



**INVESTOR LETTER**  
**Q2 2023**

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**Aug. 2, 2023**



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## Celebrating 125 Years

In 1898, Frank Seiberling borrowed \$3,500 from his brother-in-law and used it on a down payment for an old strawboard factory on East Market Street in Akron, Ohio. On August 29th of that year, Goodyear was officially incorporated.

Throughout our renowned journey, Goodyear has consistently demonstrated innovation, quality products and services and commitment to excellence, building our legacy as a trusted brand in the global automotive industry.

Goodyear's 125th anniversary this year celebrates a remarkable milestone in our rich history and growth from a small rubber manufacturer to become one of the world's largest tire companies, enabling the future of mobility.

To learn more about our 125th anniversary, visit the [Goodyear corporate website](#).

125 YEARS

MAKING HISTORY

125 YEARS



### Reconciliation of Non-GAAP Financial Measures

See "Important Disclosures - Non-GAAP Financial Measures" and "Reference Tables" for further explanation and reconciliation tables for Total Segment Operating Income and Margin; Free Cash Flow; Adjusted Net Income (Loss); and Adjusted Diluted Earnings per Share, reflecting the impact of certain significant items on the 2023 and 2022 periods.



# TO OUR INVESTORS

The 125th anniversary of Goodyear's founding in August offers an incredible opportunity to reflect on our rich legacy of trusted products and services, dedicated associates, loyal customers and industry-leading innovations. It is also an opportunity to reflect on how we are paving the way as an industry leader for the next 125 years.

In the near-term, our focus is on driving strong operating results as we move through the second half of the year. While industry volumes in the second quarter were significantly more challenging than expected, we continue to expect to achieve second half segment operating margin that should bring us much closer to our near-term target of 8%.

Our second quarter results were marked by weak demand in Americas and EMEA, given consumer replacement channel destocking. As context, our second quarter volume was well below normalized levels, with unit volume 16% below 2019. Additionally, the U.S. and European commercial replacement industry weakened considerably in the quarter as freight ton miles and utilization drove channel destocking, resulting in lower overall mix in our business.

There continues to be signs our second half results will be much stronger. This is consistent with an environment where moderating inflation and falling raw material costs can drive meaningful margin expansion. Another

positive sign is that June was the first month this year where the U.S. consumer replacement industry saw growth. Importantly, industry pricing has remained solid.

Demand for travel in the U.S. continued to grow with miles driven up more than 2% year-to-date. Inventory of Goodyear-branded consumer products across the channels declined 14% since the end of 2022, supporting a view for U.S. consumer tire sell-in growth during the second half of the year.

In addition to these positive industry trends, we are also undertaking a review of our cost structure to fundamentally streamline our business and improve our competitive position. Through this board-led review (and with the help of a leading consultant), we expect to drive both substantial efficiency and growth. The savings we have identified and will continue to identify are specific, significant and actionable. We will have more to say when we provide the results of that review in the coming months.

As you know, cost savings actions are already underway. To help improve our margins in EMEA over the long-term, we are moving with urgency on our previously announced footprint and SAG cost structure review in Europe. While work is ongoing, we announced a plan during the quarter to reduce production capacity at our Fulda, Germany facility in support of our goal to reduce consumer tire conversion cost in the region.

Our Asia Pacific segment, meanwhile, is benefitting from a recovery in replacement volume in China. Similarly, our OE business there is performing well thanks to the industry recovery and the benefit of new fitment wins geared toward luxury, SUV and electric vehicles. The outlook for the region remains positive.

Taken together, improving industry demand, along with actions to improve costs, support margin expansion reflective of the underlying earnings power of our business. I am confident our teams will deliver against our objective to create value not only at this stage of the market cycle, but sustainably for years to come. On behalf of generations of dedicated Goodyear associates who have served our customers and consumers for 125 years, thank you for your continued support and trust.



**Richard J. Kramer**  
Chairman, Chief Executive Officer & President

## Board-Led Strategic and Operational Review

We recently made an announcement with respect to the cooperation agreement with Elliott Investment Management L.P. Following constructive engagement, we are pleased that the outcome is consistent with our goals and objectives. As part of the agreement, we added three new independent, highly qualified directors to our board who will bring extensive public company executive and industry experience. Additionally, we also formed a new strategic and operational review committee. Together these actions will help to drive our strategic goals and streamline our operations.

# SUMMARY

## Reflections on the Quarter

Heading into the second quarter, we expected sequential quarterly improvement in our earnings. Instead, our second quarter segment operating income ("SOI") was essentially flat with our first quarter results. Our results differed from our expectations primarily due to two key industry trends: 1) Weaker industry volume in consumer replacement, particularly in Western markets, and 2) Weaker commercial truck industry which negatively impacted mix by ~\$60 million. Overall price/mix was below our forecast as a result of commercial truck mix and lower volume.

### Americas

- Volume was 2.5 million units lower year-over-year, reflecting continued channel inventory destocking and the effects of the tornado that impacted our facility in Tupelo, MS in early April (negative impact to volume of ~1 million units and SOI of ~\$50 million). Americas consumer replacement industry volume was down over 9%, weaker than expected. Excluding the impact of Tupelo, Americas consumer replacement share outperformed the industry.
- In addition, recent pronounced weakness in the commercial replacement industry, which was down 21% year-over-year in the quarter (and a significant worsening of the trend we saw in the first quarter) due to accelerated channel destocking, negatively impacted Americas results. This resulted in a quarter where the region was not able to fully offset raw material and other cost inflation with price/mix (unlike what we achieved in most quarters over the last two years).

### Asia Pacific

- While Asia Pacific's volume grew ~0.4 million units in the quarter, planned volume growth was significantly higher. This was primarily driven by consumer OE volume, where one of our major OE customers delayed a vehicle launch during the quarter (pushed from Q2 to Q3). The vehicle (and our fitment supply) successfully launched in July.

### EMEA

- Volume was affected by negative industry and share trends in consumer and commercial replacement, resulting in 2.7 million units lower year-over-year. Consumer replacement market demand was significantly weaker than we expected (ETRMA members down 12%) in Q2, reflecting continued strong destocking and weak consumer replacement trends. Industry sell-out to consumers declined 4% versus last year, compared with ~flat in Q1.
- EMEA's consumer replacement volume trended below the industry, given a very strong comparable in the second quarter last year and elevated imports. We had planned for share loss in the quarter given last year's outperformance.
- Similar to Americas, the commercial replacement industry was also weaker than we expected and declined over 15% year-over-year, with imports outperforming ETRMA members.

## Outlook

Based on first half trends, we have downgraded our industry outlook in the second half for both consumer replacement and commercial replacement. At the same time, we expect lower costs in the second half than we had previously shared. We continue to expect to achieve segment operating margin in the second half that should bring us much closer to our near-term target of 8%. Additionally, we expect two of our three business units—Americas and Asia Pacific—to record meaningful improvements in margin and exit the year with solid earnings heading into 2024.

125 YEARS

INNOVATION

125 YEARS



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# FINANCIAL RESULTS

## Income Statement

Second quarter sales decreased 6.6% compared to prior year, driven by lower volume and the impact of foreign exchange, partly offset by strong price/mix. Revenue per tire increased 6% excluding the impact of foreign exchange. Tire unit volume in the quarter totaled 40.8 million units, down 10.7% from prior year levels. The stronger U.S. dollar reduced sales by approximately 2%.

Second quarter 2023 net loss was \$208 million (\$0.73 per share loss) compared to net income of \$166 million (\$0.58 per share) a year ago. The decrease in net income was primarily due to lower sales volume and higher other expense, driven by lower net gains on asset sales and higher pension costs.

