



GOODYEAR  **YEAR**®

Second Quarter 2019 Conference Call

July 26, 2019

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 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

Positives

- Global revenue per tire increased 3%
- U.S. consumer replacement volume growth of 4%, led by outperformance in ≥ 17 "
- European consumer replacement business gained share
- Improving U.S. supply
- U.S. & European commercial businesses
- Commodity pressures moderating

Negatives

- Weak global light vehicle production
- Continued volatility in China and Brazil
- Soft replacement demand in Western Europe
- Higher non-feedstock costs driven by environmental regulations in China
- Transactional foreign exchange / strong U.S. dollar

Strong performance in challenging environment

Consumer Replacement Industry Fundamentals: $\geq 17''$



U.S. Replacement Industry 2019 vs. 2018 Growth Rate^(a)

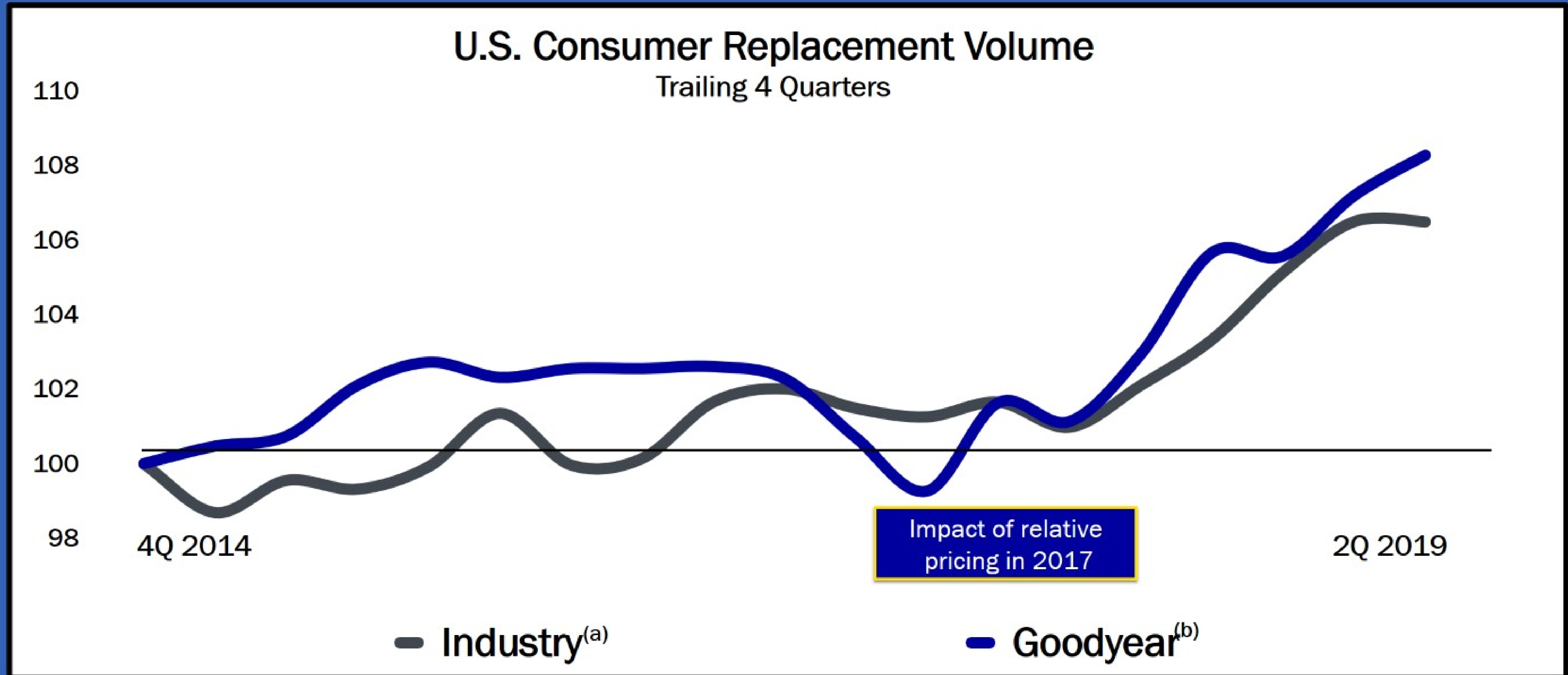
	<u>Q2 19</u>	<u>1H 19</u>
USTMA Members ($\geq 17''$)	4%	6%
USTMA Members ($< 17''$)	-10%	-8%
Total	-2%	-0%
Non-Members	8%	16%
Total U.S.	1%	4%
Goodyear ($\geq 17''$)	9%	11%

Europool & Turkey Replacement Industry 2019 vs. 2018 Growth Rate^(b)

	<u>Q2 19</u>	<u>1H 19</u>
ETRMA Members ($\geq 17''$)	4%	5%
ETRMA Members ($< 17''$)	-9%	-8%
Total	-5%	-4%
Non-Members	4%	2%
Total EU + Turkey	-2%	-2%
Goodyear ($\geq 17''$)	2%	4%

(a) Source: U.S. Tire Manufacturers Association

(b) Source: European Tyre & Rubber Manufacturer's Association



Impact of relative pricing in 2017

Continuing to gain market share, aided by recent product launches

(a) Source: U.S. Tire Manufacturers Association

(b) Goodyear U.S. consumer replacement volume excludes ATD sales volume and volume associated with ATD acquisitions. ATD delivery volume is included. Q3 18 – Q2 19 adjusted for transition to TireHub

Supplier Recognition

- Earned General Motor's Supplier of the Year and Ford's World Excellence Award



Consumer Feedback

- Roll and Goodyear.com earning five-stars
- Roll's Net Promoter Score is 82



Roll by Goodyear

4.8 ★★★★★

Third-Party Surveys and Tests

- Ranked highest in J.D. Power's U.S. OE Tire Customer Satisfaction Study (performance sport category)
- Eagle F1 Asymmetric 5 placed first in Auto Bild Allrad's prestigious summer tire test
- Eagle F-1 SuperSport deemed best all-around UHP summer tire by Tyre Reviews



Setting the standard for innovation, performance and service

GOOD YEAR[®]

Financial Review

Second Quarter 2019 Income Statement



Terms: US\$ millions
(except EPS)

