

# **WOLFE RESEARCH GLOBAL AUTO, AUTO TECH AND MOBILITY CONFERENCE**

**FEBRUARY 24, 2022**



# FORWARD-LOOKING STATEMENTS



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



## ENABLING MOBILITY

### HOW WE WIN

#### INNOVATION EXCELLENCE

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



#### SALES & MARKETING EXCELLENCE

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

#### OPERATIONAL EXCELLENCE

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

*DELIVERING FOR OUR CUSTOMERS*

### HOW WE WORK

#### ACT WITH INTEGRITY

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

#### ENERGIZE THE TEAM

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

#### PROMOTE COLLABORATION

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

#### BE AGILE

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

#### DELIVER RESULTS

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

*LIVING OUR VALUES*

### WHERE WE FOCUS

#### RESPONSIBLE OPERATIONS

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

#### CUSTOMER EXPERIENCE

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

#### SUSTAINABILITY

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

#### ADVANCED MOBILITY

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

#### INSPIRING CULTURE

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

**ONE TEAM DRIVING PERFORMANCE**

# COMPANY OVERVIEW



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

- Largest tire company in North America
- \$17.5B in revenue
- 169M units
- 57 manufacturing facilities in 23 countries<sup>(b)</sup>
- 72K employees worldwide<sup>(b)</sup>

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

- 3 world-class innovation centers
- Innovation lab in San Francisco
- 8 tire proving grounds
- 6,800 patents
- 1,400 patents pending

## Portfolio of Brands

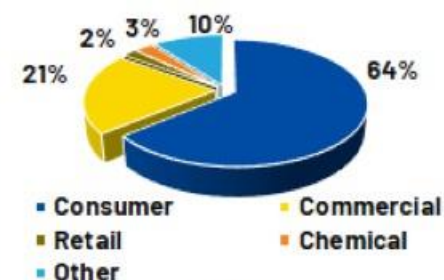
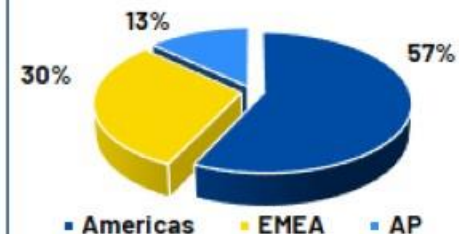


## Pervasive Distribution

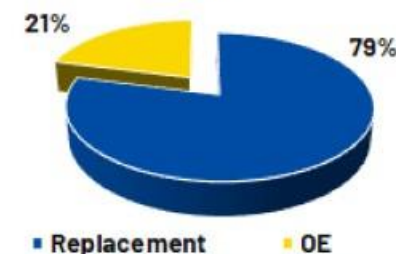
- Expansive network of distribution partners
- ~1,000 company-owned retail outlets
- ~300 warehouse distribution facilities
- Affiliated tire distribution via TireHub
- Leading B2C E-commerce platform

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

### Sales



### Units



**GLOBAL LEADER BUILT ON MORE THAN 120 YEARS OF EXPERIENCE**

(a) Based on 2021 results, the Cooper transaction closed on June 7, 2021, and results include Cooper operations since that date; (b) As of December 31, 2021



# FOURTH QUARTER HIGHLIGHTS



- **Net sales growth of 38% compared with the fourth quarter of 2020, 12% growth excluding the Cooper Tire transaction**
- **Fourth quarter Goodyear net income of \$553 million; adjusted net income of \$162 million<sup>(a)</sup>**
- **Merger-adjusted segment operating income of \$398 million, up 32% compared to the fourth quarter of 2020<sup>(b)</sup>**
- **Continued global market share growth during the quarter**
- **Price/mix exceeded raw materials during the quarter by more than \$110 million; revenue per tire up 11%, excluding currency impact**
- **Full-year cash flow from operating activities of \$1.1 billion**

<sup>(a)</sup> See Adjusted Net Income reconciliation in Appendix on page 35

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

# REFLECTING ON FOURTH QUARTER 2021



## Positives

- Price/mix benefits continued to outpace accelerating raw material cost increases
- Continued volume recovery driven by global consumer replacement business
- Commercial fleet business delivered strong results
- Continued recovering consumer replacement share in Europe and the U.S.
- Cooper contributing meaningfully to results

## Negatives

- Manufacturing cost inflation (including energy; COLA adjustments)
- Higher transportation costs
- Production efficiency negatively impacted by staffing availability / training requirements
- Continued disruption to OE production schedules

**CONTINUED MOMENTUM DESPITE MACROECONOMIC CHALLENGES**



# CONSUMER REPLACEMENT INDUSTRY



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

	<u>Q4 21</u>	<u>YTD 21</u>
<b>USTMA Members (≥17")</b>	<b>9%</b>	<b>21%</b>
USTMA Members (<17")	-9%	8%
<b>Total</b>	<b>3%</b>	<b>16%</b>
Non-Members	-30%	-5%
<b>Total U.S.</b>	<b>-6%</b>	<b>11%</b>
<b>Goodyear (≥17")<sup>(c)</sup></b>	<b>9%</b>	<b>28%</b>

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

	<u>Q4 21</u>	<u>YTD 21</u>
<b>ETRMA Members (≥17")</b>	<b>24%</b>	<b>23%</b>
ETRMA Members (<17")	7%	9%
<b>Total</b>	<b>13%</b>	<b>14%</b>
Non-Members	-15%	1%
<b>Total EU &amp; Turkey</b>	<b>4%</b>	<b>10%</b>
<b>Goodyear (≥17")<sup>(c)</sup></b>	<b>24%</b>	<b>24%</b>

(a) Source: U.S. Tire Manufacturers Association (2021 vs. 2020 performance)

(b) Source: European Tyre & Rubber Manufacturer's Association (Europe, including Turkey and excluding Russia) + Non-Members internal estimation (2021 vs. 2020 performance)

