

First-Quarter 2022  
Earnings Review, Portfolio  
Transformation & Strategic  
Review of EMEA

**TUESDAY, APRIL 26, 2022**

# Cautionary Statement



This document 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 future financial results, long-term value creation goals, portfolio transformation, restructuring and repurchase expectations, productivity, direct-to-consumer sales growth, raw material prices and the impact of COVID-19 and the Russia/Ukraine conflict on our operations. Such statements can be identified by the use of terminology such as "may," "could," "will," "should," "possible," "plan," "predict," "forecast," "potential," "anticipate," "estimate," "expect," "project," "intend," "believe," "may impact," "on track," and similar words or expressions. Many risks, contingencies and uncertainties could cause actual results to differ materially from Whirlpool's forward-looking statements. Among these factors are: (1) the ongoing Russian invasion of Ukraine and related conflict and sanctions; (2) COVID-19 pandemic-related business disruptions and economic uncertainty; (3) 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, including direct-to-consumer sales; (4) 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; (5) Whirlpool's ability to maintain its reputation and brand image; (6) the ability of Whirlpool to achieve its business objectives and leverage its global operating platform, and accelerate the rate of innovation; (7) Whirlpool's ability to understand consumer preferences and successfully develop new products; (8) Whirlpool's ability to obtain and protect intellectual property rights; (9) acquisition and investment-related risks, including risks associated with our past acquisitions; (10) Whirlpool's ability to navigate risks associated with our presence in emerging markets; (11) risks related to our international operations, including changes in foreign regulations; (12) Whirlpool's ability to respond to unanticipated social, political and/or economic events; (13) information technology system failures, data security breaches, data privacy compliance, network disruptions, and cybersecurity attacks; (14) product liability and product recall costs; (15) the ability of suppliers of critical parts, components and manufacturing equipment to deliver sufficient quantities to Whirlpool in a timely and cost-effective manner; (16) our ability to attract, develop and retain executives and other qualified employees; (17) the impact of labor relations; (18) fluctuations in the cost of key materials (including steel, resins, copper and aluminum) and components and the ability of Whirlpool to offset cost increases; (19) Whirlpool's ability to manage foreign currency fluctuations; (20) impacts from goodwill impairment and related charges; (21) triggering events or circumstances impacting the carrying value of our long-lived assets; (22) inventory and other asset risk; (23) health care cost trends, regulatory changes and variations between results and estimates that could increase future funding obligations for pension and postretirement benefit plans; (24) 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; (25) the effects and costs of governmental investigations or related actions by third parties; (26) changes in the legal and regulatory environment including environmental, health and safety regulations, and taxes and tariffs; (27) Whirlpool's ability to respond to the impact of climate change and climate change regulation; and (28) the uncertain global economy and changes in economic conditions which affect demand for our products. Price increases and/or actions referred to throughout the document reflect previously announced cost-based price increases.

## Global Overview



Marc Bitzer

CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER



# Executive Summary



- Solid Q1 ongoing EPS<sup>(1)</sup> of \$5.31, fundamentally stronger than pre-pandemic levels
  - Q1 cost inflation of over \$400M
  - EBIT<sup>(1)</sup> margin above 9%, with NAR sustaining very strong margins of over 16%
- Actions in place to deliver strong second half of 2022
  - Increased cost inflation expectations by \$600M (225 bps) to \$1.8B (825 bps)
  - Additional price increases announced, raising full-year price/mix expectations to 725 bps
- Revising full-year ongoing EPS<sup>(1)</sup> guidance from \$27.00 - \$29.00 to \$24.00 - \$26.00 due to unprecedented industry wide inflation levels and timing of previously announced price increases
- Robust balance sheet and strong cash generation expectations
  - Increased capital expenditures and on track to return over \$1.5B to shareholders
- Initiating EMEA strategic review and further focusing portfolio on high growth and high margin businesses

# 2022 First-Quarter Results

## PROFITABLE GROWTH

Net Sales	YoY Change
<b>\$4.9B</b>	<b>(8.2)%</b> (6.9)% ex-currency

- Solid performance in Q1 against prior-year record Q1

- While revenues are comping negatively against record Q1 2021, they are organically<sup>(4)</sup> up over 17% against 2019 and 2020

## MARGIN EXPANSION

Ongoing EBIT Margin <sup>(1)</sup>	YoY Change
<b>9.4%</b>	<b>(3.0) pts</b>

- Delivered ongoing EPS<sup>(1)</sup> of \$5.31 and ongoing EBIT margin<sup>(1)</sup> of 9.4%

- Decisive go-to-market actions addressing over \$400M of inflation

## CASH CONVERSION

Free Cash Flow <sup>(2)</sup>	FCF as % of Net Sales
<b>\$(415)M</b>	<b>(8.4)%</b>

