

# Executive COMPANY PROFILE

# WHIRLPOOL CORPORATION

July 19, 2023



LATIN BRAINS

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# EXECUTIVE SUMMARY

## THE COMPANY

Whirlpool is a designer, manufacturer, and supplier of home and kitchen appliances. Its product portfolio includes laundry appliances, refrigerators and freezers, cooking appliances, dishwashers, mixers, washing machines, air conditioners, heating and cooling products, water filters, and other portable household appliances.

The Company markets its products under brands such as Gladiator, Speed Queen, Whirlpool, Roper, Ignis, Privileg, Ariston, Indesit, Bauknecht, Amana, Maytag, KitchenAid, Jenn-Air, Yummly and Everydropwater brand names.

Whirlpool merchandises to retail and chain stores, distributors, and manufacturers. The Company has business presence across the Americas, Europe, the Middle East, Africa, and Asia-Pacific. It is headquartered in Benton Harbor, Michigan, US.

## COMPANY FINANCIALS

- › **FY 2022 net sales:** -10% YoY to \$19.7bn, due a to challenging macroeconomic cycle, including softening consumer sentiment and inflationary pressures, as well as Whirlpool Russia net sales of \$138 million in 2022 compared to \$505 million of net sales in 2021.
- › **FY 2022 net earnings:** Loss of \$1.5 billion, compared to a profit of \$1.8 billion in FY 2021.

## GROUP STRATEGY OVERVIEW

- › In April 2022, Whirlpool said it was adapting its business to a world that is becoming less globalized. CEO Marc Bitzer said rising geopolitical and trade tensions, a challenged global supply chain and higher freight and logistics costs made it more difficult to operate a global manufacturing company. ([WSJ](#), Apr-22)
- › Bitzer said the maker of refrigerators and ovens is seeing a diminishing advantage from having a global scale. The Company instead sees more benefits from having strength in specific countries and regions.

- › This global context forced Whirlpool to start a strategic review of its business in Europe, Middle East and Africa (EMEA), which concluded in the end of 2022 and will see Whirlpool sell the majority of its operations in the region.
- › Whirlpool will now focus on investing in high-growth, high-profit business areas. The Company wants to grow its KitchenAid small-appliance business, known for its stand mixers, and continue to expand its commercial washing machine business that sells to laundromats. It also wants to focus on its ovens, refrigerators and other major appliances in the Americas and India.
- › To this end, in its [FY 2022 Annual Report](#) Whirlpool outlines the following three strategic pillars:
  - › **Strengthen and refocus its major appliance business** by partially divesting its EMEA operations.
  - › **Grow its small domestic appliance business** with the acquisition of kitchen equipment company InSinkErator.
- › Additionally, Whirlpool said another of its strategic pillars is to **grow its commercial appliance business**, but it has not reported any initiatives on that front as of recent.

## ISSUES

- › **Pricing and margins.** North American pricing and profitability have been a key part of the story over the past few years. Analysts see risk to the sustainability of the recent improvement as competitive dynamics return to more normal levels as supply vs. demand conditions normalize and additional US capacity from Korean competitors continues to ramp pressuring pricing and ultimately margins.
- › **Litigation.** Whirlpool has exposure to risks associated with ongoing litigation and tax matters. The Company is a defendant in a case filed in the UK relating to the Grenfell Tower fire due to the role played by a Hotpoint-branded appliance in the initial source of the fire. Whirlpool is also defending against certain tax assessments received by the Brazilian government and an investigation by the French Competition Authority.

# BUSINESS & OPERATIONS

## BUSINESS & OPERATIONS

### COMPANY BASICS

|                            |   |
|----------------------------|---|
| Name                       | Whirlpool Corporation (“Whirlpool” or “the Company”)  |
| Primary line of business   | Home appliances   |
| Head office                | 2000 N M-63, Benton Harbor, Michigan, 49022-2692, US  |
| Shareholders               | Major institutional shareholders: Vanguard Group (12.07%), Blackrock (10.96%), Primecap (8.72%) (As of July 19, 2023) |
| Status/Exchange/Market cap | Public / NYSE / Market cap: US\$8.4bn (July 19, 2023).  |
| Website                    | whirlpoolcorp.com   |
| Staff                      | 61,000 (FY 2022 AR)   |
| Founding year              | 1911  |
| Financial year end         | December 31   |

Sources: Group website, Financial Reports, Yahoo Finance.

### OVERVIEW

Whirlpool is a designer, manufacturer, and supplier of home and kitchen appliances. Its product portfolio includes laundry appliances, refrigerators and freezers, cooking appliances, dishwashers, mixers, washing machines, air conditioners, heating and cooling products, water filters, and other portable household appliances.

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### BUSINESS STRUCTURE/SEGMENTS

Whirlpool conducts its business through four operating segments, which it defines based on geography. (FY 2022 Annual Report)

- › **North America (58% of FY 2022 net sales).** Key brands are:
  - › **US** - Whirlpool, KitchenAid, Maytag, Amana, JennAir, affresh, Swash, everydrop and Gladiator.
  - › **Canada** - Whirlpool, KitchenAid, Maytag, JennAir, Amana and Speed Queen.
- › **Europe, Middle East and Africa (EMEA, 20%).** Key brands are:
  - › **Europe** - Whirlpool, Indesit, Hotpoint, Bauknecht, Ignis, Maytag and Privileg.
  - › **Middle East and Africa** - Whirlpool, Bauknecht, Maytag, Indesit, Amana and Ignis.
- › **Latin America (16%).** Key brands are Consul, Brastemp, Whirlpool, KitchenAid, Acros, Maytag and Eslabon de Lujo.
- › **Asia (6%).** Key brands are Whirlpool, Maytag, KitchenAid, Ariston, Indesit, Bauknecht and Elica.

### COMPETITORS

- › Whirlpool’s key competitors include Samsung Electronics, Panasonic Holdings, Electrolux, Bosch, Haier, Midea and LG. (Craft)

## BUSINESS & OPERATIONS

### CORPORATE HISTORY

#### 1911 - present

- › **1911.** Lou Upton patents an electric motor-driven wringer washer and starts production as the Upton Machine Company.
- › **1948.** Sale of Whirlpool brand washers begins.
- › **1950.** The Company changes its name to Whirlpool Corporation.
- › **1958.** In its first move outside the United States, Whirlpool buys a stake in Brasmotor, a major Brazilian appliance maker.
- › **1988.** Whirlpool International is born with the majority purchase of Philips' large appliance division.
- › **1995.** Acquires Kelvinator India Limited, marking an entry into the refrigerator market.
- › **2003.** Continues its international expansion efforts by spending \$283 million to increase its equity interests in its two key Brazilian subsidiaries, Brasmotor and Multibras, as well as acquiring Mexican venture Vitromatic for \$151 million.
- › **2006.** Acquires American home appliances company Maytag.
- › **2007.** Closes plants in Newton, Iowa, Searcy, Arkansas, and Herrin, Illinois, resulting in the loss of 4,500 jobs in the affected communities.
- › **2014.** Acquires Indesit, a major Italian domestic appliances manufacturer, for \$1 billion.
- › **2017.** Whirlpool and retailer Sears ended their 101-year-old association that allowed Whirlpool appliances to be sold at Sears stores due to pricing issues.
- › **2020.** Announces the official opening of a new Factory Distribution Center in Tulsa, Oklahoma.
- › **2022.** Acquires Emerson's InSinkErator unit, which makes waste disposal equipment and hot water dispensers, for \$3 billion.

