

# First-Quarter 2020 Investor Meetings



## The World's Leading Major Home Appliance Company

**~\$20B**

Annual Sales (2019)

**77K**

Global Employees

**59**

Manufacturing and  
Technology Research  
Centers



56%  
NORTH AMERICA

21%  
EUROPE, MIDDLE EAST,  
AFRICA

16%  
LATIN AMERICA

7%  
ASIA



31%  
REFRIGERATORS  
& FREEZERS

30%  
LAUNDRY

23%  
COOKING

16%  
OTHER

# WHAT MATTERS TO US

## Vision

*To be the best kitchen & laundry company, in constant pursuit of improving life at home*

## Mission

*Earn trust and create demand for our brands in a digital world*

## Values



**RESPECT**



**INTEGRITY**



**INCLUSION  
& DIVERSITY**



**ONE WHIRLPOOL**

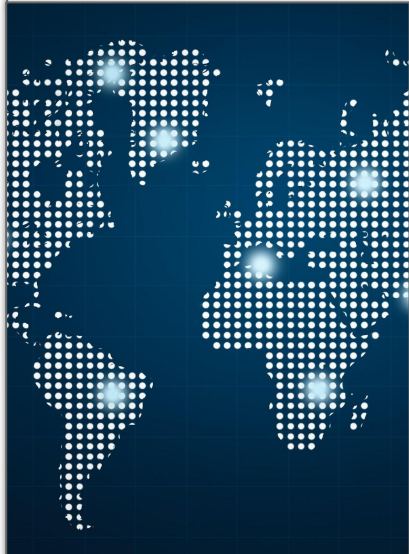


**SPIRIT OF  
WINNING**

# WHIRLPOOL'S VALUE PROPOSITION

## Best Kitchen and Laundry Company with a Unique Structural Position

### Global Leading Scale



### Best Brand Portfolio



### Proven Track Record of Innovation



### Best Cost Position



# DIGITAL TRANSFORMATION PROVIDES SIGNIFICANT LONG-TERM UPSIDE

1

## Leader in Connected Appliances and Services

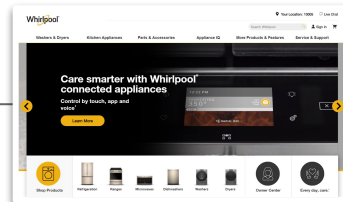
- Incremental revenues from digital products and services
- Unique insights into actual consumer usage behaviors



2

## Winning the Digital Consumer Journey

- Increased pre-buy consumer preference and ability to target consumers 1:1
- Growing (higher margin) consumer direct business



3

## Digitization of Our Value Chain

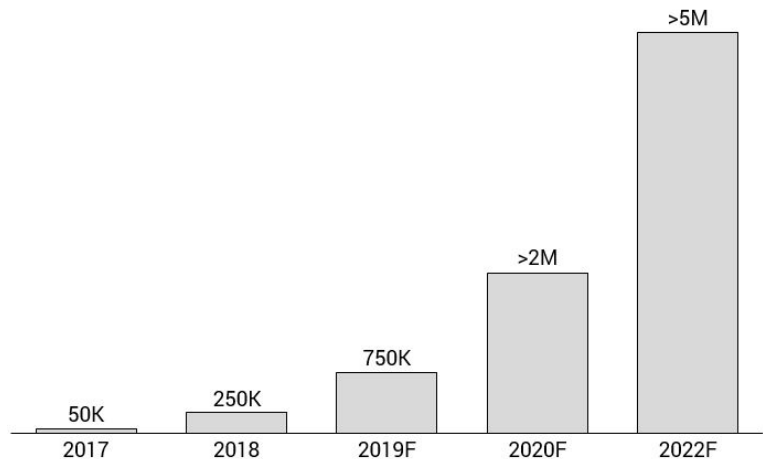
- Advanced data analytics and AI for productivity gains
- Real-time supply chain visibility, driving lower working capital requirement