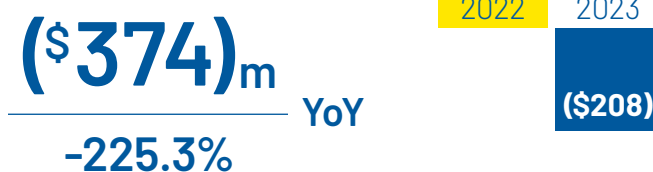
After adjusting for significant items, our second quarter net loss was \$97 million, compared to \$142 million of net income in the prior year's quarter. Lower adjusted net income primarily reflects reduced segment operating income (\$124 million compared to \$364 million a year ago).

Adjusted earnings per share on a diluted basis were a loss of \$0.34 compared to income of \$0.50 a year ago.

### NET SALES



### NET INCOME (LOSS)

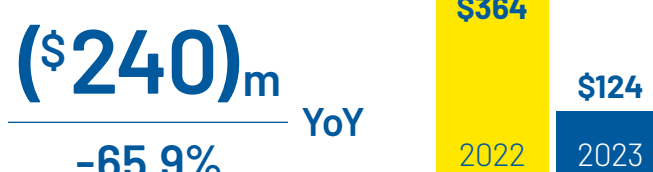


RETURN ON NET SALES	3.2%	-4.3%
EPS	\$0.58	(\$0.73)
ADJUSTED EPS	\$0.50	(\$0.34)

### TIRE UNITS



### SEGMENT OPERATING INCOME



SOI MARGIN	7.0%	2.5%
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Terms: Units & \$ in millions except per share amounts  
All per share amounts are diluted

# FINANCIAL RESULTS

## Segment Operating Income Drivers

Reported second quarter segment operating income was \$124 million, down \$240 million compared to prior year.

The impact of lower volume was (\$148) million, including (\$94) million from lower sales volume (3.8 million units, excluding Tupelo-related volume of ~1 million units) and (\$54) million from lower production during the first quarter (down 3.7 million units compared to the first quarter of the prior year) to align with industry demand.

The benefits from price/mix of \$219 million more than offset raw material cost increases of \$98 million – a net benefit of \$121 million. The net benefit of price/mix versus raw material costs offset most of the impact related to cost inflation and other cost increases, which totaled (\$153) million.

Strong price/mix reflected the benefit of price increases over the last 12 months in each of our business units, although was lower than we expected given a negative impact of approximately \$60 million related to lower commercial truck volume. Price/mix also includes the benefit of contractual raw material index agreements with original equipment and fleet customers.

Calculated inflation of (\$102) million reflected a global inflation rate of ~5%. "Efficiency, Excess Inflation and Other Cost Increases" of (\$51) million primarily reflects increases in the cost of transportation, energy and wages that exceeded calculated inflation rates. The total of inflation and other cost increases in the quarter primarily included

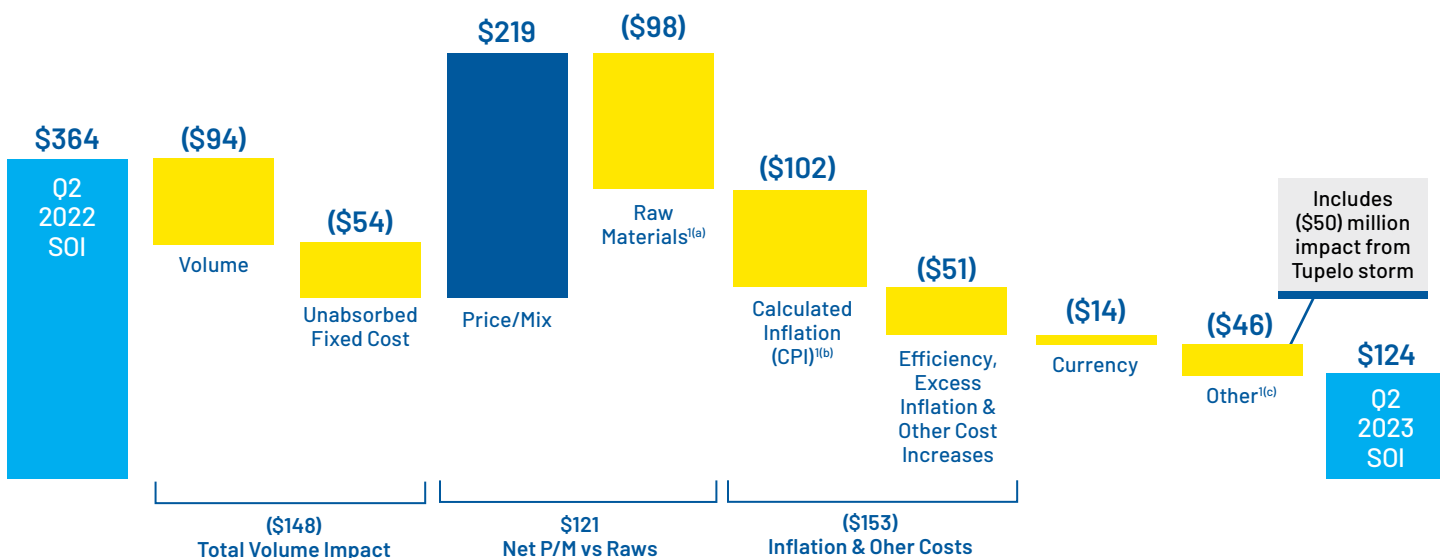
higher manufacturing wages of \$101 million, energy costs of \$23 million and transportation costs of \$11 million. Nearly all of the increases in energy and transportation costs were in EMEA.

The impact of foreign currency translation from a stronger U.S. dollar was (\$14) million during the period.

"Other" changes in segment operating income of (\$46) million were driven by a (\$50) million net impact from the Tupelo storm, including the impact of 1 million lower unit volume and factory costs (e.g., wages, utilities, and fixed costs) incurred in the quarter. As a reminder, we expect that a significant portion of the business interruption impacts will ultimately be reimbursed by our insurance after the claim is complete.

The synergies of the Cooper Tire combination during the quarter totaled approximately \$36 million compared with the second quarter of last year, bringing us to our anticipated mid-2023 run-rate target of \$250 million. These savings helped offset higher inflation, included in the results above.

## Segment Operating Income Second Quarter 2023 versus 2022



Terms: \$ in millions

# FINANCIAL RESULTS

## Balance Sheet and Cash Flows

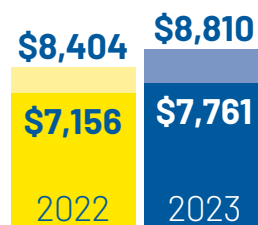
At the end of the second quarter, total debt was \$8.8 billion compared to \$8.4 billion at the same time last year. Net debt was \$7.8 billion, compared to \$7.2 billion at the end of the second quarter 2022.

Cash flows from operating activities for the second quarter was a source of \$341 million compared with a source of \$178 million in the prior year driven by improvements in working capital, partly offset by lower earnings.

Cash flows from investing activities for the quarter included \$66 million of cash proceeds from the sale and leaseback of a warehouse in California as part of a plan to consolidate legacy Goodyear and Cooper warehouses to improve efficiency and customer service. We are pursuing additional opportunities to monetize other similar real estate assets through the end of the year.

