UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

Current Report
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 17, 2021

THE GOODYEAR TIRE & RUBBER COMPANY
(Exact name of registrant as specified in its charter)

Ohio	1-1927	34-0253240
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

200 Innovation Way, Akron, Ohio	44316-0001
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (330) 796-2121

Not Applicable
Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Without Par Value	**GT**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 8.01 Other Events.

Financial and Other Information Related to the Cooper Tire Transaction

The Goodyear Tire & Rubber Company ("Goodyear") is filing this Current Report on Form 8-K to provide certain pro forma financial information giving effect to its acquisition of Cooper Tire & Rubber Company ("Cooper Tire"). As previously disclosed in Goodyear's Current Report on Form 8-K filed on June 7, 2021, pursuant to the Agreement and Plan of Merger, dated as of February 22, 2021, by and among Goodyear, Vulcan Merger Sub Inc., a wholly owned subsidiary of Goodyear ("Merger Sub"), and Cooper Tire, on June 7, 2021, Merger Sub merged with and into Cooper Tire, with Cooper Tire surviving as a wholly owned subsidiary of Goodyear (the "Merger").

Included as Exhibit 99.1 to this Current Report on Form 8-K is the unaudited pro forma condensed combined statements of operations of Goodyear for (i) the six months ended June 30, 2021, (ii) the six months ended June 30, 2020, and (iii) the year ended December 31, 2020, and the notes related thereto (the "pro forma financial information"), giving effect to the Merger as if it occurred on January 1, 2020.

The pro forma financial information included in this Current Report on Form 8-K has been presented for informational purposes only. It does not purport to represent the actual results of operations that Goodyear and Cooper Tire would have achieved had the companies been combined as of January 1, 2020 and is not intended to project the future results of operations that Goodyear may achieve as a result of the Merger.

Cautionary Notes on Forward-Looking Statements

This Form 8-K contains forward-looking statements within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include statements regarding the effects of the Merger, including the expected benefits of the Merger (including anticipated annual run-rate operating and other cost synergies and anticipated accretion to return on capital employed, free cash flow, and earnings per share), projected financial information, future opportunities, and any other statements regarding Goodyear's future expectations, beliefs, plans, objectives, results of operations, financial condition and cash flows, or future events or performance. These statements are often, but not always, made through the use of words or phrases such as "anticipates," "expects," "intends," "plans," "targets," "forecasts," "projects," "believes," "seeks," "schedules," "estimates," "positions," "pursues," "may," "could," "should," "will," "budgets," "outlook," "trends," "guidance," "focus," "on schedule," "on track," "is slated," "goals," "objectives," "strategies," "opportunities," "poised," "potential" and similar expressions. All such forward-looking statements are based on current expectations of Goodyear's management and therefore involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements.

Key factors that could cause actual results to differ materially from those projected in the forward-looking statements include uncertainties as to the risk that the anticipated U.S. federal income tax treatment of the Merger is not obtained; litigation relating to the Merger that could be instituted against Goodyear, Cooper Tire or their respective directors; the effects of disruption to Goodyear's business; the effects of industry, market, economic, political or regulatory conditions outside of Goodyear's control; the ability of Goodyear to retain and hire key personnel; transaction costs; Goodyear's ability to achieve the benefits from the Merger, including the anticipated annual run-rate operating and other cost synergies and accretion to return on capital employed, free cash flow, and earnings per share; Goodyear's ability to promptly, efficiently and effectively integrate acquired operations into its own operations; unknown liabilities; and the diversion of management time on transaction-related issues. Additional information concerning these risks, uncertainties and assumptions can be found in Goodyear's filings with the SEC, including the risk factors discussed in Goodyear's most recent annual report on Form 10-K and quarterly reports on Form 10-Q and future filings with the SEC.

While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Goodyear's financial condition, results of operations, credit rating or liquidity. Goodyear does not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Item 9.01 Exhibits.