# CAPITALIZING ON DEMAND FOR CONNECTED APPLIANCES

## Whirlpool Connected Products in the U.S.

*Cumulative # of installed connected products*



**Well Positioned for Growth in Connected Products and Services**

# 2019 FINANCIAL HIGHLIGHTS

**\$20.4B**

**Net Sales**

(2.9)% YoY / +1.6% Organic<sup>(4)</sup>

**6.9%**

**Ongoing EBIT  
Margin<sup>(1)</sup>**

0.6pts YoY

**\$912M**

**Free Cash Flow<sup>(2)</sup>**

4.5% FCF as % of Net Sales

**\$16.00**

**Ongoing EPS<sup>(1)</sup>**

+5.5% YoY

- Record results that exceeded guidance, despite continued challenging environment
- Strong global performance – all regions delivered positive EBIT in Q4 and positive FCF for the year
- Significant progress toward long-term Gross Debt/EBITDA target
- Results demonstrate fundamental strength of business
- Confident in ability to execute on long-term strategy

**Strong 2019 Performance – Confident in 2020 Guidance**

# CLEAR LONG-TERM VALUE CREATION GOALS

Long-Term  
Goals

## Profitable Growth

**~3%**

Annual Organic Net Sales Growth

## Margin Expansion

**~10%**

Ongoing Earnings Before Interest  
and Tax, % of Net Sales

## Cash Conversion

**6%+**

Free Cash Flow as % of Net Sales

Net Sales

YoY  
Change

**~\$20.3B**

**~0%**

(~3% organic<sup>(4)</sup>)

Ongoing  
EBIT Margin<sup>(1)</sup>

YoY  
Change

**~7.5%**

**~0.6pts**

Free  
Cash Flow<sup>(2)</sup>

FCF as %  
of Net Sales

**\$800-\$900M**






**4.2%**

2020  
Guidance

## Strong Momentum Toward Long-term Goals

(4) Organic net sales reflects YoY change in net sales adjusted for currency and the Embraco divestiture. See Organic Net Sales reconciliation in the appendix

# REGIONAL CATALYSTS FOR GROWTH

		2020 Guidance		Long-Term Goal	
		Industry	EBIT <sup>(1)</sup> %	Revenue	EBIT %
	North America	(1)-1%	~13%+	2-3% (CAGR)	13%+
	Europe, Middle East & Africa	1-2%	1.0-1.5%	2-3% (CAGR)	~8%
	Latin America	3-4%	~6%+	5-6% (CAGR)	10%+
	Asia	(1)-1%	3-4%	3-4% (CAGR)	~8%
	Total	~Flat	~7.5%	~3%	~10%

1

Record 2019 performance despite macroeconomic challenges and changes in the competitive environment

2

Focus remains on cost discipline and favorable price/mix related to new product introductions

3

Replacement driven demand increasing as % of total industry with further upside - lapping Great Recession

4

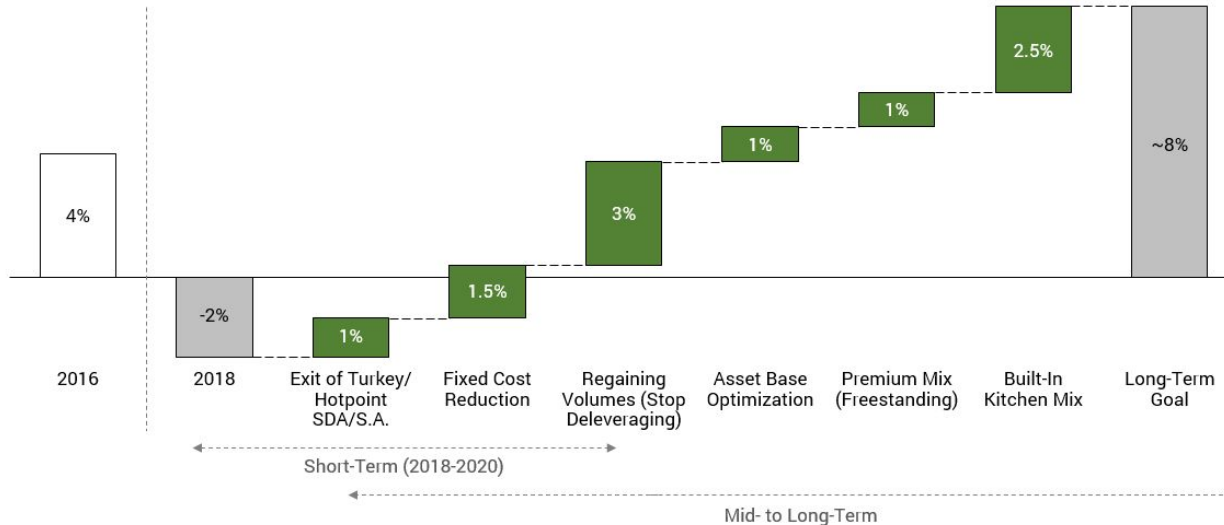
U.S. consumer confidence remains strong - provides support for continued discretionary spending

