

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) **October 24, 2018**

**WHIRLPOOL CORPORATION**

(Exact name of registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation)

**1-3932**  
(Commission File Number)

**38-1490038**  
(I.R.S. Employer Identification No.)

**2000 North M-63,  
Benton Harbor, Michigan**  
(Address of principal executive offices)

**49022-2692**  
(Zip Code)

Registrant's telephone number, including area code (269) 923-5000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Condition.**

On October 24, 2018, Whirlpool Corporation (the “Company”) issued a press release providing information regarding earnings for the third quarter of 2018. A copy of the press release is attached hereto as Exhibit 99.1.

The information, including Exhibit 99.1, in this Form 8-K is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this Form 8-K shall not be incorporated by reference into any filing under the Securities Act of 1933, except as shall otherwise be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit</u>
Exhibit 99.1	<a href="#">Press Release dated October 24, 2018</a>

**Website Disclosure**

We routinely post important information for investors on our website, whirlpoolcorp.com, in the "Investors" section. We intend to use this webpage as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investors section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our webpage is not incorporated by reference into, and is not a part of, this document.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 24, 2018

WHIRLPOOL CORPORATION

By: /s/ JAMES W. PETERS

Name: James W. Peters

Title: Executive Vice President and Chief Financial Officer

## WHIRLPOOL CORPORATION REPORTS THIRD-QUARTER 2018 RESULTS

- GAAP earnings per diluted share were \$3.22 compared to \$3.72 in the same prior-year period; ongoing earnings per diluted share<sup>(1)</sup> (non-GAAP) were \$4.55, compared to \$3.83 in the same prior-year period.
- The North America region delivered 5 percent revenue growth and strong earnings before interest and taxes (EBIT)<sup>(3)</sup> margin, despite slow industry demand and continued cost inflation.
- The Company recently announced additional cost-based price increases on its U.S. kitchen and Brazil major home appliance businesses.
- The Company announced new strategic actions to refocus and right size its business in the Europe, Middle East and Africa (EMEA) region.
- The Company now expects to deliver full-year earnings per share of \$(2.90) to \$(2.60) on a GAAP basis and \$14.50 to \$14.80 on an ongoing basis<sup>(1)</sup>, which is at the high end of the previous ongoing range, driven by tax rate favorability and strong North America results.
- As a result of recent changes in U.S. tax legislation, the Company voluntarily contributed approximately \$350 million to lower its long-term pension obligation.
- The Company now expects to deliver full-year operating cash flow of approximately \$1.2 billion and free cash flow<sup>(4)</sup>(non-GAAP) of approximately \$600 million; excluding the impact of discrete voluntary items, free cash flow<sup>(4)</sup> is anticipated to be approximately \$800 million.

**BENTON HARBOR, Mich., October 24, 2018** - Whirlpool Corporation (NYSE: WHR) announced today third-quarter GAAP net earnings of \$210 million, or \$3.22 per diluted share, compared to \$276 million, or \$3.72 per diluted share, reported for the same prior-year period. Third-quarter ongoing earnings per diluted share<sup>(1)</sup> were \$4.55, compared to \$3.83 in the same prior-year period.

“Very impressive results in North America and a favorable tax rate allowed us to deliver our highest quarterly ongoing EPS in our long history, demonstrating our ability to overcome the numerous external challenges we have been facing,” said Marc Bitzer, chief executive

officer of Whirlpool Corporation. “While our EMEA performance has been disappointing, our progress on restoring volume and the new actions to refocus and right-size our business give us confidence that we can turn around the region.”

Third-quarter net sales were \$5.3 billion, compared to \$5.4 billion in the same prior-year period. Excluding the impact of currency, sales increased 1.5 percent.

Third-quarter earnings before interest and taxes (EBIT)<sup>(2)</sup> were \$275 million, or 5.2 percent of sales, compared to \$310 million, or 5.7 percent of sales, in the same prior-year period. Third-quarter ongoing EBIT<sup>(2)</sup> was \$332 million, or 6.2 percent of sales, compared to \$355 million, or 6.6 percent of sales, in the same prior-year period. On a GAAP and ongoing basis, EBIT margin was favorably impacted by product price/mix and restructuring benefits, which were more than offset by raw material inflation, higher freight costs and lower unit volumes.

