

Fourth-Quarter 2018 Earnings Review



GLOBAL OVERVIEW



Marc Bitzer

Chairman and
Chief Executive Officer



2018 FOURTH-QUARTER HIGHLIGHTS

Profitable Growth

Net Sales	YoY Change
\$5.7B	2.5% <i>ex currency</i>

- All-time record ongoing EPS⁽¹⁾ of \$4.75
- Significant price/mix improvement; positive in all regions

Margin Expansion

Ongoing EBIT Margin ⁽¹⁾	YoY Change
6.2%	(0.4)pts

- North America delivered 5% revenue growth and strong margin expansion, despite soft industry and significant cost inflation
- Sequential volume and EBIT⁽³⁾ margin improvement in EMEA, in-line with expectations

Cash Conversion*

Free Cash Flow ⁽²⁾	FCF as % of Net Sales
\$853M	4.1%

- Prior-year EBIT⁽¹⁾ favorably impacted ~50 bps from the sale and monetization of certain tax credits in Latin America

*Reflects full-year FCF; includes ~\$200M of voluntary items, including pension contribution

2018 FULL-YEAR HIGHLIGHTS

Profitable Growth

Net Sales	YoY Change
\$21.0B	(0.3)% <i>ex currency</i>

Margin Expansion

Ongoing EBIT Margin ⁽¹⁾	YoY Change
6.3%	(0.1)pts

Cash Conversion*

Free Cash Flow ⁽²⁾	FCF as % of Net Sales
\$853M	4.1%

- Overcame 200 bps of significant cost and currency challenges
- Disappointing but improving performance in EMEA region
- Strong actions to address global challenges:
 - Successfully executed cost-based price increases
 - Delivered benefits through cost reduction initiatives
 - Began executing EMEA actions to restore profitability
 - Disciplined working capital management
- Very strong free cash flow ⁽²⁾ driven by working capital discipline and timing of certain payments

*Reflects full-year FCF; includes ~\$200M of voluntary items, including pension contribution

2018 ONGOING EBIT MARGIN⁽¹⁾ DRIVERS

<i>(Approximate impact)</i>	Q4	FY
2017 Ongoing EBIT Margin	6.6%	6.4%
Price / Mix	3.00	2.00
Net Cost (excluding Raw Material/Tariff Inflation)*	-0.25	0.25
Raw Material/Tariff Inflation	-1.50	-1.50
Marketing & Technology Investments	-1.00	-0.50
Currency	-0.50	-0.25
2018 Ongoing EBIT Margin	6.2%	6.3%

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

REGIONAL OVERVIEW



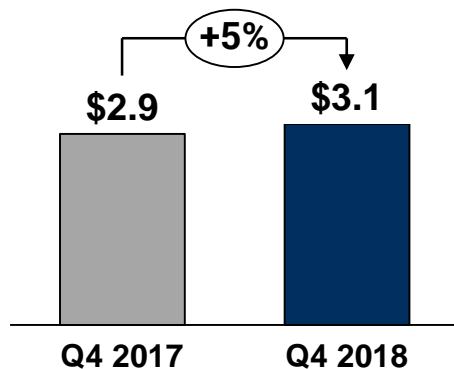
Jim Peters

Executive Vice President
and Chief Financial Officer

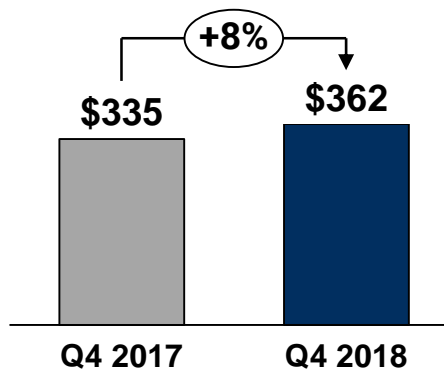


NORTH AMERICA FOURTH-QUARTER RESULTS

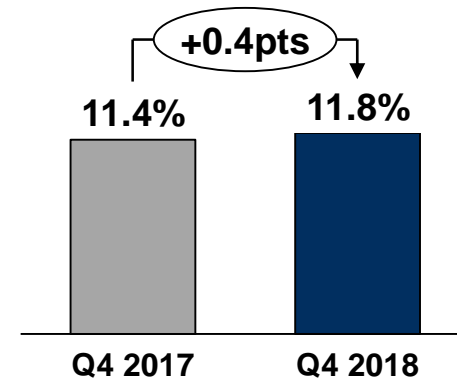
Net Sales (\$B)



