



GOODYEAR[®]

Third Quarter 2017 Conference Call

October 27, 2017

Forward-Looking Statements



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

- Segment operating income (SOI) of \$357 million ^(a)
- Adjusted earnings per share of \$0.70 ^(b)
- Americas earnings of \$189 million, 9.3% operating margin
- Europe, Middle East and Africa earnings of \$87 million, 6.6% operating margin
- Asia Pacific earnings of \$81 million, 14.2% operating margin
- Global revenue per tire up 5% ^(c)
- Completed \$175 million in share repurchases
- Announced 40% increase in common stock dividend

(a) See Segment Operating Income and Margin reconciliation in Appendix on page 29.

(b) See Adjusted Diluted Earnings Per Share reconciliation in Appendix on page 27.

(c) Revenue per tire change excludes the impact of currency.

U.S. Consumer Replacement Industry 2017 vs 2016 Growth Rate^(a)

	<u>Q3</u>
USTMA Members (≥ 17 "	5%
USTMA Members (< 17 "	-9%
Total	-2%
Non-Members	0%
Total U.S.	-1%

- U.S. sell-out flat to slightly down, hurricane headwind of ~1%
- Volume impacted by relative price positioning in the market
- Goodyear U.S. retail channel up mid-single digits; ≥ 17 " up nearly 10%
- Wholesale channels continued to work through inventory
- Confident in underlying drivers of demand

New Product Highlights

Assurance WeatherReady



- 40 sizes with options for the most popular trim levels
- 80% coverage in targeted segments
- Focus on ≥ 17 " rim sizes
 - Includes 5 of the fastest growing tire sizes in the segment
- Designed to outperform top competitors

Driving growth in ≥ 17 " rim sizes

Europool & Turkey Replacement Industry 2017 vs 2016 Growth Rate^(a)