Exhibit Number	Description of Exhibit
99.1	The unaudited pro forma condensed combined statements of operations of The Goodyear Tire & Rubber Company for (i) the six months ended June 30, 2021, (ii) the six months ended June 30, 2020, and (iii) the year ended December 31, 2020, giving effect to the acquisition of Cooper Tire & Rubber Company.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Date: September 17, 2021	**THE GOODYEAR TIRE & RUBBER COMPANY**
	By: /s/ Darren R. Wells
	Darren R. Wells
	Executive Vice President and Chief Financial Officer

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

On June 7, 2021 (the "Closing Date"), The Goodyear Tire & Rubber Company ("Goodyear") completed its previously announced acquisition of Cooper Tire & Rubber Company ("Cooper Tire"), pursuant to the terms of the Agreement and Plan of Merger, dated as of February 22, 2021 (the "Merger Agreement"), by and among Goodyear, Vulcan Merger Sub Inc., a direct, wholly owned subsidiary of Goodyear ("Merger Sub"), and Cooper Tire. On the Closing Date, Goodyear acquired Cooper Tire by way of the merger of Merger Sub with and into Cooper Tire, with Cooper Tire surviving the merger as a wholly owned subsidiary of Goodyear (the "Merger"). Cooper Tire stockholders received $41.75 per share in cash and a fixed exchange ratio of 0.907 shares of Goodyear common stock per share of Cooper Tire common stock ("the Merger Consideration") as consideration pursuant to the terms of the Merger Agreement, which amounted to approximately $3.1 billion.

The following unaudited pro forma condensed combined statements of operations ("pro forma statements of operations") give effect to the Merger as if it had occurred on January 1, 2020. An unaudited pro forma condensed combined balance sheet has not been presented as the acquisition and related financing transactions have already been fully reflected in the consolidated balance sheet included in Goodyear's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021, filed on August 6, 2021. These statements and related notes, collectively referred to as "pro forma financial information", have been prepared in accordance with Article 11 of Regulation S-X and have been derived from, and should be read in conjunction with, the historical consolidated financial statements and accompanying notes thereto on Form 10-K for the year ended December 31, 2020 and on Form 10-Q for the quarterly periods ended March 31, 2021 and June 30, 2020 for both Goodyear and Cooper Tire, and on Goodyear's Form 10-Q for the quarterly period ended June 30, 2021.

The pro forma financial information has been prepared using the acquisition method of accounting in accordance with Accounting Standard Codification ("ASC") 805, "Business Combinations" which requires, among other things, that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date with limited exceptions.

The historical consolidated financial information of Goodyear and Cooper Tire has been adjusted in the pro forma financial information to give effect to pro forma events, including the Merger and related financing. The pro forma statements of operations should be read in conjunction with the accompanying Notes to Unaudited Pro Forma Condensed Combined Statements of Operations and do not reflect the costs of any integration activities or benefits that may result from the realization of future cost savings from operating efficiencies or any other synergies that may result from the Merger, including income tax synergies.

The statements and related notes are being provided for illustrative purposes only and do not purport to represent what Goodyear's actual results of operations would have been had the Merger been completed on January 1, 2020, nor are they necessarily indicative of Goodyear's results of operations for any future period. On the Closing Date, Goodyear completed a preliminary Merger Consideration allocation to provide an estimate of the fair values associated with certain of Cooper Tire's assets and liabilities acquired (discussed in the accompanying notes below). The determination of the fair values of certain assets acquired, including Inventories, Property, Plant and Equipment, Goodwill, Intangible Assets, and Deferred Income Taxes, is dependent upon completion of further fair value analysis by Goodyear. The determination of the fair values of certain liabilities assumed is dependent upon completion of certain actuarial and other valuations and studies. Given the complex nature of the related valuations and analyses to be completed and the timing of the acquisition, the preliminary purchase price allocation is subject to change. The final valuation of assets acquired and liabilities assumed may be materially different from the estimated values presented in the preliminary allocation of the Merger Consideration in Note 4, Merger Consideration and Preliminary Allocation.

The accounting adjustments for the acquisition consist of those necessary to account for the acquisition and are based upon available information and certain assumptions that Goodyear believes are reasonable under the circumstances. The assumptions underlying the adjustments are described in greater detail in the accompanying Notes to Unaudited Pro Forma Condensed Combined Statements of Operations. In many cases, the assumptions were based on preliminary information and estimates.

Goodyear used the net proceeds from the issuance of new senior notes with an aggregate principal amount of $1,450 million, together with cash on hand and borrowings under our first lien revolving credit facility, to finance the cash portion of the Merger Consideration and related transaction costs. For purposes of the pro forma statements of operations, the adjustments related to the issuance of this debt are shown in a separate column as "Other Adjustments".