During the third quarter, the Company made a voluntary contribution of approximately \$350 million to lower its long-term pension funding obligation. This contribution, combined with additional tax planning, resulted in a lower effective tax rate for the quarter.

For the nine months ended September 30, 2018, the Company reported cash used in operating activities of \$(615) million, compared to \$(33) million in the same prior-year period. The Company reported free cash flow<sup>(4)</sup> of \$(874) million for the first nine months of 2018, compared to \$(348) million in the same prior-year period, primarily driven by a voluntary pension funding contribution and working capital timing in North America.

## **THIRD-QUARTER REGIONAL REVIEW**

### **Whirlpool North America**

Whirlpool North America reported third-quarter net sales of \$3.0 billion, compared to \$2.9 billion in the same prior-year period. Excluding the impact of currency, sales increased 5.3 percent.

The region reported third-quarter EBIT<sup>(3)</sup> of \$343 million, or 11.5 percent of sales, compared to \$336 million, or 11.8 percent of sales, in the same prior-year period. Ongoing EBIT<sup>(3)</sup> totaled \$360 million, or 12.0 percent of sales, compared to \$336 million, or 11.8 percent of sales, in the same prior-year period. On a GAAP and ongoing basis, the favorable impact of product price/mix was partially offset by raw material inflation, tariffs and higher freight costs.

#### **Whirlpool Europe, Middle East and Africa**

Whirlpool Europe, Middle East and Africa reported third-quarter net sales of \$1.1 billion, compared to \$1.3 billion in the same prior-year period. Excluding the impact of currency, sales decreased 7.6 percent.

The region reported third-quarter EBIT<sup>(3)</sup> of \$(39) million, or (3.4) percent of sales, compared to \$(2) million, or (0.2) percent of sales, in the same prior-year period. During the quarter, the favorable impacts of product price/mix and restructuring benefits were more than offset by unfavorable productivity due to unit volume declines and raw material inflation.

#### **Whirlpool Latin America**

Whirlpool Latin America reported third-quarter net sales of \$878 million, compared to \$966 million in the same prior-year period. Excluding the impact of currency, sales increased 1.8 percent.

The region reported third-quarter EBIT<sup>(3)</sup> of \$49 million, or 5.6 percent of sales, compared to \$55 million, or 5.7 percent of sales, in the same prior-year period. Ongoing EBIT<sup>(3)</sup> totaled \$61 million, or 7.0 percent of sales, compared to \$55 million, or 5.7 percent of sales, in the same prior-year period. During the quarter, the favorable impacts of product price/mix and unit volume growth were partially offset by raw material inflation; prior-period results were positively impacted by the sale and monetization of certain tax credits.

## Whirlpool Asia

Whirlpool Asia reported third-quarter net sales of \$339 million, compared to \$373 million in the same prior-year period. Excluding the impact of currency, sales decreased 4.3 percent.

The region reported third-quarter EBIT<sup>(3)</sup> of \$13 million, or 3.8 percent of sales, compared to \$9 million, or 2.4 percent of sales, in the same prior-year period. During the quarter, the favorable impacts of product price/mix and fixed cost takeout were partially offset by raw material inflation and lower unit volumes.

## OUTLOOK

For the full-year 2018, the Company now expects GAAP earnings per diluted share of \$(2.90) to \$(2.60) and ongoing earnings per diluted share<sup>(1)</sup> of \$14.50 to \$14.80 as favorable product price/mix, share repurchases and a favorable tax rate are expected to be partially offset by weaker than expected performance in the EMEA region. On a GAAP basis, restructuring expense of \$250 million, non-cash items of \$860 million and trade customer insolvency costs are expected to negatively impact results. In 2018, non-cash items include asset impairment charges related to the EMEA region and a preliminary settlement with the French Competition Authority, which is expected to impact cash in 2019.

For the full-year 2018, the Company now expects to generate cash from operating activities of approximately \$1.2 billion and free cash flow<sup>(4)</sup> of approximately \$600 million. Included in this guidance are restructuring cash outlays of up to \$300 million, voluntary pension contributions of approximately \$350 million and, with respect to free cash flow<sup>(4)</sup>, capital spending of approximately \$625 million.