	Three Months Ended		Change
	June 30, 2019	June 30, 2018	
Units	37.4	39.0	(4)%
Net Sales	\$ 3,632	\$ 3,841	(5)%
<i>Gross Margin</i>	21.4%	23.2%	(1.8) pts
SAG	\$ 586	\$ 588	(0)%
Segment Operating Income ^(a)	\$ 219	\$ 324	(32)%
<i>Segment Operating Margin</i> ^(a)	6.0%	8.4%	(2.4) pts
Goodyear Net Income	\$ 54	\$ 157	
Goodyear Net Income Per Share			
<i>Weighted Average Shares Outstanding</i>	233	239	
Basic	\$ 0.23	\$ 0.66	
<i>Weighted Average Shares Outstanding - Diluted</i>	234	241	
Diluted	\$ 0.23	\$ 0.65	
Cash Dividends Declared Per Common Share	\$ 0.16	\$ 0.14	
Adjusted Diluted Earnings Per Share ^(b)	\$ 0.25	\$ 0.62	

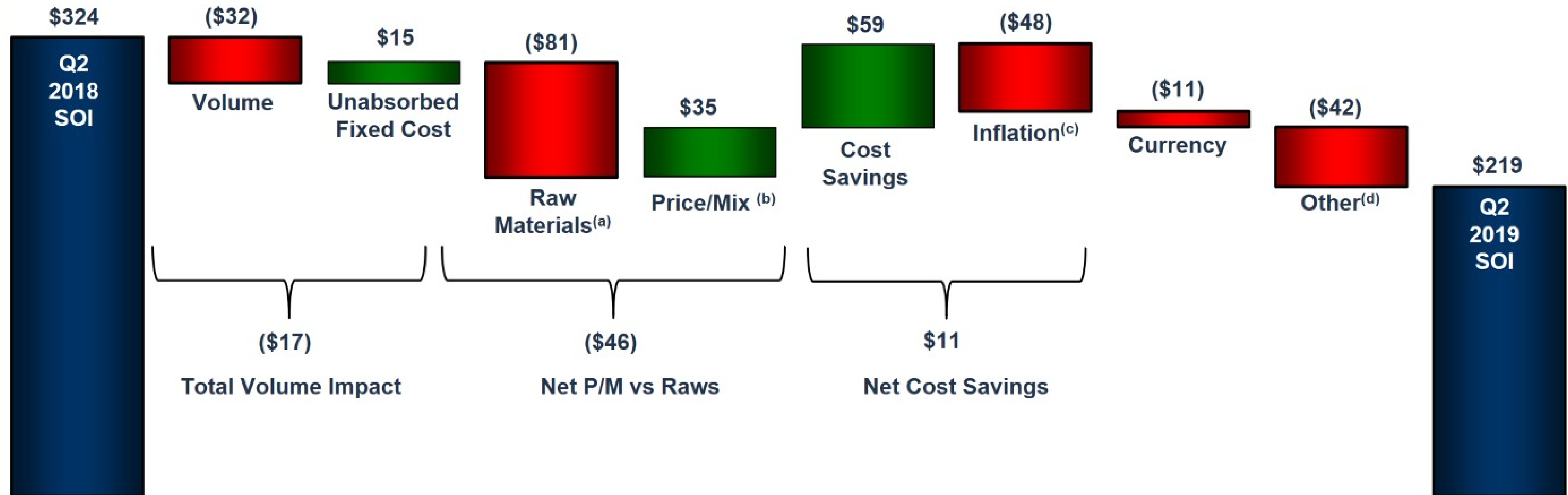
(a) See Segment Operating Income and Margin reconciliation in Appendix on page 30

(b) See Adjusted Diluted Earnings Per Share reconciliation in Appendix on pages 31 and 32

Second Quarter 2019 Segment Operating Results



Terms: US\$ millions



(a) Raw material variance of (\$81) million excludes raw material cost saving measures of \$25 million, which are included in Cost Savings

(b) Price/mix excludes TireHub equity losses of \$15 million

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

(d) Includes the impacts of other tire-related businesses, advertising, R&D and TireHub equity losses of \$15 million

Second Quarter 2019 Balance Sheet



Terms: US\$ millions

	June 30, 2019	March 31, 2019	December 31, 2018	June 30, 2018
Cash and cash equivalents	\$ 917	\$ 860	\$ 801	\$ 975
Accounts receivable	2,473	2,446	2,030	2,388
Inventories	3,091	2,940	2,856	2,941
Accounts payable - trade	(2,750)	(2,737)	(2,920)	(2,880)
Working capital ^(a)	<u>\$ 2,814</u>	<u>\$ 2,649</u>	<u>\$ 1,966</u>	<u>\$ 2,449</u>
Total debt ^(b)	\$ 6,737	\$ 6,506	\$ 5,763	\$ 6,347
Net debt ^(b)	\$ 5,820	\$ 5,646	\$ 4,962	\$ 5,372

