

# FIRST QUARTER 2022 CONFERENCE CALL

MAY 6, 2022

**GOODYEAR**

# 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: our ability to achieve the expected benefits of the Cooper Tire & Rubber Company acquisition; the impact on us of the COVID-19 pandemic; increases in the prices paid for raw materials and energy; inflationary cost pressures; delays or disruptions in our supply chain or the provision of services to us; changes in tariffs, trade agreements or trade restrictions; our ability to implement successfully our strategic initiatives; actions and initiatives taken by both current and potential competitors; deteriorating economic conditions or an inability to access capital markets; a labor strike, work stoppage, labor shortage or other similar event; work stoppages, financial difficulties, labor shortages or supply disruptions at our suppliers or customers; the adequacy of our capital expenditures; foreign currency translation and transaction risks; 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.*

# ENABLING MOBILITY

## HOW WE WIN

## HOW WE WORK

### INNOVATION EXCELLENCE

We create leading technologies, products and services that anticipate the mobility and sustainability needs of consumers and fleets.



### SALES & MARKETING EXCELLENCE

We capture the value of our brands and grow our market share, helping our customers win in their markets and ensuring we are the preferred choice of consumers.

### OPERATIONAL EXCELLENCE

We relentlessly improve our safety, quality and efficiency. We deliver the right tire, to the right place, at the right time, at the right cost.

*DELIVERING FOR OUR CUSTOMERS*

### ACT WITH INTEGRITY

We build trust and earn confidence through honesty and respect. We do the right thing, and we Protect Our Good Name.

### ENERGIZE THE TEAM

We create an environment that inspires associates to bring their full selves to work, giving their best to Goodyear and our communities.

### PROMOTE COLLABORATION

We operate as One Team, engaging in open dialogue, leveraging diverse points of view to help Goodyear – and each other – succeed.

### BE AGILE

We approach our work with curiosity, speed and purpose, embracing change and eliminating unneeded complexity.

### DELIVER RESULTS

We seize opportunities and make courageous decisions, achieving our business goals and building capability for the future.

*LIVING OUR VALUES*

## WHERE WE FOCUS

### RESPONSIBLE OPERATIONS

We are committed to the safety of our associates, the quality of our products and the integrity of our supply chain.

### CUSTOMER EXPERIENCE

Our customers are at the center of everything we do. We collaborate with them to make our products easy to buy, own and recommend.

### SUSTAINABILITY

We responsibly balance environmental, social and financial demands without compromising the ability of future generations to meet their needs.

### ADVANCED MOBILITY

We advance the performance of our products, and we lead our industry in future mobility solutions.

### INSPIRING CULTURE

We aspire to be a diverse and inclusive culture, where every associate can develop to their full potential, and we give back to communities where we operate.

**ONE TEAM DRIVING PERFORMANCE**

# FIRST QUARTER HIGHLIGHTS



- **Net sales growth of 40% compared with the first quarter of 2021, 20% growth excluding the Cooper Tire transaction and foreign currency**
- **First quarter Goodyear net income of \$96 million; adjusted net income of \$105 million<sup>(a)</sup>**
- **Merger-adjusted segment operating income of \$311 million, up 38% compared to the first quarter of 2021<sup>(b)</sup>**
- **Continued global market share growth during the quarter, driven by consumer replacement**
- **Price/mix exceeds raw materials by more than \$130 million**
- **Revenue per tire (excluding currency impact) up 17% versus first quarter of 2021**

(a) See Adjusted Net Income reconciliation in Appendix on page 35

(b) See Merger-Adjusted Segment Operating Income and Margin and Segment Operating Income and Margin reconciliation in Appendix on page 34



## Positives

- **Solid volume growth while delivering strong price/mix**
- **Avoided supply disruption, demonstrating supply chain resilience**
- **Continued market share gains in global commercial truck business**
- **Robust volume and share growth in Europe despite geopolitical uncertainty**
- **Benefitting from Cooper combination; synergies on track**

## Negatives

- **Ongoing cost inflation (including energy, transportation, wages)**
- **Production efficiency negatively impacted by staffing availability / training requirements**
- **Continued disruption to OE production schedules**
- **Asia Pacific results impacted by difficult Chinese market, including OE profitability**

**CONTINUED MOMENTUM DESPITE MACROECONOMIC CHALLENGES**

# AWARD-WINNING PRODUCT LINE-UP



**“The best summer tires come from Goodyear.”**

- Auto Bild, April 13, 2022<sup>(a)</sup>



**Eagle F1  
Asymmetric 6**

**EfficientGrip 2  
SUV**

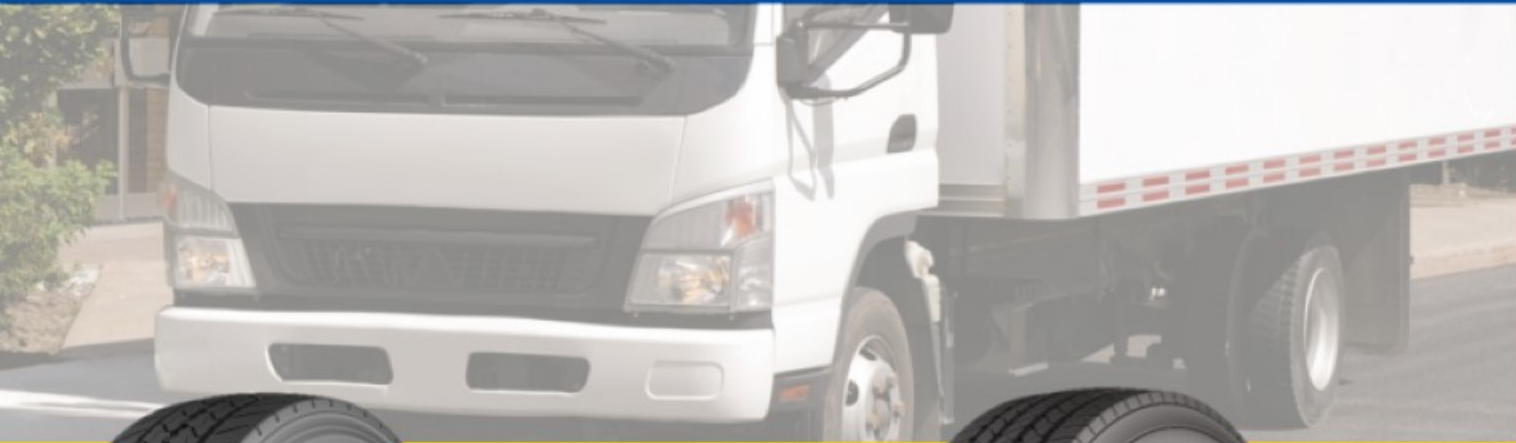
**EfficientGrip  
Performance 2**



**AWARD-WINNING TIRES RECOGNIZED ACROSS MULTIPLE CATEGORIES**

(a) Auto Bild issue 15/2022, quote translated from original German

# TOTAL MOBILITY LEADER



## **Endurance RSA ULT**

First Goodyear tire equipped for higher load capacity of commercial EVs

Designed for the last-mile delivery segment, delivering cost savings and positive sustainability impact