5

Brand share remains resilient despite shifting retail landscape - well-positioned regardless of where consumers choose to shop



- 1 Structural position remains strong - #1 share position in 3 of our top 4 countries with strong product leadership
- 2 Focused on restoring profitability through execution of strategic actions - positive 4Q19 EBIT<sup>(3)</sup>
- 3 Capitalizing on key growth opportunities, including built-in kitchen business and premium segments



## Latin America

- 1 Positioned for growth - Brazil critical growth engine
- 2 Strong brand positioning across value chain
- 3 Enhancing consumer value proposition through digital marketing and DTC offerings - DTC represents fastest growing business with expected 21% CAGR



## Asia

- 1 Capitalizing on strong growth potential in India: distribution, new launches, maximizing mix opportunities, and expansion into new product categories
- 2 Focused on brand transition in China amidst negative industry demand
- 3 China provides cost-efficient manufacturing - operational execution and cost-efficient installed base



# CORONAVIRUS IMPACT STATEMENT

“Our primary focus remains the health and safety of our employees. We have put the appropriate proactive measures in place to protect our employees and to ensure business continuity. To date, we have not had any confirmed cases of coronavirus within our employee population.

The business impact of the coronavirus is at this point largely concentrated in our Asia and EMEA regions. We expect first-quarter EBIT results in Asia and EMEA to be negatively impacted by \$25M - \$40M in total.

**China/Asia:**

While the broader China situation appears to be slowly recovering, we expect both the supply chain and domestic sales to be significantly impacted by the virus until at least the end of the first-quarter.

**Italy/EMEA:**

While we have critical operations in proximity to the recent outbreak area, we are not yet experiencing disruptions in our supply chain. However, we do expect a negative impact on Italian domestic sales.

**North America and Latin America:**

While we are monitoring potential component shortages very closely, we are currently experiencing only minor supply chain issues in select product segments.

Needless to say, the coronavirus situation is very fluid and could change quickly. We will provide further updates on our first-quarter earnings call in April.”

# DISCIPLINED CAPITAL ALLOCATION

Fund the Business	Target	Status
Capex/R&D	Capex: ~3% of net sales R&D: ~3% of net sales	<ul style="list-style-type: none"><li>• On-track</li><li>• On-track</li></ul>
Mergers & Acquisitions	Opportunistic M&A with high ROIC threshold	<ul style="list-style-type: none"><li>• Continue to be opportunistic</li></ul>

Return to Shareholders	Target	Status
Dividends	~30% of trailing 12-month ongoing net earnings	<ul style="list-style-type: none"><li>• Quarterly dividend of \$1.20 per share</li></ul>
Share Repurchase	Continue repurchasing at a moderate level	<ul style="list-style-type: none"><li>• ~\$650M authorization remaining</li></ul>
Targeted Capital Structure	Maintain strong investment grade rating; Gross Debt/EBITDA of ~2.0	<ul style="list-style-type: none"><li>• Strong progress towards long-term goal</li></ul>

\*Authorization remaining as of December 31, 2019

# WHIRLPOOL'S LONG-STANDING COMMITMENT TO ESG

## LETTER TO SHAREHOLDERS

"1969 saw continuation of determined efforts on the part of Whirlpool and its subsidiaries to make meaningful contributions to the **improvement of the social climate** in the communities where our facilities are located.

We have long held that **no business can separate itself from the affairs and problems of the society** of which it is a part and hope to grow and prosper."