Q3

ETRMA Members ($\geq 17''$) 7%

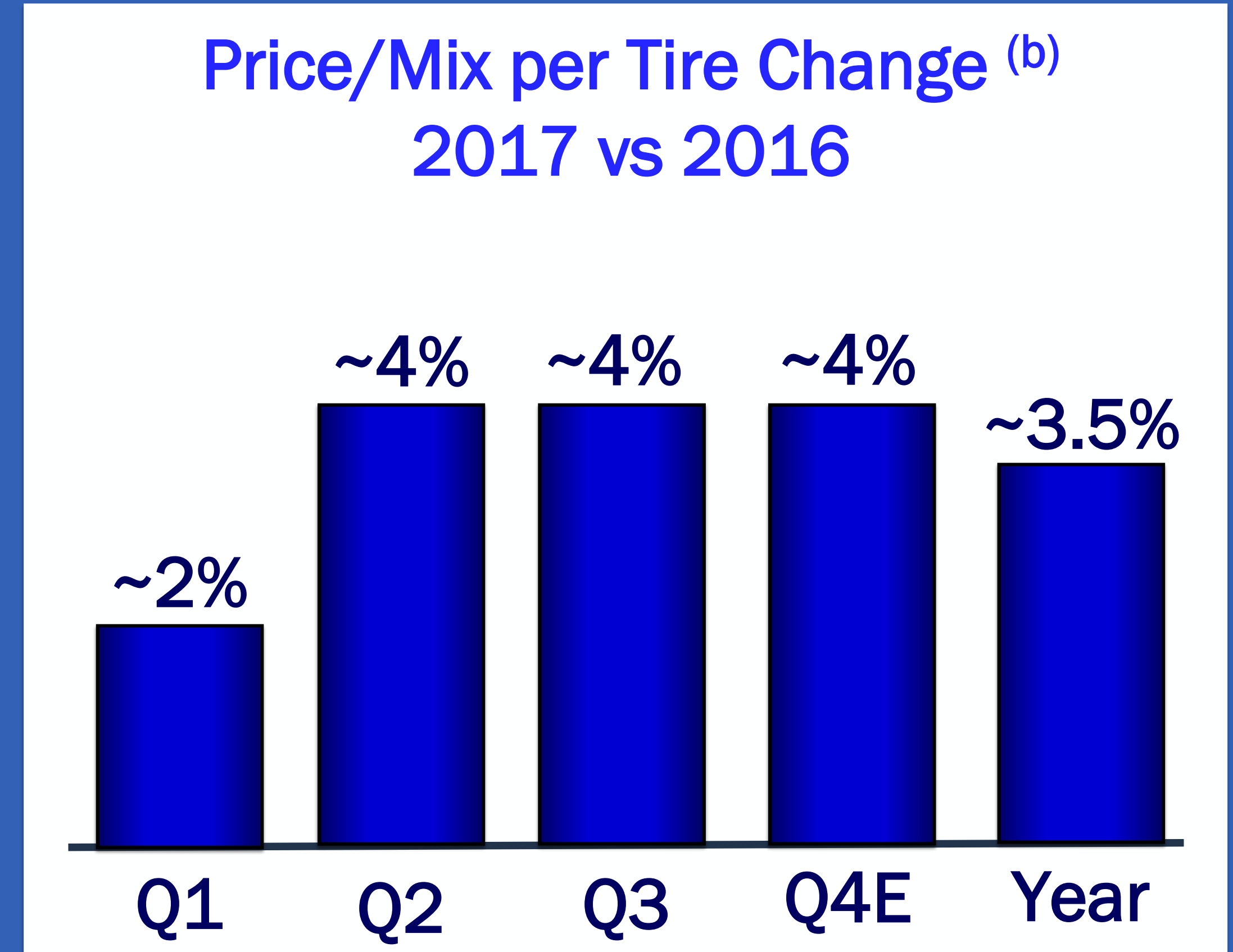
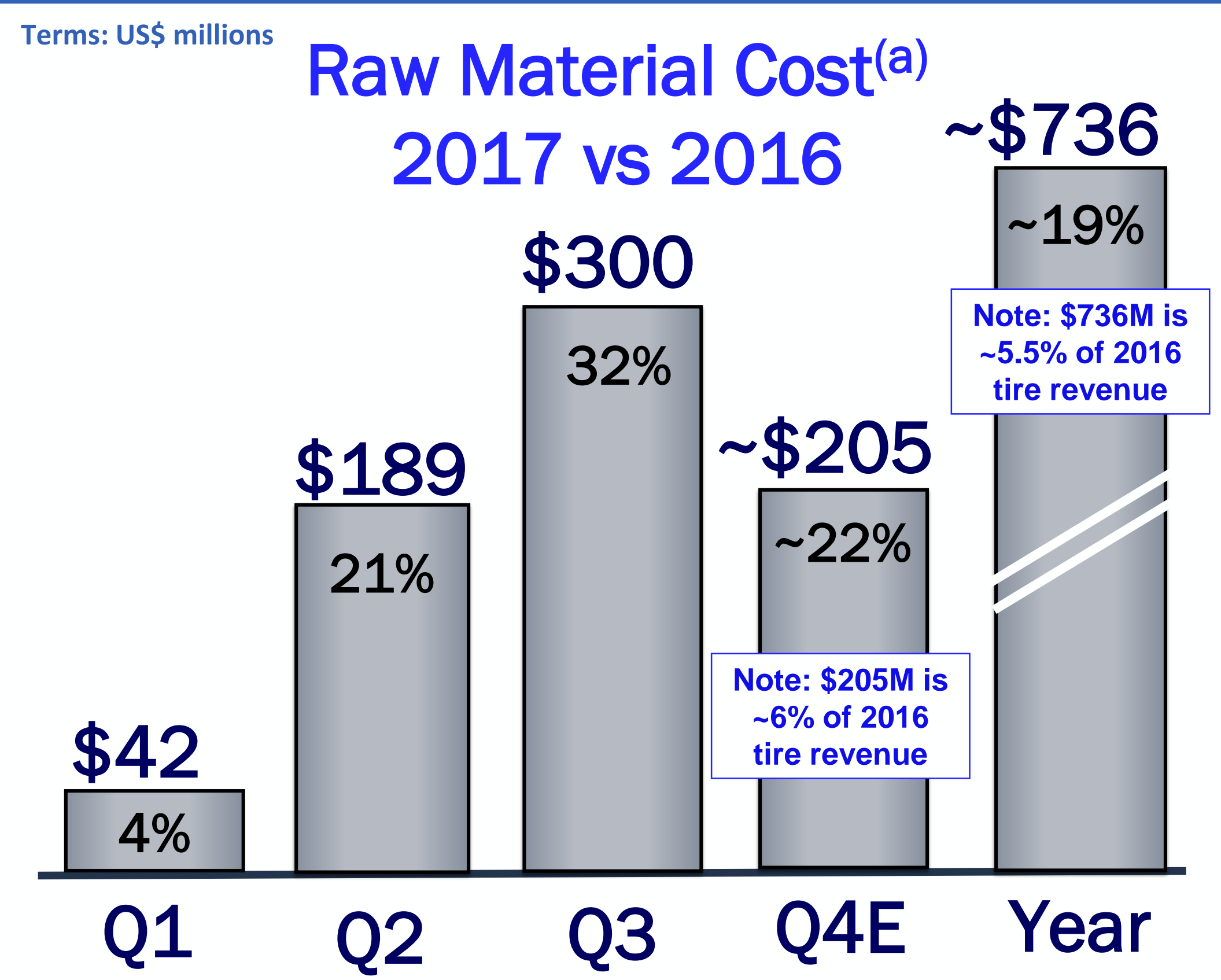
ETRMA Members ($< 17''$) -4%

Total -1%

Non-Members 3%

Total EU + Turkey 0%

- Goodyear above market growth in $\geq 17''$ in both summer and winter segments
- Footprint action completed in July; positive cost impact
- Winner in multiple European magazine tests
 - Goodyear Vector 4-Seasons
 - Goodyear UltraGrip Performance
 - Dunlop Winter Sport 5



Addressing higher raw material costs with price / mix improvements

(a) Impact to cost of goods sold before raw material cost saving measures

(b) Full year 2016 tire revenue was ~87% of total revenue. Revenue was adjusted to 2017 volumes and to exclude the impact of currency.

2018 Segment Operating Income Drivers ^(a)



	Low	High
Global Volume	+\$80M	+\$155M
Net Price / Mix vs Raw Materials	+\$75M	+\$100M
Overhead Absorption	+\$40M	+\$80M
Cost Savings vs Inflation	+\$160M	+\$180M
Other ^(b)	-\$105M	-\$115M
Total SOI Change	+\$250M	+\$400M
<i>% SOI Growth</i>	<i>17%</i>	<i>27%</i>

Positive SOI drivers in 2018 leading to strong recovery

(a) For additional drivers and risk factors see Appendix on page 22. For information on our use of non-GAAP financial measures, including forward-looking non-GAAP financial measures, see Appendix on page 26.

(b) Other includes tailwinds from foreign exchange and headwinds from advertising, R&D, depreciation, and incentive compensation.

