Second-Quarter 2018 Earnings Review

Whirlpool CORPORATION



GLOBAL OVERVIEW



Marc Bitzer

President and
Chief Executive Officer



2018 SECOND-QUARTER HIGHLIGHTS

- Ongoing EBIT margin expansion despite challenging cost environment
- Significant price/mix improvement year-over-year and sequentially; positive in all regions
- Following weak EMEA results, taking strong actions to restore profitability in second half
- North America delivered strong margins despite temporary industry decline
- Repurchased $1B of common stock with anticipated proceeds from sale of Embraco
- Ongoing results exclude second-quarter non-cash expenses of ~$860M related to EMEA

PROGRESS TOWARD LONG-TERM GOALS

	Profitable Growth		Margin Expansion		Cash Conversion	
Long-Term Goals	**3-5%** Annual Organic Net Sales Growth		**10%** EBIT Margin		**5-6%** FCF as % of Net Sales	
	Net Sales	YoY Change	Ongoing EBIT Margin(1)	YoY Change	Free Cash Flow(2)	FCF as % of Net Sales
Q2 2018	$5.1B	(4)%	6.7%	0.2pts	$(725)M	nm
FY 2018 (Forecast)	~$21.3B	Flat	~6.9%	~0.5pts	~$850M	~4%

nm = not meaningful

Remain Committed to Long-Term Goals, But Timing Impacted by Cost Challenges

Q2 2018 ONGOING EBIT MARGIN(1) DRIVERS

(Approximate impact)	Q2
2017 Ongoing EBIT Margin	**6.5%**
Price / Mix	+2.0
Gross Cost Takeout*	+0.25
Raw Material Inflation	-1.25
Marketing & Technology Investments	-0.50
Currency	-0.25
2018 Ongoing EBIT Margin	**6.7%**

*Inclusive of Fixed Cost Takeout, Ongoing Cost Productivity (including freight and warehousing) and Restructuring Benefits

KEY PERFORMANCE DRIVER: PRODUCT PRICE/MIX

Region	Q2 2018	Q2 2018 Drivers
Total Company	**+2.0%**	
North America	Up	• Benefits of price/mix actions in the U.S. • Recently-announced cost-based price increase in Canada
EMEA	Up	• Benefits of price/mix actions
Latin America	Slightly Up	• Benefits of price/mix actions • Recently-announced cost-based price increases
Asia	Up	• Benefits of price/mix actions in China • Strong sequential improvement in India

Demonstrated Commitment to Delivering Significant Global Price/Mix

EMEA BUSINESS UPDATE

Weak Business Performance	Indesit Integration Complete	Taking Strong Actions
• Integration challenges • Operational execution issues • Macroeconomic volatility	• Factory optimization • Platform & system integrations • Cumulative acquisition benefits • Robust brand portfolio & leading country positions	1. Stabilize volumes while sustaining price/mix 2. Redefine business strategy for value creation 3. Implement broad leadership changes
Disappointing Results	**Strong Structural Position**	**Drive Value Creation**

Expect to Deliver 4-5% Margin by 2020; Continue to Expect 8% Long-Term Margins

REGIONAL OVERVIEW

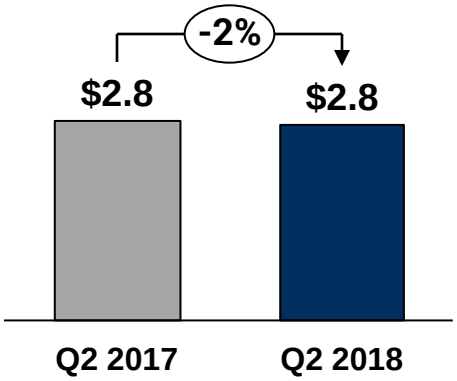


Jim Peters

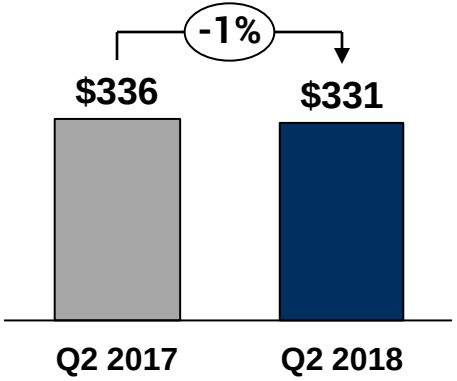
Executive Vice President
and Chief Financial Officer

