





Whirlpool CORPORATION

**2017 INVESTOR MEETINGS**
**FIRST-QUARTER**










# WHIRLPOOL CORPORATION ADDITIONAL INFORMATION

This presentation contains forward-looking statements about Whirlpool Corporation and its consolidated subsidiaries ("Whirlpool") that speak only as of this date. Whirlpool disclaims any obligation to update these statements. Forward-looking statements in this document may include, but are not limited to, statements regarding expected earnings per share, cash flow, productivity and raw material prices. Many risks, contingencies and uncertainties could cause actual results to differ materially from Whirlpool's forward-looking statements. Among these factors are: (1) intense competition in the home appliance industry reflecting the impact of both new and established global competitors, including Asian and European manufacturers; (2) Whirlpool's ability to maintain or increase sales to significant trade customers and the ability of these trade customers to maintain or increase market share; (3) Whirlpool's ability to maintain its reputation and brand image; (4) the ability of Whirlpool to achieve its business plans, productivity improvements, and cost control objectives, and to leverage its global operating platform, and accelerate the rate of innovation; (5) Whirlpool's ability to obtain and protect intellectual property rights; (6) acquisition and investment-related risks, including risks associated with our past acquisitions, and risks associated with our increased presence in emerging markets; (7) risks related to our international operations, including changes in foreign regulations, regulatory compliance and disruptions arising from political, legal and economic instability; (8) information technology system failures, data security breaches, network disruptions, and cybersecurity attacks; (9) product liability and product recall costs; (10) the ability of suppliers of critical parts, components and manufacturing equipment to deliver sufficient quantities to Whirlpool in a timely and cost-effective manner; (11) our ability to attract, develop and retain executives and other qualified employees; (12) the impact of labor relations; (13) fluctuations in the cost of key materials (including steel, resins, copper and aluminum) and components and the ability of Whirlpool to offset cost increases; (14) Whirlpool's ability to manage foreign currency fluctuations; (15) inventory and other asset risk; (16) the uncertain global economy and changes in economic conditions which affect demand for our products; (17) health care cost trends, regulatory changes and variations between results and estimates that could increase future funding obligations for pension and postretirement benefit plans; (18) litigation, tax, and legal compliance risk and costs, especially if materially different from the amount we expect to incur or have accrued for, and any disruptions caused by the same; (19) the effects and costs of governmental investigations or related actions by third parties; and (20) changes in the legal and regulatory environment including environmental, health and safety regulations.

Additional information concerning these and other factors can be found in Whirlpool's filings with the Securities and Exchange Commission, including the most recent annual report on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K.

# USE OF NON-GAAP FINANCIAL MEASURES

This presentation includes certain non-GAAP financial measures, which we refer to as "ongoing business"(1) measures:

> Ongoing business operating profit (loss), ongoing business operating margin, ongoing business earnings per diluted share, ongoing business EBIT, ongoing business EBIT margin, earnings before interest and taxes (EBIT), EBIT margin, ongoing business segment operating profit (loss) and ongoing business segment operating margin

Other non-GAAP financial measures included in this presentation are free cash flow(2) and net sales (excluding currency).

Please refer to the supplemental information pack located in the events section of our Investor Relations website at investors.whirlpoolcorp.com for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures.

(1) Ongoing business measures are non-GAAP measures. See our website for reconciliation information.

(2) Free cash flow is a non-GAAP measure. See our website for reconciliation information.

# VALUE-CREATION STRATEGY

## 2010 – 2014

- Growth
- Margin Expansion
- Cash Generation

## 2015 – 2018

- 30% Larger Global Platform
- Product and Brand Innovation
- Best Cost Structure