TOTAL DEBT  
**+\$406m YoY**

NET DEBT  
**+\$605m YoY**

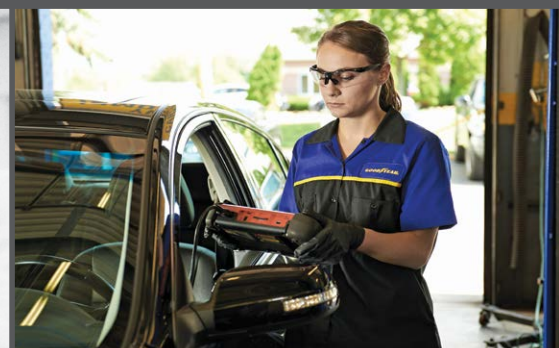
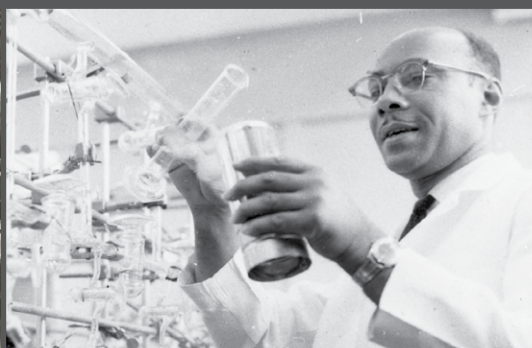


AS OF JUNE 30  
Terms: \$ in millions

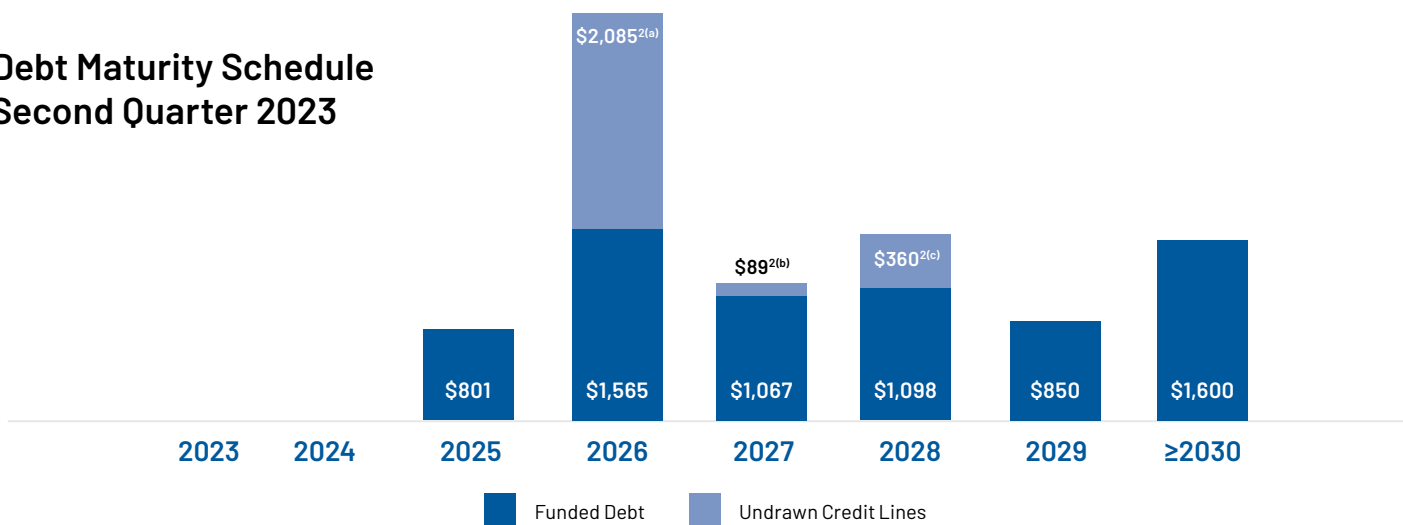
125 YEARS

ASSOCIATES

125 YEARS



## Debt Maturity Schedule Second Quarter 2023



Terms: US\$ millions

# SBU RESULTS - AMERICAS

## Second Quarter Summary

Second quarter results were impacted by softer industry volume, the ongoing effects of inflation, and the storm-related interruption of operations at Tupelo. Americas consumer replacement volume declined approximately 13%, driven by a strong comparable period, channel destocking, and the Tupelo storm. Before the impact of the Tupelo storm, consumer replacement declined 7% – outperforming the industry, which was down 9%. Our commercial truck volumes declined approximately 15% (0.3 million units) – better than the industry, which was down 19%.

### Net Sales

Net sales in Americas of \$2.9 billion decreased by \$208 million, or 6.6%, compared with the second quarter of 2022.

The decline in sales was driven by 10.9% lower tire volume, partly offset by a 5% increase in revenue per tire (excluding foreign currency).

### Segment Operating Income

Segment operating income in Americas was \$103 million compared with \$293 million a year ago – a decrease of \$190 million.

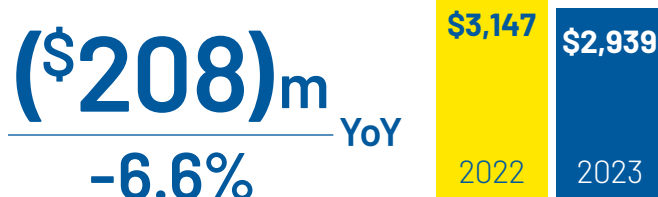
This result reflects the impact of lower volume, including (\$43) million of lower sales volume and (\$43) million of unabsorbed overhead from lower production in the first quarter.

Results also reflect the impact of storm-related disruption at our Tupelo factory of (\$50) million.

Price/mix benefits of \$27 million offset raw material cost increases of \$23 million. Price/mix results include continued pricing strength in our consumer replacement business, reflective of our value proposition. These benefits were substantially offset by weaker commercial business results, driven by the mix effect of lower volume in a soft industry environment.

Inflation and other cost increases totaled \$67 million.

### NET SALES



### SEGMENT OPERATING INCOME



Terms: \$ in millions

125 YEARS

AIRSHIPS

125 YEARS



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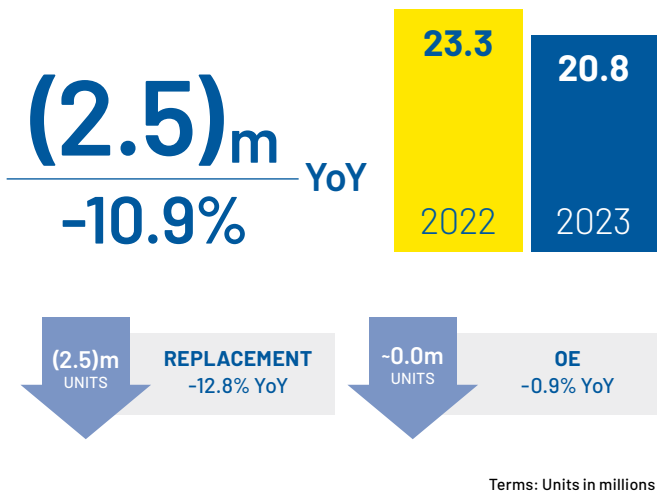
# SBU RESULTS - AMERICAS

## Tire Volumes

Overall volume in Americas was down 2.5 million units, or 10.9% below second quarter 2022 levels. Consumer and commercial replacement volume combined was 12.8% lower (2.5 million units), while OE volume was approximately flat.

- The decline in replacement volume (for both Goodyear and the industry) during the second quarter primarily reflects comparison to a strong second quarter 2022 and channel destocking, as well as the negative impact of the Tupelo storm (approximately 1 million units).
- The OE result reflects stabilizing auto production compared to a strong first half recovery last year. The industry remains below 2019 levels.

## TIRE UNITS



## Sell-Out Activity

U.S. industry retail sales to end consumers (i.e., "sell out") were up approximately 2% compared to prior year. Goodyear volumes declined but were in line with USTMA members.

At the end of the second quarter, U.S. consumer replacement channel inventories of legacy Goodyear-branded products were 14% below 2022 year-end levels and 6% below the end of the first quarter. Channel inventory at the end of the second quarter was healthy and we expect that the majority of the channel destocking for industry members is complete.

## Update on Tupelo, MS Operations

We previously shared that a tornado impacted the manufacturing facility and adjacent warehouse in Tupelo, Mississippi on April 1.

We were able to restart production during the second quarter of 2023 and neared full production by the end of July.

