



Whirlpool Corporation
Supplemental Information
Third-Quarter 2016

October 25, 2016



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 business" measures, including ongoing business operating profit (loss), ongoing business operating margin, earnings before interest and taxes (EBIT), EBIT margin, ongoing business EBIT, ongoing business EBIT margin, ongoing business earnings, ongoing business earnings per diluted share, ongoing business segment operating profit (loss), ongoing business segment operating margin, sales excluding currency and free cash flow. Ongoing business measures exclude items that may not be indicative of, or are unrelated to, results from our ongoing business 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. 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 business financial measures should not be considered in isolation or as a substitute for reported operating profit (loss), net earnings available to Whirlpool per diluted share, net earnings, net earnings available to Whirlpool, net sales, reported operating profit (loss) by segment, and cash provided by (used in) operating activities, the most directly comparable GAAP financial measures. GAAP net earnings available to Whirlpool per diluted share and ongoing business 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.

Note that the supplemental information included pertains to disclosures for the quarter in which it is issued.

Third-Quarter 2016 Ongoing Business Operating Profit, Ongoing Business Earnings Before Interest and Taxes and Ongoing Business Earnings per Diluted Share

The reconciliation provided below reconciles the non-GAAP financial measures ongoing business operating profit, ongoing business earnings before interest and taxes and ongoing business earnings per diluted share, with the most directly comparable GAAP financial measures, operating profit, net earnings available to Whirlpool and net earnings per diluted share available to Whirlpool, for the three months ended September 30, 2016. Ongoing business operating margin is calculated by dividing ongoing business operating profit by net sales. Ongoing business EBIT margin is calculated by dividing ongoing business EBIT by net sales. The earnings per diluted share GAAP measure and ongoing business 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 16%.

	Three Months Ended September 30, 2016		
	Operating Profit	Earnings Before Interest & Taxes ⁽¹⁾	Earnings per Diluted Share
Reported GAAP Measure	\$ 370	\$ 344	\$ 3.10
Restructuring Expense ^(d)	29	29	0.37
Acquisition Related Transition Costs	14	14	0.19
Legacy Product Warranty and Liability Expense ^(c)	—	1	0.01
Income Tax Impact	—	—	(0.09)
Normalized Tax Rate Adjustment ^(b)	—	—	0.08
Ongoing Business Measure	<u>\$ 413</u>	<u>\$ 388</u>	<u>\$ 3.66</u>

Earnings Before Interest & Taxes Reconciliation:

Net earnings available to Whirlpool	\$ 238
Net earnings available to noncontrolling interests	6
Income tax expense (benefit)	61
Interest expense	39
Earnings Before Interest & Taxes ⁽¹⁾	<u>\$ 344</u>

Third-Quarter 2015 Ongoing Business Operating Profit, Ongoing Business Earnings Before Interest and Taxes and Ongoing Business Earnings per Diluted Share

The reconciliation provided below reconciles the non-GAAP financial measures ongoing business operating profit, ongoing business earnings before interest and taxes and ongoing business earnings per diluted share, with the most directly comparable GAAP financial measures, operating profit, net earnings available to Whirlpool and net earnings per diluted share available to Whirlpool, for the three months ended September 30, 2015. Ongoing business operating margin is calculated by dividing ongoing business operating profit by net sales. Ongoing business EBIT margin is calculated by dividing ongoing business EBIT by net sales. The earnings per diluted share GAAP measure and ongoing business 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 19%.

	Three Months Ended September 30, 2015		
	Operating Profit	Earnings Before Interest & Taxes ⁽¹⁾	Earnings per Diluted Share
Reported GAAP Measure	\$ 329	\$ 308	\$ 2.95
Restructuring Expense ^(d)	54	54	0.68
Acquisition Related Transition Costs	9	9	0.11
Benefit Plan Curtailment Gain	(16)	(16)	(0.20)
Gain/Expenses Related to a Business Investment	—	1	0.01
Legacy Product Warranty and Liability Expense ^(c)	42	42	0.52
Income Tax Impact	—	—	(0.20)
Normalized Tax Rate Adjustment ^(b)	—	—	(0.42)
Ongoing Business Measure	<u>\$ 418</u>	<u>\$ 398</u>	<u>\$ 3.45</u>

Earnings Before Interest & Taxes Reconciliation:

Net earnings available to Whirlpool	\$ 235
Net earnings available to noncontrolling interests	15
Income tax expense (benefit)	17
Interest expense	41
Earnings Before Interest & Taxes ⁽¹⁾	<u>\$ 308</u>

Third-Quarter 2016 Ongoing Business Segment Operating Profit (Loss)

The reconciliation provided below reconciles the non-GAAP financial measure ongoing business segment operating profit (loss) with the most directly comparable GAAP financial measure, reported segment operating profit (loss), for the three months ended September 30, 2016. Ongoing business segment operating margin is calculated by dividing ongoing business segment operating profit (loss) by segment net sales.

