



Whirlpool Blames Iran War for Industry Decline as Shares Fall 20%

Description

Whirlpool shares plummeted on Thursday following the company's announcement that the ongoing conflict in Iran has precipitated a significant decline in the U.S. appliance industry. This situation highlights the adverse effects of escalating fuel prices and declining consumer confidence on high-value purchases.

In its earnings report, Whirlpool stated that the war in Iran caused "recession-level industry decline" as consumer confidence sharply fell in late February and March. This stark warning marks one of the most serious corporate assessments of the economic repercussions resulting from the conflict, contrasting with the more robust spending patterns observed in travel and service sectors.

Whirlpool, renowned for its range of home appliances including washers and dryers, saw its stock value drop by 20% in premarket trading. CEO Marc Bitzer indicated that the company is taking swift action to reduce costs and adjust pricing to navigate worsening economic conditions. He noted, "We acted decisively to address pricing and costs in the face of rapid deterioration in macroeconomic conditions."

Additionally, Whirlpool has significantly reduced its full-year earnings projection, now estimating earnings between \$3 and \$3.50 per share, down from approximately \$6. The company has also decided to suspend its dividend payments to focus on debt reduction. Analysts from JPMorgan attributed the lowered earnings forecast to increased raw material costs, greater net tariff impacts, and challenges with pricing and product mix.

While businesses like Uber and Disney report steady consumer spending in areas such as travel and entertainment, Whirlpool's situation suggests emerging difficulties in higher-ticket categories, such as kitchen appliances. Consumer confidence, according to a University of Michigan survey, reached a record low in April, driven by rising gasoline prices caused by the Iran conflict. Despite a stock market recovery since mid-April due to hopes for a diplomatic resolution, U.S. oil prices remain elevated above \$90 a barrel as market watchers await potential peace proposals.

Vocabulary List:

1. **plummeted** //ˈplʌmɪtɪd// (verb): fell very quickly by a large amount
2. **precipitated** //prɪˈsɪpɪˌteɪtɪd// (verb): caused something to happen very suddenly
3. **repercussions** //ˌrɪːpərˈkʌʃənz// (noun): bad effects that happen later to people
4. **deterioration** //dɪˌtɪriəˈreɪʃən// (noun): becoming worse over a period of time
5. **suspend** //səˈspend// (verb): stop something for a short time
6. **tariff** //ˈtærɪf// (noun): tax on goods from other countries



Comprehension Questions

Multiple Choice

1. What event caused a significant decline in the U.S. appliance industry according to Whirlpool?
Option: Ongoing conflict in Iran
Option: Increase in consumer confidence
Option: Improvement in travel sector
Option: Decline in education spending
2. By what percentage did Whirlpool's stock value drop in premarket trading?
Option: 10%
Option: 15%
Option: 20%
Option: 25%
3. What is the estimated full-year earnings projection range for Whirlpool per share?
Option: \$2 to \$2.50
Option: \$3 to \$3.50
Option: \$4 to \$4.50
Option: \$5 to \$5.50
4. Who is the CEO of Whirlpool?
Option: Jim Hackett
Option: Marc Bitzer
Option: Mary Barra
Option: Elon Musk
5. What action did Whirlpool decide to take regarding its dividend payments?
Option: Increase the payments
Option: Suspend the payments
Option: Double the payments
Option: Maintain the payments
6. Which sector shows steady consumer spending despite Whirlpool's struggles?
Option: Appliance sector



- Option: Travel and entertainment
- Option: Construction
- Option: Manufacturing

True-False

- 7. Whirlpool's stock value increased following the announcement of the conflict in Iran.
- 8. Whirlpool announced a reduction in its full-year earnings projection due to decreased consumer confidence.
- 9. Consumer confidence reached a record high in March according to the University of Michigan survey.
- 10. The Iran conflict has led to rising gasoline prices in the U.S.
- 11. CEO Marc Bitzer emphasized the need to increase costs in response to economic conditions.
- 12. JPMorgan analysts linked the lowered earnings forecast to increased raw material costs.

Gap-Fill

- 13. Whirlpool shares plummeted on Thursday due to the ongoing conflict in Iran, causing a significant decline in the U.S. appliance industry and highlighting the adverse effects of escalating fuel prices and declining consumer _____.
- 14. The earnings report from Whirlpool indicated a _____-level industry decline due to the war in Iran.
- 15. Whirlpool's estimated earnings per share have decreased from approximately \$6 to between \$3 and _____.
- 16. Consumer confidence reached a record low in April, driven by rising gasoline prices caused by the _____ conflict.