We estimate the negative impact of the Tupelo storm on sales in Americas during the quarter was \$77 million and on earnings was \$64 million (\$50 million Americas segment operating income and \$14 million of corporate expense for an insurance deductible).

We expect that a significant portion of the business interruption impacts will ultimately be reimbursed by our insurance after the claim is complete.



# SBU RESULTS - EMEA

## Second Quarter Summary

Second quarter results were driven by persistently weak consumer replacement industry conditions as a result of a high comparable last year and continued channel destocking. In addition, unit volume was impacted by accelerating commercial replacement industry declines driven by destocking. Our commercial truck volumes declined approximately 22% (0.3 million units). Results included continued benefits from strong price/mix, which exceeded raw material and other cost increases.

### Net Sales

Net sales in EMEA of \$1.3 billion decreased \$156 million, or 10.4%, compared with the second quarter of 2022.

The decrease in sales was driven by lower unit volumes of 19.1% and the impact of currency devaluation of 3%, partly offset by an increase in revenue per tire of 14% (excluding foreign currency).

#### NET SALES



### Segment Operating Income

Segment operating loss in EMEA was \$19 million compared with segment operating income of \$52 million a year ago – a decrease of \$71 million.

This result reflects the impact of lower volume, including (\$56) million of lower sales and (\$10) million of unabsorbed overhead from lower production in the first quarter.

Price/mix benefits of \$152 million more than offset raw material cost increases of \$57 million and inflation and other cost increases, which totaled \$80 million.

The translation impact of a stronger U.S. dollar totaled (\$8) million.

#### SEGMENT OPERATING INCOME (LOSS)



Terms: \$ in millions

125 YEARS



PRODUCTS



125 YEARS



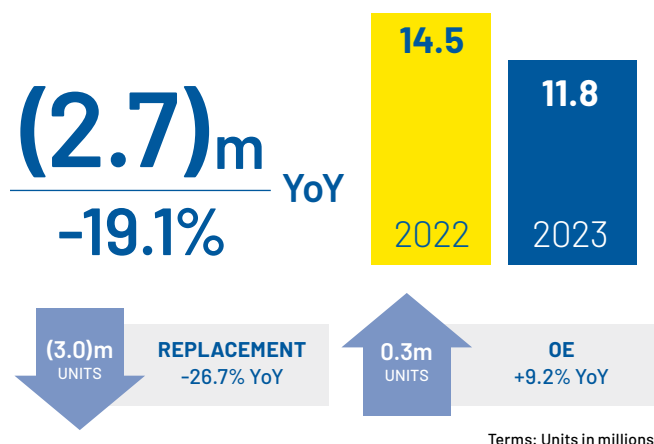
# SBU RESULTS - EMEA

## Tire Volumes

Overall volume in EMEA was down 2.7 million units, or 19.1% below second quarter 2022 levels. Consumer and commercial replacement volume combined was 26.7% lower (3.0 million units), while OE volume increased 9.2%, or 0.3 million units.

- The decline in replacement volume (for both Goodyear and the industry) during the second quarter primarily reflects a high comparable and channel destocking.
- The growth in the OE tire business primarily reflected ongoing recovery in auto production and ramp-up of new fitments.

### TIRE UNITS



## Sell-Out Activity

Industry retail sales to end consumers (i.e., "sell out") were down approximately 4% during the quarter. Goodyear sell-out volumes during the quarter declined more than the industry after above-industry performance during the first half of 2022.

At the end of the second quarter, European consumer replacement channel inventories of legacy Goodyear-branded products were down 11% compared with a year ago. This compares with overall inventories up 14% on a year-over-year basis at the end of the first quarter. While inventory is lower compared to last year, we expect additional destocking of winter and summer tires during the third quarter.

## Review of European Cost Structure

We previously shared that we have launched a review of our European cost structure, including potential savings from business transformation initiatives and actions we could take to improve our manufacturing cost. This review was necessitated by the weakening economic and industry environment in Europe.

We are making progress on our manufacturing footprint review in EMEA with a goal to reduce our consumer tire conversion cost per tire by ~\$3.00 in the region over the next five years (from a 2022 baseline). To this end, we approved a plan in the second quarter to reduce production capacity at our Fulda, Germany tire manufacturing facility by approximately 50%. This action is expected to deliver \$30 million of annualized SOI benefit to the region beginning in mid-2024. The plan remains subject to required consultation with relevant stakeholders. See the Form 8-K disclosure [here](#) for additional details.

We will update you on our progress, including actions coming out of our board-led review, as we continue to improve business results in EMEA.



# SBU RESULTS - ASIA PACIFIC

## Second Quarter Summary

Asia Pacific results reflect growth in revenue and segment operating income compared to the prior year, driven by China. Results included continued benefits from strong price/mix above raw material and other cost increases.

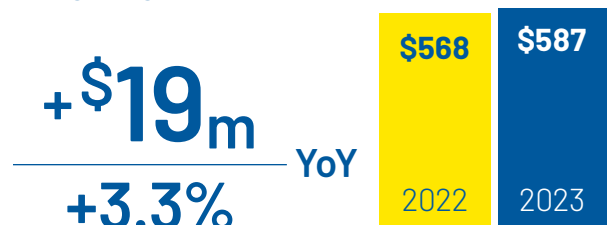
As mentioned in our first quarter investor letter, we expect Asia Pacific's 2023 earnings to return to 2019 levels, bolstered by a consumer OE portfolio geared toward luxury, SUV and electric vehicle fitments, an aligned distribution model in consumer replacement and several new product launches slated for the second half that will continue driving improvements in mix and profitability.

### Net Sales

Net sales in Asia Pacific of \$587 million increased \$19 million, or 3.3%, compared to the second quarter of 2022.

The sales increase reflects a 5.8% increase in tire volume and a 4% increase in revenue per tire (excluding foreign currency), partly offset by the impact of currency devaluation of 6%.

#### NET SALES



### Segment Operating Income

Segment operating income in Asia Pacific was \$40 million compared with \$19 million a year ago – an increase of \$21 million.

This result reflects price/mix benefits of \$40 million, which more than offset raw material cost increases of \$18 million and other cost increases of \$6 million.

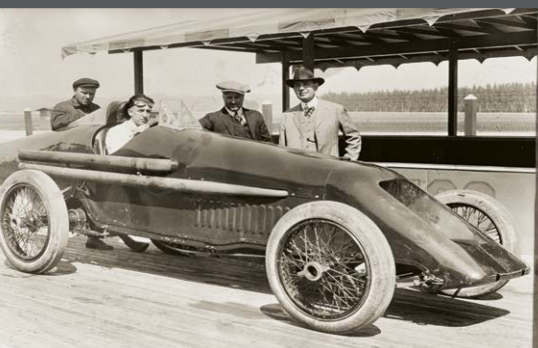
The impact of higher volume in the quarter was \$5 million.

#### SEGMENT OPERATING INCOME



Terms: \$ in millions

125 YEARS



RACING



125 YEARS



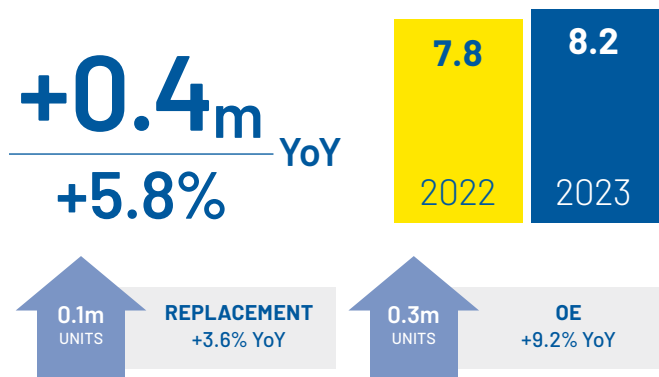
# SBU RESULTS - ASIA PACIFIC

## Tire Volumes

Overall volume in Asia Pacific was up 0.4 million units in the quarter, or 5.8% above 2022 levels. Replacement volume increased 3.6% (0.1 million units), while OE volume increased 9.2% (or 0.3 million units).