Ongoing EBIT⁽³⁾ (\$M)



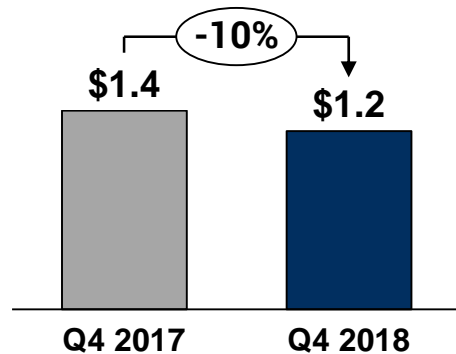
Ongoing EBIT Margin⁽³⁾



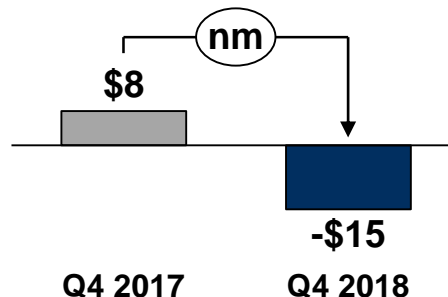
- Solid revenue and margin growth driven by positive price/mix, despite soft industry
- Strong EBIT, despite ~\$30M raw material/tariff inflation and ~\$20M higher freight costs
- Implementation of recently announced U.S. kitchen cost-based pricing

EMEA FOURTH-QUARTER RESULTS

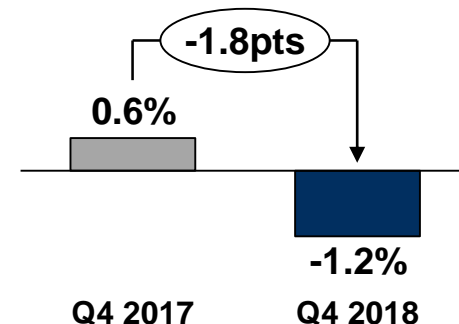
Net Sales (\$B)



EBIT⁽³⁾ (\$M)



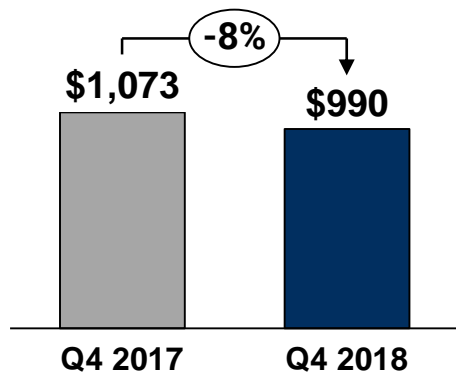
EBIT Margin⁽³⁾



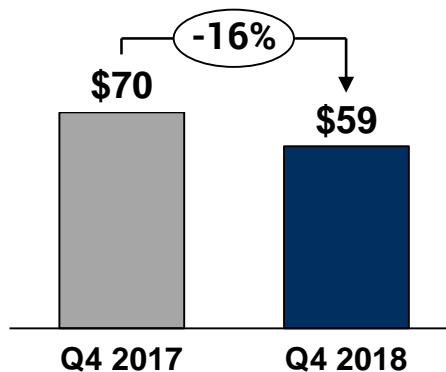
- Quarterly sequential improvement in EBIT and EBIT margin, in-line with guidance
- Raw material inflation and currency unfavorably impacted EBIT by ~\$30M
- Actions related to restoring the region to profitability are on track

LATIN AMERICA FOURTH-QUARTER RESULTS

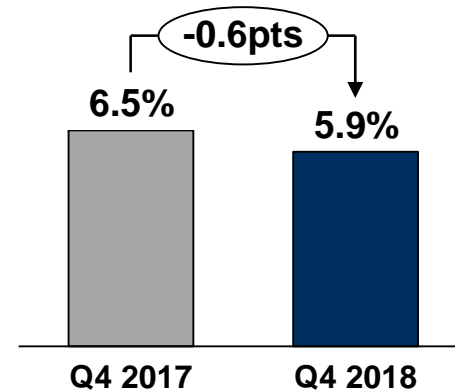
Net Sales (\$M)



