



Company Update Fourth Quarter 2017

February 20, 2018



Safe Harbor Statement

This presentation contains what the company believes are forward-looking statements related to future financial results and business operations for Cooper Tire & Rubber Company. Actual results may differ materially from current management forecasts and projections as a result of factors over which the company may have limited or no control. Information on certain of these risk factors and additional information on forward-looking statements are included in the company's reports on file with the Securities and Exchange Commission and set forth at the end of this presentation.

Available Information

You can find Cooper Tire on the web at coopertire.com. Our company webcasts earnings calls and presentations from certain events that we participate in or host on the investor relations portion of our website (<http://coopertire.com/investors.aspx>). In addition, we also make available a variety of other information for investors on the site. Our goal is to maintain the investor relations portion of the website as a portal through which investors can easily find or navigate to pertinent information about Cooper Tire, including:

- our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after we electronically file that material or furnish it to the Securities and Exchange Commission (“SEC”);
- information on our business strategies, financial results and selected key performance indicators;
- announcements of our participation at investor conferences and other events;
- press releases on quarterly earnings, product and service announcements and legal developments;
- corporate governance information; and
- other news and announcements that we may post from time to time that investors may find relevant.

The content of our website is not intended to be incorporated by reference into this presentation or in any report or document we file with or furnish to the SEC, and any references to our website are intended to be inactive textual references only.

Three Months Ended December 31, 2017 Financial Performance Highlights

(millions USD, except EPS)

Net Sales by Segment	Q4 2017	Q4 2016	Change from Prior Year
Americas Tire	\$ 645	\$ 694	(7.1%)
International Tire	162	124	30.5%
Eliminations	(50)	(34)	46.2%
Total Company	\$ 757	\$ 784	(3.4%)
Operating Profit (Loss) by Segment	OP %	OP %	
Americas Tire	\$ 61 9.4	\$ 116 16.8	\$ (55)
International Tire	6 3.7	1 1.1	5
Corporate	(19)	(12)	(7)
Eliminations	—	—	—
Total Company	\$ 47 6.2	\$ 105 13.4	\$ (58)
(Loss) earnings per share, diluted	\$ (0.82)	\$ 1.28	\$ (2.10)
Cash and cash equivalents	\$ 372	\$ 504	\$ (133)

Amounts are unaudited and may not add due to rounding.



