

Cooper Tire & Rubber Company  
Condensed Consolidated Statements of Operations  
(Unaudited)

(Dollar amounts in thousands except per share amounts)

|   | Three Months Ended June 30, |            | Six Months Ended June 30, |              |
|---|-----------------------------|------------|---------------------------|--------------|
|   | 2020                        | 2019       | 2020                      | 2019         |
| Net sales   | \$ 496,259                  | \$ 679,130 | \$ 1,027,953              | \$ 1,298,293 |
| Cost of products sold   | 430,619                     | 579,989    | 906,401                   | 1,110,894    |
| Gross profit  | 65,640                      | 99,141     | 121,552                   | 187,399      |
| Selling, general and administrative expense                       | 58,855                      | 65,811     | 110,065                   | 122,665      |
| Restructuring expense   | 1,474                       | 1,659      | 12,404                    | 6,632        |
| Operating profit (loss)   | 5,311                       | 31,671     | (917)                     | 58,102       |
| Interest expense  | (6,507)                     | (7,810)    | (11,514)                  | (16,123)     |
| Interest income   | 650                         | 1,999      | 2,346                     | 5,379        |
| Other pension and postretirement benefit expense                  | (5,582)                     | (9,288)    | (9,792)                   | (18,650)     |
| Other non-operating (expense) income                              | (397)                       | (1,463)    | 1,375                     | (84)         |
| (Loss) Income before income taxes                                 | (6,525)                     | 15,109     | (18,502)                  | 28,624       |
| Income tax (benefit) provision                                    | (882)                       | 5,851      | (1,542)                   | 12,186       |
| Net (loss) income   | (5,643)                     | 9,258      | (16,960)                  | 16,438       |
| Net income attributable to noncontrolling shareholders' interests | 572                         | 437        | 846                       | 637          |
| Net (loss) income attributable to Cooper Tire & Rubber Company    | \$ (6,215)                  | \$ 8,821   | \$ (17,806)               | \$ 15,801    |

(Loss) Earnings per share:

|         |           |         |           |         |
|---------|-----------|---------|-----------|---------|
| Basic   | \$ (0.12) | \$ 0.18 | \$ (0.35) | \$ 0.32 |
| Diluted | (0.12)    | 0.18    | (0.35)    | 0.31    |

Weighted average shares outstanding (000s):

|         |        |        |        |        |
|---------|--------|--------|--------|--------|
| Basic   | 50,282 | 50,165 | 50,259 | 50,133 |
| Diluted | 50,282 | 50,362 | 50,259 | 50,370 |

Segment information:

|                               |            |            |            |              |
|-------------------------------|------------|------------|------------|--------------|
| Net Sales                     |            |            |            |              |
| Americas Tire                 | \$ 425,523 | \$ 582,307 | \$ 882,578 | \$ 1,097,243 |
| International Tire            | 100,924    | 138,514    | 203,312    | 282,299      |
| Eliminations                  | (30,188)   | (41,691)   | (57,937)   | (81,249)     |
| Operating profit (loss):      |            |            |            |              |
| Americas Tire                 | \$ 21,808  | \$ 46,814  | \$ 32,224  | \$ 85,603    |
| International Tire            | 1,447      | (1,296)    | (8,832)    | (2,635)      |
| Unallocated corporate charges | (18,455)   | (13,278)   | (25,406)   | (23,730)     |
| Eliminations                  | 511        | (569)      | 1,097      | (1,136)      |

Cooper Tire & Rubber Company  
Condensed Consolidated Balance Sheets  
(Unaudited)

(Dollar amounts in thousands)