(c) Excludes Cooper Tire volume

# LEGACY GOODYEAR CONSUMER $\geq 17''$ SALES (a)



FULL-YEAR 2021



2021	OE	Replacement	Total
Americas	80%	55% +5% YOY	55%
EMEA	55%	35% +5% YOY	40%
Asia Pacific	65% +5% YOY	30%	40%
Total Company	65%	40%	50% +5% YOY

(a) All percentages are approximate



# Q4 2021 FINANCIAL REVIEW



# INCOME STATEMENT

FOURTH QUARTER  
2021

Terms: in millions  
(except EPS)

	Three Months Ended		
	December 31, 2021	December 31, 2020	Change
Units	48.6	37.7	29%
Net Sales	\$ 5,054	\$ 3,656	38%
Gross Margin	21.5%	23.6%	(2.1)pts
SAG	\$ 750	\$ 605	24%
Merger-Adjusted Segment Operating Income <sup>(a)</sup>	\$ 398	\$ 302	
Merger-Adjusted Segment Operating Margin <sup>(a)</sup>	7.9%	8.3%	(0.4)pts
Segment Operating Income <sup>(a)</sup>	\$ 391	\$ 302	
Segment Operating Margin <sup>(a)</sup>	7.7%	8.3%	(0.6)pts
Goodyear Net Income	\$ 553	\$ 63	
Goodyear Net Income Per Share			
Weighted Average Shares Outstanding	283	235	
Basic	\$ 1.95	\$ 0.27	
Weighted Average Shares Outstanding - Diluted	287	235	
Diluted	\$ 1.93	\$ 0.27	
Adjusted Diluted Earnings Per Share <sup>(b)</sup>	\$ 0.57	\$ 0.44	

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

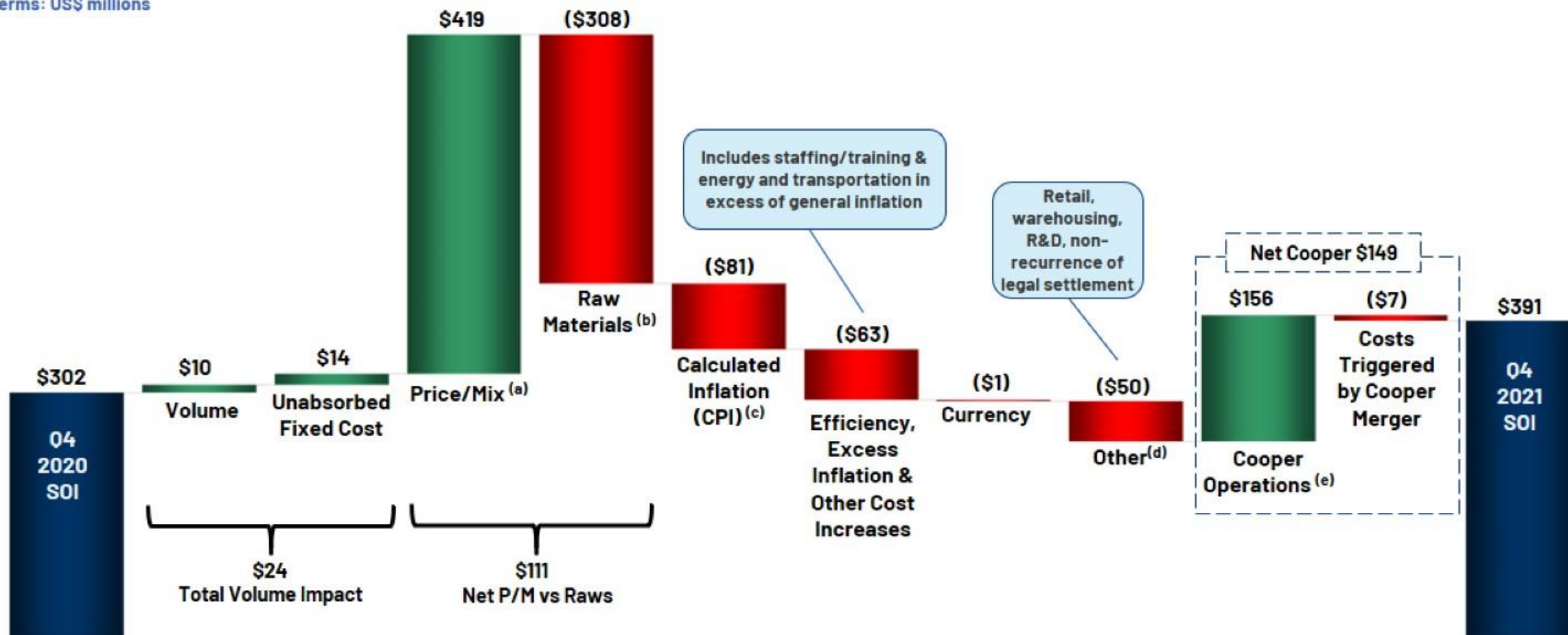
(b) See Adjusted Diluted Earnings Per Share reconciliation in Appendix on pages 35 and 36



# SEGMENT OPERATING RESULTS

## FOURTH QUARTER 2021 VERSUS 2020

Terms: US\$ millions



(a) Price/mix excludes the impact of equity interest in TireHub (\$8 million benefit year over year)

(b) Raw materials variance of (\$308) million includes raw material cost saving measures

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

(d) Includes the impacts of other tire-related businesses, advertising, R&D and equity interest in TireHub (\$8 million benefit year over year)

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

# BALANCE SHEET

FOURTH QUARTER  
2021

Terms: US\$ millions

Includes impact of  
Cooper transaction

	December 31, 2021	September 30, 2021	December 31, 2020
Cash and cash equivalents	\$ 1,088	\$ 1,187	\$ 1,539
Accounts receivable	\$ 2,387	\$ 3,193	\$ 1,691
Inventories	3,594	3,443	2,153
Accounts payable - trade	(4,148)	(3,962)	(2,945)
Working capital <sup>(a)</sup>	<u>\$ 1,833</u>	<u>\$ 2,674</u>	<u>\$ 899</u>
 Total debt <sup>(b)</sup>	 \$ 7,397	 \$ 8,301	 \$ 5,990
Net debt <sup>(b)</sup>	\$ 6,309	\$ 7,114	\$ 4,451