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

	Six Months Ended June 30, 2021										
(In millions, except per share amounts)	**Goodyear (As Reported)**	**Cooper Tire (As Reported – Three Months Ended March 31, 2021)**	**Cooper Tire (Historical – April 1, 2021 to June 6, 2021)**	**Reclassification Adjustments**	**Note**	**Transaction Adjustments**	**Note**	**Other Adjustments**	**Note**	**Combined Pro Forma**	**Note**
Net Sales	$ 7,490	$ 656	$ 582	$ 45	3(a)	$ (29)	5(a)	$ —		$ 8,744	
Cost of Goods Sold	5,829	547	435	(15)	3(b)	(116)	5(b)	—		6,680	
Selling, Administrative and General Expense	1,222	71	165	19	3(c)	(14)	5(c)	—		1,463	
Rationalizations	68	—	—	—		—		—		68	
Interest Expense	176	5	14	—		(13)	5(d)	31	6(a)	213	
Interest Income	—	(1)	—	1	3(e)	—		—		—	
Other Pension and Postretirement Benefit Expense	—	3	(3)	—		—		—		—	
Other (Income) Expense	64	—	4	40	3(e)	(108)	5(e)	—		—	
Income (Loss) before Income Taxes	131	31	(33)	—		222		(31)		320	
United States and Foreign Tax Expense (Benefit)	42	9	(2)	—		48	5(f)	(8)	6(a)	89	
Net Income (Loss)	89	22	(31)	—		174		(23)		231	
Less: Minority Shareholders' Net Income	10	—	1	—		—		—		11	
Company Net Income (Loss)	**$ 79**	**$ 22**	**$ (32)**	**$ —**		**$ 174**		**$ (23)**		**$ 220**	
Goodyear Net Income — Per Share of Common Stock											
Basic	**$ 0.33**									**$ 0.78**	5(g)
Weighted Average Shares Outstanding*	239					43				282	
Diluted	**$ 0.32**									**$ 0.77**	5(g)
Weighted Average Shares Outstanding*	242					43				285	

* Goodyear (As Reported) Weighted Average Shares Outstanding as of June 30, 2021 includes 3 million equivalent shares related to the 46 million shares of Goodyear Common Stock issued on the Closing Date as part of the Merger Consideration. See Note 4, Merger Consideration and Preliminary Allocation.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

(In millions, except per share amounts)	Year Ended December 31, 2020 Goodyear (As Reported)	Cooper Tire (As Reported)	Reclassification Adjustments	Note	Transaction Adjustments	Note	Other Adjustments	Note	Combined Pro Forma	Note
Net Sales	$ 12,321	$ 2,521	$ 84	3(a)	$ (24)	5(a)	$ —		$ 14,902	
Cost of Goods Sold	10,337	2,033	1	3(b)	126	5(b)	—		12,497	
Selling, Administrative and General Expense	2,192	245	83	3(c)	108	5(c)	—		2,628	
Goodwill and Other Asset Impairments	330	—	—		—		—		330	
Rationalizations	159	—	12	3(d)	—		—		171	
Restructuring Expense	—	12	(12)	3(d)	—		—		—	
Interest Expense	324	23	—		—	5(d)	83	6(a)	430	
Interest Income	—	(4)	4	3(e)	—		—		—	
Other Pension and Postretirement Benefit Expense	—	25	(25)	3(e)	—		—		—	
Other (Income) Expense	119	(4)	21	3(e)	38	5(e)	—		174	
Income (Loss) before Income Taxes	(1,140)	191	—		(296)		(83)		(1,328)	
United States and Foreign Tax Expense (Benefit)	110	47	—		(66)	5(f)	(21)	6(a)	70	
Net Income (Loss)	(1,250)	144	—		(230)		(62)		(1,398)	
Less: Minority Shareholders' Net Income	4	1	—		—		—		5	
Company Net Income (Loss)	**$ (1,254)**	**$ 143**	**$ —**		**$ (230)**		**$ (62)**		**$ (1,403)**	
Goodyear Net Income (Loss) — Per Share of Common Stock										
Basic	**$ (5.35)**								**$ (5.01)**	5(g)
Weighted Average Shares Outstanding	234				46	4			280	
Diluted	**$ (5.35)**								**$ (5.01)**	5(g)
Weighted Average Shares Outstanding	234				46	4			280	