**Elisha Gray II, 1969**  
Chairman, Whirlpool Corporation

# OUR COMMITMENT TO ESG GOES WELL BEYOND THE “E”



## Environmental

### Committed to Being a Responsible Corporate Citizen

- **Plant Emissions:** Achieved 17% absolute emissions reduction
- **Product Emissions:** Achieved 51% absolute emissions reduction
- Achieved **zero waste landfill** in 8 manufacturing plants around the globe



## Social

### Our Pursuit to Improve Life at Home

- **External Recognition / Awards**
- **Signature Charities:**
  - 1.4 Million People Impacted
  - 268,000 Employee Volunteer Hours



## Governance

### Committed to Strong Governance

- Strong, Diverse & Independent Board
- Performance-Driven Management Pay
- Steadfast Commitment to Disclosure & Strong Governance

# Thank you!

## JOIN THE CONVERSATION

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 @WhirlpoolCorp

 [LinkedIn.com/company/Whirlpool-Corporation](https://www.linkedin.com/company/Whirlpool-Corporation)

 [WhirlpoolCorp.com](https://www.WhirlpoolCorp.com)

## Appendix

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# USE OF NON-GAAP FINANCIAL MEASURES

This presentation includes certain non-GAAP financial measures, which we refer to as “ongoing”<sup>(1)</sup> measures:

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

Other non-GAAP financial measures included in this presentation are free cash flow<sup>(2)</sup>, free cash flow as percentage of sales, net sales (excluding currency), adjusted effective tax rate and net sales (excluding divestitures and currency), which we 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](http://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 ongoing segment EBIT) represents our consolidated EBIT broken down by the Company’s reportable segments. Consolidated EBIT also includes corporate “Other/Eliminations”.
- (4) Organic net sales is a non-GAAP measure. See our website for reconciliation information.

# INDEX OF SUPPORTING INFORMATION

Slide #	Slide Title & Description	Source / Notes
2	WHIRLPOOL OVERVIEW	The number on major appliance manufacturer in the world claim is based on most recently available publicly reported annual revenues among leading appliance manufacturers.
3	LEADING BRAND PORTFOLIO	<ul style="list-style-type: none"><li>• Our leading portfolio of brands includes <i>Whirlpool</i>, <i>Maytag</i>, <i>KitchenAid</i>, <i>Hotpoint</i>, <i>Indesit</i> and <i>Consul</i>, each of which generates annual sales in excess of \$1 billion.</li><li>• Whirlpool ownership of the Hotpoint brand in the EMEA and Asia Pacific regions is not affiliated with the Hotpoint brand sold in the Americas.</li></ul>

# FULL-YEAR ORGANIC NET SALES RECONCILIATION

<i>(Approximate impact in billions)</i>	2018	2019	Change	Comments
<b>Net Sales</b>	<b>\$21.0B</b>	<b>\$20.4B</b>	<b>(2.9)%</b>	
Less: Embraco Net Sales	\$(1.1)	\$(0.6)		• 2019 results include 6 months of net sales (Jan-June)
Add-Back: Currency	n/a	\$0.4		• BRL, EUR and GBP
<b>Organic Net Sales</b>	<b>\$19.9B</b>	<b>\$20.2B</b>	<b>1.6%</b>	

<i>(Approximate impact in billions)</i>	2019	2020	Change	Comments
<b>Net Sales</b>	<b>\$20.4B</b>	<b>\$20.3B</b>	<b>(0.4)%</b>	
Less: Embraco Net Sales	\$(0.6)	n/a		• 2019 results include 6 months of net sales (Jan-June)
Add-Back: Currency	n/a	\$ —		• Estimated minimal impact on net sales
<b>Organic Net Sales</b>	<b>\$19.8B</b>	<b>\$20.3B</b>	<b>2.8%</b>	

# 2019 ONGOING EARNINGS BEFORE INTEREST AND TAXES (EBIT)

The reconciliation provided below reconciles the non-GAAP financial measures ongoing earnings before interest and taxes and ongoing earnings per diluted share, with the most directly comparable GAAP financial measures, net earnings available to Whirlpool and net earnings per diluted share available to Whirlpool, for the twelve months ended December 31, 2019. Ongoing EBIT margin is calculated by dividing ongoing EBIT by net sales. EBIT margin is calculated by dividing EBIT by net sales. The earnings per diluted share GAAP measure and ongoing measure are presented net of tax, while each adjustment is presented on a pre-tax basis. Our full-year GAAP tax rate of approximately 22.8% includes the impact of the gain on sale of Embraco. The aggregate income tax impact of the taxable components of each adjustment is presented in the income tax impact line item at our full-year adjusted tax rate of approximately 15.3%.