## **Fuel Max RSA ULT**

Premium regional/urban all-position tire for pickup and delivery

Designed to balance traction, fuel efficiency and mileage



## **Metro Miler**

Enhanced urban bus/transit tire with bio-based sustainable materials

Designed to replace petroleum-based oil content with renewable soybean oil compound in the tread compound



**ADVANCING SUSTAINABLE COMMERCIAL MOBILITY**

# FINANCIAL REVIEW

**GOODYEAR**



# INCOME STATEMENT

FIRST QUARTER  
2022

Terms: in millions  
(except EPS)

	Three Months Ended		Change
	March 31, 2022	March 31, 2021	
Units	45.0	35.0	29%
Net Sales	\$ 4,908	\$ 3,511	40%
Gross Margin	19.2%	21.6%	(2.4)pts
SAG	\$ 688	\$ 564	22%
Merger-Adjusted Segment Operating Income <sup>(a)</sup>	\$ 311	\$ 226	
Merger-Adjusted Segment Operating Margin <sup>(a)</sup>	6.3%	6.4%	(0.1)pts
Segment Operating Income <sup>(a)</sup>	\$ 303	\$ 226	
Segment Operating Margin <sup>(a)</sup>	6.2%	6.4%	(0.2)pts
Goodyear Net Income	\$ 96	\$ 12	
Goodyear Net Income Per Share			
Weighted Average Shares Outstanding	284	235	
Basic	\$ 0.34	\$ 0.05	
Weighted Average Shares Outstanding - Diluted	287	238	
Diluted	\$ 0.33	\$ 0.05	
Adjusted Diluted Earnings Per Share <sup>(b)</sup>	\$ 0.37	\$ 0.43	

(a) See Merger-Adjusted Segment Operating Income and Margin and Segment Operating Income and Margin reconciliation in Appendix on page 34

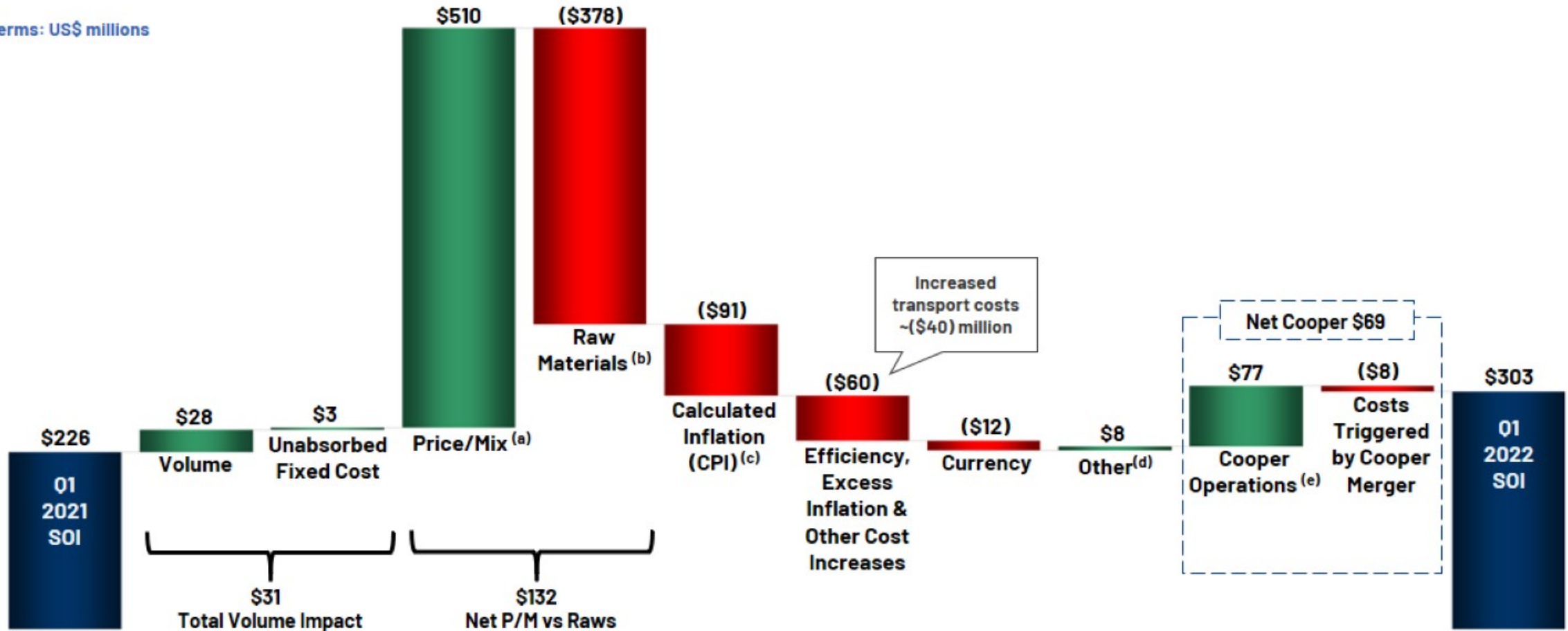
(b) See Adjusted Diluted Earnings Per Share reconciliation in Appendix on pages 35 and 36

# SEGMENT OPERATING RESULTS



## FIRST QUARTER 2022 VERSUS 2021

Terms: US\$ millions



(a) Price/mix excludes the impact of equity interest in TireHub (\$1 million benefit year over year)

(b) Raw materials variance of (\$378) million includes raw material cost saving measures

(c) Estimated impact of general inflation (wages, utilities, energy, transportation and other)

(d) Includes the impacts of other tire-related businesses, advertising, R&D and equity interest in TireHub (\$1 million benefit year over year)

(e) Includes the impact of certain cost synergies on business unit results

# BALANCE SHEET

FIRST QUARTER  
2022

Terms: US\$ millions

	Includes impact of Cooper transaction		
	March 31, 2022	December 31, 2021	March 31, 2021
Cash and cash equivalents	\$ 1,053	\$ 1,088	\$ 1,223
Accounts receivable	\$ 3,220	\$ 2,387	\$ 2,159
Inventories	4,026	3,594	2,359
Accounts payable - trade	(4,339)	(4,148)	(3,037)
Working capital <sup>(a)</sup>	\$ 2,907	\$ 1,833	\$ 1,481
Total debt <sup>(b)</sup>	\$ 8,370	\$ 7,397	\$ 6,102
Net debt <sup>(b)</sup>	\$ 7,317	\$ 6,309	\$ 4,879

(a) Working capital represents accounts receivable and inventories, less accounts payable - trade  
(b) See Total Debt and Net Debt reconciliation in Appendix on page 37