- Continued strong shareholder returns of \$533M in share buybacks and 25% increase in quarterly dividend announced

- Free cash flow driven by normal seasonality and increased investment in the business to drive innovation and growth

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

<i>(Approximate impact)</i>	Q1
<b>2021 Ongoing EBIT Margin</b>	<b>12.4%</b>
Price/Mix	+6.00
Net Cost*	-2.50
Raw Material Inflation	-7.00
Marketing & Technology Investments	+0.50
Currency	nm
<b>2022 Ongoing EBIT Margin</b>	<b>9.4%</b>

\*Inclusive of Fixed Cost Takeout, Ongoing Cost Productivity (Including Conversion and Freight & Warehousing), Volume Leveraging and Restructuring Benefits.

Q1 EBIT margins up more than 300 basis points compared to pre-pandemic

# Regional Overview



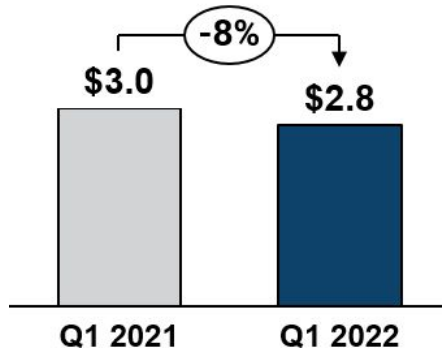
Joe Liotine

**PRESIDENT AND  
CHIEF OPERATING OFFICER**

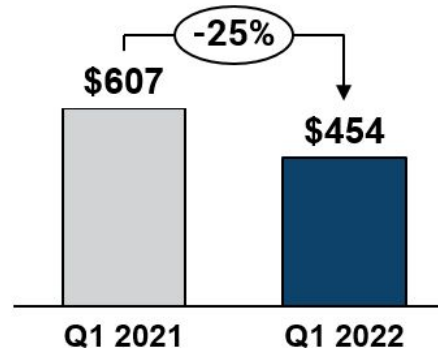


# North America First-Quarter Results

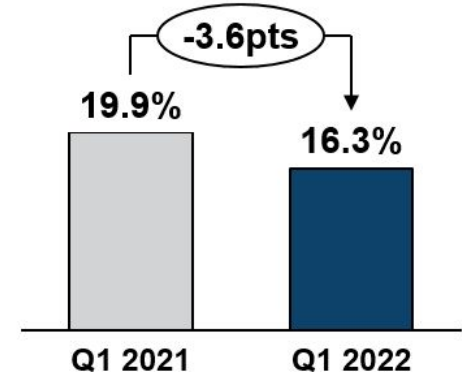
### Net Sales (\$B)