“During the quarter, we pre-funded our long-term pension obligations, repurchased additional shares and significantly reduced our inventory,” said Jim Peters, chief financial officer of Whirlpool Corporation. “Consistent with our balanced approach to capital allocation, we will continue to fully invest in our business to drive long-term margin expansion and sustained improvements in free cash conversion.”

*(1) A reconciliation of ongoing earnings per diluted share, a non-GAAP financial measure, to reported net earnings per diluted share available to Whirlpool and other important information, appears below.*

*(2) A reconciliation of earnings before interest and taxes (EBIT) and ongoing EBIT, non-GAAP financial measures, to reported net earnings available to Whirlpool and other important information, appears below.*

*(3) Segment EBIT represents our consolidated EBIT broken down by the Company's reportable segments. Consolidated EBIT also includes corporate "Other/Eliminations" of \$(91) million and \$(88) million for the third quarters of 2018 and 2017, respectively. Ongoing segment EBIT includes certain adjustments to segment EBIT, and a reconciliation and other important information, appears below.*

*(4) A reconciliation of free cash flow, a non-GAAP financial measure, to cash provided by (used in) operating activities and other important information, appears below.*

## About Whirlpool Corporation

Whirlpool Corporation (NYSE: WHR) is the leading major appliance manufacturer in the world, with approximately \$21 billion in annual sales, 92,000 employees and 70 manufacturing and technology research centers in 2017. The company markets *Whirlpool*, *KitchenAid*, *Maytag*, *Consul*, *Brastemp*, *Amana*, *Bauknecht*, *Jenn-Air*, *Indesit* and other major brand names in nearly every country throughout the world. Additional information about the company can be found at [whirlpoolcorp.com](http://whirlpoolcorp.com), or find us on Twitter at @WhirlpoolCorp.

## Website Disclosure

We routinely post important information for investors on our website, [whirlpoolcorp.com](http://whirlpoolcorp.com), in the "Investors" section. We intend to use this webpage as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investors section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our webpage is not incorporated by reference into, and is not a part of, this document.

## Whirlpool Additional Information:

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 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. The number one major appliance manufacturer in the world claim is based on most recently available publicly reported annual revenues among leading appliance manufacturers.

**WHIRLPOOL CORPORATION**  
**CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)**  
**FOR THE PERIODS ENDED SEPTEMBER 30**  
(Millions of dollars, except per share data)

	Three Months Ended		Nine Months Ended	
	2018	2017	2018	2017
<b>Net sales</b>	\$ 5,326	\$ 5,418	\$ 15,377	\$ 15,551
<b>Expenses</b>				
Cost of products sold	4,431	4,503	12,790	12,934
Gross margin	895	915	2,587	2,617
Selling, general and administrative	550	521	1,596	1,546
Intangible amortization	18	18	58	52
Restructuring costs	28	45	216	150
Impairment of goodwill and other intangibles	—	—	747	—
Operating profit (loss)	299	331	(30)	869
<b>Other (income) expense</b>				
Interest and sundry (income) expense	24	21	106	69
Interest expense	52	42	141	122
Earnings (loss) before income taxes	223	268	(277)	678
Income tax (benefit) expense	7	(4)	52	69
Net earnings (loss)	216	272	(329)	609
Less: Net earnings (loss) available to noncontrolling interests	6	(4)	24	(9)
Net earnings (loss) available to Whirlpool	\$ 210	\$ 276	\$ (353)	\$ 618
<b>Per share of common stock</b>				
Basic net earnings (loss) available to Whirlpool	\$ 3.25	\$ 3.78	\$ (5.18)	\$ 8.36
Diluted net earnings (loss) available to Whirlpool	\$ 3.22	\$ 3.72	\$ (5.18)	\$ 8.23
Dividends declared	\$ 1.15	\$ 1.10	\$ 3.40	\$ 3.20
<b>Weighted-average shares outstanding (in millions)</b>				
Basic	64.5	72.9	68.2	73.9
Diluted	65.3	74.0	68.2	75.1
<b>Comprehensive income (loss)</b>	\$ 130	\$ 286	\$ (573)	\$ 694

