









Whirlpool CORPORATION

2017 THIRD-QUARTER EARNINGS REVIEW

October 24, 2017






CAUTIONARY STATEMENT

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"(1) measures:

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

Other non-GAAP financial measures included in this presentation are free cash flow(2), free cash flow as percentage of sales and net sales (excluding currency), which we also refer to as organic net sales.

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 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.

GLOBAL OVERVIEW



Marc Bitzer

Chief Executive Officer



2017 THIRD-QUARTER HIGHLIGHTS

- Revenue growth in-line with our long-term goals
- Solid free cash flow[(2)] improvement of ~$120M driven by working capital optimization
- Operating margin impacted by raw material inflation and slow progress on EMEA integration
- Announced global cost-based price increases on a majority of our business to offset the impact of sustained raw material inflation
- Announced a new fixed cost reduction initiative of $150M to be executed in 2018
- Repurchased $200M of common stock in the third quarter; year-to-date repurchases are now $125M above prior year

PROGRESS TOWARD LONG-TERM GOALS

	Profitable Growth		Margin Expansion		Cash Conversion	
	3-5% Annual Organic Net Sales Growth		10%+ EBIT Margin (by 2020)		5-6% FCF as % of Net Sales (by 2018)	
	Net Sales	Revenue Growth	Ongoing EBIT Margin(1)	YoY Change	Free Cash Flow(2)	FCF as % of Net Sales
Q3 2017	$5.4B	3.2%*	6.6%	(0.8)pts	$(348)M**	nm
FY 2017 (Guidance)	~$21.5B	~4.0%	~6.5%	~(0.8)pts	~$900M	~4.2%

* ~2% growth excluding currency
**~$120M improvement vs prior year
nm = not meaningful

Q3 2017 ONGOING EBIT(1) MARGIN DRIVERS

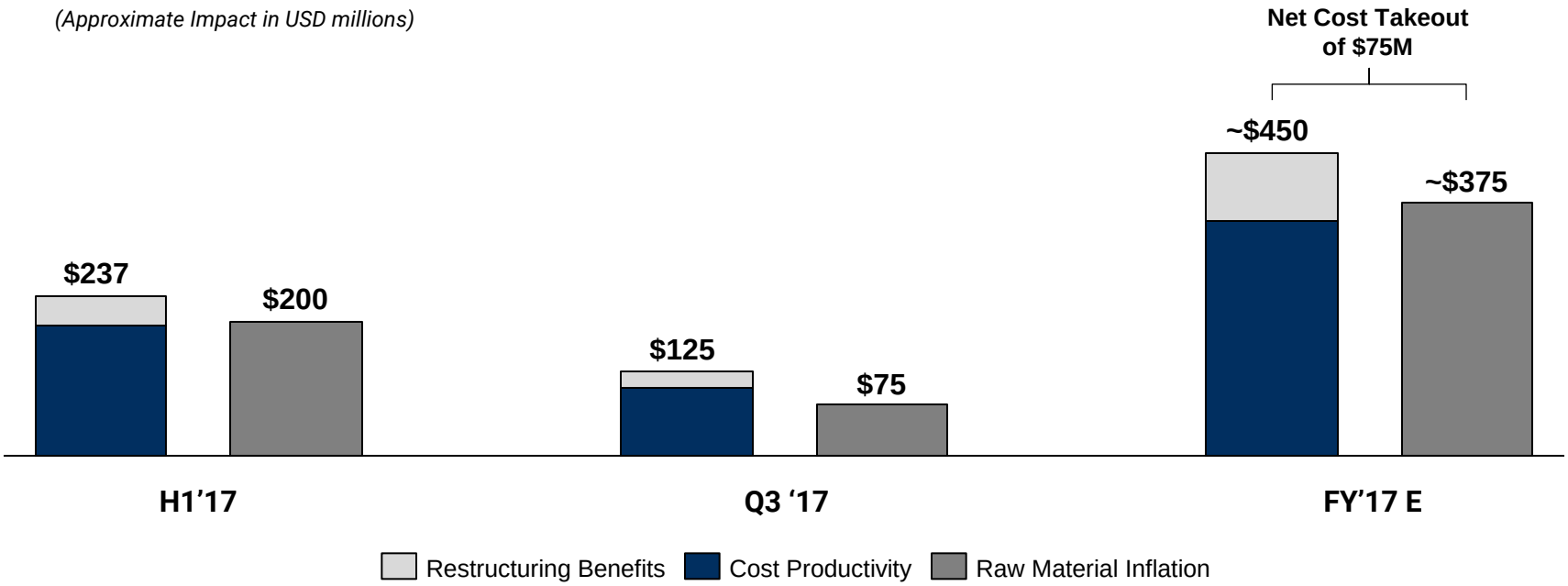
Approximate Impact	Actual	vs. Expectation
Q3 2016 Ongoing EBIT Margin	7.4%	
Price / Mix	-1.5	**Behind**
Net Cost Takeout (inclusive of raw material inflation)	+1	**Behind**
Marketing, Technology and Product Investments	0	**On-Track**
Currency	-0.25	**Behind**
Q3 2017 Ongoing EBIT Margin	6.6%	