### EBIT<sup>(3)</sup> (\$M)



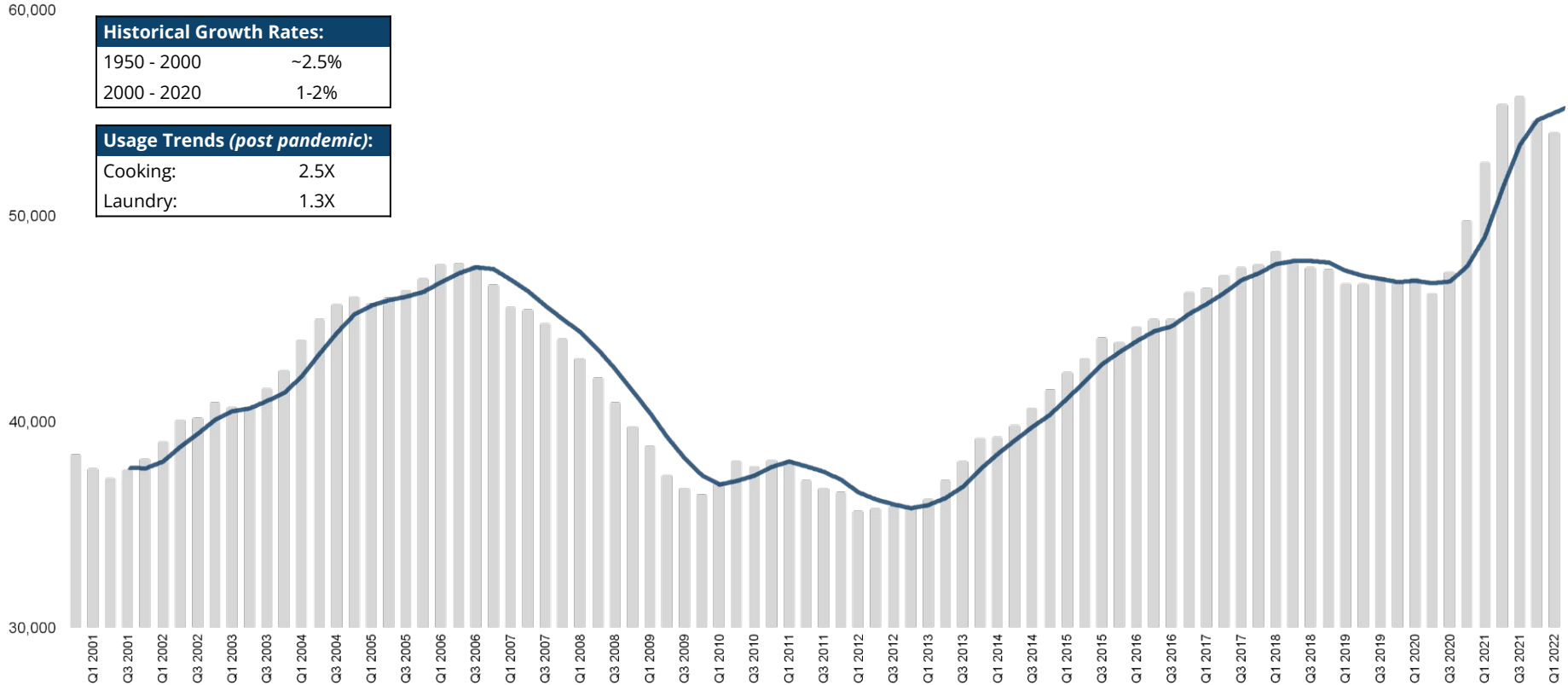
### EBIT Margin<sup>(3)</sup>



- Industry volumes down 4% year over year, up 24% compared to 2019
- EBIT performance of 16.3% despite inflation and operating inefficiencies
- Previously announced cost-based price increases on track including additional actions effective in Q2



# Industry Trends Support Continued Growth



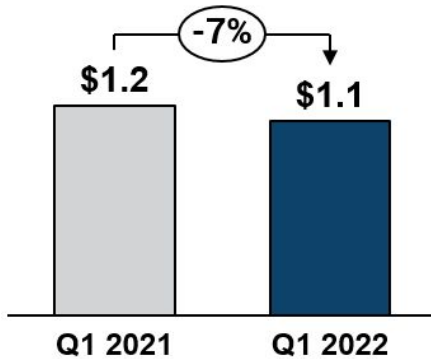
Historical Growth Rates:	
1950 - 2000	~2.5%
2000 - 2020	1-2%

Usage Trends (post pandemic):	
Cooking:	2.5X
Laundry:	1.3X

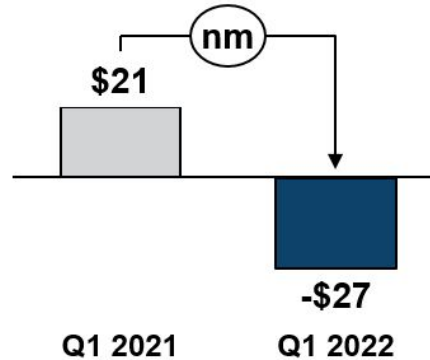
Note: Graph reflects AHAM trailing 12 month volume by quarter

# EMEA First-Quarter Results

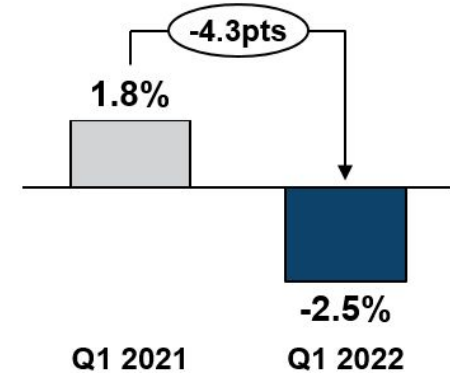
### Net Sales (\$B)