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



# FREE CASH FLOW

FOURTH QUARTER  
2021

Terms: US\$ millions

	Three Months Ended December 31,		Trailing Twelve Months Ended
	2021	2020	December 31, 2021
<b>Net Income</b>	<b>\$ 557</b>	<b>\$ 67</b>	<b>\$ 780</b>
Depreciation and Amortization	238	194	883
Change in Working Capital	705	1,143	(359)
Pension Expense	17	27	77
Pension Contributions and Direct Payments	(20)	(16)	(91)
Provision for Deferred Income Taxes	(402)	13	(471)
Rationalization Payments	(35)	(42)	(197)
Other <sup>(a)</sup>	4	(32)	440
<b>Cash Flow from Operating Activities (GAAP)</b>	<b>\$ 1,064</b>	<b>\$ 1,354</b>	<b>\$ 1,062</b>
Capital Expenditures	(315)	(160)	(981)
<b>Free Cash Flow (non-GAAP)</b>	<b>\$ 749</b>	<b>\$ 1,194</b>	<b>\$ 81</b>
<b>Cash Flow from Investing Activities (GAAP)</b>	<b>\$ (302)</b>	<b>\$ (152)</b>	<b>\$ (2,793)</b>
<b>Cash Flow from Financing Activities (GAAP)</b>	<b>\$ (846)</b>	<b>\$ (752)</b>	<b>\$ 1,309</b>

Includes \$124M inventory fair value adjustment and other costs and payments related to the merger

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

(a) Other includes amortization and write-off of debt issuance costs, net pension curtailments and settlements, net rationalization charges, amortization of inventory fair value step-up and transaction and other costs and payments related to Cooper Tire acquisition, net (gains) losses on asset sales, operating lease expense and payments, compensation and benefits less pension expense, other current liabilities, and other assets and liabilities

# SEGMENT RESULTS – AMERICAS



Terms: US\$ millions  
Units in millions

## Fourth Quarter

	<u>2021<sup>(a)</sup></u>	<u>2020</u>	<u>Change</u>
Units	25.5	17.5	45.1%
Net Sales	\$3,041	\$1,926	57.9%
Operating Income	\$308	\$190	62.1%
Margin	10.1%	9.9%	

- U.S. consumer replacement share continued recovering
- U.S. commercial replacement business benefited from strong fleet volume
- OE volume impacted by continued semiconductor shortage
- Price/mix > raw material costs & inflation
- Non-recurrence of favorable legal settlement and other one-time items from Q4 20 (~\$20M)

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



# SEGMENT RESULTS – EMEA



Terms: US\$ millions  
Units in millions

## Fourth Quarter

	<u>2021<sup>(a)</sup></u>	<u>2020</u>	<u>Change</u>
Units	13.8	12.4	11.2%
Net Sales	\$1,385	\$1,193	16.1%
Operating Income	\$41	\$69	(40.6%)
Margin	3.0%	5.8%	

- EU consumer replacement business benefited from aligned distribution, temporary volume losses being recovered
- OE volume impacted by semiconductor shortage
- Goodyear commercial business continued to benefit from strong fleet volume
- Price/mix > raw material costs
- Negative impact of higher inflation, including wages, transportation and energy

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

# SEGMENT RESULTS – ASIA PACIFIC



Terms: US\$ millions  
Units in millions

## Fourth Quarter

	<u>2021<sup>(a)</sup></u>	<u>2020</u>	<u>Change</u>
Units	9.3	7.8	19.9%
Net Sales	\$628	\$537	16.9%
Operating Income	\$42	\$43	(2.3%)
Margin	6.7%	8.0%	

- Volume growth reflects the addition of Cooper Tire business (primarily OE)
  - Volume up 0.2 million units excluding Cooper
- Record consumer replacement volume driven by strong growth in India
- Price / mix partially offset raw material costs

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



# 2022 OUTLOOK



# Q1 BUSINESS OUTLOOK

(AS SHOWN ON FEBRUARY 11, 2022)



- **Markets continue stabilizing; volume above Q1 2021 (pro forma) <sup>(a)</sup>**
- **Positive price/mix vs. raw material costs**
- **Continued inflationary cost pressures, including higher transportation, labor and energy costs**
  - **Transportation cost YoY impact \$20 to \$30 million higher than Q4**
- **International earnings impacted by stronger US dollar**

<sup>(a)</sup> Pro forma assumes Cooper unit volume of approximately 8.7 million in Q1 2021



# 2022 OUTLOOK: OTHER FINANCIAL ASSUMPTIONS



(AS SHOWN ON FEBRUARY 11, 2022)

Includes impact of Cooper transaction except as noted

## Current Assumption

<b>Raw Materials</b>	<b>\$700 to \$800 million higher than prior year in 1H, net of raw material cost savings <sup>(a)</sup></b>
<b>Interest Expense</b>	<b>\$450 to \$475 million <sup>(b)</sup></b>
<b>Other (Income) Expense</b>	<b>Financing fees: ~\$30 million <sup>(b)</sup> Global pension related (excluded from SOI) : \$30 to \$40 million <sup>(c)</sup></b>
<b>Income Tax</b>	<b>Cash: \$150 to \$200 million <sup>(d)</sup></b>
<b>Depreciation &amp; Amortization</b>	<b>~\$1.0 billion</b>
<b>Global Pension Cash Contributions</b>	<b>\$25 to \$50 million <sup>(e)</sup></b>
<b>Incremental Amortization of Intangible Assets</b>	<b>~\$40 million <sup>(f)</sup></b>
<b>Working Capital</b>	<b>Use of ~\$300 million</b>
<b>Capital Expenditures</b>	<b>\$1.3 to \$1.4 billion</b>
<b>Rationalization Payments</b>	<b>~\$100 million</b>
<b>Corporate Other</b>	<b>\$150 to \$175 million</b>