**WHIRLPOOL CORPORATION**  
**CONSOLIDATED CONDENSED BALANCE SHEETS**  
(Millions of dollars, except share data)

	(Unaudited) September 30, 2018	December 31, 2017
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,032	\$ 1,196
Accounts receivable, net of allowance of \$151 and \$157, respectively	2,881	2,665
Inventories	2,873	2,988
Prepaid and other current assets	862	1,081
Assets held for sale	813	—
Total current assets	<u>8,461</u>	<u>7,930</u>
Property, net of accumulated depreciation of \$6,216 and \$6,825, respectively	3,396	4,033
Goodwill	2,478	3,118
Other intangibles, net of accumulated amortization of \$512 and \$476, respectively	2,325	2,591
Deferred income taxes	2,103	2,013
Other noncurrent assets	330	353
Total assets	<u>\$ 19,093</u>	<u>\$ 20,038</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 4,200	\$ 4,797
Accrued expenses	751	674
Accrued advertising and promotions	728	853
Employee compensation	363	414
Notes payable	2,153	450
Current maturities of long-term debt	260	376
Other current liabilities	740	941
Liabilities held for sale	479	—
Total current liabilities	<u>9,674</u>	<u>8,505</u>
Noncurrent liabilities		
Long-term debt	4,768	4,392
Pension benefits	542	1,029
Postretirement benefits	316	352
Other noncurrent liabilities	485	632
Total noncurrent liabilities	<u>6,111</u>	<u>6,405</u>
Stockholders' equity		
Common stock, \$1 par value, 250 million shares authorized, 112 million shares issued, and 64 million and 71 million shares outstanding, respectively	112	112
Additional paid-in capital	2,777	2,739
Retained earnings	6,837	7,352
Accumulated other comprehensive loss	(2,590)	(2,331)
Treasury stock, 48 million and 41 million shares, respectively	(4,776)	(3,674)
Total Whirlpool stockholders' equity	<u>2,360</u>	<u>4,198</u>
Noncontrolling interests	948	930
Total stockholders' equity	<u>3,308</u>	<u>5,128</u>
Total liabilities and stockholders' equity	<u>\$ 19,093</u>	<u>\$ 20,038</u>

**WHIRLPOOL CORPORATION**  
**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIODS ENDED SEPTEMBER 30**  
(Millions of dollars)

	Nine Months Ended	
	2018	2017
<b>Operating activities</b>		
Net earnings (loss)	\$ (329)	\$ 609
Adjustments to reconcile net earnings to cash provided by (used in) operating activities:		
Depreciation and amortization	491	487
Impairment of goodwill and other intangibles	747	—
Changes in assets and liabilities:		
Accounts receivable	(585)	(259)
Inventories	(271)	(589)
Accounts payable	(122)	107
Accrued advertising and promotions	(95)	18
Accrued expenses and current liabilities	196	(154)
Taxes deferred and payable, net	(105)	(144)
Accrued pension and postretirement benefits	(433)	(85)
Employee compensation	35	49
Other	(144)	(72)
Cash used in operating activities	<u>(615)</u>	<u>(33)</u>
<b>Investing activities</b>		
Capital expenditures	(330)	(371)
Proceeds from sale of assets and business	27	5
Proceeds from held-to-maturity securities	60	—
Investment in related businesses	(25)	(35)
Other	(4)	1
Cash used in investing activities	<u>(272)</u>	<u>(400)</u>
<b>Financing activities</b>		
Proceeds from borrowings of long-term debt	703	—
Repayments of long-term debt	(381)	(261)
Net proceeds from short-term borrowings	1,761	1,365
Dividends paid	(232)	(235)
Repurchase of common stock	(1,102)	(550)
Common stock issued	7	33
Other	(6)	(17)
Cash provided by financing activities	<u>750</u>	<u>335</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(74)	55
Decrease in cash, cash equivalents and restricted cash	(211)	(43)
Cash, cash equivalents and restricted cash at beginning of period	1,293	1,240
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,082</u>	<u>\$ 1,197</u>

## SUPPLEMENTAL INFORMATION - CONSOLIDATED FINANCIAL STATEMENTS RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(Millions of dollars except per share data)  
(Unaudited)