Third Quarter 2017 Income Statement



Terms: US\$ millions
(except EPS)

	Three Months Ended		Change
	September 30, 2017	September 30, 2016	
Units	39.8	42.0	(5)%
Net Sales	\$ 3,921	\$ 3,847	2%
<i>Gross Margin</i>	21.7%	28.9%	(7.2) pts
SAG	\$ 556	\$ 599	(7)%
Segment Operating Income ^(a)	\$ 357	\$ 556	(36)%
<i>Segment Operating Margin^(a)</i>	9.1%	14.5%	(5.4) pts
Goodyear Net Income	\$ 129	\$ 317	
Goodyear Net Income Per Share			
<i>Weighted Average Shares Outstanding</i>	250	262	
Basic	\$ 0.52	\$ 1.21	
<i>Weighted Average Shares Outstanding - Diluted</i>	254	266	
Diluted	\$ 0.50	\$ 1.19	
Cash Dividends Declared Per Common Share	\$ 0.10	\$ 0.17	
Adjusted Diluted Earnings Per Share ^(b)	\$ 0.70	\$ 1.17	

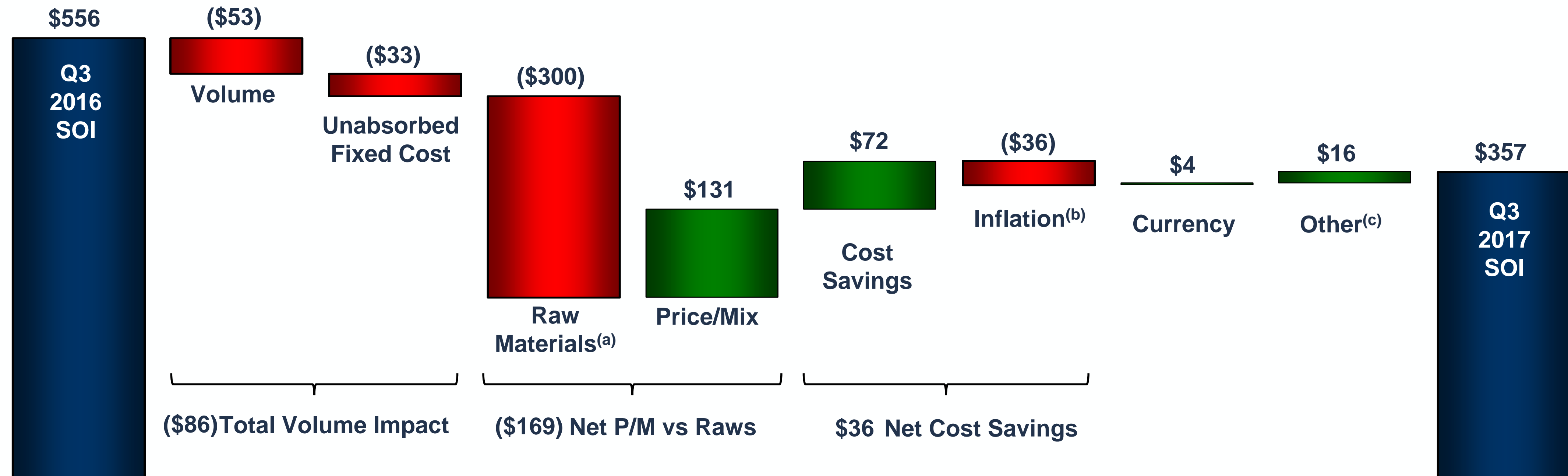
(a) See Segment Operating Income and Margin reconciliation in Appendix on page 29.

(b) See Adjusted Diluted Earnings Per Share reconciliation in Appendix on pages 27 and 28.

Third Quarter 2017 Segment Operating Results



Terms: US\$ millions



(a) Raw material variance of (\$300) million excludes raw material cost saving measures of \$32 million, which are included in Cost Savings.

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

(c) Includes the favorable impact of incentive compensation and advertising.

Third Quarter 2017 Balance Sheet



Terms: US\$ millions

	September 30, 2017	June 30, 2017	December 31, 2016	September 30, 2016
Cash and Cash equivalents	\$ 822	\$ 903	\$ 1,132	\$ 975
Accounts receivable	2,672	2,309	1,769	2,649
Inventories	2,991	3,184	2,627	2,754
Accounts payable - trade	(2,624)	(2,774)	(2,589)	(2,600)
Working capital ^(a)	<u>\$ 3,039</u>	<u>\$ 2,719</u>	<u>\$ 1,807</u>	<u>\$ 2,803</u>
Total debt ^(b)	\$ 6,391	\$ 6,076	\$ 5,479	\$ 6,028
Net debt ^(b)	\$ 5,569	\$ 5,173	\$ 4,347	\$ 5,053

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

(b) See Total Debt and Net Debt reconciliation in Appendix on page 30.

Third Quarter 2017 Free Cash Flow



Terms: US\$ millions

	Three Months Ended September 30,		Trailing Twelve Months Ended
	2017	2016 ^(b)	September 30, 2017
Net Income	\$ 132	\$ 320	\$ 1,022
Depreciation and Amortization	199	181	777
Change in Working Capital	(294)	(264)	(223)
Pension Expense	21	19	83
Pension Contributions and Direct Payments	(22)	(23)	(85)
Provision for Deferred Income Taxes	(12)	(56)	(227)
Rationalization Payments	(42)	(16)	(114)
Other ^(a)	49	196	(120)
Cash Flow from Operating Activities (GAAP)	\$ 31	\$ 357	\$ 1,113
Capital Expenditures	(186)	(245)	(968)
Free Cash Flow (non-GAAP)	\$ (155)	\$ 112	\$ 145
Cash Flow from Investing Activities (GAAP)	\$ (177)	\$ (232)	\$ (946)
Cash Flow from Financing Activities (GAAP)	\$ 31	\$ (281)	\$ (310)

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

(b) Recasted for the new guidance on the classification of debt premiums and restricted cash.

