



**GOODYEAR**



**YEAR**

**First Quarter 2020 Conference Call**

**April 30, 2020**

# Forward-Looking Statements



Certain information contained in this presentation constitutes forward-looking statements for purposes of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. There are a variety of factors, many of which are beyond our control, that affect our operations, performance, business strategy and results and could cause our actual results and experience to differ materially from the assumptions, expectations and objectives expressed in any forward-looking statements. These factors include, but are not limited to: the impact on us of the COVID-19 pandemic; our ability to implement successfully our strategic initiatives; actions and initiatives taken by both current and potential competitors; increases in the prices paid for raw materials and energy; a labor strike, work stoppage or other similar event; foreign currency translation and transaction risks; deteriorating economic conditions or an inability to access capital markets; work stoppages, financial difficulties or supply disruptions at our suppliers or customers; the adequacy of our capital expenditures; our failure to comply with a material covenant in our debt obligations; potential adverse consequences of litigation involving the company; as well as the effects of more general factors such as changes in general market, economic or political conditions or in legislation, regulation or public policy. Additional factors are discussed in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. In addition, any forward-looking statements represent our estimates only as of today and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change.

# OUR GOAL

DELIVER SUSTAINABLE REVENUE AND PROFIT GROWTH WHILE INCREASING THE VALUE OF OUR BRAND

## HOW WE'LL WIN

### INNOVATION EXCELLENCE

Develop great products and services that anticipate and respond to the needs of consumers



### SALES & MARKETING EXCELLENCE

Build the value of our brand, help our customers win in their markets, and become consumers' preferred choice

### OPERATIONAL EXCELLENCE

Relentlessly improve our quality and efficiency to deliver the right tire, to the right place, at the right time for the right cost

*Winning at the intersection is the key to success*

## HOW WE'LL WORK

### ACT WITH INTEGRITY

Build trust and earn the confidence of others through honesty and respect – Protect Our Good Name

### ENERGIZE THE TEAM

Create an environment where associates are inspired by work, wellness and serving their communities

### PROMOTE COLLABORATION

Connect associates globally and encourage open discussion to meet objectives

### BE AGILE

Embrace change and act with speed and purpose

### DELIVER RESULTS

Anticipate challenges, seize opportunities and make courageous decisions

*Engage and enable associates to realize their full potential*

## WHERE WE'LL FOCUS

### CONSUMER EXPERIENCE

Make Goodyear easy to buy, own, and recommend

### CUSTOMER SERVICE

Collaborate with customers to be a great supplier

### QUALITY

Deliver industry best products, processes, and programs

### HIGH-VALUE SEGMENTS

Compete where we capture the full value of our brand

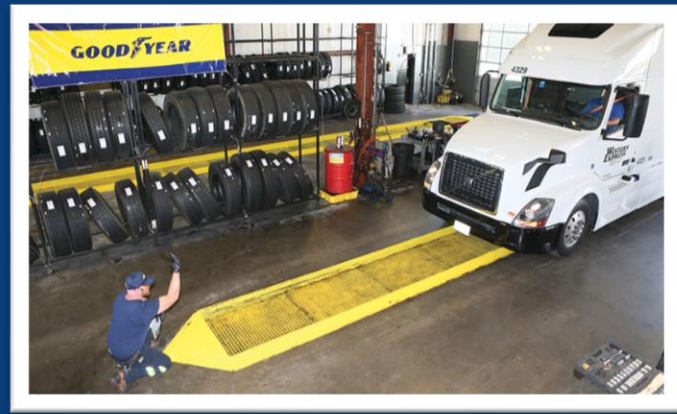
### MASTERING COMPLEXITY

Manage the necessary; eliminate the unneeded

# Responding to the Needs During COVID-19



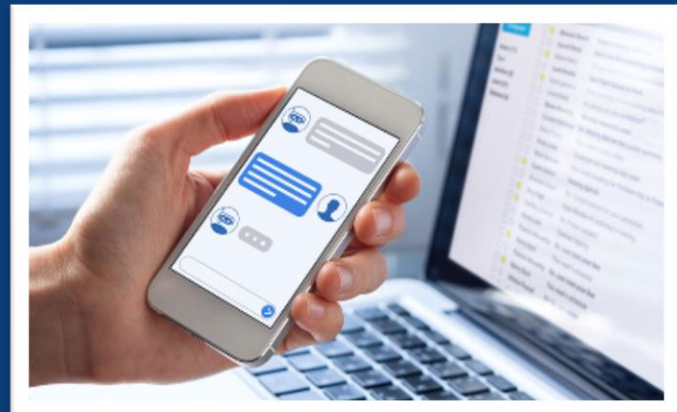
## Adapting How We Work



CTSC & Raben Tire offering 'Zero Contact' service to Fleets

Free DOT inspections to U.S. Fleets

GY Auto Service and Just Tires offering 'Zero Contact' service to consumers



Global associates working remotely and maintaining continuity of business

## Supporting Our Communities

Discounted and free tire services to essential workers

Donations of PPE and financial support to local health systems



GY Luxembourg utilized 3-D printers to produce face shield parts

Interactive learning/activities through social media for those sheltering in place



# Supporting essential workers on and off the road

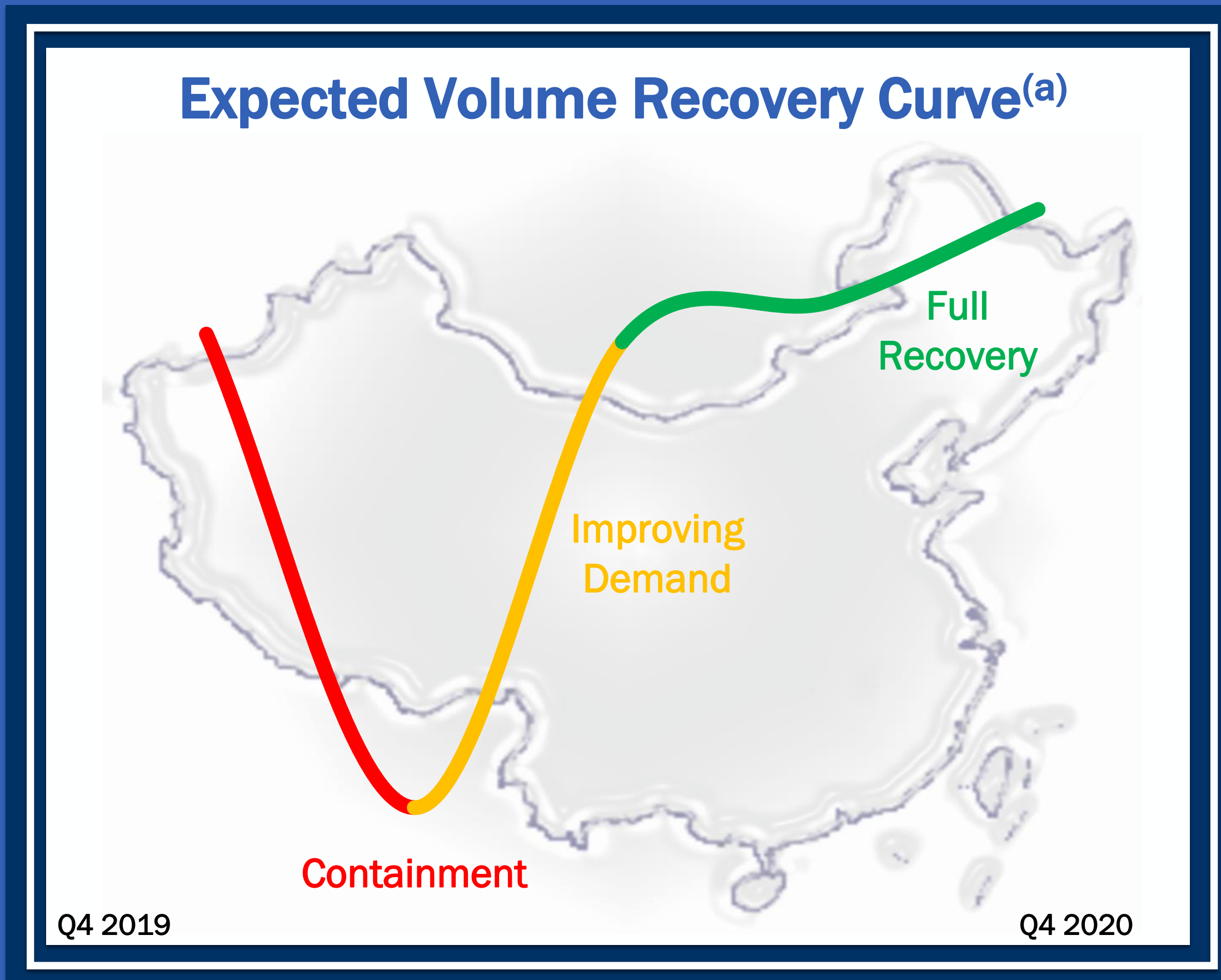
## Operational

- Temporarily suspended production at the majority of our manufacturing facilities
- Altered operating hours at our retail stores & warehouses
- Flexed payroll costs through a combination of furloughs & salary deferrals / reductions
- Reduced discretionary spending, including marketing and advertising expenditures
- Lowered capital spending plans