Source: Group website, [Zippia](#).

### LOCATIONS

Whirlpool's headquarters are located in Benton Harbor, Michigan. On December 31, 2022, its principal manufacturing operations were carried on at 35 locations in 10 countries worldwide, as shown in the map below:



Additionally, a full list of Whirlpool's locations and offices can be found [here](#).

Source: [FY 2022 Annual Report](#)

# FINANCIALS

## FINANCIALS

### ANNUAL FINANCIAL PERFORMANCE

| Year ended December 31 (\$m) | FY 2022 | FY 2021 | YoY change |
|------------------------------|---------|---------|------------|
| Net sales                    | 19,724  | 21,985  | -10%       |
| Cost of products sold        | 16,651  | 17,576  | -5%        |
| Gross margin                 | 3,073   | 4,409   | -30%       |
| Operating profit/(loss)      | (1,056) | 2,348   | -          |
| Net earnings/(loss)          | (1,511) | 1,806   | -          |
| Total assets                 | 17,124  | 20,285  | -16%       |

Source: FY 2021 AR

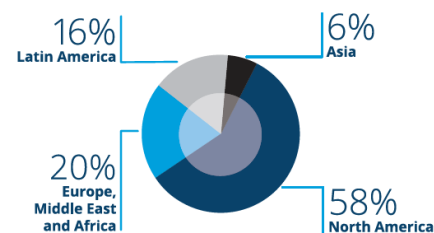
### Stock performance (Whirlpool vs NASDAQ)



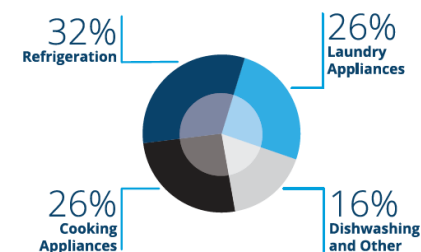
### FY 2022 financial review

- > **Net sales:** -10% YoY to \$19.7bn, due a to challenging macroeconomic cycle, including softening consumer sentiment and inflationary pressures, as well as Whirlpool Russia net sales of \$138 million in 2022 compared to \$505 million of net sales in 2021. Net sales by segment were as follows:
  - > **North America:** -8% to \$11.4 billion.
  - > **EMEA:** -21% to \$4 billion.
  - > **Latin America:** -1% to \$3.1 billion.
  - > **Asia:** -11% to \$1.1 billion.
- > **Net earnings:** Loss of \$1.5 billion, compared to a profit of \$1.8 billion in FY 2021.

### SALES BY REGION



### SALES BY CATEGORY



# FINANCIALS

## INTERIM RESULTS – THREE MONTHS TO MARCH 31, 2023 (Q1 2023 VS Q1 2022)

- **Net sales:** -6% to \$4.6bn.
- **Net earnings:** Loss of \$176m, compared to a profit of \$376m in Q1 2022.
- In its Q1 2023 Release, Whirlpool reaffirmed its full-year expectations for FY 2023 net sales of approximately \$19.4 billion, down 1% to 2% compared to FY 2022.

## OUTLOOK

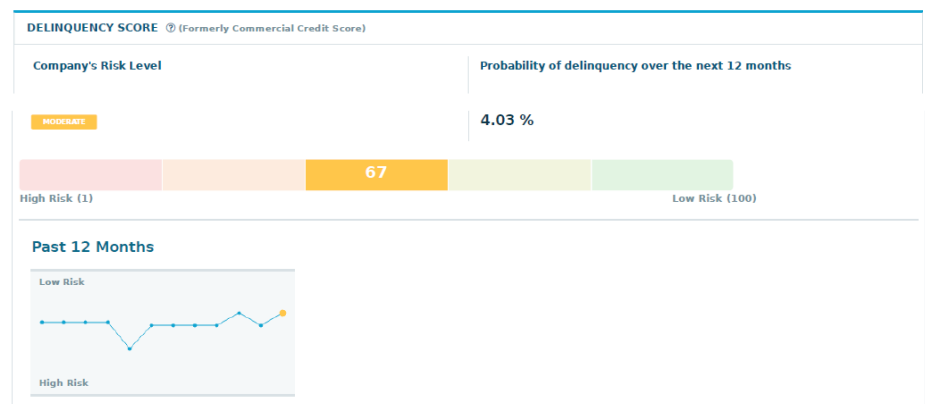
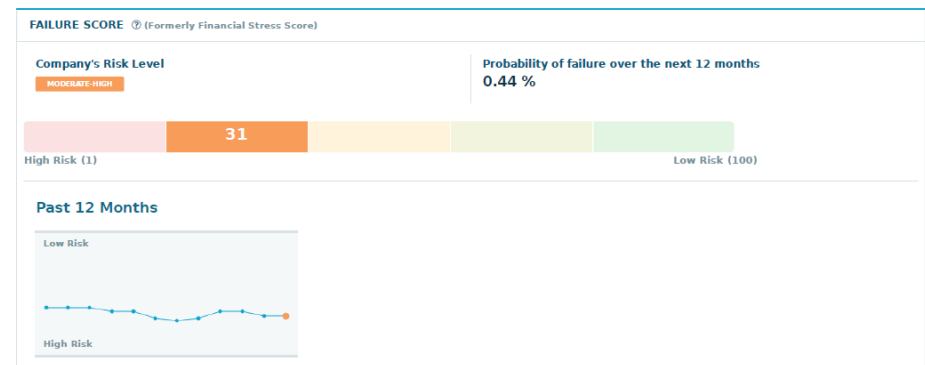
- **Analysts** estimate FY 2022 revenue to grow +48% to \$241.2bn. For FY 2023, analysts estimate a -10% YoY revenue decrease to \$215.8bn.