Third Quarter 2017 - Segment Results Americas



Terms: US\$ millions
Units in millions

Third Quarter

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Units	17.1	18.6	(7.7%)
Net Sales	\$2,041	\$2,070	(1.4%)
Operating Income	\$189	\$305	(38.0%)
Margin	9.3%	14.7%	

- Volume decline driven by U.S. consumer replacement, OE
- Double digit growth in Brazil for both consumer and commercial
 - 25% growth in consumer OE volume
- SOI reflects impact of peak raw materials and adjustments to production

Third Quarter 2017 - Segment Results Europe, Middle East & Africa



Terms: US\$ millions
Units in millions

Third Quarter

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Units	14.9	15.4	(4.0%)
Net Sales	\$1,311	\$1,236	6.1%
Operating Income	\$87	\$152	(42.8%)
Margin	6.6%	12.3%	

- Volume decline driven by lower consumer OE sales
- Commercial OE and replacement volume both positive
- SOI reflects impact of peak raw materials
- Above-market growth in ≥ 17 "

Third Quarter 2017 - Segment Results Asia Pacific



Terms: US\$ millions
Units in millions

Third Quarter

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Units	7.8	8.0	(1.5%)
Net Sales	\$569	\$541	5.2%
Operating Income	\$81	\$99	(18.2%)
Margin	14.2%	18.3%	

- Continuing to deliver strong operating margins
- China consumer replacement above market at +12%, partially offset by declines in OE
- China growth offset by declines in ASEAN countries
- China auto sales up and auto inventories lower heading into Q4

2017 Key Segment Operating Income Drivers ^(a)



Driver	July Outlook 2017 vs 2016	Current Outlook 2017 vs 2016	Comments
Global Volume	~(3.5%)	~(5%)	Continued disciplined volume execution; ~flat in Q4
Net Price/Mix vs Raw Materials	~(\$175) million	~(\$300) million	Reflects current industry environment
Overhead Absorption	~(\$155) million	~(\$145) million	Impact of lower volume
Cost Savings vs Inflation	~\$140 million	~\$140 million	No change
Foreign Exchange	~Flat	~\$10 million	Based on current spot rates
Other	~(\$30) million	~(\$5) million	Lower incentive compensation and advertising

Expecting 2017 SOI of ~\$1.5 billion

(a) For information on our use of non-GAAP financial measures, including forward-looking non-GAAP financial measures, see Appendix on page 26.

2017 Outlook – Other Financial Assumptions



	Current 2017 FY Assumption
Interest Expense	\$345 - \$355 million
Financing Fees	~\$35 million
Income Tax	Expense: ~28% of global pre-tax operating income; Cash: ~15% of global pre-tax operating income
Depreciation & Amortization	~\$750 million
Global Pension Expense	\$75 - \$100 million
Global Pension Cash Contributions	\$50 - \$75 million
Working Capital	Use of ~\$150 million
Capital Expenditures	~\$800 - \$900 million; Driving ≥ 17 " growth in volume & mix
Restructuring Payments	~\$225 million
Corporate Other	~\$120 million

OUR GOAL

DELIVER SUSTAINABLE REVENUE AND PROFIT GROWTH WHILE INCREASING THE VALUE OF OUR BRAND

HOW WE'LL WIN

INNOVATION EXCELLENCE

Develop great products and services that anticipate and respond to the needs of consumers



OPERATIONAL EXCELLENCE

Relentlessly improve our quality and efficiency to deliver the right tire, to the right place, at the right time for the right cost

Winning at the intersection is the key to success

SALES & MARKETING EXCELLENCE

Build the value of our brand, help our customers win in their markets, and become consumers' preferred choice

HOW WE'LL WORK

ACT WITH INTEGRITY

Build trust and earn the confidence of others through honesty and respect – Protect Our Good Name

ENERGIZE THE TEAM

Create an environment where associates are inspired by work, wellness and serving their communities