- This result reflected recovery in the China consumer replacement industry and in OEM production after COVID-related impacts last year.

## TIRE UNITS



Terms: Units in millions



125 YEARS

CUSTOMERS

125 YEARS



# OUTLOOK

## Third Quarter 2023

Third quarter volumes should be helped by improving comparisons. We expect the third quarter to be the first this year where the net effect of price/mix, raw material costs and inflation will be positive.

### Volume

- Overall unit volumes are expected to be lower than prior year levels with replacement volumes down 3-4% assuming an Americas consumer industry down ~3% and European consumer industry down ~5%. OE volumes are expected to be approximately flat to last year.
- Lower production in the second quarter, excluding Tupelo, totaling 3.9 million units (of which 0.5 million are commercial) will negatively impact third quarter unabsorbed overhead. The impact of unabsorbed overhead in the fourth quarter from additional production cuts in the third quarter is expected to be ~(\$15) million.

### Raw Materials

- We expect raw material costs to be lower than prior year by approximately \$125 million.

### Price/Mix vs Raws

- We expect the net benefit of price/mix vs raw materials to be \$100 million. This includes raw material benefits partly offset by the net of favorable price carryover in consumer and mix declines related to lower commercial truck volume.

### Other Input Costs

- We estimate the impact from non-raw material inflation in the third quarter to be approximately (\$80) million compared with the third quarter 2022.

### Tax Rate

- We expect our tax rate to remain elevated for the third quarter, although it will remain sensitive to movements in income across geographies.

### Cash Flow

- Third quarter free cash flow is expected to be a use of cash, in line with historical seasonality.

## Volume Considerations for the Second Half

Consumer and commercial replacement markets reflect different regional dynamics.

### AMERICAS

- Expect consumer replacement industry weakness with North America flat to slightly up and double-digit declines in Latin America in the third quarter; Americas consumer replacement industry expected to be approximately flat in the fourth quarter
- Commercial replacement industry impacted by continued destocking, although less than in Q2

### EMEA

- Expect volume softness in consumer replacement to continue in the third quarter given continued destocking; expect the industry in the fourth quarter to be up 2-4%
- Commercial replacement industry impacted by continued destocking, although less than in Q2

### ASIA PACIFIC

- Expect industry growth in consumer replacement given continued recovery
- Consumer OE growth on industry recovery and benefit of new fitment wins

# OUTLOOK

## 2023 – Other Financial Assumptions

Overall costs have declined since our May investor update, including ~\$75 million in raw materials and ~\$70 million in other costs. Additionally, at current spot rates, first half 2024 raw materials would decline approximately \$400 million.

We have updated our outlook for full year interest expense from ~\$500 million to ~\$540 million and included our interest income as a separate line item, both reflecting current run rates.

Additional financial assumptions for the year follow.

	Current Assumption	Prior Assumption
<b>Raw Materials</b> <sup>3(a)</sup>	Based on current spot rates, FY ~\$25 million higher (Q3 ~\$125 million lower and Q4 ~\$250 million lower)	Based on current spot rates, FY ~\$100 million higher (Q3 ~\$75 million lower, Q4 ~\$225 million lower)
<b>Interest Expense</b> <sup>3(b)</sup>	~\$540 million	~\$500 million
<b>Other (Income) Expense</b>	Interest income: \$60 to \$70 million (\$35 million H2)	New
	Financing fees: ~\$40 million <sup>3(b)</sup>	Same
	Global pension related (excluded from SOI): \$90 to \$110 million <sup>3(c)</sup>	Same
<b>Cash Taxes</b> <sup>3(d)</sup>	~\$200 million	Same
<b>Depreciation &amp; Amortization</b>	~\$1 billion	\$950 million
<b>Global Pension Cash Contributions</b> <sup>3(e)</sup>	\$25 to \$50 million	Same
<b>Working Capital</b>	Source of ~\$100 million	Same
<b>Capital Expenditures</b>	~\$1.0 billion	Same
<b>Rationalization Payments</b>	~\$100 million	Same
<b>Corporate Other</b>	\$150 to \$175 million	Same
<b>Other Considerations</b>	Expect insurance recoveries from Tupelo ~\$50 million (likely in 2024) Expect benefit of real estate sale and leaseback transactions ~\$150 to \$200 million in 2023 (includes \$66 million in first half)	

125 YEARS



COMMUNITY



125 YEARS



# ENABLING MOBILITY AND DRIVING SUSTAINABILITY

## Global Aviation Takes Off With New Fitment

During the Paris Air Show, Goodyear announced that our new Flight Radial Tire has been selected by Airbus as an approved fitment for its new aircraft, A321XLR, which will enter service in 2024.

The ultra-lightweight Goodyear Flight Radial is one of Goodyear's most advanced aviation products and leads the way in optimizing efficiency and weight reduction.

This fitment win demonstrates how our collaborative process with Airbus delivered an innovative product that delivered on their business needs.

To learn more, [read this press release](#).



## Driving Sustainable Innovation In Transportation

Last month, Goodyear introduced the newest EV-ready tire for communities around the United States looking to drive their buses and transit fleets more efficiently while transitioning to more sustainable battery electric vehicles.

The new Urban Max BSAEV (Bus Service All-Position) tire was specially designed in partnership with GILLIG, the leading manufacturer of American-built heavy-duty transit buses.

The new Urban Max BSAEV is the first Goodyear tire engineered specifically with low rolling resistance for EV transit and metro buses to help extend range and handle the increased load. The increased load capacity allows EV buses, like the newest GILLIG Battery Electric buses, to be equipped with additional battery packs resulting in increased range.

To learn more, [read this press release](#).



# ENABLING MOBILITY AND DRIVING SUSTAINABILITY



## Goodyear Better Future: Corporate Responsibility

Goodyear Better Future, our corporate responsibility framework, outlines Goodyear's high-priority environmental, social and governance topics. The framework's four pillars—Sustainable Sourcing, Responsible Operations, Advanced Mobility and Inspiring Culture—guide our work, and our high-priority topics—Climate Decarbonization, Adaptation and Resiliency, Circularity, Human and Labor Rights, and Supply Chain Governance and Transparency—are relevant to each pillar of the Better Future framework.

The launch of the [2022 Corporate Responsibility Report](#) marks more than 25 years of reporting at Goodyear. With increased transparency, additional disclosures and expanded topics, this year's report demonstrates Goodyear's progress in our sustainability journey.

You can read the report or learn more about our sustainability journey on our [Corporate website](#).

## Goodyear's Racing Legacy

Goodyear's status as the official tire of NASCAR is the most recognized sponsorship in sports, according to a recent report in Sports Business Journal. Sixty-seven percent of NASCAR fans correctly identified Goodyear as NASCAR's official tire – a designation that Goodyear has had for 27 years. In December 2022, NASCAR and Goodyear entered into a new multi-year agreement to extend the historic relationship.

In June at the historic 24 Hours of Le Mans race, [Goodyear partnered with NASCAR](#), Chevrolet and Hendrick Motorsports to field an entry under the Garage 56 banner. The vehicle featured racing tires with the first real-time intelligence capability to record tire pressure and temperature, and the vehicle was globally recognized as groundbreaking for its performance and design.

From dirt tracks to super speedways, Goodyear and NASCAR have pushed the boundaries of performance and innovation together for nearly 70 years and will continue to do so.