Earnings Before Interest & Taxes Reconciliation:	Twelve Months Ended December 31, 2019
Net earnings (loss) available to Whirlpool	\$ 1,184
Net earnings (loss) available to noncontrolling interests	14
Income tax expense (benefit)	354
Interest expense	187
Earnings before interest & taxes <sup>(6)</sup>	<u>\$ 1,739</u>
Net sales	<u>\$ 20,419</u>
Net earnings margin	5.8%

	Twelve Months Ended December 31, 2019
GAAP effective tax rate	22.8 %
Tax effect of non-GAAP adjustments to net earnings	(7.5)%
Non-GAAP adjusted tax rate	<u>15.3 %</u>

		Twelve Months Ending December 31, 2019	
Results classification		Earnings before interest & taxes <sup>(6)</sup>	Earnings per diluted share
Reported measure <sup>a</sup>		\$ 1,739	\$ 18.45
Restructuring costs <sup>(4)</sup>	Restructuring costs	188	2.93
Brazil indirect tax credit <sup>(5)</sup>	Interest and sundry (income) expense	(180)	(2.80)
(Gain) loss on sale and disposal of businesses <sup>(7)</sup>	(Gain) loss on sale and disposal of businesses	(437)	(6.79)
Product warranty and liability expense <sup>(8)</sup>	Cost of products sold	126	1.96
Product warranty and liability expense <sup>(8)</sup>	Interest and sundry (income) expense	5	0.08
Sale leaseback, real estate and receivable adjustments <sup>(9)</sup>	Cost of products sold	(95)	(1.48)
Sale leaseback, real estate and receivable adjustments <sup>(9)</sup>	Selling, general and administrative	9	0.14
Trade customer insolvency claim settlement <sup>(8)</sup>	Interest and sundry (income) expense	59	0.92
Income tax impact		—	0.75
Normalized tax rate adjustment <sup>(b)</sup>		—	1.84
Ongoing measure		<u>\$ 1,414</u>	<u>\$ 16.00</u>
Net sales		<u>\$ 20,419</u>	
Ongoing EBIT margin			6.9%

# 2018 ONGOING EARNINGS BEFORE INTEREST AND TAXES (EBIT)

The reconciliation provided below reconciles the non-GAAP financial measures ongoing earnings before interest and taxes and ongoing earnings per diluted share, with the most directly comparable GAAP financial measures, net earnings (loss) available to Whirlpool and net earnings (loss) per diluted share available to Whirlpool, for the twelve months ended December 31, 2018. Net earnings margin is calculated by dividing net earnings available to Whirlpool by net sales. Ongoing EBIT margin is calculated by dividing ongoing EBIT by net sales. EBIT margin is calculated by dividing EBIT by net sales. The earnings per diluted share GAAP measure and ongoing measure are presented net of tax, while each adjustment is presented on a pre-tax basis. Our full-year GAAP tax rate includes the nondeductible earnings impact of the impairment of goodwill and intangibles of \$747 million and the France antitrust settlement charge of \$103 million. The aggregate income tax impact of the taxable components of each adjustment is presented in the income tax impact line item at our full-year adjusted tax rate of approximately 6.6%.

Earnings Before Interest & Taxes Reconciliation:	Twelve Months Ended December 31, 2018
Net earnings (loss) available to Whirlpool	\$ (183)
Net earnings (loss) available to noncontrolling interests	24
Income tax expense (benefit)	138
Interest expense	192
Earnings before interest & taxes <sup>(a)</sup>	\$ 171
Net sales	\$ 21,037
Net earnings margin	(0.9)%

Results classification	Earnings before interest & taxes <sup>(a)</sup>	Earnings (loss) per diluted share
Reported measure	\$ 171	\$ (2.72)
Restructuring costs <sup>(a)</sup>	247	3.68
France antitrust settlement <sup>(b)</sup>	103	1.53
Impairment of goodwill and intangibles <sup>(c)</sup>	747	11.11
Trade customer insolvency <sup>(a)</sup>	30	0.45
Divestiture related transition costs <sup>(d)</sup>	21	0.32
Income tax impact	—	(0.29)
Normalized tax rate adjustment <sup>(b)</sup>	—	1.25
Share adjustment*	—	(0.17)
Ongoing measure	\$ 1,319	\$ 15.16
Net sales	\$ 21,037	
Ongoing EBIT margin	6.3%	

\*As a result of our full-year GAAP earnings loss, the impact of antidilutive shares was excluded from the loss per share calculation on a GAAP basis. The share count adjustment used in the calculation of the full year ongoing earnings per diluted share includes the full-year weighted average basic shares outstanding of 67.2 million plus the impact of antidilutive shares of 0.7 million which were excluded on a GAAP basis.

