



ALPHA_α CHALLENGE

Kenan-Flagler Business School
The University of North Carolina

December 4th, 2025

Team Number: 12

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Long: The Goodyear Tire & Rubber Company (NASDAQ:GT)

Current Price: \$8.10(2025/11/23) | 1Y Price Target \$9.78 (20.7% Upside)

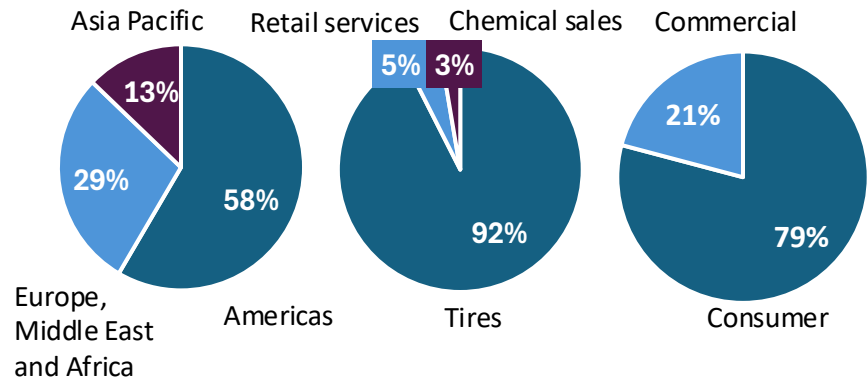
Company Overview



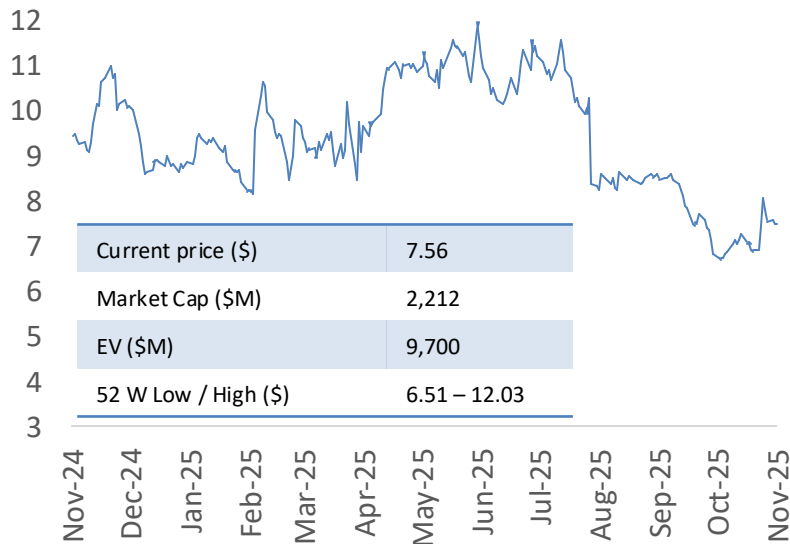
Business overview

- Goodyear manufactures, distributes, and sells tires.
- End markets include passenger vehicles, light and heavy trucks, aviation, agriculture, and industrial applications.
- Founded in 1898, headquartered in Akron, OH.

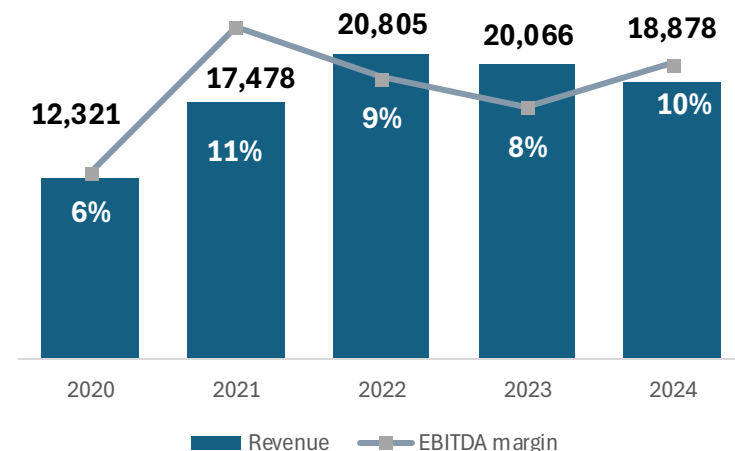
Revenue breakdown, 2024



Trading data

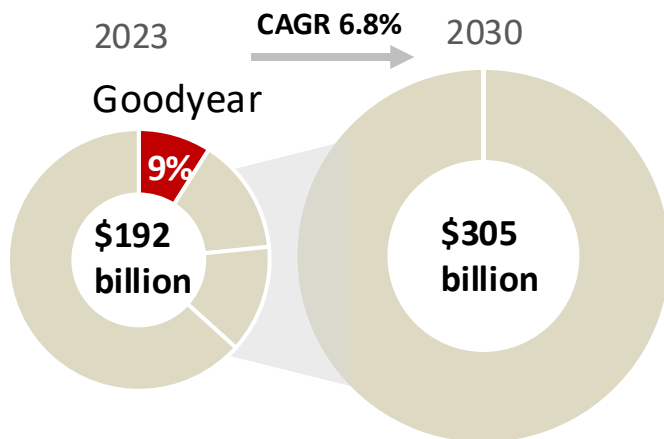


Financial summary



Industry Overview

Market size



Demand Drivers



Vehicle Fleet Growth



Miles Driven
& Freight Activity



EV Adoption
(+15-40% wear)

Industry trends

1. EV Adoption accelerates tire demand
2. Increased Vehicle Miles Traveled requires more frequent tire replacement
3. Increase in larger vehicles/SUVs results in more frequent replacement

Competitive landscape

BRIDGESTONE

13.3%
market share



14.4% market
share



6.5% market
share



3.7 % market
share

Key Investment Theses

1. Strong demand-side growth drivers (like EV/SUV penetration) are being missed/underestimated
2. Impact of tariffs on GT's business relative to competitors is more positive than market is estimating
3. Restructuring developments under Elliot Investment Management's guidance are also being undervalued



GT Stock – Key Performance Metrics

| | |
|-------------------------------------|----------------------|
| Price Upon Stock Selection (Oct.27) | \$7.07 |
| Price Upon Submission (Nov.23) | \$8.10 |
| Price Target | <u>\$9.78</u> |
| Upside vs. the Oct. 27 price | 38.3% |
| Upside vs. the Nov. 23 Price | <u>20.7%</u> |

1. Tire Demand Catalysts



In Q3 '25, automakers reported sales that beat estimates almost across the board:

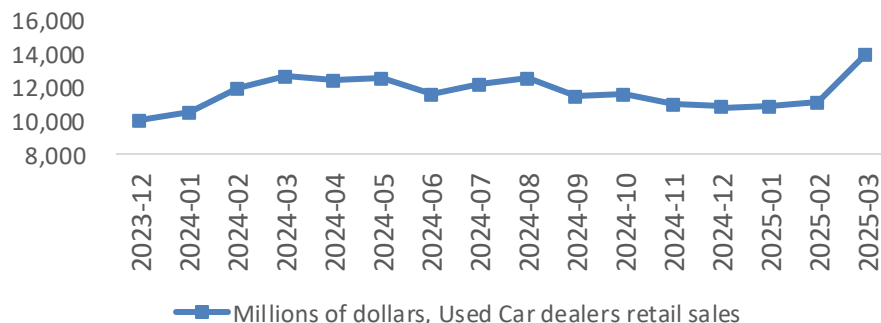
| Automaker | Market Share | Revenue Beat (Miss) |
|------------------|--------------|---------------------|
| GM | 17% | 7.30% |
| Toyota | 15% | 4.06% |
| Ford | 13% | 9.10% |
| Hyundai | 11% | 1.97% |
| Honda | 9% | -3.80% |
| Stellantis | 8% | 6.31% |
| Volkswagen | 4% | 2.42% |
| Tesla | 4% | 6.60% |
| Weighted Average | | 4.70% |

These sales beats have not been incorporated into GT sales expectations yet



Expect a strong FY 2025 Sales Beat [Near-term catalyst]

Used Car Sales Also Surged in Q3



Used car sales surging is positive for GT because tires tend to be replaced when vehicles change hands



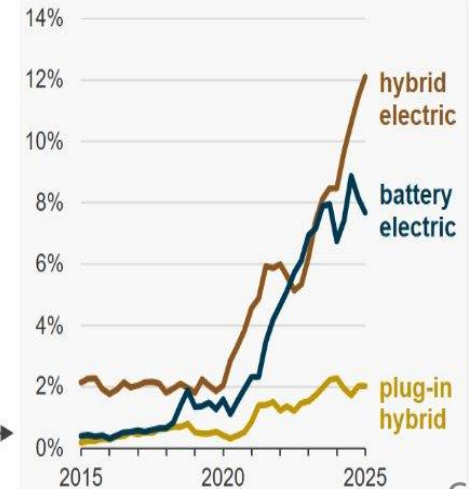
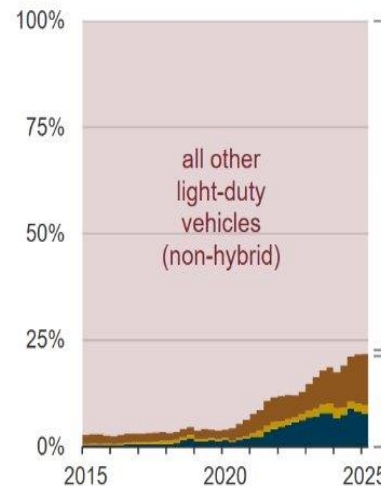
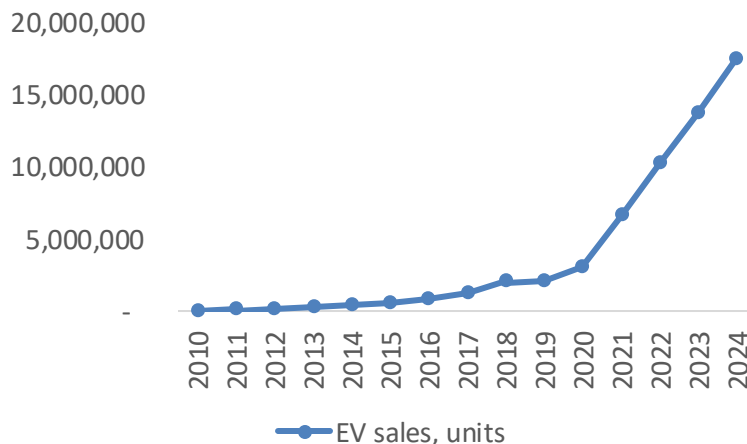
CaQ3 '25 Sales +11.2% vs Analyst Consensus Estimates

The EV/SUV Effect (1)

EV and SUV sales have been especially strong this year -----> this increases average tire wear assumptions

- EVs wear tires **15-40% faster** than similar gas-powered vehicles due to:
 - 1) Added weight
 - 2) Torque/acceleration-related wear
 - 3) Regenerative braking increasing the force on tires relative to cars that coast

Shift in EV Sales Trend



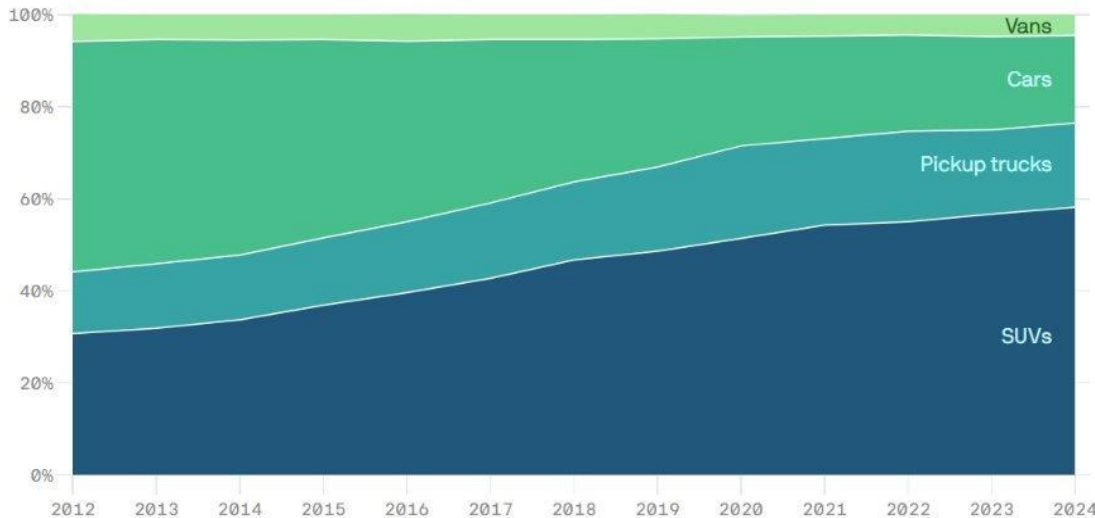
The EV/SUV Effect (2)