NORTH AMERICA SECOND-QUARTER RESULTS

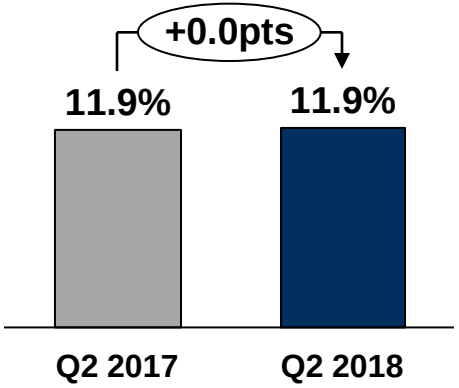
Net Sales ($B)



EBIT[3] ($M)



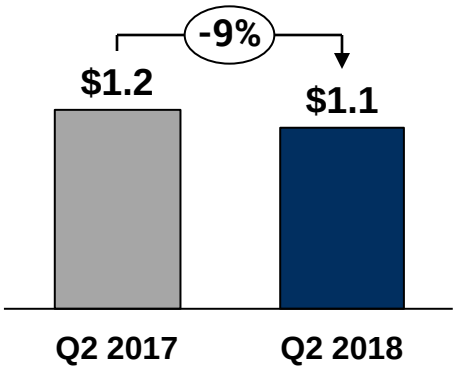
EBIT Margin[3]



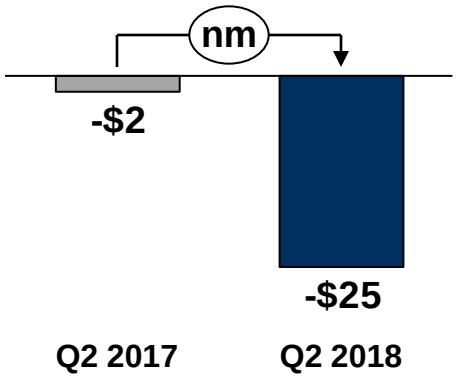
- Revenue decline driven by temporary U.S. industry demand weakness of (5)%
- Strong EBIT margin[3] despite raw material inflation of ~$25M and higher freight costs of ~$15M
- Continued focus on price/mix and sustained cost discipline
- Expect industry to recover to 1 – 2% for the full year

EMEA SECOND-QUARTER RESULTS

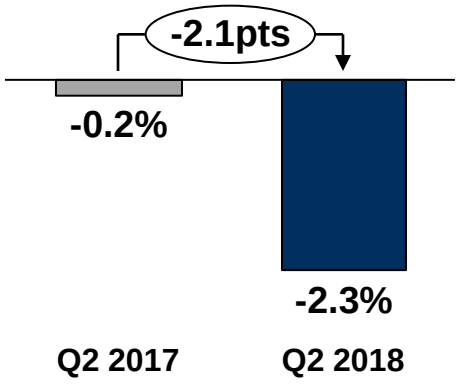
Net Sales ($B)



EBIT[3] ($M)