PROMOTE COLLABORATION

Connect associates globally and encourage open discussion to meet objectives

BE AGILE

Embrace change and act with speed and purpose

DELIVER RESULTS

Anticipate challenges, seize opportunities and make courageous decisions

Engage and enable associates to realize their full potential

WHERE WE'LL FOCUS

CONSUMER EXPERIENCE

Make Goodyear easy to buy, own, and recommend

CUSTOMER SERVICE

Collaborate with customers to be a great supplier

QUALITY

Deliver industry best products, processes, and programs

HIGH-VALUE SEGMENTS

Compete where we capture the full value of our brand

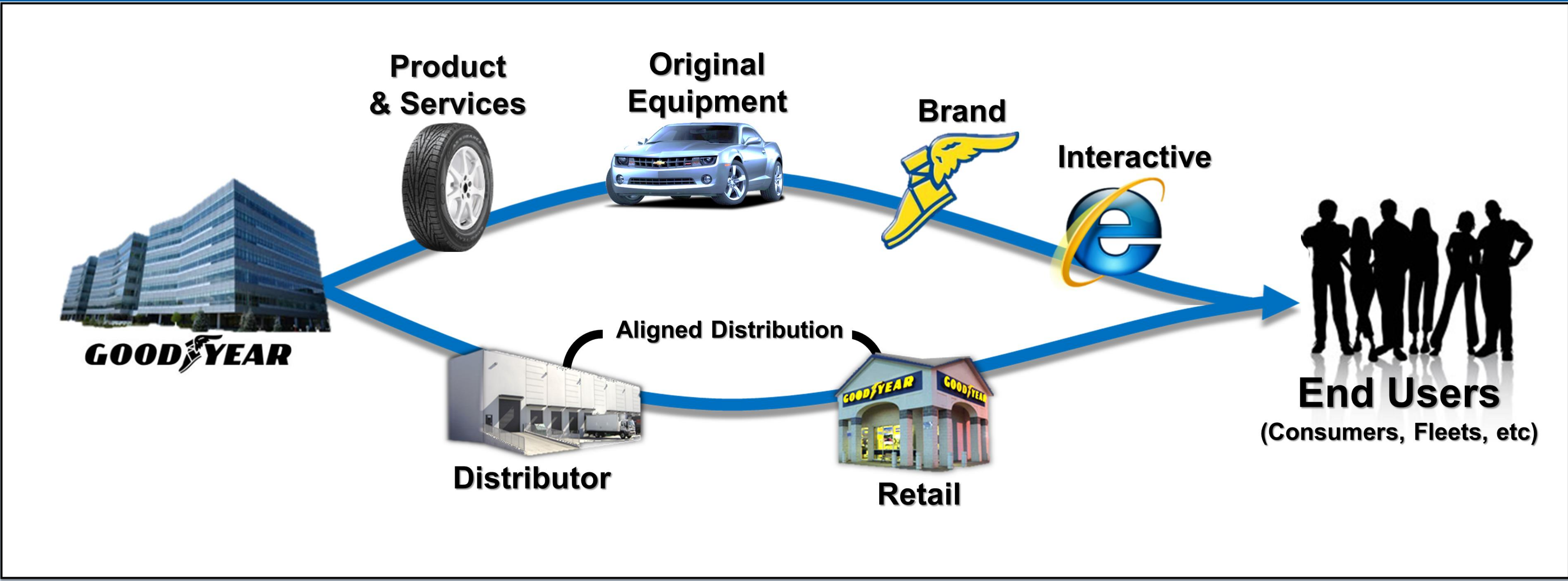
MASTERING COMPLEXITY

Manage the necessary; eliminate the unneeded

GOOD YEAR®

Appendix

Connected Business Model

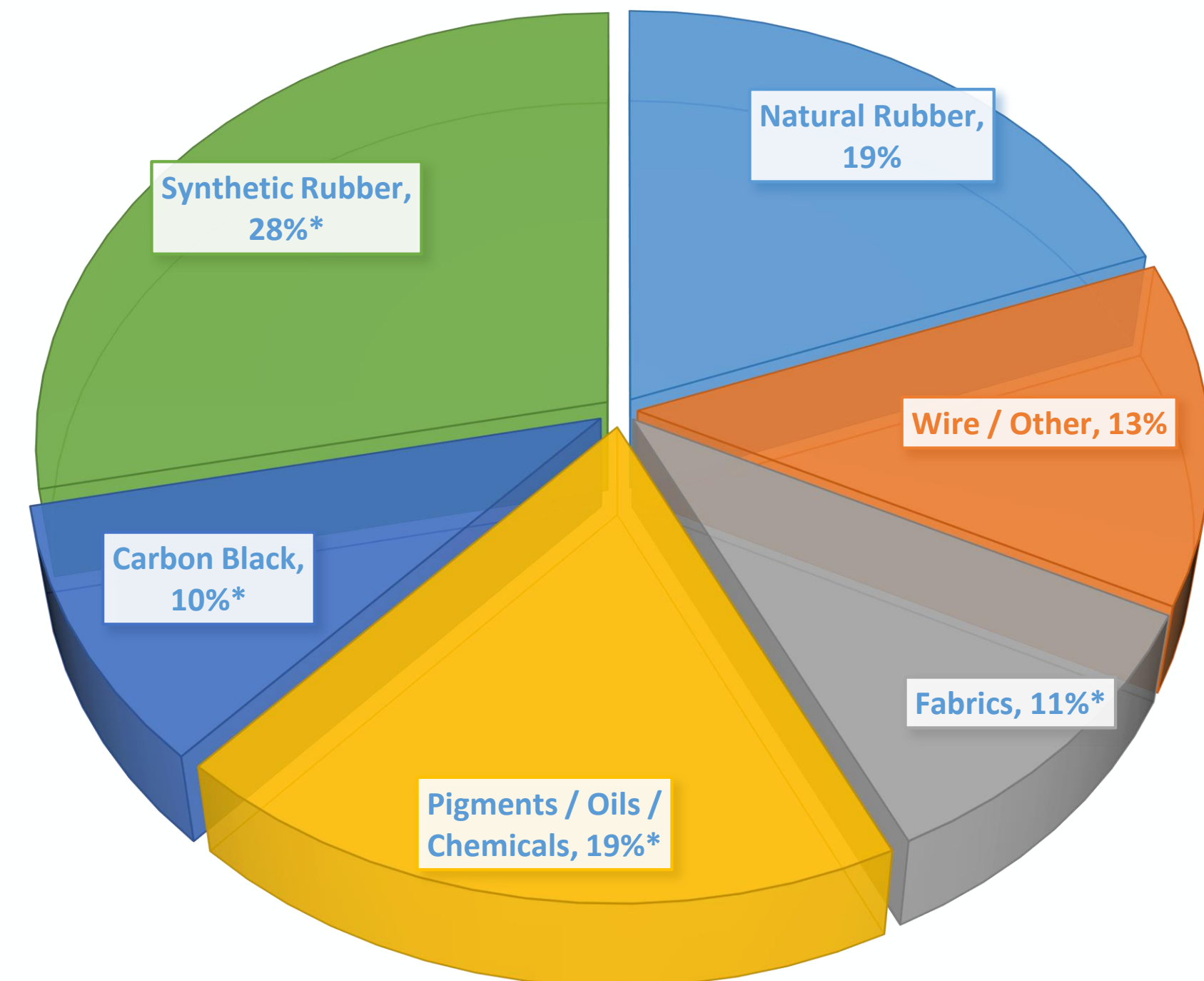


Integrated business model drives long-term value and competitive advantage

- ✓ Raw materials are ~40% of tire COGS
- ✓ ~65% of raw materials are influenced by oil prices
