP basis. The share count adjustment used in the calculation of the full year ongoing earnings per diluted share includes the full-year weighted average basic shares outstanding of 67.2 million plus the impact of antidilutive shares of 0.7 million which were excluded on a GAAP basis.

FREE CASH FLOW:

As defined by the company, free cash flow is cash provided by operating activities after capital expenditures, proceeds from the sale of assets and businesses and changes in restricted cash. The reconciliation provided below reconciles twelve months ended December 31, 2018, 2017 and 2016 free cash flow with cash provided by (used in) operating activities, the most directly comparable GAAP financial measure.

	Twelve Months Ended December 31,		
(millions of dollars)	**2018**	**2017**	**2016**
Cash provided by operating activities	$ 1,229	$ 1,264	$ 1,203
Capital expenditures, proceeds from sale of assets/business and change in restricted cash*	(376)	(557)	(573)
Free cash flow	$ 853	$ 707	$ 630
Cash used in investing activities	(399)	(721)	(588)
Cash used in financing activities	(518)	(553)	(278)

*The change in restricted cash relates to the private placement funds paid by Whirlpool to acquire majority control of Whirlpool China and which are used to fund capital and technical resources to enhance Whirlpool China's research and development and working capital, as required by the terms of the Hefei Sanyo acquisition completed in October 2014.

FOOTNOTES

a. **RESTRUCTURING EXPENSE** - During the fourth quarter of 2014, we completed the acquisition of Indesit S.p.A., which, due to its size, materially changed our European footprint. In 2016 and 2017, these costs are primarily related to Indesit restructuring and creating a more streamlined and efficient European operation, and also relate to certain other unique restructuring events. In 2018, these costs are primarily related to Indesit restructuring, an Embraco plant closure in Italy, and certain other unique restructuring events.

b. **OUT-OF-PERIOD ADJUSTMENT** – During 2017, we finalized our prior period recorded adjustments in our Asia operating segment primarily related to out-of-period trade promotion accruals. The 2017 total impact of these out-of-period adjustments was a decrease to net sales of approximately $35 million and an increase to other operating expenses of approximately $8 million, before tax. These adjustments resulted in a decrease to net earnings available to Whirlpool of approximately $16 million and a decrease of $0.22 in diluted earnings per share.

c. **LEGACY PRODUCT WARRANTY AND LIABILITY EXPENSE** - During the full-year 2016, we sought indemnity under the terms of the Indesit acquisition agreements and recognized amounts recovered from the seller in interest and sundry (income) expense.

d. **NORMALIZED TAX RATE ADJUSTMENT** – Our 2018 normalized tax rate excludes the tax impact of impairment of goodwill and intangibles of $747 million, the France antitrust settlement charge of $103 million and the impact of U.S. tax reform of $95 million. Normalized tax rate adjustment for full-year 2017 includes a one-time non-cash charge of approximately $420 million related to tax reform.

e. **FRANCE ANTITRUST SETTLEMENT** - In 2013, the French Competition Authority ("FCA") commenced an investigation of appliance manufacturers and retailers, including Whirlpool and Indesit operations in France. With respect to the first part of the investigation, the Company agreed to a preliminary settlement with the FCA staff in the second quarter of 2018 and accrued $114 million. In the fourth quarter of 2018, the final settlement was approved by the FCA's college of commissioners in the amount of approximately $122 million, with approximately $19 million of the total settlement to be paid by the previous owner of Indesit to the Company. The Company expects to pay final settlement amounts in 2019.

f. **IMPAIRMENT OF GOODWILL AND INTANGIBLES** - During the second quarter of 2018, we performed a quantitative assessment of the EMEA region's goodwill and intangible assets for impairment. Based on a third-party valuation, we concluded that fair value of equity did not exceed its carrying value and therefore goodwill and intangible assets were impaired. The impact of this impairment was $168 million to intangible assets and $579 million to goodwill in the second quarter of 2018.

g. **TRADE CUSTOMER INSOLVENCY** - During the third quarter of 2018, the Company recognized bad debt expense related to trade customer insolvency of a U.S. retailer and a Brazilian retailer, in the amount of approximately $17 million and $12 million, respectively. During the fourth quarter of 2018, the Company recognized an additional bad debt expense related to the Brazilian retailer in the amount of approximately $14 million, and a reduced bad debt expense related to the U.S. retailer in the amount of approximately $13 million.

h. **DIVESTITURE RELATED TRANSITION COSTS** - During the fourth quarter of 2018, the Company recognized transition costs of $21 million associated with the sale of its Embraco compressor business.