## Financial

- Refinanced \$2.0 billion U.S. revolving credit facility, extending maturity to 2025
- Temporarily suspended our quarterly dividend
- Leveraging payroll tax deferral option afforded under the CARES Act

**Taking decisive actions to improve our liquidity and financial flexibility**

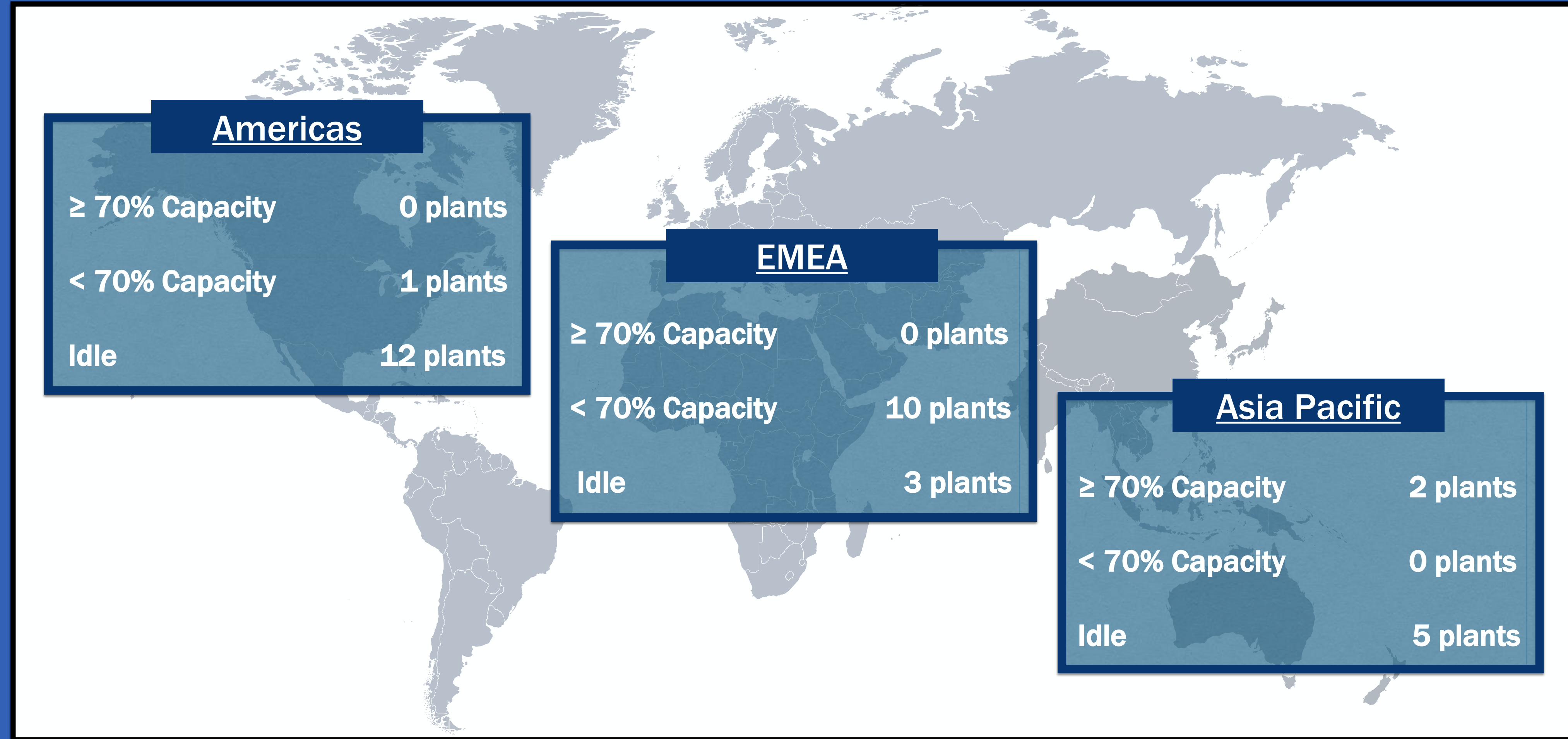


## Improving Environment

- Goodyear-Pulandian is operating with 100% of its workforce and able to meet customer demand
- Major OEMs have resumed production
- All key distributors are up and running
- >95% of retail channel reopened
- OE nomination process returning to pre-COVID-19 levels

**Volume recovery is underway**

# Tire Production: Status Update as of April 30th



Majority of manufacturing facilities currently idle,  
but nearly all expected to be operating by end of May

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# Financial Review



## Q2 Cost Reductions

- Salaried payroll (\$65 million)
- Marketing and other SAG (\$75 million)