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

(In millions, except per share amounts)	Six Months Ended June 30, 2020									
	Goodyear (As Reported)	**Cooper Tire (As Reported)**	**Reclassification Adjustments**	**Note**	**Transaction Adjustments**	**Note**	**Other Adjustments**	**Note**	**Combined Pro Forma**	**Note**
Net Sales	$ 5,200	$ 1,028	$ 36	3(a)	$ (11)	5(a)	$ —		$ 6,253	
Cost of Goods Sold	4,768	906	(27)	3(b)	166	5(b)	—		5,813	
Selling, Administrative and General Expense	1,032	110	63	3(c)	73	5(c)	—		1,278	
Goodwill and Other Asset Impairments	330	—	—		—		—		330	
Rationalizations	108	—	12	3(d)	—		—		120	
Restructuring Expense	—	12	(12)	3(d)	—		—		—	
Interest Expense	158	12	—		4	5(d)	42	6(a)	216	
Interest Income	—	(2)	2	3(e)	—		—		—	
Other Pension and Postretirement Benefit Expense	—	10	(10)	3(e)	—		—		—	
Other (Income) Expense	61	(1)	8	3(e)	66	5(e)	—		134	
Income (Loss) before Income Taxes	(1,257)	(19)	—		(320)		(42)		(1,638)	
United States and Foreign Tax Expense (Benefit)	63	(2)	—		(72)	5(f)	(11)	6(a)	(22)	
Net Income (Loss)	(1,320)	(17)	—		(248)		(31)		(1,616)	
Less: Minority Shareholders' Net Income (Loss)	(5)	1	—		—		—		(4)	
Company Net Income (Loss)	**$ (1,315)**	**$ (18)**	**$ —**		**$ (248)**		**$ (31)**		**$ (1,612)**	
Goodyear Net Income (Loss)— Per Share of Common Stock										
Basic	**$ (5.62)**								**$ (5.76)**	5(g)
Weighted Average Shares Outstanding	234				46	4			280	
Diluted	**$ (5.62)**								**$ (5.76)**	5(g)
Weighted Average Shares Outstanding	234				46	4			280	

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

(In millions except for per share data, unless indicated otherwise)

Note 1. DESCRIPTION OF THE MERGER

On June 7, 2021, Goodyear completed its previously announced acquisition of Cooper Tire, pursuant to the terms of the Merger Agreement by and among Goodyear, Merger Sub and Cooper Tire. On the Closing Date, Goodyear acquired Cooper Tire by way of the merger of Merger Sub with and into Cooper Tire, with Cooper Tire surviving the Merger as a wholly owned subsidiary of Goodyear. Cooper Tire stockholders received $41.75 per share in cash and a fixed exchange ratio of 0.907 shares of Goodyear common stock per share of Cooper Tire common stock as consideration pursuant to the terms of the Merger Agreement, which amounted to approximately $3.1 billion.

Note 2. BASIS OF PRESENTATION

The pro forma financial information has been prepared in accordance with Article 11 of Regulation S-X and has been compiled from historical consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and should be read in conjunction with the Form 10-K for the year ended December 31, 2020 and the Form 10-Q for the quarterly periods ended March 31, 2021 and June 30, 2020 for both Goodyear and Cooper Tire, and Goodyear's Form 10-Q for the quarterly period ended June 30, 2021. This pro forma financial information is presented for informational purposes only and is not necessarily indicative of what the combined company's results of operations actually would have been had the Merger been completed as of January 1, 2020. In addition, this pro forma financial information does not purport to project the future operating results of the combined company.

The pro forma financial information has been prepared using the acquisition method of accounting in accordance with ASC 805, "Business Combinations" which requires, among other things, that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date with limited exceptions. The acquisition method of accounting uses the fair value concepts defined in ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820").

ASC 820 defines fair value, establishes the framework for measuring fair value for any asset acquired or liability assumed under GAAP, and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measurements. Fair value is defined in ASC 820 as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." Fair value measurements can be highly subjective, and it is possible the application of reasonable judgement could develop different assumptions resulting in a range of alternative estimates using the same facts and circumstances.

Acquisition accounting is dependent upon certain valuations and other studies that have yet to progress to a stage where there is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments included herein are preliminary and have been presented solely for the purpose of providing the pro forma financial information and will be revised as additional information becomes available and as additional analyses are performed. The determination of the fair values of certain assets acquired, including Inventories, Property, Plant and Equipment, Goodwill, Intangible Assets, and Deferred Income Taxes, is dependent upon completion of further fair value analysis by the Company. The determination of the fair values of certain liabilities assumed is dependent upon completion of certain actuarial and other valuations and studies. Given the complex nature of the related valuations and analyses to be completed and the timing of the acquisition, the preliminary purchase price allocation is subject to change. The final valuation of assets acquired and liabilities assumed may be materially different from the estimated values presented in the preliminary allocation of the Merger Consideration in Note 4, Merger Consideration and Preliminary Allocation. Certain amounts from the historical financial statements of Cooper Tire were reclassified to conform the presentation to that of Goodyear. (See Note 3, Proforma Reclassification Adjustments.)

