

GOODYEAR ANNOUNCES SALE OF DUNLOP BRAND TO SUMITOMO RUBBER INDUSTRIES

JANUARY 7, 2025



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. Such forward-looking statements include, but are not limited to, statements relating to the proposed transaction, including statements regarding the benefits of the transaction and the anticipated timing of the transaction, and information regarding the businesses of Goodyear and SRI. 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 the Goodyear Forward plan and our other strategic initiatives, including the sale of the Dunlop Brand; risks relating to the ability to consummate the sale of the Dunlop Brand on a timely basis or at all, including failure to obtain the required regulatory approvals or to satisfy other conditions to closing; actions and initiatives taken by both current and potential competitors; 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; a prolonged economic downturn or period of economic uncertainty; 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; changes in tariffs, trade agreements or trade restrictions; 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.



GOODYEAR ANNOUNCES SALE OF DUNLOP BRAND TO SUMITOMO RUBBER INDUSTRIES

TRANSACTION MARKS AN IMPORTANT MILESTONE IN THE GOODYEAR FORWARD TRANSFORMATION PLAN

- **DUNLOP BRAND TRADEMARKS** and intangible assets necessary for operations of the brand business in Europe, North America and Oceania for consumer, commercial and other specialty tires, including certain associated intellectual property (“Dunlop Brand”) to be sold to Sumitomo Rubber Industries, Ltd. (“SRI”)
- **~\$701 MILLION** of gross cash proceeds at closing, across three components:
 - **\$526 MILLION** for the Dunlop Brand
 - **\$105 MILLION** for support on transitioning the Dunlop Brand, related intellectual property and customers to SRI, including planning matters and support of distribution & logistics
 - **~\$70 MILLION (estimated)** for existing Dunlop consumer tire inventory. Final inventory figure to be determined prior to closing, and subject to a true-up
- **ANTICIPATED DEAL CLOSING** by mid-2025, subject to customary regulatory approvals and other closing conditions and consultations
- **TRANSITION LICENSE AGREEMENT (“TLA”)** for ~6-18 months
- **TRANSITION OFFTAKE AGREEMENT (“TOA”)** for 3-5 years following completion of TLA on a take-or-pay basis
- **GOODYEAR WILL LICENSE** back the Dunlop trademarks from SRI for use on commercial (truck) tires in Europe on a long-term basis
- **GOODYEAR WILL RETAIN** its existing rights to the Dunlop trademarks for use on motorcycle tires in Europe and Oceania



OVERVIEW OF TRANSACTION COMPONENTS

TRANSACTION STRUCTURED TO ENSURE A SMOOTH TRANSITION FOR CUSTOMERS OF THE DUNLOP BRAND

TRANSACTION PERIMETER

Sale of Dunlop Brand to SRI

- Dunlop Brand includes the trademarks and intangible assets necessary for operations of the brand business in Europe, North America, and Oceania for consumer, commercial and other specialty tires, together with certain associated intellectual property
- Dunlop tire sales totaled approximately \$755 million in 2023, inclusive of consumer tire sales of \$532 million and specialty tire sales of \$22 million

Dunlop Brand Trademarks for Use on Commercial Tires in Europe

- Goodyear will license back the Dunlop trademarks from SRI for commercial (truck) tires in Europe on a long-term basis, subject to a royalty on sales
- Goodyear can terminate this licensing agreement during the licensing period
- Dunlop commercial tire sales totaled \$201 million in 2023

Dunlop Trademark Rights for Motorcycle Tires in Europe and Oceania

- Goodyear will retain its rights to the Dunlop trademarks for use on motorcycle tires in Europe and Oceania

CONSIDERATION AND KEY AGREEMENTS

Consideration at Closing

- Goodyear to receive ~\$701 million of cash proceeds at closing
 - \$526 million for the Dunlop Brand
 - \$105 million Transition Fee for transitioning the Dunlop Brand to SRI
 - ~\$70 million (estimated) for existing Dunlop consumer tire inventory plus a markup, subject to a subsequent true-up at the end of the TLA

Transition License Agreement (“TLA”)

- Intended to give SRI time to scale its organization in Europe to effectively absorb the Dunlop Brand and maintain service levels for existing customers
- Goodyear will continue to manufacture, sell and distribute Dunlop branded consumer tires in Europe for the term of the TLA
- Goodyear will pay a royalty to SRI but will otherwise retain all profits

Transition Offtake Agreement (“TOA”)

- Following the completion of the TLA, Goodyear will supply certain Dunlop branded consumer tires to SRI for up to a 5-year period at an agreed markup
- Includes a “take-or-pay” construct with a minimum of 4.5 million tires per year
- SRI may terminate the TOA early after the 3rd year, with 12 months’ notice, subject to payment of a termination fee



TRANSACTION TIMETABLE FOR KEY AGREEMENTS

**Transaction Close
(Mid-2025)**

**Transition License
Agreement ("TLA")**

~6-18 months

- Goodyear will continue to manufacture, sell and distribute Dunlop branded consumer tires in Europe through period of the TLA
- Goodyear will pay a royalty to SRI during this period on these Dunlop sales but will otherwise retain all profits from these sales
- The TLA can be terminated by mutual consent after December 31, 2025, otherwise will terminate by December 31, 2026

**Transition Offtake
Agreement ("TOA")**

3-5 years

- Following the completion of the TLA, Goodyear will supply certain Dunlop branded consumer tires to SRI for a 5-year period under the terms of a TOA
- SRI is subject to "take-or-pay" minimum volume requirement of 4.5 million tires per year for a 5-year term
- SRI may terminate the TOA early after the 3rd year, with 12 months' notice, subject to payment of a termination fee

**Dunlop Brand Rights
for Use on
Commercial Tires**

Long-Term

- Goodyear will license back the Dunlop trademarks from SRI for commercial (truck) tires in Europe on a long-term basis, subject to a royalty on these sales
- Goodyear can terminate this licensing agreement at any time during the licensing period