	Three Months Ended September 30, 2016			
	Segment Operating Profit (Loss)	Restructuring Expense ^(d)	Acquisition Related Transition Costs	Ongoing Business Segment Operating Profit (Loss)
North America	\$ 346	\$ —	\$ —	\$ 346
EMEA	40	—	8	48
Latin America	45	—	—	45
Asia	15	—	2	17
Other/Eliminations	(76)	29	4	(43)
Total Whirlpool Corporation	<u>\$ 370</u>	<u>\$ 29</u>	<u>\$ 14</u>	<u>\$ 413</u>

Third-Quarter 2015 Ongoing Business Segment Operating Profit (Loss)

The reconciliation provided below reconciles the non-GAAP financial measure ongoing business segment operating profit (loss) with the most directly comparable GAAP financial measure, reported segment operating profit (loss), for the three months ended September 30, 2015. Ongoing business segment operating margin is calculated by dividing ongoing business segment operating profit (loss) by segment net sales.

	Three Months Ended September 30, 2015					
	Segment Operating Profit (Loss)	Restructuring Expense ^(d)	Acquisition Related Transition Costs	Benefit Plan Curtailment Gain	Legacy Product Warranty and Liability Expense ^(c)	Ongoing Business Segment Operating Profit (Loss)
North America	\$ 349	\$ —	\$ —	\$ (16)	\$ 3	\$ 336
EMEA	32	—	—	—	39	71
Latin America	31	—	—	—	—	31
Asia	24	—	3	—	—	27
Other/Eliminations	(107)	54	6	—	—	(47)
Total Whirlpool Corporation	\$ 329	\$ 54	\$ 9	\$ (16)	\$ 42	\$ 418

Full-Year 2016 Ongoing Business Operating Profit, Ongoing Business Earnings Before Interest and Taxes and Ongoing Business Earnings per Diluted Share

The reconciliation provided below reconciles the non-GAAP financial measures ongoing business operating profit, ongoing business earnings before interest and taxes and ongoing business earnings per diluted share, with the most directly comparable GAAP financial measures, operating profit, net earnings available to Whirlpool and net earnings per diluted share available to Whirlpool, for the twelve months ending December 31, 2016. Ongoing business operating margin is calculated by dividing ongoing business operating profit by net sales. Ongoing business EBIT margin is calculated by dividing ongoing business EBIT by net sales. The earnings per diluted share GAAP measure and ongoing business measure are presented net of tax, while each adjustment is presented on a pre-tax basis. The aggregate income tax impact of the taxable components of each adjustment is presented in the income tax impact line item at our anticipated full-year tax rate of 19%.

	Twelve Months Ending December 31, 2016		
	Operating Profit	Earnings Before Interest & Taxes ⁽¹⁾	Earnings per Diluted Share
Reported GAAP Measure	\$ 1,440 - 1,470	\$ 1,300 - 1,330	\$ 11.50 - 11.75
Restructuring Expense ^(d)	200	200	2.60
Acquisition Related Transition Costs	32	32	0.42
Legacy Product Warranty and Liability Expense ^(c)	3	7	0.09
Income Tax Impact	—	—	(0.59)
Ongoing Business Measure	<u>\$ 1,675 - 1,705</u>	<u>\$ 1,540 - 1,570</u>	<u>\$ 14.00 - 14.25</u>

(1) Earnings Before Interest & Taxes (EBIT) is a non-GAAP measure. Whirlpool 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 item has historically represented a relatively insignificant amount of Whirlpool's overall net earnings -- implicates Whirlpool's projections regarding the earnings of Whirlpool's non wholly-owned subsidiaries and joint ventures that cannot be quantified precisely or without unreasonable efforts.

Note: Adjustments are required to calculate full-year 2016 ongoing operating margins for the North America, EMEA, Latin America and Asia regions. The acquisition related transition cost adjustment is expected to have a \$16 million impact in the Asia region. The legacy product warranty and liability expense adjustment is expected to have a \$3 million impact in the North America region.

Note: Numbers may not reconcile due to rounding.

Full-Year 2015 Ongoing Business Operating Profit, Ongoing Business Earnings Before Interest and Taxes and Ongoing Business Earnings per Diluted Share

The reconciliation provided below reconciles the non-GAAP financial measures ongoing business operating profit, ongoing business earnings before interest and taxes and ongoing business earnings per diluted share, with the most directly comparable GAAP financial measures, operating profit, net earnings available to Whirlpool and net earnings per diluted share available to Whirlpool, for the twelve months ended December 31, 2015. Ongoing business operating margin is calculated by dividing ongoing business operating profit by net sales. Ongoing business EBIT margin is calculated by dividing ongoing business EBIT by net sales. The earnings per diluted share GAAP measure and ongoing business 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 20.3%.