Twelve Months Ended December 31, 2017 Financial Performance Highlights

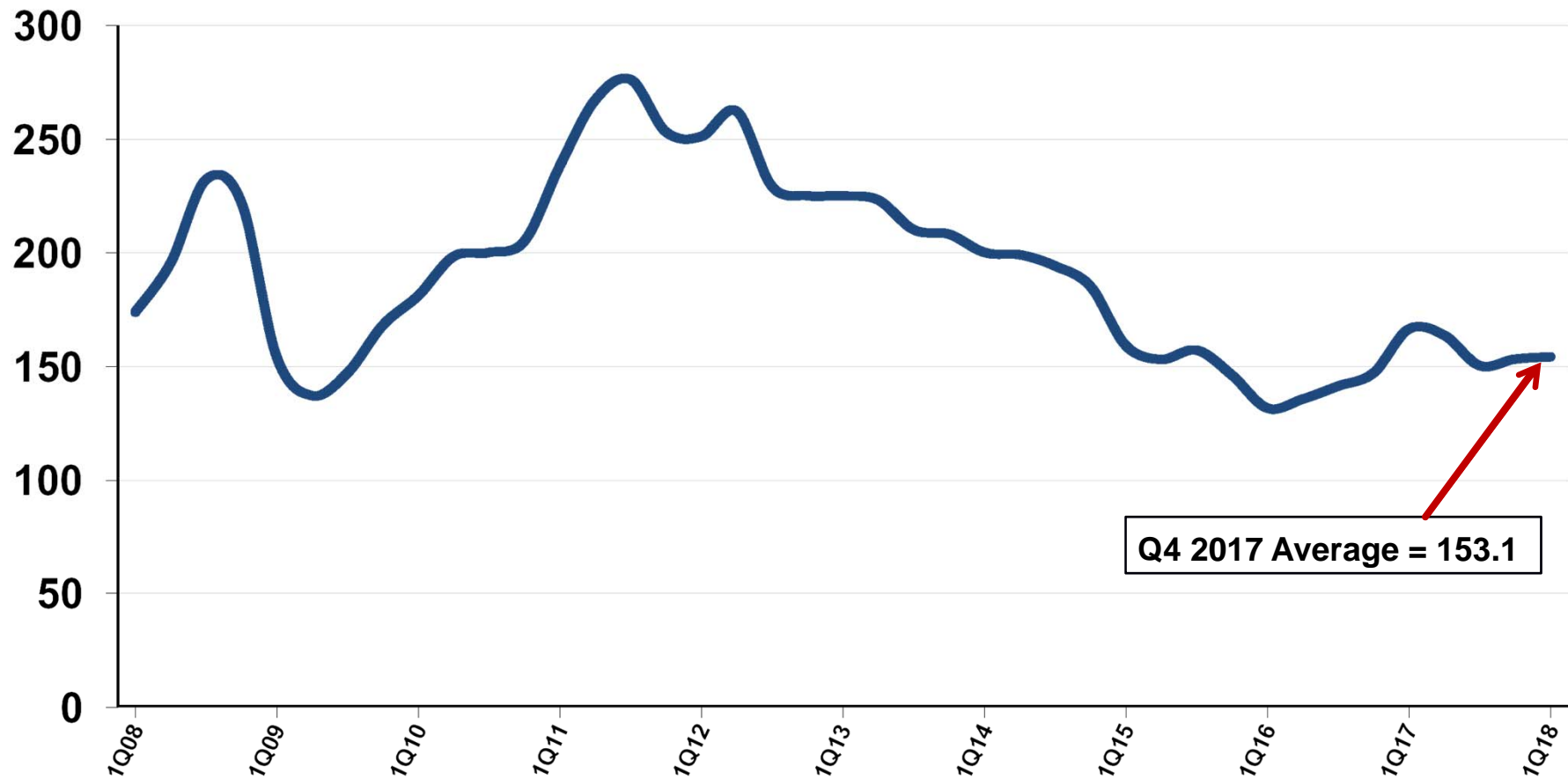
(millions USD, except EPS)

	Twelve Months Ended December 31, 2017		Twelve Months Ended December 31, 2016		Change from Prior Year			
Net Sales by Segment								
Americas Tire	\$	2,417	\$	2,600	(7.1%)			
International Tire		619		464	33.4%			
Eliminations		(181)		(139)	(29.8%)			
Total Company	\$	2,855	\$	2,925	(2.4%)			
Operating Profit (Loss) by Segment								
			<u>OP %</u>		<u>OP %</u>			
Americas Tire	\$	325	13.4	\$	440	16.9	\$	(115)
International Tire		9	1.5		6	1.3		3
Corporate		(61)			(60)			(1)
Eliminations		(2)			(1)			(1)
Total Company	\$	272	9.5	\$	384	13.1	\$	(112)
Earnings per share, diluted	\$	1.81		\$	4.51		\$	(2.70)
Cash and cash equivalents	\$	372		\$	504		\$	(133)

Amounts may not add due to rounding.



