



SUPPLEMENTAL INFORMATION

THIRD-QUARTER 2021

OCTOBER 21, 2021

**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 per diluted share, organic net sales, adjusted effective tax rate, sales excluding currency and adjusted 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 adjusted tax rate provides investors with a meaningful, consistent comparison of the Company's effective tax rate, excluding the pre-tax income and tax effect of certain unique items. Management believes that adjusted 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 adjusted free cash flow related metrics, such as adjusted 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 adjusted free cash flow to cash provided by (used in) operating activities, the most directly comparable GAAP measure, for these long-term goal metrics. Whirlpool does not provide a non-GAAP reconciliation for its forward-looking long-term value creation goals, such as organic net sales, EBIT, adjusted 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. 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 earnings margin, net sales, effective tax rate and cash provided by (used in) operating activities, the most directly comparable GAAP financial measures. We also disclose 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. 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 2021 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, 2021. 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 third-quarter GAAP tax rate was 17.1%. 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 tax rate (non-GAAP) of 25.0%.

	Three Months Ended September 30, 2021	
Earnings Before Interest & Taxes Reconciliation:		
Net earnings (loss) available to Whirlpool	\$	471
Net earnings (loss) available to noncontrolling interests		15
Income tax expense (benefit)		100
Interest expense		44
Earnings before interest & taxes	\$	<u>630</u>
Net sales	\$	5,488
Net earnings margin		8.6 %

	Results classification	Earnings before interest & taxes	Earnings per diluted share
Reported measure		\$ 630	\$ 7.51
Restructuring costs ^(a)	Restructuring costs	7	0.10
(Gain) loss on sale and disposal of businesses ^(b)	(Gain) loss on sale and disposal of businesses	13	0.21
(Gain) loss on previously held equity interest ^(c)	(Gain) loss on previously held equity interest	(42)	(0.50)
Income tax impact			0.05
Normalized tax rate adjustment ^(d)			(0.69)
Ongoing measure		\$ <u>608</u>	\$ <u>6.68</u>
Net sales		\$ 5,488	
Ongoing EBIT margin		11.1 %	

Note: Numbers may not reconcile due to rounding

THIRD-QUARTER 2020 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, 2020. 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 third-quarter GAAP tax rate was 26.4%. 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 tax rate (non-GAAP) of 25.0%.

	Three Months Ended September 30, 2020 ⁽⁵⁾	
Earnings Before Interest & Taxes Reconciliation:		
Net earnings (loss) available to Whirlpool	\$	392
Net earnings (loss) available to noncontrolling interests		1
Income tax expense (benefit)		141
Interest expense		51
Earnings (loss) before interest & taxes	\$	585
Net sales	\$	5,291
Net earnings margin		7.4 %

	Results classification	Earnings before interest & taxes ⁽⁵⁾	Earnings per diluted share ⁽⁵⁾
Reported measure		\$ 585	\$ 6.19
Restructuring costs ^(a)	Restructuring costs	63	1.00
Corrective action recovery ^(e)	Cost of products sold	(13)	(0.20)
(Gain) loss on sale and disposal of businesses ^(b)	(Gain) loss on sale and disposal of businesses	(7)	(0.10)
Income tax impact		—	(0.17)
Normalized tax rate adjustment ^(d)		—	0.11
Ongoing measure		\$ 628	\$ 6.83
Net sales		\$ 5,291	
Ongoing EBIT margin			11.9 %

Note: Numbers may not reconcile due to rounding

FULL-YEAR 2021 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, 2021. 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 is 22.0% to 24.0%. 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 (non-GAAP) rate between 24.0% and 26.0%.

		Twelve Months Ending December 31, 2021	
	Results classification	Earnings before interest & taxes*	Earnings (loss) per diluted share
Reported measure*		\$2,485	~\$27.80
Restructuring costs ^(a)	Restructuring costs	54	0.86
(Gain) loss on sale and disposal of businesses ^(b)	(Gain) loss on sale and disposal of businesses	(107)	(1.71)
(Gain) loss on previously held equity interest ^(c)	(Gain) loss on previously held equity interest	(42)	(0.50)
Income tax impact		—	0.34
Normalized tax rate adjustment ^(d)			(0.54)
Ongoing measure		~\$2,390	~\$26.25

