First-Quarter 2018 Earnings Review

Whirlpool CORPORATION



GLOBAL OVERVIEW



Marc Bitzer

President and
Chief Executive Officer



2018 FIRST-QUARTER HIGHLIGHTS

- Delivered ongoing EBIT[(1)] improvement and record first-quarter ongoing EPS[(1)]
- Previously-announced cost-based price increases contributed to positive global price/mix
- Fixed cost reduction actions completed and fully on-track
- Growth and margin expansion in North America region
- Increased quarterly dividend for the 6th consecutive 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	YoY Change	Ongoing EBIT Margin(1)	YoY Change	Free Cash Flow(2)	FCF as % of Net Sales
Q1 2018	$4.9B	2.6%	6.0%	-	$(756)M	nm
FY 2018 (Forecast)	~$21.5B	~1%	~7.5%	~1.1pts	$1.0-$1.1B	~5%

nm = not meaningful

Q1 2018 ONGOING EBIT MARGIN(1) DRIVERS

	Q1
2017 Ongoing EBIT Margin	**6.0%**
Price / Mix	+1.0
Fixed Cost Takeout	+0.25
Ongoing Cost Productivity & Restructuring Benefits	+0.5
Raw Material Inflation	-1.5
Currency	-0.25
2018 Ongoing EBIT Margin	**6.0%**

Approximate Impact

KEY PERFORMANCE DRIVER: PRODUCT PRICE/MIX

Region	Q1 2018	Q1 2018 Drivers
Total Company	**+1.0%**	
North America	Up	• Realized benefits of price/mix actions on U.S. kitchen • Price/mix improved sequentially throughout Q1
EMEA	Up	• Realized benefits of price/mix actions • Targeted reduction of certain private label volume
Latin America	Up	• Realized benefits of price/mix actions • Favorable mix from new product launches
Asia	Flat	• Realized benefits of price/mix actions in China • India distribution growth driving unfavorable mix

Benefits of Global Price/Mix Expected to Continue

REGIONAL OVERVIEW

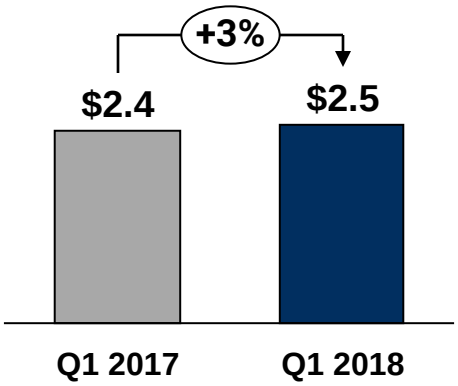


Jim Peters

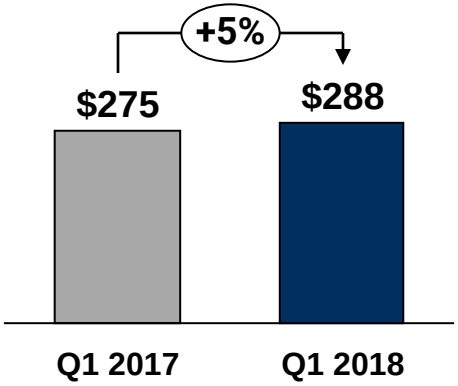
Executive Vice President
and Chief Financial Officer

NORTH AMERICA FIRST-QUARTER RESULTS

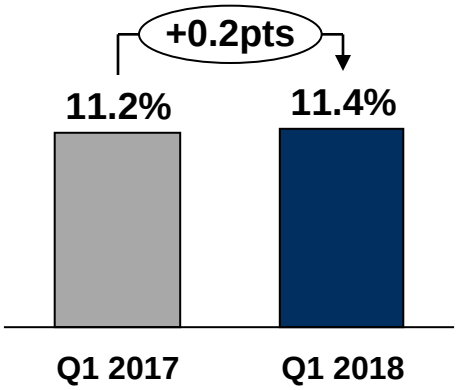
Net Sales ($B)



EBIT[3] ($M)