The total Merger Consideration has been measured using the closing market price of Goodyear common stock as of June 4, 2021 (the last trading day prior to the Closing Date).

The pro forma financial information does not reflect any of the following:

- cost savings,
- operating synergies,
- revenue enhancements,
- costs to combine the operations of Goodyear and Cooper Tire, or
- realization of certain income tax synergies and benefits.

Realization of certain income tax benefits that the combined company may achieve as a result of the Merger are dependent on new sources of future taxable income, including potential tax planning.

The pro forma financial information has been compiled using Goodyear's historical information and accounting policies and combining the assets and liabilities of Cooper Tire at their respective estimated fair values. Goodyear's management conducted a review of Cooper Tire's accounting policies in order to determine if differences require adjustment or reclassification of Cooper Tire's results of operations, assets or liabilities to conform to Goodyear's accounting policies and classifications.

Note 3. PRO FORMA RECLASSIFICATION ADJUSTMENTS

Certain reclassifications have been recorded to Cooper Tire's historical financial statements to conform to Goodyear's presentation, as follows:

(a) Net Sales – reclassification to Cost of Goods Sold ("CGS") of $45 million, $84 million and $36 million for the period January 1, 2021 to June 6, 2021, the year ended December 31, 2020, and the six months ended June 30, 2020, respectively, for costs incurred for transportation of products to customers.

(b) *Cost of Goods Sold*

(In millions)	Reclassification Adjustments for the Period January 1, 2021 to June 6, 2021	Reclassification Adjustments for the Year Ended December 31, 2020	Reclassification Adjustments for the Six Months Ended June 30, 2020
Reclassification of costs incurred for transportation of products to customers from Net Sales	$ 45	$ 84	$ 36
Reclassification of warehouse overhead expense to Selling, Administrative and General Expense ("SAG")	(45)	(91)	(42)
Reclassification of product liability (expense) benefit to SAG	(17)	4	(23)
Other reclassifications from SAG	2	4	2
	$ (15)	**$ 1**	**$ (27)**

(c) Selling, Administrative and General Expense

(In millions)	Reclassification Adjustments for the Period January 1, 2021 to June 6, 2021	Reclassification Adjustments for the Year Ended December 31, 2020	Reclassification Adjustments for the Six Months Ended June 30, 2020
Reclassification of warehouse overhead expense from CGS	$ 45	$ 91	$ 42
Reclassification of acquisition-related transaction costs to Other (Income) Expense	(41)	—	—
Reclassification of product liability expense (benefit) from CGS	17	(4)	23
Other reclassifications to CGS	(2)	(4)	(2)
	$ 19	**$ 83**	**$ 63**

(d) *Rationalizations* – reclassification from Restructuring Expense in the amount of $12 million to Rationalizations for the year ended December 31, 2020 and six months ended June 30, 2020.

(e) *Other (Income) Expense*

(In millions)	Reclassification Adjustments for the Period January 1, 2021 to June 6, 2021	Reclassification Adjustments for the Year Ended December 31, 2020	Reclassification Adjustments for the Six Months Ended June 30, 2020
Reclassification of acquisition-related transaction costs from SAG	$ 41	$ —	$ —
Reclassification from Other Pension and Postretirement Benefit Expense	—	25	10
Reclassification from Interest Income	(1)	(4)	(2)
	$ 40	**$ 21**	**$ 8**

Note 4. MERGER CONSIDERATION AND PRELIMINARY ALLOCATION

Merger Consideration

The Merger Consideration amounted to approximately $3.1 billion.

The calculation of the Merger Consideration is as follows:

(In millions, except share and per share amounts)	Shares	Per Share (4)	Total
Cash paid for Cooper Tire Shares(1)			$2,121
Cash paid for other Cooper Tire incentive compensation awards(2)			34
Cash component of the Merger Consideration			$2,155
Shares of Goodyear Common Stock issued to Cooper Tire Stockholders(3)	46,060,349	$ 20.46	942
Merger Consideration			**$3,097**

(1) The cash component of the Merger Consideration is computed based on 100% of the outstanding shares of Cooper Tire common stock, including shares issuable pursuant to the conversion of certain equity-based awards outstanding under Cooper Tire's equity-based incentive compensation plans ("Cooper Tire Shares"), being exchanged, in part, for the per share cash amount of $41.75. Awards outstanding under Cooper Tire equity-based incentive compensation plans that were converted include Cooper Tire restricted stock units and Cooper Tire performance stock units. These Cooper Tire equity-based awards were canceled and each share equivalent unit was converted, as appropriate, into the Merger Consideration.