### EBIT<sup>(3)</sup> (\$M)

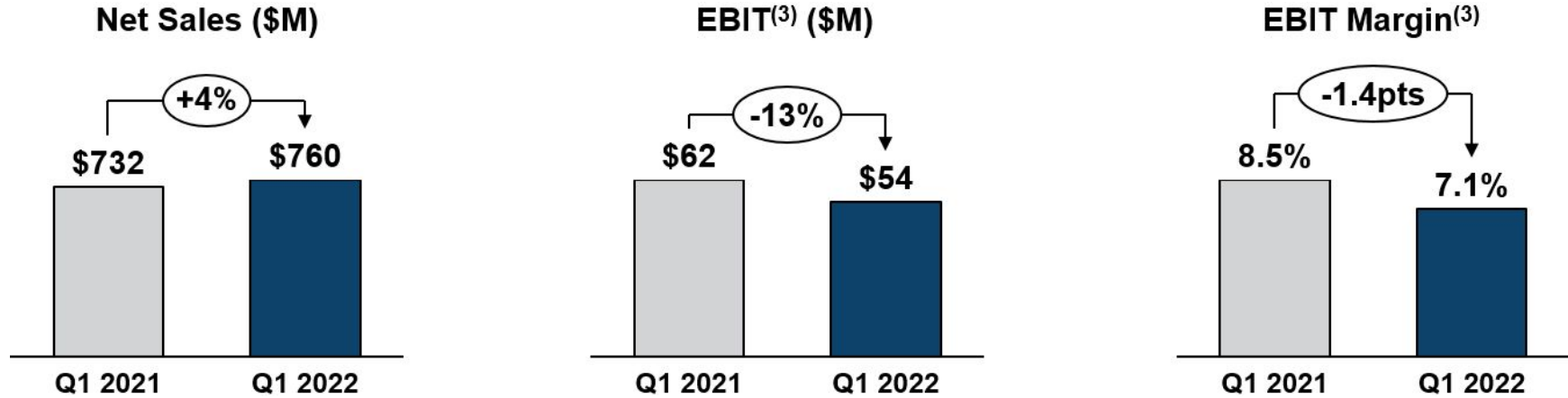


### EBIT Margin<sup>(3)</sup>



- Demand negatively impacted by Russia/Ukraine conflict; Revenue decline, excluding currency, of 0.5%
- The impact from our operations in Russia and Ukraine resulted in ~\$16M EBIT decline year-over-year
- EBIT impacted by inflation, partially offset by cost-based price increases and cost actions

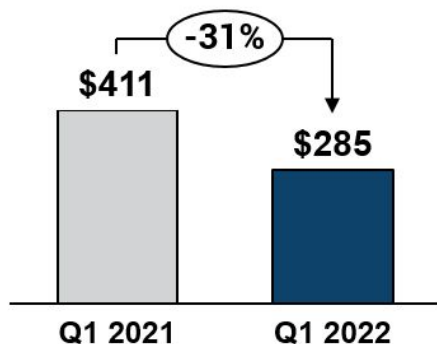
# Latin America First-Quarter Results



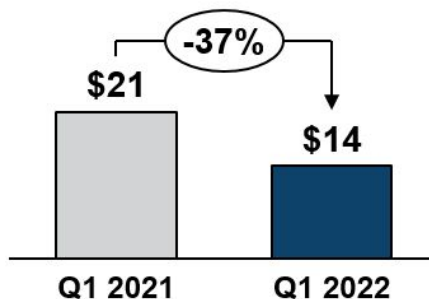
- Revenue growth driven by cost-based price increases
- EBIT impacted by inflation partially offset by top-line results
- Strong EBIT margin performance

# Asia First-Quarter Results

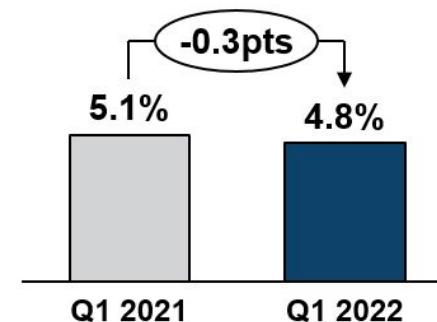
### Net Sales (\$M)



### EBIT<sup>(3)</sup> (\$M)



### EBIT Margin<sup>(3)</sup>



- Revenue decline of 5%, excluding the Whirlpool China\* divestiture
- EBIT impacted by lower revenue and inflation partially offset by cost-based price increases
- Covid-related impacts in India eased late in the quarter

\*Partial tender offer for Whirlpool China closed May 6, 2021

## 2022 Perspective



Jim Peters

EXECUTIVE VICE PRESIDENT  
AND CHIEF FINANCIAL OFFICER



# Perspective on External Environment in 2022

## FIRST HALF

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- Demand temporarily impacted by supply and macroeconomic disruptions
- Accelerated and pronounced inflation - notably RMI, energy and logistics
- Disruptions continue to impact a recovering supply chain

## SECOND HALF

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- Underlying strength in consumer demand trends intact
- Additional price increases announced, offsetting inflation in second half
- Investments in growth on track; including 30% increase in capital