- SUVs also wear tires 15-20% faster due to their greater weight
- Most manufacturers have flagged exceptionally strong SUV sales. For example, GM announced it sold a record number of SUVs in Q3 2025, and is doubling down on its truck/SUV investments

Share of U.S. vehicle sales, by body type

Annually; 2012–2024

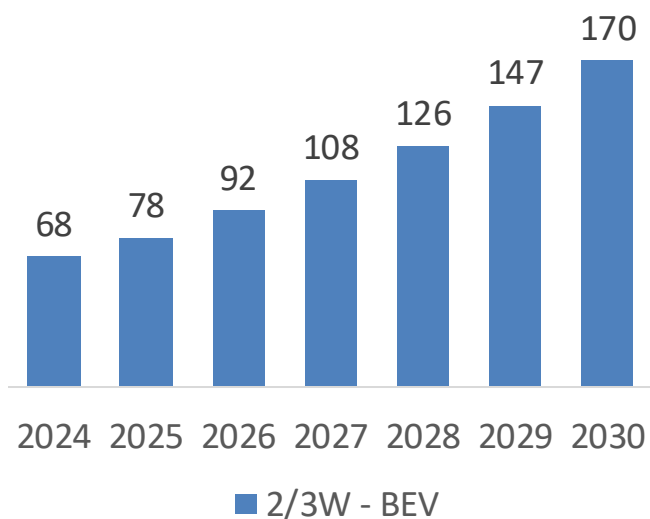


We believe the market is underestimating the impact of increasing EV/ SUV market share on Goodyear's future sales/earnings potential

Rapid EV Stock Growth is a Structural Tailwind for Tire Demand

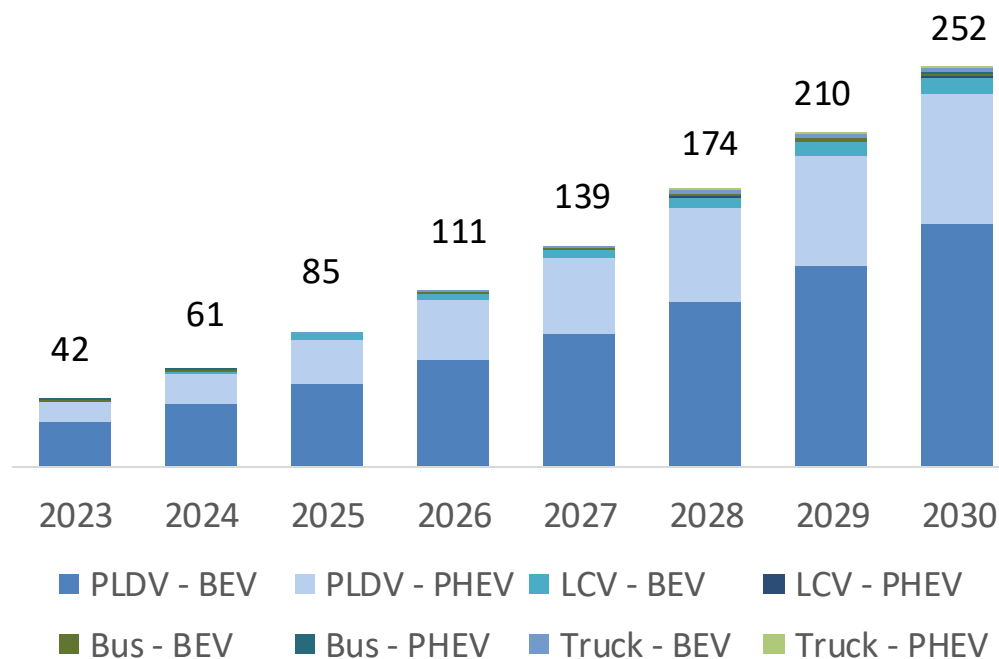
Electric two-/three-wheelers stock, 2024-2030

Units: million vehicles



Stock of other electric vehicles, 2023-2030

Units: million vehicles



Other Fundamental Demand Catalysts



Medium Term:

Surge in EV, rental car usage

- Nov 9th: Tesla launches an unlimited mile rental service starting at \$60/day. Includes full self-driving and unlimited free charging
 - Tesla is essentially paying for EV & autonomous driving tech marketing that will ultimately benefit Goodyear.

Trend of increasing miles travelled will strengthen

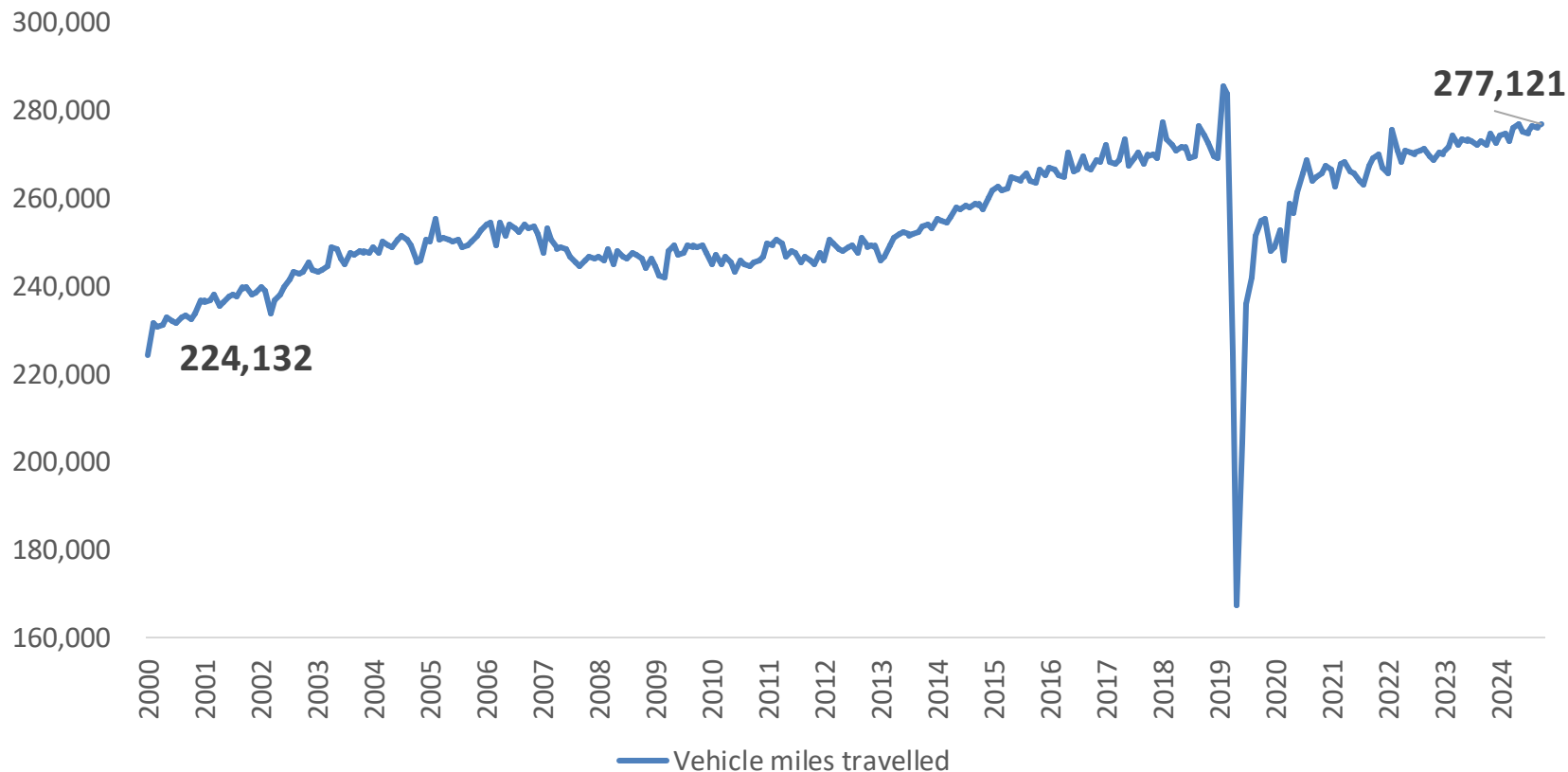
Autonomous cars will decrease the cost of travel and further increase miles driven:

- Nov 12th: Waymo announces its cars will now drive on freeways



Trend in Annual Miles Driven

Increase in miles driven resulting in more frequent tire replacement



As vehicles log more miles each year, tire wear accelerates, expanding the recurring replacement cycle

2. Tariff Headline-Related Confusion

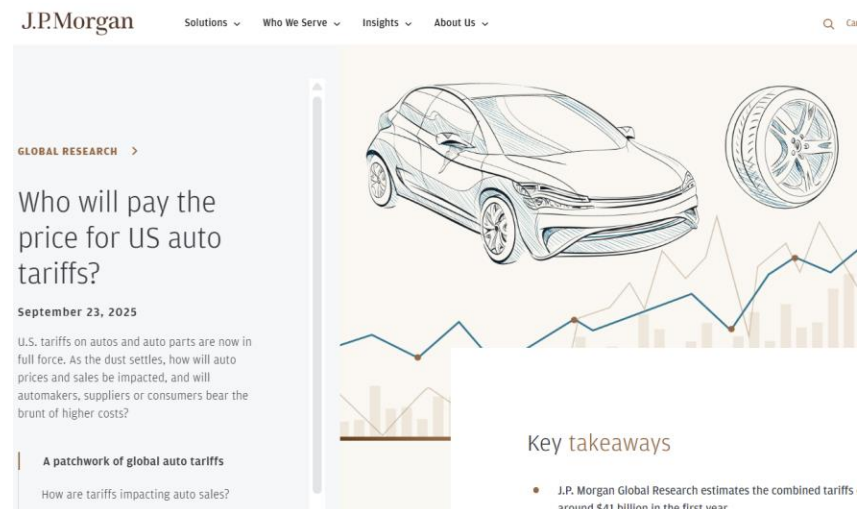


Goodyear BENEFITS, relatively, from US tariffs

- U.S. import exposure from non-USMCA countries is only ~12% of U.S. supply, vs industry average of 60%+
- Largest manufacturing footprint in the US, last American company standing
- With the depletion of the tariff-related "pre-buy inventory", Goodyear can now gain market share from low-cost as well as premium brands that rely heavily on imports (ie. Pirelli, which has often been used by manufacturers for their premium EVs)

| Low-cost manufacturer: | Announced Price Increase |
|------------------------|--------------------------|
| Sumitomo | 10-25% |
| Yokohama | 10% |
| Goodyear | 4% |

One of the articles contributing to GT's share price decline ----->



3. Mispriced Restructuring Gains



- Goodyear exceeded its divestiture target through the sale of its chemical business and the Dunlop tire brand.
- The \$2.2bn are being put towards reducing GT's debt (\$7.5bn as of Q3 2020)
- Remaining cash and reduction in debt overhang will allow Goodyear to focus on
 - 1) Cementing their reputation through tactful marketing
 - 2) Continue to develop premium, innovative tires for vehicles of the future
 - 3) Pursue opportunities that generate true cost savings/synergies



Key Valuation Inputs



| Metric/Scenario | Financial Year | Consensus Estimate (Analysts) | Our Estimate | | |
|----------------------------|----------------|----------------------------------|--------------|--------|--------|
| | | | Downside | Base | Upside |
| YoY Revenue Growth Rate | 2025 | -3.10% | -3.50% | -1.80% | -0.60% |
| | 2026 | 0.31% | 0.30% | 0.33% | 0.34% |
| | 2027 | 1.89% | 1.79% | 1.98% | 2.08% |
| EBITDA Margin | 2025 | 9.52% | 8.97% | 9.72% | 9.77% |
| | 2026 | 10.88% | 10.33% | 11.08% | 11.13% |
| | 2027 | 11.11% | 10.56% | 11.31% | 11.36% |

- Our more positive revenue growth rate estimates are based on sales beats + a greater shift towards premium EV/SUV tires.
- We also expect a slight base case improvement in gross margin relative to analyst expectations based on lower expected coordination costs and costs of financial distress.