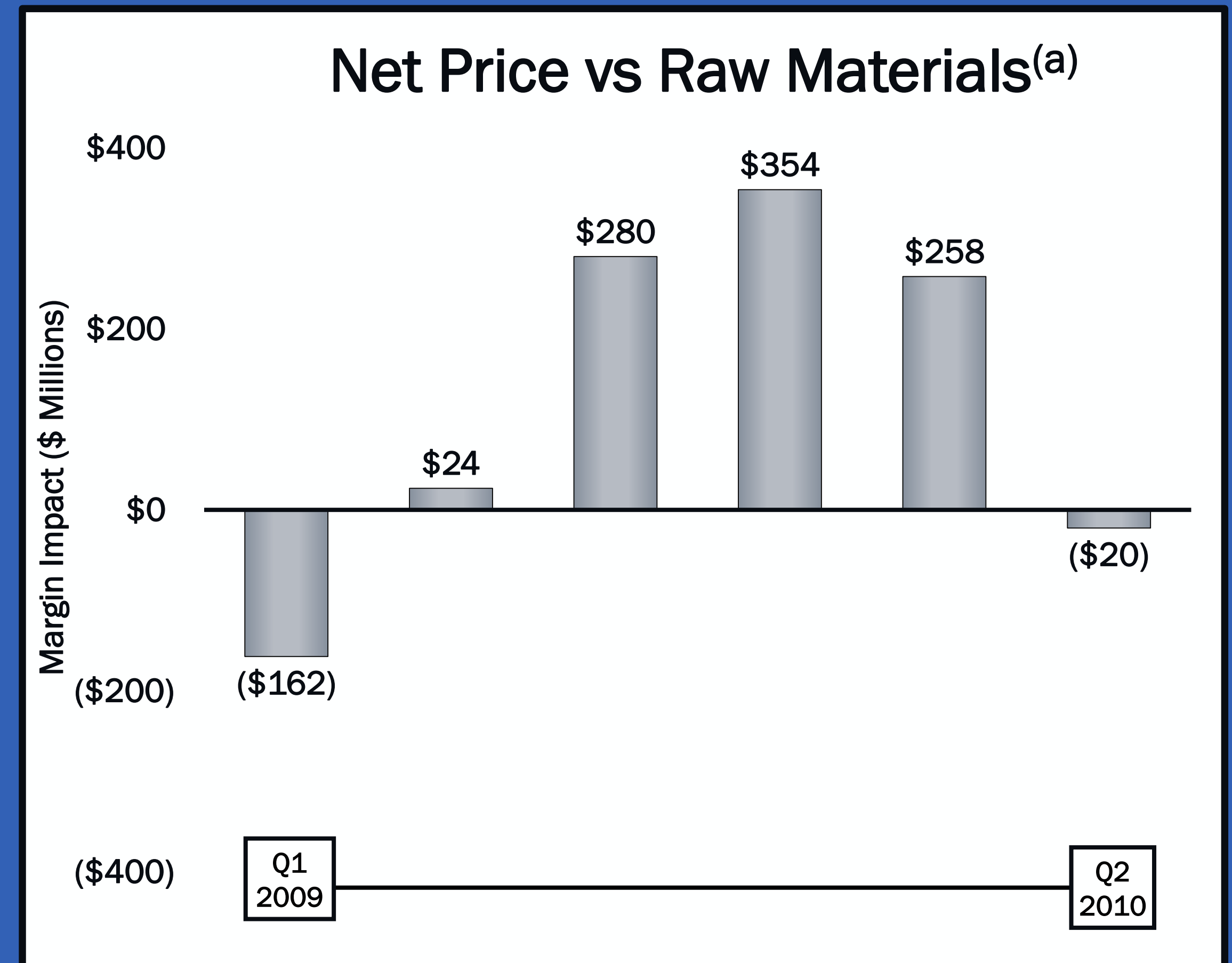
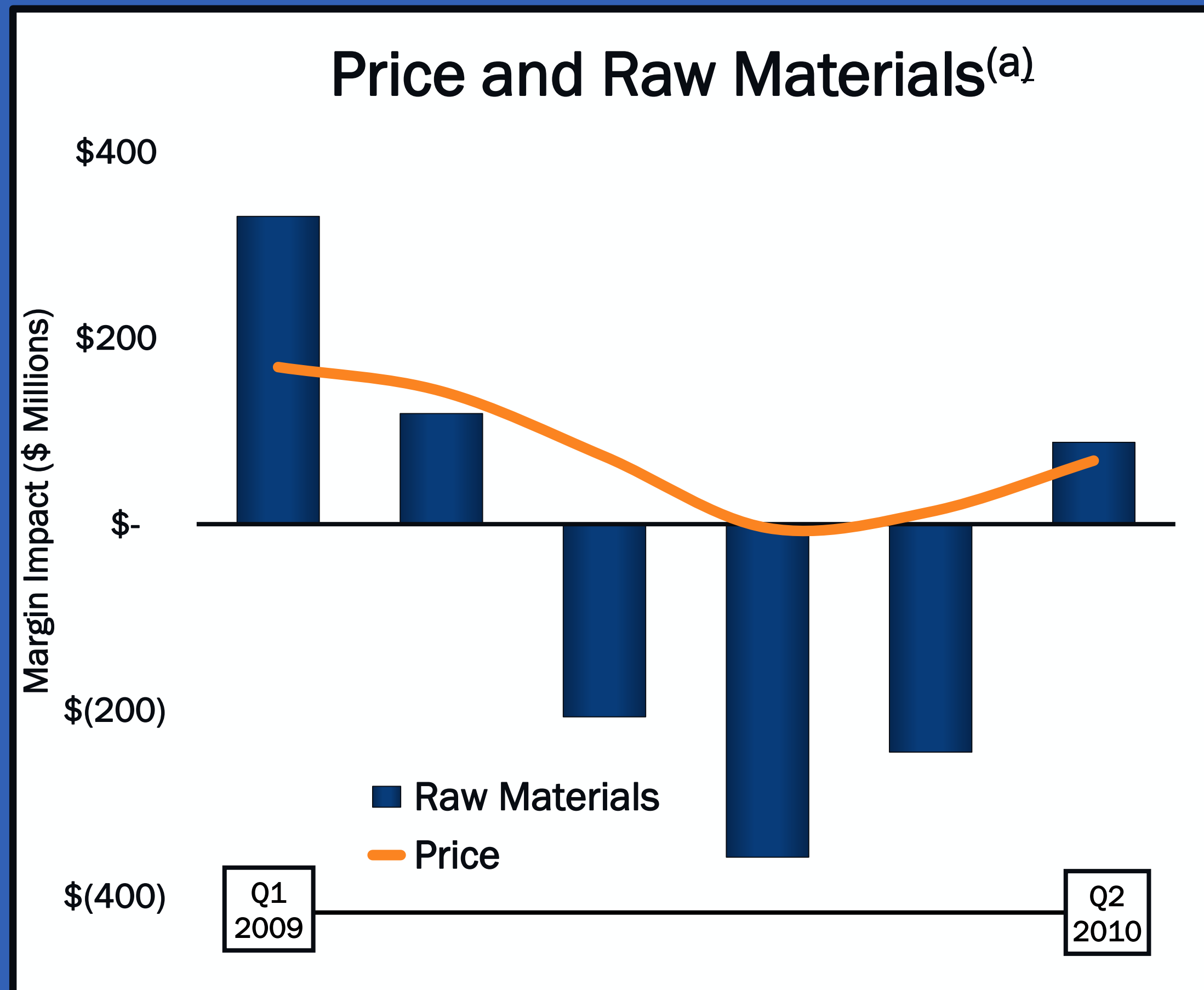
## Cash & Liquidity Actions (2020 Impact)

- Capex (\$100 million)
- Dividend suspension (\$110 million)
- Tax deferrals (\$60 million U.S., International TBD)
- Expanded U.S. ABL “borrowing base” (~\$350 million)

## Structural Cost Savings (versus 2019 baseline)

- German restructuring remains on track (2022 savings of \$60-70 million)
- Tentative agreement to close Gadsden, AL (2021 savings of \$130 million)

# Price vs Raw Materials During the Great Recession



**Pricing relative to raws resilient in economic downturn**

(a) Price changes are versus prior year; excludes the benefits of mix. Raw materials changes are versus prior year and exclude raw material cost savings

# First Quarter 2020 Income Statement



Terms: US\$ millions  
(except EPS)

	Three Months Ended		Change
	March 31, 2020	March 31, 2019	
Units	31.3	38.0	(18)%
Net Sales	\$ 3,056	\$ 3,598	(15)%
<i>Gross Margin</i>	16.5%	20.0%	(3.5) pts
SAG	\$ 581	\$ 547	6%
Segment Operating Income (Loss) <sup>(a)</sup>	\$ (47)	\$ 190	(125)%
<i>Segment Operating Margin<sup>(a)</sup></i>	-1.5%	5.3%	(6.8) pts
Goodyear Net Income (Loss)	\$ (619)	\$ (61)	
Goodyear Net Income (Loss) Per Share			
<i>Weighted Average Shares Outstanding</i>	234	232	
Basic	\$ (2.65)	\$ (0.26)	
<i>Weighted Average Shares Outstanding - Diluted</i>	234	232	
Diluted	\$ (2.65)	\$ (0.26)	
Cash Dividends Declared Per Common Share	\$ 0.16	\$ 0.16	
Adjusted Diluted Earnings (Loss) Per Share <sup>(b)</sup>	\$ (0.60)	\$ 0.19	