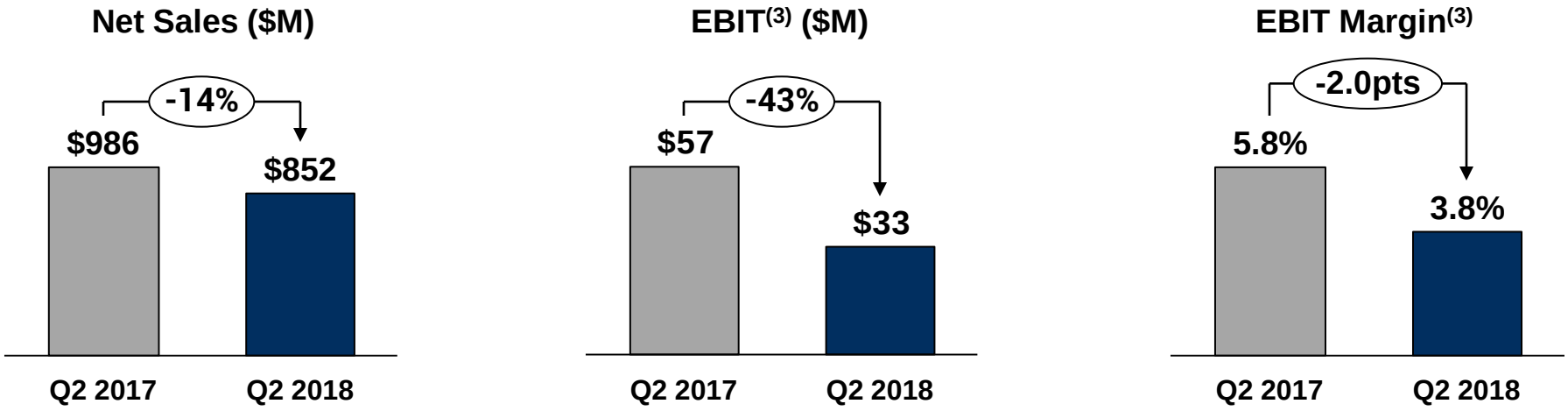


EBIT Margin[3]



- Price/mix improvement more than offset by unit volume declines
- Raw material inflation unfavorably impacted EBIT[3] by ~$20M or 200 bps
- Unfavorable currency impacted EBIT margin[3] by ~$10M or 100 bps

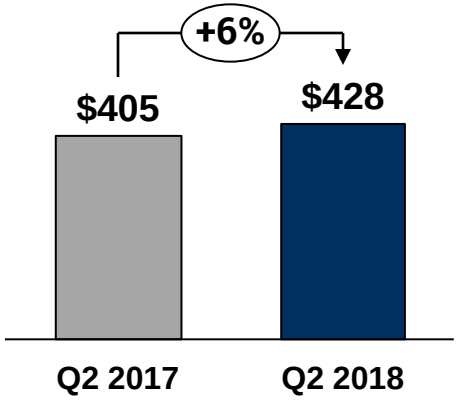
LATIN AMERICA SECOND-QUARTER RESULTS



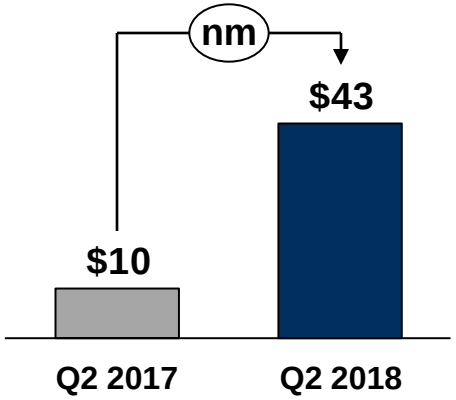
- Price/mix improvement more than offset by unit volume declines
- EBIT(3) impacted by Brazil trucker strike (~$20M) and weak global compressor demand
- Recently-announced additional cost-based price increases effective July 1st

ASIA SECOND-QUARTER RESULTS

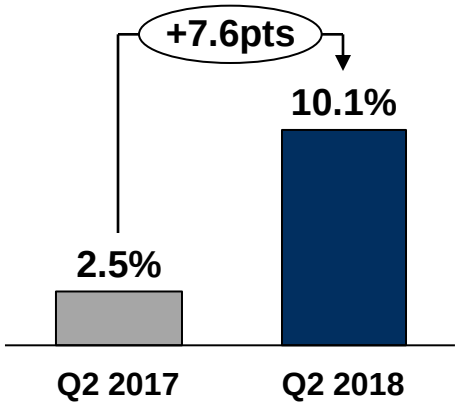
Ongoing Net Sales[1] ($M)



Ongoing EBIT[3] ($M)



Ongoing EBIT Margin[3]



- Double digit volume growth and continued share gains in India
- Discrete items positively impacted ongoing EBIT[3] by ~$15M
- Raw material inflation unfavorably impacted ongoing EBIT[3] by ~$10M or 225 bps

