

Whirlpool posts unexpectedly low first-quarter earnings on soft emerging market demand

<http://in.reuters.com/article/us-whirlpool-results-idINKCN0XN152>

Whirlpool Corp reported lower-than-expected first-quarter earnings on Tuesday as cost and capacity reductions were offset by soft demand in emerging markets and unfavorable currency exchange rates, the company said.

In Latin America, weak demand in Brazil and the negative impact of currency exchange pulled sales down to \$705 million, from about \$900 million a year ago, the company said

Many U.S.-based manufacturers' sales have been hit by weakness in Brazil's currency and the country's unstable political environment

"There is some concern about European market loss," Gabelli analyst Alvaro Lacayo said. Overall industry shipments were down about 1 percent in Europe, but Whirlpool saw slightly steeper losses, the Whirlpool said

During a conference call with Wall Street analysts Whirlpool's COO Marc Bitzer pointed to Russia and the United Kingdom as specific drags on Whirlpool's European sales.

Currency weakness, base pricing increases, and a safety recall, which is a temporary issue, led to weak sales in the United Kingdom. In Russia, sales were soft in the first quarter, and the volatile market will be difficult to predict, Bitzer said.

Sales in North America, Whirlpool's biggest market, rose about 4 percent to \$2.4 billion. Whirlpool expects to continue to regain U.S. market share throughout the second quarter, Bitzer said.

Whirlpool reported net earnings of \$150 million, or \$1.92 per share, down from \$191 million, or \$2.38 per share, a year earlier.

Whirlpool said first-quarter ongoing business earnings rose to \$2.63 per share from \$2.14 in the same period last year. Analysts had expected \$2.68.

The company said it still expects full-year 2016 ongoing business earnings per share at \$14 to \$14.75. Ongoing business earnings per share exclude special items such as restructuring charges or other one-time fees that do not reflect the company's ongoing operations.

Net sales fell to \$4.6 billion from \$4.8 billion a year earlier.

Whirlpool said it expects full-year 2016 industry shipments in North America to rise by 5 percent to 6 percent, an increased range from its previous forecast of 5 percent.

Brazil industry shipments are forecast to fall 10 percent, Europe is seen flat to up 2 percent and Asia flat, all unchanged from previous forecasts.

Whirlpool shares were down about 3.9 percent to \$178.75