# OUTLOOK FOR ONGOING EARNINGS BEFORE INTEREST AND TAXES (EBIT)

The reconciliation provided below reconciles the non-GAAP financial measures ongoing earnings before interest and taxes and ongoing earnings per diluted share, with the most directly comparable GAAP financial measures, net earnings available to Whirlpool and net earnings per diluted share available to Whirlpool, for the twelve months ending December 31, 2020. Ongoing EBIT margin is calculated by dividing ongoing EBIT by net sales. EBIT margin is calculated by dividing EBIT by net sales. The earnings per diluted share GAAP measure and ongoing measure are presented net of tax, while each adjustment is presented on a pre-tax basis. The aggregate income tax impact of the taxable components of each adjustment is presented in the income tax impact line item at our anticipated full-year tax rate between 20% and 25%.

Twelve Months Ending  
December 31, 2020

	Results classification	Earnings before interest & taxes <sup>(6)</sup>	Earnings per diluted share
Reported measure*		\$1,455	\$14.80 - \$15.80
Restructuring costs <sup>(a)</sup>	Restructuring costs	100	1.56
Income tax impact		—	(0.36)
Ongoing measure		<u>\$1,555</u>	<u>\$16.00 - \$17.00</u>

Note: Numbers may not reconcile due to rounding

*(6) Earnings Before Interest & Taxes (EBIT) is a non-GAAP measure. The Company does not provide a forward-looking quantitative reconciliation of EBIT to the most directly comparable GAAP financial measure, net earnings available to Whirlpool, because the net earnings available to noncontrolling interests item of such reconciliation – which has historically represented a relatively insignificant amount of the Company's overall net earnings – implicates the Company's projections regarding the earnings of the Company's non wholly-owned subsidiaries and joint ventures that cannot be quantified precisely or without unreasonable efforts.*

# FREE CASH FLOW

As defined by the Company, free cash flow is cash provided by (used in) operating activities after capital expenditures, proceeds from the sale of assets and businesses and changes in restricted cash. The reconciliation provided below reconciles twelve months ended December 31, 2019 and 2018 and projected 2020 full-year free cash flow with cash provided by (used in) operating activities, the most directly comparable GAAP financial measure. Free cash flow as a percentage of net sales is calculated by dividing free cash flow by net sales.

	Twelve Months Ended December 31		
(millions of dollars)	2019	2018	2020 Outlook
Cash provided by (used in) operating activities	\$1,230	\$1,229	\$1,350 - \$1,450
Capital expenditures, proceeds from sale of assets/ businesses and change in restricted cash*	682	(376)	(550)
Repayment of term loan	(1,000)	—	—
Free cash flow	\$912	\$853	\$800 - \$900
Cash provided by (used in) investing activities**	\$636	\$(399)	
Cash provided by (used in) financing activities**	\$(1,424)	\$(518)	

Note: 2019 free cash flow includes the net proceeds and the term loan repayment related to the sale of the Embraco business of approximately \$1 billion.

\*The change in restricted cash relates to the private placement funds paid by Whirlpool to acquire majority control of Whirlpool China (formerly Hefei Sanyo) and which are used to fund capital and technical resources to enhance Whirlpool China's research and development and working capital, as required by the terms of the Hefei Sanyo acquisition completed in October 2014. \*\*Financial guidance on a GAAP basis for cash provided by (used in) financing activities and cash provided by (used in) investing activities has not been provided because in order to prepare any such estimate or projection, the Company would need to rely on market factors and certain other conditions and assumptions that are outside of its control.

\*\*Financial guidance on a GAAP basis for cash provided by (used in) financing activities and cash provided by (used in) investing activities has not been provided because in order to prepare any such estimate or projection, the Company would need to rely on market factors and certain other conditions and assumptions that are outside of its control.