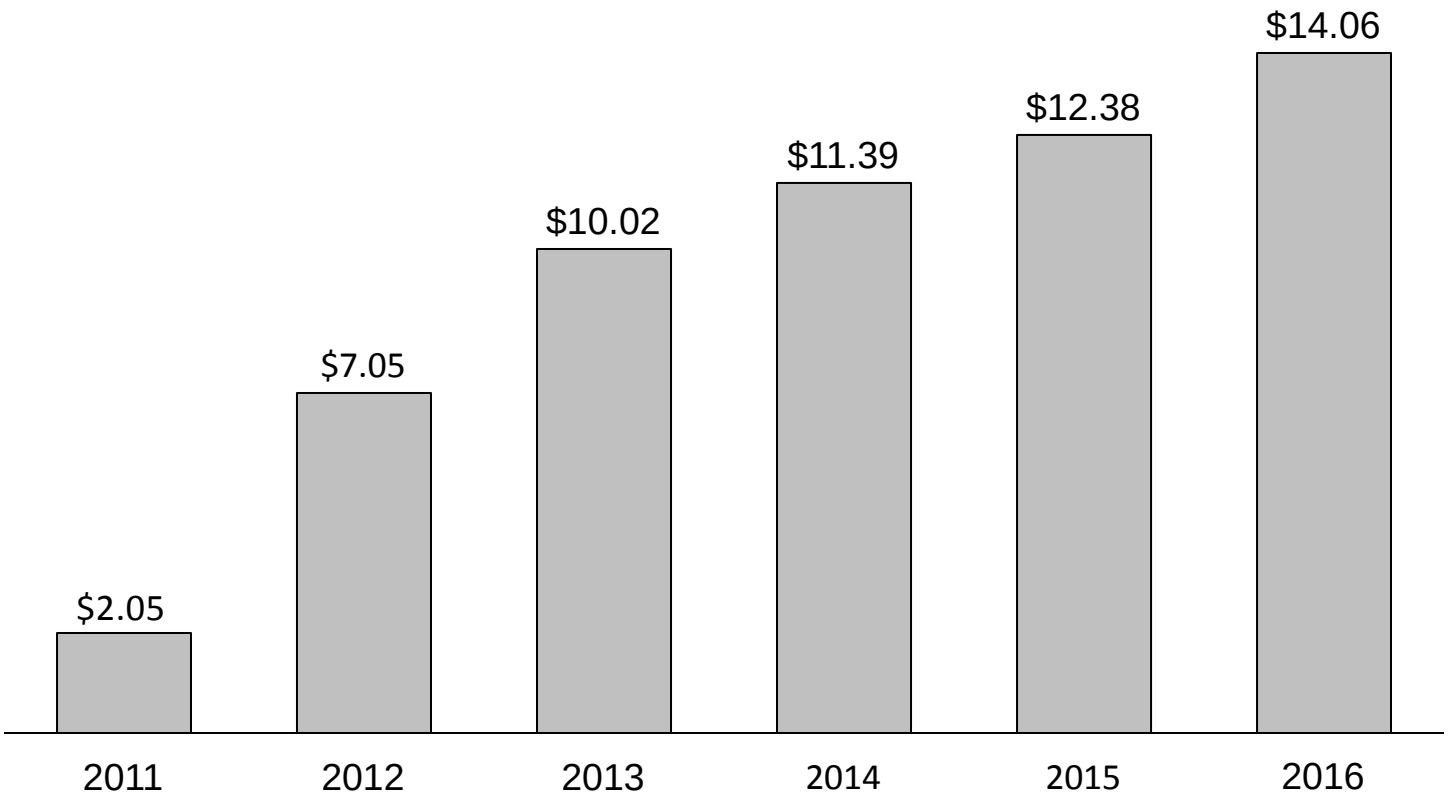
# A FUNDAMENTALLY DIFFERENT COMPANY …




| | 2000 | 2016 |
|---|---|---|
| Net Sales | $10B | $21B |
| N America Sales | ~60% | ~50% |
| # of value-creating regions | 2 | 4 |
| OEM revenue | ~20% | ~5% |
| # of $1B+ brands | 1 | 7 |
| Plants | 43 | 42 |