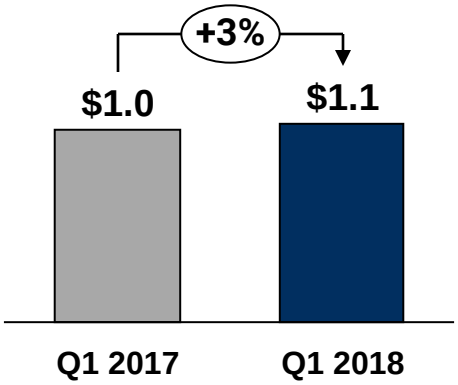
EBIT Margin[3]



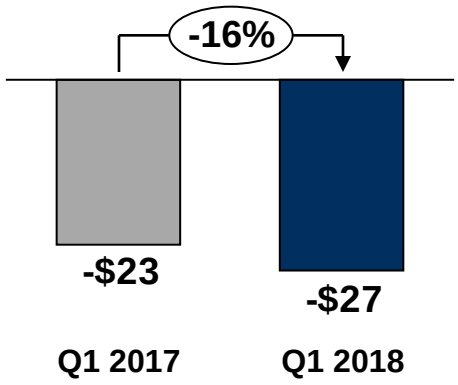
- Solid revenue growth driven by unit volume and positive price/mix
- EBIT margin[3] improvement driven by positive price/mix and fixed cost takeout
- Strong performance more than offset raw material inflation of ~$25M or ~100 bps
- Previously-announced cost-based price increases on U.S. laundry to be implemented in Q2 2018

EMEA FIRST-QUARTER RESULTS

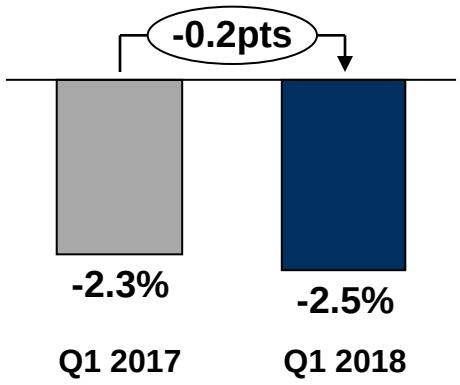
Net Sales ($B)



EBIT[3] ($M)

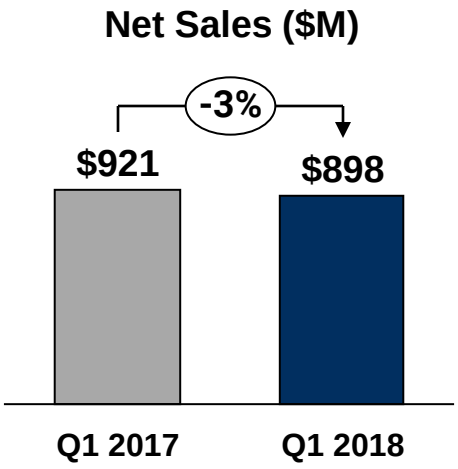


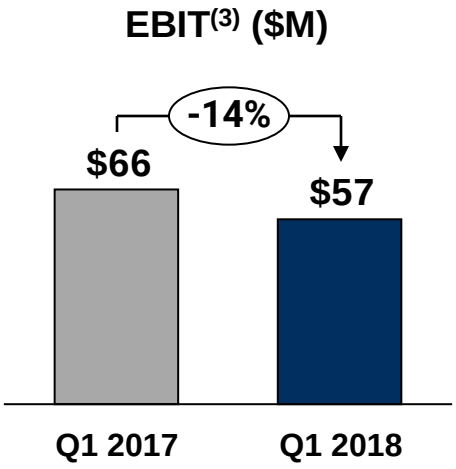
EBIT Margin[3]