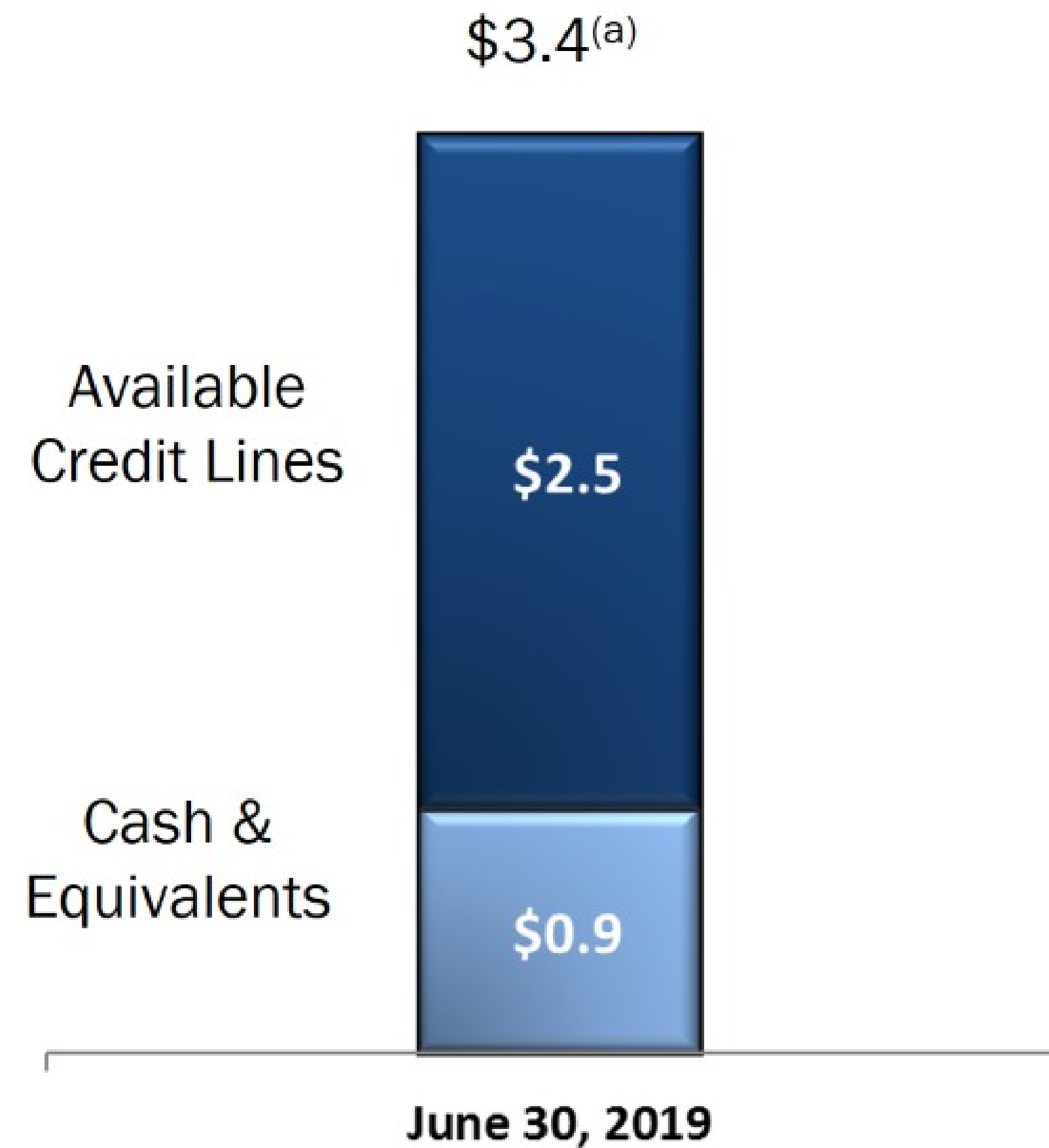
(a) Working capital represents accounts receivable and inventories, less accounts payable - trade

(b) See Total Debt and Net Debt reconciliation in Appendix on page 33

Second Quarter 2019 – Liquidity Profile



Terms: US\$ billions



(a) Total liquidity comprised of \$917 million of cash and cash equivalents, as well as \$2,525 million of unused availability under various credit agreements

Second Quarter 2019 Free Cash Flow



Terms: US\$ millions

	Three Months Ended June 30,		Trailing Twelve Months Ended
	2019	2018	June 30, 2019
Net Income	\$ 56	\$ 164	\$ 476
Depreciation and Amortization	196	193	775
Change in Working Capital	(144)	5	(409)
Pension Expense	33	28	121
Pension Contributions and Direct Payments	(14)	(21)	(64)
Provision for Deferred Income Taxes	(8)	(38)	155
Rationalization Payments	(15)	(25)	(76)
Other ^(a)	(31)	(1)	(269)
Cash Flow from Operating Activities (GAAP)	\$ 73	\$ 305	\$ 709
Capital Expenditures	(180)	(194)	(770)
Free Cash Flow (non-GAAP)	\$ (107)	\$ 111	\$ (61)
Cash Flow from Investing Activities (GAAP)	\$ (175)	\$ (222)	\$ (816)
Cash Flow from Financing Activities (GAAP)	\$ 166	\$ 120	\$ 49

Includes impact of non-cash gain on TireHub transaction

(a) Other includes 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 under the new accounting standard, compensation and benefits less pension expense, other current liabilities, other assets and liabilities, and gain on TireHub transaction, net of transaction costs

Second Quarter 2019 - Segment Results Americas



Terms: US\$ millions
Units in millions

Second Quarter

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Units	17.1	17.3	(1.4)%
Net Sales	\$1,971	\$2,018	(2.3%)
Operating Income	\$134	\$154	(13.0%)
Margin	6.8%	7.6%	

- Strong growth in U.S. replacement offset by weakness in consumer OE
 - U.S. consumer replacement up 4%
 - Delivered U.S. commercial volume growth in a challenging quarter
- SOI decline driven by higher raw material costs and lower earnings on third-party chemical sales, partially offset by improved conversion costs

Second Quarter 2019 - Segment Results Europe, Middle East & Africa



Terms: US\$ millions
Units in millions

Second Quarter

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Units	13.3	14.2	(6.0%)
Net Sales	\$1,141	\$1,260	(9.4%)
Operating Income	\$44	\$100	(56.0%)
Margin	3.9%	7.9%	

- Volume decline driven by weak consumer OE demand and strategic fitment choices
 - European consumer replacement gained share in a challenging environment
 - European commercial replacement volume up low-single digits
- SOI decline driven by lower volume, higher raw material costs, and unfavorable currency translation, partially offset by improved price/mix

Second Quarter 2019 - Segment Results Asia Pacific



Terms: US\$ millions
Units in millions

Second Quarter

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Units	7.0	7.5	(5.7%)
Net Sales	\$520	\$563	(7.6%)
Operating Income	\$41	\$70	(41.4%)
Margin	7.9%	12.4%	

- Volume declines driven by continued weakness in China and soft OE demand in India
- SOI decline driven by lower volume, higher raw material costs, and higher conversion costs, primarily due to lower factory utilization

Second Half Puts and Takes

Americas	EMEA	Asia Pacific
(+) Price > Raw Materials	(+) Price/Mix > Raw Materials	(+) Volume
(+) Volume	(+) Volume	(-) Unabsorbed Overhead
(+) Mix	(-) Inflation (wages, utilities, etc.)	
(-) Brazilian VAT settlement (non-recurrence)	(-) Unabsorbed Overhead	

Fundamentals beginning to balance

Manufacturing Footprint Actions

- Previously announced German modernization expected annual savings of \$60M to \$70M by 2022
- Working on a significant U.S. restructuring plan with savings at least as high as the actions in Germany (similar timetable)