(In millions, except share and per share amounts)	Shares	Per Share	Total
Shares of Cooper Tire Common Stock outstanding as of the Closing Date	50,523,922		
Shares issuable pursuant to conversion of share units outstanding under Cooper Tire equity-based compensation plans	269,238		
Cooper Tire Shares	50,793,160	$ 41.75	$2,121

(2) Cash consideration for the settlement of outstanding Cooper Tire stock options, Cooper Tire performance cash units and Cooper Tire notional deferred stock units, all of which were cancelled at the Closing Date and paid in cash.

(3) The stock component of the Merger Consideration is computed based on a fixed exchange ratio of 0.907 shares of Goodyear common stock per Cooper Tire Share being exchanged. Shares issued of 46,060,349 are comprised of 45,824,480 of newly issued shares and 235,869 of shares issued from treasury.

	Shares	Exchange Ratio	Total
Cooper Tire Shares	50,793,160		
Less: Cooper Tire Shares settled in cash(5)	9,975		
	50,783,185	0.907	46,060,349

(4) Represents the closing market price of Goodyear common stock as of June 4, 2021, the last trading day prior to the Closing Date.

(5) Represents fractional and certain other shares that were settled in cash.

Preliminary Allocation of Merger Consideration

The Merger Consideration was allocated on a preliminary basis as of the Closing Date. Assets acquired and liabilities assumed were recorded at estimated fair values based on management's estimates, available information, and supportable assumptions that management considered reasonable. Under the acquisition method of accounting, the identifiable assets acquired and liabilities assumed of Cooper Tire are recognized and measured at fair value. The determination of the fair values of certain assets acquired, including Inventories, Property, Plant and Equipment, Goodwill, Intangible Assets, and Deferred Income Taxes, is dependent upon completion of further fair value analysis by the Company. The determination of the fair values of certain liabilities assumed is dependent upon completion of certain actuarial and other valuations and studies. Given the complex nature of the related valuations and analyses to be completed and the timing of the acquisition, the preliminary purchase price allocation is subject to change. The final valuation of assets acquired and liabilities assumed may be materially different from the estimated values shown below.

The following table sets forth the preliminary allocation of the Merger Consideration to the identifiable tangible and intangible assets acquired and liabilities assumed of Cooper Tire as of June 7, 2021, with the excess recorded to Goodwill:

(In millions)	
Cash and Cash Equivalents	$ 231
Accounts Receivable	621
Inventories(a)	693
Property, Plant and Equipment(b)	1,372
Goodwill	475
Intangible Assets(c)	1,086
Other Assets	362
	4,840
Accounts Payable - Trade	(464)
Compensation and Benefits	(386)
Debt, Finance Leases and Notes Payable and Overdrafts(d)	(151)
Deferred Tax Liabilities, net(e)	(347)
Other Liabilities	(374)
Minority Equity	(21)
	(1,743)
Merger Consideration	$ 3,097

(a) *Inventories*

The estimated value of Inventory includes adjustments totaling $230 million at the Closing Date, comprised of $121 million to adjust inventory valued on a last-in, first-out ("LIFO") basis to a current cost basis and $109 million to step-up inventory to estimated fair value. Goodyear has eliminated the LIFO reserve on Cooper Tire's U.S. inventories as Goodyear predominately determines the value of its inventory using the first-in, first-out method. To estimate the fair value of inventory, Goodyear considered the components of Cooper Tire's inventory, as well as estimates of selling prices and selling and distribution costs that were based on Cooper Tire's historical experience.

(b) *Property, Plant and Equipment*

The estimated value of Property, Plant and Equipment includes adjustments totaling $175 million to increase the net book value of $1,197 million to the preliminary fair value estimate of $1,372 million. This estimate is based on other comparable acquisitions and historical experience, and preliminary expectations as to the duration of time Goodyear expects to realize benefits from those assets.