Valuation Summary

Valuation Summary

| | 1. Base Case | 2. Upside Case | 3. Downside Case | Weighted Average |
|------------------------------------|--------------|----------------|------------------|------------------|
| Probability | 70% | 15% | 15% | 100% |
| DCF | | | | |
| Value per Share | \$11.0 | \$12.1 | \$5.2 | \$10.31 |
| Upside or Downside | 36.0% | 49.5% | -35.5% | |
| Multiple | | | | |
| Value per Share | \$9.6 | \$10.3 | \$6.4 | \$9.25 |
| Upside or Downside | 19.0% | 27.5% | -21.6% | |
| | Average | | Weight | |
| DCF | \$10.3 | × | 50% | = \$5.16 |
| Multiple | \$9.2 | × | 50% | = \$4.62 |
| Weighted Average of Methods | | | | \$9.78 |
| Stock Price (\$) | | | | \$8.10 |
| Concluded Upside | | | | 20.7% |

Valuation Methodology

- **EBITDA Multiples** and **DCF** approaches were applied
- Allocated the same weight to each methodology

Scenario Probabilities

- Assigned the following probabilities across valuation cases:
 - **Base Case — 70%**
 - **Upside Case — 15%**
 - **Downside Case — 15%**

EBITDA Multiples

DCF (1. Base Case)

| | 1. Base Case | 2. Upside Case | 3. Downside Case | | 2025/12/31 | 2026/12/31 | 2027/12/31 | 2028/12/31~ |
|------------------------------------|---------------|----------------|------------------|------------------------------------|--------------|---------------------|------------|-------------|
| | | | | Operating Income (EBIT) | 913 | 1,196 | 1,290 | 1,309 |
| | | | | % EBIT Margin | 4.9% | 6.4% | 6.8% | 6.8% |
| EBITDA (FY 2027) | 2,145 | 2,183 | 1,964 | Free Cash Flows | 562 | 883 | 882 | 985 |
| Multiple | 5.2x | 5.2x | 5.2x | Terminal Value | | | | 11,587 |
| Enterprise Value | 11,119 | 11,316 | 10,179 | Present Value Factor @10.0% | 0.99 | 0.93 | 0.85 | |
| | | | | PV of Free Cash Flows | 139 | 822 | 746 | 9,807 |
| +) Cash | 810 | 810 | 810 | EBITDA | 1,802 | 2,061 | 2,145 | 2,177 |
| -) Debts | 9,173 | 9,173 | 9,173 | % EBITDA margin | 9.7% | 11.1% | 11.3% | 11.3% |
| Equity Value | 2,756 | 2,953 | 1,816 | Total Enterprise Value | 11,514 | | | |
| # of Shares in millions | 286 | 286 | 286 | +) Cash | 810 | | | |
| Equity Value per share (\$) | 9.6 | 10.3 | 6.4 | -) Debts & Leases | 9,173 | | | |
| | | | | Equity Value | 3,151 | | | |
| | | | | # of Shares in millions | 286.0 | | | |
| | | | | Equity Value per share (\$) | 11.0 | 36.0% Upside | | |

Key Risks & Mitigators

Risks

1. Weakening Consumer Confidence

- Slowdown in passenger vehicle growth
- Reduction in e-commerce-related freight
- Increased price sensitivity

2. Cost Inflation

- Surge in labor costs and raw material prices

3. Technological Disruptions

- e.g. Airless tires

Mitigators

- Goodyear's replacement tire business is robust + the aftermarket service segment should grow in this scenario.
- Goodyear's lower-cost tire range can sustain GT through more challenging macro environments
- GT is investing significantly in automation + IoT to make their factories more efficient. They also continue to have a very diversified supply chain
- GT has partnered with leading AI & electronic component developers to design "smart tires" and stay ahead of competition

Thank You

Appendix Slides

Other Demand Catalysts

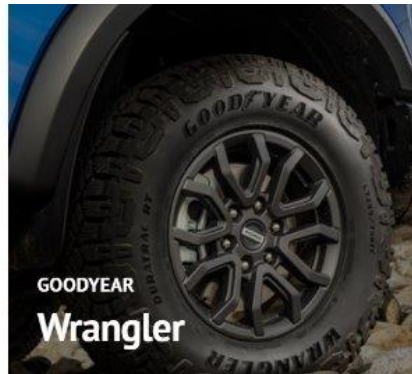


| DRIVER | (~) % IMPACT ON CAGR FORECAST | GEOGRAPHIC RELEVANCE | IMPACT TIMELINE |
|---|-------------------------------|--|------------------------------|
| Electrification-Led Demand for Ultra-Low-Noise Tires | +1.8% | European Union | Medium term (2-4 years) |
| Mandatory Low-RRR Tire Adoption Under China Phase-6 Norms | +1.2% | China; spillover Asia-Pacific | Medium term (2-4 years) |
| IoT-Enabled Smart-Tire Contracts In North-American Fleets | +0.9% | North America | Long term (≥ 4 years) |
| On-Shored Synthetic-Rubber Capacity Via U.S. IRA | +0.7% | United States; spillover North America | Medium term (2-4 years) |
| 18-Inch-Plus Rim Boom in Indian SUVs | +0.5% | India; spillover Asia-Pacific | Short term (≤ 2 years) |
| EU-2024 Tire-Label Reform Boosting A-Rated Replacements | +0.3% | European Union | Short term (≤ 2 years) |

Product Differentiators



- Partnership with TDK to increase GT's technology edge relative to competitors
 - With real-time information about tire wear, road conditions, etc. stopping distances can be reduced by 5.75 ft
 - Range boost is also especially valuable



- Wide range of tires will help GT stay resilient through different macro environments

Key factors behind the recent drop in revenues (1)



1. Decline in Replacement Volume & Consumer Channel Destocking

- Goodyear's Q3 2025 net sales in the Americas fell ~4.2% YoY
- Replacement unit volume declined ~8.1% in the U.S. due to high channel inventories and increased low-cost imports.
- This drop directly reduces top line and reduces factory utilization, increasing fixed cost absorption — hurting margin.

2. Raw Material & Inflationary Cost Pressure

- Raw material headwind in Q3 2025: ~US\$81 million
- Inflation and “other costs” amounted to ~US\$137 million headwind in the quarter.

3. Tariff / Import-Related Pressures & Pricing/Mix Drag

- Goodyear noted “industry disruption ... shifts in global trade – including a surge of low-cost imports” in Q2 2025.
- In Q3 2025, tariff-related costs were said to be ~US\$40 million in the quarter and annualised ~US\$300 million.
- Such trade pressures impair price/mix and/or force Goodyear to discount or absorb costs, undermining both revenue growth and margin.

Key factors behind the recent drop in revenues (2)



4. Portfolio / Scope Changes & Divestitures

- Asia Pacific region sales dropped ~18.9% YoY in Q3 2025, partly because the OTR tire business was sold.
- Segment operating income decline includes “non-recurrence of insurance recoveries” and business divestiture impact.
- While strategically positive long-term, such scope changes create near-term headwinds to revenue and margin until repositioning benefits kick in.

5. Commercial/Original Equipment (OE) Weakness in Some Markets

- In the Americas, OE consumer tire unit volume grew 4.1% in Q3, but commercial replacement faced “sharp contraction in industry demand.”
- OE unit volume in Asia-Pacific decreased ~8.8% YoY.

Since OE tends to have lower margins than replacement in some cases, weak commercial demand weighs on revenue growth and margin.

Major Shareholders (> 1.0% in shares)