# 2022 Guidance



LONG-TERM GOALS

## PROFITABLE GROWTH

**5-6%**

ANNUAL ORGANIC NET SALES GROWTH

Net Sales	YoY Change
~\$23.2B	5-6%
~\$22.5B	2-3%

## MARGIN EXPANSION

**11-12%**

ONGOING EARNINGS BEFORE INTEREST AND TAX, % OF NET SALES

Ongoing EBIT Margin <sup>(1)</sup>	YoY Change
~10.5%	~(25)bps
~9.5%	~(125)bps

## CASH CONVERSION

**7-8%**

FREE CASH FLOW AS % OF NET SALES

Free Cash Flow <sup>(2)</sup>	FCF as % of Net Sales
\$1.5B	~6.5%
\$1.25B	~5.5%

2022 GUIDANCE

Current Previous

**Full-year ongoing EPS revised from \$27.00 - \$29.00 to \$24.00 - \$26.00**

# Full-Year 2022 Ongoing EBIT Margin<sup>(1)</sup> Guidance








<i>(Approximate impact)</i>	Previous	Current	Comments
<b>2021 Ongoing EBIT Margin</b>	<b>10.8%</b>	<b>10.8%</b>	
Price/Mix	+6.00	+7.25	<ul style="list-style-type: none"> <li>• Previously announced cost-based price increases coupled with the disciplined execution of go-to-market actions</li> <li>• Positive consumer trends and product launches driving price/mix</li> </ul>
Net Cost*	-0.50	-1.00	<ul style="list-style-type: none"> <li>• Accelerated ongoing cost reduction initiatives</li> <li>• Increase in logistics costs and energy; over \$0.25B of non-structural inefficiencies embedded</li> </ul>
Raw Material Inflation	-5.00	-7.25	<ul style="list-style-type: none"> <li>• Expect \$1.5B to \$1.75B of material inflation, primarily driven by steel and resins</li> </ul>
Marketing & Technology Investments	-0.50	-0.25	<ul style="list-style-type: none"> <li>• Increased brand and product investments</li> </ul>
Currency	-0.25	nm	
<b>2022 Ongoing EBIT Margin</b>	<b>~10.5%</b>	<b>~9.5%</b>	

\*Inclusive of Fixed Cost Takeout, Ongoing Cost Productivity (Including Conversion and Freight & Warehousing), Volume Leveraging and Restructuring Benefits



# 2022 Regional Guidance

		Industry		EBIT %	
		Previous	Current	Previous	Current
	North America	2 - 3%	~0%	~16%	unchanged
	Europe, Middle East & Africa	0 - 2%	(5) - (3)%	~3%	~0%
	Latin America	(4) - (2)%	unchanged	~8%	~7%
	Asia	5 - 6%	unchanged	~8%	~6%
	<b>Total</b>	<b>~2%</b>	<b>(2) - 0%</b>	<b>~10.5%</b>	<b>~9.5%</b>

# 2022 Free Cash Flow<sup>(2)</sup> Guidance

<i>(Approximate impact in millions)</i>	<b>2021</b>	<b>2022</b>		<b>Comments</b>
		Previous	Current	
Cash Earnings and Other Operating Items	\$2,254	\$2,450	\$2,200	
Capital Expenditures	\$(525)	\$(700)	\$(700)	<ul style="list-style-type: none"> <li>• Innovation, digital transformation and capacity investments</li> </ul>
Working Capital	\$68	\$(200)	\$(200)	<ul style="list-style-type: none"> <li>• Moderate inventory build</li> </ul>
Restructuring Cash Outlays	\$(146)	\$(50)	\$(50)	<ul style="list-style-type: none"> <li>• Driven by previously executed actions</li> </ul>
<b>Free Cash Flow</b>	<b>\$1,651</b>	<b>\$1,500</b>	<b>\$1,250</b>	

# Portfolio Transformation & Strategic Review of EMEA



Marc Bitzer

**CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER**



# Why a Portfolio Transformation?

## WE ARE EXPERIENCING A DIFFERENT, LESS GLOBAL WORLD

*We Are Positioning Whirlpool For The New World*

- Decoupling of global economies creating a 'New Reality'
  - Geopolitical tensions
  - Freight cost inflation
  - Trade barriers have increased
- Regional and local scale has gained importance over global scale



## FOCUS ON HIGH GROWTH, HIGH MARGIN BUSINESSES

*Transforming Global Business Portfolio*

- Our value creation bar has been raised with the introduction of our new goals:
  - 5-6% Revenue growth
  - 11-12% EBIT Margin
  - 7-8% FCF
- Rigorous assessment of all our businesses against the value creation criteria

## THREE STRONG PILLARS

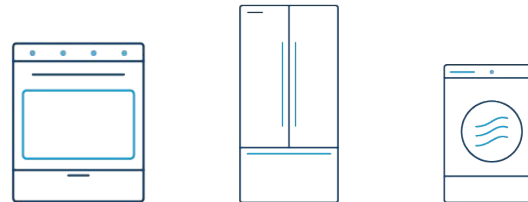
### ***SMALL APPLIANCES (GROW, ALSO INORGANICALLY)***

