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NEW YORK (AP) — Appliance maker Whirlpool Corp. plans to cut 5,000 jobs, about 10 percent of its workforce in North America and Europe, as it faces soft demand and higher costs for materials.

The world's biggest appliance maker also on Friday cut its 2011 earnings outlook drastically and reported third-quarter results that missed expectations, hurt by higher costs and a slowdown in emerging markets. Shares fell 12 percent in premarket trading.

The company, whose brands include Maytag and KitchenAid, has been squeezed by soft demand since the recession and rising costs for materials such as steel and copper. Due to its size, Whirlpool's performance provides a window on the economy because it indicates whether consumers are comfortable spending on big-ticket items.

Whirlpool has raised prices to combat higher costs, but demand for items like refrigerators and washing machines remains tight. Whirlpool is also facing discount pressure from competitors.

To offset slowing North American sales, Whirlpool has turned to emerging markets. But the company said Friday that sales have slowed there, too.

Steep costs and the dour global economy are affecting the entire appliance industry. Swedish appliance maker Electrolux said Wednesday that its third-quarter net income fell 39 percent and cut its forecast for demand in North American and Europe for the year

Whirlpool jobs to be cut are mostly in North America and Europe. They include 1,200 salaried positions and the closing of the company's Fort Smith, Arkansas, plant.

The Fort Smith plant shutdown will affect 884 hourly workers and 90 salaried employees. An additional 800 workers were on layoff from the factory and on a recall list.

Whirlpool will also relocate dishwasher production from Neunkirchen, Germany, to Poland in January 2012.

The company expects the moves will save \$400 million by the end of 2013.

Benton Harbor, Michigan-based Whirlpool's third-quarter net income more than doubled to \$177 million, or \$2.27 per share, from \$79 million, or \$1.02 per share. Adjusted earnings of \$2.35 per share fell short of analyst expectations for \$2.73 per

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share.

Revenue rose 2 percent to \$4.63 billion, short of expectations for \$4.74 billion.

"Our results were negatively impacted by recessionary demand levels in developed countries, a slowdown in emerging markets and high levels of inflation in material costs," CEO Jeff Fettig said.

Unit shipments fell in all regions except Asia, where they rose 4 percent.

In North America, revenue fell 2 percent to \$2.4 billion, and in Latin America, revenue rose 8 percent to \$1.2 billion.

The company now expects 2011 net income will be \$4.75 to \$5.25 per share. Its prior guidance was net income would be at the low end of a range between \$7.25 and \$8.25 per share.

Whirlpool's stock fell \$7.10, or 11.7 percent, to \$53.37 in premarket trading. The stock has already sunk 32 percent this year.

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