Ongoing EBIT⁽³⁾ (\$M)



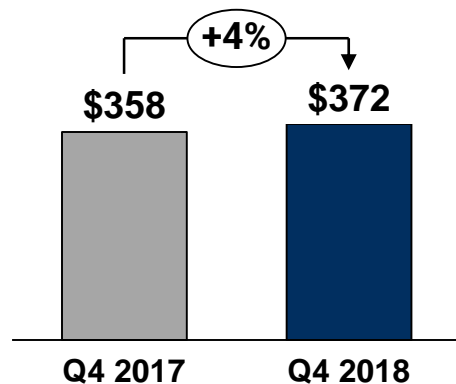
Ongoing EBIT Margin⁽³⁾



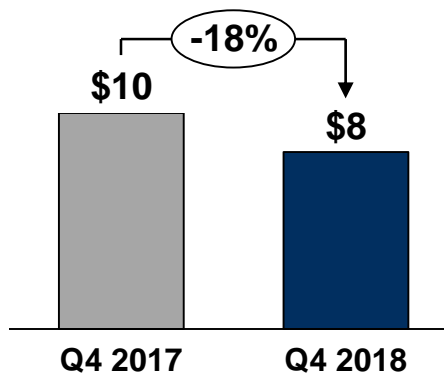
- Solid share gains and ex-currency revenue growth of 1.1%
- Positive price/mix more than offset raw material inflation and currency of ~\$30M
- Prior-year favorably impacted by ~\$30M sale and monetization of certain tax credits

ASIA FOURTH-QUARTER RESULTS

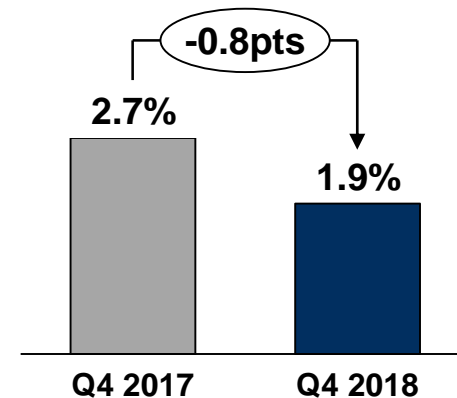
Net Sales (\$M)



EBIT⁽³⁾ (\$M)



EBIT Margin⁽³⁾



- Currency adjusted revenue growth of 11% driven by market share gains in India
- Strong price/mix improvement more than offset raw material inflation of ~\$10M
- EBIT decline driven by increase in bad debt provision of ~\$7M