## CREDIT EVALUATION



## MAXIMUM CREDIT RECOMMENDATION

**US\$ 3,500,000**



Source: D&B FA

# STRATEGY

## STRATEGY

- › In April 2022, Whirlpool said it was adapting its business to a world that is becoming less globalized. CEO Marc Bitzer said rising geopolitical and trade tensions, a challenged global supply chain and higher freight and logistics costs made it more difficult to operate a global manufacturing company. ([WSJ](#), Apr-22)
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## STRENGTHEN AND REFOCUS ITS MAJOR APPLIANCE BUSINESS

- › In January 2023, Whirlpool and Turkish firm Arçelik, one of Europe's biggest home appliance companies, announced plans to launch a new standalone European home appliance business. The deal came after Whirlpool concluded the strategic review of its EMEA business. ([KBBReview](#), Jan-23)
- › The agreement will see both Whirlpool and Arçelik's subsidiary Ardutch, transfer their European subsidiaries to the newly formed entity. With the combined forces of both brands' manufacturing, supply chain, distribution and sales network, the new company will arguably become the biggest appliance supplier in Europe and will likely hold a lion's share of the market in terms of volume.
- › The new company, which is yet to be named, will have exclusive manufacturing and distribution of the majority of Whirlpool and Arçelik's leading brands including Hotpoint, Indesit, Beko and Whirlpool. Arçelik will own 75% of the new entity while Whirlpool will own 25%. Whirlpool Corporation will retain full ownership of its small domestic appliance business KitchenAid, which will not be part of the new business.
- › The new company will have production capacity of approximately 24 million white good products per year. It will include Whirlpool's 38 European subsidiaries and nine production sites located in Italy, Poland, Slovakia, and the UK, as well as Arçelik's two production facilities in Romania and 25 European subsidiaries. With an expected combined sales of over €6 billion, the combined businesses are expected to save €200 million as cost synergies through the merger.
- › Separately, Whirlpool also agreed in principle to the sale of Whirlpool's Middle East and Africa business to Arcelik.
- › Moreover, in June 2022 Whirlpool had already sold its operations in Russia to Areclik for around \$233 million. ([Reuters](#), Jun-22)



## STRATEGY

### **GROW ITS SMALL DOMESTIC APPLIANCE BUSINESS**

- › On the small domestic appliances front, Whirlpool sees a structurally attractive, higher-margin opportunity focused on 'serving the full cooking journey'. ([FY 2022 Annual Report](#))
- › In August 2022, Whirlpool acquired Emerson Electric Co's InSinkErator unit, which makes waste disposal equipment and hot water dispensers, for \$3 billion to beef up its kitchen equipment offerings. ([Reuters](#), Aug-22)
- › InSinkErator, which has an over 70% market share in the food waste disposal industry, is a popular household name in the US. Following the acquisition, InSinkErator will add to Whirlpool's home portfolio of washing machines, refrigerators and dishwashing equipment.
- › InSinkErator makes food waste disposers that are integrated into kitchen sinks to help breakdown garbage, which then flows directly to wastewater treatment plants or a septic system. Whirlpool, which plans to fund the deal through cash and debt, expects InSinkErator to benefit from a strong replacement cycle and strength in the long-term US housing industry.
- › Berenberg analyst Philip Buller said Whirlpool can also use InSinkErator to expand its presence outside North America, where waste disposal system penetration rates are much lower.

### Other key events

- › Whirlpool has recently expanded its production capacity with plant openings in Argentina and India, mainly focusing on washing machines.
- › Oct-22: Whirlpool inaugurated a new factory in Buenos Aires, Argentina after a \$52 million investment, with plans to export more than 70% of the local production. The plant, which will employ some 400 workers, will produce 300,000 washing machines each year and export \$50 million worth of products around Latin America, mainly to Brazil. ([WhiteGoodsNow](#))

- › Sep-22: Whirlpool India is ramping up its manufacturing capacity, marking its foray in the front-load washing machine segment in the country. The Company invested ₹115 crore (\$14 million) in its existing plant at Puducherry to manufacture premium front-load washing machines. It already makes semi-automatic and top-load washing machines in India. ([The Hindu Business Line](#))

# SWOT



## STRENGTHS

- › **Stability.** According to credit rating agency [Fitch](#) (Feb-23), Whirlpool's favorable end-market exposure relative to US building products peers has enabled it to maintain stable profitability and credit metrics through business cycles. Over half of Whirlpool's US sales come from product replacement demand, with one-third from discretionary purchases and 15% derived from new residential construction. Fitch views the high product replacement demand as a uniquely stable source of revenue when compared with investment-grade peers.
- › **Brand recognition.** Whirlpool claims to have the best brand portfolio in the industry, including multiple brands with more than \$1bn in revenue. ([FY 2022 Annual Report](#))
- › **Market presence.** [Fitch](#) (Feb-23) believes Whirlpool's strong market share positions in core markets leads to higher and more stable operating margins over time.



## WEAKNESSES

- › **Poor results.** In FY 2022, Whirlpool reported net sales down -10% YoY to \$19.7bn, due a to challenging macroeconomic cycle, including softening consumer sentiment and inflationary pressures, as well as Whirlpool Russia net sales of \$138 million in 2022 compared to \$505 million of net sales in 2021. ([FY 2022 Annual Report](#))
- › **Debt.** Whirlpool's debt levels remain elevated. At the end of March 2023, Whirlpool had \$7.69bn of debt, up 48% from \$5.19bn in March 2022. Whirlpool says its debt level is temporarily elevated as it entered into a \$2.5 billion InSinkErator acquisition in August 2022. ([Simply Wall Street](#), Jul-23; [FY 2022 Annual Report](#))



## OPPORTUNITIES

- › **US house prices.** Whirlpool remains 'very upbeat' about the mid- and long-term strength of the US housing market, which is a critical factor for its performance. With a pent-up demand of 2 million to 3 million homes and home affordability slowly improving, The Company expects the fundamental strength of this market to become visible toward the latter half of 2023 and into 2024. ([FY 2022 Annual Report](#))
- › **Smaller appliances.** Eating out may push down demand for some household appliances, and the expanding incidence of all adults in a household being in the workforce has boosted the frequency of eating out. There has also been a drop in the average number of people per household. These factors should promote demand for smaller and lighter appliances, an area which Whirlpool has deemed strategic. (IBIS World)



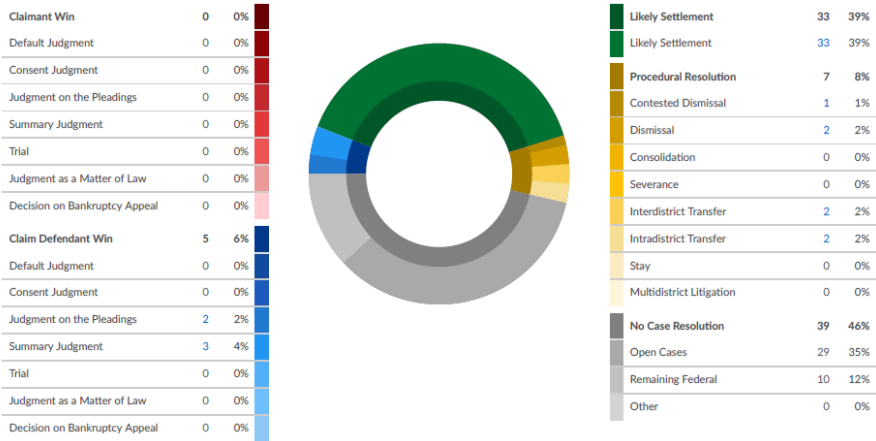
## THREATS

- › **Pricing and margins.** North American pricing and profitability have been a key part of the story over the past few years. RBC (Apr-23) sees risk to the sustainability of the recent improvement as competitive dynamics return to more normal levels as supply vs. demand conditions normalize and additional US capacity from Korean competitors continues to ramp pressuring pricing and ultimately margins.
- › **Litigation.** Whirlpool has exposure to risks associated with ongoing litigation and tax matters. The Company is a defendant in a case filed in the UK relating to the Grenfell Tower fire due to the role played by a Hotpoint-branded appliance in the initial source of the fire. Whirlpool is also defending against certain tax assessments received by the Brazilian government and an investigation by the French Competition Authority. ([Fitch](#), Feb-23)