(a) Excludes impact of Cooper Tire merger

(b) Assumes no refinancing activity

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

(d) Excludes one-time items

(e) Excludes direct benefit payments

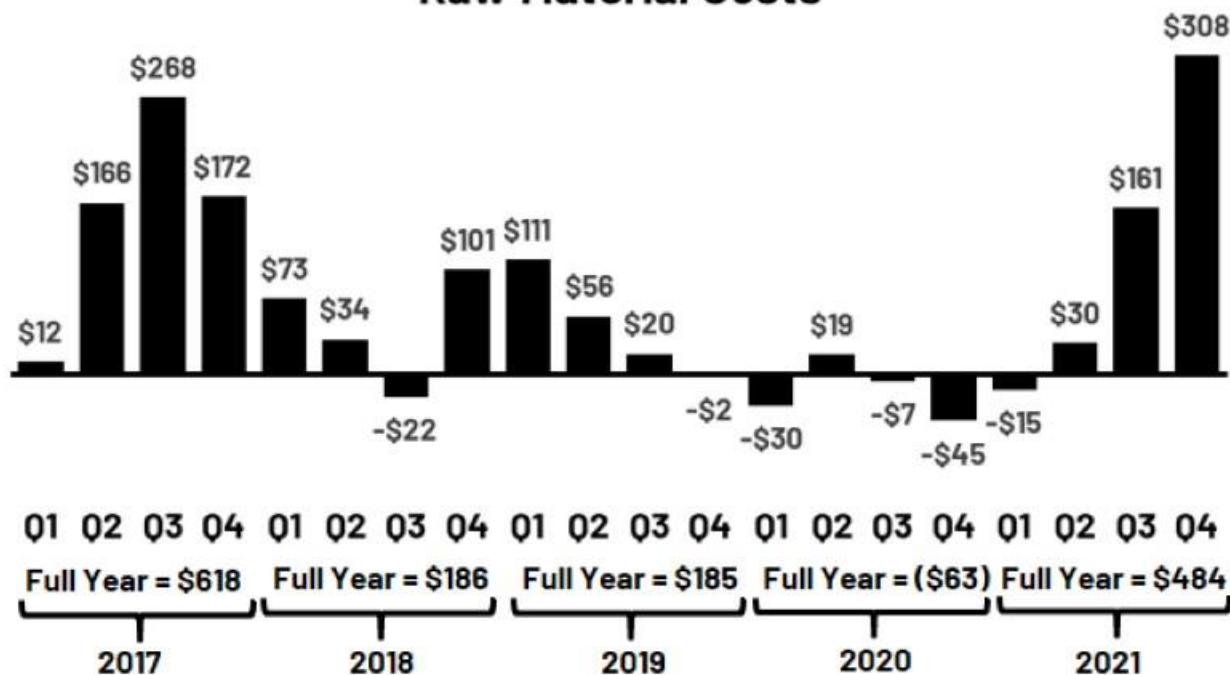
(f) Incremental amortization of Cooper Tire intangible assets

# LEGACY GOODYEAR RAW MATERIAL OVERVIEW

(AS SHOWN ON FEBRUARY 11, 2022)



Raw Material Costs<sup>(a)</sup>



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

Raw material costs expected to increase \$700 to \$800 million in the first half of 2022, net of raw material cost savings

- Includes adverse transactional foreign currency impact of ~\$70 million<sup>(c)</sup>

(a) Impact to cost of goods sold versus prior period, net of cost savings measures  
(b) Excludes impact of Cooper Tire merger  
(c) Based on current spot rates



# CAPITAL INVESTMENT EXAMPLES



# PLANT MODERNIZATION EXAMPLE



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

**IRR ~ 30%**

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

Channel Mix:  
80% Replacement  
20% OE

\$135M over 3 years  
for upgraded plant  
equipment

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

## INVESTMENT HIGHLIGHTS

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

(a) Future amounts would be impacted by inflation



# BROWNFIELD EXPANSION EXAMPLE



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

**IRR ~ 20%**

## INVESTMENT HIGHLIGHTS

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

### Total Avg GP/Tire:

\$30 Replacement  
\$15 OE

Minus Other Incremental  
Costs (mainly D&A)

### Channel Mix:

80% Replacement  
20% OE

### ~\$110M over 3 years

for new equipment and  
facility addition/upgrade

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

(a) Future amounts would be impacted by inflation.