2019 GUIDANCE



Marc Bitzer

Chairman and
Chief Executive Officer



Jim Peters

Executive Vice President
and Chief Financial Officer



2019 GUIDANCE OVERVIEW

Long-Term Goals

Profitable Growth

3-5%

Annual Organic Net Sales Growth

Margin Expansion

10%

EBIT Margin

Cash Conversion

5-6%

FCF as % of Net Sales

2019 Guidance

Net Sales

YoY
Change

~\$20.3B

~3%*

Ongoing
EBIT Margin⁽¹⁾

YoY
Change

6.5-6.8%

~0.4pts

Free
Cash Flow⁽²⁾

FCF as %
of Net Sales

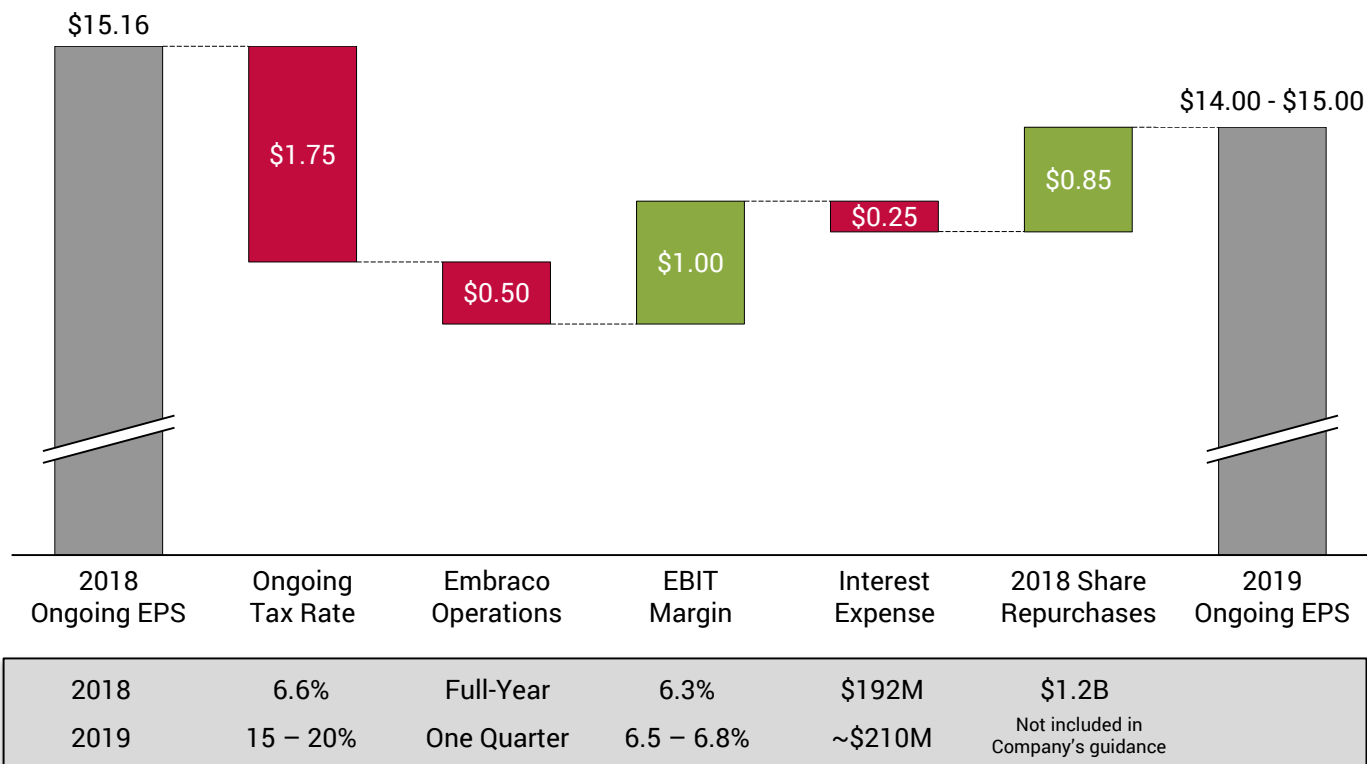
**\$800M to
\$900M****

~4%

*YoY change adjusted for divestitures and currency; see revenue reconciliation in the appendix