- More global in nature
- Serve 'full' cooking journey
- Structurally attractive margin
- EBIT > 15%



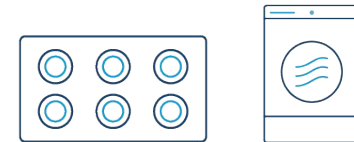
### ***MAJOR APPLIANCES (STRENGTHEN + REFOCUS)***

- Invest in 'Win Americas' (#1 position)
- Accelerate India growth
- Invest in Consumer direct business
- EBIT > 12%



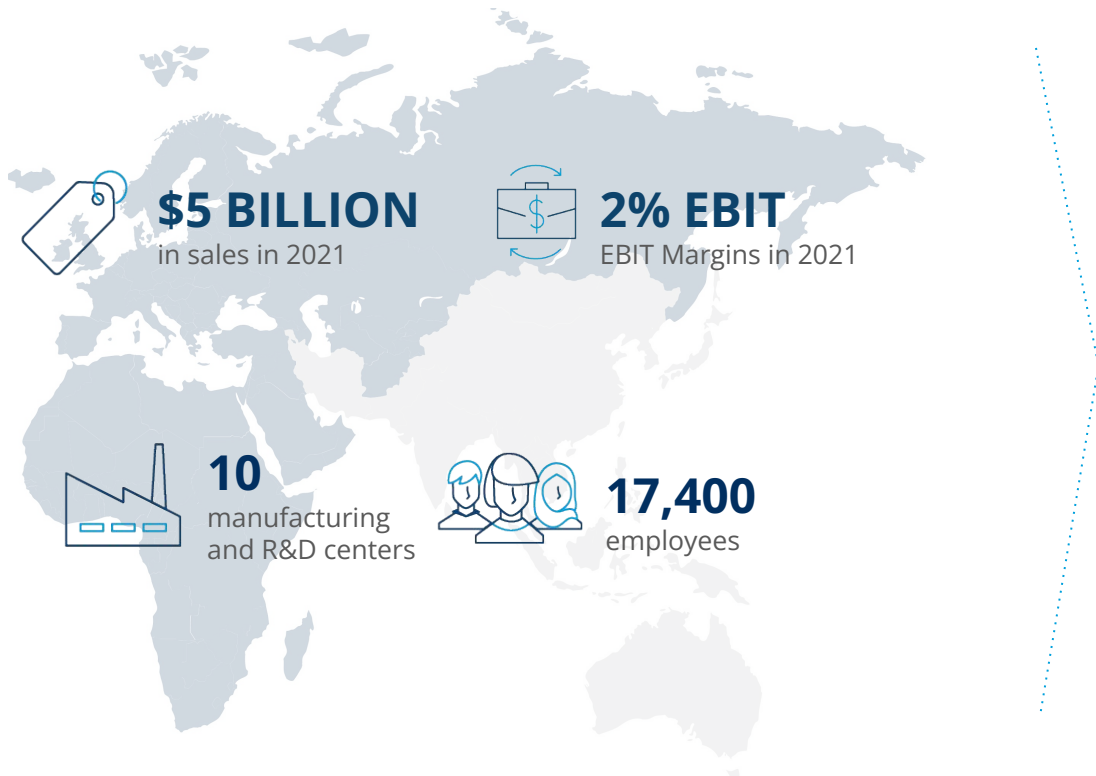
### ***COMMERCIAL APPLIANCES (GROW, ALSO INORGANICALLY)***

- Structurally attractive business
- Technology 'cascades' to residential
- EBIT > 15%



***Invest in businesses that support accelerated growth and high margins***

# Strategic Review of Our EMEA Business



## EMEA BUSINESS RECOVERY

- Margin recovery progressing
  - 2021 EBIT margins of 2%, from (2%) in 2018
- Accelerating revenue with share gains in key countries
  - #1 share position in key countries
- Strategy impacted by Russia/Ukraine conflict

Assessing long-term value creation opportunities in EMEA

# Whirlpool Portfolio Transformation



- Assessing long-term value creation opportunities in EMEA
  - All options are being assessed
  - Completion of review expected by end of Q3 2022
  
- Different World, Different Whirlpool
  - Invest in businesses that support accelerated growth and high margins
  - Focus in the Americas and India
  - Residential and Commercial appliances