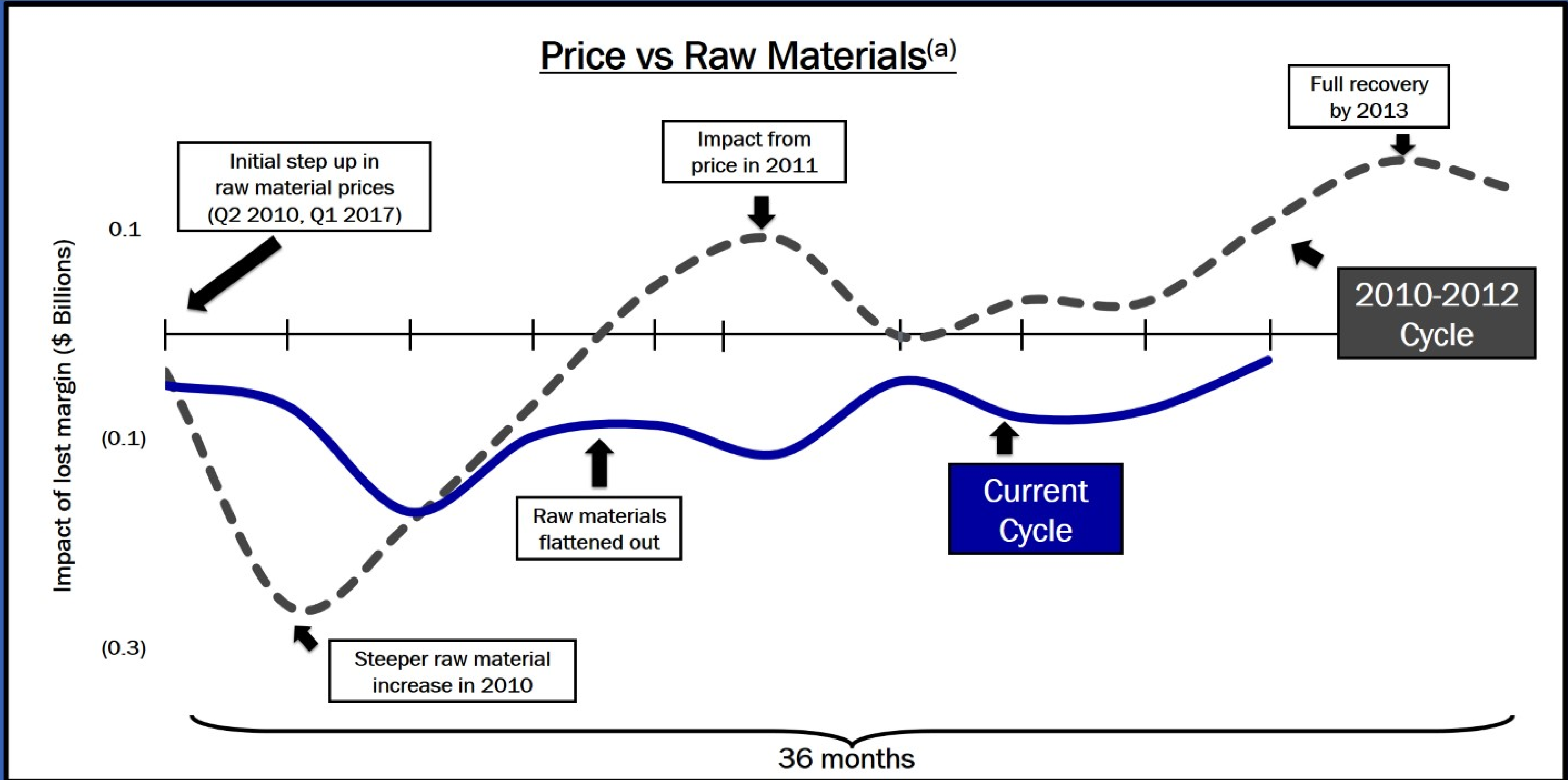
Inflection in OE Volume

- Consumer OE volume (globally) on path to grow ~20% over the next 3 years^(a)
 - Increased win rates over past 18 months
- Significant future volume on electric vehicles (revenue per tire ~15% higher)

Recovery of Raw Material Costs

- Remain confident we will recover margins as we have in prior cycles
- Price vs. raws momentum improving

Price vs Raws Over Time: Comparing Current Cycle to Prior Cycle



(a) Price changes versus prior year; excludes the benefits of mix and excludes Venezuela. Raw materials are changes versus prior year; excludes raw material cost savings and excludes Venezuela. Price announcements reflect U.S. consumer replacement

2019 Outlook – Other Financial Assumptions



	Current 2019 FY Assumption
Interest Expense	~\$350 million
Other (Income) Expense	Financing fees: ~\$40 million Global pension related (excluded from SOI) ^(a) : \$95 - \$120 million
Income Tax	Expense: ~25% of global pre-tax operating income; Cash: ~25% of global pre-tax operating income ^(b)
Depreciation & Amortization	~\$775 million
Global Pension Cash Contributions	\$25 - \$50 million
Working Capital	Use of less than \$100M
Capital Expenditures	~\$850 - \$875 million; Driving ≥ 17 " growth in volume & mix
Restructuring Payments	~\$50 million
Corporate Other	~\$100 million

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

(b) Excludes one-time items

2019 Full-Year Industry Outlook



	Full-Year 2019 Guidance	
	United States	Western Europe ^(a)
Consumer Replacement	~Flat - 2%	~(1) - 1%
Consumer OE	~(4)% - Flat	~(5) - (3)%
Commercial Replacement	~(11) - (7%)	~1 - 3%
Commercial OE	~(2) - 3%	~(5) - (1)%

(a) For replacement, Western Europe is Europool and Turkey; for OE, Western Europe is total EMEA

Volume Sensitivities

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

• 1% Δ in U.S. Consumer OE Industry	~120
• 1% Δ in U.S. Consumer Replacement Industry	~355
• 1% Δ in U.S. Commercial OE Industry	~10
• 1% Δ in U.S. Commercial Replacement Industry	~30
• 1% Δ in European Consumer OE Industry	~130
• 1% Δ in European Consumer Replacement Industry	~370
• 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	~\$36M
• 1% Δ in U.S. Commercial Replacement	~\$12M
• 1% Δ in European Consumer Replacement	~\$31M
• 1% Δ in European Commercial Replacement	~\$10M