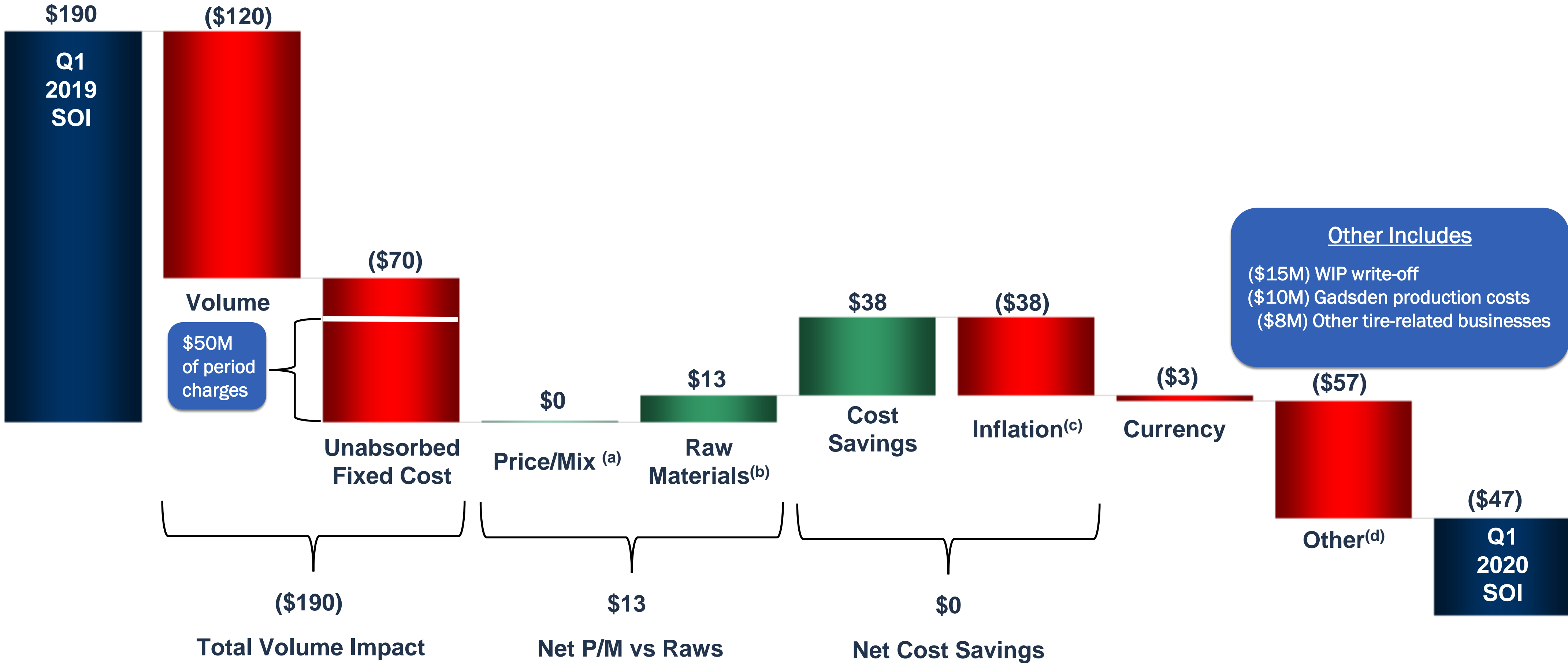
(a) See Segment Operating Income (Loss) and Margin reconciliation in Appendix on page 29

(b) See Adjusted Diluted Earnings (Loss) Per Share reconciliation in Appendix on pages 30 and 31

# First Quarter 2020 Segment Operating Results



Terms: US\$ millions



(a) Price/mix excludes the impact of equity interest in TireHub (\$2 million headwind year over year)  
 (b) Raw materials variance of \$13 million excludes raw material cost saving measures of \$17 million, which are included in cost savings  
 (c) Estimated impact of inflation (wages, utilities, energy, transportation and other)  
 (d) Includes the impacts of other tire-related businesses, advertising, R&D and equity interest in TireHub (\$2 million headwind year over year)

# First Quarter 2020 Balance Sheet



Terms: US\$ millions

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Cash and cash equivalents	\$ 971	\$ 908	\$ 860
Accounts receivable	\$ 2,025	\$ 1,941	\$ 2,446
Inventories	2,919	2,851	2,940
Accounts payable - trade	(2,645)	(2,908)	(2,737)
Working capital <sup>(a)</sup>	<u>\$ 2,299</u>	<u>\$ 1,884</u>	<u>\$ 2,649</u>
Total debt <sup>(b)</sup>	\$ 6,524	\$ 5,663	\$ 6,506
Net debt <sup>(b)</sup>	\$ 5,553	\$ 4,755	\$ 5,646

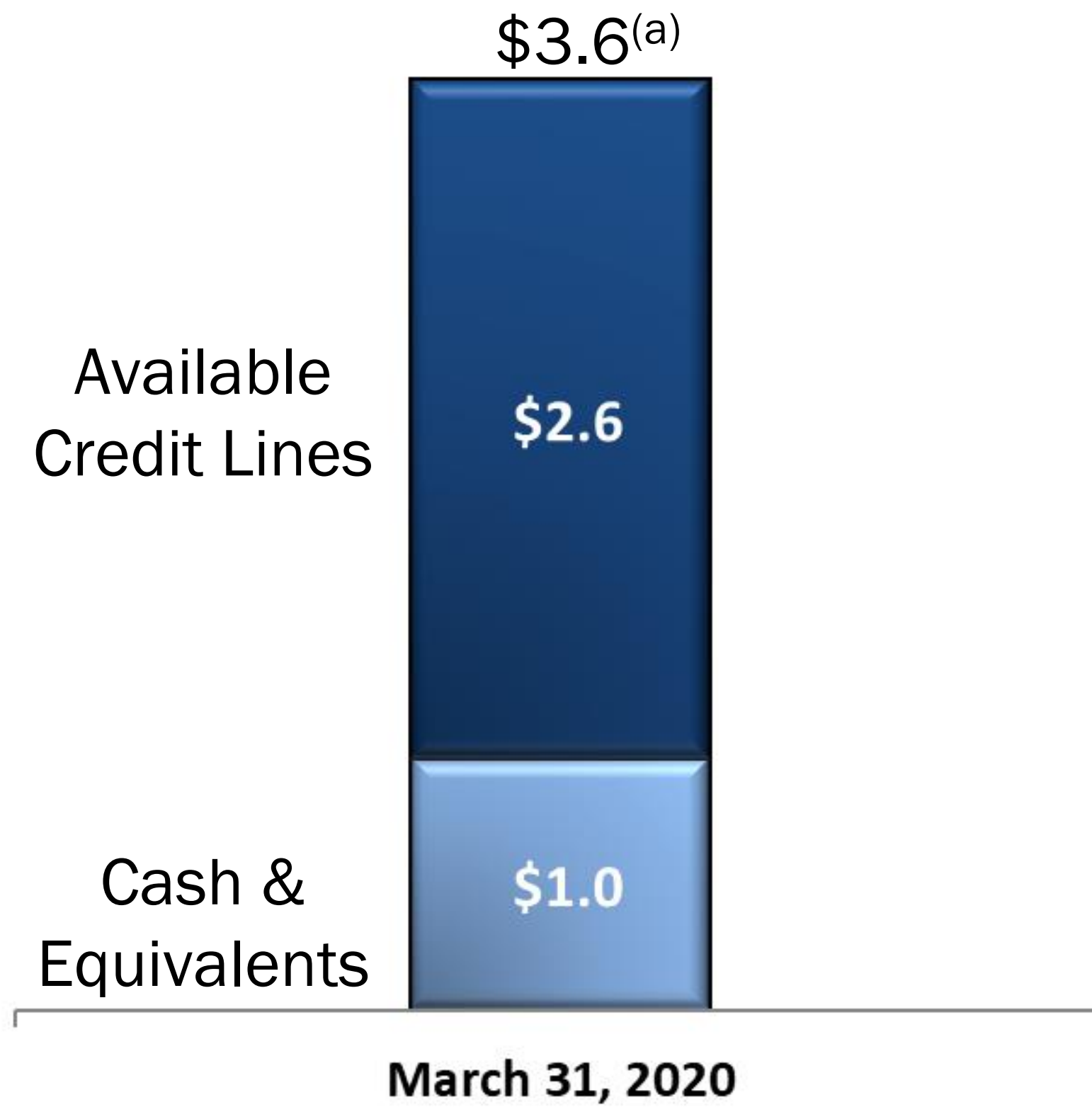
(a) Working capital represents accounts receivable and inventories, less accounts payable – trade