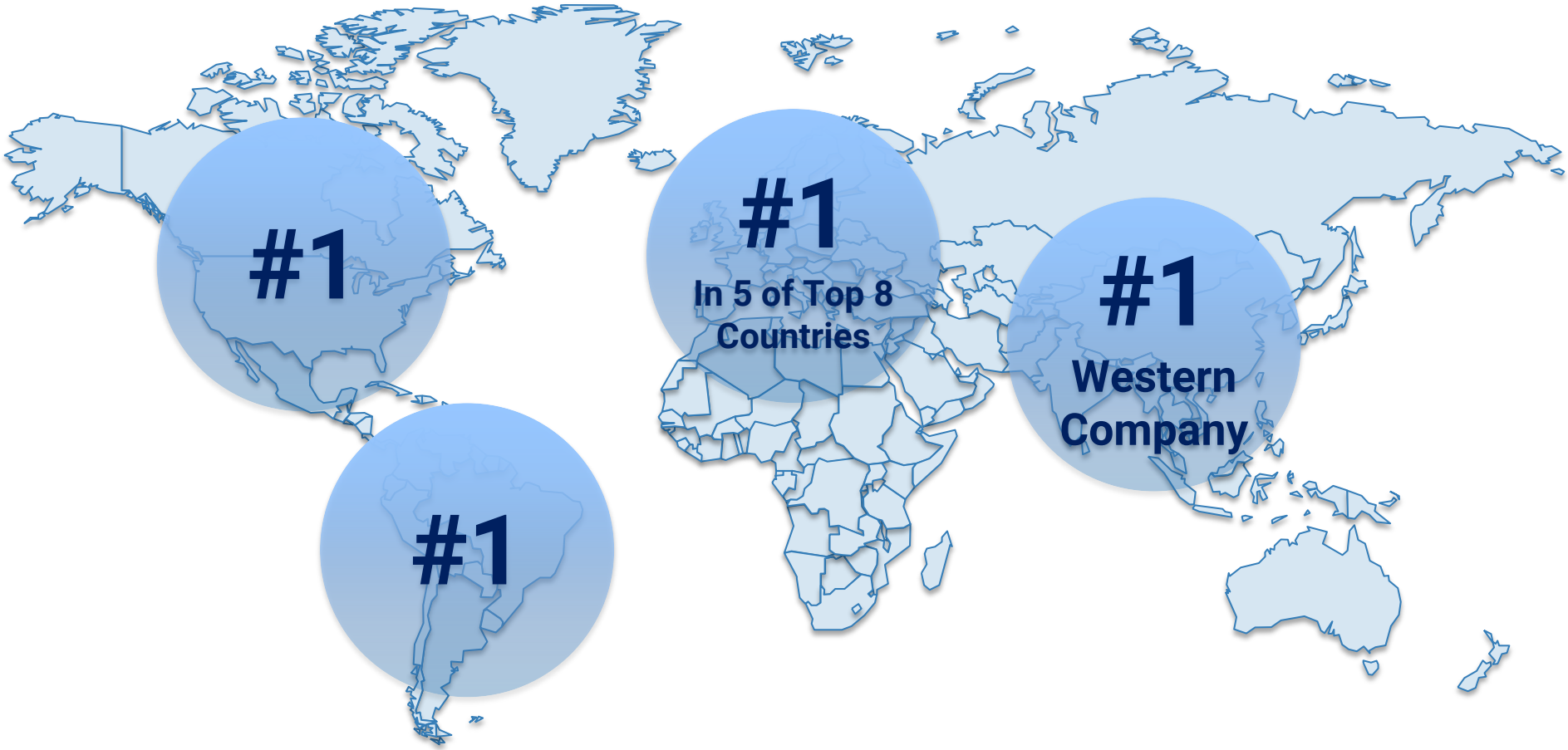
# … WITH A STRONG TRACK RECORD OF PERFORMANCE