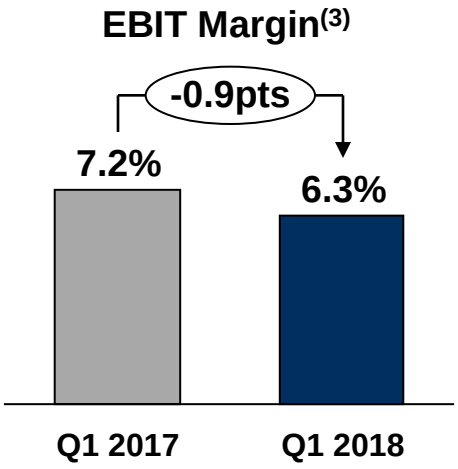


- Price/mix improvement offset by unit volume declines
- Renegotiated a number of unfavorable trade agreements
- Raw material inflation of ~$25M impacted EBIT margin[3] by ~225 bps
- Unfavorable currency impacted EBIT margin[3] by ~$10M or ~100 bps

LATIN AMERICA FIRST-QUARTER RESULTS

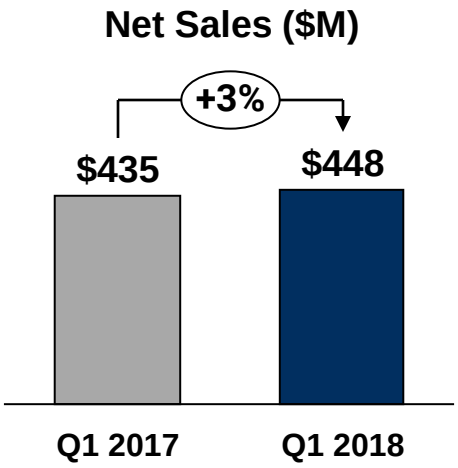


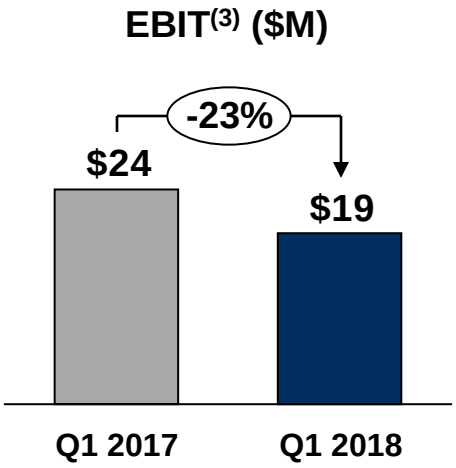


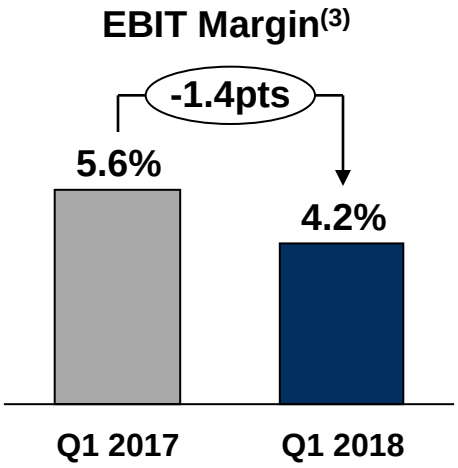


- Solid appliance results more than offset by lower industry and soft global compressor results
- Strong appliance price/mix driven by previously-announced price increases and new product launches
- Raw material inflation of ~$15M impacted EBIT margin(3) by ~150 bps

ASIA FIRST-QUARTER RESULTS







- Strong India performance with double digit unit volume growth and continued share gains
- Sequential EBIT(3) improvement in China driven by focus on new product launches and price/mix
- Cost productivity more than offset by raw material inflation of ~$10M or 200 bps
- Currency unfavorably impacted EBIT margin(3) by ~$5M or ~125 bps

2018 GUIDANCE



Marc Bitzer

President and
Chief Executive Officer



Jim Peters

Executive Vice President
and Chief Financial Officer

2018 GUIDANCE OVERVIEW

Profitable Growth

3-5%
Annual Organic Net Sales Growth

Net Sales	YoY Change
~$21.5B	~1%

Margin Expansion

10%
EBIT Margin (by 2020)

Ongoing EBIT Margin(1)	YoY Change
~7.5%	~1.1pts

Cash Conversion

5-6%
FCF as % of Net Sales (by 2018)