# END NOTES

- 1 Segment Operating Income (SOI) results second quarter 2023 versus 2022: (a) Raw materials variance includes raw material cost saving measures; (b) Estimated impact of general inflation (wages, utilities, energy, transportation and other); (c) Includes the impacts of other tire-related businesses, advertising and R&D
- 2 Debt Maturity Schedule based on June 30, 2023 balance sheet values and excludes notes payable, finance and operating leases and other domestic and foreign debt: (a) At June 30, 2023, our borrowing base was above the facility's stated amount of \$2.75 billion; At June 30, 2023, there were \$665 million of borrowings and \$3 million of letters of credit issued; (b) At June 30, 2023, the amounts available and utilized under the Pan-European securitization program totaled \$238 million (€218 million), and the designated maximum amount of the facility was \$327 million (€300 million); (c) At June 30, 2023, there were \$196 million (€180 million) of borrowings outstanding under the German tranche, \$316 million (€290 million) of borrowings outstanding under the all-borrower tranche and no letters of credit issued under the €800 million European revolving credit facility
- 3 2023 Other Financial Assumptions: (a) Includes commodity and foreign exchange spot rates; (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

## Conference Call

The Company will host an investor call on Thursday, Aug. 3 at 8:30 a.m. EDT that will focus on questions and answers. Participating in the conference call will be Richard J. Kramer, chairman, chief executive officer and president; and Christina L. Zamarro, executive vice president and chief financial officer.

The investor call can be accessed on the website or via telephone by calling either (800) 343-5172 or (203) 518-9848 before 8:25 a.m. and providing the conference ID "Goodyear." A replay will be available by calling (800) 945-0822 or (402) 220-0668. The replay will also remain available on the website.

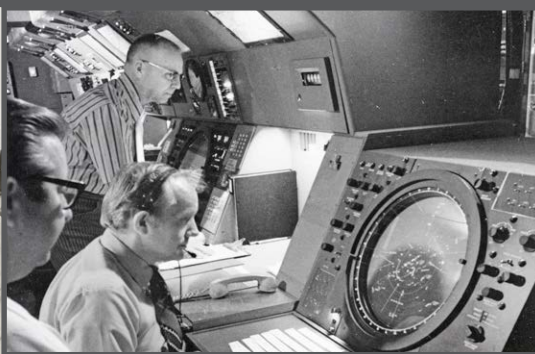
## About Goodyear

Goodyear is one of the world's largest tire companies. It employs about 74,000 people and manufactures its products in 57 facilities in 23 countries around the world. Its two Innovation Centers in Akron, Ohio, and Colmar-Berg, Luxembourg, strive to develop state-of-the-art products and services that set the technology and performance standard for the industry. For more information about Goodyear and its products, go to [www.goodyear.com/corporate](http://www.goodyear.com/corporate).

125 YEARS



MAKING HISTORY



125 YEARS



# IMPORTANT DISCLOSURES

## Forward-Looking Statements

Certain information contained in this Investor Letter 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: a prolonged economic downturn or period of economic uncertainty; 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; financial difficulties, work stoppages, 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.

## Non-GAAP Financial Measures (Unaudited)

This Investor Letter presents non-GAAP financial measures, including Total Segment Operating Income and Margin, Free Cash Flow, Adjusted Net Income (Loss) 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 (Loss) 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 (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 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 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. See the following tables for reconciliations of historical Total Segment Operating Income and Margin, Free Cash Flow, Adjusted Net Income (Loss) and Adjusted Diluted Earnings Per Share to the most directly comparable U.S. GAAP financial measures.

## Use of Hyperlinks

The information that can be accessed by clicking on hyperlinks included in this Investor Letter is not incorporated by reference in, or considered to be a part of, this Investor Letter.



# REFERENCE TABLES

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# FINANCIAL TABLES (UNAUDITED)

## Table 1 Consolidated Statements of Operations

<i>(In millions, except per share amounts)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Net Sales	\$ 4,867	\$ 5,212	\$ 9,808	\$ 10,120
Cost of Goods Sold	4,123	4,172	8,316	8,138
Selling, Administrative and General Expense	708	717	1,372	1,405
Rationalizations	72	26	104	37
Interest Expense	138	110	265	214
Other (Income) Expense	36	(65)	61	(60)
Income (Loss) before Income Taxes	(210)	252	(310)	386
United States and Foreign Tax Expense (Benefit)	(2)	82	(3)	120
Net Income (Loss)	(208)	170	(307)	266
Less: Minority Shareholders' Net Income	–	4	2	4
<b>Goodyear Net Income (Loss)</b>	<b>\$ (208)</b>	<b>\$ 166</b>	<b>\$ (309)</b>	<b>\$ 262</b>
<b>Goodyear Net Income (Loss) – Per Share of Common Stock</b>				
<b>Basic</b>	<b>\$ (0.73)</b>	<b>\$ 0.58</b>	<b>\$ (1.08)</b>	<b>\$ 0.92</b>
Weighted Average Shares Outstanding	285	284	285	284
<b>Diluted</b>	<b>\$ (0.73)</b>	<b>\$ 0.58</b>	<b>\$ (1.08)</b>	<b>\$ 0.91</b>
Weighted Average Shares Outstanding	285	286	285	286

# FINANCIAL TABLES (UNAUDITED)

## Table 2 Consolidated Balance Sheets

<i>(In millions, except share data)</i>	June 30, 2023	December 31, 2022
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 1,049	\$ 1,227
Accounts Receivable, less Allowance – \$104 (\$112 in 2022)	3,033	2,610
Inventories:		
Raw Materials	918	1,191
Work in Process	231	187
Finished Products	3,211	3,193
	4,360	4,571
Prepaid Expenses and Other Current Assets	416	257
<b>Total Current Assets</b>	<b>8,858</b>	<b>8,665</b>
Goodwill	1,018	1,014
Intangible Assets	983	1,004
Deferred Income Taxes	1,517	1,443
Other Assets	1,161	1,035
Operating Lease Right-of-Use Assets	980	976
Property, Plant and Equipment, less Accumulated Depreciation – \$11,857 (\$11,377 in 2022)	8,297	8,294
<b>Total Assets</b>	<b>\$ 22,814</b>	<b>\$ 22,431</b>
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts Payable – Trade	\$ 4,361	\$ 4,803
Compensation and Benefits	611	643
Other Current Liabilities	982	872
Notes Payable and Overdrafts	539	395
Operating Lease Liabilities due Within One Year	203	199
Long Term Debt and Finance Leases due Within One Year	244	228
<b>Total Current Liabilities</b>	<b>6,940</b>	<b>7,140</b>
Operating Lease Liabilities	821	821
Long Term Debt and Finance Leases	8,027	7,267
Compensation and Benefits	985	998
Deferred Income Taxes	115	134
Other Long Term Liabilities	653	605
<b>Total Liabilities</b>	<b>17,541</b>	<b>16,965</b>
Commitments and Contingent Liabilities		
<b>Shareholders' Equity:</b>		
<b>Goodyear Shareholders' Equity:</b>		
Common Stock, no par value:		
Authorized, 450 million shares, Outstanding shares – 283 million in 2023 and 2022	283	283
Capital Surplus	3,124	3,117
Retained Earnings	5,466	5,775
Accumulated Other Comprehensive Loss	(3,768)	(3,875)
<b>Goodyear Shareholders' Equity</b>	<b>5,105</b>	<b>5,300</b>
Minority Shareholders' Equity – Nonredeemable	168	166
<b>Total Shareholders' Equity</b>	<b>5,273</b>	<b>5,466</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 22,814</b>	<b>\$ 22,431</b>