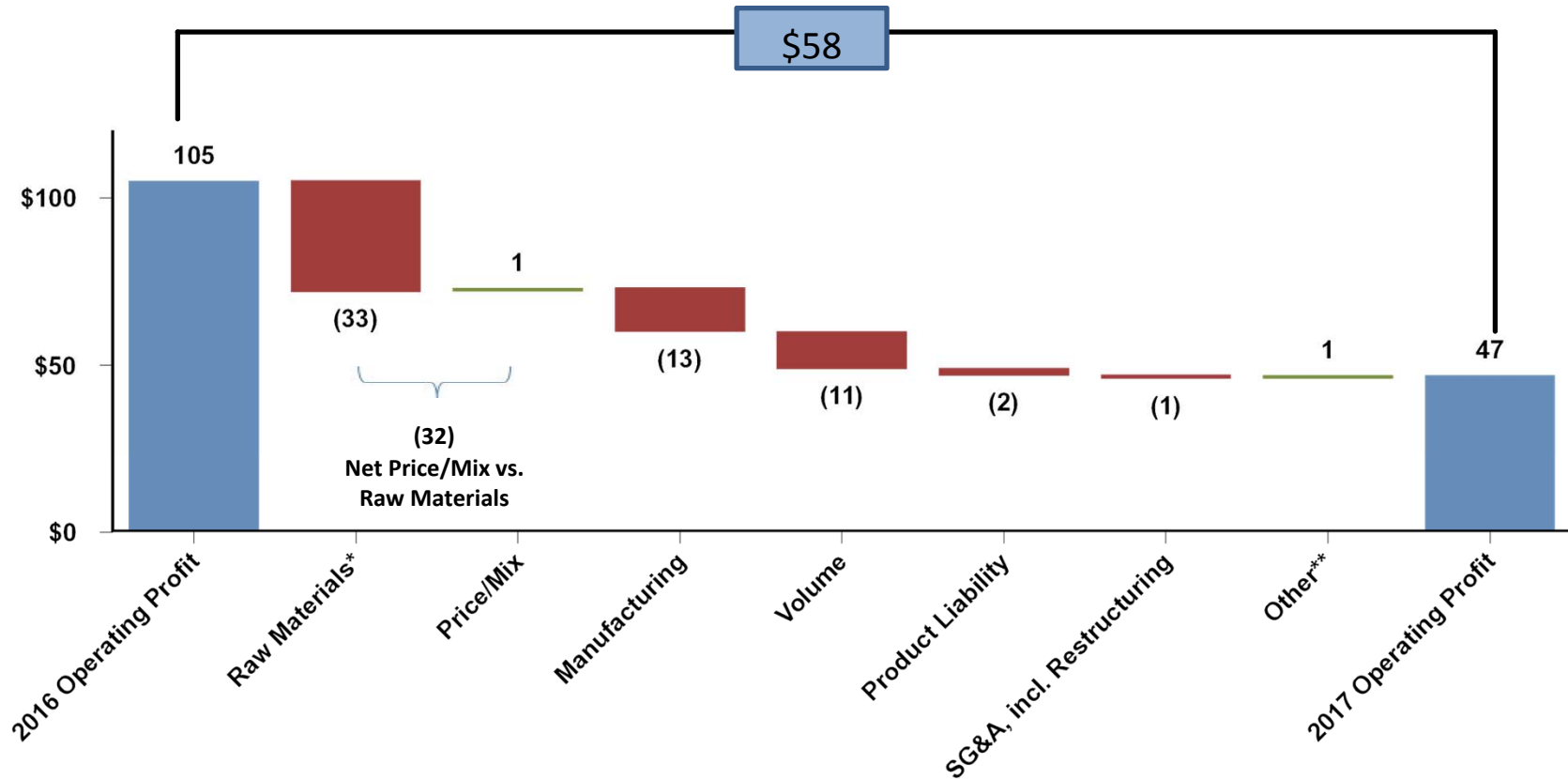
CTB Raw Material Price Index North America



Q1 2018 is an estimate

Operating Profit Walk Total Company Q4 2016 to Q4 2017

(\$millions)



Amounts are unaudited and may not add due to rounding.