# FREE CASH FLOW

FIRST QUARTER  
2022

Terms: US\$ millions

	Three Months Ended March 31,		Trailing Twelve Months Ended
	2022	2021	March 31, 2022
<b>Net Income</b>	\$ 96	\$ 18	\$ 858
Depreciation and Amortization	244	197	930
Change in Working Capital	(1,002)	(563)	(798)
Pension Expense	18	23	72
Pension Contributions and Direct Payments	(16)	(9)	(98)
Provision for Deferred Income Taxes	3	(18)	(450)
Rationalization Payments	(36)	(83)	(150)
Other <sup>(a)</sup>	(18)	153	269
<b>Cash Flow from Operating Activities (GAAP)</b>	<b>\$ (711)</b>	<b>\$ (282)</b>	<b>\$ 633</b>
Capital Expenditures	(276)	(185)	(1,072)
<b>Free Cash Flow (non-GAAP)</b>	<b>\$ (987)</b>	<b>\$ (467)</b>	<b>\$ (439)</b>
<b>Cash Flow from Investing Activities (GAAP)</b>	<b>\$ (300)</b>	<b>\$ (180)</b>	<b>\$ (2,913)</b>
<b>Cash Flow from Financing Activities (GAAP)</b>	<b>\$ 982</b>	<b>\$ 144</b>	<b>\$ 2,147</b>

Reflects rebuild of working capital following reduction of \$871 million in 2020

Non-cash reversal of tax valuation allowance

Includes \$1,856 million for net cash portion of merger consideration

(a) Other includes amortization and write-off of debt issuance costs, net pension curtailments and settlements, net rationalization charges, amortization of inventory fair value step-up and transaction and other costs and payments related to Cooper Tire acquisition, 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

# STRUCTURAL CASH FLOW



	Year Ended December 31,												Feb. 11 <sup>th</sup> '22 Break-even Scenario
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Cash Flow from Operating Activities (GAAP)</b>	\$ 924	\$ 773	\$ 1,038	\$ 938	\$ 340	\$ 1,728	\$ 1,557	\$ 1,158	\$ 916	\$ 1,207	\$ 1,115	\$ 1,062	\$ 1,350
Add Back: Pension Cash	405	294	684	1,162	1,338	103	89	90	74	79	56	91	50
<b>Pre-Pension Cash Flow from Operating Activities<sup>(a)</sup></b>	<b>1,329</b>	<b>1,067</b>	<b>1,722</b>	<b>2,100</b>	<b>1,678</b>	<b>1,831</b>	<b>1,646</b>	<b>1,248</b>	<b>990</b>	<b>1,286</b>	<b>1,171</b>	<b>1,153</b>	<b>1,400</b>
Capital Expenditures	(944)	(1,043)	(1,127)	(1,168)	(923)	(983)	(996)	(881)	(811)	(770)	(647)	(981)	(1,350)
<b>Pre-Pension Cash Flow Less Capex (Structural Cash Flow)<sup>(b)</sup> (non-GAAP)</b>	<b>\$ 385</b>	<b>\$ 24</b>	<b>\$ 595</b>	<b>\$ 932</b>	<b>\$ 755</b>	<b>\$ 848</b>	<b>\$ 650</b>	<b>\$ 367</b>	<b>\$ 179</b>	<b>\$ 516</b>	<b>\$ 524</b>	<b>\$ 172</b>	<b>\$ 50</b>
Memo: Change in Working Capital	\$ 52	\$(650)	\$ 457	\$ 415	\$ (1)	\$ (42)	\$ (117)	\$ (106)	\$ (120)	\$ 82	\$ 871	\$(359)	\$(300)

**Strong cash flow during downturn - similar in 2010**

**Reinvest in working capital - similar to 2011**

**Limited cash flow on working capital & capex investment for economic recovery - similar to 2011**

**STRUCTURAL CASH FLOW CONSISTENTLY POSITIVE; DIPS TEMPORARILY DURING ECONOMIC RECOVERY PERIODS AS WORKING CAPITAL RECOVERS**

(a) Cash flow from operating activities less pension contributions & direct payments  
 (b) See Structural Cash Flow reconciliation in Appendix on page 21

# SEGMENT RESULTS – AMERICAS



Terms: US\$ millions  
Units in millions

## First Quarter

	<u>2022<sup>(a)</sup></u>	<u>2021</u>	<u>Change</u>
<b>Units</b>	<b>22.2</b>	<b>15.5</b>	<b>43.8%</b>
<b>Net Sales</b>	<b>\$2,915</b>	<b>\$1,787</b>	<b>63.1%</b>
<b>Operating Income</b>	<b>\$216</b>	<b>\$114</b>	<b>89.5%</b>
<b>Margin</b>	<b>7.4%</b>	<b>6.4%</b>	

- Growth in volume driven by addition of Cooper Tire
- Price/mix more than offset raw material costs, inflation and other cost increases
- SOI margin up despite impact of raw material and other cost inflation

(a) The Cooper transaction closed on June 7, 2021, and segment results include Cooper operations since that date

# SEGMENT RESULTS - EMEA



Terms: US\$ millions  
Units in millions

## First Quarter

	<u>2022<sup>(a)</sup></u>	<u>2021</u>	<u>Change</u>
<b>Units</b>	14.5	12.7	14.4%
<b>Net Sales</b>	\$1,426	\$1,231	15.8%
<b>Operating Income</b>	\$59	\$74	(20.3%)
<b>Margin</b>	4.1%	6.0%	

- Gained share in consumer replacement and OE
  - OE volume impacted by ongoing semiconductor shortage
- Price/mix more than offset raw material costs
- \$10 million adverse impact from foreign currency
- Increased energy cost pressure

(a) The Cooper transaction closed on June 7, 2021, and segment results include Cooper operations since that date

# SEGMENT RESULTS – ASIA PACIFIC



Terms: US\$ millions  
Units in millions

## First Quarter

	<u>2022<sup>(a)</sup></u>	<u>2021</u>	<u>Change</u>
<b>Units</b>	<b>8.3</b>	<b>6.8</b>	<b>21.5%</b>
<b>Net Sales</b>	<b>\$567</b>	<b>\$493</b>	<b>15.0%</b>
<b>Operating Income</b>	<b>\$28</b>	<b>\$38</b>	<b>(26.3%)</b>
<b>Margin</b>	<b>4.9%</b>	<b>7.7%</b>	

- Volume growth in consumer OE and replacement, reflecting the addition of Cooper Tire business and growth in legacy Goodyear business
- Price / mix partially offset raw material costs
- Pricing environment remains challenging, particularly for China OE

(a) The Cooper transaction closed on June 7, 2021, and segment results include Cooper operations since that date





- **Positive price/mix vs. raw material costs (similar to Q1)**
- **Continued recovery in EMEA volume**
- **Continued inflationary cost pressures, including higher transportation, labor and energy costs**
  - **Transportation / Energy cost YoY impact \$20-\$30 million higher than Q1**
- **Impact of China plant closures estimated ~\$10 million, assuming no further shutdowns**
- **Non-recurrence of 2021 indirect tax benefit of \$69 million (reflected as cost savings)**
- **Non-recurrence of Cooper transaction costs (\$50 million)**
- **Benefit of full quarter of Cooper results (Q2 2021 prior to June 7 closing date ~\$50 million of operating income)**

