



2022-23 Annual Report





Whirlpool of India Limited

Whirlpool of India Limited (CIN: L29191PN1960PLC020063, NSE: WHIRLPOOL, BSE: 500238) is a part of the world's renowned Whirlpool Group of Companies and one of the leading manufacturers and marketers of major home appliances in the country. The Company owns three state of the art manufacturing facilities at Faridabad, Puducherry and Pune.

Whirlpool Corporation, (NYSE: WHR) grounded by 111 years of success and confident in the strategic direction of its ongoing portfolio transformation, is committed to being the best global kitchen and laundry Company, in constant pursuit of improving life at home. In an increasingly digital world, Whirlpool Corporation is driving purposeful innovation to meet the evolving needs of consumers through its iconic brand portfolio, including Whirlpool, KitchenAid, Maytag, Consul, Brastemp, Amana, Bauknecht, JennAir, Indesit, Yummly and InSinkErator. In 2022, it reported approximately \$20 billion in annual sales and it has 61,000 employees and 56 manufacturing and technology research centers.

OUR VISION

Be the best kitchen and laundry company, in constant pursuit of improving life at home.

OUR MISSION

Earn trust and create demand for our brands in a digital world.

OUR VALUES

Integrity, Respect, Inclusion & Diversity, One Whirlpool, Spirit of Winning.

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Message to shareholders

Narasimhan Eswar
Managing Director
Whirlpool of India Limited

Dear Shareholders,

Firstly, I am delighted to join Whirlpool and would like to offer my grateful thanks to you for giving me this opportunity. I joined Whirlpool on the 1st of March 2023 and was appointed Managing Director on the 4th April 2023. In the last five months, I have understood the rich history and achievements of Whirlpool Group over its 111 years globally as well as its enviable heritage in India, one of its major global marketplaces. I have had the pleasure to meet a large number of our trade customers and front-line sales teams across multiple cities, interact with our esteemed board members, visit our three state-of-the-art factories in Pune, Puducherry and Faridabad, meet consumers as well as company colleagues. I feel extremely privileged to be part of this great Company and feel we have everything it takes to be a shining star in India's future constellation of its greatest companies.

State-of-the-art factories in Pune, Puducherry and Faridabad



This all new Front Load range is manufactured in the new state-of-the-art washing machine facility in Puducherry. Built with an investment of approximately INR 145 Crores, this project was completed in a record of 11 months.

With that, kindly allow me to share your Company's performance for the financial year ended 31 March 2023.

The financial year 2022-23 was a challenging one for Whirlpool in what was a very complex year for the industry but it also served to showcase our resilience and winning spirit.

The durables industry witnessed accelerated inflation in costs and further, the interest rate hikes weighed on consumer sentiment through the year and thus appliance demand weakened sequentially across the quarters even as costs rose. The March 2023 lead-up to the season was surprisingly weak for the industry owing to unforeseen weather conditions. Further, the consumer durable market has become intensely competitive in the last 12-18 months with respect to the number of new entrants trying to scale up fast, often driven by low pricing offers or disproportionately high sales investments. Lastly, significant changes in the energy and regulation norms for refrigerators meant the entire refrigerator ranges had to be phased in and out in the first half of this calendar year which was a necessary but

significant challenge for the entire industry. All in all, it was a tumultuous year for the industry players.

In this context, we are happy to share that your company has achieved its highest ever turnover with revenue growth of 8.5% for the consolidated business for FY 2022-23. In the first nine months of the fiscal year, the company experienced some market share challenges driven predominantly by gaps in pricing competitiveness and some portfolio gaps. January - March '23 revenues were concomitantly affected by unfavorable weather conditions as well as the impact of phasing-in-and-out of the entire refrigerator business due to new energy and regulatory norms. As of April '23, our pricing competitiveness has been restored, our new and significantly improved ranges of refrigerators covering important portfolio gaps are mostly in place across channels and we are confident that momentum will be back in the business.

Profitability has been a challenge this year for Whirlpool. Rising commodity prices through 2022 as well as significant energy and regulatory changes that necessitated product augmentation in 2023 have led to associated shortening of profit margins. Even in a very tough environment for profitability, we have strived to keep the shape of our P&L in order and set the stage for future growth. We have proactively put in place a comprehensive program of cost savings and margin improvement across all lines of the P&L. We are confident that the combination of this along with a significantly increased focus on premiumisation through product interventions and marketing & sales strategies will help drive our profit margins in the medium term.