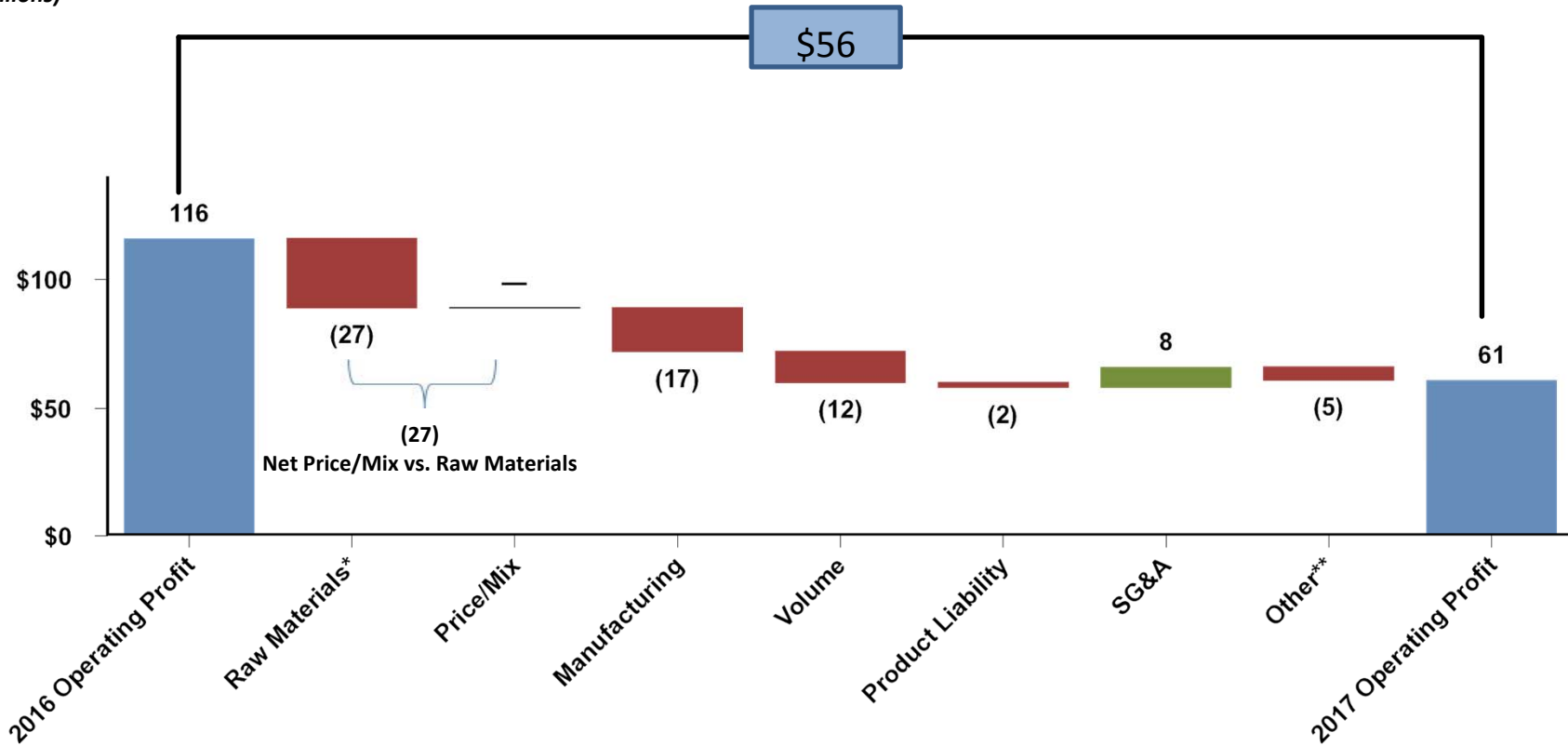
* Raw material costs are inclusive of tariffs, including the preliminary tariffs on truck and bus tires which were in effect in Q4 2016 and subsequently reversed in Q1 2017.

** Other costs are inclusive of \$0.5 million of insurance recoveries and \$1.8 million of direct expenses related to tornado damage at a North American distribution center in Q1 2017.