# FINANCIAL TABLES (UNAUDITED)

## Table 3 Consolidated Statements of Cash Flows

<i>(In millions)</i>	Six Months Ended	
	2023	2022
<b>Cash Flows from Operating Activities:</b>		
<b>Net Income (Loss)</b>	<b>\$ (307)</b>	<b>\$ 266</b>
Adjustments to Reconcile Net Income (Loss) to Cash Flows from Operating Activities:		
Depreciation and Amortization	506	481
Amortization and Write-Off of Debt Issuance Costs	7	8
Provision for Deferred Income Taxes	(108)	42
Net Pension Curtailments and Settlements	36	18
Net Rationalization Charges	104	37
Rationalization Payments	(50)	(59)
Net (Gains) Losses on Asset Sales	(62)	(98)
Operating Lease Expense	148	150
Operating Lease Payments	(139)	(139)
Pension Contributions and Direct Payments	(38)	(33)
Changes in Operating Assets and Liabilities, Net of Asset Acquisitions and Dispositions:		
Accounts Receivable	(375)	(1,024)
Inventories	229	(890)
Accounts Payable – Trade	(404)	672
Compensation and Benefits	–	(44)
Other Current Liabilities	104	21
Other Assets and Liabilities	(85)	59
<b>Total Cash Flows from Operating Activities</b>	<b>(434)</b>	<b>(533)</b>
<b>Cash Flows from Investing Activities:</b>		
Capital Expenditures	(536)	(511)
Cash Proceeds from Sale and Leaseback Transactions	66	108
Asset Dispositions	3	24
Short Term Securities Acquired	(102)	(41)
Short Term Securities Redeemed	2	44
Notes Receivable	(65)	(24)
Other Transactions	(13)	(3)
<b>Total Cash Flows from Investing Activities</b>	<b>(645)</b>	<b>(403)</b>
<b>Cash Flows from Financing Activities:</b>		
Short Term Debt and Overdrafts Incurred	583	723
Short Term Debt and Overdrafts Paid	(439)	(579)
Long Term Debt Incurred	4,758	5,312
Long Term Debt Paid	(4,020)	(4,327)
Common Stock Issued	(2)	(5)
Transactions with Minority Interests in Subsidiaries	(2)	(1)
Debt Related Costs and Other Transactions	(2)	9
<b>Total Cash Flows from Financing Activities</b>	<b>876</b>	<b>1,132</b>
Effect of Exchange Rate Changes on Cash, Cash Equivalents and Restricted Cash	4	(33)
<b>Net Change in Cash, Cash Equivalents and Restricted Cash</b>	<b>(199)</b>	<b>163</b>
Cash, Cash Equivalents and Restricted Cash at Beginning of the Period	1,311	1,164
<b>Cash, Cash Equivalents and Restricted Cash at End of the Period</b>	<b>\$ 1,112</b>	<b>\$ 1,327</b>

# FINANCIAL TABLES (UNAUDITED)

## Table 4 Reconciliation of Segment Operating Income & Margin

<i>(In millions)</i>	Three Months Ended		Six Months Ended	
	2023	June 30, 2022	2023	June 30, 2022
<b>Total Segment Operating Income</b>	\$ 124	\$ 364	\$ 249	\$ 667
Less:				
Rationalizations	72	26	104	37
Interest Expense	138	110	265	214
Other (Income) Expense	36	(65)	61	(60)
Asset Write-Offs and Accelerated Depreciation, Net	11	—	13	—
Corporate Incentive Compensation Plans	21	21	41	40
Retained Expenses of Divested Operations	4	4	8	7
Other	52	16	67	43
<b>Income (Loss) before Income Taxes</b>	\$ (210)	\$ 252	\$ (310)	\$ 386
United States and Foreign Tax Expense (Benefit)	(2)	82	(3)	120
Less: Minority Shareholders' Net Income	—	4	2	4
<b>Goodyear Net Income (Loss)</b>	<u>\$ (208)</u>	<u>\$ 166</u>	<u>\$ (309)</u>	<u>\$ 262</u>
Net Sales	\$ 4,867	\$ 5,212	\$ 9,808	\$ 10,120
Return on Net Sales	-4.3%	3.2%	-3.2%	2.6%
Total Segment Operating Margin	2.5%	7.0%	2.5%	6.6%



# FINANCIAL TABLES (UNAUDITED)

**Table 5 Reconciliation of Free Cash Flow**

<i>(In millions)</i>	Three Months Ended June 30,		Trailing Twelve Months Ended
	2023	2022	June 30, 2023
<b>Net Income (Loss)</b>	\$ (208)	\$ 170	\$ (364)
Depreciation and Amortization	255	237	989
Change in Working Capital	309	(240)	3
Pension Expense	31	16	102
Pension Contributions and Direct Payments	(18)	(17)	(65)
Provision for Deferred Income Taxes	(48)	39	(122)
Rationalization Payments	(29)	(23)	(86)
Other <sup>(a)</sup>	49	(4)	163
<b>Cash Flows from Operating Activities (GAAP)</b>	<b>\$ 341</b>	<b>\$ 178</b>	<b>\$ 620</b>
Capital Expenditures	(245)	(235)	(1,086)
<b>Free Cash Flow (non-GAAP)</b>	<b>\$ 96</b>	<b>\$ (57)</b>	<b>\$ (466)</b>
<b>Cash Flows from Investing Activities (GAAP)</b>	<b>\$ (189)</b>	<b>\$ (103)</b>	<b>\$ (1,156)</b>
<b>Cash Flows from Financing Activities (GAAP)</b>	<b>\$ (199)</b>	<b>\$ 150</b>	<b>\$ 319</b>

(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, compensation and benefits less pension expense, other current liabilities, and other assets and liabilities

# FINANCIAL TABLES (UNAUDITED)

**Table 6 Reconciliation of Total Debt and Net Debt**

<i>(In millions)</i>	June 30, 2023	March 31, 2023	December 31, 2022	June 30, 2022
Accounts Receivable	\$ 3,033	\$ 3,244	\$ 2,610	\$ 3,306
Inventories	4,360	4,553	4,571	4,389
Accounts Payable – Trade	(4,361)	(4,452)	(4,803)	(4,593)
<b>Working Capital<sup>(a)</sup></b>	<b>\$ 3,032</b>	<b>\$ 3,345</b>	<b>\$ 2,378</b>	<b>\$ 3,102</b>
Notes Payable and Overdrafts	\$ 539	\$ 517	\$ 395	\$ 519
Long Term Debt and Finance Leases due Within One Year	244	290	228	316
Long Term Debt and Finance Leases	8,027	8,204	7,267	7,569
<b>Total Debt</b>	<b>\$ 8,810</b>	<b>\$ 9,011</b>	<b>\$ 7,890</b>	<b>\$ 8,404</b>
Less: Cash and Cash Equivalents	1,049	1,082	1,227	1,248
<b>Net Debt</b>	<b>\$ 7,761</b>	<b>\$ 7,929</b>	<b>\$ 6,663</b>	<b>\$ 7,156</b>

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

# FINANCIAL TABLES (UNAUDITED)

Table 7 Reconciliation of Adjusted Net Income (Loss) and Adjusted Diluted Earnings Per Share

## Second Quarter 2023

	As Reported	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Tupelo Storm Impact	Asset and Other Sales	Pension Settlement Charges	Environmental Remediation Adjustment	Other Legal Claims	Indirect Tax Settlements and Discrete Tax Items	As Adjusted
<i>(In millions, except per share amounts)</i>									
Net Sales	\$ 4,867	\$ -	\$ 77	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,944
Cost of Goods Sold	4,123	(12)	13	-	-	5	-	-	4,129
Gross Margin	744	12	64	-	-	(5)	-	-	815
SAG	708	-	-	-	-	-	-	-	708
Rationalizations	72	(72)	-	-	-	-	-	-	-
Interest Expense	138	-	-	-	-	-	-	-	138
Other (Income) Expense	36	-	-	51	(36)	-	(4)	-	47
Pre-tax Income (Loss)	(210)	84	64	(51)	36	(5)	4	-	(78)
Taxes	(2)	16	12	(14)	8	(1)	2	(2)	19
Minority Interest	-	-	-	-	-	-	-	-	-
Goodyear Net Income (Loss)	\$ (208)	\$ 68	\$ 52	\$ (37)	\$ 28	\$ (4)	\$ 2	\$ 2	\$ (97)
EPS	\$ (0.73)	\$ 0.24	\$ 0.18	\$ (0.13)	\$ 0.10	\$ (0.02)	\$ 0.01	\$ 0.01	\$ (0.34)