KEY PERFORMANCE DRIVER: PRODUCT PRICE/MIX

Region	Q3	Full-Year	Full-Year Drivers
Total Company	-1.5%	Down	
North America	Flat	Slightly Down	• Strong Maytag brand growth • Ongoing promotional intensity
EMEA	Down	Down	• Price/mix pressure in Russia and the U.K. • Continued obsolete inventory reduction
Latin America	Slightly Down	Slightly Up	• Second-half mix pressure due to weak refrigeration demand
Asia	Down	Down	• Price/mix pressure in China

Announced Global Cost-Based Price Increases to Offset Raw Material Inflation

KEY PERFORMANCE DRIVER: COST TAKEOUT



Announced New Fixed Cost Reduction Initiative of $150M Impacting 2018

REGIONAL OVERVIEW

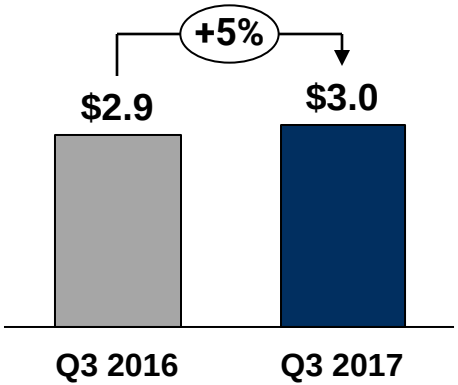


Jim Peters

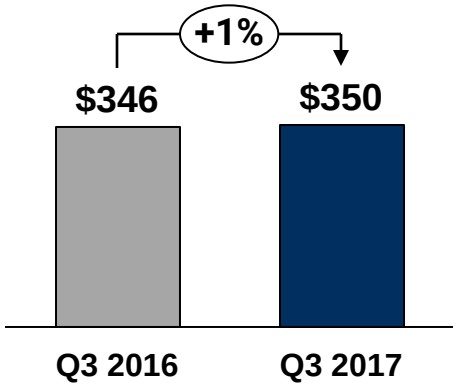
Executive Vice President
and Chief Financial Officer

NORTH AMERICA THIRD-QUARTER RESULTS

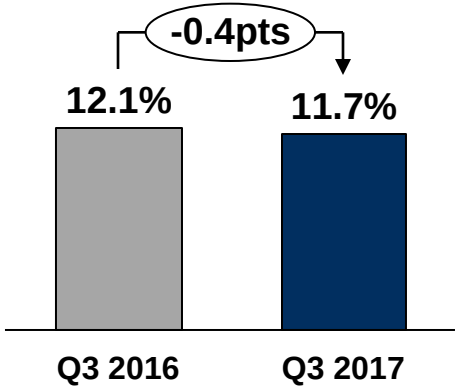
Net Sales ($B)