# 2022 OUTLOOK: OTHER FINANCIAL ASSUMPTIONS



Includes impact of Cooper transaction except as noted

## Current Assumption

<b>Raw Materials</b>	Q2 ~\$400 million higher than prior year; H2 similar to H1 based on current spot rates <sup>(a)</sup>
<b>Interest Expense</b>	\$450 to \$475 million <sup>(b)</sup>
<b>Other (Income) Expense</b>	Financing fees: ~\$30 million <sup>(b)</sup> Global pension related (excluded from SOI): \$30 to \$40 million <sup>(c)</sup>
<b>Income Tax</b>	Cash: \$150 to \$200 million <sup>(d)</sup>
<b>Depreciation &amp; Amortization</b>	~\$1.0 billion
<b>Global Pension Cash Contributions</b>	\$25 to \$50 million <sup>(e)</sup>
<b>Incremental Amortization of Intangible Assets</b>	~\$40 million <sup>(f)</sup>
<b>Working Capital</b>	Use of ~\$300 million
<b>Capital Expenditures</b>	\$1.3 to \$1.4 billion
<b>Rationalization Payments</b>	~\$100 million
<b>Corporate Other</b>	\$150 to \$175 million

(a) Includes Cooper raw materials cost increases beginning June 7, the anniversary of the closing of the Cooper transaction in 2021

(b) Assumes no refinancing activity

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

(d) Excludes one-time items

(e) Excludes direct benefit payments

(f) Incremental amortization of Cooper Tire intangible assets

# APPENDIX

**GOOD YEAR.**

# LEGACY GOODYEAR MODELING ASSUMPTIONS



## Volume Sensitivities

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

• 1% Δ in U.S. Consumer OE Industry	~85
• 1% Δ in U.S. Consumer Replacement Industry	~365
• 1% Δ in U.S. Commercial OE Industry	~8
• 1% Δ in U.S. Commercial Replacement Industry	~25
• 1% Δ in European Consumer OE Industry	~80
• 1% Δ in European Consumer Replacement Industry	~315
• 1% Δ in European Commercial OE Industry	~10
• 1% Δ in European Commercial Replacement Industry	~25

## Pricing

(Annual Impact of Effective Pricing/Yield)

• 1% Δ in U.S. Consumer Replacement	~31
• 1% Δ in U.S. Commercial Replacement	~10
• 1% Δ in European Consumer Replacement	~23
• 1% Δ in European Commercial Replacement	~9

## Translational Foreign Currency

(Annual Impact on FX portion of SOI Walk)

• +/- 0.01 Δ USD/BRL	(e.g. R\$5.57 to R\$5.56 is favorable by 0.01)	+/- \$0.3M
• +/- 0.01 Δ USD/CNY	(e.g. ¥6.38 to ¥6.37 is favorable by 0.01)	+/- \$0.2M
• +/- 0.01 Δ USD/EUR	(e.g. €0.88 from €0.87 is favorable by 0.01)	+/- \$1.5M
• +/- 0.01 Δ USD/TRY	(e.g. ₺12.98 from ₺12.97 is favorable by 0.01)	+/- \$0.1M

## Approximate Profit Margin Per Tire

(Industry Estimate)

• Consumer OE ≥17"	15
• Consumer Replacement ≥17"	30
• Consumer OE <17"	5
• Consumer Replacement <17"	9-11
• Commercial - U.S. and Europe	50-60

## Tire Raw Material Spend

(Annual Impact) - Feedstock

• 1% Δ in Synthetic Rubber Prices (3 to 4 month lag)	~8
• 1% Δ in Natural Rubber Prices (4 to 6 month lag)	~7
• 1% Δ in Pigment, Chemical, & Oil Prices (3 to 4 month lag)	~6
• 1% Δ in Wire/Other Prices (3 to 4 month lag)	~5
• 1% Δ in Carbon Black (3 to 4 month lag)	~5
• 1% Δ in Fabric Prices (3 to 4 month lag)	~3

## Transactional Foreign Currency

(Annual Impact on Raw Material portion of SOI Walk)

• +/- 0.01 Δ USD/BRL	(e.g. R\$5.57 to R\$5.56 is favorable by 0.01)	+/- \$0.7M
• +/- 0.01 Δ USD/CNY	(e.g. ¥6.38 to ¥6.37 is favorable by 0.01)	+/- \$0.2M
• +/- 0.01 Δ USD/EUR	(e.g. €0.88 from €0.87 is favorable by 0.01)	+/- \$4.0M
• +/- 0.01 Δ USD/TRY	(e.g. ₺12.98 from ₺12.97 is favorable by 0.01)	+/- \$0.2M
• +/- 0.01 Δ EUR/TRY	(e.g. ₺14.75 from ₺14.74 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

## General Inflation

(Annual Impact)

• 1% Δ in Global Inflation	~50
• 1% Δ in Americas Inflation	~25
• 1% Δ in EMEA Inflation	~20

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

# RECONCILIATION FOR STRUCTURAL CASH FLOW



	Year Ended December 31,												Feb. 11 <sup>th</sup> '22 Break-even Scenario	Average <sup>(b)</sup>
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Cash Flow from Operating Activities (GAAP)</b>	\$ 924	\$ 773	\$ 1,038	\$ 938	\$ 340	\$ 1,728	\$ 1,557	\$ 1,158	\$ 916	\$ 1,207	\$ 1,115	\$ 1,062	\$ 1,350	\$ 1,063
Add Back: Pension Cash	405	294	684	1,162	1,338	103	89	90	74	79	56	91	50	372
<b>Pre-Pension Cash Flow from Operating Activities<sup>(a)</sup></b>	<b>1,329</b>	<b>1,067</b>	<b>1,722</b>	<b>2,100</b>	<b>1,678</b>	<b>1,831</b>	<b>1,646</b>	<b>1,248</b>	<b>990</b>	<b>1,286</b>	<b>1,171</b>	<b>1,153</b>	<b>1,400</b>	<b>1,435</b>
Capital Expenditures	(944)	(1,043)	(1,127)	(1,168)	(923)	(983)	(996)	(881)	(811)	(770)	(647)	(981)	(1,350)	(940)
<b>Pre-Pension Cash Flow Less Capex (Structural Cash Flow) (non-GAAP)</b>	<b>\$ 385</b>	<b>\$ 24</b>	<b>\$ 595</b>	<b>\$ 932</b>	<b>\$ 755</b>	<b>\$ 848</b>	<b>\$ 650</b>	<b>\$ 367</b>	<b>\$ 179</b>	<b>\$ 516</b>	<b>\$ 524</b>	<b>\$ 172</b>	<b>\$ 50</b>	<b>\$ 496</b>
<i>Memo:</i>														
Change in Working Capital	\$ 52	\$ (650)	\$ 457	\$ 415	\$ (1)	\$ (42)	\$ (117)	\$ (106)	\$ (120)	\$ 82	\$ 871	\$ (359)	\$ (300)	\$ 40
Unfunded Pension Obligations	(2,549)	(3,097)	(3,522)	(1,855)	(714)	(642)	(669)	(656)	(599)	(684)	(606)	(270)	(225)	
<b>Cash Flow from Investing Activities (GAAP)</b>	<b>\$(859)</b>	<b>\$ (902)</b>	<b>\$(1,123)</b>	<b>\$(1,136)</b>	<b>\$ (851)</b>	<b>\$(1,262)</b>	<b>\$ (979)</b>	<b>\$( 879)</b>	<b>\$ (867)</b>	<b>\$ (800)</b>	<b>\$ (667)</b>	<b>\$(2,793)</b>		
<b>Cash Flow from Financing Activities (GAAP)</b>	<b>179</b>	<b>994</b>	<b>(426)</b>	<b>1,082</b>	<b>(11)</b>	<b>(985)</b>	<b>(876)</b>	<b>(415)</b>	<b>(243)</b>	<b>(307)</b>	<b>203</b>	<b>1,309</b>		