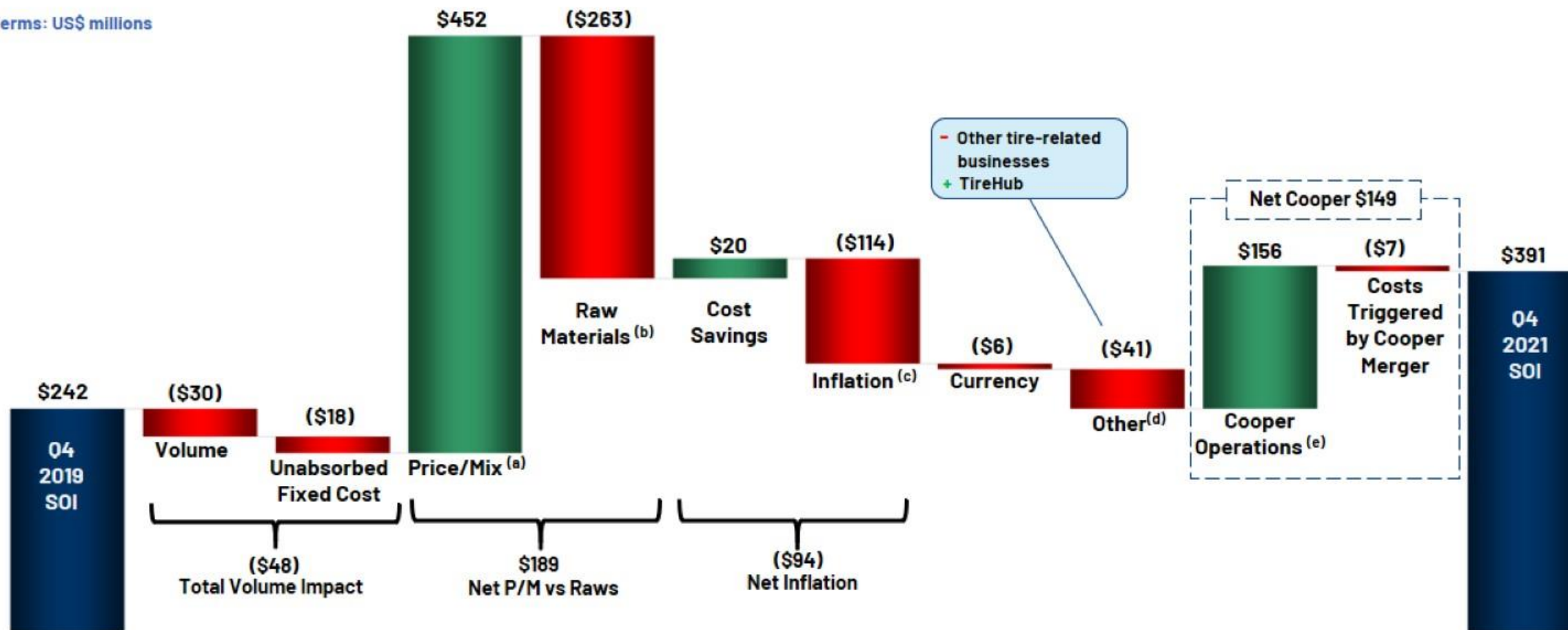
# APPENDIX



# SEGMENT OPERATING RESULTS

## FOURTH QUARTER 2021 VERSUS 2019

Terms: US\$ millions



(a) Price/mix excludes the impact of equity interest in TireHub (\$7 million benefit year over year)

(b) Raw materials variance of (\$263) million includes raw material cost saving measures

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

(d) Includes the impacts of other tire-related businesses, advertising, R&D and equity interest in TireHub (\$7 million benefit year over year)

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



# LEGACY GOODYEAR MODELING ASSUMPTIONS



## Volume Sensitivities

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

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

## Pricing

(Annual Impact of Effective Pricing Yield)

- 1% Δ in U.S. Consumer Replacement
- 1% Δ in U.S. Commercial Replacement
- 1% Δ in European Consumer Replacement
- 1% Δ in European Commercial Replacement

## Translational Foreign Currency

(Annual Impact on FX portion of SOI Walk)

~31	• +/- 0.01 Δ USD/BRL	(e.g. R\$5.57 to R\$5.56 is favorable by 0.01)	+/- \$0.3M
~10	• +/- 0.01 Δ USD/CNY	(e.g. ¥6.38 to ¥6.37 is favorable by 0.01)	+/- \$0.2M
~23	• +/- 0.01 Δ USD/EUR	(e.g. €0.88 from €0.87 is favorable by 0.01)	+/- \$1.5M
~9	• +/- 0.01 Δ USD/TRY	(e.g. ₺12.98 from ₺12.97 is favorable by 0.01)	+/- \$0.1M

## Approximate Profit Margin Per Tire

(Industry Estimate)

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

## Tire Raw Material Spend

(Annual Impact) - Feedstock

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

## Transactional Foreign Currency

(Annual Impact on Raw Material portion of SOI Walk)

~8	• +/- 0.01 Δ USD/BRL	(e.g. R\$5.57 to R\$5.56 is favorable by 0.01)	+/- \$0.7M
~7	• +/- 0.01 Δ USD/CNY	(e.g. ¥6.38 to ¥6.37 is favorable by 0.01)	+/- \$0.2M
~6	• +/- 0.01 Δ USD/EUR	(e.g. €0.88 from €0.87 is favorable by 0.01)	+/- \$4.0M
~5	• +/- 0.01 Δ USD/TRY	(e.g. ₺12.98 from ₺12.97 is favorable by 0.01)	+/- \$0.2M
~5	• +/- 0.01 Δ EUR/TRY	(e.g. ₺14.75 from ₺14.74 is favorable by a 0.01)	+/- \$0.2M
~3			

## Approximate OH Absorption Per Tire

(1 Quarter Lag)

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

## General Inflation

(Annual Impact)

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

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

# LEGACY GOODYEAR RAW MATERIALS

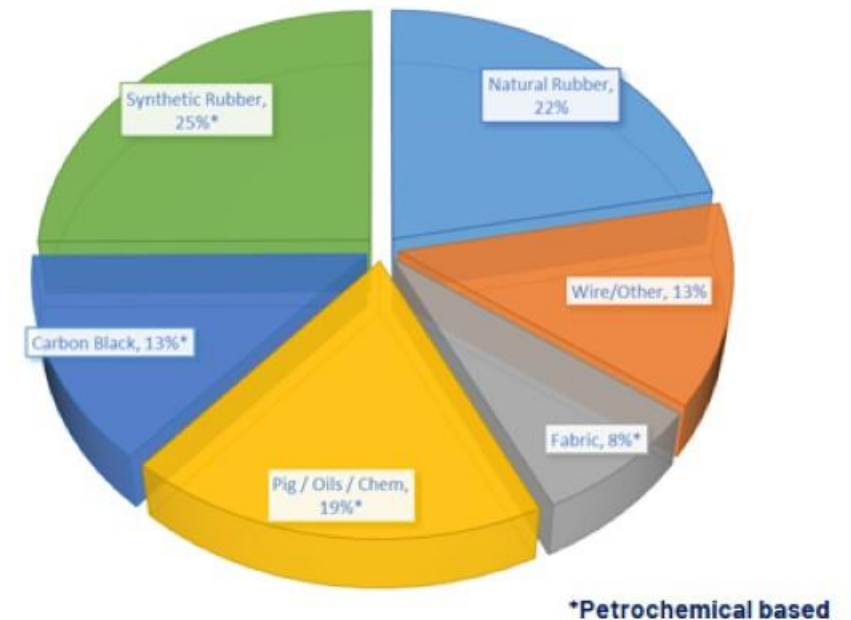


- ✓ Raw materials are ~47%<sup>(a)</sup> of tire COGS
- ✓ ~67% of raw materials are **influenced** by oil prices
  - P&L impact lags spot rates by 1-2 quarters depending on commodity
- ✓ ~63% of raw materials are purchased in USD
- ✓ Customer agreements indexed to raw materials
  - OE customers
  - Certain large commercial fleets
  - OTR customers