(b) See Total Debt and Net Debt reconciliation in Appendix on page 32

# First Quarter 2020 Liquidity Profile (Pro Forma)



Terms: US\$ billions

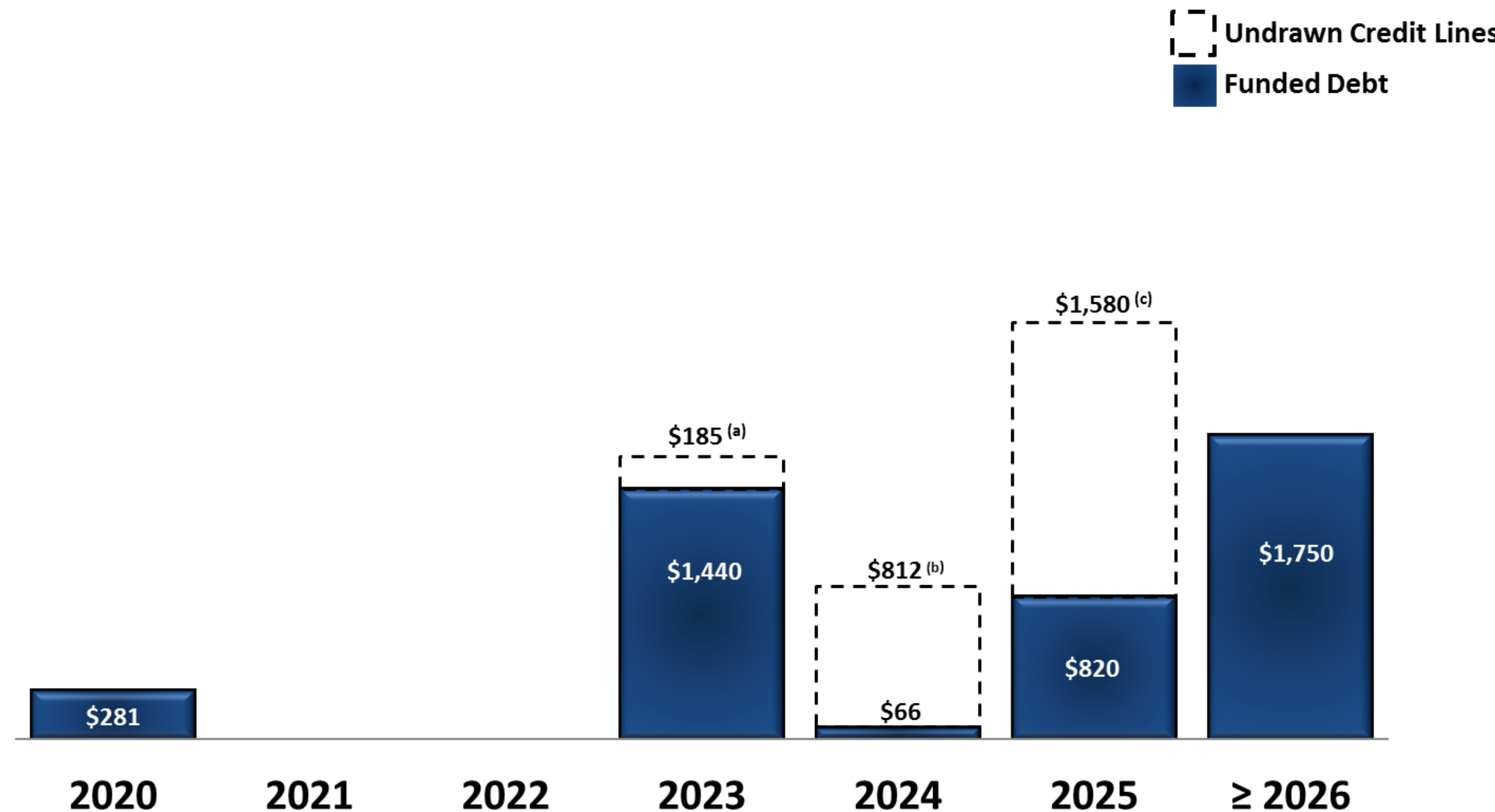


(a) Total liquidity is comprised of \$971 million of cash and cash equivalents, as well as \$2,627 million of unused availability under various credit agreements, pro forma for the refinancing of the \$2.0 billion U.S. revolving credit facility

# First Quarter 2020 Maturity Schedule (Pro Forma)



Terms: US\$ millions



Note: Based on March 31, 2020 balance sheet values, pro forma for the refinancing of the \$2.0 billion U.S. revolving credit facility, and excludes notes payable, finance and operating leases and other domestic and foreign debt

(a) At March 31, 2020, the amounts available and utilized under the Pan-European securitization program totaled \$166 million (€151 million)

(b) At March 31, 2020, there were \$66 million (€60 million) of borrowings and no letters of credit issued under the €800 million European revolving credit facility

(c) At March 31, 2020, and pro forma for refinancing, our borrowing base, and therefore our availability, under the U.S. revolving credit facility was \$152 million below the facility's stated amount of \$2.0 billion; At March 31, 2020, there were \$420 million of borrowings and \$17 million of letters of credit issued

# First Quarter 2020 Free Cash Flow



Terms: US\$ millions

	Three Months Ended March 31,		Trailing Twelve Months Ended March 31, 2020	
	2020	2019		
<b>Net Income (Loss)</b>	\$ (617)	\$ (44)	\$ (870)	
Depreciation and Amortization	196	193	798	
Change in Working Capital	(482)	(589)	189	
Pension Expense	30	34	128	
Pension Contributions and Direct Payments	(19)	(18)	(80)	
Provision for Deferred Income Taxes	235	(23)	581	
Rationalization Payments	(73)	(18)	(114)	
Other <sup>(a)</sup>	169	101	378	
	Includes \$182M non-cash impairment charge →			
<b>Cash Flow from Operating Activities (GAAP)</b>	\$ (561)	\$ (364)	\$ 1,010	
Capital Expenditures	(211)	(221)	(760)	
<b>Free Cash Flow (non-GAAP)</b>	\$ (772)	\$ (585)	\$ 250	
<b>Cash Flow from Investing Activities (GAAP)</b>	\$ (257)	\$ (244)	\$ (813)	
<b>Cash Flow from Financing Activities (GAAP)</b>	\$ 939	\$ 645	\$ (13)	

(a) Other includes goodwill impairment, amortization and write-off of debt issuance costs, net pension curtailments and settlements, net rationalization charges, net (gains) losses on asset sales, operating lease expense and payments, compensation and benefits less pension expense, other current liabilities, and other assets and liabilities



# First Quarter 2020 - Segment Results Americas



Terms: US\$ millions  
Units in millions

## First Quarter

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Units	14.5	16.7	(13.4)%
Net Sales	\$1,673	\$1,876	(10.8)%
Operating Income (Loss)	–	\$89	(100.0)%
Margin	–	4.7%	

- Americas' operating income ahead of prior year through February
- U.S. consumer volume significantly affected by lower industry demand
- U.S. commercial replacement shipments increased 5%
- Price vs. raw material costs continue to recover
- SOI also negatively impacted by costs associated with suspending production in March (~\$30 million)

# First Quarter 2020 - Segment Results Europe, Middle East & Africa



Terms: US\$ millions  
Units in millions

## First Quarter

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Units	11.6	14.4	(19.6)%
Net Sales	\$995	\$1,221	(18.5)%
Operating Income (Loss)	\$(53)	\$54	(198.1)%
Margin	(5.3)%	4.4%	

- European consumer volume significantly affected by lower industry demand
- Commercial replacement volume slightly positive
- Price vs. raw material costs continue to recover
- Emerging markets volume stable vs. prior year
- SOI also negatively impacted by costs associated with suspending production in March (~\$20 million)

# First Quarter 2020 - Segment Results Asia Pacific



Terms: US\$ millions  
Units in millions

## First Quarter

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Units	5.2	6.9	(23.9)%
Net Sales	\$388	\$501	(22.6)%
Operating Income	\$6	\$47	(87.2)%
Margin	1.5%	9.4%	

- Strong consumer replacement performance excluding China through February
- Consumer volume significantly affected by lower industry demand in China and India
- SOI continued to be affected by unfavorable OE pricing conditions

- Limited visibility into full-year industry outlook; assume largest decline in Q2 (~50%)
- Production volume forecasted down ~25 million units in Q2 (unabsorbed overhead recognized immediately)
- COVID-19 impacting retail, chemical and aviation businesses (-\$150 million in Q2)
- Raw material prices are trending favorably, with potential benefit in 2H
- Anticipate working capital to be a use of cash in Q2 given expected lower accounts payable; source of cash for FY

# 2020 Outlook – Other Financial Assumptions



	Current Assumption
Raw Materials	\$50 - \$100 million benefit, excluding transactional foreign currency
Interest Expense	\$350 - \$375 million
Other (Income) Expense	Financing fees: ~\$40 million Global pension related (excluded from SOI) <sup>(a)</sup> : \$75 - \$95 million
Income Tax	Cash: ~\$60 million <sup>(b)</sup> (~\$30 million for the remainder of the year)
Depreciation & Amortization	~\$775 million
Global Pension Cash Contributions	\$25 - \$50 million
Working Capital	Positive
Capital Expenditures	No more than ~\$700 million
Restructuring Payments	\$175 - \$200 million
Corporate Other	\$90 - \$115 million