Operating Profit Walk Americas Tire Operations Q4 2016 to Q4 2017

(\$millions)



Amounts are unaudited and may not add due to rounding.

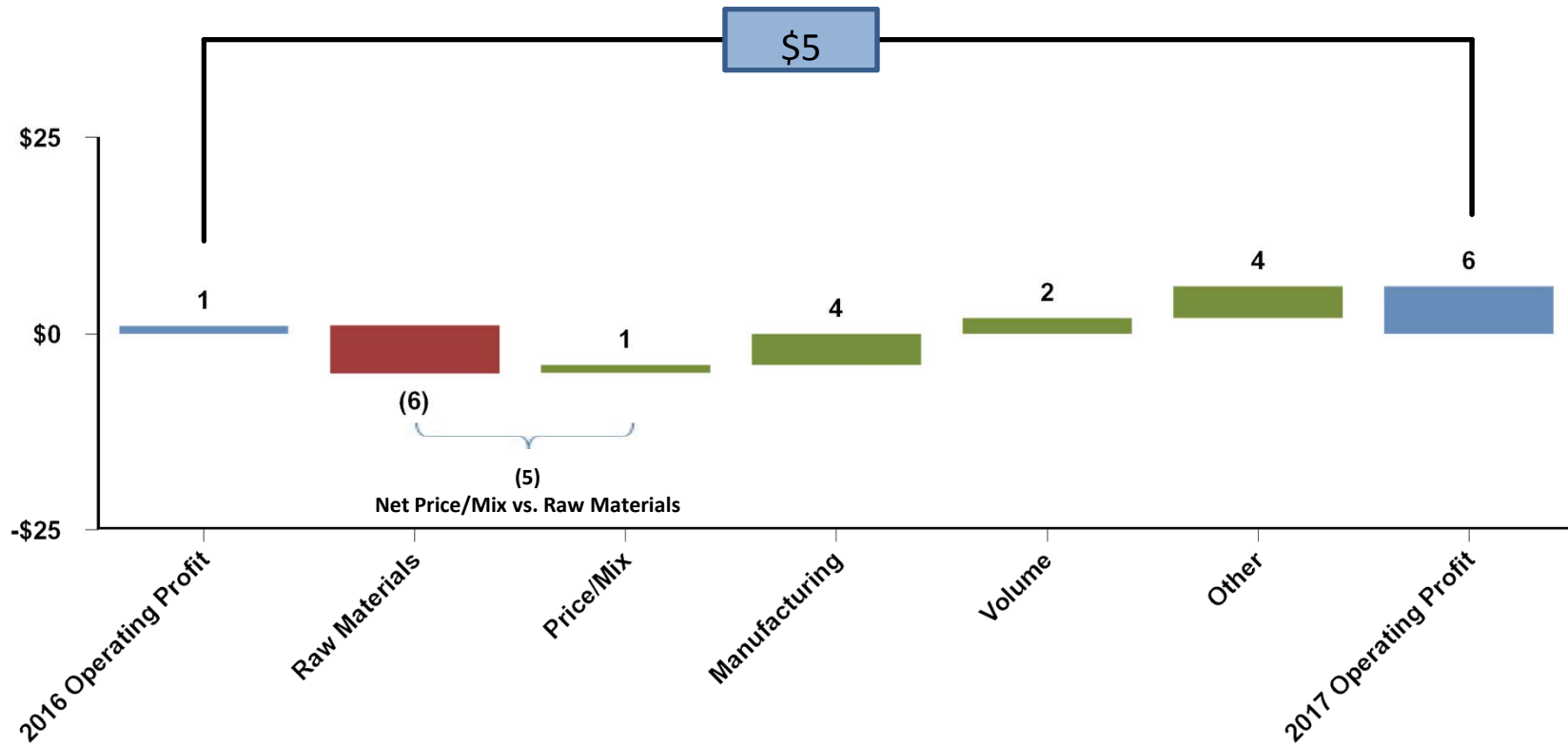
* Raw material costs are inclusive of tariffs, including the preliminary tariffs on truck and bus tires which were in effect in Q4 2016 and subsequently reversed in Q1 2017.