Note: Numbers may not reconcile due to rounding

**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.*

FOOTNOTES

a. **RESTRUCTURING COSTS** - In the third quarter of 2020, these costs were primarily related to actions that right-sized and reduced the fixed cost structure of our North America business and certain other centralized functions, attributable primarily to the macroeconomic uncertainties caused by COVID-19. In the third quarter of 2021, these costs were primarily related to actions that right-size and reduce the fixed cost structure of our EMEA business and other centralized functions.

b. **(GAIN) LOSS ON SALE AND DISPOSAL OF BUSINESSES** - On March 31, 2021, Galanz launched its partial tender offer for majority ownership of Whirlpool China. Our subsidiary tendered approximately 31% of Whirlpool China's outstanding shares in the tender offer, with the remainder representing a noncontrolling interest of approximately 20% in Whirlpool China. The transaction closed on May 6, 2021. In connection with the closing of the transaction, we received cash proceeds of \$193 million and recognized a gain on sale of \$284 million.

On May 17, 2021, our subsidiary entered into a share purchase agreement to sell its Turkish subsidiary to Arçelik. As part of the agreement, Arçelik will assume responsibility for operating the manufacturing site in Manisa, Turkey, following closing. The transaction closed on June 30, 2021. In connection with the closing of the transaction, we received cash proceeds of \$93 million and recognized a loss on sale of \$164 million. During the third quarter of 2021, amounts for working capital and other customary post-closing adjustments were finalized and an additional \$13 million loss related to the sale of business was recorded.

The net impact realized for gain on sale and disposal of businesses included in the income statement for the nine months ended September 30, 2021 is \$105 million.

During the third quarter of 2019, the Company reserved approximately \$7 million for an expected change in purchase price for the sale of the Embraco compressor business. Adjustments to the final purchase price were finalized as of the third quarter 2020, with no resulting change to the final purchase price, and the reserve was released and recognized as a gain during the quarter.

c. **(GAIN) LOSS ON PREVIOUSLY HELD EQUITY INTEREST** - During the third quarter of 2021, Whirlpool Corporation acquired an additional 38% equity interest in Elica PB India Private Limited (Elica PB India) for \$57 million, which resulted in a controlling equity ownership of approximately 87%. The previously held equity interest of 49% in Elica PB India was remeasured at fair value of \$74 million on the acquisition date, which resulted in a gain of \$42 million. This gain was recorded within Interest & sundry (income) expense during the third quarter. The earnings per diluted share impact is calculated net of minority interest.

d. **NORMALIZED TAX RATE ADJUSTMENT** - During the third quarter of 2021, the Company calculated ongoing earnings per share using an adjusted tax rate of 25.0% to reconcile to our anticipated full-year effective tax rate between 24.0% and 26.0%, which excludes the gain on sale and disposal of businesses. During the third quarter of 2020, the Company calculated ongoing earnings per share using an adjusted tax rate of 25.0%, to reconcile to our anticipated full-year 2020 effective tax between 23.0% and 25.0%.

e. **CORRECTIVE ACTION RECOVERY** - In Q3 2020, the Company recorded a benefit of \$13 million related to a vendor recovery in our ongoing EMEA-produced washer corrective action.

ADJUSTED FREE CASH FLOW

As defined by the Company, adjusted 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, 2021 and 2020 and 2021 full-year adjusted free cash flow with cash provided by (used in) operating activities, the most directly comparable GAAP financial measure. Adjusted free cash flow as a percentage of net sales is calculated by dividing adjusted free cash flow by net sales.

	Nine Months Ended September 30,		
<i>(millions of dollars)</i>	2021	2020	2021 Outlook
Cash provided by (used in) operating activities	\$1,294	\$407	\$1,950
Capital expenditures, proceeds from sale of assets/ businesses and change in restricted cash	2	(237)	(250)
Adjusted free cash flow	<u>\$1,296</u>	<u>\$170</u>	<u>\$1,700</u>
Cash provided by (used in) investing activities*	(446)	(224)	
Cash provided by (used in) financing activities*	(856)	1,531	

**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.*

ORGANIC NET SALES RECONCILIATION

The reconciliation provided below reconciles the non-GAAP financial measure organic net sales with reported net sales for the 2017-2020 fiscal years, and the 2021 fiscal year outlook.

(millions of dollars)	Twelve Months Ended December 31,				
	2017	2018	2019	2020	2021 Outlook
Net sales	\$21,253	\$21,037	\$20,419	\$19,456	\$22,000
Less: Embraco	(1,307)	(1,135)	(635)	—	—
Add back: currency*	(226)	—	—	—	—
Organic net sales	\$19,720	\$19,902	\$19,784	\$19,456	\$22,000
Compounded annual growth rate					2.8%

*Represents translational currency impact to net sales vs. 2016.