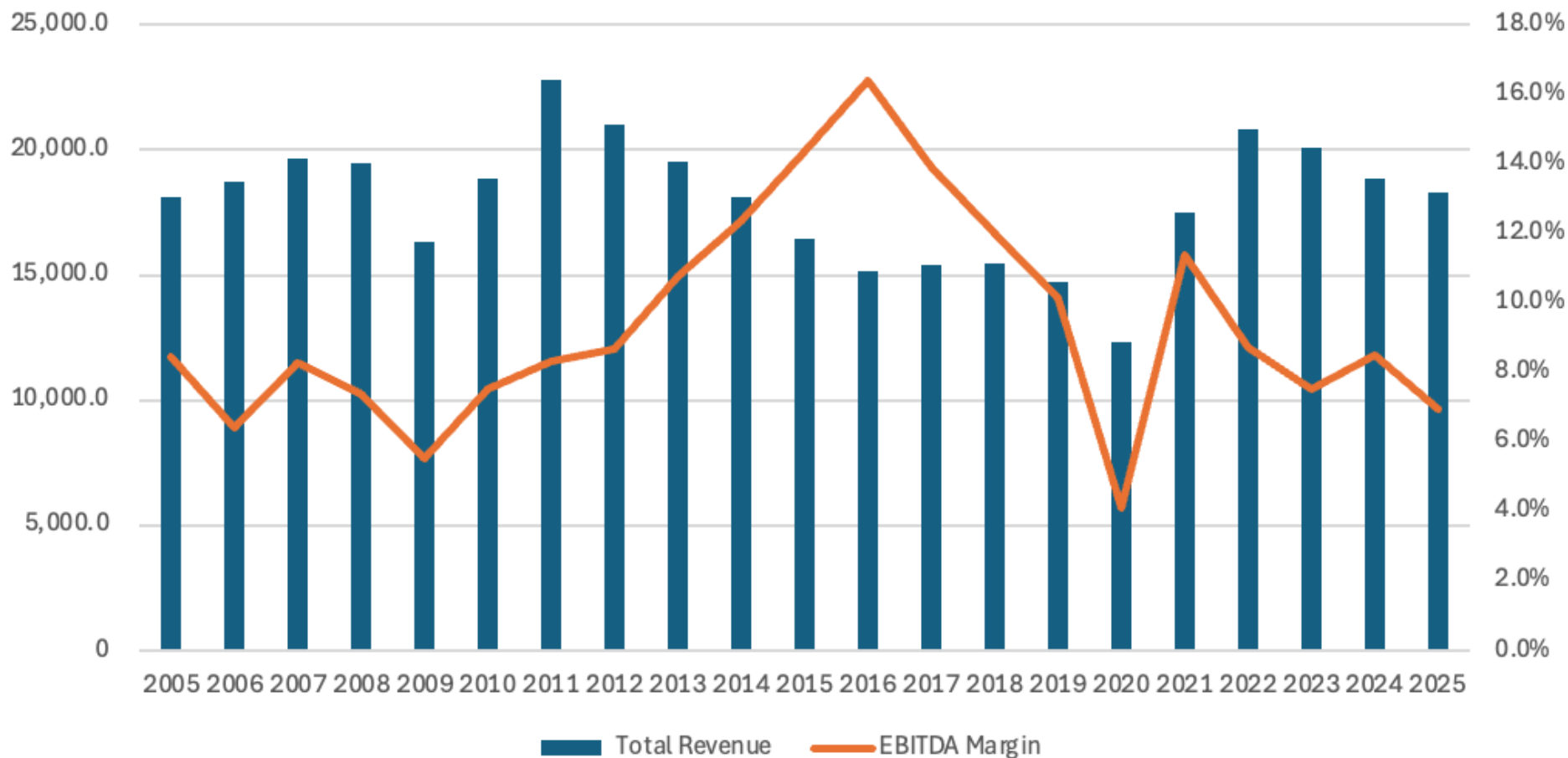


| Holder | Common Stock Equivalent Held | % Of Share |
|--|---------------------------------|------------|
| BlackRock, Inc. (NYSE:BLK) | 33,569,859 | 11.731 |
| The Vanguard Group, Inc. | 27,950,476 | 9.767 |
| Wellington Management Group LLP | 26,381,396 | 9.219 |
| Dimensional Fund Advisors LP | 14,704,063 | 5.138 |
| American Century Investment Management Inc | 12,457,220 | 4.353 |
| State Street Global Advisors, Inc. | 10,413,354 | 3.639 |
| Hagan, Dan | 10,000,000 | 3.495 |
| Geode Capital Management, LLC | 6,795,319 | 2.375 |
| Maple Rock Capital Partners Inc. | 6,471,446 | 2.261 |
| Victory Capital Management Inc. | 5,267,269 | 1.841 |
| Appaloosa Management L.P. | 5,140,000 | 1.796 |
| LSV Asset Management | 4,884,853 | 1.707 |
| Massachusetts Financial Services Company | 4,318,320 | 1.509 |
| AQR Capital Management, LLC | 3,873,545 | 1.354 |
| Charles Schwab Investment Management, Inc. | 3,784,034 | 1.322 |
| Newport Trust Company, Asset Management Arm | 3,722,057 | 1.301 |
| Northern Trust Global Investments | 3,658,278 | 1.278 |
| Marshall Wace LLP | 3,641,798 | 1.273 |
| Segall Bryant & Hamill, LLC | 3,516,608 | 1.229 |
| Bridgeway Capital Management, LLC | 3,267,872 | 1.142 |
| Morgan Stanley, Investment Banking and Brokerage Investments | 3,255,634 | 1.138 |
| UBS Asset Management AG | 3,047,001 | 1.065 |

Historical Revenue and EBITDA Margin



Historical Revenue and EBITDA Margin



DCF (1. Base Case)

Assumptions

| | |
|-----------------------|-------------|
| Valuation Date | 2025/9/30 |
| Discount Rate | 10.0% |
| Perpetual Growth Rate | 1.5% |
| Unit | Million USD |

1. Base Case

| DCF Method | Actual | | | | | | Forecast | | | Residual |
|-----------------------------|------------|------------|------------|------------|------------|---------------------|------------|------------|------------|-------------|
| | 2020/12/31 | 2021/12/31 | 2022/12/31 | 2023/12/31 | 2024/12/31 | 2024/10/1-2025/9/30 | 2025/12/31 | 2026/12/31 | 2027/12/31 | 2028/12/31~ |
| Revenue | 12,321 | 17,478 | 20,805 | 20,066 | 18,878 | 18,310 | 18,538 | 18,599 | 18,968 | 19,252 |
| % Growth Rate | n/a | 41.9% | 19.0% | -3.6% | -5.9% | n/a | -1.8% | 0.3% | 2.0% | 1.5% |
| -) COGS | 10,232 | 13,582 | 16,953 | 16,560 | 15,294 | 15,082 | | | | |
| -) SG&A | 2,336 | 2,791 | 2,976 | 2,962 | 2,881 | 2,809 | | | | |
| Operating Income (EBIT) | -247 | 1,105 | 876 | 544 | 703 | 419 | 913 | 1,196 | 1,290 | 1,309 |
| % EBIT Margin | -2.0% | 6.3% | 4.2% | 2.7% | 3.7% | 2.3% | 4.9% | 6.4% | 6.8% | 6.8% |
| -) Tax Expense | | | | | | | 192 | 251 | 271 | 275 |
| % Effective Tax Rate | | | | | | | 21.0% | 21.0% | 21.0% | 21.0% |
| NOPAT | | | | | | | 721 | 944 | 1,019 | 1,034 |
| -) Increase in NWC | | | | | | | 159 | 11 | 64 | 49 |
| +) D&A | | | | | | | 889 | 865 | 855 | 868 |
| -) Capex | | | | | | | 890 | 916 | 928 | 868 |
| Free Cash Flows | | | | | | | 562 | 883 | 882 | 985 |
| Terminal Value | | | | | | | | | | 11,587 |
| Partial Period | | | | | | | 0.25 | 1.00 | 1.00 | |
| Mid-Year Convention | | | | | | | 0.125 | 0.75 | 1.75 | |
| Present Value Factor @10.0% | | | | | | | 0.988 | 0.931 | 0.846 | |
| PV of Free Cash Flows | | | | | | | 139 | 822 | 746 | 9,807 |
| EBITDA | 507 | 1,987 | 1,810 | 1,509 | 1,606 | 1,335 | 1,802 | 2,061 | 2,145 | 2,177 |
| % EBITDA margin | 4.1% | 11.4% | 8.7% | 7.5% | 8.5% | 7.3% | 9.7% | 11.1% | 11.3% | 11.3% |

| | |
|-----------------------------|--------|
| Total Enterprise Value | 11,514 |
| +) Cash | 810 |
| -) Debts & Leases | 9,173 |
| -) Debt Like Items | 0 |
| Equity Value | 3,151 |
| # of Shares in millions | 286 |
| Equity Value per share (\$) | 11.0 |
| Current Stock Price | 8.1 |
| Upside or Downside | 36.0% |

| Sensitivity Analysis | | | | | |
|--|-------|-------|--------|--------|--------|
| (Vertical: Long Term Growth Rate, Horizontal: Discount Rate) | | | | | |
| | 9.60% | 9.80% | 10.00% | 10.20% | 10.40% |
| 1.10% | 11.6 | 10.7 | 9.8 | 8.9 | 8.1 |
| 1.30% | 12.3 | 11.3 | 10.4 | 9.5 | 8.7 |
| 1.50% | 13.0 | 12.0 | 11.0 | 10.1 | 9.2 |
| 1.70% | 13.7 | 12.7 | 11.7 | 10.7 | 9.8 |
| 1.90% | 14.5 | 13.4 | 12.4 | 11.4 | 10.5 |

Balance Sheet (1. Base Case)

| (Million USD) | | | | | | | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1. Base Case | | | | | | | | | | |
| Balance Sheet | | | Actual | | LTM | | Forecast | | Residual | |
| | 2020/12/31 | 2021/12/31 | 2022/12/31 | 2023/12/31 | 2024/12/31 | 2025/9/30 | 2025/12/31 | 2026/12/31 | 2027/12/31 | 2028/12/31~ |
| Revenue | 12,321 | 17,478 | 20,805 | 20,066 | 18,878 | 18,310 | 18,538 | 18,599 | 18,968 | 19,252 |
| %Growth Rate | n/a | 41.9% | 19.0% | -3.6% | -5.9% | n/a | 1.2% | 0.3% | 2.0% | 1.5% |
| Cash & Cash Equivalents | 1,539 | 1,088 | 1,227 | 902 | 810 | 810 | 1,372 | 2,255 | 3,137 | 4,122 |
| Accounts Receivables | 1,690 | 2,377 | 2,605 | 2,729 | 2,450 | 3,177 | 3,217 | 3,227 | 3,291 | 3,340 |
| Inventory | 2,153 | 3,594 | 4,571 | 3,698 | 3,597 | 3,952 | 4,001 | 4,014 | 4,094 | 4,155 |
| Other Current Assets | 238 | 272 | 262 | 321 | 775 | 1,085 | 1,085 | 1,085 | 1,085 | 1,085 |
| Current Assets | 5,620 | 7,331 | 8,665 | 7,650 | 7,632 | 9,024 | 9,675 | 10,582 | 11,607 | 12,703 |
| Net PP&E | 7,924 | 9,326 | 9,270 | 9,477 | 9,033 | 8,964 | 8,964 | 9,015 | 9,088 | 9,088 |
| Goodwill & Other Intangibles | 543 | 2,043 | 2,018 | 1,750 | 1,561 | 712 | 712 | 712 | 712 | 712 |
| Long-term Investments | 77 | 72 | 60 | 22 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Tax Assets, LT | 1,467 | 1,596 | 1,443 | 1,630 | 1,686 | 357 | 357 | 357 | 357 | 357 |
| Other Intangibles | 875 | 1,034 | 975 | 1,053 | 1,052 | 1,165 | 1,165 | 1,165 | 1,165 | 1,165 |
| Non-Current Assets | 10,886 | 14,071 | 13,766 | 13,932 | 13,332 | 11,198 | 11,198 | 11,249 | 11,322 | 11,322 |
| Total Assets | 16,506 | 21,402 | 22,431 | 21,582 | 20,964 | 20,222 | 20,873 | 21,831 | 22,929 | 24,025 |
| Accounts Payable | 2,945 | 4,148 | 4,803 | 4,326 | 4,052 | 3,944 | 3,993 | 4,006 | 4,086 | 4,147 |
| Accrued Exp. | 556 | 710 | 663 | 690 | 630 | 611 | 611 | 611 | 611 | 611 |
| Short-term Borrowings | 406 | 406 | 395 | 344 | 558 | 573 | 573 | 573 | 573 | 573 |
| Curr. Port. of LT Debt | 134 | 325 | 220 | 439 | 822 | 219 | 219 | 219 | 219 | 219 |
| Curr. Port. of Leases | 216 | 222 | 207 | 210 | 210 | 204 | 204 | 204 | 204 | 204 |
| Other Current Liabilities | 849 | 801 | 852 | 1,138 | 1,065 | 1,559 | 1,559 | 1,559 | 1,559 | 1,559 |
| Current Liabilities | 5,106 | 6,612 | 7,140 | 7,147 | 7,337 | 7,110 | 7,159 | 7,172 | 7,252 | 7,313 |
| Long-Term Debt | 5,200 | 6,411 | 7,020 | 6,573 | 6,141 | 7,264 | 7,264 | 7,264 | 7,264 | 7,264 |
| Long-Term Leases | 916 | 1,056 | 1,068 | 1,083 | 1,055 | 913 | 913 | 913 | 913 | 913 |
| Unearned Revenue, Non-Current | 27 | 21 | 15 | 10 | 6 | 0 | 0 | 0 | 0 | 0 |
| Pension & Other Post-Retire. Benefits | 1,201 | 1,150 | 759 | 772 | 607 | 0 | 0 | 0 | 0 | 0 |
| Def. Tax Liability, Non-Curr. | 84 | 135 | 134 | 83 | 108 | 106 | 106 | 106 | 106 | 106 |
| Other Non-Current Liabilities | 713 | 833 | 829 | 1,077 | 804 | 1,651 | 1,651 | 1,651 | 1,651 | 1,651 |
| Non-Current Liabilities | 8,141 | 9,606 | 9,825 | 9,598 | 8,721 | 9,934 | 9,934 | 9,934 | 9,934 | 9,934 |
| Total Liabilities | 13,247 | 16,218 | 16,965 | 16,745 | 16,058 | 17,044 | 17,093 | 17,106 | 17,186 | 17,247 |
| Common Stock | 233 | 282 | 283 | 284 | 285 | 286 | 286 | 286 | 286 | 286 |
| Additional Paid In Capital | 2,171 | 3,107 | 3,117 | 3,133 | 3,159 | 3,170 | 3,170 | 3,170 | 3,170 | 3,170 |
| Retained Earnings | 4,809 | 5,573 | 5,775 | 5,086 | 5,156 | 3,255 | 3,976 | 4,920 | 5,940 | 6,974 |
| Comprehensive Inc. and Other | -4,135 | -3,963 | -3,875 | -3,835 | -3,844 | -3,706 | -3,706 | -3,706 | -3,706 | -3,706 |
| Total Common Equity | 3,078 | 4,999 | 5,300 | 4,668 | 4,756 | 3,005 | 3,726 | 4,670 | 5,690 | 6,724 |
| Minority Interest | 181 | 185 | 166 | 169 | 150 | 173 | 173 | 173 | 173 | 173 |
| Total Equity | 3,259 | 5,184 | 5,466 | 4,837 | 4,906 | 3,178 | 3,899 | 4,843 | 5,863 | 6,897 |
| Total Liabilities and Equity | 16,506 | 21,402 | 22,431 | 21,582 | 20,964 | 20,222 | 20,992 | 21,950 | 23,048 | 24,144 |