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)	+/- \$3.1M
• +/- 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"	} ~\$25 Average	~\$19
• Consumer Replacement ≥17"		~\$28
• Consumer OE <17"	} ~\$9 Average	\$7 - \$9
• 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)	~\$9M
• 1% Δ in Natural Rubber Prices (4 to 6 month lag)	~\$6M
• 1% Δ in Pigment, Chemical, & Oil Prices (3 to 4 month lag)	~\$6M
• 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)	+/- \$3.5M
• +/- 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

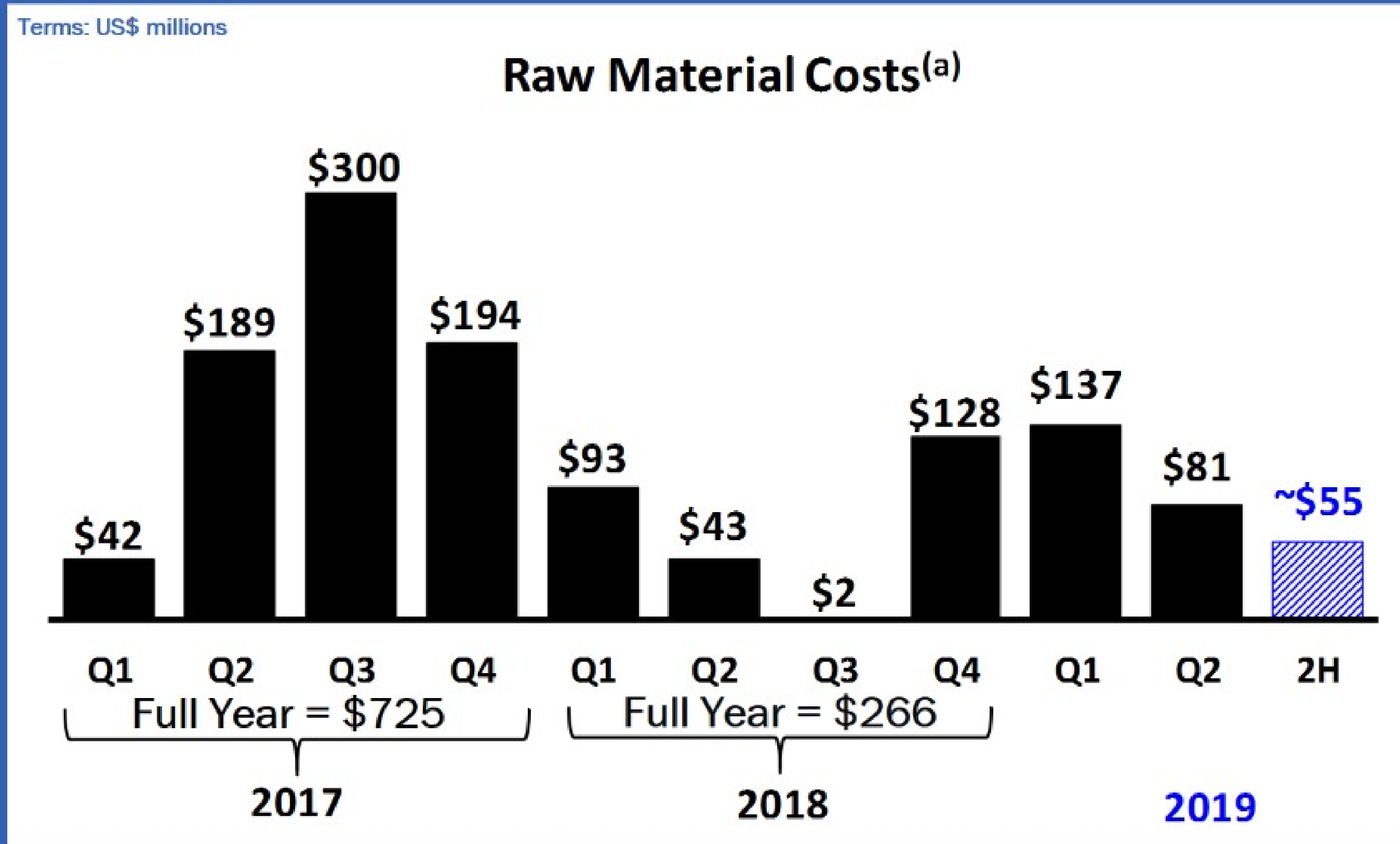
(Annual Impact)

• 1% Δ in Global Inflation	~\$55M
• 1% Δ in Americas Inflation	~\$25M
• 1% Δ in EMEA Inflation	~\$25M

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Appendix



- Expecting raw material cost increases of ~\$275M in 2019 based on forecasted rates
 - Feedstock ~\$40M
 - Transactional FX ~\$120M
 - Non-feedstock ~\$115M
- Anticipating raw material costs to be relatively flat in Q4

**Commodity pressures moderating;
still facing non-feedstock cost and FX challenges in 2H19**

- **Advancing distribution and retail**
 - Leverage TireHub to fully capture the value of the Goodyear brand
 - Enhance distributor alignment in key markets outside of the U.S.
 - Challenge traditional retail tire business with innovative new concepts
- **Advancing technology for the emerging mobility landscape**
- **Scaling commercial fleet solutions**
- **Building strong OE pipeline for 2020+**
- **Announced German modernization & restructuring program**
 - Increases ≥ 17 " capabilities
 - Significant conversion cost savings

Continuing to build fundamental earnings power of our business

Looking Beyond the Cyclicity^(a)