(a) Excludes one-time charges and benefits from pension settlements and curtailments

(b) Excludes one-time items

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# Appendix

# Strong Foundation



## Industry Leader<sup>(a)</sup>

- Largest tire company in North America
- \$14.7B in revenue
- 155M units
- 47 manufacturing facilities in 21 countries
- 63K employees worldwide

## Innovation<sup>(a)</sup>

- 2 world-class innovation centers
- Innovation lab in San Francisco
- 7 tire proving grounds
- 5,200 patents
- 1,400 patents pending

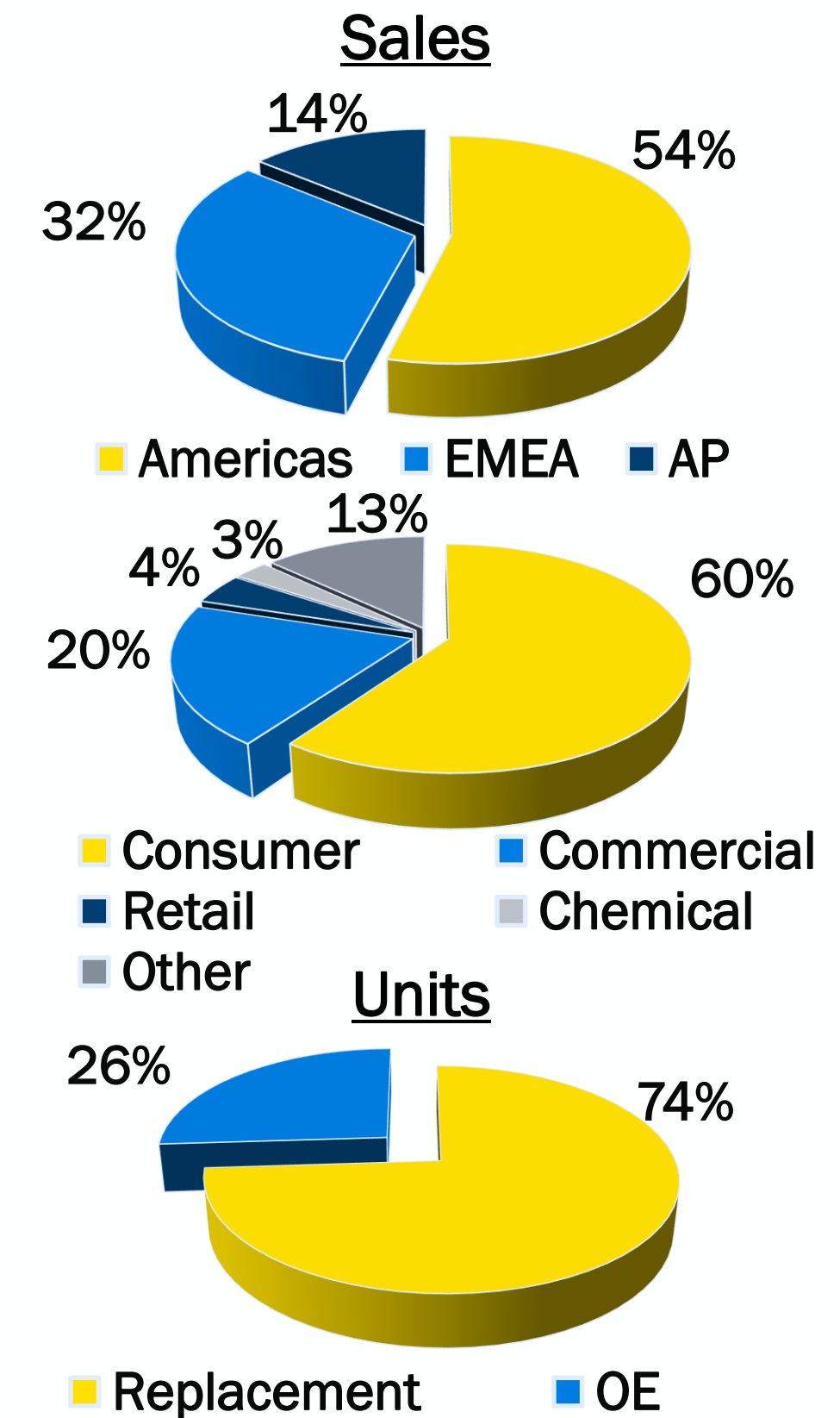
## Portfolio of Brands



## Pervasive Distribution

- Over 13,000 retail touch points<sup>(b)</sup>
- Concentrated network of value-added third-party distribution partners
- ~200 corporate-owned warehouse distribution facilities
- Leading B2C E-commerce platform

## Diverse End Markets <sup>(a)</sup>



Global leader built on more than 120 years of experience

# Modeling Assumptions



## Volume Sensitivities

(Impact on Goodyear's Annual Units in 000's)

• 1% Δ in U.S. Consumer OE Industry	~102
• 1% Δ in U.S. Consumer Replacement Industry	~368
• 1% Δ in U.S. Commercial OE Industry	~8
• 1% Δ in U.S. Commercial Replacement Industry	~30
• 1% Δ in European Consumer OE Industry	~117
• 1% Δ in European Consumer Replacement Industry	~358
• 1% Δ in European Commercial OE Industry	~10
• 1% Δ in European Commercial Replacement Industry	~30

## Pricing

(Annual Impact of Effective Pricing Yield)

• 1% Δ in U.S. Consumer Replacement	~\$29M
• 1% Δ in U.S. Commercial Replacement	~\$10M
• 1% Δ in European Consumer Replacement	~\$22M
• 1% Δ in European Commercial Replacement	~\$7M

## Translational Foreign Currency

(Annual Impact on FX portion of SOI Walk)

• +/- 0.01 Δ USD/BRL	(e.g. R\$3.79 to R\$3.78 is favorable by 0.01)	+/- \$0.3M
• +/- 0.01 Δ USD/CNY	(e.g. ¥6.75 to ¥6.74 is favorable by 0.01)	+/- \$0.2M
• +/- 0.01 Δ USD/EUR	(e.g. €0.87 from €0.86 is favorable by 0.01)	+/- \$1.5M
• +/- 0.01 Δ USD/TRY	(e.g. ₺5.42 from ₺5.41 is favorable by 0.01)	+/- \$0.1M

## Approximate Profit Margin Per Tire

(Industry Estimate)

• Consumer OE ≥17"	~\$15
• Consumer Replacement ≥17"	~\$28
• Consumer OE <17"	~\$5
• Consumer Replacement <17"	\$7 - \$9
• Commercial - U.S. and Europe	\$50 - \$60

## Tire Raw Material Spend

(Annual Impact)

• 1% Δ in Synthetic Rubber Prices (3 to 4 month lag)	~\$7M
• 1% Δ in Natural Rubber Prices (4 to 6 month lag)	~\$5M
• 1% Δ in Pigment, Chemical, & Oil Prices (3 to 4 month lag)	~\$5M
• 1% Δ in Wire/Other Prices (3 to 4 month lag)	~\$4M
• 1% Δ in Carbon Black (3 to 4 month lag)	~\$4M
• 1% Δ in Fabric Prices (3 to 4 month lag)	~\$3M

## Transactional Foreign Currency

(Annual Impact on Raw Material portion of SOI Walk)

• +/- 0.01 Δ USD/BRL	(e.g. R\$3.79 to R\$3.78 is favorable by a 0.01)	+/- \$0.9M
• +/- 0.01 Δ USD/CNY	(e.g. ¥6.75 to ¥6.74 is favorable by a 0.01)	+/- \$0.2M
• +/- 0.01 Δ USD/EUR	(e.g. €0.87 from €0.86 is favorable by a 0.01)	+/- \$3.2M
• +/- 0.01 Δ USD/TRY	(e.g. ₺5.42 from ₺5.41 is favorable by a 0.01)	+/- \$0.2M
• +/- 0.01 Δ EUR/TRY	(e.g. ₺6.25 from ₺6.24 is favorable by a 0.01)	+/- \$0.2M

## Approximate OH Absorption Per Tire

(1 Quarter Lag)