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

## Global Raw Material Spend

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

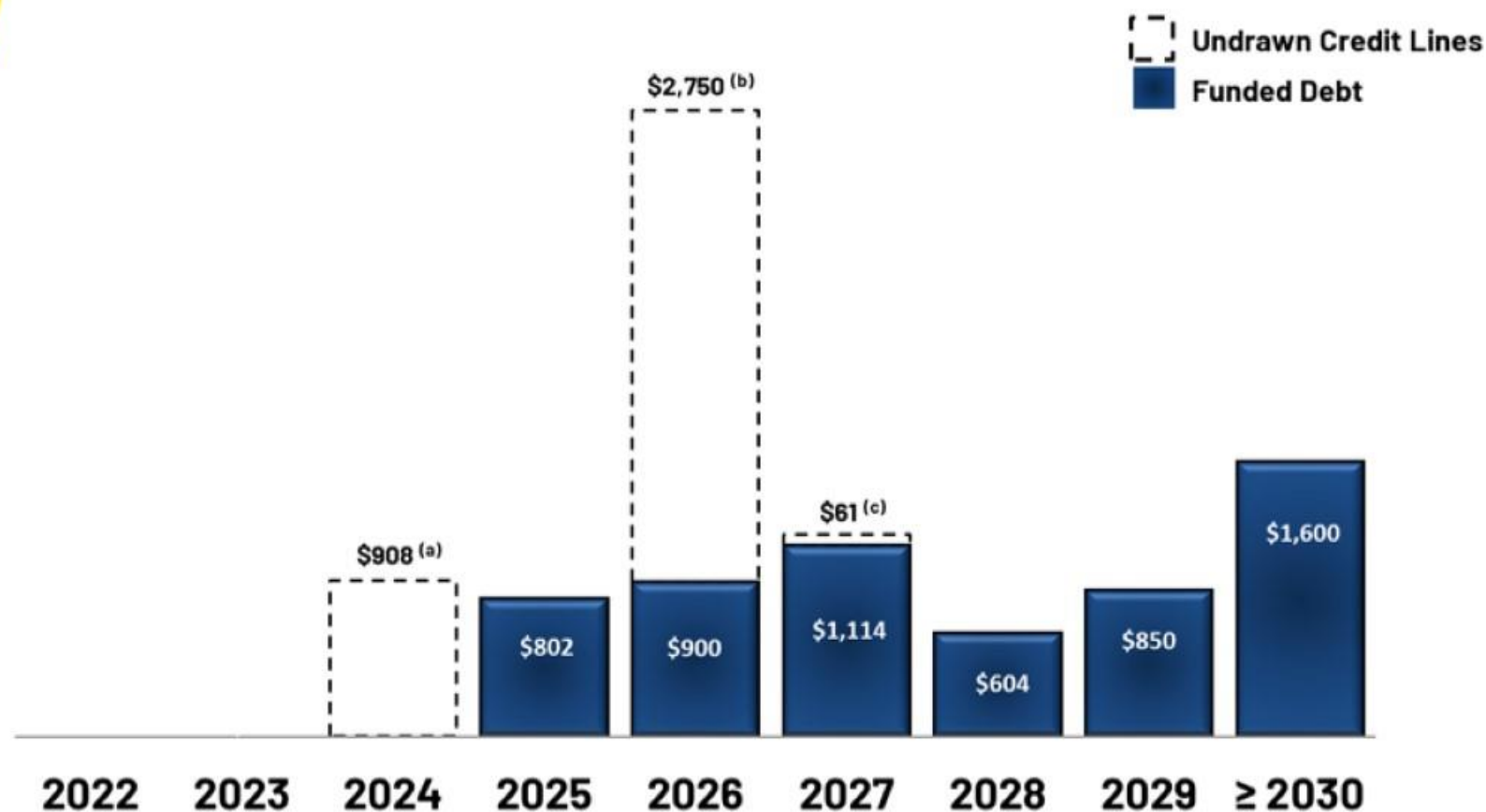


**Feedstock ~65% of raw material spend**

# MATURITY SCHEDULE

FOURTH QUARTER 2021

Terms: US\$ millions



Note: Based on December 31, 2021 balance sheet values and excludes notes payable, finance and operating leases and other domestic and foreign debt

(a) At December 31, 2021, there were \$0 million (€0 million) of borrowings and no letters of credit issued under the €800 million European revolving credit facility