 - P&L impact lags spot rates by 1-2 quarters depending on commodity
- ✓ ~60% of raw materials are purchased in USD
- ✓ Customer agreements indexed to raw materials
 - OE customers
 - Certain large Commercial fleets
 - OTR customers

Global Raw Material Spend

FY 2016



*Petrochemical based

Recent increases in commodity prices will be an ~20% headwind to 2017 raw material costs

Key drivers

- ✓ Moderate global industry growth, including:
 - Above market growth in ≥ 17 "
 - Emerging markets growth
- ✓ Goodyear volume growth of 20 million units, primarily in ≥ 17 "
- ✓ Price/mix supported by innovation
- ✓ Achieve cost savings and unabsorbed fixed cost recovery
- ✓ Deliver on high-return investments

Risk Factors

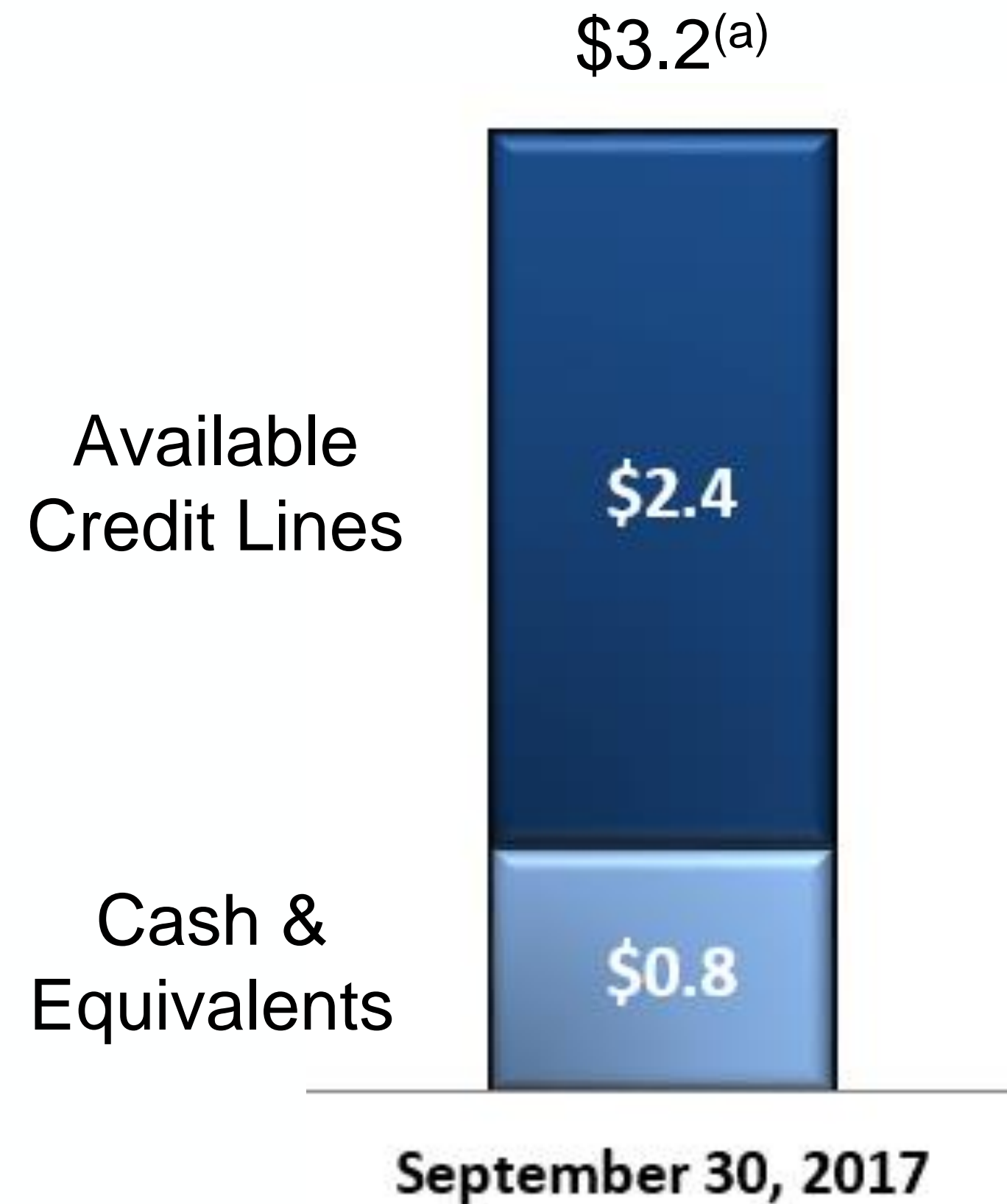
- ✓ Economic environment
 - Significant weakness in key markets
- ✓ Raw materials
 - Timing of cost increases
 - Availability of select materials
- ✓ Higher wages and general inflation
 - Further cost savings may be required