**Excludes anticipated proceeds from sale of Embraco

2019 ONGOING EPS DRIVERS



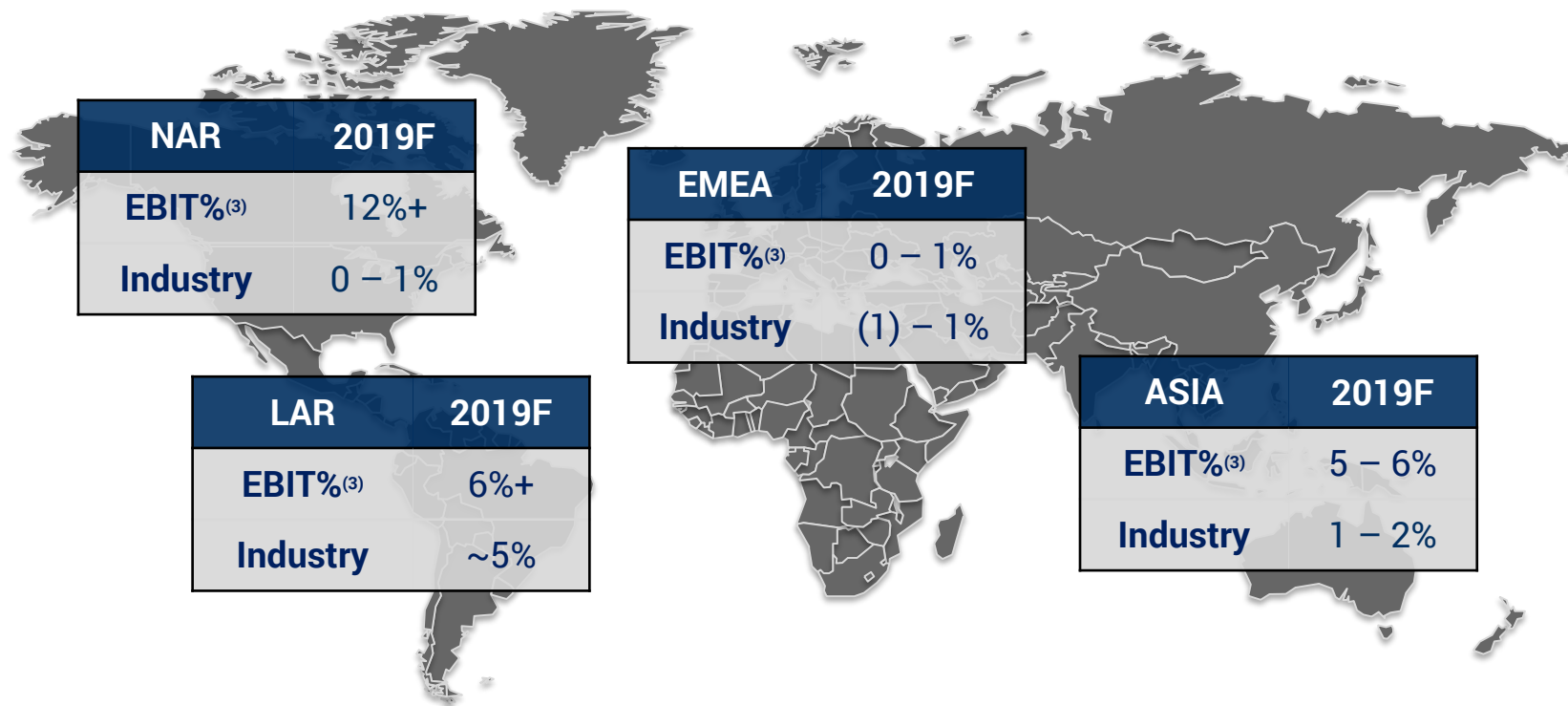
2019 ONGOING EBIT MARGIN⁽¹⁾ GUIDANCE PROGRESSION

<i>(Approximate impact)</i>	Current	Comments
2018 Ongoing EBIT Margin	6.3%	
Price / Mix	+1.50	<ul style="list-style-type: none"> • Carryover effect of 2018 price/mix actions • Previously announced U.S. kitchen and Brazil pricing effective Q1 2019
Net Cost (excluding Raw Material/Tariff Inflation)*	+0.75	<ul style="list-style-type: none"> • Fixed and ongoing cost reduction actions on track • Begin to realize savings from global architecture reductions and manufacturing initiatives
Raw Material/Tariff Inflation	-1.50	<ul style="list-style-type: none"> • Continue to expect ~\$300M cost increase • Includes all currently announced tariffs
Marketing & Technology	-0.25	<ul style="list-style-type: none"> • Increased brand and product investments
Currency	-0.25	<ul style="list-style-type: none"> • Current rates compared to 2018 (primarily ARS and GBP)
2019 Ongoing EBIT Margin	6.5-6.8%	

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

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

2019 REGIONAL GUIDANCE



ACTIONS TO IMPROVE EMEA BUSINESS ARE ON TRACK

Stabilize Volumes While Sustaining Price/Mix

- Restore trade relationships and recover lost flooring
- Refocus marketplace investments to most profitable segments
- Realize benefits from new product launches

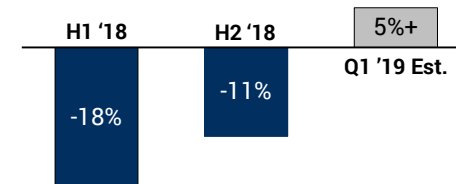
Refocus and Right-Size Our Business

- Exit Turkey domestic sales operations*
- Exit Hotpoint small appliances
- Evaluating South Africa operations
- New \$50M fixed-cost reduction

Represents
~\$230M Net Sales
~\$(60)M EBIT

* Does not include existing manufacturing operations

Major Appliance Business Unit Volume Change vs Prior Year



\$100 Million

Annualized EBIT
Improvement Opportunity
(of which we expect ~\$75 million in 2019)