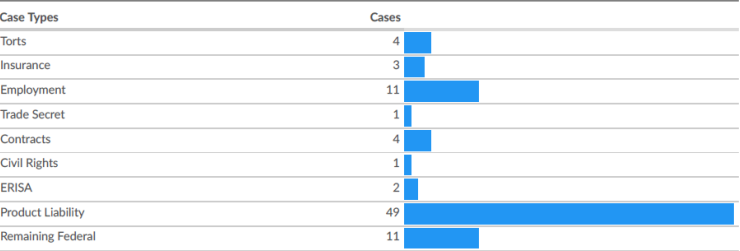
# LEGAL

## LITIGATION

### Case Resolutions



### Cases by Type



All other Case Types have 0 results in this case list.

### Courts

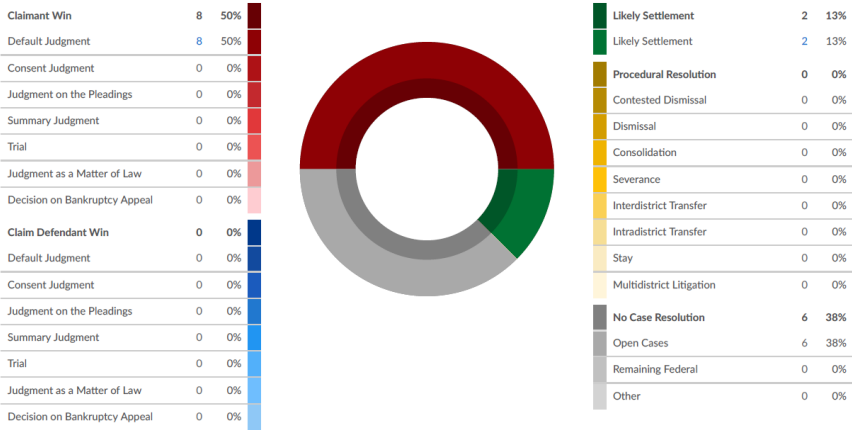
|              |    |     |
|--------------|----|-----|
| C.D.Cal.     | 15 | 18% |
| E.D.Pa.      | 7  | 8%  |
| E.D.Tenn.    | 7  | 8%  |
| N.D.Ohio     | 6  | 7%  |
| W.D.Mich.    | 4  | 5%  |
| Other Courts | 45 | 54% |

Source: Lex Machina

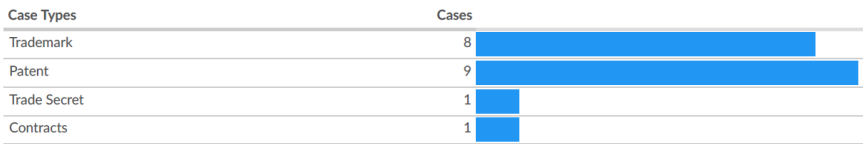
LEGAL

IP LITIGATION

Case Resolutions



Cases by Type



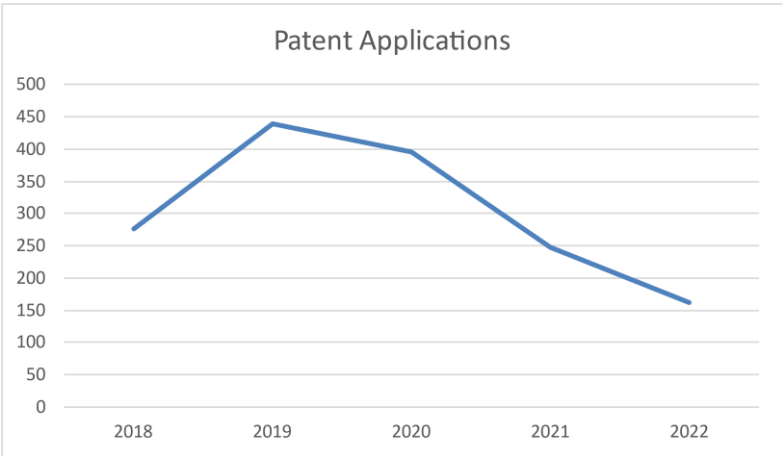
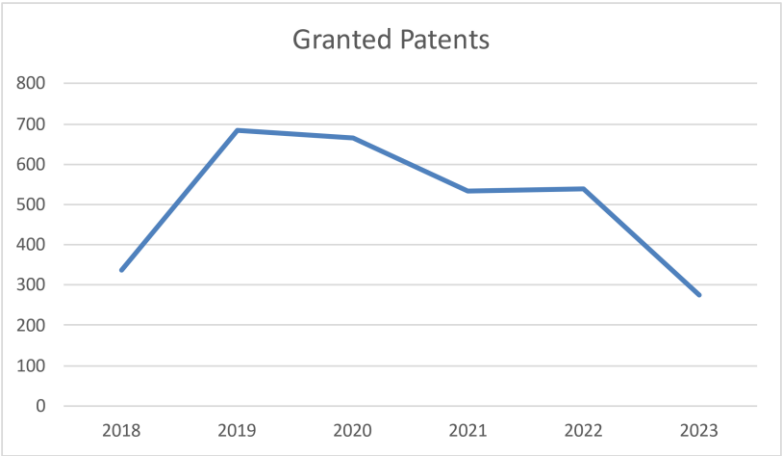
All other Case Types have 0 results in this case list.