Cashflow Statement (1. Base Case)



(Million USD)

| 1. Base Case | | | | | | | | | | |
|----------------------------|---------------|---------------|-------------|---------------|---------------|---------------|-------------|--------------|--------------|--------------|
| Cashflow Statement | Actual | | | | | | Forecast | | | |
| | 2020/12/31 | 2021/12/31 | 2022/12/31 | 2023/12/31 | 2024/12/31 | 2025/9/30 | 2025/12/31 | 2026/12/31 | 2027/12/31 | 2028/12/31~ |
| Net Income | -1,254 | 764 | 202 | -689 | 70 | -1,826 | 721 | 944 | 1,019 | 1,034 |
| D&A | 754 | 882 | 934 | 965 | 903 | 813 | 222 | 865 | 855 | 868 |
| Change in NWC | 871 | -359 | -689 | 299 | -82 | -1,210 | -159 | -11 | -64 | -49 |
| Other Operating Activities | 744 | -225 | 74 | 457 | -193 | 1,507 | 0 | 0 | 0 | 0 |
| CFO | 1,115 | 1,062 | 521 | 1,032 | 698 | -716 | 785 | 1,799 | 1,810 | 1,853 |
| Capex | -647 | -981 | -1,061 | -1,050 | -1,188 | -649 | -223 | -916 | -928 | -868 |
| Other Investing Activities | -20 | -1,812 | 147 | 15 | 183 | 1,312 | 0 | 0 | 0 | 0 |
| CFI | -667 | -2,793 | -914 | -1,035 | -1,005 | 663 | -223 | -916 | -928 | -868 |
| Total Net Debt Issued | 250 | 1,406 | 582 | -343 | 264 | 97 | 0 | 0 | 0 | 0 |
| Total Dividends Paid | -37 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Financing Activities | -10 | -106 | -7 | 10 | -39 | -5 | 0 | 0 | 0 | 0 |
| CFF | 203 | 1,309 | 575 | -333 | 225 | 92 | 0 | 0 | 0 | 0 |
| FX Rate Adjustment | -1 | -38 | -35 | 10 | -39 | 27 | 0 | 0 | 0 | 0 |
| Change in Cash | 650 | -460 | 147 | -326 | -121 | 66 | 562 | 883 | 882 | 985 |

DCF (2. Upside Case)

| Assumptions | | | | | | | | | | | |
|-----------------------------|-------------|------------|------------|------------|------------|---------------------|------------|------------|------------|-------------|----------|
| Valuation Date | 2025/9/30 | | | | | | | | | | |
| Discount Rate | 10.0% | | | | | | | | | | |
| Perpetual Growth Rate | 1.5% | | | | | | | | | | |
| Unit | Million USD | | | | | | | | | | |
| 2. Upside Case | | | | | | | | | | | |
| DCF Method | Actual | | | | | | LTM | Forecast | | | Residual |
| | 2020/12/31 | 2021/12/31 | 2022/12/31 | 2023/12/31 | 2024/12/31 | 2024/10/1-2025/9/30 | 2025/12/31 | 2026/12/31 | 2027/12/31 | 2028/12/31~ | |
| Revenue | 12,321 | 17,478 | 20,805 | 20,066 | 18,878 | 18,310 | 18,765 | 18,829 | 19,220 | 19,509 | |
| %Growth Rate | n/a | 41.9% | 19.0% | -3.6% | -5.9% | n/a | -0.6% | 0.3% | 2.1% | 1.5% | |
| -) COGS | 10,232 | 13,582 | 16,953 | 16,560 | 15,294 | 15,082 | | | | | |
| -) SG&A | 2,336 | 2,791 | 2,976 | 2,962 | 2,881 | 2,809 | | | | | |
| Operating Income (EBIT) | -247 | 1,105 | 876 | 544 | 703 | 419 | 944 | 1,230 | 1,328 | 1,348 | |
| % EBIT Margin | -2.0% | 6.3% | 4.2% | 2.7% | 3.7% | 2.3% | 5.0% | 6.5% | 6.9% | 6.9% | |
| -) Tax Expense | | | | | | | 198 | 258 | 279 | 283 | |
| % Effective Tax Rate | | | | | | | 21.0% | 21.0% | 21.0% | 21.0% | |
| NOPAT | | | | | | | 746 | 972 | 1,049 | 1,065 | |
| -) Increase in NWC | | | | | | | 316 | 11 | 68 | 50 | |
| +) D&A | | | | | | | 889 | 865 | 855 | 868 | |
| -) Capex | | | | | | | 890 | 916 | 928 | 868 | |
| Free Cash Flows | | | | | | | 429 | 910 | 908 | 1,015 | |
| Terminal Value | | | | | | | | | | 11,939 | |
| Partial Period | | | | | | | 0.25 | 1.00 | 1.00 | | |
| Mid-Year Convention | | | | | | | 0.125 | 0.75 | 1.75 | | |
| Present Value Factor @10.0% | | | | | | | 0.988 | 0.931 | 0.846 | | |
| PV of Free Cash Flows | | | | | | | 106 | 847 | 769 | 10,105 | |
| EBITDA | 507 | 1,987 | 1,810 | 1,509 | 1,606 | 1,335 | 1,833 | 2,095 | 2,183 | 2,216 | |
| % EBITDA margin | 4.1% | 11.4% | 8.7% | 7.5% | 8.5% | 7.3% | 9.8% | 11.1% | 11.4% | 11.4% | |

| | |
|-----------------------------|--------|
| Total Enterprise Value | 11,827 |
| +) Cash | 810 |
| -) Debts & Leases | 9,173 |
| -) Debt Like Items | 0 |
| Equity Value | 3,464 |
| # of Shares in millions | 286 |
| Equity Value per share (\$) | 12.1 |
| Current Stock Price | 8.1 |
| Upside or Downside | 49.5% |

| Sensitivity Analysis | | | | | |
|--|-------|-------|--------|--------|--------|
| (Vertical: Long Term Growth Rate, Horizontal: Discount Rate) | | | | | |
| | 9.60% | 9.80% | 10.00% | 10.20% | 10.40% |
| 1.10% | 12.7 | 11.7 | 10.8 | 10.0 | 9.1 |
| 1.30% | 13.4 | 12.4 | 11.5 | 10.6 | 9.7 |
| 1.50% | 14.1 | 13.1 | 12.1 | 11.2 | 10.3 |
| 1.70% | 14.9 | 13.8 | 12.8 | 11.8 | 10.9 |
| 1.90% | 15.7 | 14.6 | 13.5 | 12.5 | 11.5 |

Balance Sheet (2. Upside Case)

| (Million USD) | | | | | | | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2. Upside Case | | | | | | | | | | |
| Balance Sheet | Actual | | | LTM | | | Forecast | | | Residual |
| | 2020/12/31 | 2021/12/31 | 2022/12/31 | 2023/12/31 | 2024/12/31 | 2025/9/30 | 2025/12/31 | 2026/12/31 | 2027/12/31 | 2028/12/31~ |
| Revenue | 12,321 | 17,478 | 20,805 | 20,066 | 18,878 | 18,310 | 18,765 | 18,829 | 19,220 | 19,509 |
| %Growth Rate | n/a | 41.9% | 19.0% | -3.6% | -5.9% | n/a | 2.5% | 0.3% | 2.1% | 1.5% |
| Cash & Cash Equivalents | 1,539 | 1,088 | 1,227 | 902 | 810 | 810 | 1,239 | 2,149 | 3,057 | 4,072 |
| Accounts Receivables | 1,690 | 2,377 | 2,605 | 2,729 | 2,450 | 3,177 | 3,256 | 3,267 | 3,335 | 3,385 |
| Inventory | 2,153 | 3,594 | 4,571 | 3,698 | 3,597 | 3,952 | 4,050 | 4,064 | 4,148 | 4,211 |
| Other Current Assets | 238 | 272 | 262 | 321 | 775 | 1,085 | 1,085 | 1,085 | 1,085 | 1,085 |
| Current Assets | 5,620 | 7,331 | 8,665 | 7,650 | 7,632 | 9,024 | 9,630 | 10,565 | 11,626 | 12,753 |
| Net PP&E | 7,924 | 9,326 | 9,270 | 9,477 | 9,033 | 8,964 | 8,964 | 9,015 | 9,088 | 9,088 |
| Goodwill & Other Intangibles | 543 | 2,043 | 2,018 | 1,750 | 1,561 | 712 | 712 | 712 | 712 | 712 |
| Long-term Investments | 77 | 72 | 60 | 22 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Tax Assets, LT | 1,467 | 1,596 | 1,443 | 1,630 | 1,686 | 357 | 357 | 357 | 357 | 357 |
| Other Intangibles | 875 | 1,034 | 975 | 1,053 | 1,052 | 1,165 | 1,165 | 1,165 | 1,165 | 1,165 |
| Non-Current Assets | 10,886 | 14,071 | 13,766 | 13,932 | 13,332 | 11,198 | 11,198 | 11,249 | 11,322 | 11,322 |
| Total Assets | 16,506 | 21,402 | 22,431 | 21,582 | 20,964 | 20,222 | 20,829 | 21,814 | 22,948 | 24,075 |
| Accounts Payable | 2,945 | 4,148 | 4,803 | 4,326 | 4,052 | 3,944 | 4,042 | 4,056 | 4,140 | 4,202 |
| Accrued Exp. | 556 | 710 | 663 | 690 | 630 | 611 | 611 | 611 | 611 | 611 |
| Short-term Borrowings | 406 | 406 | 395 | 344 | 558 | 573 | 573 | 573 | 573 | 573 |
| Curr. Port. of LT Debt | 134 | 325 | 220 | 439 | 822 | 219 | 219 | 219 | 219 | 219 |
| Curr. Port. of Leases | 216 | 222 | 207 | 210 | 210 | 204 | 204 | 204 | 204 | 204 |
| Other Current Liabilities | 849 | 801 | 852 | 1,138 | 1,065 | 1,559 | 1,559 | 1,559 | 1,559 | 1,559 |
| Current Liabilities | 5,106 | 6,612 | 7,140 | 7,147 | 7,337 | 7,110 | 7,208 | 7,222 | 7,306 | 7,368 |
| Long-Term Debt | 5,200 | 6,411 | 7,020 | 6,573 | 6,141 | 7,264 | 7,264 | 7,264 | 7,264 | 7,264 |
| Long-Term Leases | 916 | 1,056 | 1,068 | 1,083 | 1,055 | 913 | 913 | 913 | 913 | 913 |
| Unearned Revenue, Non-Current | 27 | 21 | 15 | 10 | 6 | 0 | 0 | 0 | 0 | 0 |
| Pension & Other Post-Retire. Benefits | 1,201 | 1,150 | 759 | 772 | 607 | 0 | 0 | 0 | 0 | 0 |
| Def. Tax Liability, Non-Curr. | 84 | 135 | 134 | 83 | 108 | 106 | 106 | 106 | 106 | 106 |
| Other Non-Current Liabilities | 713 | 833 | 829 | 1,077 | 804 | 1,651 | 1,651 | 1,651 | 1,651 | 1,651 |
| Non-Current Liabilities | 8,141 | 9,606 | 9,825 | 9,598 | 8,721 | 9,934 | 9,934 | 9,934 | 9,934 | 9,934 |
| Total Liabilities | 13,247 | 16,218 | 16,965 | 16,745 | 16,058 | 17,044 | 17,142 | 17,156 | 17,240 | 17,302 |
| Common Stock | 233 | 282 | 283 | 284 | 285 | 286 | 286 | 286 | 286 | 286 |
| Additional Paid In Capital | 2,171 | 3,107 | 3,117 | 3,133 | 3,159 | 3,170 | 3,170 | 3,170 | 3,170 | 3,170 |
| Retained Earnings | 4,809 | 5,573 | 5,775 | 5,086 | 5,156 | 3,255 | 4,001 | 4,973 | 6,022 | 7,087 |
| Comprehensive Inc. and Other | -4,135 | -3,963 | -3,875 | -3,835 | -3,844 | -3,706 | -3,706 | -3,706 | -3,706 | -3,706 |
| Total Common Equity | 3,078 | 4,999 | 5,300 | 4,668 | 4,756 | 3,005 | 3,751 | 4,723 | 5,772 | 6,837 |
| Minority Interest | 181 | 185 | 166 | 169 | 150 | 173 | 173 | 173 | 173 | 173 |
| Total Equity | 3,259 | 5,184 | 5,466 | 4,837 | 4,906 | 3,178 | 3,924 | 4,896 | 5,945 | 7,010 |
| Total Liabilities and Equity | 16,506 | 21,402 | 22,431 | 21,582 | 20,964 | 20,222 | 21,066 | 22,052 | 23,185 | 24,312 |