Execution required, risks need to be managed

Third Quarter 2017 – Liquidity Profile



Terms: US\$ billions

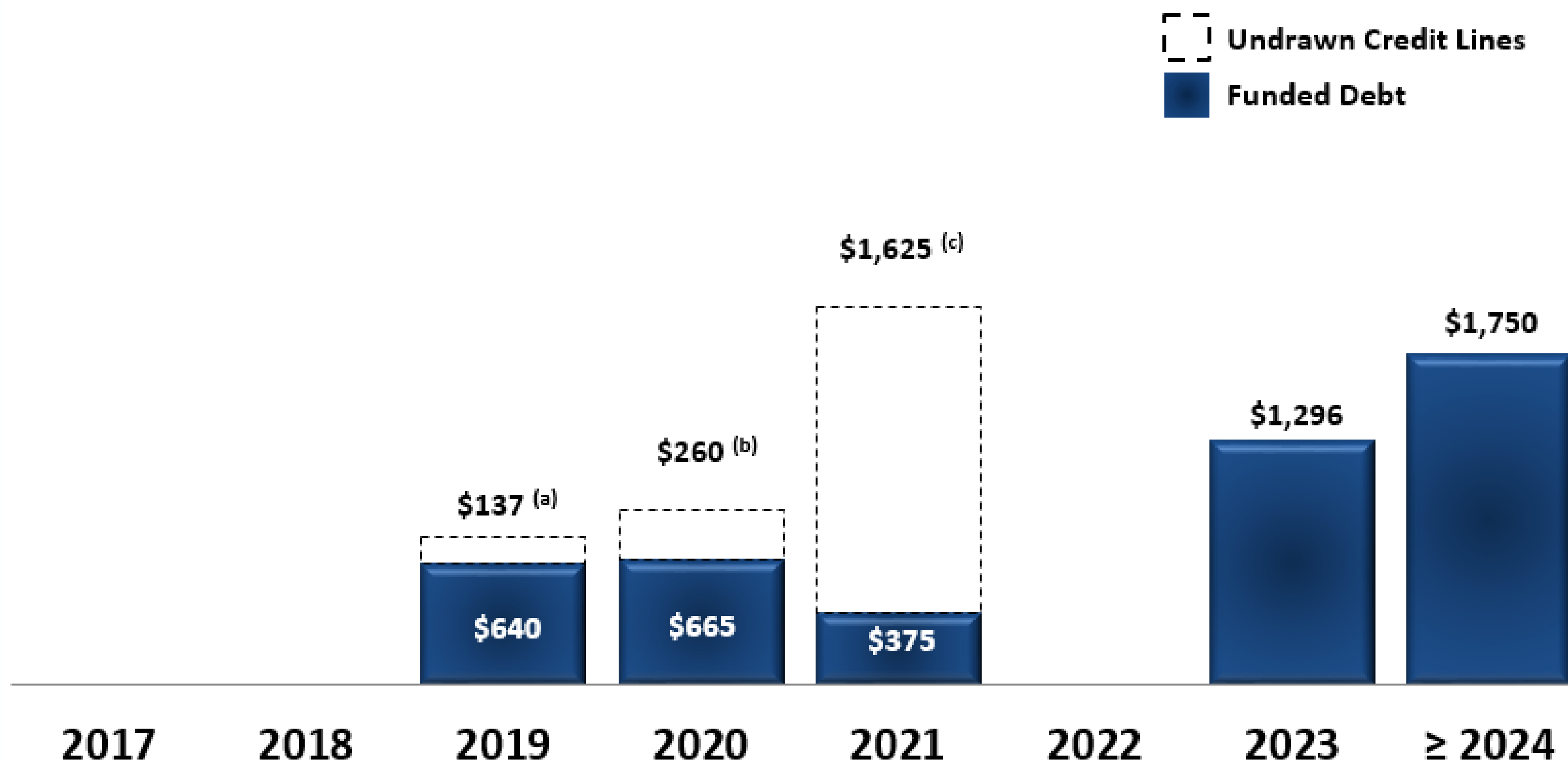


(a) Total liquidity comprised of \$822 million of cash and cash equivalents, as well as \$2,420 million of unused availability under various credit agreements.

Third Quarter 2017 – Maturity Schedule



Terms: US\$ millions



Note: Based on September 30, 2017 balance sheet values and excludes notes payable, capital leases and other domestic and foreign debt.

(a) At September 30, 2017 the amounts available and utilized under the Pan-European securitization program totaled \$241 million (€204 million).

(b) At September 30, 2017 there were \$390 million (€330 million) of borrowings outstanding under the €550 million European revolving credit facility and no letters of credit were issued.

(c) At September 30, 2017 our borrowing base, and therefore our availability, under the U.S. revolving credit facility was \$266 million below the facility's stated amount of \$2.0 billion.

At September 30, 2017 we had \$375 million of borrowings and \$37 million of letters of credit were issued.