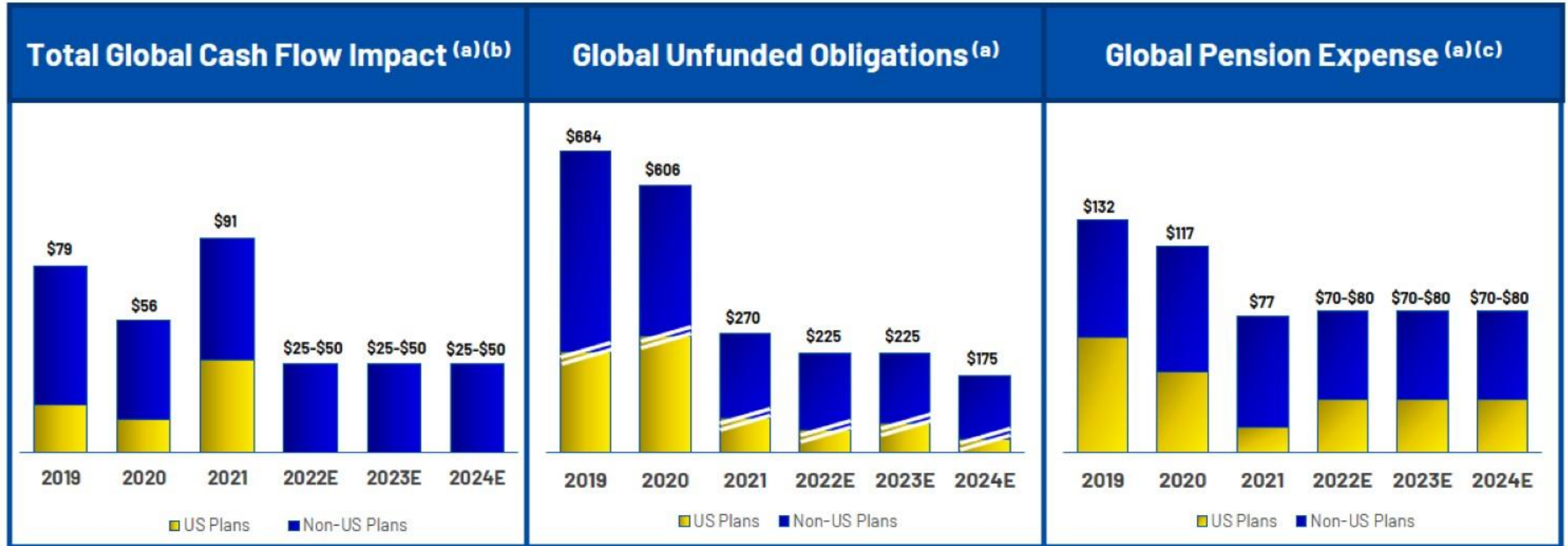
(b) At December 31, 2021, our borrowing base, and therefore our availability, under the U.S. revolving credit facility was \$417 million below the facility's stated amount of \$2.75 billion; At December 31, 2021, there were no borrowings and \$19 million of letters of credit issued

(c) At December 31, 2021, the amounts available and utilized under the Pan-European securitization program totaled \$279 million (€246 million)



# PENSION UPDATE

(AS SHOWN ON FEBRUARY 11, 2022)

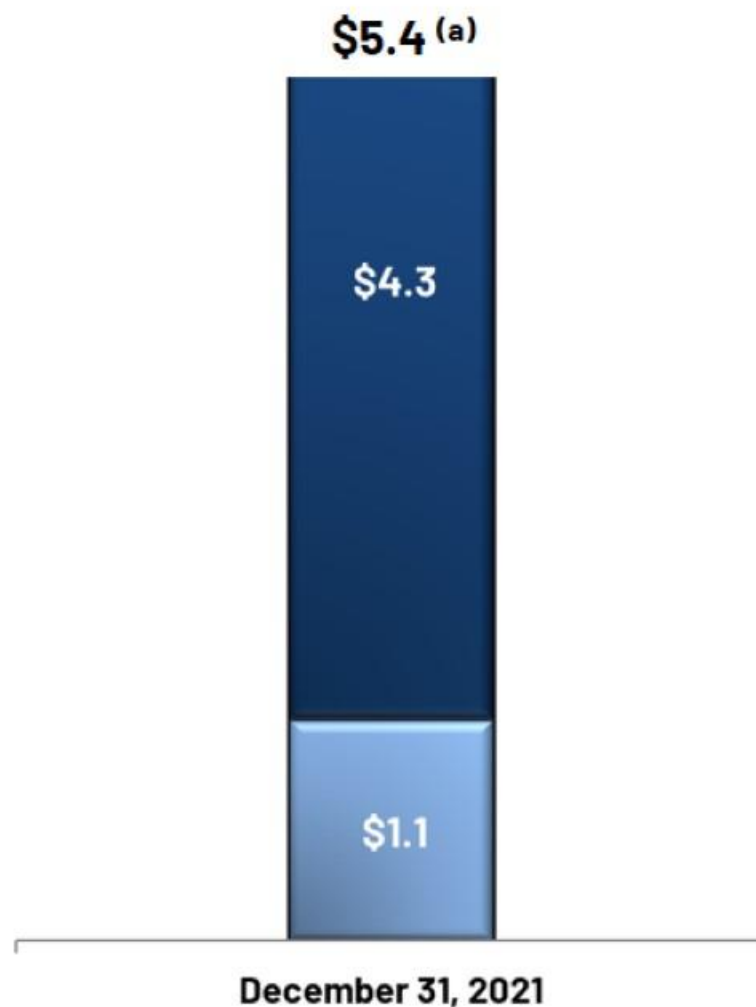


- a) 2022E - 2024E are based on assumptions as of December 31, 2021
- b) Includes cash funding for direct benefit payments for 2019 - 2021 only
- c) Excludes one-time charges and benefits from pension settlements and curtailments

# LIQUIDITY PROFILE

FOURTH QUARTER  
2021

Terms: US\$ billions



(a) Total liquidity is comprised of \$1,088 million of cash and cash equivalents, as well as \$4,345 million of unused availability under various credit agreements