Courts

|          |   |     |
|----------|---|-----|
| E.D.Tex. | 9 | 56% |
| S.D.Fla. | 5 | 31% |
| D.Del.   | 2 | 13% |

Source: Lex Machina

**PATENT PROSECUTION**



Source: Derwent Innovation

## LEGAL

### LAW FIRM REPRESENTATION

| Patent Prosecution        | IP Litigation  | Litigation   | Corporate and Securities  |
|---------------------------|--|--|---------------------------|
| No information available. | <p><b>Top firms representing Whirlpool:</b></p> <ul style="list-style-type: none"><li>&gt; Nyemaster Goode</li><li>&gt; Gillam &amp; Smith</li><li>&gt; Stephen M. Gaffigan</li><li>&gt; Jones Day</li><li>&gt; Potter Anderson &amp; Corroon</li></ul> <p><b>Top firms representing the opposition:</b></p> <ul style="list-style-type: none"><li>&gt; Glacier Law</li><li>&gt; Law Offices of Helana Balkin</li><li>&gt; McDermott Will &amp; Emery</li><li>&gt; McCarter &amp; English</li></ul> <p>Source: Lex Machina</p> | <p><b>Top firms representing Whirlpool:</b></p> <ul style="list-style-type: none"><li>&gt; Barnes &amp; Thornburg</li><li>&gt; Ogletree, Deakins, Nash, Smoak &amp; Stewart</li><li>&gt; Littler Mendelson</li><li>&gt; Wiggin and Dana</li><li>&gt; Seyfarth Shaw</li></ul> <p><b>Top firms representing the opposition:</b></p> <ul style="list-style-type: none"><li>&gt; de Luca Levine</li><li>&gt; Watkins &amp; Letofsky</li><li>&gt; Fratts Law</li><li>&gt; Warner Norcross &amp; Judd</li></ul> <p>Source: Lex Machina</p> | No information available. |

## LEGAL

### LEGAL NEWS

#### **Whirlpool settles trade secrets case against exec who joined rival Haier**

- › Whirlpool agreed to drop a US lawsuit against its former Italian executive Davide Cabri that accused him of stealing trade secrets for a move to its competitor Haier. Whirlpool and Cabri told a Delaware federal court they would dismiss the case with prejudice, which means it cannot be refiled. Whirlpool said in that the dispute had been resolved and that it was satisfied with the settlement. ([Reuters](#), Jun-23)
- › Cabri worked for Whirlpool for more than 32 years and was a high-level executive in Whirlpool's global laundry division. He told the company in 2021 that he was leaving for a position at Haier's Candy Hoover Group. Benton Harbor, Michigan-based Whirlpool sued Cabri later that year. It said Haier had hired Cabri for its own laundry division because he knew Whirlpool's trade secrets and that it would be impossible for him to work there without disclosing them. A federal judge rejected Whirlpool's bid to block Cabri's move last May, finding the Delaware court lacked jurisdiction over the trade-secret allegations. The judge also denied Cabri's bid to dismiss Whirlpool's claim that he breached a contract by failing to repay the company over \$400,000 in incentives.

#### **Whirlpool faces class action over alleged refrigerator defects**

- › Whirlpool was slapped with a product liability class action in New Jersey District Court. The suit was brought by Levin Sedran & Berman, Robert Peirce & Associates and Migliaccio & Rathod. The court action pursues claims that certain Whirlpool refrigerators suffer from defects that prevent the appliances from cooling. Counsel have not yet appeared for the defendant. The case is 2:23-cv-02041, Pennix v. Whirlpool Corporation. ([Law.com](#), Apr-23)

#### **Whirlpool not responsible for man's 'lunchtime multitasking' injury**

- › A federal judge has rejected a lawsuit by an Illinois pastor who suffered a brain injury after striking his head on a Whirlpool Corp cooking vent, which he alleged was installed dangerously low because of a faulty instructions manual. U.S. District Judge Steven Seeger ruled Monday that plaintiff Alvin Lloyd had not established a "natural string event" linking the Michigan-based company to the October 2017 accident. Tom Soule of Patton & Ryan, a lawyer for Whirlpool, said the company was pleased with the ruling. ([Reuters](#), Sep-22)

# INDUSTRY ANALYSIS

## INDUSTRY OVERVIEW

NAME: Major Household Appliance Manufacturing in the US

Primary NAICS/Industry Classification: 33522

### SUMMARY

Major household appliance manufacturers are highly globalized, with several large domestic and foreign companies. Most major household appliance manufacturers have strong brand recognition and compete aggressively in the US market to produce and sell a wide range of durable consumer goods. However, because of the relatively high cost of manufacturing these major household appliances domestically, many manufacturers opt for less expensive offshoring.

Over the past five years, expansion in underlying demand from the housing market and disposable income has been facilitating a steady boost in revenue. However, the onset of the COVID-19 pandemic interrupted these trends somewhat, particularly in the earlier half of 2020. With that said, the housing market recovered unexpectedly rapidly as 2020 went on, slightly pushing up revenue during that year. In line with an appreciation of the US dollar during the current period, export sales dropped and import penetration climbed. Major household appliance manufacturing revenue has been rising at a CAGR of 4.7% and is expected to reach \$29.5 billion through the end of 2023, despite an estimated 1.3% dip in 2023 alone.

Emerging trends are changing household appliance manufacturing, including smart appliances, which can connect to consumers' smartphones and the power grid to share data about performance and operating efficiency. These higher-profit products have fueled a climb in profit. Recently, tariffs have been placed on imported washing machines, further assisting house appliance manufacturers and potentially easing the high strain of import penetration.

### OUTLOOK/PROJECTIONS

Through the end of 2028, a rebound in the overall economy and housing market as the COVID-19 pandemic continues to subside will likely push up growth in demand for major household appliances. The continued presence of tariffs on washing machines and a variety of other imported goods will provide a level of relief, although this is subject to uncertainty regarding ongoing trade negotiations with China and other trading partners. Through the end of 2028, revenue is expected to strengthen at a CAGR of 1.6% to reach \$31.9 billion.

Source: IBIS World



# INDUSTRY ANALYSIS

## COMPETITIVE ANALYSIS

### THREAT OF NEW ENTRANTS

- New entrants contend with high-cost purchases of land, raw materials, expensive machinery, labor costs, as well as advertising and marketing initiatives. Those that produce premium products endure higher initial costs because of the required high design and engineering service investment.
- Established major household appliance manufacturers compete on the diversity of product offerings, while new participants tend to enter as small-scale operators, limiting product range and the ability to keep up with technological change, placing them at a disadvantage.
- The vast majority of capital expenditure spending is on machinery. Expanding price pressure from imports stresses the importance of production efficiencies. This reflects major household appliance manufacturer consolidation and technological innovation leading to boosted labor efficiency.

### BARGAINING POWER OF SUPPLIERS

- Many of the largest major household appliance manufacturers, including Electrolux AB and GE Appliances, are foreign-owned enterprises. These manufacturers secure significant cost savings by manufacturing products in countries like China and Mexico, where the cost of labor is substantially lower.

### COMPETITIVE RIVALRY

- Competition: high
- Major household appliance manufacturers compete on the price of products, product features, quality, styling and performance, service capabilities and levels, brand name and warranty periods.
- Price is a relatively important factor for those products that target the lower end of the market and less so for those that target the premium end, which requires very high-quality goods and strong advertising.