\$ in Billions



Great Recession 2008 – 2009

- Average SOI \$0.6
- Average SOI margin 3%
- Average Adj EBITDA \$1.1



Earnings Power 2014 – 2016

- Average SOI \$1.9
- Average SOI margin 12%
- Average Adj EBITDA \$2.3



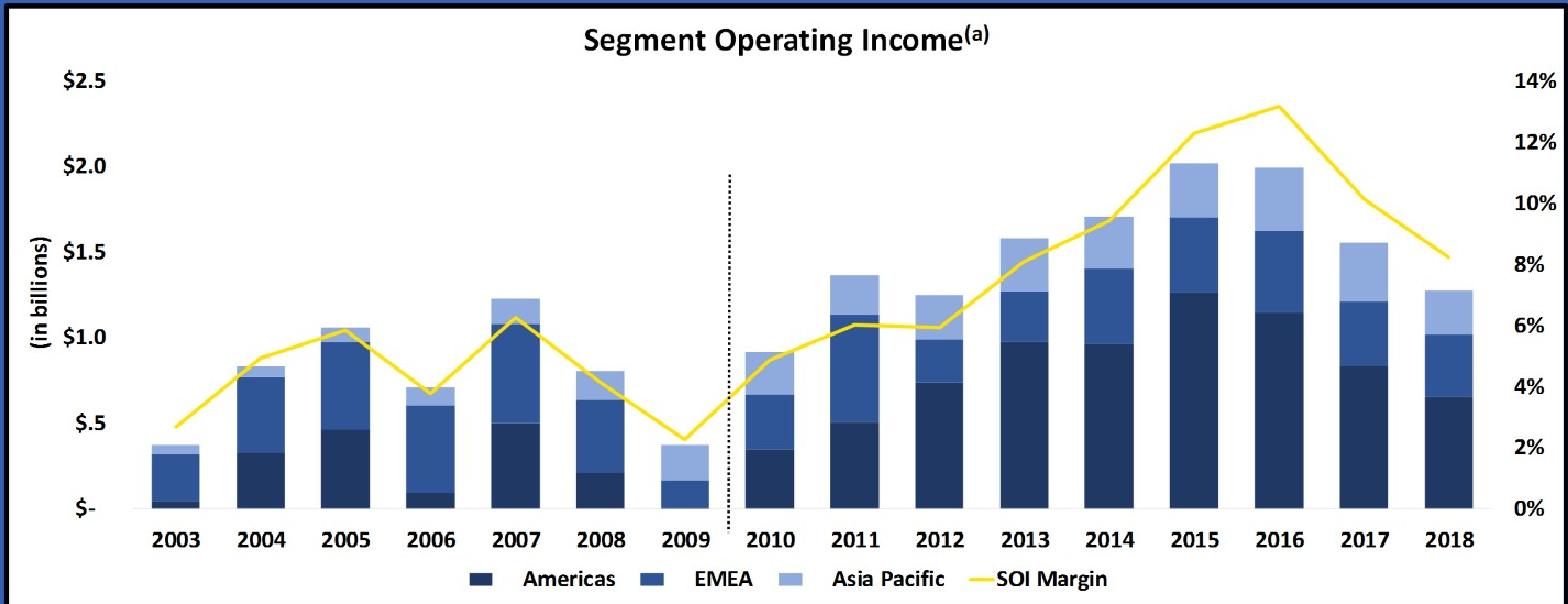
Current Raw Mat Cycle 2017 – 2018

- Average SOI \$1.4
- Average SOI margin 9%
- Average Adj EBITDA \$2.1

Profitability will benefit as we work through the raw material cycle

(a) For 2008-2009 and 2014-2018 see Segment Operating Income and Margin reconciliation in Appendix on page 30 and Adjusted EBITDA reconciliation on page 34

Strategy Delivering Strong Results



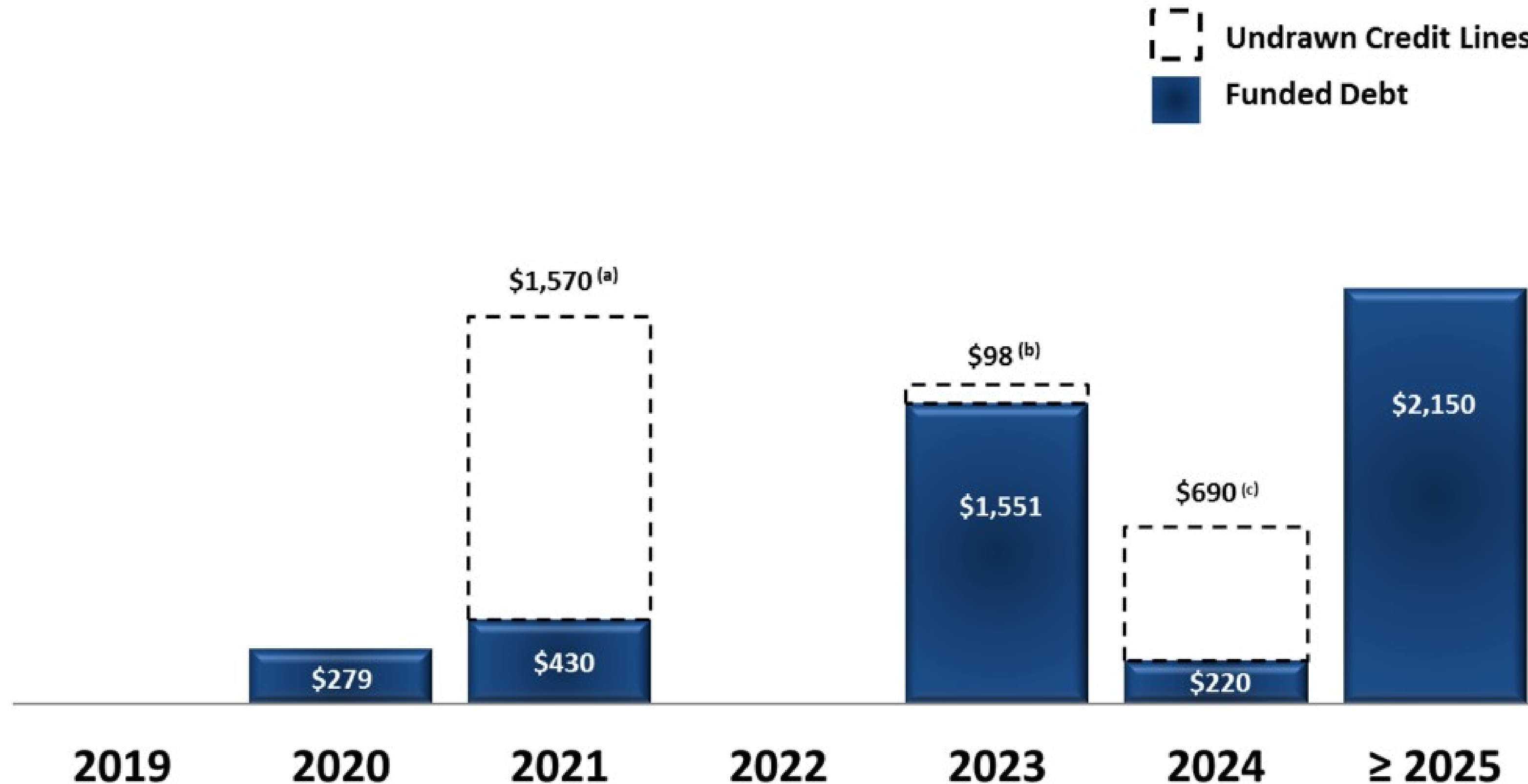
Generating stronger earnings throughout the earnings cycle