2019 FREE CASH FLOW⁽²⁾ DRIVERS

<i>(Approximate impact in millions)</i>	2018	2019F	Comments
Cash Earnings / Other Operating	\$1,450	\$1,475	• Margin expansion partially offset by sale of Embraco
Capital Expenditures	\$(590)	\$(625)	• Continued innovation funding
Working Capital Improvement	\$355	\$200	• Sustained improvement (primarily inventory)
Restructuring Cash Outlays	\$(260)	\$(100)	• Structurally lower global cash outlays as major restructuring initiatives wind down
One-Time Items	\$(100)	\$(100)	• Detail provided in the appendix
Free Cash Flow	\$853M	\$800M to \$900M*	

*Excludes anticipated proceeds from sale of Embraco

Cash Conversion Progressing Towards Long-Term Goals

2019 CAPITAL ALLOCATION STRATEGY

Fund the Business	Target	Status/Expectations
Capex / R&D	Capex: 3%+ of net sales R&D: ~3% of net sales	<ul style="list-style-type: none"> On-track On-track
Mergers & Acquisitions	Explore value-creating M&A to accelerate strategy	<ul style="list-style-type: none"> Close on Embraco sale in early 2019 Continue to be opportunistic
Return to Shareholders	Target	Status/Expectations
Dividends	25-30% of trailing 12-month ongoing net earnings	<ul style="list-style-type: none"> On-track
Share Repurchase	Continue repurchasing opportunistically	<ul style="list-style-type: none"> Repurchased \$1.2B in 2018 ~\$800M authorization remaining
Targeted Capital Structure	Maintain strong investment grade rating; target gross Debt/EBITDA of ~2.0	<ul style="list-style-type: none"> Significant progress towards 2.0 by year-end

Q&A AND CLOSING REMARKS



SUMMARY OF KEY MESSAGES

- Encouraged by results of actions taken in 2018
- Uncertain external environment and volatility expected to continue
- Confident strategy and actions will drive positive results in 2019
- Committed to generating strong free cash flow and margin expansion
- Moderated level of share buybacks, while strengthening our balance sheet

Strategic update on long-term plans at Investor Day in New York City on May 23, 2019



APPENDIX



2019 GUIDANCE COMPONENTS (APPROXIMATE IMPACT)

Income Statement	FY2018A	FY2019E
Raw Material/Tariff Inflation	\$(350)M	\$(300)M
Restructuring Expense	\$247M	\$100M
Interest Expense	\$192M	\$210M
Adjusted Tax Rate	6.6%	15-20%
Weighted-Average Diluted Shares Outstanding	67.2M	64.5M*
Cash Flow Statement	FY2018A	FY2019E
Capital Expenditures	\$590M	\$625M
U.S. Pension Contributions	\$380M	-
Dividends Paid	\$306M	**
Amount of Stock Repurchased	\$1,153M	**
Restructuring Cash Outlays	\$261M	\$100M
Ongoing Cash Tax Rate	18%	Low 20's

*Reflects share count as of 12/31/2018 (does not reflect 2019 share repurchases or share dilution)

**Not included in Company's guidance

FREE CASH FLOW⁽²⁾ ONE-TIME ITEMS

<i>(Approximate impact in millions)</i>	2018	2019	Impact	Comments
FCA Payment	\$0	\$(100)	\$(100)	• French Competition Authority (FCA) settlement
U.S. Pension Pre-Funding	\$(350)	\$0	\$350	• Opportunistic pension pre-funding in Q3 2018
Payment Timing	\$100	\$0	\$(100)	• Primarily effective credit management
Sale-Leaseback	\$150	\$0	\$(150)	• Real estate portfolio transaction executed in Q4 2018
One-Time Items	\$(100)M	\$(100)M	\$ -	

REVENUE RECONCILIATION

<i>(Approximate impact in billions)</i>	2018	2019F	Change	Comments
Net Sales	\$21.0B	\$20.3B	~(3)%	
Less: Embraco Net Sales	\$(1.2)	\$(0.3)		<ul style="list-style-type: none"> 2019 guidance includes ~1 quarter of net sales
Less: EMEA Business Exits	\$(0.2)	\$(0.1)		<ul style="list-style-type: none"> Exit of Turkish domestic sales operations, Hotpoint branded small appliances and sale of South Africa operations
Add-Back: Currency	\$0.2	\$0.4		<ul style="list-style-type: none"> BRL, ARS and EUR
Pro-Forma Net Sales	\$19.8B	\$20.3B	~3%	

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, net sales (excluding currency) and net sales (excluding divestitures and currency), both of 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 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”.