(c) *Intangible Assets*

The estimated fair values of identifiable intangible assets acquired were prepared using an income valuation approach, which requires a forecast of expected future cash flows either through the use of the relief-from-royalty method or the multi-period excess earnings method. The estimated useful lives are based on Goodyear's historical experience and expectations as to the duration of time Goodyear expects to realize benefits from those assets. The estimated fair values of the identifiable intangible assets acquired, their estimated useful lives and related valuation methodology are as follows:

(In millions)	Preliminary Fair Value	Range of Useful Lives	Valuation Methodology
Trade names (indefinite-lived)	$ 310	N/A	Relief-from-royalty
Trade names (definite-lived)	40	13-15 years	Relief-from-royalty
Customer relationships	730	7-16 years	Multi-period excess earnings
Non-compete and other	6		
	$ 1,086		

(d) *Debt, Finance Leases and Notes Payable and Overdrafts*

Includes the estimated fair value of Cooper Tire's existing debt that was assumed in the Merger of $136 million, comprised of $117 million in aggregate principal amount of 7.625% senior notes due 2027 and a $19 million fair-value step-up adjustment which will be amortized to interest expense over the remaining life of the notes.

(e) *Deferred Tax Liabilities, net*

Includes a ($367) million deferred tax impact related to the allocation of the Merger Consideration to the identifiable tangible and intangible assets acquired and liabilities assumed and Cooper Tire's historical net deferred tax assets of $20 million.

Note 5. PRO FORMA STATEMENT OF OPERATIONS TRANSACTION ADJUSTMENTS

The pro forma financial information has been prepared using Cooper Tire's financial statements and disclosures, as well as certain assumptions made by Goodyear. Estimates of the fair value of assets acquired and liabilities assumed are described in Note 4, Merger Consideration and Preliminary Allocation.

(a) *Net Sales* – Reflects the adjustment for certain product sales between Goodyear and Cooper Tire which were eliminated in consolidation.

(b) *Cost of Goods Sold*

(In millions)	Transaction Adjustments for the Six Months Ended June 30, 2021	Transaction Adjustments for the Year Ended December 31, 2020	Transaction Adjustments for the Six Months Ended June 30, 2020
Elimination of Net Sales between Goodyear and Cooper Tire	$ (29)	$ (24)	$ (11)
Change in timing for recognition of initial step-up of inventory	(38)	120	120
Elimination of change in LIFO reserve	(44)	10	43
Additional depreciation related to step-up of Property, Plant and Equipment	4	10	5
Change in timing for recognition of executive severance, employee retention and incentive compensation	(9)	9	9
Other	—	1	—
	$ (116)	**$ 126**	**$ 166**

The depreciation expense related to Property, Plant and Equipment is based on the estimated fair values amortized over the respective estimated remaining useful lives.

Executive severance and employee retention reflects the estimated expense related to the change-in-control provisions associated with the executive severance plan and retention benefits anticipated as a result of the Merger. Incentive compensation reflects the estimated post-combination expense related to Cooper Tire stock-based compensation awards.

(c) *Selling, Administrative and General Expense*

(In millions)	Transaction Adjustments for the Six Months Ended June 30, 2021	Transaction Adjustments for the Year Ended December 31, 2020	Transaction Adjustments for the Six Months Ended June 30, 2020
Amortization of acquired Intangible Assets, net of Cooper Tire's historical amortization	$ 26	$ 61	$ 30
Change in timing for recognition of executive severance, employee retention and incentive compensation	(38)	45	41
Other	(2)	2	2
	$ (14)	**$ 108**	**$ 73**

The amortization expense related to the acquired Intangible Assets is based on the estimated fair values amortized over the respective estimated remaining useful lives.

Executive severance and employee retention reflects the estimated expense related to the change-in-control provisions associated with the executive severance plan and retention benefits anticipated as a result of the Merger. Incentive compensation reflects the estimated post-combination expense related to Cooper Tire stock-based compensation awards.

(d) *Interest Expense*

(In millions)	Transaction Adjustments for the Six Months Ended June 30, 2021	Transaction Adjustments for the Year Ended December 31, 2020	Transaction Adjustments for the Six Months Ended June 30, 2020
Elimination of Cooper Tire's historical Interest Expense on debt not assumed	$ (2)	$ (7)	$ (4)
Change in timing for fee to cancel Cooper Tire's open cash flow hedging transactions	(10)	10	10
Amortization of fair value adjustment on Cooper Tire debt	(1)	(3)	(2)
	$ (13)	**$ —**	**$ 4**

(e) *Other (Income) Expense*

(In millions)	Transaction Adjustments for the Six Months Ended June 30, 2021	Transaction Adjustments for the Year Ended December 31, 2020	Transaction Adjustments for the Six Months Ended June 30, 2020
Change in timing for recognition of acquisition-related transactions costs(1)	$ (90)	$ 90	$ 90
Elimination of Cooper Tire's amortization of actuarial losses from accumulated other comprehensive loss to net periodic benefit cost(2)	(18)	(52)	(24)
	$ (108)	**$ 38**	**$ 66**