Operating Profit ($M)



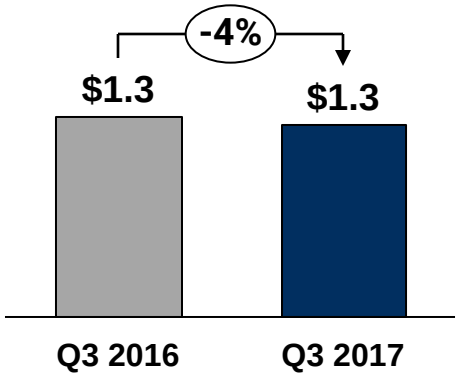
Operating Margin



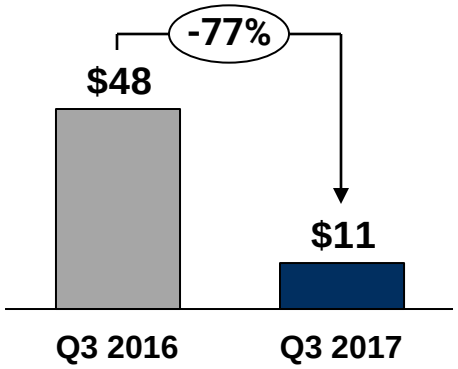
- Margin in-line with guidance, driven by unit volume growth in the core business
- Continued market share gains, primarily driven by the Maytag brand
- Raw material inflation of ~$30M, impacting operating margin by ~90 bps
- **<u>On-track</u> to deliver lower end of 11.5% - 12.0% operating margin guidance**

EMEA THIRD-QUARTER RESULTS

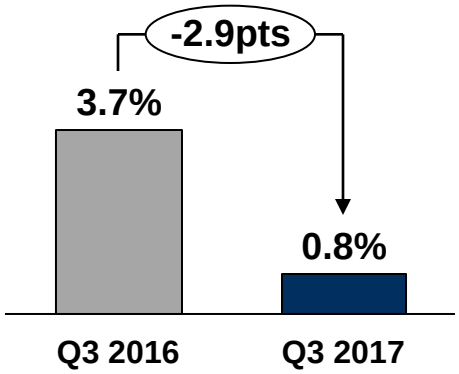
Net Sales ($B)



Ongoing Operating Profit[(1)] ($M)



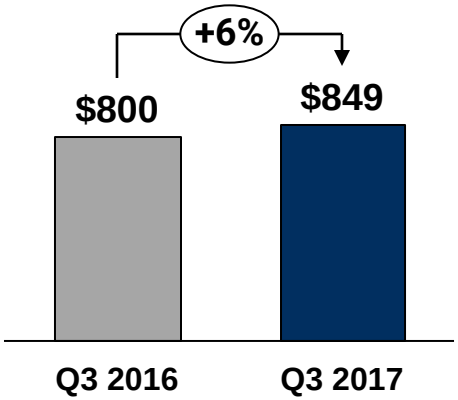
Ongoing Operating Margin[(1)]



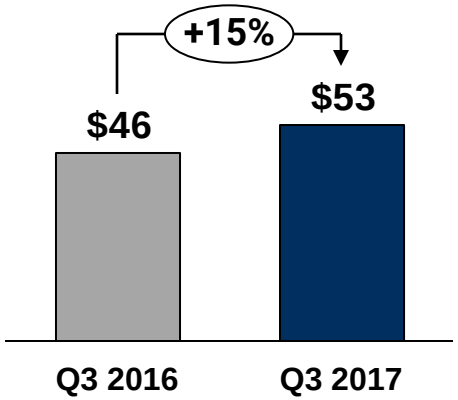
- Slow Indesit integration progress
- Margin compression in the U.K. due to British Pound devaluation versus the Euro
- Raw material inflation of ~$20M, impacting operating margin by ~150 bps
- **Revised full-year ongoing operating margin[(1)] guidance of ~0.5%**