# MERGER SYNERGIES



## Original Forecast (February 2021)

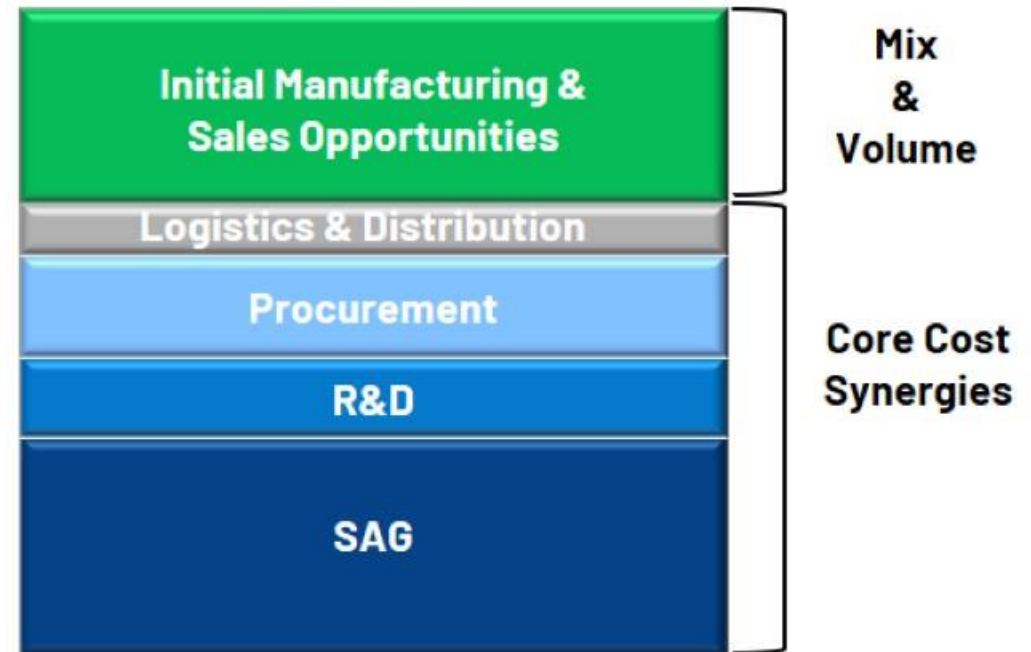
**~\$165M**



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

## Upgraded Outlook (November 2021)

**~\$250M**



Estimated costs to achieve synergies: ~\$200 million

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



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



**~\$250  
Million**

## Working Capital Savings

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

**\$450+  
Million**

## Tax Savings

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

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



# USE OF NON-GAAP FINANCIAL MEASURES



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

Total Segment Operating Income 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 (Loss) and Return on Net Sales (which is calculated by dividing Goodyear Net Income (Loss) by Net Sales).

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

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

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

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



# RECONCILIATION FOR MERGER- ADJUSTED SEGMENT OPERATING INCOME / MARGIN & SEGMENT OPERATING INCOME / MARGIN

FOURTH QUARTER  
2021

Terms: US\$ millions

## Merger-Adjusted Segment Operating Income

Incremental Amortization of Intangible Assets

## Total Segment Operating Income

Rationalizations

Interest Expense

Other Income (Expense)

Asset Write-offs and Accelerated Depreciation

Corporate Incentive Compensation Plans

Retained Expenses of Divested Operations

Other

## Income before Income Taxes

United States and Foreign Tax Expense (Benefit)

Less: Minority Shareholders' Net Income (Loss)

## Goodyear Net Income (Loss)

Net Sales (as reported)

Return on Net Sales (as reported)

Total Segment Operating Margin

Merger-Adjusted Segment Operating Margin

Three Months Ended

December 31,

	2021	2020	2019
\$	398	\$ 302	\$ 242
	(7)	-	-
\$	391	\$ 302	\$ 242
	(12)	(26)	(77)
	(107)	(78)	(79)
	(21)	(26)	(24)
	-	(11)	(13)
	(29)	(20)	(22)
	(2)	(3)	(3)
	(25)	(11)	(12)
\$	195	\$ 127	\$ 12
	(362)	60	411
	4	4	(7)
\$	553	\$ 63	\$ (392)

\$5,054 \$3,656 \$3,713

10.9% 1.7% (10.6)%

7.7% 8.3% 6.5%

7.9% 8.3% 6.5%



# FOURTH QUARTER 2021 SIGNIFICANT ITEMS



Terms: US\$ millions  
(except EPS)

	As Reported	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Pension Settlement Charges	Asset and Other Sales	Winter Storm Impact and Insurance Recoveries from Tropical Storm Imelda	Indirect Tax Settlements and Discrete Tax Items	As Adjusted
Net Sales	\$ 5,054	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,054
Cost of Goods Sold	3,969	-	-	-	(2)	20	3,987
Gross Margin	1,085	-	-	-	2	(20)	1,067
SAG	750	-	-	-	-	-	750
Rationalizations	12	(12)	-	-	-	-	-
Interest Expense	107	-	-	-	-	-	107
Other (Income) Expense	21	-	(13)	5	10	-	23
Pre-tax Income	195	12	13	(5)	(8)	(20)	187
Taxes	(362)	2	3	(2)	(2)	385	24
Minority Interest	4	-	-	-	-	(3)	1
Goodyear Net Income	\$ 553	\$ 10	\$ 10	\$ (3)	\$ (6)	\$ (402)	\$ 162
EPS	\$ 1.93	\$ 0.04	\$ 0.03	\$ (0.01)	\$ (0.02)	\$ (1.40)	\$ 0.57

# FOURTH QUARTER 2020 SIGNIFICANT ITEMS



Terms: US\$ millions  
(except EPS)

	As Reported	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Indirect Tax Settlements and Discrete Tax Items	Environmental Remediation Charge	Legal Claims Related to Discontinued Operations	One-time Legal Settlement	As Adjusted
Net Sales	\$ 3,656	\$ -	\$ -	\$ -	\$ -	\$ (34)	\$ 3,622
Cost of Goods Sold	2,794	(11)	5	(13)	-	-	2,775
Gross Margin	862	11	(5)	13	-	(34)	847
SAG	605	-	-	-	-	-	605
Rationalizations	26	(26)	-	-	-	-	-
Interest Expense	78	-	1	-	-	-	79
Other (Income) Expense	26	-	-	-	(3)	-	23
Pre-tax Income	127	37	(6)	13	3	(34)	140
Taxes	60	5	(28)	3	1	(8)	33
Minority Interest	4	-	-	-	-	-	4
Goodyear Net Income	\$ 63	\$ 32	\$ 22	\$ 10	\$ 2	\$ (26)	\$ 103
EPS	\$ 0.27	\$ 0.14	\$ 0.09	\$ 0.04	\$ 0.01	\$ (0.11)	\$ 0.44

# RECONCILIATION FOR TOTAL DEBT AND NET DEBT

FOURTH QUARTER 2021

Terms: US\$ millions

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

December 31, 2021	September 30, 2021	December 31, 2020
\$ 6,648	\$ 7,153	\$ 5,432
406	497	406
343	651	152
\$ 7,397	\$ 8,301	\$ 5,990
1,088	1,187	1,539
\$ 6,309	\$ 7,114	\$ 4,451



**GOODYEAR®**