# FINANCIAL TABLES (UNAUDITED)

**Table 7 Reconciliation of Adjusted Net Income (Loss) and Adjusted Diluted Earnings Per Share**

**Second Quarter 2022**

	<b>As Reported</b>	<b>Rationalizations, Asset Write-offs, and Accelerated Depreciation</b>	<b>Pension Settlement Charges</b>	<b>Indirect Tax Settlements and Discrete Tax Items</b>	<b>Asset Sales</b>	<b>As Adjusted</b>
<i>(In millions, except per share amounts)</i>						
Net Sales	\$ 5,212	\$ -	\$ -	\$ -	\$ -	\$ 5,212
Cost of Goods Sold	4,172	-	-	-	-	4,172
Gross Margin	1,040	-	-	-	-	1,040
SAG	717	-	-	-	-	717
Rationalizations	26	(26)	-	-	-	-
Interest Expense	110	-	-	-	-	110
Other (Income) Expense	(65)	-	(18)	-	95	12
Pre-tax Income	252	26	18	-	(95)	201
Taxes	82	6	5	(14)	(24)	55
Minority Interest	4	-	-	-	-	4
Goodyear Net Income	\$ 166	\$ 20	\$ 13	\$ 14	\$ (71)	\$ 142
EPS	\$ 0.58	\$ 0.07	\$ 0.05	\$ 0.05	\$ (0.25)	\$ 0.50

Note: Certain items previously reported in adjusted diluted EPS have been reclassified to conform to the current presentation

# FINANCIAL TABLES (UNAUDITED)

Table 7 Reconciliation of Adjusted Net Income (Loss) and Adjusted Diluted Earnings Per Share

## First Six Months of 2023

	As Reported	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Tupelo Storm Impact	Asset and Other Sales	Pension Settlement Charges	Foreign Currency Translation Adjustment Write-Off	Environmental Remediation Adjustment	Indirect Tax Settlements and Discrete Tax Items	As Adjusted
<i>(In millions, except per share amounts)</i>									
Net Sales	\$ 9,808	\$ -	\$ 77	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,885
Cost of Goods Sold	8,316	(23)	13	-	-	-	5	-	8,311
Gross Margin	1,492	23	64	-	-	-	(5)	-	1,574
SAG	1,372	10	-	-	-	-	-	-	1,382
Rationalizations	104	(104)	-	-	-	-	-	-	-
Interest Expense	265	-	-	-	-	-	-	-	265
Other (Income) Expense	61	-	-	52	(36)	5	-	-	82
Pre-tax Income (Loss)	(310)	117	64	(52)	36	(5)	(5)	-	(155)
Taxes	(3)	23	12	(15)	8	-	(1)	(3)	21
Minority Interest	2	-	-	-	-	-	-	1	3
Goodyear Net Income (Loss)	\$ (309)	\$ 94	\$ 52	\$ (37)	\$ 28	\$ (5)	\$ (4)	\$ 2	\$ (179)
EPS	\$ (1.08)	\$ 0.33	\$ 0.18	\$ (0.13)	\$ 0.10	\$ (0.02)	\$ (0.02)	\$ 0.01	\$ (0.63)

# FINANCIAL TABLES (UNAUDITED)

Table 7 Reconciliation of Adjusted Net Income (Loss) and Adjusted Diluted Earnings Per Share

## First Six Months of 2022

	As Reported	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Pension Settlement Charges	Indirect Tax Settlements and Discrete Tax Items	Asset Sales	As Adjusted
<i>(In millions, except per share amounts)</i>						
Net Sales	\$ 10,120	\$ -	\$ -	\$ -	\$ -	\$ 10,120
Cost of Goods Sold	8,138	-	-	-	-	8,138
Gross Margin	1,982	-	-	-	-	1,982
SAG	1,405	-	-	-	-	1,405
Rationalizations	37	(37)	-	-	-	-
Interest Expense	214	-	-	-	-	214
Other (Income) Expense	(60)	-	(18)	-	98	20
Pre-tax Income	386	37	18	-	(98)	343
Taxes	120	8	5	(18)	(23)	92
Minority Interest	4	-	-	-	-	4
Goodyear Net Income	\$ 262	\$ 29	\$ 13	\$ 18	\$ (75)	\$ 247
EPS	\$ 0.91	\$ 0.10	\$ 0.05	\$ 0.06	\$ (0.26)	\$ 0.86

Note: Certain items previously reported in adjusted diluted EPS have been reclassified to conform to the current presentation

# OTHER DATA TABLES

**Table 8 Industry and Goodyear Growth Rates**

	Industry & Goodyear Growth	Three Months Ended		Six Months Ended	
		June 30, 2023		June 30, 2023	
		Industry	Goodyear	Industry	Goodyear
Americas	Consumer Replacement	-9.4%	-12.8%	-8.7%	-11.2%
	Consumer OE	8.7%	1.9%	10.0%	3.1%
	Commercial Replacement	-20.6%	-12.8%	-16.2%	-14.1%
	Commercial OE	-9.7%	-19.6%	-2.3%	-6.4%
EMEA	Consumer Replacement	-4.1%	-26.2%	-5.1%	-21.2%
	Consumer OE	11.0%	9.6%	16.8%	13.9%
	Commercial Replacement	-15.4%	-33.6%	-11.8%	-23.5%
	Commercial OE	4.8%	6.6%	8.6%	14.3%
Asia Pacific	Consumer Replacement	6.8%	4.8%	1.5%	-0.2%
	Consumer OE	17.4%	13.1%	9.0%	6.4%
	Commercial Replacement	6.6%	-6.3%	6.3%	-5.1%
	Commercial OE	46.4%	20.9%	34.4%	15.1%
Total Company	Consumer Replacement	-3.9%	-14.8%	-5.0%	-12.9%
	Consumer OE	13.9%	7.8%	10.8%	7.5%
	Commercial Replacement	-8.7%	-18.8%	-6.2%	-16.1%
	Commercial OE	17.0%	-7.0%	16.4%	3.5%
Total Company	Replacement	-4.4%	-15.1%	-5.1%	-13.2%
	OE	14.1%	5.4%	11.2%	6.8%

# OTHER DATA TABLES

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**Table 9 Foreign Currency Rate Assumptions**

FX Spot Rates	July 21,	
	2023	2022
USD / BRL	4.780	5.498
USD / CNY	7.188	6.767
USD / EUR	0.898	0.978
USD / TRY	26.974	17.729
EUR / TRY	30.031	18.122



# OTHER DATA TABLES

**Table 10 Commodity Spot Rate Assumptions**

Commodity Rates	July 21,		Modeling Assumption Comments
	2023	2022	
Butadiene (\$ / LB)	\$ 0.25	\$ 0.77	Key driver of synthetic rubber prices
Natural Rubber (\$ / LB)	0.58	0.71	Driver of natural rubber prices
Crude Oil (\$ / BBL)	81.07	103.86	Proxy for pigments, chemicals, oils
Steel (\$ / Tonne)	995.63	1,288.98	Key driver of wire prices
NA HSFO (\$ / BBL)	70.63	82.77	Key driver of carbon black prices
Polyester (\$ / LB)	0.44	0.55	Key driver of fabric prices

125 YEARS  
**GOOD YEAR**

The logo features a stylized winged foot, a symbol of speed and reliability, positioned between the words 'GOOD' and 'YEAR'.