17. Despite some sectors experiencing steady consumer spending, Whirlpool struggled particularly with _____-ticket categories.

18. Whirlpool has decided to suspend its dividend payments to focus on _____ reduction.

Answer

Multiple Choice: 1. Ongoing conflict in Iran 2. 20% 3. \$3 to \$3.50 4. Marc Bitzer 5. Suspend the payments 6. Travel and entertainment

True-False: 7. False 8. True 9. False 10. True 11. False 12. True

Gap-Fill: 13. confidence 14. recession 15. 3.50 16. Iran 17. higher 18. debt

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What is typically measured by the Consumer Price Index?

Option: Deflation

Option: Inflation

Option: Recession

Option: Stagnation

2. Which word best describes a stock market that frequently changes values?

Option: Stable

Option: Predictable

Option: Volatile

Option: Consistent

3. In economics, what does 'core inflation' exclude?

Option: Essentials

Option: Food and Energy

Option: Services

Option: Durable Goods

4. What quality allows a person or economy to recover quickly from difficulties?

Option: Fragile

Option: Weak

Option: Resilient



Option: Vulnerable

5. What term is used to describe the acceptance of new technology or methods?

- Option: Abandonment
- Option: Rejection
- Option: Adoption
- Option: Resistance

6. What is the feeling that requires immediate action called?

- Option: Complacency
- Option: Indifference
- Option: Urgency
- Option: Patience

7. What is a person who publicly supports a cause known as?

- Option: Opponent
- Option: Critic
- Option: Advocate
- Option: Neutral

8. What term refers to something that affects a system as a whole?

- Option: Isolated
- Option: Systemic
- Option: Local
- Option: Minor

9. What is the term for the forced movement of people from their homes?

- Option: Settlement
- Option: Displacement
- Option: Retention
- Option: Integration

10. What term describes the act of forbidding something, such as alcohol in the 1920s?

- Option: Permission
- Option: Prohibition
- Option: Regulation
- Option: Authorization

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. The prices of certain goods fluctuate _____, affecting the cost of living.

12. The company's layoffs were supposed to be _____ but turned into longer-term



unemployment.

13. The government introduced a new _____ on imported goods to protect local industries.
14. The plant is running at maximum _____ to meet increasing demand.
15. The company ensured full _____ with all regulatory requirements.
16. The travel agent provided a detailed _____ for the trip including all activities and accommodations.
17. The policy changes have unforeseen _____ that could affect several sectors.
18. The constant neglect led to the _____ of the building over several years.
19. The school organized several educational _____ for the students this semester.
20. Frequent _____ in the power supply disrupted daily activities across the city.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. The discovery of penicillin was a pivotal moment in the history of medicine.
22. The new policy aims to alleviate poverty in urban areas.
23. The manager reassured the team that their jobs were secure despite the economic downturn.
24. Stock prices plummeted after the negative earnings report was released.
25. The crisis is overshadowing the accomplishments of the previous year.
26. The heavy rains precipitated a series of landslides in the area.
27. The board decided to suspend the project until further notice.
28. In recent years, the demand for electric vehicles outpaces supply.
29. The partnership between the two companies has led to innovative solutions.



30. The electoral reforms were designed to increase participation in the voting process.

Answer

Multiple Choice: 1. Inflation 2. Volatile 3. Food and Energy 4. Resilient 5. Adoption 6. Urgency 7. Advocate 8. Systemic 9. Displacement 10. Prohibition

Gap-Fill: 11. seasonally 12. temporary 13. tariff 14. capacity 15. compliance 16. itinerary 17. repercussions 18. deterioration 19. excursions 20. outages

Matching sentence: 1. pivotal 2. alleviate 3. reassured 4. plummeted 5. overshadowing 6. precipitated 7. suspend 8. outpaces 9. partnership 10. electoral

CATEGORY

1. Business - LEVEL6

POST TAG

1. ESL learning
2. esl news
3. industry decline
4. Iran war
5. Level 6
6. recession
7. whirlpool

Tags

1. ESL learning
2. esl news
3. industry decline
4. Iran war
5. Level 6
6. recession
7. whirlpool

Date Created

2026/05/08

Author

aimeeyoung99