## Ongoing Earnings per Diluted Share[(1)]




**2011 – 2016 ONGOING EARNINGS PER SHARE GROWTH RATE OF 47%**

# LEADING POSITION BY REGION




**EVERY HOME … EVERYWHERE**

# STRONGEST BRAND PORTFOLIO

**Premium**

KitchenAid®

JENN-AIR®

**Mass**

MAYTAG®

Whirlpool®

BRASTEMP

Hotpoint*

Consul

Bauknecht

**Value**

AMANA®

indesit

**OUR BRANDS REACH OVER 90% OF CONSUMERS, INCLUDING 7 WITH OVER $1B IN SALES**

# VALUE CREATION DRIVERS



# LONG-TERM VALUE CREATION OPPORTUNITY



Global leading market share position



Winning brand and product portfolio



Best cost global operating platform



Emerging markets opportunity

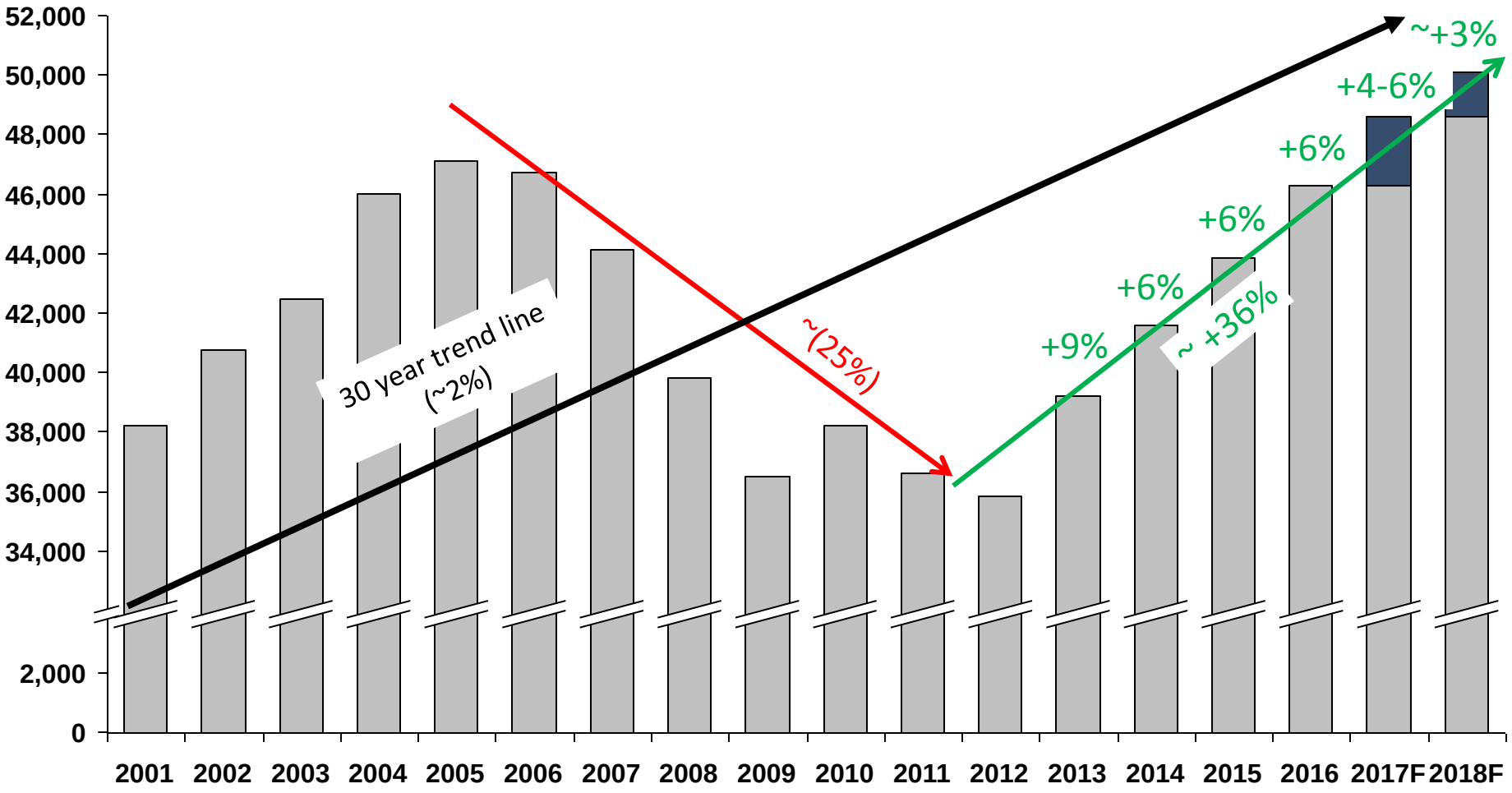


Strong underlying cash generation

**PROVEN ABILITY TO DELIVER SHAREHOLDER RETURNS IN ANY ENVIRONMENT**

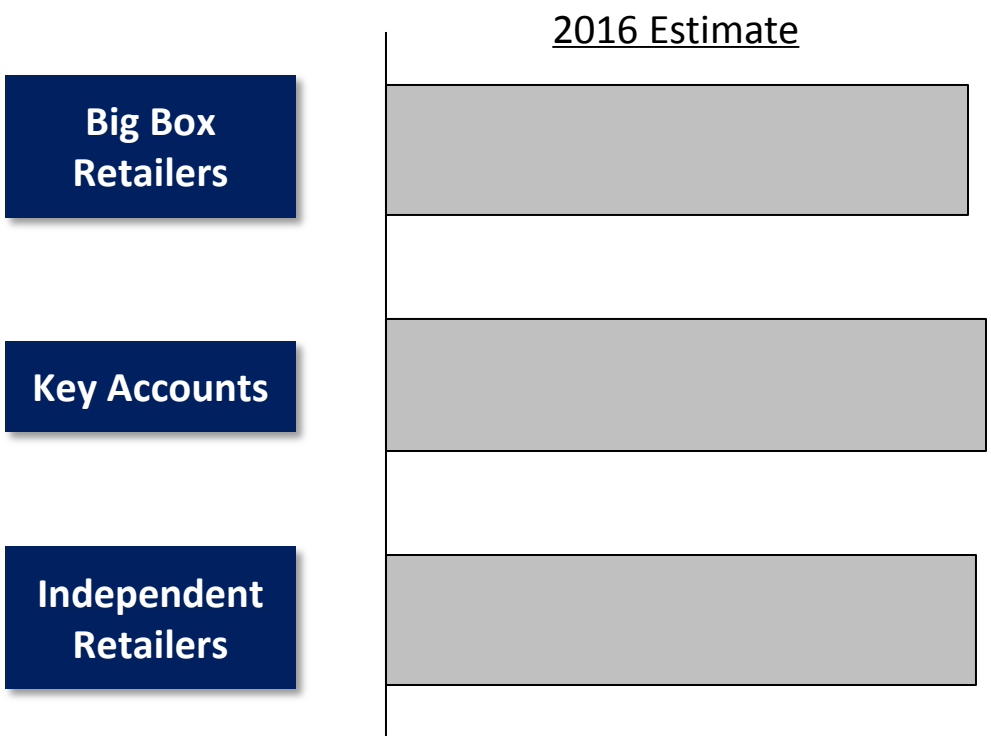
# U.S. MULTI-YEAR DEMAND GROWTH

## US T7 Industry Units (in thousands)



# LEADING BRANDS AVAILABLE WHERE PEOPLE SHOP

## Strong Balance of Sales in Each U.S. Channel (WHR Share in Sales Channel)

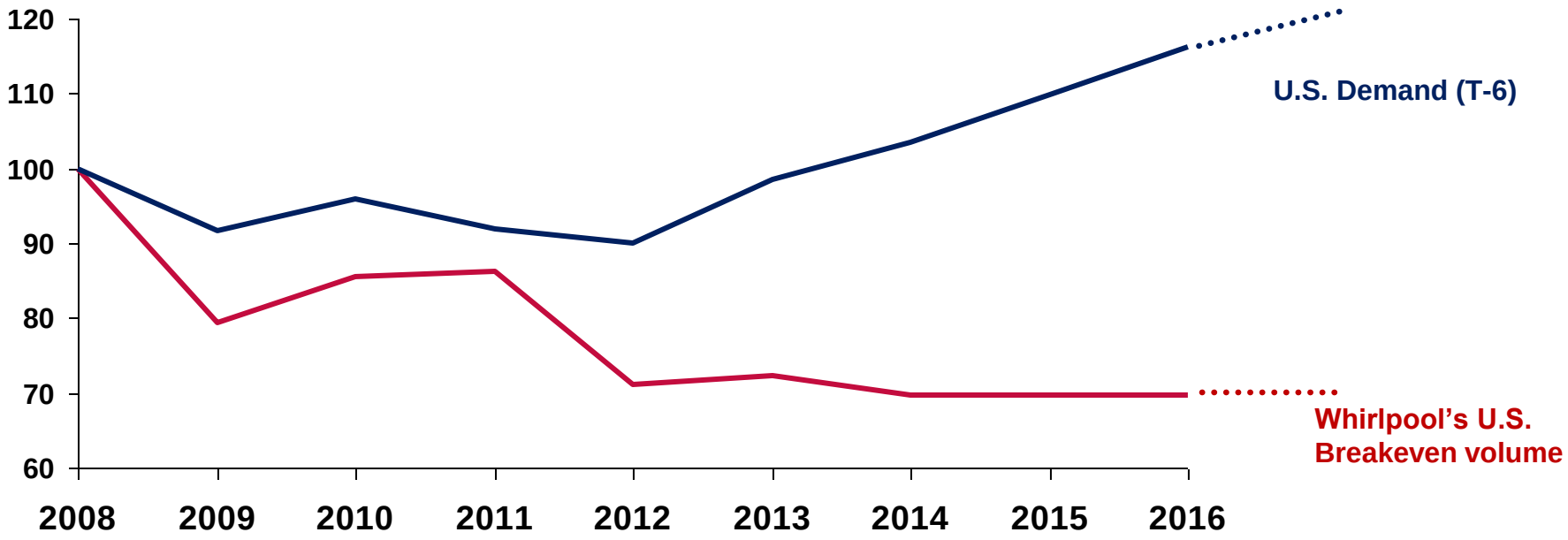