** Other costs are inclusive of \$0.5 million of insurance recoveries and \$1.8 million of direct expenses related to tornado damage at a North American distribution center in Q1 2017.



Operating Profit Walk International Tire Operations Q4 2016 to Q4 2017

(\$millions)



Amounts are unaudited and may not add due to rounding.



Non-GAAP Measures

Non-GAAP financial measures should be considered in addition to, not as a substitute for, other financial measures prepared in accordance with generally accepted accounting principles (“GAAP”). The company’s methods of determining these non-GAAP financial measures may differ from the methods used by other companies for these or similar non-GAAP financial measures. Accordingly, these non-GAAP financial measures may not be comparable to measures used by other companies.

Pursuant to the requirements of SEC Regulation G, detailed reconciliations between the company’s GAAP and non-GAAP financial results were posted, by incorporation within this presentation, on the company’s Investor Relations website at <http://coopertire.com/investors.aspx> on the day the company’s operating and financial results were announced for the quarter and year ended December 31, 2017 and management presented certain non-GAAP financial measures during a conference call with analysts and investors. Investors are advised to carefully review and consider this information as well as the GAAP financial results that are disclosed in the company’s earnings releases and annual and quarterly SEC filings.

Non-GAAP Measures

Adjusted Operating Profit, Income Tax Provision, Net Income and Earnings per Share

Management is using non-GAAP financial measures in this document because it considers them to be important supplemental measures of the company's performance. The company uses adjusted operating profit, provision for income taxes, net income and earnings per share to evaluate the performance of the company's operations exclusive of certain items affecting comparability of results from period to period. The company believes that information about operating profit, provision for income taxes, net income and earnings per share exclusive of these items is useful to investors, particularly where the impact of excluded items is significant in relation to reported earnings, because the measure allows for comparability between periods of the operating performance of the Company's business and allows investors to evaluate the impact of the excluded items separately from the impact of the operations of the business.

ADJUSTED PROVISION FOR INCOME TAXES AND EPS

(millions USD, except per share amounts)

Three Months Ended December 31, 2017

	Income before income taxes	Provision for income taxes	Net (loss) income	Net income attributable to noncontrolling shareholder interests	Net (loss) income attributable to Cooper Tire & Rubber Company	Weighted average number of shares outstanding - Diluted	Diluted (loss) earnings per share
Reported (GAAP)	\$ 39	\$ 80	\$ (41)	\$ 1	\$ (42)	51,566	\$ (0.82)
U.S. tax reform related items*	—	56	56	—	56	—	1.08
Tax valuation allowance related items**	—	12	12	—	12	—	0.24
Adjusted (Non-GAAP)	\$ 39	\$ 12	\$ 27	\$ 1	\$ 26	51,566	\$ 0.50

* U.S. tax reform related items comprised of \$35,378 of deemed repatriation tax and \$20,413 for the re-measurement of deferred tax assets.

** Tax valuation allowance related items comprised of the U.K. valuation allowance charge of \$18,915, less the reversal of an Asia valuation allowance of \$6,672.

Non-GAAP Measures

ADJUSTED PROVISION FOR INCOME TAXES AND EPS

(millions USD, except per share amounts)

Year Ended December 31, 2017

	Income before income taxes	Provision for income taxes	Net income	Net income attributable to noncontrolling shareholder interests	Net income attributable to Cooper Tire & Rubber Company	Weighted average number of shares outstanding - Diluted	Diluted earnings per share
Reported (GAAP)	\$ 244	\$ 147	\$ 97	\$ 1	\$ 95	52,673	\$ 1.81
U.S. tax reform related items	—	56	56	—	56	—	1.06
Tax valuation allowance related items	—	12	12	—	12	—	0.23
Adjusted (Non-GAAP)	\$ 244	\$ 79	\$ 165	\$ 1	\$ 163	52,673	\$ 3.10