LATIN AMERICA THIRD-QUARTER RESULTS

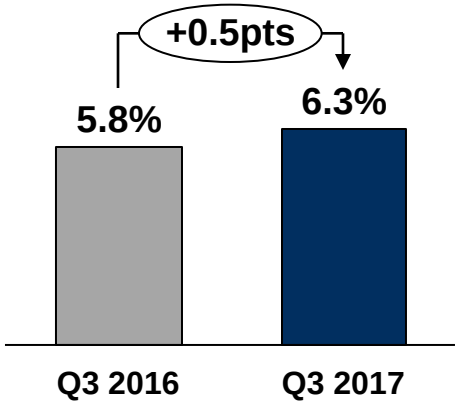
Net Sales ($M)



Operating Profit ($M)

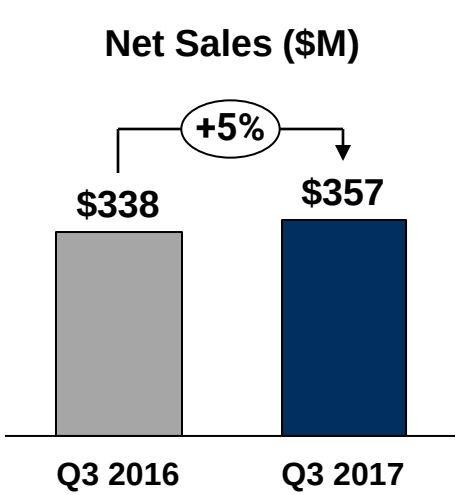


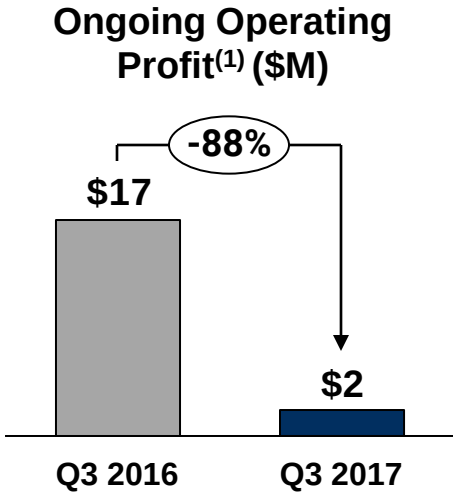
Operating Margin

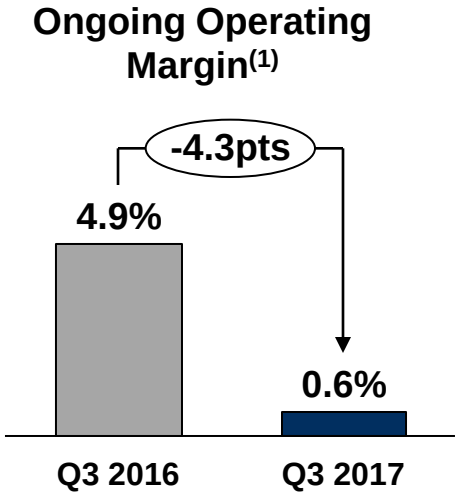


- Solid industry growth in Brazil in-line with prior guidance
- Price/mix pressure as industry demand shifted away from refrigeration
- Raw material inflation of ~$15M, impacting operating margin by ~175 bps
- **Revised full-year operating margin guidance of ~7.0%**

ASIA THIRD-QUARTER RESULTS







- Strong performance in India with unit volume growth, share gains and margin expansion
- Significant price/mix challenges in China
- Raw material inflation of ~$10M, impacting operating margin by ~275 bps
- **Revised full-year ongoing operating margin(1) guidance of ~2.5%**