## Diverse Portfolio of Brands

Whirlpool®
KitchenAid®
MAYTAG®
JENN-AIR®
AMANA®

# REDUCED COST BASE ENABLES MARGIN EXPANSION

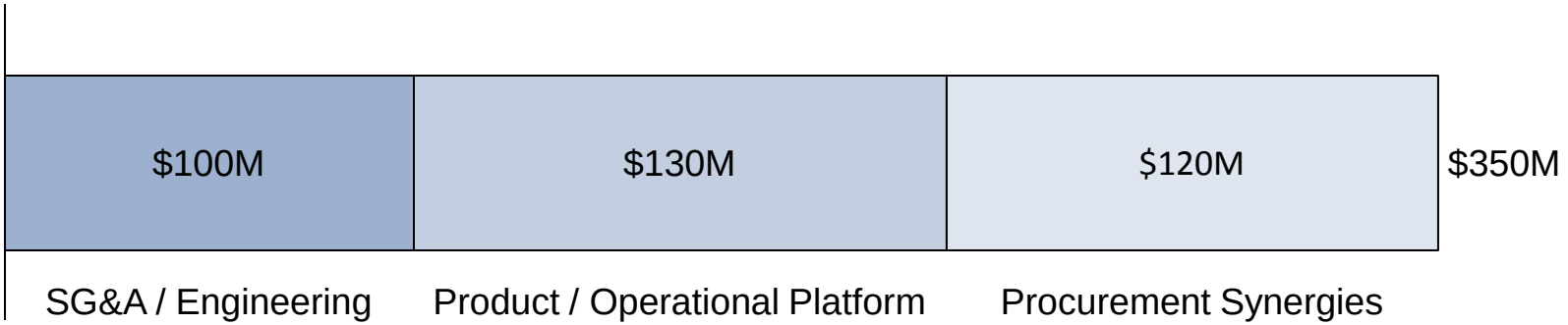
## Margin Expansion from U.S. Demand Growth



# LEADING SHARE POSITIONS ACROSS EUROPE

| Position in Top 8 Countries | | |
|---|---|---|
| | Country by Size | Whirlpool Position |
|  | Germany | #3 |
|  | United Kingdom | #1 |
|  | France | #1 |
|  | Russia | #1 |
|  | Turkey | #3 |
|  | Italy | #1 |
|  | Spain | #3 |
|  | Poland | #1 |