ADJUSTED EFFECTIVE INCOME TAX RATE

(millions USD)

Three Months Ended December 31, 2017

Year Ended December 31, 2017

	Income before income taxes	Provision for income taxes	Effective tax rate	Income before income taxes	Provision for income taxes	Effective tax rate
Reported (GAAP)	\$ 39	\$ 80	206.0%	\$ 244	\$ 147	60.3%
U.S. tax reform related items	—	56	—	—	56	—
Tax valuation allowance related items	—	12	—	—	12	—
Adjusted (Non-GAAP)	\$ 39	\$ 12	30.7%	\$ 244	\$ 79	32.4%

Non-GAAP Measures

ADJUSTED EARNINGS

(millions USD, except per share amounts)

Year Ended December 31, 2016

	Net Sales	Cost of products sold	Gross profit	Selling, general and administrative expense	Pension settlement charge	Operating profit	Operating profit %
Reported (GAAP)	\$ 2,925	\$ 2,273	\$ 652	\$ 256	\$ 12	\$ 384	13.1%
Pension settlement charges	—	—	—	—	(12)	12	—
Adjusted (Non-GAAP)	\$ 2,925	\$ 2,273	\$ 652	\$ 256	\$ —	\$ 397	13.6%

Year Ended December 31, 2016

	Income before income taxes	Provision for income taxes	Net income	Net income attributable to noncontrolling shareholder interests	Net income attributable to Cooper Tire & Rubber Company
Reported (GAAP)	\$ 367	\$ 116	\$ 251	\$ 3	\$ 248
Pension settlement charges	12	4	8	—	8
Adjusted (Non-GAAP)	\$ 379	\$ 120	\$ 260	\$ 3	\$ 257

Year Ended December 31, 2016

	Net income attributable to Cooper Tire & Rubber Company	Weighted average number of shares outstanding - Diluted	Diluted earnings per share
Reported (GAAP)	\$ 248	55,090	\$ 4.51
Pension settlement charges	8	—	0.15
Adjusted (Non-GAAP)	\$ 257	55,090	\$ 4.66



Non-GAAP Measures

Return on Invested Capital (ROIC)

Management is using non-GAAP financial measures in this document because it considers them to be important supplemental measures of the company's performance. Management also believes that these non-GAAP financial measures provide additional insight for analysts and investors in evaluating the company's financial and operating performance.

The company defines ROIC as the trailing four quarters' after tax operating profit, utilizing the company's adjusted effective tax rate excluding discrete tax items, divided by the total invested capital, which is the average of ending debt and equity for the last five quarters. The company believes ROIC is a useful measure of how effectively the company uses capital to generate profits.

Calculation of Return on Invested Capital January 1, 2017 – December 31, 2017

(millions USD)

Operating profit	\$	272
Adjusted (non-GAAP) effective tax rate		32.4%
Income tax expense on operating profit		88
Operating profit after taxes	\$	184
Total invested capital	\$	1,508
Return on invested capital		12.2%

Non-GAAP Measures

Calculation of Trailing Four Quarter Income and Expense Inputs				
<i>(millions USD)</i>				
Quarter-ended:	Operating profit	Adjusted (non-GAAP) provision for income taxes *	Income before income taxes	
December 31, 2017	\$ 47	\$ 12	\$	39
September 30, 2017	101	32		95
June 30, 2017	75	22		68
March 31, 2017	49	13		42
Total	\$ 272	\$ 79	\$	244

* The quarter-ended December 31, 2017 is adjusted for discrete tax items, as noted in the Adjusted Provision for Income Taxes and EPS table. The remaining periods are presented in accordance with GAAP.