Within the industry portfolio, the demand for premium products continued to grow relatively stronger whereas the demand for mass products was more muted as the mass segments of the industry were adversely impacted by the relative lack of disposable income amongst the semi-urban and rural populations. Therefore, it gives me great pleasure to share that during this financial year, your Company has significantly added to the journey it had embarked upon a few years back to premiumise its portfolio across refrigerators, air conditioners and washing machines. Today, Whirlpool has one of the widest product portfolios across varying price segments from mass to super-premium and is well-positioned to tap into recovering consumer demand across the next few years.

This fiscal year, your company took a big step towards leadership in the laundry category by entering into the premium Front Load washing machines category by launching the XpertCare range that features the breakthrough Ozone Air Refresh technology, proudly made in India. Similarly, at the premium end of the semi-automatic washing



machine segment, the Company launched the all-new Hydrowash range with 3D Wave Technology which won the prestigious Red Dot Design Award for 2023.

In refrigerators, your company just launched the Intellifresh Pro range of frost-free refrigerators in 2023, powered by 6th Sense Intellifresh Technology, designed to retain the freshness of fruits and vegetables for up to 15 days while preserving vitamin for up to 2X longer*. This new premium range offers never-before features such as 10-in-1 Convertible mode and fully converts in less than 27 minutes* which is by far the class leading speed of convertibility amongst the major players. At the premium end of the Direct Cool refrigerator business, your company has also developed class leading performance features and claims across different models.

Similarly, the 2023 range of air conditioners features the next-generation 6th Sense Intellicool technology with advanced sensors that detect changes in temperature and humidity levels and adjust the settings automatically. The range also features the unique 3D Air System that enables a personalized experience for differentiated cooling needs.

Lastly the Elica India business of which we are a 87.25% shareholder continues to be a success story. Elica India sales and profits grew by healthy double digits, the key drivers being consumer relevant, premium innovation that was

delivered in double quick time and strong operational control over executional business levers.

We are confident that our continued focus on cutting-edge innovations in premium segments and our resurgent drive on excellence in execution and costs will elevate our market shares and penetration in the premium segments profitably in the coming years.

Our employees are a critical driver of Whirlpool's business results. Our employee engagement approach is a formalized and continuous listening strategy. This approach enables us to gather employee feedback at various points throughout the employment life cycle and in depth on various issues. Inclusion and Diversity (I&D) is a core value at Whirlpool because we know that drawing from diverse points of view improves our products, services, teams, and each other. Lastly, we are inordinately proud of our unique Company Leadership Model and are ensuring strong inculcation of the winning Whirlpool spirit in our teams through structured programs led by Whirlpool India Leadership team.

World Class Manufacturing (WCM) methodologies continue to drive product quality, competitive pricing, and reliable products for consumers. We prioritize employee health, safety and development, and provide our manufacturing workforce a safe work environment and meaningful development opportunities. Therefore it is no wonder that your Company was recognised as India's Best Workplaces in Manufacturing 2022.

Improving life at home through our environmental, social and governance (ESG) strategy is an integral part of our long-term, strategic imperatives and operating priorities. Over our history, we have continued to develop products that are good for our consumers and for the planet, to invest in resources that help care for our employees and our communities and to hold ourselves accountable with robust policies, procedures and systems. The longevity of your company certainly gives testimony to the sustainability of our business model and to the loyalty, perseverance and spirit of winning of our colleagues around the world.

May I extend my sincere appreciation to my fellow Board members, the leadership team, our employees, our suppliers and business customers for their continued support which has helped us serve our customers during these challenging times. I would like to thank all our shareholders and look forward to your continued support and guidance as we progress.

Warm Regards
Narasimhan Eswar



ARVIND UPPAL

Chairman
Whirlpool of India Limited

This fiscal year was a roller coaster for the industry and Whirlpool on the back of rising commodity prices, significant regulatory changes, sequentially slowing demand across quarters and heightened competition. Whirlpool has weathered a stormy year growing its revenue by 8.5% while still keeping the shape of the structural P&L albeit with a slightly lower profit margin profile. Clear strategies and actions have been put in place to generate momentum in the business again in the short term as well as recovering margins in the medium term. I am looking forward to the results of these actions to restore Whirlpool to its winning ways.