# STRONG COST SYNERGIES PLANNED THROUGH 2018




+ Manufacturing plan in Italy approved

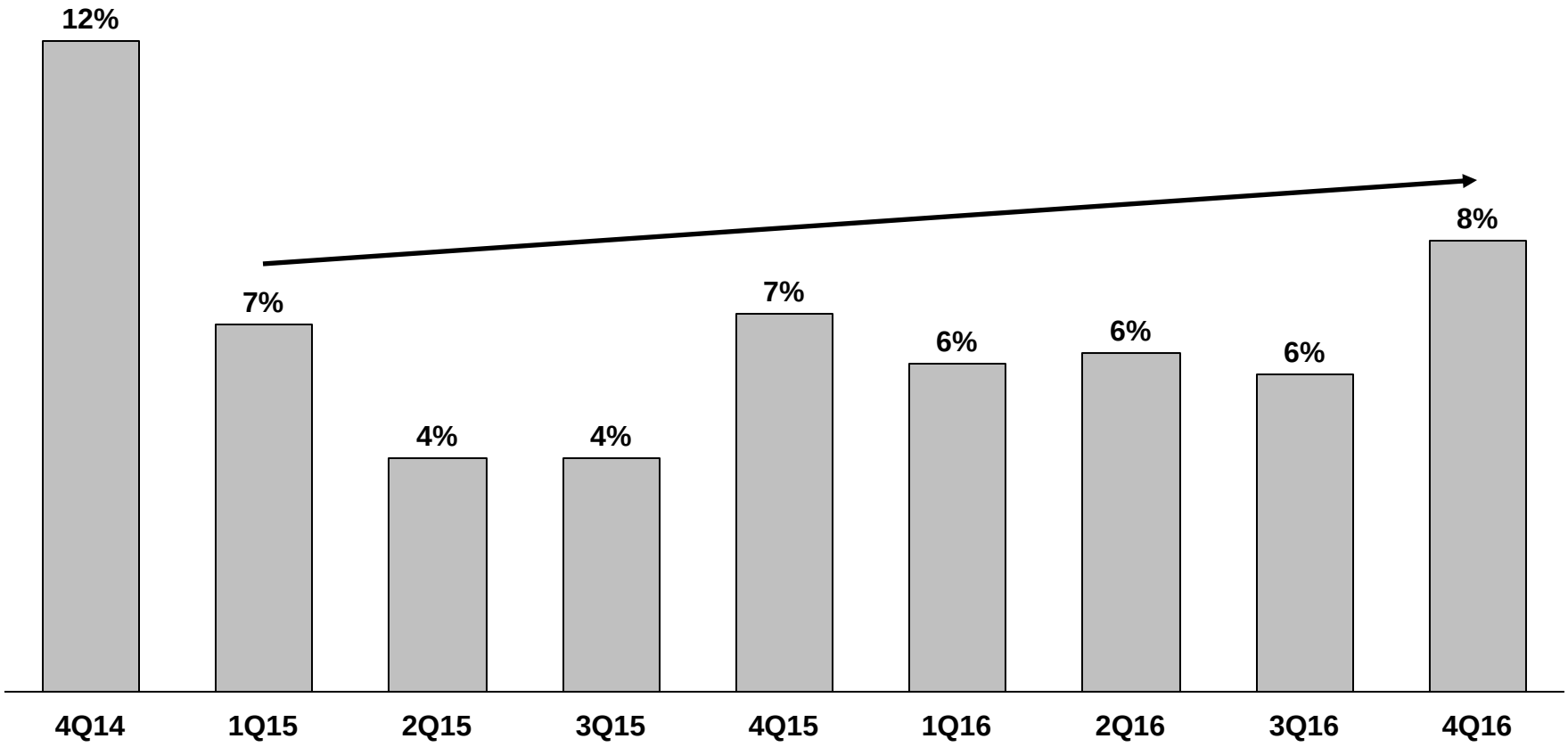
+ Legal entity mergers proceeding as planned

+ Purchasing agreements signed

**INTEGRATION PROGRESS ON TRACK: DELIVERED $250M+ COST SYNERGIES THROUGH 2016**

# BRAZIL REMAINS CHALLENGING … MARGINS STABILIZED

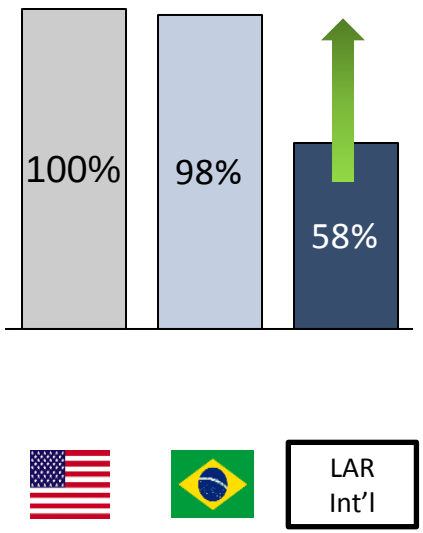
## Latin America Operating Margins Stabilized and Improving