2018 GUIDANCE



Marc Bitzer

President and
Chief Executive Officer



Jim Peters

Executive Vice President
and Chief Financial Officer

2018 GUIDANCE OVERVIEW

	Profitable Growth	Margin Expansion	Cash Conversion
Long-Term Goals	**3-5%** Annual Organic Net Sales Growth	**10%** EBIT Margin	**5-6%** FCF as % of Net Sales
	Net Sales	YoY Change	Ongoing EBIT Margin(1)	YoY Change	Free Cash Flow(2)	FCF as % of Net Sales
FY 2018 (Forecast)	~$21.3B	Flat	~6.9%	~0.5pts	~$850M	~4%

Expect to Deliver Record Ongoing Earnings Per Share(1) of $14.20 - $14.80 in 2018

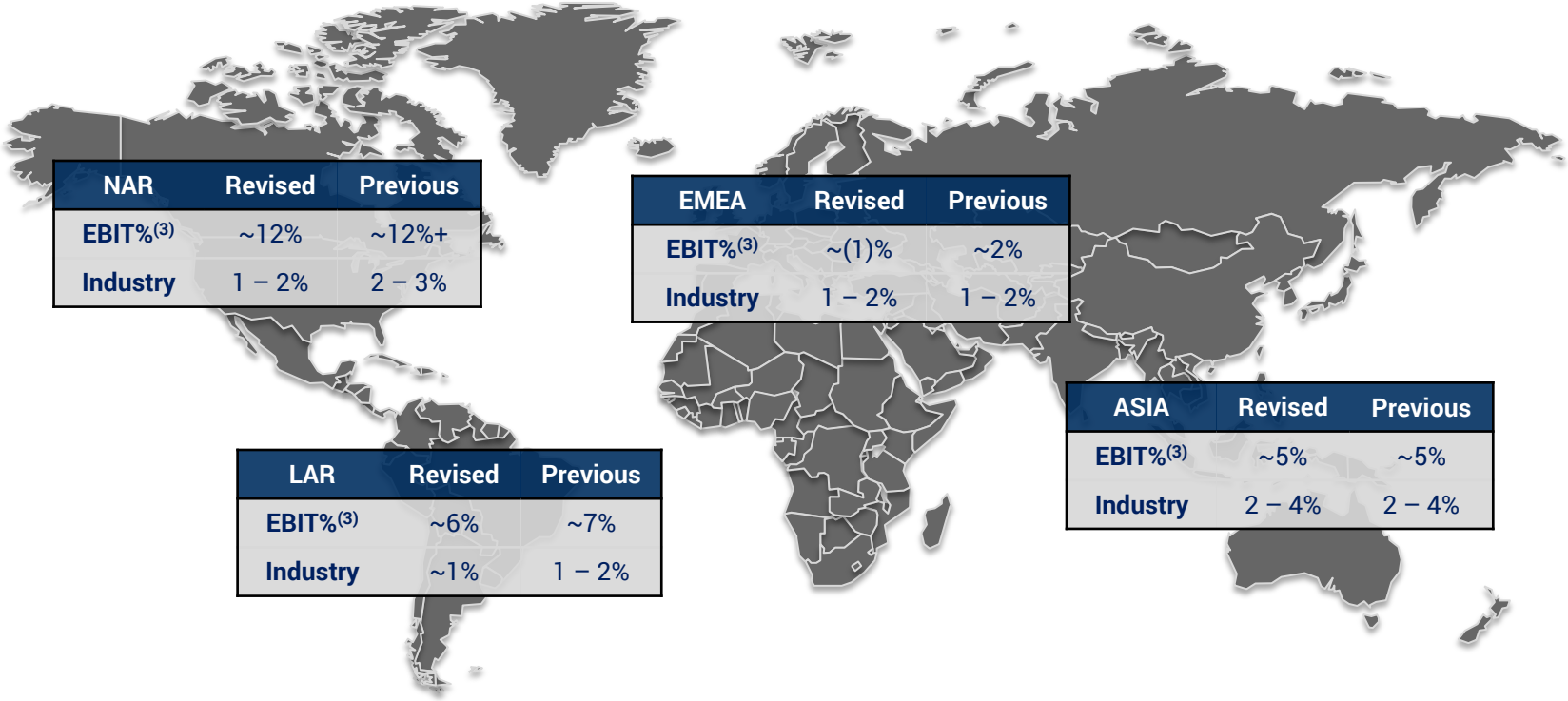
2018 ONGOING EBIT MARGIN(1) GUIDANCE PROGRESSION