Free Cash Flow(2)	FCF as % of Net Sales
$1.0-1.1B	~5%

Maintain Ongoing EPS(1) Range of $14.50 - $15.50

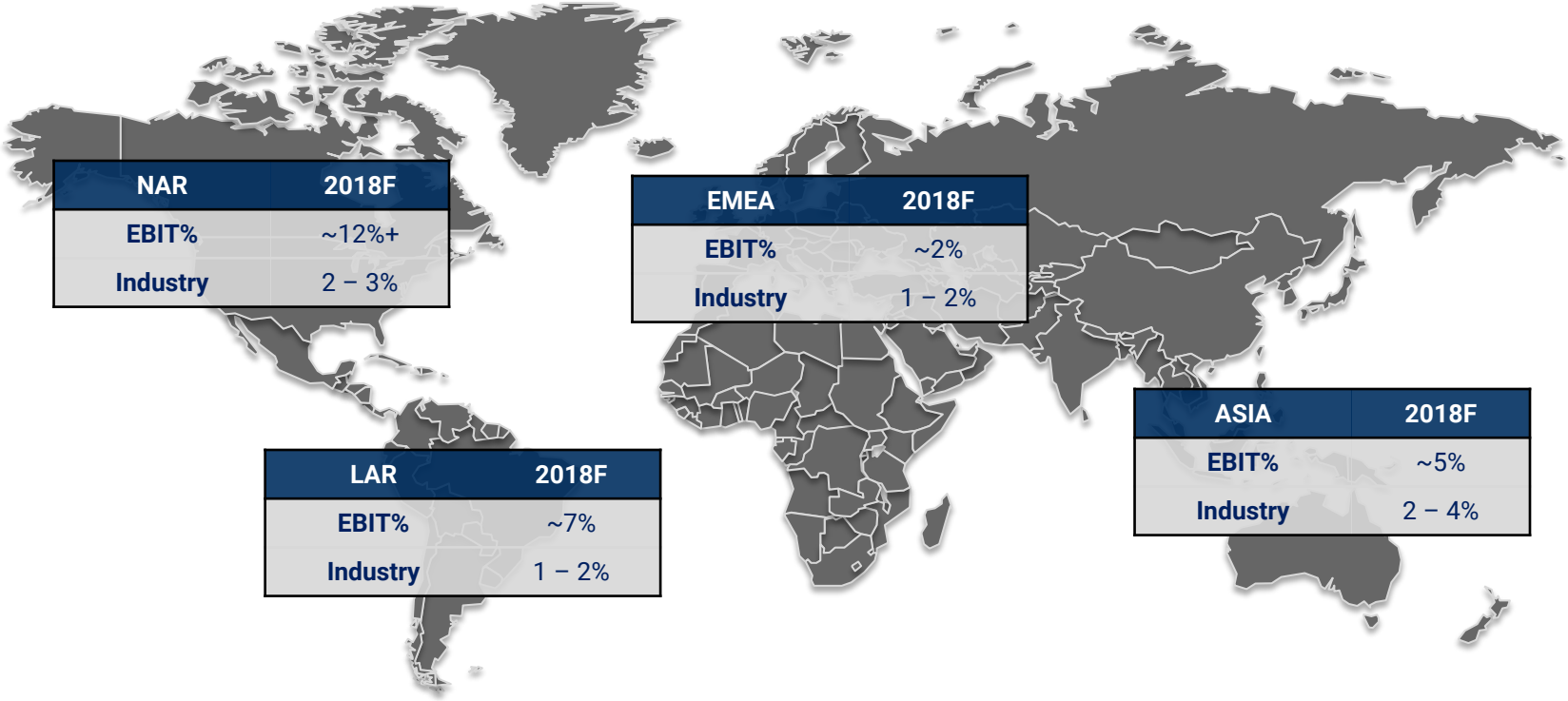
2018 ONGOING EBIT MARGIN(1) PROGRESSION

	Full-Year	Comments
2017 Ongoing EBIT Margin	**6.4%**	
Price / Mix	+1.25	Global price/mix implementations on-track; U.S. laundry cost-based pricing effective early Q2
Fixed Cost Takeout	+0.75	Fully-implemented and on-track
Ongoing Cost Productivity & Restructuring Benefits	+1.25	Continued focus on driving cost productivity
Raw Material Inflation	-1.25	Now expect $250-300M cost increase due to steel and resin cost inflation
Marketing & Technology Investments	-0.75	Supporting global and regional product launches
Currency	-	
2018 Ongoing EBIT Margin	**~7.5%**	