	Twelve Months Ended December 31, 2015		
	Operating Profit	Earnings Before Interest & Taxes ⁽¹⁾	Earnings per Diluted Share
Reported GAAP Measure	\$ 1,285	\$ 1,196	\$ 9.83
Restructuring Expense ^(d)	201	201	2.52
Acquisition Related Transition Costs	57	64	0.80
Benefit Plan Curtailment Gain	(62)	(62)	(0.78)
Gain/Expenses Related to a Business Investment	—	(46)	(0.58)
Legacy Product Warranty and Liability Expense ^(c)	42	42	0.53
Pension Settlement Charges ^(a)	15	15	0.19
Antitrust and Dispute Resolutions	21	35	0.44
Income Tax Impact	—	—	(0.57)
Ongoing Business Measure	<u>\$ 1,559</u>	<u>\$ 1,445</u>	<u>\$ 12.38</u>

Earnings Before Interest & Taxes Reconciliation:

Net earnings available to Whirlpool	\$ 783
Net earnings available to noncontrolling interests	39
Income tax expense (benefit)	209
Interest expense	165
Earnings Before Interest & Taxes ⁽¹⁾	<u>\$ 1,196</u>

Full-Year 2015 Ongoing Business Segment Operating Profit (Loss)

The reconciliation provided below reconciles the non-GAAP financial measure ongoing business segment operating profit (loss) with the most directly comparable GAAP financial measure, reported segment operating profit (loss), for the twelve months ended December 31, 2015. Ongoing business segment operating margin is calculated by dividing ongoing business segment operating profit (loss) by segment net sales.

	Twelve Months Ended December 31, 2015							
	Segment Operating Profit (Loss)	Restructuring Expense ^(d)	Acquisition Related Transition Costs	Antitrust and Dispute Resolutions	Benefit Plan Curtailment Gain	Legacy Product Warranty and Liability Expense ^(c)	Pension Settlement Charges ^(a)	Ongoing Business Segment Operating Profit (Loss)
North America	\$ 1,252	\$ —	\$ —	\$ 21	\$ (62)	\$ 3	\$ 3	\$ 1,217
EMEA	188	—	11	—	—	39	12	250
Latin America	184	—	—	—	—	—	—	184
Asia	80	—	14	—	—	—	—	94
Other/ Eliminations	(419)	201	32	—	—	—	—	(186)
Total Whirlpool Corporation	\$ 1,285	\$ 201	\$ 57	\$ 21	\$ (62)	\$ 42	\$ 15	\$ 1,559

Footnotes

- a. **PENSION SETTLEMENT CHARGES** - During the full year 2015, we recognized expenses of \$3 million and \$12 million related to Canadian and EMEA pension settlements, respectively.
- b. **NORMALIZED TAX RATE ADJUSTMENT** - During the third quarters of 2016 and 2015, we calculated ongoing business diluted EPS using adjusted tax rates of 16% and 19%, respectively. We anticipate a full-year effective tax of 19% for 2016 and had anticipated 22% for 2015.
- c. **LEGACY PRODUCT WARRANTY AND LIABILITY EXPENSE** - During the full year 2015, we recognized expenses of \$39 million related to legacy product warranty and liability actions on heritage Indesit product in Europe and a \$3 million charge associated with a separate product recall in North America.
- d. **RESTRUCTURING EXPENSE** - During the fourth quarter of 2014, we completed the acquisition of Indesit S.p.A., which, due to its size, materially changed our European footprint. These costs are primarily related to Indesit restructuring and creating a more streamlined and efficient European operation, and also relate to certain other unique restructuring events.

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, 2016 and 2015 and projected full-year 2016 free cash flow with cash provided by (used in) operating activities, the most directly comparable GAAP financial measure.

<i>(millions of dollars)</i>	Nine Months Ended September 30,		
	2016	2015	2016 Outlook
Cash provided by (used in) operating activities	\$ (175)	\$ (157)	\$ 1,350 - \$ 1,400
Capital expenditures, proceeds from sale of assets/businesses and change in restricted cash*	(291)	(335)	(650) - (700)
Free Cash Flow	\$ (466)	\$ (492)	~\$700
Cash used in investing activities**	\$ (303)	\$ (407)	
Cash provided by financing activities**	\$ 729	\$ 296	

*The change in restricted cash relates to the private placement funds paid by Whirlpool to acquire majority control of Hefei Sanyo and which are used to fund capital and technical resources to enhance Whirlpool China's research and development and working capital.

**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.

2016 GUIDANCE COMPONENTS

(in millions)	2016E	2015A
Restructuring Expense	\$200	\$201
Interest and Sundry	\$(135)	\$(89)
Capital Expenditures	\$(650)-\$(700)	\$(689)
Interest Expense	\$(155)	\$(165)
Tax Rate	19%	20.3%
Amount of Stock Repurchased	\$425*	\$250
Weighted-Average Diluted Shares Outstanding*	77.3*	79.7

*As of 9/30/2016