ONGOING EBIT MARGIN RECONCILIATION

The reconciliation provided below reconciles the non-GAAP financial measure ongoing earnings before interest and taxes, with the most directly comparable GAAP financial measure, net earnings available to Whirlpool, for the 12 months ended December 31, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 outlook. Ongoing EBIT margin is calculated by dividing ongoing EBIT by net sales and net earnings margin is calculated by dividing net earnings by net sales.

Earnings before interest & taxes reconciliation:	2021F**	2020	2019	2018	2017
Net earnings (loss) available to Whirlpool	—	\$1,075	\$1,168	\$(149)	\$350
Net earnings (loss) available to noncontrolling interests	—	(10)	14	24	(13)
Income tax expense (benefit)	—	382	348	150	550
Interest expense	—	189	187	192	162
Reported GAAP measure (EBIT)*	<u>\$2,485</u>	<u>\$1,636</u>	<u>\$1,717</u>	<u>\$217</u>	<u>\$1,049</u>
Acquisition related transition costs	—	—	—	—	—
Antitrust and dispute resolutions	—	—	—	103	—
Benefit plan curtailment gain	—	—	—	—	—
Brazilian (BEFIEX) tax credits	—	—	(180)	—	—
Brazilian collection dispute & antitrust resolutions	—	—	—	—	—
Brazilian government settlement	—	—	—	—	—
Contract and patent resolutions	—	—	—	—	—
Corrective action recovery	—	(14)	—	—	—
(Gain) loss on previously held equity interest	(42)	—	—	—	—
(Gain) loss on sale and disposal of businesses	(107)	(7)	(437)	21	—
Gain on sale of brand	—	—	—	—	—
Gain/expenses related to a business investment	—	—	—	—	—
Impairment of goodwill and intangibles	—	—	—	747	—
Inventory purchase price allocation	—	—	—	—	—
Investment and intangible impairment	—	—	—	—	—
Investment expenses	—	—	—	—	—
Legacy product warranty and liability expense	—	—	—	—	—
Out-of-period adjustment	—	—	—	—	40
Pension settlement charges	—	—	—	—	—
Product warranty and liability expense	—	(30)	131	—	—
Restructuring expense	54	288	188	247	275
Sale leaseback, real estate, and receivable adjustments	—	(113)	(86)	—	—
Supplier quality issue	—	—	—	—	—
Supplier quality recovery	—	—	—	—	—
Trade customer insolvency	—	—	59	30	—
Ongoing business measure (EBIT)	<u>~\$2,390</u>	<u>\$1,760</u>	<u>\$1,392</u>	<u>\$1,365</u>	<u>\$1,364</u>
Net sales	<u>\$22,000</u>	<u>\$19,456</u>	<u>\$20,419</u>	<u>\$21,037</u>	<u>\$21,253</u>
Ongoing EBIT margin %***	10.8%	9.0%	6.8%	6.5%	6.4%
GAAP net earnings margin	N/A	5.6%	5.8%	(0.9)%	5.1%

*recast for LIFO/FIFO change (2018-2020)

**2021 outlook is based off of 2021 FY guidance as of 10/21/2021

***For 2007-2009 GAAP EBIT was used to calculate margin, and for 2010-2021F ongoing EBIT was used to calculate EBIT margin.

More information on the items excluded from our ongoing results can be found in our quarterly and annual reconciliations on our Investor Relations website.