Cashflow Statement (2. Upside Case)



(Million USD)

| 2. Upside Case | | | | | | | | | | |
|----------------------------|---------------|---------------|-------------|---------------|---------------|---------------|-------------|--------------|--------------|--------------|
| Cashflow Statement | Actual | | | | | | Forecast | | | |
| | 2020/12/31 | 2021/12/31 | 2022/12/31 | 2023/12/31 | 2024/12/31 | 2025/9/30 | 2025/12/31 | 2026/12/31 | 2027/12/31 | 2028/12/31~ |
| Net Income | -1,254 | 764 | 202 | -689 | 70 | -1,826 | 746 | 972 | 1,049 | 1,065 |
| D&A | 754 | 882 | 934 | 965 | 903 | 813 | 222 | 865 | 855 | 868 |
| Change in NWC | 871 | -359 | -689 | 299 | -82 | -1,210 | -316 | -11 | -68 | -50 |
| Other Operating Activities | 744 | -225 | 74 | 457 | -193 | 1,507 | 0 | 0 | 0 | 0 |
| CFO | 1,115 | 1,062 | 521 | 1,032 | 698 | -716 | 652 | 1,826 | 1,836 | 1,882 |
| Capex | -647 | -981 | -1,061 | -1,050 | -1,188 | -649 | -223 | -916 | -928 | -868 |
| Other Investing Activities | -20 | -1,812 | 147 | 15 | 183 | 1,312 | 0 | 0 | 0 | 0 |
| CFI | -667 | -2,793 | -914 | -1,035 | -1,005 | 663 | -223 | -916 | -928 | -868 |
| Total Net Debt Issued | 250 | 1,406 | 582 | -343 | 264 | 97 | 0 | 0 | 0 | 0 |
| Total Dividends Paid | -37 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Financing Activities | -10 | -106 | -7 | 10 | -39 | -5 | 0 | 0 | 0 | 0 |
| CFF | 203 | 1,309 | 575 | -333 | 225 | 92 | 0 | 0 | 0 | 0 |
| FX Rate Adjustment | -1 | -38 | -35 | 10 | -39 | 27 | 0 | 0 | 0 | 0 |
| Change in Cash | 650 | -460 | 147 | -326 | -121 | 66 | 429 | 910 | 908 | 1,015 |

DCF (3. Downside Case)

Assumptions

| | |
|-----------------------|-------------|
| Valuation Date | 2025/9/30 |
| Discount Rate | 10.0% |
| Perpetual Growth Rate | 1.5% |
| Unit | Million USD |

3. Downside Case

| DCF Method | Actual | | | | | | LTM | Forecast | | | Residual |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------------|-----|---------------|---------------|---------------|---------------|
| | 2020/12/31 | 2021/12/31 | 2022/12/31 | 2023/12/31 | 2024/12/31 | 2024/10/1-2025/9/30 | | 2025/12/31 | 2026/12/31 | 2027/12/31 | 2028/12/31~ |
| Revenue | 12,321 | 17,478 | 20,805 | 20,066 | 18,878 | 18,310 | | 18,217 | 18,271 | 18,599 | 18,878 |
| % Growth Rate | n/a | 41.9% | 19.0% | -3.6% | -5.9% | n/a | | -3.5% | 0.3% | 1.8% | 1.5% |
| -) COGS | 10,232 | 13,582 | 16,953 | 16,560 | 15,294 | 15,082 | | | | | |
| -) SG&A | 2,336 | 2,791 | 2,976 | 2,962 | 2,881 | 2,809 | | | | | |
| Operating Income (EBIT) | -247 | 1,105 | 876 | 544 | 703 | 419 | | 745 | 1,022 | 1,109 | 1,125 |
| % EBIT Margin | -2.0% | 6.3% | 4.2% | 2.7% | 3.7% | 2.3% | | 4.1% | 5.6% | 6.0% | 6.0% |
| -) Tax Expense | | | | | | | | 156 | 215 | 233 | 236 |
| % Effective Tax Rate | | | | | | | | 21.0% | 21.0% | 21.0% | 21.0% |
| NOPAT | | | | | | | | 588 | 808 | 876 | 889 |
| -) Increase in NWC | | | | | | | | -65 | 9 | 57 | 49 |
| +) D&A | | | | | | | | 889 | 865 | 855 | 868 |
| -) Capex | | | | | | | | 890 | 916 | 928 | 868 |
| Free Cash Flows | | | | | | | | 652 | 747 | 746 | 841 |
| Terminal Value | | | | | | | | | | | 9,889 |
| Partial Period | | | | | | | | 0.25 | 1.00 | 1.00 | |
| Mid-Year Convention | | | | | | | | 0.125 | 0.75 | 1.75 | |
| Present Value Factor @10.0% | | | | | | | | 0.988 | 0.931 | 0.846 | |
| PV of Free Cash Flows | | | | | | | | 161 | 696 | 631 | 8,370 |
| EBITDA | 507 | 1,987 | 1,810 | 1,509 | 1,606 | 1,335 | | 1,634 | 1,887 | 1,964 | 1,993 |
| % EBITDA margin | 4.1% | 11.4% | 8.7% | 7.5% | 8.5% | 7.3% | | 9.0% | 10.3% | 10.6% | 10.6% |

| | |
|------------------------------------|---------------|
| Total Enterprise Value | 9,858 |
| +) Cash | 810 |
| -) Debts & Leases | 9,173 |
| -) Debt Like Items | 0 |
| Equity Value | 1,495 |
| # of Shares in millions | 286 |
| Equity Value per share (\$) | 5.2 |
| Current Stock Price | 8.1 |
| Upside or Downside | -35.5% |

| Sensitivity Analysis | | | | | |
|--|-------|-------|--------|--------|--------|
| (Vertical: Long Term Growth Rate, Horizontal: Discount Rate) | | | | | |
| | 9.60% | 9.80% | 10.00% | 10.20% | 10.40% |
| 1.10% | 5.8 | 5.0 | 4.2 | 3.5 | 2.8 |
| 1.30% | 6.3 | 5.5 | 4.7 | 4.0 | 3.3 |
| 1.50% | 6.9 | 6.0 | 5.2 | 4.5 | 3.7 |
| 1.70% | 7.5 | 6.6 | 5.8 | 5.0 | 4.2 |
| 1.90% | 8.1 | 7.2 | 6.3 | 5.5 | 4.7 |

Balance Sheet

(3. Downside Case)

| (Million USD) | | | | | | | | | | |
|---------------------------------------|------------|------------|------------|------------|------------|-----------|------------|------------|------------|-------------|
| 3. Downside Case | | | | | | | | | | |
| Balance Sheet | Actual | | | | | LTM | Forecast | | | Residual |
| | 2020/12/31 | 2021/12/31 | 2022/12/31 | 2023/12/31 | 2024/12/31 | 2025/9/30 | 2025/12/31 | 2026/12/31 | 2027/12/31 | 2028/12/31~ |
| Revenue | 12,321 | 17,478 | 20,805 | 20,066 | 18,878 | 18,310 | 18,217 | 18,271 | 18,599 | 18,878 |
| %Growth Rate | n/a | 41.9% | 19.0% | -3.6% | -5.9% | n/a | -0.5% | 0.3% | 1.8% | 1.5% |
| Cash & Cash Equivalents | 1,539 | 1,088 | 1,227 | 902 | 810 | 810 | 1,463 | 2,210 | 2,956 | 3,797 |
| Accounts Receivables | 1,690 | 2,377 | 2,605 | 2,729 | 2,450 | 3,177 | 3,161 | 3,170 | 3,227 | 3,276 |
| Inventory | 2,153 | 3,594 | 4,571 | 3,698 | 3,597 | 3,952 | 3,932 | 3,944 | 4,014 | 4,075 |
| Other Current Assets | 238 | 272 | 262 | 321 | 775 | 1,085 | 1,085 | 1,085 | 1,085 | 1,085 |
| Current Assets | 5,620 | 7,331 | 8,665 | 7,650 | 7,632 | 9,024 | 9,641 | 10,409 | 11,283 | 12,232 |
| Net PP&E | 7,924 | 9,326 | 9,270 | 9,477 | 9,033 | 8,964 | 8,964 | 9,015 | 9,088 | 9,088 |
| Goodwill & Other Intangibles | 543 | 2,043 | 2,018 | 1,750 | 1,561 | 712 | 712 | 712 | 712 | 712 |
| Long-term Investments | 77 | 72 | 60 | 22 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Tax Assets, LT | 1,467 | 1,596 | 1,443 | 1,630 | 1,686 | 357 | 357 | 357 | 357 | 357 |
| Other Intangibles | 875 | 1,034 | 975 | 1,053 | 1,052 | 1,165 | 1,165 | 1,165 | 1,165 | 1,165 |
| Non-Current Assets | 10,886 | 14,071 | 13,766 | 13,932 | 13,332 | 11,198 | 11,198 | 11,249 | 11,322 | 11,322 |
| Total Assets | 16,506 | 21,402 | 22,431 | 21,582 | 20,964 | 20,222 | 20,839 | 21,658 | 22,605 | 23,554 |
| Accounts Payable | 2,945 | 4,148 | 4,803 | 4,326 | 4,052 | 3,944 | 3,924 | 3,936 | 4,006 | 4,066 |
| Accrued Exp. | 556 | 710 | 663 | 690 | 630 | 611 | 611 | 611 | 611 | 611 |
| Short-term Borrowings | 406 | 406 | 395 | 344 | 558 | 573 | 573 | 573 | 573 | 573 |
| Curr. Port. of LT Debt | 134 | 325 | 220 | 439 | 822 | 219 | 219 | 219 | 219 | 219 |
| Curr. Port. of Leases | 216 | 222 | 207 | 210 | 210 | 204 | 204 | 204 | 204 | 204 |
| Other Current Liabilities | 849 | 801 | 852 | 1,138 | 1,065 | 1,559 | 1,559 | 1,559 | 1,559 | 1,559 |
| Current Liabilities | 5,106 | 6,612 | 7,140 | 7,147 | 7,337 | 7,110 | 7,090 | 7,102 | 7,172 | 7,232 |
| Long-Term Debt | 5,200 | 6,411 | 7,020 | 6,573 | 6,141 | 7,264 | 7,264 | 7,264 | 7,264 | 7,264 |
| Long-Term Leases | 916 | 1,056 | 1,068 | 1,083 | 1,055 | 913 | 913 | 913 | 913 | 913 |
| Unearned Revenue, Non-Current | 27 | 21 | 15 | 10 | 6 | 0 | 0 | 0 | 0 | 0 |
| Pension & Other Post-Retire. Benefits | 1,201 | 1,150 | 759 | 772 | 607 | 0 | 0 | 0 | 0 | 0 |
| Def. Tax Liability, Non-Curr. | 84 | 135 | 134 | 83 | 108 | 106 | 106 | 106 | 106 | 106 |
| Other Non-Current Liabilities | 713 | 833 | 829 | 1,077 | 804 | 1,651 | 1,651 | 1,651 | 1,651 | 1,651 |
| Non-Current Liabilities | 8,141 | 9,606 | 9,825 | 9,598 | 8,721 | 9,934 | 9,934 | 9,934 | 9,934 | 9,934 |
| Total Liabilities | 13,247 | 16,218 | 16,965 | 16,745 | 16,058 | 17,044 | 17,024 | 17,036 | 17,106 | 17,166 |
| Common Stock | 233 | 282 | 283 | 284 | 285 | 286 | 286 | 286 | 286 | 286 |
| Additional Paid In Capital | 2,171 | 3,107 | 3,117 | 3,133 | 3,159 | 3,170 | 3,170 | 3,170 | 3,170 | 3,170 |
| Retained Earnings | 4,809 | 5,573 | 5,775 | 5,086 | 5,156 | 3,255 | 3,843 | 4,651 | 5,527 | 6,416 |
| Comprehensive Inc. and Other | -4,135 | -3,963 | -3,875 | -3,835 | -3,844 | -3,706 | -3,706 | -3,706 | -3,706 | -3,706 |
| Total Common Equity | 3,078 | 4,999 | 5,300 | 4,668 | 4,756 | 3,005 | 3,593 | 4,401 | 5,277 | 6,166 |
| Minority Interest | 181 | 185 | 166 | 169 | 150 | 173 | 173 | 173 | 173 | 173 |
| Total Equity | 3,259 | 5,184 | 5,466 | 4,837 | 4,906 | 3,178 | 3,766 | 4,574 | 5,450 | 6,339 |
| Total Liabilities and Equity | 16,506 | 21,402 | 22,431 | 21,582 | 20,964 | 20,222 | 20,790 | 21,610 | 22,556 | 23,505 |

