What are the current actions being taken to address volume and profitability concerns?

3/3/2020

On our third quarter 2018 earnings call, we announced two primary focus areas as it relates to restoring EMEA volumes and profitability.

- Stabilize volumes while sustaining price/mix:
  - Restoring trade relationships and recovering lost flooring
  - Refocusing marketplace investments to our most profitable segments
  - Realizing the benefits from new product launches
- Refocus and right size our business:
  - Exiting our Turkey domestic sales operations (does not include existing manufacturing operations)
  - Exiting our Hotpoint branded small appliances
  - Evaluating our South Africa operations
  - Announced a new $50 million fixed-cost reduction initiative

These actions represent approximately $100 million in annualized EBIT improvement opportunity, not inclusive of exit costs. Please see our most recent earnings materials for our most recent margin growth expectations for the region.

2019 actions update:
On June 28, Whirlpool Corporation entered into an agreement to sell its operations in South Africa. The transaction has closed. The new ownership group is comprised of former Whirlpool executives who are passionate about the brand, the region and making home appliances that help families in and around South Africa.

Along with the purchase of the KIC brand and related assets, the new ownership group will also distribute Whirlpool Corporation's other brands in South Africa and surrounding countries - including Whirlpool, Indesit, and Ariston brands.

The deal is expected to close in the third quarter following customary regulatory reviews and approvals. This transaction is consistent with the public statements Whirlpool Corporation previously made about the desire to sell its South African operations and focus on its core European business.

On July 24, 2019, we agreed to sell our remaining minority interest in Elica S.p.A., a manufacturer of range hoods and other kitchen products headquartered in Italy. Proceeds will be immaterial.