Approximate Impact

Increased Raw Material Inflation Offset by Price/Mix

2018 REGIONAL GUIDANCE



NAR	2018F
EBIT%	~12%+
Industry	2 – 3%

EMEA	2018F
EBIT%	~2%
Industry	1 – 2%

LAR	2018F
EBIT%	~7%
Industry	1 – 2%

ASIA	2018F
EBIT%	~5%
Industry	2 – 4%

Regional Guidance Unchanged

2018 FREE CASH FLOW(2) DRIVERS

	Full-Year	Comments
2017 Free Cash Flow	**$707M**	
Cash Earnings	~$325M	• Sustained benefit of global price/mix and fixed cost actions • Slightly reduced expectations for global revenue growth
Working Capital	~$125M	• Significant inventory reduction in North America and EMEA
Restructuring Cash Outlays	~$(125)M	• Higher cash outlays related to Embraco plant closure in Italy and global fixed cost reduction initiative
Capital Expenditures	-	
2018 Free Cash Flow	**$1.0B - $1.1B**	

Approximate Impact

Expect to Achieve Our Cash Conversion Goal in 2018

2018 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	Explore value-creating M&A to accelerate strategy	• Continue to be opportunistic

Return to Shareholders	Target	Status
Dividends	25-30% of trailing 12-month earnings	• Increased quarterly dividend for 6th consecutive year
Share Repurchase	Continue repurchasing	• Temporary pause in first quarter • ~$1.95B authorization remaining
Targeted Capital Structure	Maintain strong investment grade rating	• On-track

Q&A AND CLOSING REMARKS



SUMMARY OF KEY MESSAGES

- Delivered ongoing EBIT[(1)] improvement and record first-quarter ongoing EPS[(1)]
- Global price/mix and fixed cost actions have been successfully implemented
- Remain committed to returning strong levels of cash to shareholders in 2018


Whirlpool
CORPORATION

APPENDIX



2018 GUIDANCE COMPONENTS (APPROXIMATE IMPACT)

Income Statement	FY2018E	FY2017A
Net Cost Takeout	$150M	$100M
Gross Cost Takeout (inclusive of fixed cost reduction and restructuring benefits)	$425M	$450M
Raw Material Inflation	$(250) - (300)M	$(350)M
Restructuring Expense	$200M	$275M
Interest Expense	$160M	$162M
Tax Rate	~20%	14.7%
Weighted-Average Diluted Shares Outstanding	72.1M*	74.4M

Cash Flow Statement	FY2018E	FY2017A
Capital Expenditures	$675M	$684M
Pension Contributions	$35M	$42M
Dividends Paid	$78M*	$312M
Amount of Stock Repurchased	$0M*	$750M
Restructuring Cash Outlays	$300M	$175M
EMEA Legacy Product Warranty	n/a	$69M

* as of 3/31/2018

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 presentation 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, and the impact of the changing retail environment; (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) impacts from goodwill impairment and related charges; (16) triggering events or circumstances impacting the carrying value of our long-lived assets; (17) inventory and other asset risk; (18) the uncertain global economy and changes in economic conditions which affect demand for our products; (19) health care cost trends, regulatory changes and variations between results and estimates that could increase future funding obligations for pension and postretirement benefit plans; (20) 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; (21) the effects and costs of governmental investigations or related actions by third parties; and (22) changes in the legal and regulatory environment including environmental, health and safety regulations, and taxes and tariffs.

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 earnings per diluted share, earnings before interest and taxes (EBIT), EBIT margin, ongoing EBIT, ongoing EBIT margin, ongoing segment EBIT, ongoing segment EBIT 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.

(3) Segment EBIT represents our consolidated EBIT broken down by the Company's reportable segments. Consolidated EBIT also includes corporate "Other/Eliminations" of $(186) million.