FINANCIAL OVERVIEW



Jim Peters

Executive Vice President
and Chief Financial Officer

2017 GUIDANCE

	Current Guidance	Change from Previous Guidance
Ongoing EBIT Margin[1]	~6.5%	~(0.8)%
Expected Tax Rate	~16%	~4%
GAAP EPS	$11.10 - $11.40	~$(1.40)
Ongoing EPS[1]	$13.60 - $13.90	~$(1.00)
Free Cash Flow[2]	~$900M	~$(100)M

2017 FREE CASH FLOW(2) DRIVERS

	Current Guidance	Change from Previous Guidance
2016 Free Cash Flow	$630M	-
Cash Earnings	-	~$(150)M
Working Capital	~$300M	$50M
Capital Expenditures	~$(25)M	-
2017 Free Cash Flow	~$900M	~$(100)M

2017 CAPITAL ALLOCATION STRATEGY

Fund the Business	Target	Status
Capex / R&D	Capex: ~3.5% of net sales R&D: ~3% of net sales	• On-track • On-track
Mergers & Acquisitions	Utilize value-creating M&A to accelerate strategy	• On-track: Yummly acquisition (2017)

Return to Shareholders	Target	Status
Dividends	25-30% of trailing 12-month earnings	• 10% quarterly dividend increase in 2017
Share Repurchase	Consistent repurchasing	• Repurchased $550M year-to-date • Expect to continue repurchasing
Targeted Capital Structure	Maintain strong investment grade rating	• On-track

GLOBAL SUMMARY



Marc Bitzer

Chief Executive Officer

2017 BUSINESS PRIORITIES

Drive above-industry growth

- Innovative new product launches
- Strong adjacent business growth

On-Track

Deliver EBIT margin expansion

- Continue cost takeout to offset raw material inflation
- Realize integration benefits in EMEA
- Execute previously and recently-announced global cost-based price increases

Behind

Accelerate free cash flow conversion

- Deliver improved cash flow through focused working capital optimization

On-Track

Q&A AND CLOSING REMARKS



SUMMARY OF KEY MESSAGES

- Continued revenue growth and free cash flow[(2)] improvement
- Plan to continue returning strong levels of cash to shareholders; expect to continue repurchasing shares in the fourth quarter
- Announced global cost-based price increases and a new fixed cost reduction initiative to offset sustained raw material inflation
- **Reaffirmed 2020 value-creation goals**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APPENDIX



2017 GUIDANCE COMPONENTS

Income Statement	FY2017E	FY2016A
Net Cost Takeout (inclusive of raw materials)	$75M	$550M
Cost Productivity	$350M	$234M
Restructuring Benefits	$100M	$216M
Raw Material Inflation	$375M	$(100)M
Restructuring Expense	$200M	$173M
Interest and Sundry (Income) Expense	$110M	$93M
Interest Expense	$160M	$161M
Tax Rate	~16%	16.6%
Weighted-Average Diluted Shares Outstanding	75.1M*	77.2M

Cash Flow Statement	2017E	2016A
Capital Expenditures	$650M-$700M	$660M
Pension Contributions	$45M	-
Dividends Paid	$235M*	$294M
Amount of Stock Repurchased	$550M*	$525M
Restructuring Cash Outlays	$175M	$119M
EMEA Legacy Product Warranty	$70M	$162M

* As of 9/30/2017

INDEX OF SUPPORTING INFORMATION

Slide #	Slide Title & Description	Source
14	ASIA THIRD-QUARTER RESULTS	2017 operating margin shown for Asia is ongoing segment operating margin. Ongoing segment operating margin is calculated by dividing ongoing segment operating profit (loss) by ongoing segment net sales. Ongoing segment operating profit (loss) and ongoing segment net sales excludes $(40) million and $(32) million respectively, primarily related to an adjustment for trade promotion accruals in prior periods. 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 this non-GAAP financial measure to the most directly comparable GAAP financial measure.