(a) Cash flow from operating activities less pension contributions & direct payments  
(b) Average of years 2010 through 2021

# AMIENS PLANT MODERNIZATION ECONOMICS



Terms: US\$ millions

	Year:					<i>Approximate</i>
	<u>2022/2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Run-Rate</u>
EBIT	\$ (3)	\$ 10	\$ 16	\$ 27	\$ 41	\$55-\$60
Startup Costs	(5)	(3)	(4)	(3)	(1)	
<b>SOI</b>	<b>\$ (8)</b>	<b>\$ 7</b>	<b>\$ 12</b>	<b>\$ 24</b>	<b>\$ 40</b>	<b>\$55-\$60</b>
<b>CapEx</b>	<b>(78)</b>	<b>(47)</b>	<b>(16)</b>	<b>(9)</b>	<b>(3)</b>	
Depreciation	3	7	10	11	11	10
Incentives <sup>(a)</sup> / Cash Taxes	22	21	(1)	1	(16)	(15)
Working Capital	-	(8)	(3)	(4)	(5)	
<b>FCF</b>	<b>\$ (61)</b>	<b>\$ (20)</b>	<b>\$ 2</b>	<b>\$ 23</b>	<b>\$ 27</b>	<b>\$50-\$55</b>

**IRR ~20%**

## INVESTMENT HIGHLIGHTS

- Increase HVA capability by ~3 million tires / year
- No change in total capacity of ~ 5 million units
- ~\$4 reduction in cost/tire

Note: Analysis uses exchange rates as of May 1, 2022

(a) Incentives include ~\$50 million in government grants and a ~\$100 million subsidized loan to Goodyear France, guaranteed by The Goodyear Tire & Rubber Company

# PLANT MODERNIZATION EXAMPLE



As presented February 24, 2022

USD in millions	Year:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Run</u> <u>Rate</u>
EBIT	\$ -	\$ 16	\$ 32	\$ 66	\$ 66	
Startup Costs	(8)	(12)	(12)			
<b>SOI</b>	<b>\$ (8)</b>	<b>\$ 4</b>	<b>\$ 20</b>	<b>\$ 66</b>	<b>\$ 66</b>	
<b>Growth CapEx</b>	<b>(34)</b>	<b>(54)</b>	<b>(47)</b>			
Depreciation	-	2	6	9	9	
Cash Taxes	2	(1)	(5)	(16)	(16)	
Working Capital	-	(7)	(7)	(13)		
<b>FCF</b>	<b>\$ (40)</b>	<b>\$ (56)</b>	<b>\$ (33)</b>	<b>\$ 46</b>	<b>\$ 59</b>	

**IRR ~ 30%**

Incremental Avg GP/Tire:  
+ \$20 Replacement  
+ \$10 OE  
Minus Other Incremental  
Costs (mainly D&A)

Channel Mix:  
80% Replacement  
20% OE

\$135M over 3 years  
for upgraded plant  
equipment

Example assumes book tax  
rate; return is higher for  
investments in US & Europe  
due to current tax positions

## INVESTMENT HIGHLIGHTS

- Plant modernizations are highly accretive
- Financials based on 2009-2014<sup>(a)</sup>  
Consumer plant modernization in Lawton, Oklahoma (4.4M units)
- Investment enabled mix-up to higher value-added segments

(a) Future amounts would be impacted by inflation

# BROWNFIELD EXPANSION EXAMPLE



As presented February 24, 2022

**Total Avg GP/Tire:**  
\$30 Replacement  
\$15 OE  
Minus Other Incremental  
Costs (mainly D&A)  
  
**Channel Mix:**  
80% Replacement  
20% OE

~\$110M over 3 years  
for new equipment and  
facility addition/upgrade

Example assumes book tax  
rate; return is higher for  
investments in US & Europe  
due to current tax positions

USD in millions	Year:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Run</u> <u>Rate</u>
EBIT	\$ -	\$ 9	\$ 17	\$ 36	\$ 36	
Startup Costs	(6)	(6)	(6)			
<b>SOI</b>	<b>\$ (6)</b>	<b>\$ 3</b>	<b>\$ 11</b>	<b>\$ 36</b>	<b>\$ 36</b>	
<b>Growth CapEx</b>	<b>(28)</b>	<b>(44)</b>	<b>(39)</b>			
Depreciation	-	2	5	7	7	
Cash Taxes	2	(1)	(3)	(9)	(9)	
Working Capital	-	(9)	(9)	(18)		
<b>FCF</b>	<b>\$ (32)</b>	<b>\$ (49)</b>	<b>\$ (35)</b>	<b>\$ 16</b>	<b>\$ 34</b>	

**IRR ~ 20%**

## INVESTMENT HIGHLIGHTS

- Brownfield expansions deliver incremental value-added capacity
- Financials based on Consumer plant expansion in Kranj, Slovenia initiated in 2018 <sup>(a)</sup> (1.8M units)

(a) Future amounts would be impacted by inflation





## Russia

76 Associates

2021	Consumer	Truck	OTR	Total
Volume	936K	402K	5K	<b>1.3M</b>
Sales	\$59M	\$111M	\$43M	<b>\$213M</b>
EBIT				<b>\$8M</b>

## Ukraine

22 Associates

2021	Consumer	Truck	OTR	Total
Volume	592K	28K	0.4K	<b>621K</b>
Sales	\$34M	\$7M	\$3M	<b>\$44M</b>
EBIT				<b>\$4M</b>

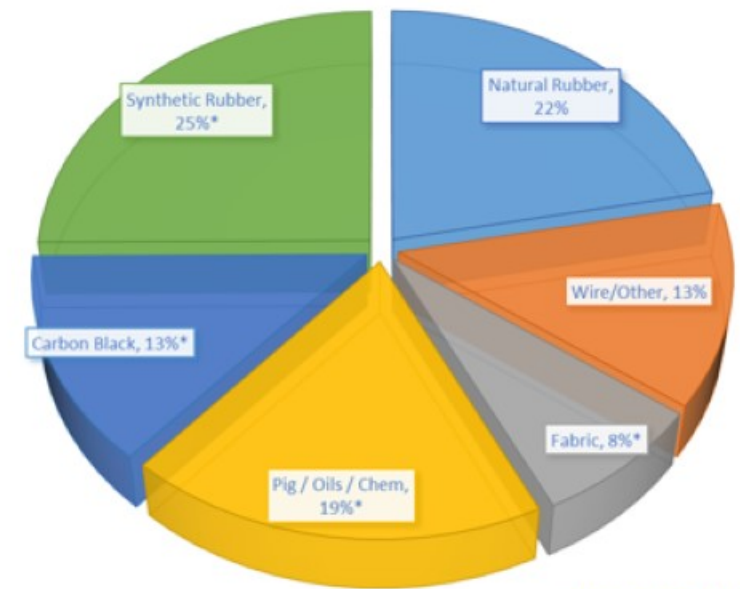
- No manufacturing assets in Russia or Ukraine
- Potential for volume opportunity as we work to supply markets formerly served by Russian tire imports, given EU embargo