We supplement the reporting of our financial information determined under U.S. generally accepted accounting principles (GAAP) with certain non-GAAP financial measures, some of which we refer to as "ongoing" measures, including earnings before interest and taxes (EBIT), EBIT margin, ongoing EBIT, ongoing EBIT margin, ongoing earnings, ongoing earnings per diluted share, ongoing segment EBIT, ongoing segment EBIT margin, sales excluding currency, ongoing net sales and free cash flow. Ongoing measures exclude items that may not be indicative of, or are unrelated to, results from our ongoing operations and provide a better baseline for analyzing trends in our underlying businesses. Sales excluding foreign currency is calculated by translating the current period net sales, in functional currency, to U.S. dollars using the prior-year period's exchange rate compared to the prior-year period net sales. Management believes that sales excluding foreign currency provides stockholders with a clearer basis to assess our results over time, excluding the impact of exchange rate fluctuations. Management believes that free cash flow provides investors and stockholders with a relevant measure of liquidity and a useful basis for assessing the company's ability to fund its activities and obligations. The Company provides free cash flow related metrics, such as free cash flow as a percentage of net sales, as long-term management goals, not an element of its annual financial guidance, and as such does not provide a reconciliation of free cash flow to cash provided by (used in) operating activities, the most directly comparable GAAP measure, for these long-term goal metrics. Any such reconciliation would rely on market factors and certain other conditions and assumptions that are outside of the company's control. We believe that these non-GAAP measures provide meaningful information to assist investors and stockholders in understanding our financial results and assessing our prospects for future performance, and reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP financial measures, provide a more complete understanding of our business. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. These ongoing financial measures should not be considered in isolation or as a substitute for reported, net earnings available to Whirlpool per diluted share, net earnings, net earnings available to Whirlpool, net sales, and cash provided by (used in) operating activities, the most directly comparable GAAP financial measures. We also disclose segment EBIT and ongoing segment EBIT as important financial metrics used by the Company's Chief Operating Decision Maker to evaluate performance and allocate resources in accordance with *ASC 280 - Segment Reporting*. GAAP net earnings available to Whirlpool per diluted share and ongoing earnings per diluted share are presented net of tax, while individual adjustments in each reconciliation are presented on a pre-tax basis; the income tax impact line item aggregates the tax impact for these adjustments. The tax impact of individual line item adjustments may not foot precisely to the aggregate income tax impact amount, as each line item adjustment may include non-taxable components. Prior-period comparisons have been recast to reflect the tax impact of adjustments as a single adjustment. Historical quarterly earnings per share amounts are presented based on a normalized tax rate adjustment to reconcile quarterly tax rates to full-year tax rate expectations. We strongly encourage investors and stockholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

### Third-Quarter 2018 Ongoing Earnings Before Interest and Taxes and Ongoing Earnings per Diluted Share

The reconciliation provided below reconciles the non-GAAP financial measures ongoing EBIT 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 three months ended September 30, 2018. 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 third-quarter adjusted effective tax rate of (8.7)%.

	Three Months Ended September 30, 2018	
	Earnings before interest & taxes <sup>(5)</sup>	Earnings per diluted share
Reported measure	\$ 275	\$ 3.22
Restructuring expense <sup>(a)</sup>	28	0.43
Trade customer insolvency <sup>(c)</sup>	29	0.45
Income tax impact	—	0.08
Normalized tax rate adjustment <sup>(b)</sup>	—	0.37
Ongoing measure	<u>\$ 332</u>	<u>\$ 4.55</u>

#### Earnings Before Interest & Taxes Reconciliation:

Net earnings (loss) available to Whirlpool	\$ 210
Net earnings (loss) available to noncontrolling interests	6
Income tax expense (benefit)	7
Interest expense	52
Earnings before interest & taxes <sup>(5)</sup>	<u>\$ 275</u>

Note: Numbers may not reconcile due to rounding

### Third-Quarter 2017 Ongoing Earnings Before Interest and Taxes and Ongoing Earnings per Diluted Share

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 three months ended September 30, 2017. 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 third-quarter adjusted effective tax rate of 9.7%.