Major players: Whirlpool, Electrolux AB, Haier A. O. Smith, Stafford-Smith, Hubert Edward Don, Clark Associates Mission Restaurant Supply Company, Boelter Companies.

### THREAT OF SUBSTITUTES

- Food and cooking trends impact demand for certain types of appliances. Different types of foods have different storage, preservation and preparation requirements. Eating out may push down demand for some household appliances, and the expanding incidence of all adults in a household being in the workforce has boosted the frequency of eating out. There has also been a drop in the average number of people per household. These factors should promote demand for smaller and lighter appliances.

### BARGAINING POWER OF CUSTOMERS

- Household appliance manufacturers often offer warranties for products. Many appliances can only be serviced by trained professionals, which can be expensive. That's why many consumers demand products with warranties that cover any future mechanical problems that may arise.

Source: IBIS World

## KEY PEOPLE

### KEY PEOPLE

#### EXECUTIVE COMMITTEE

##### Marc Bitzer - Chairman and Chief Executive Officer



Marc Bitzer was named CEO of Whirlpool effective October 2017. Bitzer joined Whirlpool Europe in 1999 as vice president, Bauknecht brand group. He became senior vice president, marketing sales and services, Whirlpool Europe, in 2000 and was named president of Whirlpool Europe in January 2006. Between 2009-2013, he went on to serve as president of Whirlpool North America and President of US operations and later was named vice chairman which included overall leadership of North America, Europe, Middle East and Africa (EMEA). Before joining Whirlpool Europe, Bitzer worked for eight years at the Boston Consulting Group in Munich and Toronto, and was named vice president in 1999.

**Full biography:** see [here](#) / **LinkedIn:** not found

##### Ava Harter - Executive Vice President and General Counsel



Ava Harter joined Whirlpool Corporation in December of 2020 as Chief Legal Officer. She leads the company's legal, ethics and compliance, EHS, sustainability, and security teams. Ava joined Whirlpool Corporation from Owens Corning, where she served as senior vice president, general counsel, and corporate secretary since 2015. In this role, Harter led global legal operations, government affairs, and corporate affairs. Prior to her role at Owens Corning, she acted as general counsel and chief compliance officer for Taleris America, LLC. Harter also previously held roles of increasing responsibility with General Electric, The Dow Chemical Company, Jones Day, and Thompson Hine LLP. Harter holds a Juris Doctor degree from Northwestern University School of Law.

**Full biography:** see [here](#) / **LinkedIn** not found

##### Other members of the executive committee

- › Roberto H. Campos - Executive Vice President, Global Product Organization & Strategic Sourcing
- › Holger Gottstein - Executive Vice President, Strategy & Business Development
- › Pamela Klyn - Executive Vice President, Corporate Relations & Sustainability
- › Carey L. Martin - Executive Vice President, Chief Human Resources Officer
- › Gilles Morel - Executive Vice President and President, EMEA
- › Alessandro Perucchetti - Executive Vice President and President, US Operations
- › James W. Peters - Executive Vice President and Chief Financial Officer
- › Juan Carlos Puente - Executive Vice President and President, LAR

See full biographies [here](#)

## KEY PEOPLE

### BOARD OF DIRECTORS

- › Marc Bitzer - Chairman and Chief Executive Officer (see above)
- › Samuel R. Allen - Presiding Director and Governance/Nominating Committee Chair
- › Greg Creed - Member, Human Resources Committee Chair and Finance Committee
- › Diane M. Dietz - Member, Finance and Human Resources Committees
- › Gerri T. Elliott - Member, Finance and Human Resources Committees
- › Jennifer A. LaClair - Member, Audit and Governance/Nominating Committees
- › John D. Liu - Member, Finance Committee Chair and Audit Committee
- › James M. Loree - Member, Audit and Human Resources Committees
- › Harish Manwani - Member, Governance/Nominating and Human Resources Committees
- › Patricia K. Poppe - Member, Audit and Governance/Nominating Committees
- › Larry Spencer - Member, Finance and Governance/Nominating Committees
- › Michael D. White - Member, Audit Committee Chair and Governance/Nominating Committee

See full biographies [here](#)

## **APPENDIX A – ADDITIONAL DOCUMENTS**

### **APPENDIX A – ADDITIONAL DOCUMENTS**

#### **COMPANY FINANCIALS**

> [FY 2022 Annual Report](#)

Insert financial documents such as income statement, balance sheet, cash flows or any additional useful financial source documents from Annual report or 10-K.

#### **LITIGATION REPORT**

Please see the full litigation report here\*

Please see the full IP Litigation report here\*

\*Access requires Lexis Nexis login. Contact [Research@wbd-us.com](mailto:Research@wbd-us.com) to activate your firm account.

## APPENDIX B – PROCEDURES

### APPENDIX B – PROCEDURE

**Note:** The sources cited for each section are those sources that are generally used. However these may vary according to availability (e.g.: a company may not have a Lex Machina litigation report) and will be reflected at the end of each section for each report. Sources will not be cited at the end of each sub-section but all facts, figures, quotes and subjective affirmations will be sourced and dated throughout the report.

For details on each of the sources mentioned below, please see “Notes on Key Sources used”.

#### 1. EXECUTIVE SUMMARY

Objective: Briefly outline what is covered throughout the entire profile, picking out the more relevant issues. Includes:

- › Brief business description
- › Broad overview of recent financials
- › Summary of the Company’s strategy and strategic initiatives
- › Issues faced by the Company and the market it operates in, as well as opportunities.

#### 2. BUSINESS & OPERATIONS

Objective: Provide an outline of the company’s operations, including:

- › **Basic facts** – HQ, business line, shareholders, headcount, etc.
- › **Products and services** provided, market share (if available), major recent events.
- › **Business segments**
- › **History** - Detail dependent upon availability of information
- › **Locations** – Full detail of locations (offices / HQ / warehouses / stores / manufacturing / R&D / etc.) and overlap with WBD (if available). *The focus will always be on the USA unless otherwise stated.*

- › **Other sections** (dependent on relevance and/or availability) – R&D operations, details on parent company if company being profiled is a subsidiary of another one, etc.

*Sources: Company website, Company 10K report, investor presentations, etc. (if public), LinkedIn, Dow Jones, Factiva (press), Hoovers, Lex Machina Litigation Report.*

#### 3. FINANCIALS

Objective: Provide an outline of the Company’s recent financial performance, including:

- › **Key financials by year** – Balance sheet, income statement and cash flow; breakdown (of sales or relevant indicator) by business segment and/or geography (subject to availability)
- › **Most recent interim results**
- › **Outlook** – Forecasts, estimates and projections, issued by the company and analysts (subject to availability)

*Sources: Company 10K and 10Q reports, investor presentations, etc. (if public), Dow Jones, Yahoo Finance.*

#### 4. STRATEGY

Objective: Provide an outline of the Company’s most important strategic initiatives and – if possible – identify the Company’s strategy for growth going forward. The strategy is based on facts and statements obtained from the Company’s website and third party sources, as well as Latin Brains’ analysis based on these facts.