(Approximate impact)	Revised	Previous	Comments
2017 Ongoing EBIT Margin	**6.4%**	**6.4%**	
Price / Mix	+2.0	+1.25	• Global price/mix actions on-track
Gross Cost Takeout*	+1.25	+2.0	• Fixed cost reduction fully-implemented and on-track • Volume weakness impacting conversion • Fuel inflation impacting freight costs
Raw Material Inflation	-1.75	-1.25	• Now expect ~$350M cost increase
Marketing & Technology Investments	-0.75	-0.75	• Supporting global and regional product launches
Currency	-0.25	-	• Currency volatility impacting GBP, RUB and CNY
2018 Ongoing EBIT Margin	**~6.9%**	**~7.5%**	

*Inclusive of Fixed Cost Takeout, Ongoing Cost Productivity (including freight and warehousing) and Restructuring Benefits

Expect to Deliver Margin Expansion Through Price/Mix and Fixed Cost Takeout

2018 REGIONAL GUIDANCE



NAR	Revised	Previous
EBIT%[3]	~12%	~12%+
Industry	1 – 2%	2 – 3%

EMEA	Revised	Previous
EBIT%[3]	~(1)%	~2%
Industry	1 – 2%	1 – 2%

ASIA	Revised	Previous
EBIT%[3]	~5%	~5%
Industry	2 – 4%	2 – 4%

LAR	Revised	Previous
EBIT%[3]	~6%	~7%
Industry	~1%	1 – 2%

Strong Performance in NAR and Asia Offset by Weakness in EMEA and LAR

2018 FREE CASH FLOW(2) DRIVERS

(Approximate impact)	Revised	Previous	Comments
2017 Free Cash Flow	**$707M**	**$707M**	
Cash Earnings	~$150M	~$325M	• Business weakness in EMEA and increased raw material inflation expectations impacting global earnings
Working Capital	~$125M	~$125M	• Significant inventory reduction in North America and EMEA
Restructuring Cash Outlays	~$(125)M	~$(125)M	• Higher cash outlays related to Embraco plant closure in Italy and global fixed cost reduction initiative
Capital Expenditures	-	-	
2018 Free Cash Flow	**~$850M**	**$1.0B-1.1B**	

EMEA Performance and External Challenges Impacting Cash Flow

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	• Embraco sale, expected closing 2019 • 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	• Executed $1B tender offer • ~$950M authorization remaining
Targeted Capital Structure	Maintain strong investment grade rating	• On-track

Q&A AND CLOSING REMARKS



SUMMARY OF KEY MESSAGES

- Global margin expansion despite challenging cost environment
- Significant global price/mix improvement
- Strong performance in North America; U.S. industry growth expected in second half
- Taking strong actions to restore profitability in second half following continued weak performance in EMEA
- Well-positioned to deliver strong ongoing EBIT margin gains and all-time record ongoing earnings per share in 2018


Whirlpool
CORPORATION

APPENDIX



2018 GUIDANCE COMPONENTS (APPROXIMATE IMPACT)

Income Statement	FY2018E	FY2017A
Net Cost Takeout	$(75)M	$100M
Gross Cost Takeout*	$275M	$450M
Raw Material Inflation	$(350)M	$(350)M
Restructuring Expense	$200M	$275M
Interest Expense	$190M	$162M
Adjusted Tax Rate	~20%	14.7%
Weighted-Average Diluted Shares Outstanding	68.5M**	74.4M

Cash Flow Statement	FY2018E	FY2017A
Capital Expenditures	$675M	$684M
Pension Contributions	$35M	$42M
Dividends Paid	$159M***	$312M
Amount of Stock Repurchased	$1,000M***	$750M
Restructuring Cash Outlays	$300M	$175M
EMEA Legacy Product Warranty	n/a	$69M

*Inclusive of Fixed Cost Takeout, Ongoing Cost Productivity (including freight and warehousing) and Restructuring Benefits
**Estimated full-year weighted-average diluted shares outstanding inclusive of actual share repurchases as of 6/30/2018
***YTD as of 6/30/2018

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 net sales, 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 (including segment ongoing EBIT) represents our consolidated EBIT broken down by the Company's reportable segments. Consolidated EBIT also includes corporate "Other/Eliminations" of $(944) million.