	Three Months Ended September 30, 2017	
	Earnings before interest & taxes <sup>(5)</sup>	Earnings per diluted share
Reported measure	\$ 310	\$ 3.72
Restructuring expense <sup>(a)</sup>	45	0.61
Income tax impact	—	(0.06)
Normalized tax rate adjustment <sup>(b)</sup>	—	(0.44)
Ongoing measure	<u>\$ 355</u>	<u>\$ 3.83</u>

#### Earnings Before Interest & Taxes Reconciliation:

Net earnings (loss) available to Whirlpool	\$ 276
Net earnings (loss) available to noncontrolling interests	(4)
Income tax expense (benefit)	(4)
Interest expense	42
Earnings before interest & taxes <sup>(5)</sup>	<u>\$ 310</u>

Note: Numbers may not reconcile due to rounding

## Ongoing Segment Earnings Before Interest and Taxes

The reconciliation provided below reconciles the non-GAAP financial measure ongoing segment EBIT with reported EBIT, for the three months ended September 30, 2018. Ongoing segment EBIT margin is calculated by dividing ongoing segment EBIT by segment net sales.

<b>Three Months Ended September 30, 2018</b>				
	Segment earnings before interest and taxes	Restructuring expense(a)	Trade customer insolvency(c)	Ongoing segment earnings before interest and taxes
North America	\$ 343	\$ —	\$ 17	\$ 360
EMEA	(39)	—	—	(39)
Latin America	49	—	12	61
Asia	13	—	—	13
Other/Eliminations	(91)	28	—	(63)
Total Whirlpool Corporation	<u>\$ 275</u>	<u>\$ 28</u>	<u>\$ 29</u>	<u>\$ 332</u>

The reconciliation provided below reconciles the non-GAAP financial measure ongoing segment EBIT with reported EBIT, for the three months ended September 30, 2017. Ongoing segment EBIT margin is calculated by dividing ongoing segment EBIT by segment net sales.

<b>Three Months Ended September 30, 2017</b>			
	Segment earnings before interest and taxes	Restructuring expense(a)	Ongoing segment earnings before interest and taxes
North America	\$ 336	\$ —	\$ 336
EMEA	(2)	—	(2)
Latin America	55	—	55
Asia	9	—	9
Other/Eliminations	(88)	45	(43)
Total Whirlpool Corporation	<u>\$ 310</u>	<u>\$ 45</u>	<u>\$ 355</u>

Note: Numbers may not reconcile due to rounding

## Full-Year 2018 Outlook for Ongoing Earnings Before Interest and Taxes and Ongoing Earnings per Diluted Share

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, 2018. 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 anticipated full-year GAAP tax rate includes the nondeductible earnings impact of the impairment of goodwill and intangibles of \$747 million and the preliminary France antitrust settlement charge of \$114 million. 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 adjusted tax rate of approximately 10.5%.

	<b>Twelve Months Ending December 31, 2018</b>	
	Earnings before interest & taxes <sup>(5)</sup>	Earnings per diluted share
Reported measure	\$220	\$(2.90) - \$(2.60)
Restructuring expense <sup>(a)</sup>	250	3.71
France antitrust settlement <sup>(d)</sup>	114	1.69
Impairment of goodwill and intangibles <sup>(e)</sup>	747	11.10
Trade customer insolvency <sup>(c)</sup>	29	0.43
Income tax impact	—	(0.44)
Normalized tax rate adjustment <sup>(b)</sup>	—	1.07
Share adjustment*	—	(0.16)
Ongoing measure	<u>\$1,360</u>	<u>\$14.50 - \$14.80</u>

(5) 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 non-controlling 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.

Note: Numbers may not reconcile due to rounding

\*As a result of our anticipated 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 67.3 million plus the impact of antidilutive shares of 0.8 million which were excluded on a GAAP basis.

## Full-Year 2017 Ongoing Earnings Before Interest and Taxes and Ongoing Earnings per Diluted Share

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, 2017. Ongoing EBIT margin is calculated by dividing ongoing EBIT by ongoing net sales. EBIT margin is calculated by dividing EBIT by net sales. Ongoing net sales excludes \$(35) million primarily related to an adjustment for trade promotion accruals in the second quarter. 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 full-year tax rate of 14.7%.