*Sources: Company’s website and press releases; 10K and 10Q reports, investor presentations, etc. (if public); external press (such as Wall Street Journal, Financial Times, Reuters, Bloomberg, etc. as well as press sent by Womble); Hoovers; equity notes; among others. External press includes both news articles and interviews with key people at the Company. All facts, figures, quotes and subjective affirmations will be sourced and dated throughout the section.*

## **APPENDIX B – PROCEDURES**

**Note:** In certain cases there is not enough information to put together a Strategy for the Company, so rather, recent Key Events will be listed.

### **5. SWOT**

Objective: Provide an overview of the Company's strengths and weaknesses, as well as the threats and opportunities it faces going forward. This will be based on the Company's recent financials, equity notes (analysts' opinion), press, etc., as well as Latin Brains' analysis based on these facts.

Note: Legal issues may be included if relevant but will be more detailed in the "Legal" section.

*Sources: Company's website and press releases; 10K and 10Q reports, investor presentations, etc. (if public); external press (such as Wall Street Journal, Financial Times, Reuters, Bloomberg, etc. as well as press sent by Womble); Hoovers; equity notes; industry/ market research reports; among others. All facts, figures, quotes and subjective affirmations will be sourced and dated throughout the section.*

### **6. OTHER KEY EVENTS**

Objective: Most news regarding the Company will be incorporated into the Strategy, however, news that is considered relevant but does not fit into the Strategy (e.g.: appointments, etc.) will be included in this section.

*Sources: Company's website and press releases; 10K and 10Q reports, investor presentations, etc. (if public); external press (such as Wall Street Journal, Financial Times, Reuters, Bloomberg, etc. as well as press sent by Womble); Hoovers.*

### **7. LEGAL & LEGAL NEWS**

Objective: Provide an overview of the type of legal issues faced by the company. If the profiled company is public, its most recent SEC filings will be checked, in addition to conducting specific searches for legal issues involving the Company.

Note: Stories included in this section may date back more than a year (unlike general/corporate press) since they tend to be more scarce.

*Sources: Company's website and press releases; 10K and 10Q reports, investor presentations, etc. (if public); external press (such as Wall Street Journal, Financial Times, Reuters, Bloomberg, etc. as well as press sent by Womble); Hoovers. Data extracted from Lex Machina and Derwent Innovation*

### **8. INDUSTRY ANALYSIS**

Objective: Provide an overview and analysis of the company's primary industry. This includes a five forces analysis of the primary risk factors/forces acting against the industry as a whole.

*Sources: IBIS World and external press.*

### **9. KEY PEOPLE**

Objective: Provide biographical information on key influencers, typically: Non-Executive Chairman/CEO/CFO/COO/Chief Strategy Officer/General Counsel, etc.

*Sources: Company website, LinkedIn, press. Other source will be noted if relevant.*

## APPENDIX C – SOURCE DESCRIPTION

### APPENDIX C - NOTES ON KEY SOURCES USED

#### ALM LEGAL INTELLIGENCE

ALM is a global provider of specialized business news and information serving the legal, real estate, consulting, insurance and investment advisory industries. ALM is the publisher of the AmLaw 200, its ranking of America's top revenue-grossing law firms.

#### BEST LAWYERS

Inclusion in *Best Lawyers* is based entirely on peer-review. The methodology is designed to capture, as accurately as possible, the consensus opinion of leading lawyers about the professional abilities of their colleagues within the same geographical area and legal practice area.

See: <https://www.bestlawyers.com/Methodology>

#### CHAMBERS & PARTNERS

Chambers ranks lawyers and law firms on several factors and considerations, all of which are investigated by a team of more than 170 research staff.

- › Individual lawyers are ranked (in their practice-area(s)) on the basis of their legal knowledge and experience, their ability, their effectiveness, and their client-service.
- › A law firm ranking relates to a department of the firm, not to the firm as a whole.
- › Where a firm has several departments specializing in different areas of law, Chambers may rank some departments and not others. (A ranking will only apply to a law firm as a whole where the firm specializes in just one practice area.)
- › Law-firm departments are ranked on the qualities of their lawyers as above. In addition, Chambers considers the effectiveness and capability of the department as a whole – its strength and depth. (An individual lawyer can be ranked while their law firm is not.)

- › These factors and considerations are judged: (a) by interviews with those active in the market – mainly clients (who can be law firms instructing other law firms) and other lawyers with whom they work; and (b) by assessing recent work done.

See: <http://www.chambersandpartners.com/about-chambers>

#### Rankings Definitions

- › **Bands 1-6.** Law firms and individual lawyers are ranked in bands from 1-6, with 1 being the best. The qualities on which rankings are assessed include technical legal ability, professional conduct, client service, commercial astuteness, diligence, commitment, and other qualities most valued by the client.
- › **Foreign Experts / Foreign Desks.** Foreign Experts and Foreign Desks are individuals or teams of individuals with expertise in a different jurisdiction to the one they are based in. These individuals and teams are particularly highly regarded for international and cross-border work. Usually, they will be identified in the jurisdiction in which they are based and in their country of expertise. For example, a lawyer based in the UK may have an in-depth knowledge of China. He / she would appear in the UK as a Foreign Expert for China, while in China he would be identified as a Foreign Expert with Chinese expertise based in the UK.
- › **Senior Statesman and Star.** In addition, there are further categories in which lawyers can be ranked as exceptional individuals. A 'Senior Statesman' is a lawyer who no longer works hands-on with the same intensity but who, by virtue of close links with major clients, remains pivotal to the firm's success. A 'Star' ranking is given to lawyers with exceptional recommendations in their field.
- › **Eminent Practitioner.** 'Eminent Practitioners' are highly influential lawyers in a particular practice area who, due to managerial or client relationship commitments, are less active in fee-earning work but remain key players in the team.
- › **Recognized Practitioner.** A 'Recognized Practitioner' handles notable matters and / or has received some recommendation during the course of research. However,

## **APPENDIX C – SOURCE DESCRIPTION**

they have not received a sufficiently high level of sustained recommendation to be included in the printed version of the Chambers guide. Instead, the 'Recognized Practitioner' category shows that these individuals are on Chambers' research radar. 'Recognized Practitioners' do not receive independent editorial comment, but they are able to provide a biography for the Chambers website.

- › **Up-and-Coming, Star Associate, and Associate-to-Watch.** Two additional bands list those who are at the forefront of their generation but who do not yet warrant inclusion in the tables. The 'Up and Coming' band lists those who do not yet have an established reputation but who are driving their firm's growth. 'Associates to Watch' are senior associates who are recognized for their work in the background of major deals. 'Star Associate' is awarded to an associate who consistently demonstrates an outstanding degree of technical and commercial expertise beyond that of their peers.