Trailing Four Quarter Effective Tax Rate	
<i>(millions USD)</i>	
Adjusted (non-GAAP) provision for income taxes	\$ 79
Income before income taxes	\$ 244
Adjusted (non-GAAP) effective income tax rate	32.4%

Non-GAAP Measures

Calculation of Total Invested Capital (five quarter average)

(millions USD)

	Equity	Long-term Debt	Current Portion of Long-term Debt	Short-term Notes Payable	Total Invested Capital
December 31, 2017	\$ 1,186	\$ 296	\$ 1	\$ 39	\$ 1,523
September 30, 2017	1,232	296	1	36	1,566
June 30, 2017	1,193	296	2	38	1,529
March 31, 2017	1,156	297	1	15	1,469
December 31, 2016	1,130	297	2	26	1,456
Average Balance	\$ 1,179	\$ 296	\$ 2	\$ 31	\$ 1,508

Risks

It is possible that actual results may differ materially from projections or expectations due to a variety of factors, including but not limited to:

- volatility in raw material and energy prices, including those of rubber, steel, petroleum-based products and natural gas or the unavailability of such raw materials or energy sources;
- the failure of the company's suppliers to timely deliver products or services in accordance with contract specifications;
- changes to tariffs or trade agreements, or the imposition of new tariffs or trade restrictions, including changes related to tariffs on tires imported into the U.S. from China, as well as tariffs imposed on raw materials which the company uses;
- changes in economic and business conditions in the world, including changes related to the United Kingdom's decision to withdraw from the European Union;
- the impact of the recently enacted tax reform legislation;
- increased competitive activity including actions by larger competitors or lower-cost producers;
- the failure to achieve expected sales levels;
- changes in the company's customer relationships, including loss of particular business for competitive or other reasons;
- the ultimate outcome of litigation brought against the company, including product liability claims, which could result in commitment of significant resources and time to defend and possible material damages against the company or other unfavorable outcomes;
- a disruption in, or failure of, the company's information technology systems, including those related to cybersecurity, could adversely affect the company's business operations and financial performance;
- changes in pension expense and/or funding resulting from the company's pension strategy, investment performance of the company's pension plan assets and changes in discount rate or expected return on plan assets assumptions, or changes to related accounting regulations;
- government regulatory and legislative initiatives including environmental, healthcare, privacy and tax matters;
- volatility in the capital and financial markets or changes to the credit markets and/or access to those markets;
- a variety of factors, including market conditions, may affect the actual amount expended on stock repurchases; the company's ability to consummate stock repurchases; changes in the company's results of operations or financial conditions or strategic priorities may lead to a modification, suspension or cancellation of stock repurchases, which may occur at any time;
- changes in interest or foreign exchange rates;
- an adverse change in the company's credit ratings, which could increase borrowing costs and/or hamper access to the credit markets;
- failure to implement information technologies or related systems, including failure by the company to successfully implement ERP systems;
- the risks associated with doing business outside of the U.S.;
- the failure to develop technologies, processes or products needed to support consumer demand or changes in consumer behavior;
- technology advancements;
- the inability to recover the costs to develop and test new products or processes;
- the impact of labor problems, including labor disruptions at the company, its joint ventures, or at one or more of its large customers or suppliers;
- failure to attract or retain key personnel;
- consolidation among the company's competitors or customers;
- inaccurate assumptions used in developing the company's strategic plan or operating plans or the inability or failure to successfully implement such plans or to realize the anticipated savings or benefits from strategic actions;
- risks relating to acquisitions including the failure to successfully integrate them into operations or their related financings may impact liquidity and capital resources;
- changes in the company's relationship with its joint-venture partners or suppliers, including any changes with respect to its former PCT joint venture's production of Cooper-branded products;
- the ability to find alternative sources for products supplied by PCT;
- the inability to obtain and maintain price increases to offset higher production or material costs;
- inability to adequately protect the company's intellectual property rights; and
- inability to use deferred tax assets.