# Closing Remarks and Q&A

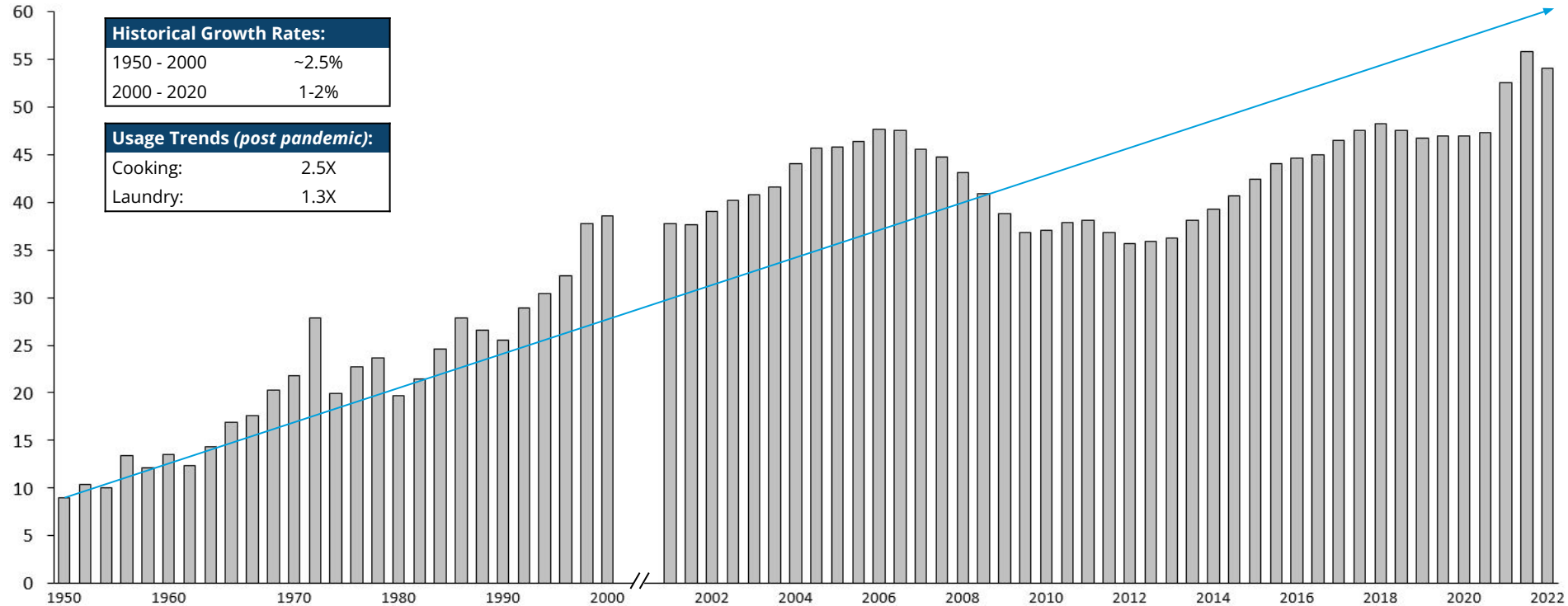




# Industry Trends Support Continued Growth



Industry Volumes (T6 in millions)



Note: Graph reflects annual AHAM volume for 1950 to 2000 and Trailing 12 months by quarter for 2001 to 2022

# 2022 Capital Allocation Strategy

1. Fund Innovation and Growth	
	Target/Update
Capital Expenditure	Invest ~3% of net sales
Research and Development	Invest ~3% of net sales
Mergers & Acquisitions	Value creating M&A to support portfolio strategy
2. Return to Shareholders	
	Target/Update
Dividends	~30% of trailing 12-month ongoing net earnings
Share Repurchase	~\$1B share repurchases expected in 2022 Share repurchase authorization of ~\$2.9B remaining
Targeted Capital Structure	Maintain investment grade rating and gross debt leverage of 2.0x or below Assessing refinancing maturing bond & extending revolving credit facility

# Key Assumptions - Guidance



Income Statement	FY2021A	FY2022E	
		Previous	Current
Raw Material (Inflation) / Deflation	\$(1.0)B	~\$(1.0) - (1.25)B	~\$(1.5) - (1.75)B
Restructuring Costs	\$38M	***	***
Interest Expense	\$176M	~\$175M	~\$175M
Adjusted Effective Tax Rate	23.5%	24 - 26%	24 - 26%
Weighted-Average Diluted Shares Outstanding	62.9M	60.2M	58.7M*

Cash Flow Statement	FY2021A	FY2022E	
		Previous	Current
Capital Expenditures	\$525M	~\$700M	~\$700M
Dividends Paid	\$338M	**	**
Amount of Stock Repurchased	\$1,041M	**	**
Restructuring Cash Outlays	\$146M	~\$50M	~\$50M
Cash Tax Rate	16.7%	15 - 20%	20 - 25%