Cashflow Statement (3. Downside Case)



(Million USD)

3. Downside Case

| Cashflow Statement | Actual | | | | | | Forecast | | | |
|----------------------------|---------------|---------------|-------------|---------------|---------------|---------------|-------------|--------------|--------------|--------------|
| | 2020/12/31 | 2021/12/31 | 2022/12/31 | 2023/12/31 | 2024/12/31 | 2025/9/30 | 2025/12/31 | 2026/12/31 | 2027/12/31 | 2028/12/31~ |
| Net Income | -1,254 | 764 | 202 | -689 | 70 | -1,826 | 588 | 808 | 876 | 889 |
| D&A | 754 | 882 | 934 | 965 | 903 | 813 | 222 | 865 | 855 | 868 |
| Change in NWC | 871 | -359 | -689 | 299 | -82 | -1,210 | 65 | -9 | -57 | -49 |
| Other Operating Activities | 744 | -225 | 74 | 457 | -193 | 1,507 | 0 | 0 | 0 | 0 |
| CFO | 1,115 | 1,062 | 521 | 1,032 | 698 | -716 | 875 | 1,663 | 1,674 | 1,708 |
| Capex | -647 | -981 | -1,061 | -1,050 | -1,188 | -649 | -223 | -916 | -928 | -868 |
| Other Investing Activities | -20 | -1,812 | 147 | 15 | 183 | 1,312 | 0 | 0 | 0 | 0 |
| CFI | -667 | -2,793 | -914 | -1,035 | -1,005 | 663 | -223 | -916 | -928 | -868 |
| Total Net Debt Issued | 250 | 1,406 | 582 | -343 | 264 | 97 | 0 | 0 | 0 | 0 |
| Total Dividends Paid | -37 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Financing Activities | -10 | -106 | -7 | 10 | -39 | -5 | 0 | 0 | 0 | 0 |
| CFF | 203 | 1,309 | 575 | -333 | 225 | 92 | 0 | 0 | 0 | 0 |
| FX Rate Adjustment | -1 | -38 | -35 | 10 | -39 | 27 | 0 | 0 | 0 | 0 |
| Change in Cash | 650 | -460 | 147 | -326 | -121 | 66 | 653 | 747 | 746 | 841 |

Weighted Average Cost of Capital



Selection Criteria

- Companies categorized into the same group as Goodyear on Capital IQ
- Mainly offered the similar rubber products

Market Data Reference Date 2025/11/21

Comparable Company Analysis

(Million in Local Currencies)

| Comparable Companies | Ticker | Currency | Market Cap | Minority interest | Total Equity | Total Debt | Cash | Net Debt | Enterprise Value | Equity/Capital | Beta (5Y) |
|--------------------------------|-----------|----------|------------|-------------------|--------------|------------|---------|----------|------------------|----------------|-----------|
| Bridgestone Corporation | TSE:5108 | JPY | 4,650,592 | 53,176 | 4,703,768 | 801,391 | 557,294 | 244,097 | 4,947,865 | 95.1% | 0.33 |
| Michelin Société | ENXTPA:XL | EUR | 19,234 | 13 | 19,247 | 7,523 | 3,119 | 4,404 | 23,651 | 81.4% | 0.90 |
| Continental Aktiengesellschaft | XTRA:CON | EUR | 12,548 | 215 | 12,763 | 7,592 | 1,371 | 6,221 | 18,984 | 67.2% | 1.28 |
| Titan International, Inc. | NYSE:TWI | USD | 490 | 5 | 495 | 709 | 205 | 504 | 999 | 49.6% | 1.40 |
| Median | | | | | | | | | | 74.3% | 1.09 |

Cost of Debt

| | |
|-------------------------|---|
| Pretax Rate on Debt (i) | 8.6% Spot B-Rated 20-years Corporate Bond |
| Effective Tax Rate (t) | 21.0% General Corporate Tax Rate |

Cost of Debt 6.8%

Cost of Equity

| | |
|---------------------|------------------------------------|
| Risk-Free Rate (Rf) | 4.7% Spot 20-years Government Bond |
| Equity Risk Premium | 6.0% |
| Beta | 1.09 |

Cost of Equity 11.2%

WACC

| | Cost | Weighting (Industry Median) | | | |
|--------|-------|-----------------------------|-------|---|------|
| Debt | 6.8% | x | 25.7% | = | 1.7% |
| Equity | 11.2% | x | 74.3% | = | 8.3% |

WACC (Rounded) 10.0%

Multiples of Comparable Companies

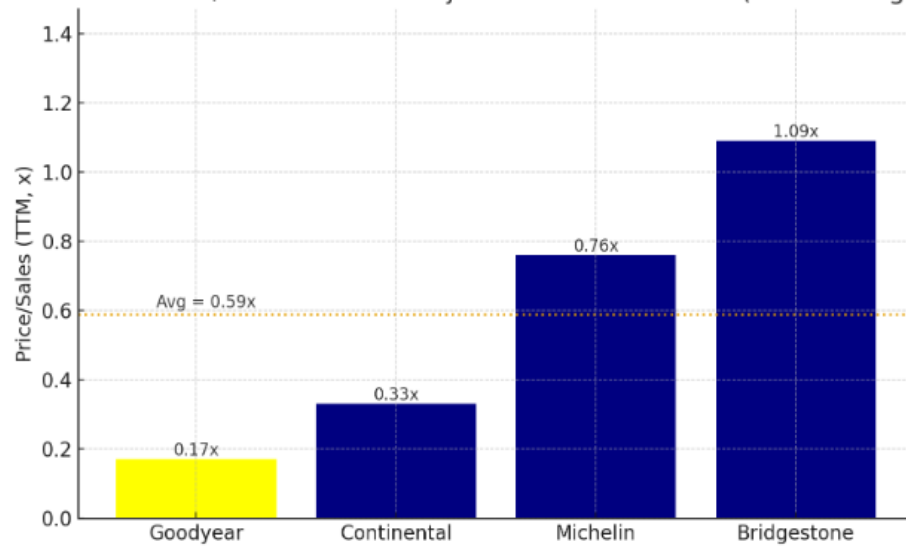


| Multiple Calculation | | (Million in Local Currencies) | | | | |
|--------------------------------|-----------|-------------------------------|----------------|---------------|-----------------|---------------|
| Comparable Companies | Ticker | Enterprise Value | Revenue (FY+2) | EBITDA (FY+2) | EBITDA Multiple | EBITDA Margin |
| Bridgestone Corporation | TSE:5108 | 4,947,865 | 4,716,061 | 983,410 | 5.0x | 20.9% |
| Michelin Société | ENXTPA:XL | 23,651 | 27,517 | 5,407 | 4.4x | 19.6% |
| Continental Aktiengesellschaft | XTRA:CON | 18,984 | 20,361 | 3,557 | 5.3x | 17.5% |
| Titan International, Inc. | NYSE:TWI | 999 | 2,050 | 150 | 6.7x | 7.3% |
| Median | | | | | 5.2x | 18.6% |

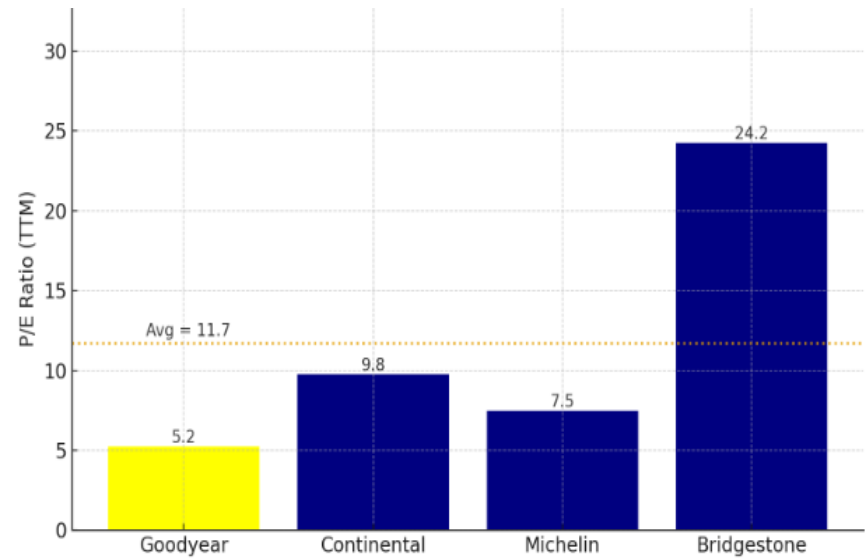
Multiples



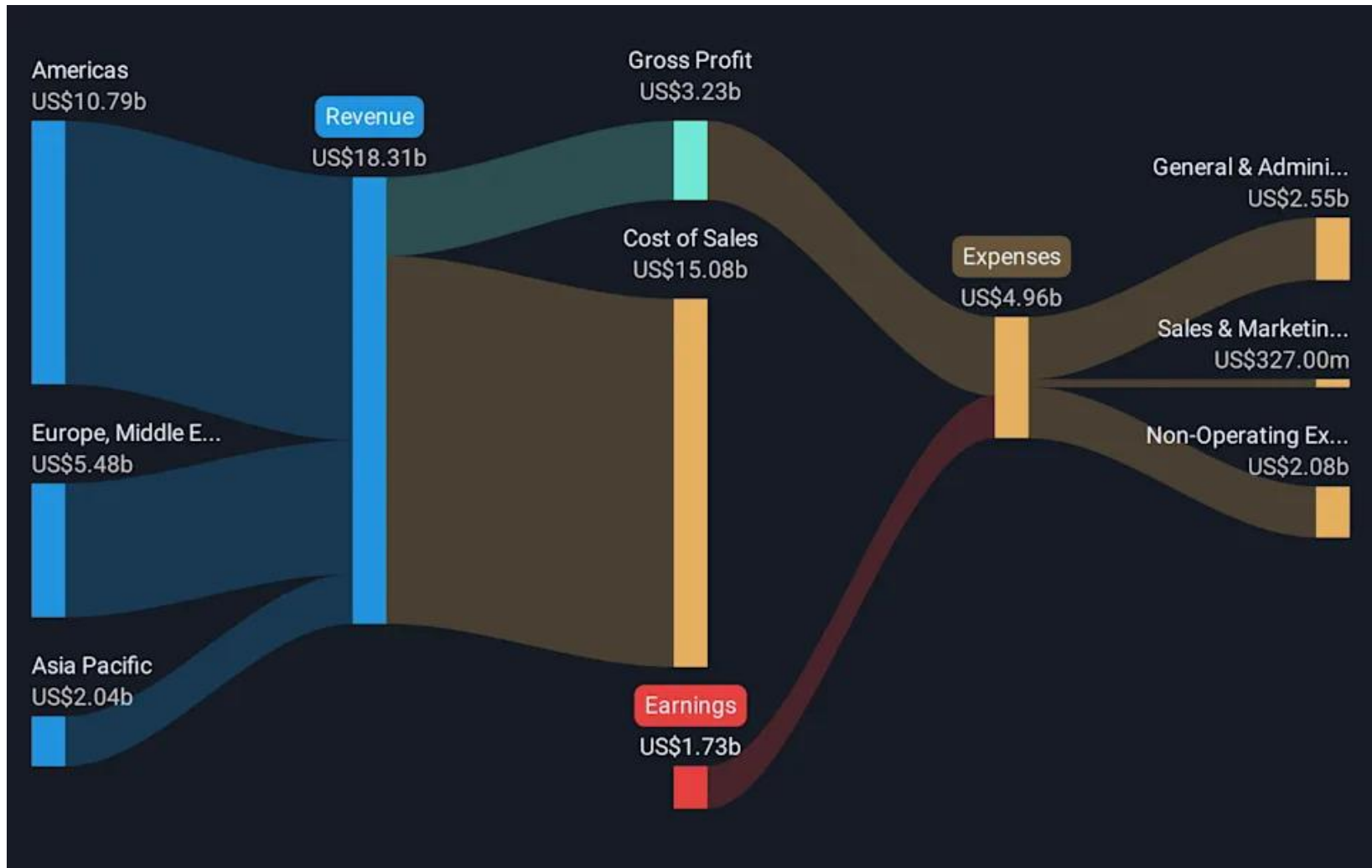
P/S



P/E



Cost/Revenue Split



Key Management



CEO – Mark Stewart

- Appointed President & CEO effective January 2024.
- Brings deep automotive manufacturing and operations experience from prior role as COO of North America at Stellantis N.V. (managed ~88,000 employees and ~\$90 billion business).