- ✓ Raw materials are ~47%<sup>(a)</sup> of tire COGS
- ✓ ~67% 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

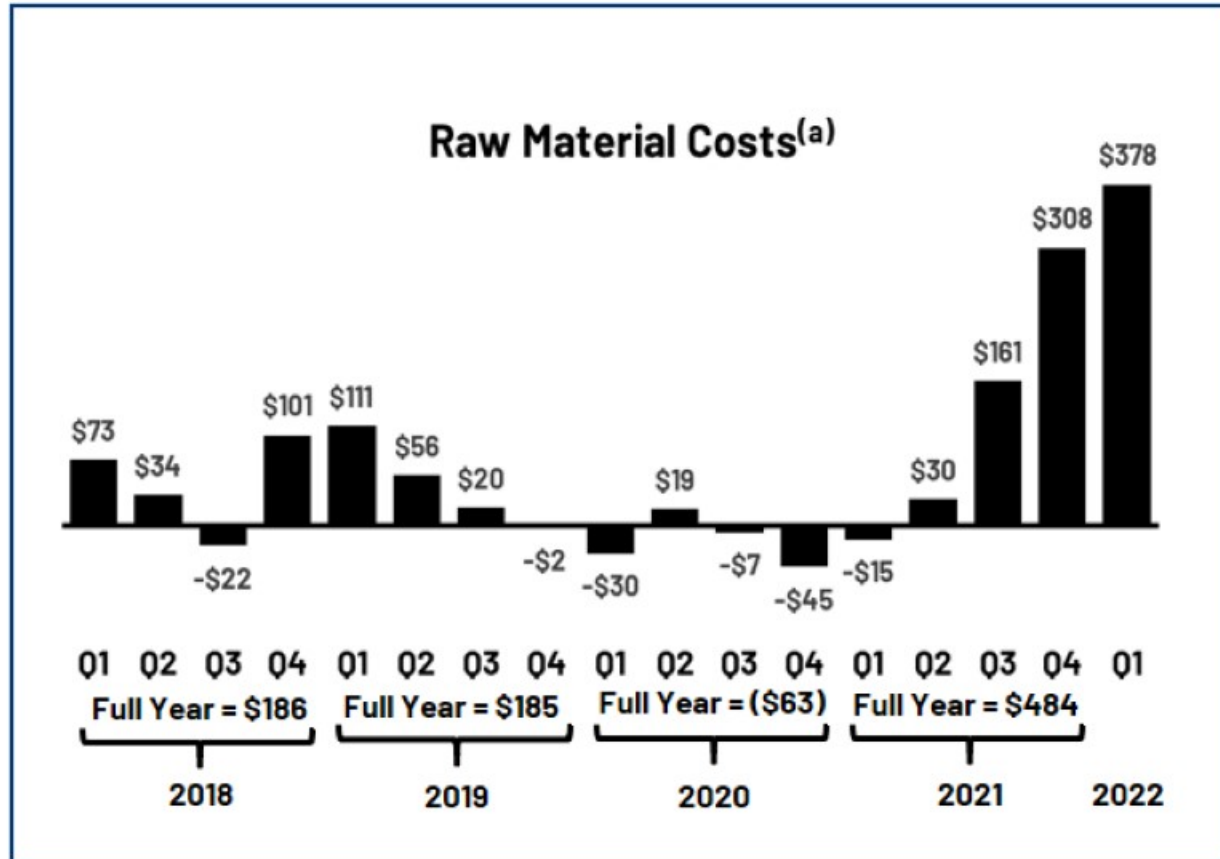
FY 2021 (\$5.0 Billion)<sup>(b)</sup>



\*Petrochemical based

**Feedstock ~65% of raw material spend**

(a) Raw materials were 36% of tire COGS in 2020 and 44% of tire COGS in 2019  
(b) Spend totaled \$3.2 billion in 2020 and \$4.4 billion in 2019



## 2022 Outlook<sup>(b)</sup>

- ~\$400 million Q2 impact, (consistent with prior outlook)
- H2 similar to H1 based on current spot rates

(a) Impact to cost of goods sold versus prior period, net of cost savings measures  
 (b) Excludes impact of Cooper Tire merger

# CONSUMER REPLACEMENT INDUSTRY



## U.S. Replacement Industry<sup>(a)</sup>

Q1 22

**USTMA Members (≥17")** **9%**

**USTMA Members (<17")** **-11%**

**Total** **2%**

**Non-Members** **15%**

**Total U.S.** **5%**

**Goodyear (≥17")<sup>(c)</sup>** **4%**

## Europool & Turkey Replacement Industry<sup>(b)</sup>

Q1 22

**ETRMA Members (≥17")** **16%**

**ETRMA Members (<17")** **4%**

**Total** **9%**

**Non-Members** **2%**

**Total EU & Turkey** **7%**

**Goodyear (≥17")<sup>(c)</sup>** **20%**

(a) Source: U.S. Tire Manufacturers Association (2022 vs. 2021 performance)