(a) See Segment Operating Income and Margin reconciliation in Appendix on page 30

Second Quarter 2019 – Maturity Schedule



Terms: US\$ millions



Note: Based on June 30, 2019 balance sheet values and excludes notes payable, finance and operating leases and other domestic and foreign debt

(a) At June 30, 2019 our borrowing base, and therefore our availability, under the U.S. revolving credit facility was \$287 million below the facility's stated amount of \$2.0 billion

At June 30, 2019 there were \$430 million of borrowings and \$37 million of letters of credit issued

(b) At June 30, 2019 the amounts available and utilized under the Pan-European securitization program totaled \$266 million (€234 million)

(c) At June 30, 2019 there were \$220 million (€193 million) of borrowings and no letters of credit issued under the €800 million European revolving credit facility

Use of Historical and Forward-Looking Non-GAAP Financial Measures



This presentation contains historical and forward-looking non-GAAP financial measures, including Total Segment Operating Income and Margin, Adjusted EBITDA, Free 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).

EBITDA, as adjusted, represents Goodyear Net Income, as determined in accordance with U.S. GAAP (the most directly comparable U.S. GAAP financial measure to EBITDA), before interest expense, income tax expense, depreciation and amortization expense, rationalization charges, and other (income) and expense. Management believes that Adjusted EBITDA is widely used by investors as a means of evaluating the company's operating profitability.

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 is Goodyear Net Income as determined in accordance with U.S. GAAP adjusted for certain significant items. Adjusted Diluted 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 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.

We are unable to present a quantitative reconciliation of our forward-looking non-GAAP financial measures, other than Free Cash Flow, to the most directly comparable U.S. GAAP financial measures because management cannot reliably predict all of the necessary components of those U.S. GAAP financial measures without unreasonable effort. Those forward-looking non-GAAP financial measures, or components thereof, would be reconciled to Goodyear Net Income, which includes several significant items that are not included in the comparable non-GAAP financial measures, such as rationalization charges, other (income) expense, pension curtailments and settlements, and income taxes. The decisions and events that typically lead to the recognition of these and other similar non-GAAP adjustments, such as a decision to exit part of our business, acquisitions and dispositions, foreign currency exchange gains and losses, financing fees, actions taken to manage our pension liabilities, and the recording or release of tax valuation allowances, are inherently unpredictable as to if or when they may occur. The inability to provide a reconciliation is due to that unpredictability and the related difficulty in assessing the potential financial impact of the non-GAAP adjustments. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to our future financial results.

Reconciliation for Segment Operating Income/Margin^(a)



Terms: US\$ millions

	Three Months Ended June 30,		Twelve Months Ended December 31,															
	2019	2018	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Total Segment Operating Income	\$ 219	\$ 324	\$ 1,274	\$ 1,556	\$ 1,996	\$ 2,020	\$ 1,706	\$ 1,577	\$ 1,248	\$ 1,368	\$ 917	\$ 372	\$ 804	\$ 1,230	\$ 710	\$ 1,060	\$ 946	\$ 419
Rationalizations	(4)	2	(44)	(135)	(210)	(114)	(95)	(58)	(175)	(103)	(240)	(227)	(184)	(49)	(311)	(7)	(56)	(291)
Interest expense	(88)	(78)	(321)	(335)	(372)	(438)	(444)	(407)	(385)	(350)	(335)	(311)	(320)	(468)	(447)	(408)	(369)	(296)
Other Income (expense)	(17)	(45)	174	(70)	(25)	141	(286)	(82)	(111)	(53)	(167)	(40)	(59)	(9)	77	(62)	(23)	(317)
Asset write-offs and accelerated depreciation	(1)	(1)	(4)	(40)	(20)	(8)	(7)	(23)	(20)	(50)	(15)	(43)	(28)	(37)	(88)	(4)	(10)	(133)
Corporate incentive compensation plans	(14)	(3)	(13)	(33)	(76)	(103)	(97)	(108)	(69)	(70)	(71)	(41)	4	(77)	(66)	(28)	(3)	-
Pension curtailments/settlements	-	-	-	-	-	(137)	(33)	-	1	(15)	-	-	(9)	(64)	-	-	-	-
Intercompany profit elimination	2	1	(4)	(2)	(2)	(3)	9	7	(1)	(5)	(14)	(13)	23	(11)	(9)	13	(6)	14
Loss on deconsolidation of Venezuelan subsidiary	-	-	-	-	-	(646)	-	-	-	-	-	-	-	-	-	-	-	-
Retained expenses of divested operations	(3)	(2)	(9)	(13)	(18)	(14)	(16)	(24)	(14)	(29)	(20)	(17)	-	(17)	(48)	(52)	(12)	-
Other	(12)	(15)	(42)	(50)	(66)	(90)	(50)	(69)	(34)	(75)	(47)	(37)	(45)	(53)	(20)	(60)	(86)	(53)
Income (Loss) from Continuing Operations before Income Taxes	\$ 82	\$ 183	\$ 1,011	\$ 878	\$ 1,207	\$ 608	\$ 687	\$ 813	\$ 440	\$ 618	\$ 8	\$ (357)	\$ 186	\$ 445	\$ (202)	\$ 452	\$ 381	\$ (657)
United States and Foreign Tax Expense (Benefit)	26	19	303	513	(77)	232	(1,834)	138	203	201	172	7	209	255	60	233	208	117
Less: Minority Shareholders Net Income	2	7	15	19	20	69	69	46	25	74	52	11	54	70	111	95	58	33
Income (Loss) from Continuing Operations	\$ 54	\$ 157	\$ 693	\$ 346	\$ 1,264	\$ 307	\$ 2,452	\$ 629	\$ 212	\$ 343	\$ (216)	\$ (375)	\$ (77)	\$ 120	\$ (373)	\$ 124	\$ 115	\$ (807)
Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	463	43	115	-	-
Cumulative effect of account change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11)	-	-
Goodyear Net Income (Loss)	\$ 54	\$ 157	\$ 693	\$ 346	\$ 1,264	\$ 307	\$ 2,452	\$ 629	\$ 212	\$ 343	\$ (216)	\$ (375)	\$ (77)	\$ 583	\$ (330)	\$ 228	\$ 115	\$ (807)
Net Sales (as reported)	\$3,632	\$3,841	\$15,475	\$15,377	\$15,158	\$16,443	\$18,138	\$19,540	\$20,992	\$22,767	\$18,832	\$16,301	\$19,488	\$19,644	\$18,751	\$18,098	\$18,353	\$15,102
Return on Net Sales (as reported)	1.5%	4.1%	4.5%	2.3%	8.3%	1.9%	13.5%	3.2%	1.0%	1.5%	(1.1)%	(2.3)%	(0.4)%	3.0%	(1.8)%	1.3%	0.6%	(5.3)%
Total Segment Operating Margin	6.0%	8.4%	8.2%	10.1%	13.2%	12.3%	9.4%	8.1%	5.9%	6.0%	4.9%	2.3%	4.1%	6.3%	3.8%	5.9%	5.2%	2.8%