• Americas Consumer	\$10 - \$15
• Americas Commercial	\$50 - \$60
• EMEA Consumer	\$8 - \$12
• EMEA Commercial	\$30 - \$35

## Cost Inflation

(Annual Impact)

• 1% Δ in Global Inflation	~\$55M
• 1% Δ in Americas Inflation	~\$26M
• 1% Δ in EMEA Inflation	~\$24M

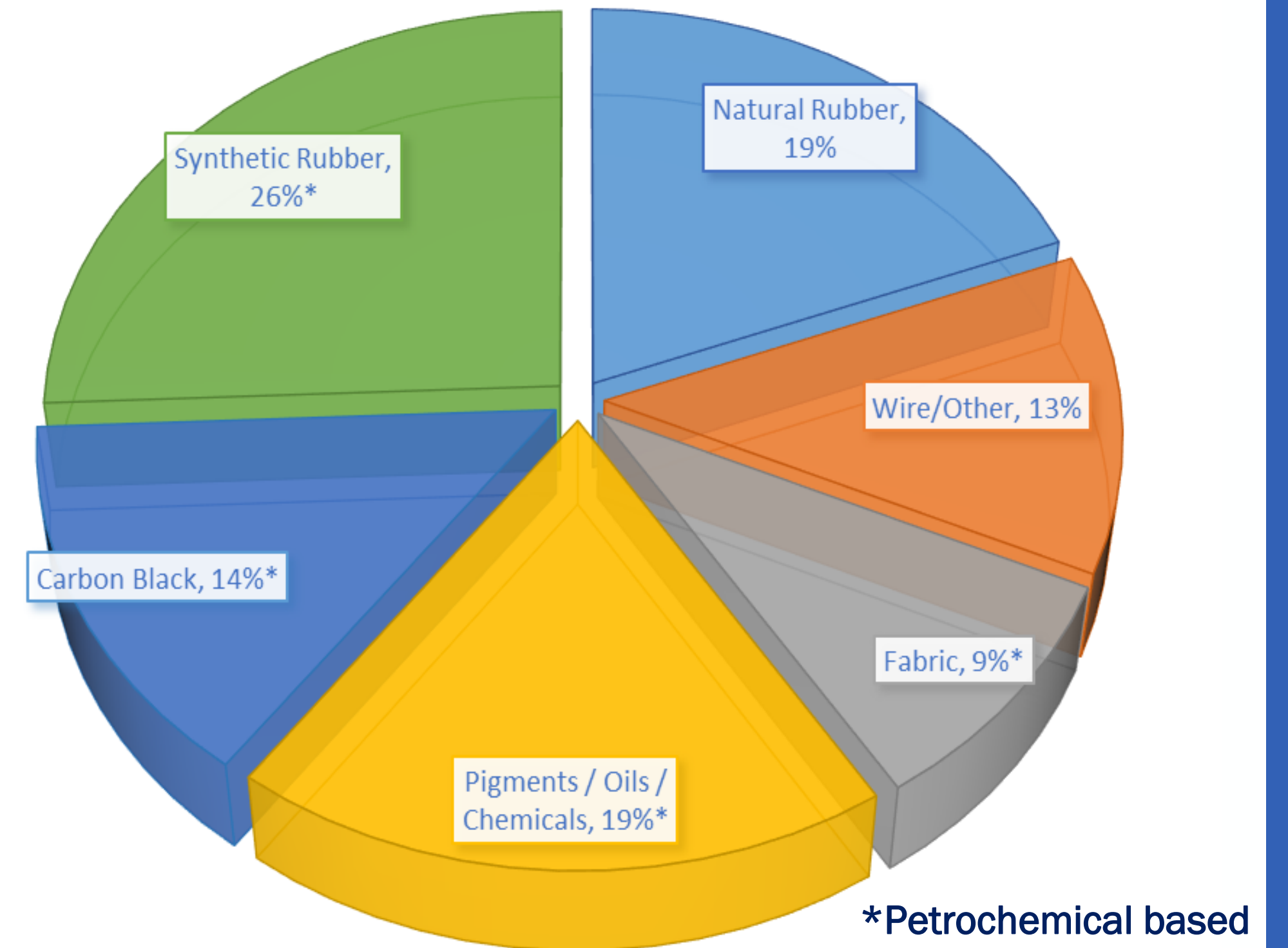
Note: Volume, pricing and raw materials modeling assumptions based on Goodyear's public disclosures. Currency, cost inflation, profit margin and overhead absorption figures based on internal estimates.



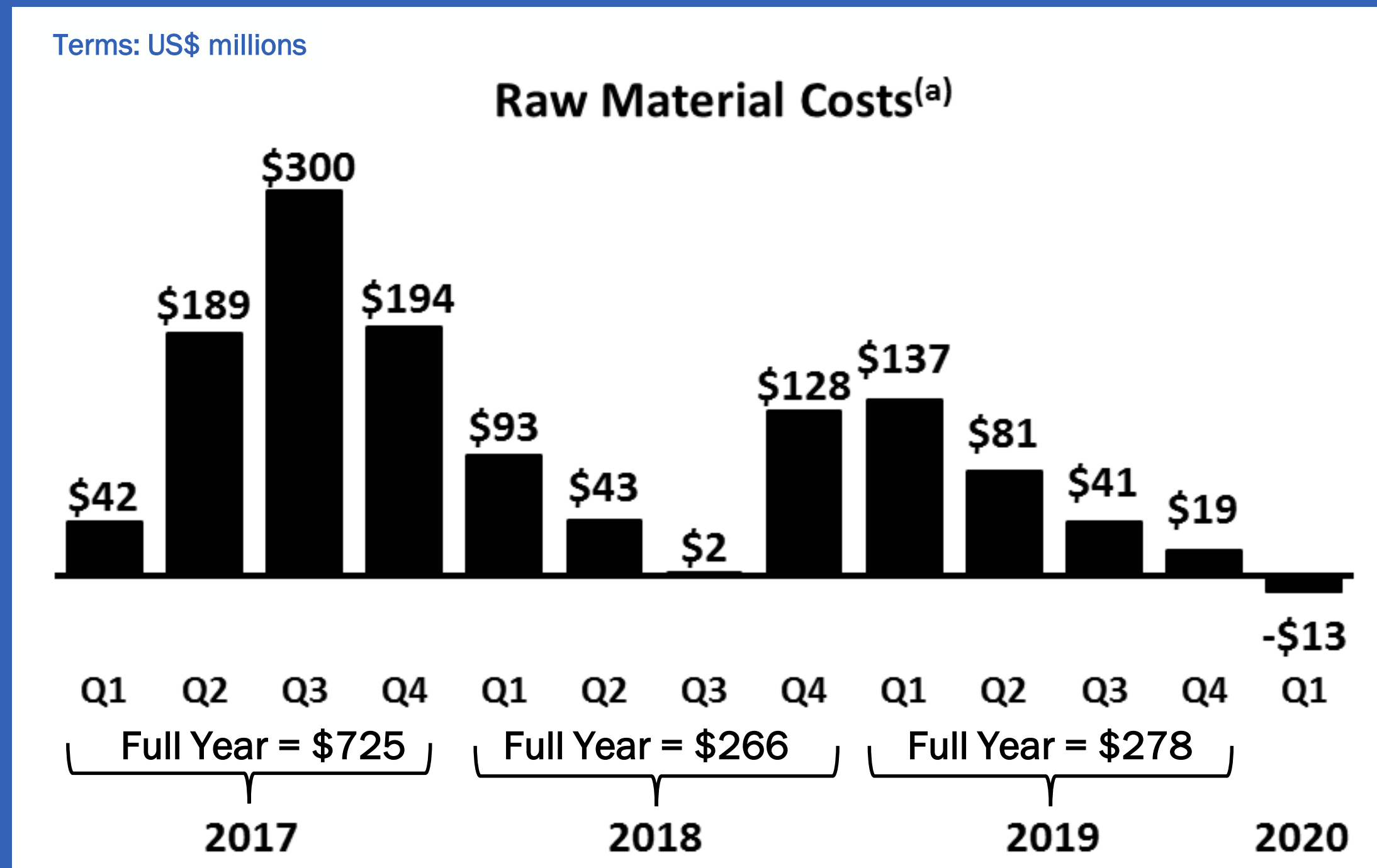
- ✓ Raw materials are ~44% of tire COGS
- ✓ ~68% of raw materials are influenced by oil prices
  - P&L impact lags spot rates by 1-2 quarters depending on commodity
- ✓ ~63% of raw materials are purchased in USD
- ✓ Customer agreements indexed to raw materials
  - OE customers
  - Certain large commercial fleets
  - OTR customers