2017 Full-Year Industry Outlook



	Full-Year 2017 Guidance	
	United States	Western Europe ^(a)
Consumer Replacement	~Flat – (1)%	~Flat – 1%
Consumer OE	~(6) – (7)%	~1%
Commercial Replacement	~2 – 3%	~2%
Commercial OE	~10 – 11%	~4%

(a) For replacement, Western Europe is Europol and Turkey. For OE, Western Europe is total EMEA.

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



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

Total Segment Operating Income is the sum of the individual strategic business units' (SBUs') Segment Operating Income as determined in accordance with U.S. GAAP. Total Segment Operating Margin is Total Segment Operating Income divided by Net Sales as determined in accordance with U.S. GAAP. Management believes that Total Segment Operating Income and Margin are useful because they represent the aggregate value of income created by the company's SBUs and exclude items not directly related to the SBUs for performance evaluation purposes. The most directly comparable U.S. GAAP financial measures to Total Segment Operating Income and Margin are Goodyear Net Income and Return on Sales (which is calculated by dividing Goodyear Net Income 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 is Goodyear Net Income as determined in accordance with U.S. GAAP adjusted for certain significant items. Adjusted Diluted EPS is the company's Adjusted Net Income divided by Weighted Average Shares Outstanding-Diluted as determined in accordance with U.S. GAAP. Management believes that Adjusted Net Income and Adjusted Diluted EPS are useful because they represent how management reviews the operating results of the company excluding the impacts of rationalizations, asset write-offs, accelerated depreciation, asset sales and certain other significant items.

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

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

Third Quarter 2017 Significant Items



(After Tax and Minority Interest)

Terms: US\$ millions,
(except EPS)

	As Reported	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Hurricane Impact	Pension Settlement	Discrete Tax Items	Insurance Recovery	As Adjusted
Net Sales	\$ 3,921	\$ -	\$ 23	\$ -	\$ -	\$ -	\$ 3,944
Cost of Goods Sold	3,069	(10)	18	(6)	(2)	-	3,069
Gross Margin	852	10	5	6	2	-	875
SAG	556	-	-	(7)	-	-	549
Rationalizations	46	(46)	-	-	-	-	-
Interest Expense	84	-	-	-	-	-	84
Other (Income) Expense	4	-	(12)	-	-	5	(3)
Pre-tax Income	162	56	17	13	2	(5)	245
Taxes	30	18	2	5	12	(2)	65
Minority Interest	3	-	-	-	-	-	3
Goodyear Net Income	\$ 129	\$ 38	\$ 15	\$ 8	\$ (10)	\$ (3)	\$ 177
EPS	\$ 0.50	\$ 0.15	\$ 0.06	\$ 0.03	\$ (0.03)	\$ (0.01)	\$ 0.70

Third Quarter 2016 Significant Items



(After Tax and Minority Interest)

Terms: US\$ millions,
(except EPS)

	As Reported	Discrete Tax Items	Transaction Costs and Net Gains on Asset Sales	Rationalizations, Asset Write-offs, and Accelerated Depreciation	As Adjusted
Net Sales	\$ 3,847	\$ -	\$ -	\$ -	\$ 3,847
Cost of Goods Sold	2,736	-	-	(3)	2,733
Gross Margin	1,111	-	-	3	1,114
SAG	599	(2)	-	-	597
Rationalizations	135	-	-	(135)	-
Interest Expense	90	-	-	-	90
Other (Income) Expense	(23)	-	27	-	4
Pre-tax Income	310	2	(27)	138	423
Taxes	(10)	118	(3)	3	108
Minority Interest	3	2	-	-	5
Goodyear Net Income	\$ 317	\$ (118)	\$ (24)	\$ 135	\$ 310
EPS	\$ 1.19	\$ (0.44)	\$ (0.09)	\$ 0.51	\$ 1.17

Reconciliation for Segment Operating Income/Margin



Terms: US\$ millions

	Three Months Ended	
	September 30,	
	2017	2016
Total Segment Operating Income	\$ 357	\$ 556
Rationalizations	(46)	(135)
Interest expense	(84)	(90)
Other income (expense)	(4)	23
Asset write-offs and accelerated depreciation	(10)	(3)
Corporate incentive compensation plans	-	(20)
Pension curtailments/settlements	(13)	-
Intercompany profit elimination	(21)	(2)
Retained expenses of divested operations	(3)	(2)
Other	(14)	(17)
Income before Income Taxes	\$ 162	\$ 310
United States and Foreign Tax Expense / (Benefit)	30	(10)
Less: Minority Shareholders Net Income	3	3
Goodyear Net Income	\$ 129	\$ 317
Net Sales (as reported)	\$3,921	\$3,847
Return on Sales (as reported)	3.3%	8.2%
Total Segment Operating Margin	9.1%	14.5%

Reconciliation for Total Debt and Net Debt



Terms: US\$ millions

	<u>September 30, 2017</u>	<u>June 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Long-Term Debt and Capital Leases	\$ 5,737	\$ 5,403	\$ 4,798	\$ 5,446
Notes Payable and Overdrafts	276	238	245	179
Long-Term Debt and Capital Leases Due Within One Year	378	435	436	403
Total Debt	<u>\$ 6,391</u>	<u>\$ 6,076</u>	<u>\$ 5,479</u>	<u>\$ 6,028</u>
Less: Cash and Cash Equivalents	<u>822</u>	<u>903</u>	<u>1,132</u>	<u>975</u>
Net Debt	<u>\$ 5,569</u>	<u>\$ 5,173</u>	<u>\$ 4,347</u>	<u>\$ 5,053</u>

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