**MANAGING SHORT-TERM CHALLENGES: RIGHT-SIZED FIXED COST STRUCTURE**

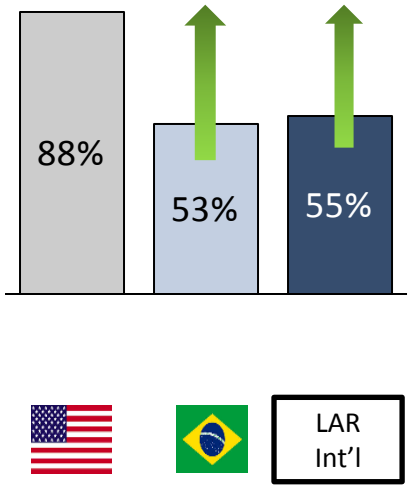
# LARGE APPLIANCE PENETRATION GROWTH POTENTIAL

## Appliance Household Penetration



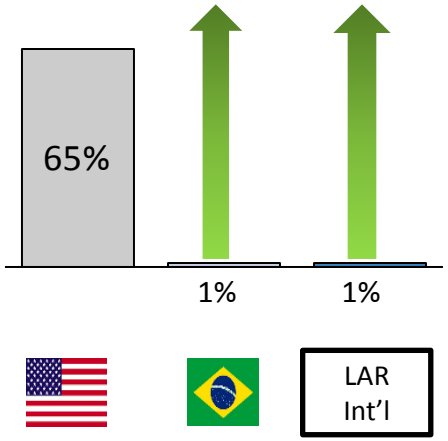

Refrigeration






Laundry






Dishwashing



**EACH PERCENT INCREASE IN PENETRATION IS WORTH $145M IN NET SALES FOR WHIRLPOOL**

# ASIA REGION … STRONG DEMAND POTENTIAL

| | Appliance Unit Volumes | Demographics *(middle class growth rate)* | Appliance Penetration |
|---|---|---|---|
| China | 49.3 | 22% CAGR through 2020 | 36% |
| India | 13.2 | 26% CAGR through 2020 | 16% |

**EACH PERCENT INCREASE IN PENETRATION IS WORTH $140M IN NET SALES FOR WHIRLPOOL**

# LONG-TERM VALUE CREATION FRAMEWORK

| | |
|---|---|
| **Annual Organic Net Sales Growth** | **3-5%** |
| **EBIT % (by 2020)** | **10%+** |
| **Annual EPS Growth** | **10-15%** |
| **Free Cash Flow (by 2018)** | **5-6% of Net Sales (~85% FCF Conversion)** |

**STRONG TRACK RECORD OF MANAGING THROUGH VOLATILITY AND CREATING LONG-TERM SHAREHOLDER VALUE**

# 2017 CAPITAL ALLOCATION STRATEGY

| Priorities | Guidelines |
|---|---|
| Fund the Business | • Capital investment: 3.5% of sales |
| Targeted Capital Structure | • Approximately 1.5x Debt / EBITDA target |
| Dividends | • 25 – 30% trailing 12 month earnings (guideline) |
| Share Repurchase | • $700M authorization remaining as of 12/31/16; repurchasing to continue in 2017 |
| M&A | • Strategic fit<br>• Strong value creation<br>• Capacity to execute |

**CAPITAL ALLOCATION PLANS CONTINUE TO DRIVE LONG-TERM VALUE CREATION FOR OUR SHAREHOLDERS**


Whirlpool
CORPORATION

# APPENDIX



# INDEX OF SUPPORTING DATA

| Slide | Slide Title | Notes |
|---|---|---|
| 6 | With a strong track record of performance | Ongoing business earnings per diluted share is a non-GAAP measure. For years 2011-2016 please refer to our fourth-quarter earnings press release, for each respective year, located in the financial information section of our Investor Relations website at investors.whirlpoolcorp.com for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure. |
| 8 | Strongest brand portfolio | *Whirlpool ownership of the *Hotpoint* brand in the EMEA and Asia regions is not affiliated with the *Hotpoint* brand sold in the Americas<br><br>Our leading portfolio of brands includes *Whirlpool, Maytag, KitchenAid, Embraco, Hotpoint, Consul,* and *Indesit*, each of which generates annual revenues in excess of $1 billion. |
| 11 | U.S. multi-year demand growth | AHAM |
| 12 | Leading brands available where people shop | Internal research<br>Big box retailers are Sears, Lowe's and Home Depot |
| 14 | Leading share positions across Europe | Euromonitor, internal research |
| 17 | Large appliance penetration growth potential | LAR Int'l Includes: Central America and South America excluding Brazil<br><br>Net Sales opportunity calculated based on 1% of households purchasing 1 additional home appliance at Whirlpool's average selling price and adjusting for Whirlpool's share position |
| 18 | Asia region…strong demand potential | Net Sales opportunity calculated based on 1% of households purchasing 1 additional home appliance at Whirlpool's average selling price and adjusting for Whirlpool's share position |