## Global Raw Material Spend

FY 2019 (\$4.4 Billion)



Feedstock ~65% of raw material spend



## Outlook

- 2020 raw material costs \$50 - \$100 million benefit, excluding transactional foreign currency
- Turkish Lira and Brazilian Real drivers of unfavorable transactional foreign currency

(a) Impact to cost of goods sold versus prior period, excluding the impact of raw material cost saving measures

# Consumer Replacement Industry Fundamentals: $\geq 17$ "



## U.S. Replacement Industry 2020 vs. 2019 Growth Rate<sup>(a)</sup>

	<u>Q1 20</u>
USTMA Members ( $\geq 17$ "	-8%
USTMA Members ( $< 17$ "	-19%
<b>Total</b>	<b>-12%</b>
Non-Members	-2%
<b>Total U.S.</b>	<b>-10%</b>
<b>Goodyear (<math>\geq 17</math>"</b>	<b>-20%</b>

## Europool & Turkey Replacement Industry 2020 vs. 2019 Growth Rate<sup>(b)</sup>

	<u>Q1 20</u>
ETRMA Members ( $\geq 17$ "	-6%
ETRMA Members ( $< 17$ "	-17%
<b>Total</b>	<b>-13%</b>
Non-Members	-7%
<b>Total EU + Turkey</b>	<b>-11%</b>
<b>Goodyear (<math>\geq 17</math>"</b>	<b>-16%</b>

(a) Source: U.S. Tire Manufacturers Association as of March 2020

(b) Source: European Tyre & Rubber Manufacturer's Association (Europe, including Turkey and excluding Russia) + Non-Members internal estimation

# Use of Non-GAAP Financial Measures



This presentation contains historical non-GAAP financial measures, including Total Segment Operating Income (Loss) and Margin, Free Cash Flow, Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Loss) Per Share (EPS), which are important financial measures for the company but are not financial measures defined by U.S. GAAP, and should not be construed as alternatives to corresponding financial measures presented in accordance with U.S. GAAP.

Total Segment Operating Income (Loss) is the sum of the individual strategic business units' (SBUs') Segment Operating Income (Loss) as determined in accordance with U.S. GAAP. Total Segment Operating Margin is Total Segment Operating Income (Loss) divided by Net Sales as determined in accordance with U.S. GAAP. Management believes that Total Segment Operating Income (Loss) and Margin are useful because they represent the aggregate value of income (loss) created by the company's SBUs and exclude items not directly related to the SBUs for performance evaluation purposes. The most directly comparable U.S. GAAP financial measures to Total Segment Operating Income (Loss) and Margin are Goodyear Net Income (Loss) and Return on Net Sales (which is calculated by dividing Goodyear Net Income (Loss) by Net Sales).

Free Cash Flow is the company's Cash Flows from Operating Activities as determined in accordance with U.S. GAAP, less capital expenditures. Management believes that Free Cash Flow is useful because it represents the cash generating capability of the company's ongoing operations, after taking into consideration capital expenditures necessary to maintain its business and pursue growth opportunities. The most directly comparable U.S. GAAP financial measure is Cash Flows from Operating Activities.

Adjusted Net Income (Loss) is Goodyear Net Income (Loss) as determined in accordance with U.S. GAAP adjusted for certain significant items. Adjusted Diluted Earnings (Loss) Per Share (EPS) is the company's Adjusted Net Income (Loss) divided by Weighted Average Shares Outstanding-Diluted as determined in accordance with U.S. GAAP. Management believes that Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Loss) Per Share (EPS) are useful because they represent how management reviews the operating results of the company excluding the impacts of rationalizations, asset write-offs, accelerated depreciation, asset sales and certain other significant items.

It should be noted that other companies may calculate similarly-titled non-GAAP financial measures differently and, as a result, the measures presented herein may not be comparable to such similarly-titled measures reported by other companies.

# Reconciliation for Segment Operating Income (Loss)/Margin



Terms: US\$ millions

	Three Months Ended	
	March 31,	
	2020	2019
<b>Total Segment Operating Income (Loss)</b>	<b>\$ (47)</b>	<b>\$ 190</b>
Goodwill impairment	(182)	-
Rationalizations	(9)	(103)
Interest expense	(73)	(85)
Other income (expense)	(27)	(22)
Asset write-offs and accelerated depreciation	(4)	-
Retained expenses of divested operations	(2)	(3)
Other	(24)	(15)
<b>Income (Loss) before Income Taxes</b>	<b>\$ (368)</b>	<b>\$ (38)</b>
United States and Foreign Tax Expense	249	6
Less: Minority Shareholders Net Income	2	17
<b>Goodyear Net Income (Loss)</b>	<b>\$ (619)</b>	<b>\$ (61)</b>
Net Sales (as reported)	\$3,056	\$3,598
Return on Net Sales (as reported)	(20.3)%	(1.7)%
Total Segment Operating Margin	(1.5)%	5.3%

# First Quarter 2020 Significant Items

(After Tax and Minority Interest)



Terms: US\$ millions  
(except EPS)

	As Reported	Discrete Tax Items	Goodwill Impairment	Rationalizations, Asset Write-offs, and Accelerated Depreciation	As Adjusted
Net Sales	\$ 3,056	\$ -	\$ -	\$ -	\$ 3,056
Cost of Goods Sold	2,552	-	-	(4)	2,548
Gross Margin	504	-	-	4	508
SAG	581	-	-	-	581
Goodwill Impairment	182	-	(182)	-	-
Rationalizations	9	-	-	(9)	-
Interest Expense	73	-	-	-	73
Other (Income) Expense	27	-	-	-	27
Pre-tax Income (Loss)	(368)	-	182	13	(173)
Taxes	249	(290)	4	2	(35)
Minority Interest	2	-	-	-	2
Goodyear Net Income (Loss)	\$ (619)	\$ 290	\$ 178	\$ 11	\$ (140)
EPS	\$ (2.65)	\$ 1.24	\$ 0.76	\$ 0.05	\$ (0.60)

# First Quarter 2019 Significant Items



(After Tax and Minority Interest)

Terms: US\$ millions  
(except EPS)

	As Reported	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Indirect Tax Settlements and Discrete Tax Items	Legal Claims Related to Discontinued Operations	Asset Sales	Net Insurance Recovery from Hurricanes	As Adjusted
Net Sales	\$ 3,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,598
Cost of Goods Sold	2,879	-	-	-	-	-	2,879
Gross Margin	719	-	-	-	-	-	719
SAG	547	-	-	-	-	-	547
Goodwill Impairment	-	-	-	-	-	-	-
Rationalizations	103	(103)	-	-	-	-	-
Interest Expense	85	-	-	-	-	-	85
Other (Income) Expense	22	-	-	(5)	5	3	25
Pre-tax Income (Loss)	(38)	103	-	5	(5)	(3)	62
Taxes	6	18	(7)	1	(1)	(1)	16
Minority Interest	17	-	(16)	-	-	-	1
Goodyear Net Income (Loss)	\$ (61)	\$ 85	\$ 23	\$ 4	\$ (4)	\$ (2)	\$ 45
EPS	\$ (0.26)	\$ 0.36	\$ 0.10	\$ 0.02	\$ (0.02)	\$ (0.01)	\$ 0.19

# Reconciliation for Total Debt and Net Debt



Terms: US\$ millions

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Long-Term Debt and Finance Leases	\$ 5,212	\$ 4,753	\$ 5,545
Notes Payable and Overdrafts	691	348	495
Long-Term Debt and Finance Leases Due Within One Year	621	562	466
Total Debt	<u>\$ 6,524</u>	<u>\$ 5,663</u>	<u>\$ 6,506</u>
Less: Cash and Cash Equivalents	<u>971</u>	<u>908</u>	<u>860</u>
Net Debt	<u>\$ 5,553</u>	<u>\$ 4,755</u>	<u>\$ 5,646</u>



**GOODYEAR**  **YEAR**®