ONGOING EBIT MARGIN RECONCILIATION CONTINUED

Earnings before interest & taxes reconciliation:	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net earnings (loss) available to Whirlpool	\$888	\$783	\$650	\$827	\$401	\$390	\$619	\$328	\$418	\$647
Net earnings (loss) available to noncontrolling interests	40	39	42	22	24	18	31	26	29	40
Income tax expense (benefit)	186	209	189	68	133	(436)	(64)	(61)	(201)	117
Interest expense	161	165	165	177	199	213	225	219	203	203
Reported GAAP measure (EBIT)*	\$1,275	\$1,196	\$1,046	\$1,094	\$757	\$185	\$811	\$513	\$449	\$1,007
Acquisition related transition costs	86	64	98	—	—	—	—	—	—	—
Antitrust and dispute resolutions	—	35	4	42	25	—	—	—	—	—
Benefit plan curtailment gain	—	(62)	—	—	(49)	(35)	(62)	—	—	—
Brazilian (BEFLEX) tax credits	—	—	(14)	(109)	(37)	(266)	(225)	—	—	—
Brazilian collection dispute & antitrust resolutions	—	—	—	—	—	528	146	—	—	—
Brazilian government settlement	—	—	—	28	—	—	—	—	—	—
Contract and patent resolutions	—	—	—	—	22	—	—	—	—	—
Corrective action recovery	—	—	—	—	—	—	—	—	—	—
(Gain) loss on previously held equity interest	—	—	—	—	—	—	—	—	—	—
(Gain) loss on sale and disposal of businesses	—	—	—	—	—	—	—	—	—	—
Gain on sale of brand	—	—	—	—	—	—	(10)	—	—	—
Gain/expenses related to a business investment	—	(46)	—	—	—	—	—	—	—	—
Impairment of goodwill and intangibles	—	—	—	—	—	—	—	—	—	—
Inventory purchase price allocation	—	—	13	—	—	—	—	—	—	—
Investment and intangible impairment	—	—	—	—	11	—	—	—	—	—
Investment expenses	—	—	87	21	—	—	—	—	—	—
Legacy product warranty and liability expense	(23)	42	—	—	—	—	—	—	—	—
Out-of-period adjustment	—	—	—	—	—	—	—	—	—	—
Pension settlement charges	—	15	—	—	—	—	—	—	—	—
Product warranty and liability expense	—	—	—	—	—	—	—	—	—	—
Restructuring expense	173	201	136	196	237	136	74	—	—	—
Sale leaseback, real estate, and receivable adjustments	—	—	—	—	—	—	—	—	—	—
Supplier quality issue	—	—	—	—	—	(7)	75	—	—	—
Supplier quality recovery	—	—	—	—	—	(61)	—	—	—	—
Trade customer insolvency	—	—	—	—	—	—	—	—	—	—
Ongoing business measure (EBIT)	\$1,511	\$1,445	\$1,370	\$1,272	\$966	\$480	\$809	—	—	—
Net sales	\$20,718	\$20,891	\$19,872	\$18,769	\$18,143	\$18,666	\$18,366	\$17,099	\$18,907	\$19,408
Ongoing EBIT margin %***	7.3%	6.9%	6.9%	6.8%	5.3%	2.6%	4.4%	3.0%	2.4%	5.2%
GAAP net earnings margin	4.3%	3.8%	3.3%	4.4%	2.2%	2.1%	3.4%	1.9%	2.2%	3.3%

*recast for LIFO/FIFO change (2018-2020)

**2021 outlook is based off of 2021 FY guidance as of 10/21/2021

***For 2007-2009 GAAP EBIT was used to calculate margin, and for 2010-2021F ongoing EBIT was used to calculate EBIT margin.

More information on the items excluded from our ongoing results can be found in our quarterly and annual reconciliations on our Investor Relations website.

ADJUSTED FREE CASH FLOW RECONCILIATION

As defined by the company, adjusted 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 adjusted free cash flow with the most directly comparable GAAP financial measure, cash provided by (used in) operating activities for 2017, 2018, 2019, 2020 and 2021 outlook. Adjusted free cash flow as a percentage of net sales is calculated by dividing adjusted free cash flow by ongoing business net sales.

(millions of dollars)	Twelve Months Ended December 31,				
	2017	2018	2019	2020	2021 Outlook
Cash provided by (used in) operating activities	\$1,264	\$1,229	\$1,230	\$1,500	\$1,950
Capital expenditures, proceeds from sale of assets/businesses and change in restricted cash	(557)	(376)	682	(254)	(250)
Repayment of term loan**			(1,000)		
Adjusted free cash flow	\$707	\$853	\$912	\$1,246	\$1,700
Cash provided by (used in) investing activities*	(721)	(399)	636	(237)	
Cash provided by (used in) financing activities*	(553)	(518)	(1,424)	(253)	
Net sales	\$21,253	\$21,037	\$20,419	\$19,456	\$22,000
FCF % of net sales	3.3%	4.1%	4.5%	6.4%	7.7%

*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.

**Proceeds from the sale of assets and business for the twelve months ended December 31, 2019 include \$1,011 million of net cash proceeds received to date for the sale of the Embraco compressor business; \$1,000 million of these proceeds were used to repay an outstanding term loan in August 2019.

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