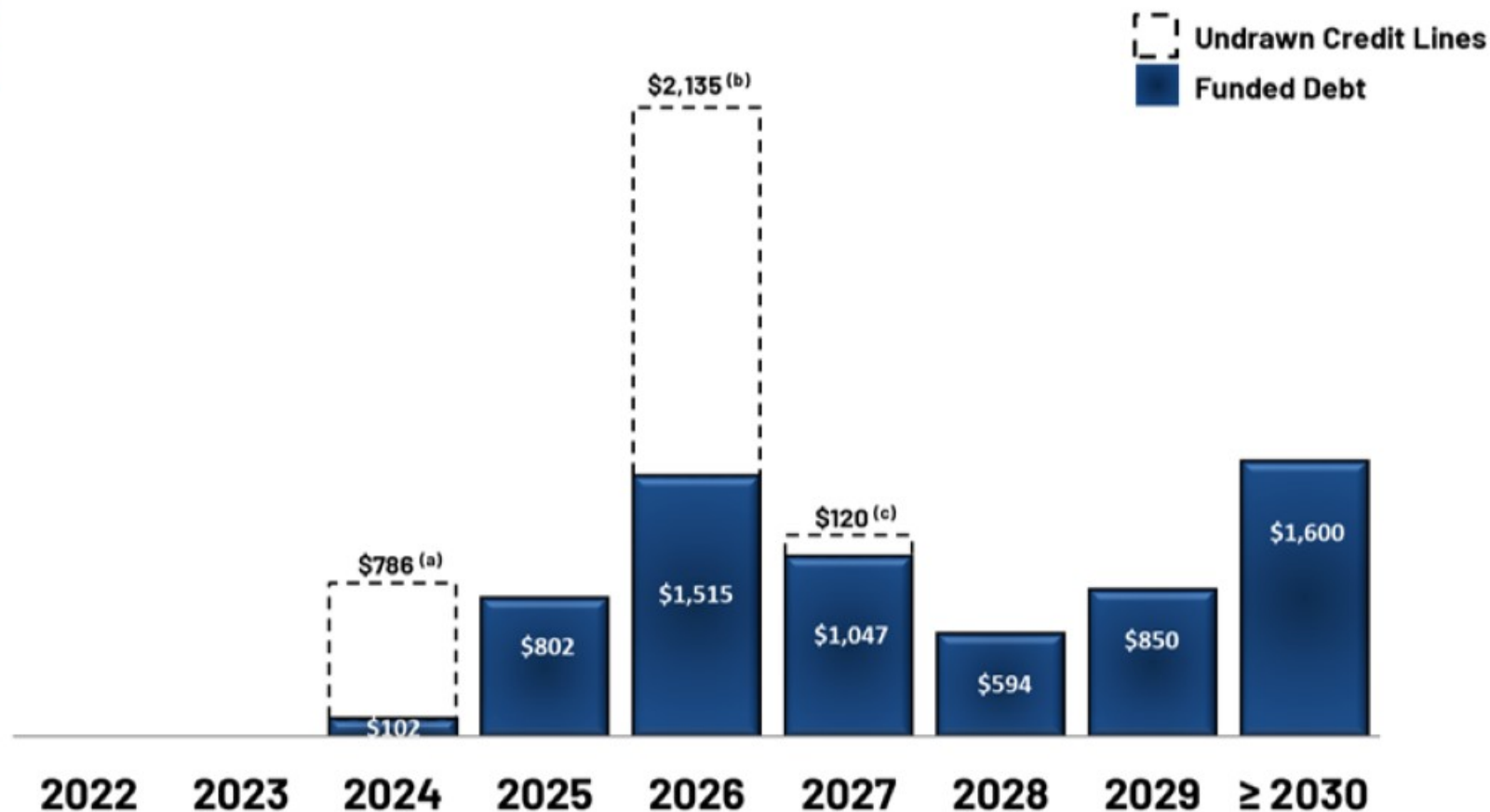
(b) Source: European Tyre & Rubber Manufacturer's Association (Europe, including Turkey and excluding Russia) + Non-Members internal estimation (2022 vs. 2021 performance)

(c) Excludes Cooper Tire volume

# MATURITY SCHEDULE

FIRST QUARTER 2022

Terms: US\$ millions



Note: Based on March 31, 2022 balance sheet values and excludes notes payable, finance and operating leases and other domestic and foreign debt

(a) At March 31, 2022, there were \$102 million (€92 million) of borrowings and no letters of credit issued under the €800 million European revolving credit facility

(b) At March 31, 2022, our borrowing base, and therefore our availability, under the U.S. revolving credit facility was \$321 million below the facility's stated amount of \$2.75 billion; At March 31, 2022, there were \$615 million in borrowings and \$3 million of letters of credit issued

(c) At March 31, 2022, the amounts available and utilized under the Pen-European securitization program totaled \$213 million (€192 million)

# LIQUIDITY PROFILE

FIRST QUARTER 2022

Terms: US\$ billions



(a) Total liquidity is comprised of \$1,053 million of cash and cash equivalents, as well as \$3,374 million of unused availability under various credit agreements

# MERGER SYNERGIES



## Original Forecast (February 2021)

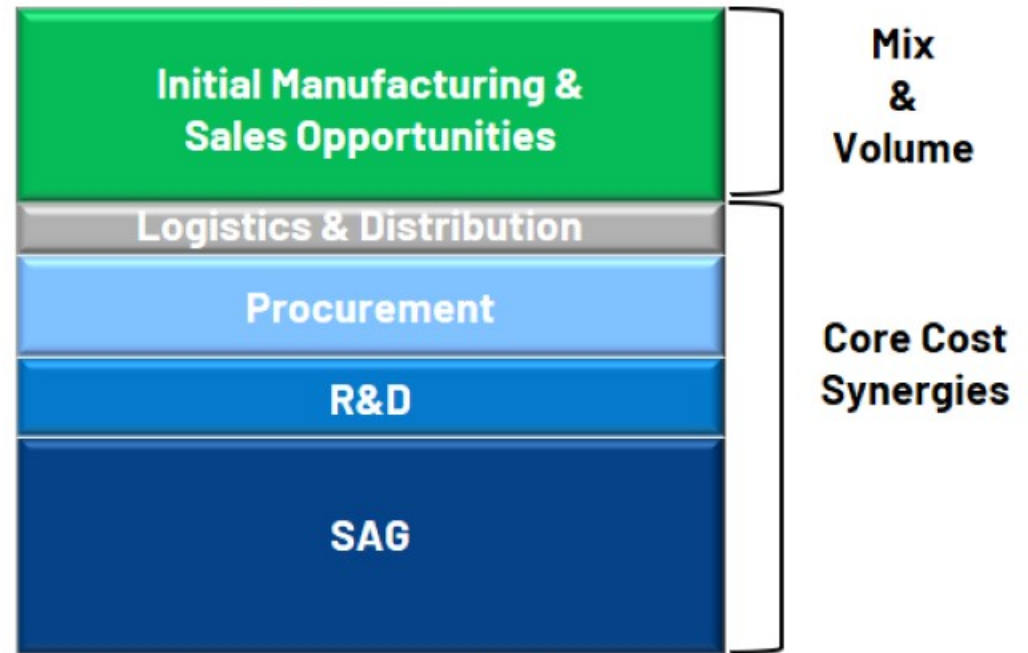
**~\$165M**



Estimated costs to achieve synergies: \$150 to \$175 million

## Upgraded Outlook (November 2021)

**~\$250M**



Estimated costs to achieve synergies: ~\$200 million

**EXPECT TO ACHIEVE \$250 MILLION OF RUN-RATE SYNERGIES BY MID-2023;  
RECONFIRMING TAX AND WORKING CAPITAL SAVINGS**

# COOPER TIRE MERGER: SUBSTANTIAL IMMEDIATE AND LONGER-TERM CASH FLOW BENEFITS



**~\$250  
Million**

## Working Capital Savings

- **Estimated one-time working capital savings of ~\$250 million from improvement in cash conversion cycle**

**\$450+  
Million**

## Tax Savings

- **Accelerated utilization of available Goodyear tax attributes with estimated net present value of \$450 million or more**

**WORKING CAPITAL IMPROVEMENT AND ABILITY TO LEVERAGE GOODYEAR'S TAX POSITION EXPECTED TO SIGNIFICANTLY ENHANCE COMBINED COMPANY CASH FLOW PROFILE**



# USE OF NON-GAAP FINANCIAL MEASURES



This presentation contains historical non-GAAP financial measures, including Total Segment Operating Income and Margin, Merger-Adjusted Segment Operating Income and Margin, Free Cash Flow, Structural Cash Flow, Adjusted Net Income and Adjusted Diluted Earnings 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 is the sum of the individual strategic business units' (SBUs') Segment Operating Income as determined in accordance with U.S. GAAP. Total Segment Operating Margin is Total Segment Operating Income divided by Net Sales as determined in accordance with U.S. GAAP. Management believes that Total Segment Operating Income and Margin are useful because they represent the aggregate value of income 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 and Margin are Goodyear Net Income and Return on Net Sales (which is calculated by dividing Goodyear Net Income by Net Sales).