(a) 2010 - 2015 have been restated for the new guidance on the presentation of debt issuance and amortization costs effective in 2016, 2003 - 2009 have not been restated. 2016 - 2017 have been restated in alignment with the new pension accounting standard adopted in 2018, 2003 - 2015 have not been restated. 2003 - 2012 have not been restated for the Americas consolidation. In July 2007, the Engineered Products business was sold; in 2005 - 2007 results from Engineered Products have been included in discontinued operations, 2003 - 2004 includes income from Engineered Products in income from continuing operations. 2014 and prior includes results from Venezuela. Venezuela was deconsolidated in 2015.

Second Quarter 2019 Significant Items



(After Tax and Minority Interest)

Terms: US\$ millions
(except EPS)

	As Reported	Rationalizations, Asset Write-offs, and Accelerated Depreciation	As Adjusted
Net Sales	\$ 3,632	\$ -	\$ 3,632
Cost of Goods Sold	2,855	(1)	2,854
Gross Margin	777	1	778
SAG	586	-	586
Rationalizations	4	(4)	-
Interest Expense	88	-	88
Other (Income) Expense	17	-	17
Pre-tax Income	82	5	87
Taxes	26	1	27
Minority Interest	2	-	2
Goodyear Net Income	\$ 54	\$ 4	\$ 58
EPS	\$ 0.23	\$ 0.02	\$ 0.25

Second Quarter 2018 Significant Items



(After Tax and Minority Interest)

Terms: US\$ millions
(except EPS)

	As Reported	Discrete Tax Items	Net Gains on Asset Sales	Insurance Recovery - Discontinued Products	TireHub Transaction Costs	Hurricane Effect	Brazil Transportation Strike	Pension Settlement	As Adjusted
Net Sales	\$ 3,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,841
Cost of Goods Sold	2,949	-	-	-	-	-	(7)	-	2,942
Gross Margin	892	-	-	-	-	-	7	-	899
SAG	588	-	-	-	-	-	-	-	588
Rationalizations	(2)	-	-	-	-	-	-	-	(2)
Interest Expense	78	-	-	-	-	-	-	-	78
Other (Income) Expense	45	-	2	2	(10)	(8)	-	(3)	28
Pre-tax Income	183	-	(2)	(2)	10	8	7	3	207
Taxes	19	28	(1)	(1)	2	-	2	1	50
Minority Interest	7	-	-	-	-	-	-	-	7
Goodyear Net Income	\$ 157	\$ (28)	\$ (1)	\$ (1)	\$ 8	\$ 8	\$ 5	\$ 2	\$ 150
EPS	\$ 0.65	\$ (0.10)	\$ (0.01)	\$ (0.01)	\$ 0.03	\$ 0.03	\$ 0.02	\$ 0.01	\$ 0.62

Reconciliation for Total Debt and Net Debt



Terms: US\$ millions

	June 30, 2019	March 31, 2019	December 31, 2018 ^(a)	June 30, 2018 ^(a)
Long-Term Debt and Finance Leases	\$ 5,766	\$ 5,545	\$ 5,110	\$ 5,726
Notes Payable and Overdrafts	480	495	410	335
Long-Term Debt and Finance Leases Due Within One Year	491	466	243	286
Total Debt	<u>\$ 6,737</u>	<u>\$ 6,506</u>	<u>\$ 5,763</u>	<u>\$ 6,347</u>
Less: Cash and Cash Equivalents	<u>917</u>	<u>860</u>	<u>801</u>	<u>975</u>
Net Debt	<u>\$ 5,820</u>	<u>\$ 5,646</u>	<u>\$ 4,962</u>	<u>\$ 5,372</u>

(a) Prior periods were not restated for the new lease accounting standard

Reconciliation for Adjusted EBITDA



(\$ in millions)

	Year Ended December 31,						
	2018	2017	2016	2015 ^(b)	2014 ^(b)	2009 ^(b)	2008 ^(b)
Goodyear Net Income (Loss)	\$693	\$346	\$1,264	\$307	\$2,452	(\$375)	(\$77)
Interest Expense	321	335	372	438	444	311	320
Income Tax Expense (Benefit)	303	513	(77)	232	(1,834)	7	209
Depreciation and Amortization	778	781	727	698	732	636	660
Other ^(a)	(130)	205	235	619	381	267	243
EBITDA, as adjusted	\$1,965	\$2,180	\$2,521	\$2,294	\$2,175	\$846	\$1,355

(a) Other includes rationalization charges, other income and expense and the loss on the deconsolidation of our Venezuela subsidiary effective December 31, 2015

(b) 2009-2008 have not been restated for the guidance on the presentation of debt issuance and amortization costs effective in 2016. 2015-2014 and 2009-2008 have not been restated for the pension accounting standard adopted in 2018

GOODYEAR  **YEAR**®