Note: 2022 tax rate guidance reflects GAAP and adjusted effective tax rate

\*Estimated full-year weighted-average diluted shares outstanding inclusive of actual share repurchases as of 3/31/2022; Does not reflect potential additional 2022 share repurchases or share dilution

\*\*Not included in Company's guidance

\*\*\* Restructuring expense of less than \$50M will not be included in Company's guidance and will not be removed from ongoing earnings

# Interest and Sundry (Income) Expense

<i>(Approximate impact in millions)</i>	Q1		Comments
	2021	2022	
Net Foreign Exchange	\$(11)	\$14	• Includes foreign exchange and hedge (gain)/loss
Interest (Income)/Other	(15)	(16)	• Primarily interest income
<b>Interest and Sundry (Income) Expense</b>	<b>\$(26)</b>	<b>\$(2)</b>	

Note: Numbers may not reconcile due to rounding

# Restructuring Cash Outlays

<i>(Approximate impact in millions)</i>	2021	2022E	Comments
COVID-19 Related Actions	\$61	\$15	
Naples Closure	69	10	• Naples, Italy manufacturing facility
Other Initiatives	16	25	• Primarily previous executed actions
<b>Total</b>	<b>\$146</b>	<b>~\$50</b>	

Note: Numbers may not reconcile due to rounding

# Asia Net Sales Reconciliation

<i>(Approximate impact in millions)</i>	Q1 2021	Q1 2022	Change	Comments
<b>Net Sales</b>	<b>\$411</b>	<b>\$285</b>	<b>(30.7)%</b>	
Less: Whirlpool China Divestiture	112	-	-	<ul style="list-style-type: none"> <li>Partial tender offer for Whirlpool China closed May 6, 2021</li> </ul>
<b>Net Sales less divestiture</b>	<b>\$299</b>	<b>\$285</b>	<b>(4.8)%</b>	

Note: Numbers may not reconcile due to rounding

# Q1 Organic Net Sales<sup>(4)</sup> Reconciliation

<i>(Approximate impact in millions)</i>	Q1 2020	Q1 2022	Change	Comments
<b>Net Sales</b>	<b>\$4,325</b>	<b>\$4,920</b>	<b>13.8%</b>	
Less: Whirlpool China Divestiture	(64)	-	-	• Partial tender offer for Whirlpool China closed May 6, 2021
Add-Back: Currency	-	79	-	
<b>Organic Net Sales</b>	<b>\$4,261</b>	<b>\$4,999</b>	<b>17.3%</b>	

<i>(Approximate impact in millions)</i>	Q1 2019	Q1 2022	Change	Comments
<b>Net Sales</b>	<b>\$4,760</b>	<b>\$4,920</b>	<b>3.4%</b>	
Less: Embraco Divestiture	(312)	-	-	• Embraco sale completed July 1, 2019
Less: Whirlpool China Divestiture	(134)	-	-	• Partial tender offer for Whirlpool China closed May 6, 2021
Add-Back: Currency	-	187	-	
<b>Organic Net Sales</b>	<b>\$4,315</b>	<b>\$5,107</b>	<b>18.4%</b>	

Note: Numbers may not reconcile due to rounding

# Use of Non-GAAP Financial Measures



This presentation includes certain non-GAAP financial measures, some of 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, and ongoing EBIT margin

Other non-GAAP financial measures that may be 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, net sales (excluding divestitures and currency), which we refer to as organic net sales, gross debt leverage (Gross Debt/Ongoing EBITDA) and ROIC.

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. Whirlpool does not provide a Non-GAAP reconciliation for its forward-looking long-term value creation goals, such as organic net sales, ongoing EBIT, free cash flow conversion, ROIC and gross debt/EBITDA, as these long-term management goals are not annual guidance, and the reconciliation of these long-term measures would rely on market factors and certain other conditions and assumptions that are outside of the company's control.

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

(2) Free cash flow is a non-GAAP measure. The Company defines free cash flow as cash provided by operating activities less capital expenditures. See our website for reconciliation information.

(3) Segment EBIT represents our consolidated EBIT broken down by the Company's reportable segments and are metrics used by the chief operating decision maker in accordance with ASC 280. Consolidated EBIT also includes corporate "Other/Eliminations" of \$(32) million and \$(67) million for the first quarters of 2022 and 2021, respectively.

(4) Organic net sales is a non-GAAP measure. See our website for reconciliation information.





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BENTON HARBOR, MICHIGAN

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PERO (MILAN), ITALY

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HONG KONG, CHINA

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SÃO PAULO, BRAZIL



\* Whirlpool Corporation ownership of the *Hotpoint* brand in EMEA and Asia Pacific regions is not affiliated with the *Hotpoint* brand sold in the Americas