CFO – Christina Zamarro

- Began as Executive Vice President & Chief Financial Officer on January 1, 2023.
- Leads Goodyear's global finance organisation including planning & analysis, treasury, tax, audit and IR.
- Has been with Goodyear since 2007, previously Treasurer & VP Finance, and VP IR.



CMO – Will Roland

- Senior Vice President & Chief Marketing Officer since 2024.
- Charged with global brand repositioning and demand-creation strategy.
- Previously held senior roles at Stellantis North America (SVP Media, Consumer, Analytics & Digital) and at Publicis Media.



Chief Procurement Officer – Shawn Pace

- Appointed to the role in August 2023; responsible for sourcing of raw materials, equipment, services and supplier risk globally.
- Has been with Goodyear since 2006, previously holding senior global sourcing positions including Senior Director, Global Indirects.



CTO – Chris Helsel

- Senior Vice President & Chief Technical Officer; oversees global R&D, product engineering, lifecycle management and intelligent-tire technology.
- Joined Goodyear in 1996 with extensive experience across tire design, commercial business and global roles.



Chief Product Officer – David Anckaert

- Appointed to his current role in January 2025, overseeing global product strategy.
- With Goodyear since 2000, serving in multiple leadership roles across technology, product development, and regional business units.
- Leads alignment of Goodyear's product roadmap with key market trends.

Key Management Incentives (1)



| Name and Principal Position | Year | Salary (\$) | Bonus (\$) ¹ | Stock Awards (\$) ² | Option Awards (\$) ³ | Non-Equity Incentive Plan Compensation (\$) ⁴ | Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁵ | All Other Compensation (\$) ⁶ | Total (\$) |
|---|------|-------------|-------------------------|--------------------------------|---------------------------------|--|---|--|--------------|
| Mark W. Stewart^a Chief Executive Officer and President | 2024 | \$1,299,487 | \$4,280,000 | \$16,798,406 | \$ — | \$2,267,021 | \$ — | \$1,061,125 | \$25,706,039 |
| Christina L. Zamarro Executive Vice President and Chief Financial Officer | 2024 | 840,000 | 375,000 | 1,661,518 | — | 1,374,541 | 845,392 | 87,765 | 5,184,216 |
| | 2023 | 725,000 | — | 2,122,986 | — | 1,189,350 | 435,273 | 113,175 ⁷ | 4,585,784 |
| Christopher R. Delaney President, Europe, Middle East and Africa | 2024 | 790,000 | — | 1,612,572 | — | 1,643,483 | 870,165 | 30,652 | 4,946,872 |
| | 2023 | 781,667 | — | 1,324,749 | — | 1,809,800 | 633,472 | 29,853 | 4,579,541 |
| | 2022 | 760,000 | — | 1,471,271 | — | 951,128 | 173,290 | 24,789 | 3,380,478 |
| David E. Phillips Senior Vice President and General Counsel | 2024 | 715,000 | — | 964,258 | — | 1,140,959 | 493,689 | 20,575 | 3,334,481 |
| | 2023 | 633,333 | 100,000 | 678,585 | — | 1,160,426 | 419,492 | 14,504 | 3,006,340 |
| | 2022 | 591,667 | — | 718,028 | — | 632,734 | — | 21,364 | 1,963,793 |
| Christopher P. Helsel Senior Vice President and Chief Technology Officer | 2024 | 680,000 | — | 871,853 | — | 990,361 | 1,176,777 | 61,276 | 3,780,267 |
| Richard J. Kramer^a Retired Chairman, Chief Executive Officer and President | 2024 | 845,833 | — | 1,241,883 | — | 4,596,873 | 3,068,287 | 8,504,082 | 18,256,958 |
| | 2023 | 1,433,333 | — | 4,915,483 | — | 6,592,600 | 1,666,533 | 132,353 | 14,740,302 |
| | 2022 | 1,366,667 | — | 5,658,051 | — | 3,109,500 | — | 183,130 | 10,317,348 |
| Stephen R. McClellan^a Retired President, Americas | 2024 | 204,299 | — | 333,822 | — | 1,053,455 | 1,851,383 | 3,071,438 | 6,514,397 |
| | 2023 | 796,667 | — | 1,324,749 | — | 2,071,225 | 659,383 | 89,091 | 4,941,115 |
| | 2022 | 770,000 | — | 1,471,271 | — | 1,011,698 | — | 103,882 | 3,356,851 |

Key Management Incentives (2)



2024 Executive Compensation Elements

We provide executive compensation and benefits that are market-competitive in which a large portion of the total opportunity is variable and tied to our performance and changes in shareholder value over a multi-year period. The key components of compensation provided to our executive officers and how each supports our compensation objectives are presented in the following table:

| | Component and Primary Purpose | Key Characteristics |
|----------------------------------|--|--|
| Annual Compensation | Base Salary To provide a market competitive level of fixed compensation necessary to attract and retain talent and to recognize and rewards skills, competencies, experience, leadership and individual contribution. | Fixed compensation component. |
| | Annual Incentive Plan To motivate and reward attainment of key performance goals across total company and operating units, and achievement of individual strategic objectives. | Variable compensation component. The 2024 program metrics were: <div> <div> 40% SOI Margin 40% Free Cash Flow 20% Strategic Objectives </div> </div> |
| Long-Term Incentive Compensation | Long-Term Incentive Awards 2024 grant mix: <div> <div> 70% Performance Based (PSUs and EPU's) 30% Time Based (RSUs) </div> </div> <div> Settled 60% in Equity and 40% in Cash New For 2024 </div> | |
| | Performance-Based Awards (Executive Performance Units and Performance Share Units) To motivate and reward performance of key corporate financial goals and relative TSR modifier over a 3-year period, facilitate retention of key talent, align management and shareholders' interests, and reinforce long-term value creation on an absolute and relative basis. | Payouts based on achievement of financial goals that are subject to a 3-year relative TSR modifier |
| | Restricted Stock Units (RSUs) To link long-term realized compensation to stock price, facilitate retention, build executive stock ownership, and align management and shareholders' interests. | Subject to three-year ratable vesting |

Long-Term Incentives

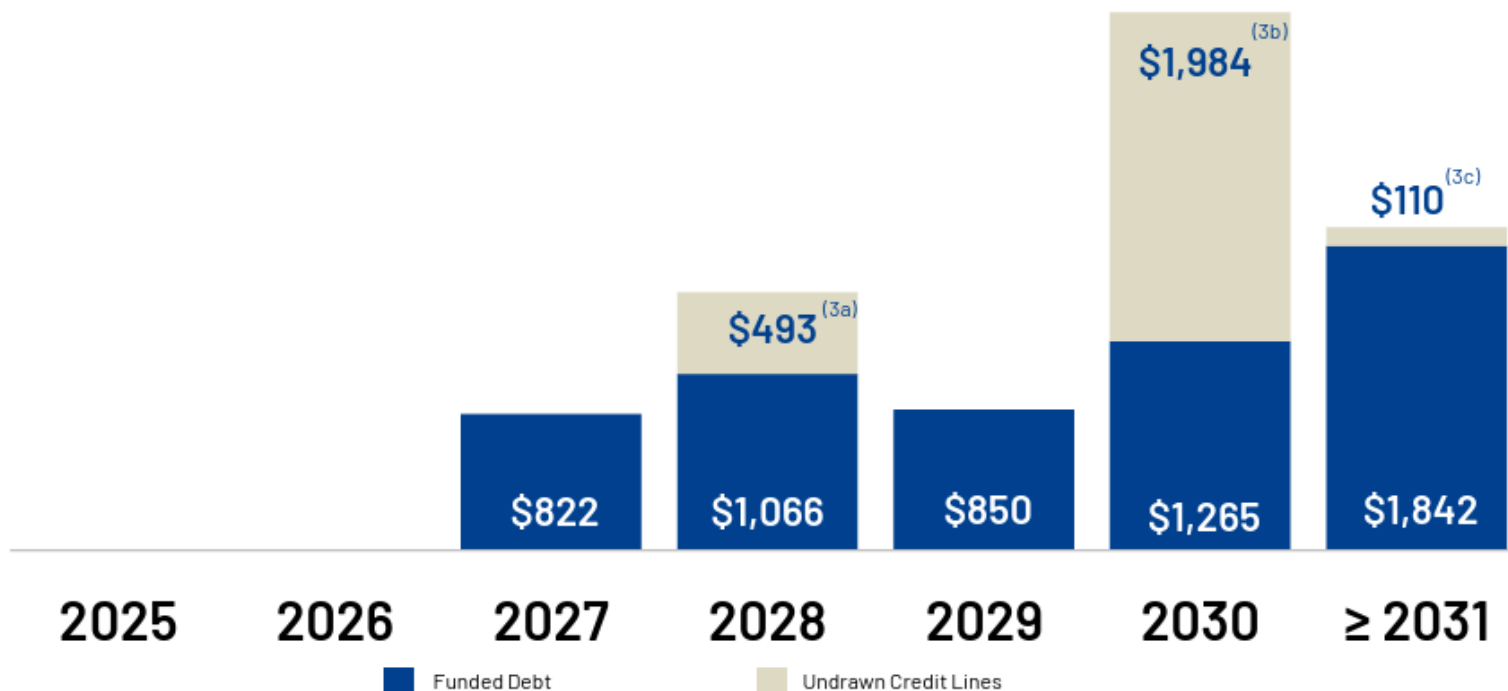


| | 2022 | 2023 | 2024 | 2025 | 2026 |
|-----------|--|--|--|------------------|------------------|
| 2022–2024 | Year 1 1/3 | Year 2 1/3 | Year 3 1/3 | | |
| | 3-Year Relative TSR vs. Comparison Group | | | | |
| | 3-Year ESG Index | | | | |
| 2023–2025 | | Year 1 1/3 | Year 2 1/3 | Year 3 1/3 | |
| | | 3-Year Relative TSR vs. Comparison Group | | | |
| | | 3-Year SI Index | | | |
| 2024–2026 | | | Year 1 ~26.6% | Year 2 ~26.6% | Year 3 ~26.6% |
| | | | 3-Year SOI Margin Growth 20% | | |
| | | | 3-Year Relative TSR vs. Comparison Group | | |

Source: Notice of 2025 Annual Meeting of Shareholders and Proxy Statement

Debt Maturities

No significant maturities until 2027



Terms: in millions