### **DERWENT INNOVATION**

Derwent Innovation is a market-leading patent research and analytics platform delivering access to globally trusted patents and scientific literature. It provides information on all patents and applications associated with a company; shows US litigation that patents have been involved in; US and international patents covered. (WIPO, EU, UK, etc.) The enhanced content, proprietary search and data intelligence technology helps a global community of more than 40,000 innovators and legal professionals find answers to complex questions.

### **LEXISNEXIS**

LexisNexis Legal & Professional is a leading global provider of legal, regulatory and business information and analytics that help customers increase productivity, improve decision-making and outcomes, and advance the rule of law around the world.

- **NEWS** - A comprehensive collection of legal news publications from Matthew Bender, Law360, Mealey's, ALM, CCH, ABA and more.
- **LEX MACHINA** - Lex Machina mines and processes litigation data, revealing insights never before available about judges, lawyers, parties, and the subjects of the cases themselves, culled from millions of pages of litigation information. Lex Machina captures data by crawling PACER, the ITC's EDIS, the USPTO, and state court data, every 24 hours. Lex Machina then cleans, codes, and tags all data. For every case, Lex Machina extracts the players involved, including the attorneys, law firms, parties, and judges. It identifies asserted properties (such as patents), findings, and outcomes, including any damages awarded. It also builds a detailed timeline linking all the briefs, motions, orders, opinions, and other filings for every case. Lex Machina then delivers legal analytic insights through the web application. This data can be used to predict the behaviors and outcomes that different legal strategies will produce.

### **PATENTADVISOR**

PatentAdvisor™, the first-ever data-driven patent strategy tool, provides a systemic approach to crafting an effective prosecution strategy. It provides information on patent portfolio: statistics for applications, rejection/approval rates and timelines, examiners, status, litigation (including PTAB and ITC); documents from public PAIR (Patent Application Information Retrieval), prosecution events.



## **APPENDIX C – SOURCE DESCRIPTION**

### **SUPER LAWYERS**

Super Lawyers is a rating service of outstanding lawyers from more than 70 practice areas who have attained a high-degree of peer recognition and professional achievement. The selection process includes independent research, peer nominations and peer evaluations.

Attorneys are selected using a patented multiphase selection process. Peer nominations and evaluations are combined with independent research. Each candidate is evaluated on 12 indicators of peer recognition and professional achievement. Selections are on an annual, state-by-state basis.

See: [http://www.superlawyers.com/about/selection\\_process.html](http://www.superlawyers.com/about/selection_process.html)

### **THE LEGAL 500**

The Legal 500 analyzes the capabilities of law firms across the world, with a research program revised and updated every year to bring the most up-to-date vision of the global legal market. The Legal 500 assesses the strengths of law firms in over 100 jurisdictions, the results of which can be viewed free of charge.

The rankings are based on a series of criteria, but simply put, The Legal 500 highlights the practice area teams who are providing the most cutting edge and innovative advice to corporate counsel. Research is based on feedback from 300,000 clients worldwide, submissions from law firms and interviews with leading private practice lawyers, and a team of researchers with experience in the legal market.

See: <http://www.legal500.com/assets/pages/about-us/about-us.html>

### **WESTLAW TRADEMARKS**

Westlaw Trademarks is a module within Westlaw Intellectual Property that provides Trademark Trials and Appeals Board (TTAB) and International Trade Commission (ITC) dockets, cases, decisions and trademark filings.

### **ANNUAL REPORT/10K/8K**

An annual report is a corporate document disseminated to shareholders that spells out the company's financial condition and operations over the previous year.

A Form 10-K is an annual report all public companies must file with the Securities and Exchange Commission. It gives investors a detailed picture of a company's financial situation, and also can highlight future risks. Form 10-K is available free from a company's website and the SEC's EDGAR database of public filings.

An 8-K is a report of unscheduled material events or corporate changes at a company that could be of importance to the shareholders or the Securities and Exchange Commission (SEC). Also known as a Form 8K, the report notifies the public of events, including acquisitions, bankruptcy, the resignation of directors, or changes in the fiscal year.

### **D&B**

A platform providing analytics for credit scoring and risk assessment. D&B claims to be the world's largest commercial database, with over 240 million company records derived from more than 30,000 data sources, trade data from more than 1 billion accounts receivable records and updated 5 million times per day.

D&B claims its analytics enable a 30% reduction in supply chain risk and a 15% reduction in costs to certify potential vendors and partners.

See: <http://www.dnb.com/about-us/our-data.html>

## **APPENDIX C – SOURCE DESCRIPTION**

### **HOOVERS**

Hoovers' provides in-depth coverage of enterprises worldwide. They provide access to 100 million contacts, 85 million companies, and 900 industries. Overview, history, competitors, financials, and more are provided in Hoovers reports.

See: <http://www.hoovers.com/about-us/our-data.html>

### **IBIS WORLD**

IBISWorld Inc. provides industry and procurement research reports online. Its industry research reports provide strategic insights and analysis on various industries. The company offers industry risk rating, global industry research, and business environment reports. Its procurement research reports cover various indirect purchasing lines; and provide data and analysis that helps users to engage and negotiate with suppliers, and give them the credibility to work with internal stakeholders and executives so they better control the sourcing process. The company provides market research on various industries in the United States, the United Kingdom, Australia, Canada, China, and internationally.

### **INTELLIGIZE**

Intelligize is a tool for law firms, accounting firms and corporations who deal with SEC Compliance. Intelligize streamlines agreement preparation, reduces the SEC review process and mitigates filing risks by providing easy access to Company Filings, Legal and SEC Interpretations, Transactions and Corporate and Firm Materials.

See: <http://www.intelligize.com/>

### **MERGERSTAT**

Quickly and easily search 14,000+ transactions that detail up to 62 data points and up to five valuation multiples for each transaction. Most transactions are mergers and acquisitions with 100% shares acquired and include controlling takeovers and buyouts. The sources of the information used include SEC/government/regulatory filings and public announcements for mergers & acquisition transactions. Transactions included are only for when a public target is being acquired.

### **PUBLIC RESOURCES**

Includes publicly available resources from company webpage, google, yahoo finance, social media, external press, and other free sourced information.

### **S&P CAPITAL IQ**

S&P Capital IQ provides a powerful array of financial data, analytics, and research. It combines deep information on companies, markets, and people worldwide with robust tools for analysis, idea generation, and workflow management. Over 65,000 public companies and 15 million private companies are profiled. The platform provides global news coverage for more than 10,700 sources in 25 languages.



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## ABOUT US

Latin Brains provides competitive intelligence, business research and financial analytic services to companies and professional services firms worldwide.

We work closely with marketing and sales teams, providing insightful research to support high-stake initiatives relating to business development, client retention, competitive analysis and strategy execution.