(1) Transaction and other costs of $90 million for the first six months of 2021 were eliminated as of June 30, 2021 and included in the year ended December 31, 2020 and six months ended June 30, 2020 to reflect the assumed closing of the transaction as of January 1, 2020 for purposes of the pro forma statements of operations. These costs include $41 million for Cooper Tire and $39 million for Goodyear related to investment banker, advisory, legal, valuation and other professional fees, as well as a $10 million commitment fee for Goodyear related to a bridge term loan facility that was not utilized to finance the transaction.

(2) In accordance with acquisition accounting, the funded status of defined benefit plans as of the acquisition date is recognized as an asset or liability on the balance sheet and previously unrecognized amounts related to actuarial gains or losses in accumulated other comprehensive income (loss) are not carried forward and, thus, no longer amortized.

(f) *United States and Foreign Tax Expense*

This adjustment reflects the income tax expense/benefit effects of the transaction-related adjustments based on applicable statutory tax rates. The tax rates used for this pro forma financial information are an estimate, and therefore, the blended rate will likely vary from the actual effective rate in periods subsequent to the completion of the Merger. A pro forma blended statutory tax rate of 25.0% was used in determining the tax impact of certain pro forma adjustments. This rate was estimated using the statutory income tax rate for Goodyear and Cooper Tire, weighted based on respective income (loss) before income taxes. The adjusted statutory income tax rate for Goodyear and Cooper Tire is based on the U.S. statutory income tax rate of 21%, plus 4% related to the tax rate impact of state and local income taxes and income taxes of non-U.S. operations. Income tax has not been calculated on the elimination of $90 million of transaction costs for the six months ended June 30, 2021 and approximately $30 million of transaction costs that are estimated to be capitalizable for income tax purposes for the year ended December 31, 2020 and six months ended June 30, 2020.

(g) *Company Net Income (Loss) Per Common Share*

Pro forma net income (loss) per common share for the six months ended June 30, 2021 and June 30, 2020, and for the year ended December 31, 2020, has been calculated based on the estimated weighted-average number of common shares outstanding on a pro forma basis, as described below. The pro forma weighted-average shares outstanding have been calculated as if the acquisition-related shares had been issued and outstanding and outstanding Cooper Tire shares canceled as of January 1, 2020. For additional information on the calculation of acquisition-related shares, see Note 4, Merger Consideration and Preliminary Allocation.

	Six Months Ended June 30, 2021		Year Ended December 31, 2020		Six Months Ended June 30, 2020	
(In millions, except per share amounts)	Goodyear (As Reported)	Combined Pro Forma	Goodyear (As Reported)	Combined Pro Forma	Goodyear (As Reported)	Combined Pro Forma
Net Income (Loss) attributable to common shareholders	$ 79	$ 220	$ (1,254)	$ (1,403)	$ (1,315)	$ (1,612)
Weighted-average number of common shares outstanding – diluted	242	285	234	280	234	280
Less dilutive effect of stock options and restricted awards(1)	(3)	(3)	—	—	—	—
Weighted-average number of common shares outstanding – basic	239	282	234	280	234	280
Income (Loss) per common share						
Diluted	$ 0.32	$ 0.77	$ (5.35)	$ (5.01)	$ (5.62)	$ (5.76)
Basic	0.33	0.78	(5.35)	(5.01)	(5.62)	(5.76)

(1) Due to the Goodyear and Combined net loss in 2020, dilutive securities for December 31, 2020 and June 30, 2020 were not included as they would be anti-dilutive.

Note 6. OTHER ADJUSTMENTS

Other adjustments consist of transactions anticipated to occur related to the Merger but outside of the Merger transaction as follows:

(a) *Interest Expense and United States and Foreign Tax Expense*

Represents pro forma interest expense of $31 million, $83 million and $42 million for the six months ending June 30, 2021, year ending December 31, 2020 and six months ending June 30, 2020, respectively, assuming that the new senior notes were issued, and we borrowed approximately $475 million on Goodyear’s first lien revolving credit facility, on January 1, 2020. The interest rate assumed on the revolving credit facility from January 1, 2020 to June 30, 2021 is one-month LIBOR plus 125 basis points.

A blended statutory rate of 25.0% was used in relation to interest expense associated with the new senior notes and borrowings on Goodyear’s first lien revolving credit facility.