Merger-Adjusted Segment Operating Income is Total Segment Operating Income less the impact of the amortization of inventory step-up adjustments, the amortization of intangible assets and other transaction-related items related to the Cooper Tire merger. Merger-Adjusted Segment Operating Margin is Merger-Adjusted Segment Operating Income divided by Net Sales as determined in accordance with U.S. GAAP. Management believes that Merger-Adjusted Segment Operating Income and Margin are useful because they allow investors to understand and evaluate the aggregate value of income created by the company's SBUs in a manner that is more comparable to the performance of The Goodyear Tire & Rubber Company and Cooper Tire & Rubber Company in the periods before the merger by adjusting for certain expenses related to the Cooper Tire merger, including amortization of the Cooper Tire inventory step-up adjustments, incremental amortization of Cooper Tire intangible assets and other transaction-related items.

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.

Structural Cash Flow is the company's Cash Flows from Operating Activities as determined in accordance with U.S. GAAP, with pension contributions and direct payments added back, less capital expenditures. Management believes that Structural Cash Flow is useful because it represents the cash generating capability of the company's ongoing operations, before cash contributions related to pension obligations (which the company considers to be a debt-like obligation) and 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 is Goodyear Net Income as determined in accordance with U.S. GAAP adjusted for certain significant items. Adjusted Diluted Earnings Per Share (EPS) is the company's Adjusted Net Income divided by Weighted Average Shares Outstanding-Diluted as determined in accordance with U.S. GAAP. Management believes that Adjusted Net Income and Adjusted Diluted Earnings Per Share (EPS) are useful because they represent how management reviews the operating results of the company excluding the impacts of non-cash impairment charges, 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 MERGER- ADJUSTED SEGMENT OPERATING INCOME / MARGIN & SEGMENT OPERATING INCOME / MARGIN

FIRST QUARTER  
2022

Terms: US\$ millions

## Merger-Adjusted Segment Operating Income (Loss)

Incremental Amortization of Intangible Assets

## Total Segment Operating Income (Loss)

Goodwill and Other Asset Impairments

Rationalizations

Interest Expense

Other Income (Expense)

Asset Write-offs and Accelerated Depreciation

Corporate Incentive Compensation Plans

Retained Expenses of Divested Operations

Other

## Income (Loss) before Income Taxes

United States and Foreign Tax Expense

Less: Minority Shareholders' Net Income

## Goodyear Net Income (Loss)

Net Sales (as reported)

Return on Net Sales (as reported)

Total Segment Operating Margin

Merger-Adjusted Segment Operating Margin

Three Months Ended  
March 31,

	2022	2021	2020	2019
<b>Merger-Adjusted Segment Operating Income (Loss)</b>	\$ 311	\$ 226	\$ (47)	\$ 190
Incremental Amortization of Intangible Assets	(8)	-	-	-
<b>Total Segment Operating Income (Loss)</b>	\$ 303	\$ 226	\$ (47)	\$ 190
Goodwill and Other Asset Impairments	-	-	(182)	-
Rationalizations	(11)	(50)	(9)	(103)
Interest Expense	(104)	(79)	(73)	(85)
Other Income (Expense)	(5)	(34)	(27)	(22)
Asset Write-offs and Accelerated Depreciation	-	-	(4)	-
Corporate Incentive Compensation Plans	(19)	(9)	(3)	(1)
Retained Expenses of Divested Operations	(3)	(3)	(2)	(3)
Other	(27)	(18)	(21)	(14)
<b>Income (Loss) before Income Taxes</b>	\$ 134	\$ 33	\$ (368)	\$ (38)
United States and Foreign Tax Expense	38	15	249	6
Less: Minority Shareholders' Net Income	-	6	2	17
<b>Goodyear Net Income (Loss)</b>	\$ 96	\$ 12	\$ (619)	\$ (61)
Net Sales (as reported)	\$4,908	\$3,511	\$3,056	\$3,598
Return on Net Sales (as reported)	2.0%	0.3%	(20.3)%	(1.7)%
Total Segment Operating Margin	6.2%	6.4%	(1.5)%	5.3%
Merger-Adjusted Segment Operating Margin	6.3%	6.4%	(1.5)%	5.3%

# FIRST QUARTER 2022 SIGNIFICANT ITEMS



Terms: US\$ millions  
(except EPS)

	As Reported	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Discrete Tax Items	Asset Sales	As Adjusted
Net Sales	\$ 4,908	\$ -	\$ -	\$ -	\$ 4,908
Cost of Goods Sold	3,966	-	-	-	3,966
Gross Margin	942	-	-	-	942
SAG	688	-	-	-	688
Rationalizations	11	(11)	-	-	-
Interest Expense	104	-	-	-	104
Other (Income) Expense	5	-	-	4	9
Pre-tax Income	134	11	-	(4)	141
Taxes	38	2	(4)	-	36
Minority Interest	-	-	-	-	-
Goodyear Net Income	\$ 96	\$ 9	\$ 4	\$ (4)	\$ 105
EPS	\$ 0.33	\$ 0.03	\$ 0.02	\$ (0.01)	\$ 0.37

# FIRST QUARTER 2021 SIGNIFICANT ITEMS



Terms: US\$ millions  
(except EPS)

	As Reported	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Americas Inventory Valuation and Other Adjustments	Americas Winter Storm Impact	Acquisition Related Transaction Costs	Discrete Tax Items	As Adjusted
Net Sales	\$ 3,511	\$ -	\$ -	\$ 24	\$ -	\$ -	\$ 3,535
Cost of Goods Sold	2,751	-	(13)	1	-	-	2,739
Gross Margin	760	-	13	23	-	-	796
SAG	564	-	-	-	-	-	564
Rationalizations	50	(50)	-	-	-	-	-
Interest Expense	79	-	-	-	-	-	79
Other (Income) Expense	34	-	(7)	-	(8)	-	19
Pre-tax Income	33	50	20	23	8	-	134
Taxes	15	5	1	6	2	(3)	26
Minority Interest	6	-	-	-	-	-	6
Goodyear Net Income	\$ 12	\$ 45	\$ 19	\$ 17	\$ 6	\$ 3	\$ 102
EPS	\$ 0.05	\$ 0.19	\$ 0.08	\$ 0.07	\$ 0.03	\$ 0.01	\$ 0.43

# RECONCILIATION FOR TOTAL DEBT AND NET DEBT

FIRST QUARTER  
2022

Terms: US\$ millions

Long-Term Debt and Finance Leases  
Notes Payable and Overdrafts  
Long-Term Debt and Finance Leases Due Within One Year  
Total Debt  
Less: Cash and Cash Equivalents

Net Debt

	March 31, 2022	December 31, 2021	March 31, 2021
	\$ 7,450	\$ 6,648	\$ 5,326
	570	406	390
	350	343	386
	\$ 8,370	\$ 7,397	\$ 6,102
	1,053	1,088	1,223
	\$ 7,317	\$ 6,309	\$ 4,879

**GOODYEAR**  **YEAR**®