ADITYA JAIN

Chief Financial Officer -
Whirlpool of India Limited

In the financial year 22-23, we achieved our highest ever consolidated total income of INR 6794.9 Crores, which was up by 8.5% vs previous year and delivered a PAT of INR 224 Crores.

This performance came against the backdrop of a challenging macroeconomic environment faced by the industry in 2022-23. The year witnessed accelerated inflation, rising interest rates which weighed on consumer sentiments especially in the entry segment resulting in softening of consumer demand sequentially across the quarters. In addition, the energy and regulatory changes during the year not only impacted product cost but also resulted in a large phase in phase out in the refrigerators portfolio. While the commodities cost started softening in Q4, the full benefit could not be realized in the current year due to inventory

holding. The industry also witnessed significant proliferation of investment by brands at the lower end price points.

Our revenue growth was broad based with growth across Refrigerators, Washing machines & Air conditioners, and Elica India's revenue grew in high double digits. The significant impact of raw material inflation and regulatory impact was partly offset by pricing actions in 2022 and accelerating cost productivity actions across all work streams. However, given our market share challenge sequentially in 2022, we have taken calibrated pricing interventions and launched our new refrigerator portfolio range in the beginning of this calendar year, that restored our competitiveness reflecting better momentum. On another front, we also reduced our non-material costs by ~1% (of Income) vs previous year.

Going forward, with the softening of commodity prices coupled with our focus on driving premium high margin portfolio and our robust cost reduction program, we are confident of margin improvements in the medium term.

We continue to maintain a healthy liquidity position. At the same time, we continued to fund innovation and growth projects and took a big leap with the inauguration of a state-of-the-art Front Load Washing Machine facility in Puducherry factory. In addition we have invested behind a lot of new product innovations, which got launched during the year.

Our commitment to fund innovation and growth in the future remains unchanged, demonstrated by our investment of INR 181 Crores in capital expenditures (higher by 6.5% vs previous year) and INR 49 Crores in research and development (higher by 23.5% vs previous year) during the year 2022-23. The investment primarily included setting up a new factory for Front Load Washing Machine in Puducherry plant, upgrading our Frost Free Refrigerator and Top Load Washing Machine product line up and debottlenecking capacity.

We generated INR 269.7 Crores as cash from operating activities and ended March 2023 with a healthy consolidated cash balance of INR 1677.80 Crores. I believe with the strategic imperatives clearly laid out, Whirlpool will continue to move ahead in its journey of Sustainable and Profitable growth.

Caring for our consumers

Whirlpool as a brand exists to enable extraordinary care, every day. And to help deliver extraordinary care, we create extraordinary products. These products are designed with intuitive technologies and innovations built with a very strong understanding of the unique requirements of the Indian consumers acquired over 3 decades that Whirlpool has been in India.

In 2022-23, the Company introduced several new products with cutting edge technologies and award winning designs to address the increasing demand for premium products. At the same time, the Company continued to nurture and grow its existing portfolio of products through refreshes and feature upgrades.



Intellifresh Pro range

The double door frost-free refrigerator segment is experiencing rapid growth post-pandemic and is integral to the company's premiumization strategy. In 2023, the company has launched the Intellifresh Pro range of frost-free refrigerators, powered by 6th Sense Intellifresh Technology, designed to retain the freshness of fruits and vegetables for up to 15 days* while preserving vitamin for up to 2X longer#.

This hi-tech range features the latest in refrigeration technology and has been given a modern design in line with the discerning tastes of premium customers. In addition to the advanced refrigeration technology, this new range offers convenient features such as 10-in-1 Convertible modes that allow for ultimate customization of the refrigerator based on the customer's usage needs.

To cater to a wide range of consumer preferences, this range has been launched in capacities ranging from 212L to 327L, available in attractive metallic and glass door finishes, and features an industry-first metallic grey interior, in addition to the standard white ones. This range is expected to help the company gain a strong foothold in the double door refrigerator category, catering to the needs of the discerning and premium customers. The Intellifresh Pro range is a testament to the company's commitment to staying at the forefront of the industry by providing cutting-edge technology, advanced features, and modern designs that meet the needs of today's consumers.



*Results based on internal lab tests done on select fruits & vegetables under specific conditions and may vary depending on testing conditions and models. #Results based on external lab tests done on select 2023 models vs 2022 models under specific conditions & may vary depending on testing conditions Tested for Vitamin C.