### Twelve Months Ended December 31, 2017

	Earnings before interest & taxes <sup>(5)</sup>	Earnings per diluted share
Reported measure	\$ 1,049	\$ 4.70
Restructuring expense <sup>(a)</sup>	275	3.70
Out-of-period adjustment <sup>(f)</sup>	40	0.27
Income tax impact	—	(0.56)
Normalized tax rate adjustment <sup>(b)</sup>	—	5.63
Ongoing measure	<u>\$ 1,364</u>	<u>\$ 13.74</u>

#### Earnings Before Interest & Taxes Reconciliation:

Net earnings (loss) available to Whirlpool	\$ 350
Net earnings (loss) available to noncontrolling interests	(13)
Income tax expense (benefit)	550
Interest expense	162
Earnings before interest & taxes <sup>(5)</sup>	<u>\$ 1,049</u>

Note: Numbers may not reconcile due to rounding

Footnotes:

- a. **RESTRUCTURING EXPENSE** - In 2014, we completed the acquisition of Indesit S.p.A., which, due to its size, materially changed our European footprint. In 2017, these costs were primarily related to Indesit restructuring and creating a more streamlined and efficient European operation, and also relate to certain other unique restructuring events. In 2018, these costs are primarily related to Indesit restructuring, an Embraco plant closure in Italy, and certain other unique restructuring events.
- b. **NORMALIZED TAX RATE ADJUSTMENT** - During the third quarter of 2018, we calculated ongoing diluted EPS using an adjusted tax rate of (8.7%) to reconcile to our anticipated adjusted full-year effective tax rate of approximately 10.5%. Our 2018 normalized tax rate excludes the tax impact of impairment of goodwill and intangibles of \$747 million, and the preliminary France antitrust settlement charge of \$114 million. Normalized tax rate adjustment for full-year 2017 includes a one-time non-cash charge of approximately \$420 million related to tax reform.
- c. **TRADE CUSTOMER INSOLVENCY** - During the third quarter of 2018, the Company recognized bad debt expense related to trade customer insolvency of a U.S. retailer and a Brazilian retailer, in the amount of approximately \$17 million and \$12 million, respectively.
- d. **PRELIMINARY FRANCE ANTITRUST SETTLEMENT** - In 2013, the French Competition Authority ("FCA") commenced an investigation of appliance manufacturers and retailers, including Whirlpool and Indesit operations in France. With respect to the first part of the investigation, the Company agreed to a preliminary settlement with the FCA staff in the second quarter of 2018. The agreement establishes a settlement range between \$111 million and \$134 million. The settlement must be approved by the FCA's college of commissioners, which also determines the final settlement amount within the agreed range. The expenses reflected in the table represent the reserve taken and associated legal fees. The Company expects to pay final settlement amounts in 2019. The second part of the investigation remains ongoing.
- e. **IMPAIRMENT OF GOODWILL AND INTANGIBLES** - During the second quarter of 2018, we performed a quantitative assessment of the EMEA region's goodwill and intangible assets for impairment. Based on a third-party valuation, we concluded that fair value of equity did not exceed its carrying value and therefore goodwill and intangible assets were impaired. The impact of this impairment was \$168 million to intangible assets and \$579 million to goodwill in the second quarter of 2018.
- f. **OUT-OF-PERIOD ADJUSTMENT** - During 2017, we adjusted our Asia operating segment results for out-of-period trade promotion accruals. The 2017 total impact of these out-of-period adjustments was a decrease to net sales of approximately \$35 million and an increase to other operating expenses of approximately \$8 million, before tax. These adjustments resulted in a decrease to net earnings available to Whirlpool of approximately \$16 million and a decrease of \$0.22 in diluted earnings per share, net of tax.

## 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 nine months ended September 30, 2018 and 2017 and projected 2018 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.

<i>(millions of dollars)</i>	Nine Months Ended September 30,		
	2018	2017	2018 Outlook
Cash provided by (used in) operating activities	\$(615)	\$(33)	~\$1,225
Capital expenditures, proceeds from sale of assets/businesses and change in restricted cash*	(259)	(315)	~(625)
Free cash flow	<u>\$(874)</u>	<u>\$(348)</u>	<u>~\$600</u>
Cash provided by (used in) investing activities**	\$(272)	\$(400)	
Cash provided by financing activities**	\$750	\$335	

\*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.

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