|   | June 30,     |              |
|---|--------------|--------------|
|   | 2020         | 2019         |
| Assets  |              |              |
| Current assets:   |              |              |
| Cash and cash equivalents   | \$ 541,423   | \$ 111,681   |
| Notes receivable  | 10,159       | 4,175        |
| Accounts receivable   | 514,218      | 616,974      |
| Inventories   | 465,161      | 589,410      |
| Other current assets  | 47,923       | 48,863       |
| Total current assets  | 1,578,884    | 1,371,103    |
| Property, plant and equipment, net                                  | 1,009,461    | 1,017,356    |
| Operating lease right-of-use assets, net                            | 78,548       | 93,183       |
| Goodwill  | 18,851       | 18,851       |
| Intangibles, net  | 104,651      | 115,937      |
| Deferred income tax assets  | 31,574       | 27,246       |
| Investment in joint venture   | 48,605       | 49,001       |
| Other assets  | 10,329       | 11,396       |
| Total assets  | \$ 2,880,903 | \$ 2,704,073 |
| Liabilities and Equity  |              |              |
| Current liabilities:  |              |              |
| Short-term borrowings   | \$ 244,745   | \$ 19,656    |
| Accounts payable  | 244,470      | 267,851      |
| Accrued liabilities   | 242,629      | 280,933      |
| Income taxes payable  | 2,574        | 8,881        |
| Current portion of long-term debt and finance leases                | 21,696       | 173,766      |
| Total current liabilities   | 756,114      | 751,087      |
| Long-term debt and finance leases                                   | 324,610      | 120,624      |
| Noncurrent operating leases   | 56,152       | 67,214       |
| Postretirement benefits other than pensions                         | 227,623      | 234,782      |
| Pension benefits  | 140,307      | 132,024      |
| Other long-term liabilities   | 178,510      | 144,316      |
| Deferred income tax liabilities                                     | 116          | —            |
| Total parent stockholders' equity                                   | 1,178,782    | 1,192,349    |
| Noncontrolling shareholders' interests in consolidated subsidiaries | 18,689       | 61,677       |
| Total liabilities and equity  | \$ 2,880,903 | \$ 2,704,073 |

Cooper Tire & Rubber Company  
Condensed Consolidated Statements of Cash Flows  
(Unaudited)

(Dollar amounts in thousands)

|  | Six Months Ended June 30, |                   |
|--|---------------------------|-------------------|
|  | 2020                      | 2019              |
| <b>Operating activities:</b>   |                           |                   |
| Net (loss) income  | \$ (16,960)               | \$ 16,438         |
| Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities: |                           |                   |
| Depreciation and amortization  | 78,379                    | 74,347            |
| Stock-based compensation   | 2,097                     | 2,319             |
| Change in LIFO inventory reserve   | (42,982)                  | 9,797             |
| Amortization of unrecognized postretirement benefits   | 17,781                    | 18,240            |
| Changes in operating assets and liabilities:   |                           |                   |
| Accounts and notes receivable  | 11,297                    | (68,786)          |
| Inventories  | 31,220                    | (119,118)         |
| Other current assets   | (17,254)                  | (958)             |
| Accounts payable   | (9,756)                   | 2,599             |
| Accrued liabilities  | (58,321)                  | (30,482)          |
| Other items  | 20,527                    | (3,560)           |
| Net cash provided by (used in) operating activities  | <u>16,028</u>             | <u>(99,164)</u>   |
| <b>Investing activities:</b>   |                           |                   |
| Additions to property, plant and equipment and capitalized software                                | (72,195)                  | (105,354)         |
| Investment in joint venture  | —                         | (49,001)          |
| Proceeds from the sale of assets   | 146                       | 49                |
| Net cash used in investing activities  | <u>(72,049)</u>           | <u>(154,306)</u>  |
| <b>Financing activities:</b>   |                           |                   |
| Issuances of short-term debt   | 327,854                   | 4,721             |
| Repayment of short-term debt   | (91,770)                  | —                 |
| Issuance of long-term debt   | 31,142                    | —                 |
| Repayment of long-term debt and finance lease obligations  | (5,807)                   | (989)             |
| Acquisition of noncontrolling shareholder interest   | (62,272)                  | —                 |
| Payment of financing fees  | —                         | (2,207)           |
| Payments of employee taxes withheld from share-based awards  | (910)                     | (1,158)           |
| Payment of dividends to Cooper Tire & Rubber Company stockholders                                  | (10,554)                  | (10,529)          |
| Issuance of common shares related to stock-based compensation                                      | 177                       | 177               |
| Net cash provided by (used in) financing activities  | <u>187,860</u>            | <u>(9,985)</u>    |
| Effects of exchange rate changes on cash   | (610)                     | 601               |
| <b>Net change in cash, cash equivalents and restricted cash</b>                                    | <u>131,229</u>            | <u>(262,854)</u>  |
| Cash, cash equivalents and restricted cash at beginning of period                                  | 413,125                   | 378,246           |
| Cash, cash equivalents and restricted cash at end of period  | <u>\$ 544,354</u>         | <u>\$ 115,392</u> |
| Cash and cash equivalents  | \$ 541,423                | \$ 111,681        |
| Restricted cash included in Other current assets   | 1,435                     | 2,211             |
| Restricted cash included in Other assets   | 1,496                     | 1,500             |
| Total cash, cash equivalents and restricted cash   | <u>\$ 544,354</u>         | <u>\$ 115,392</u> |

Cooper Tire & Rubber Company  
Reconciliation of Non-GAAP Financial Measures  
(Unaudited)

(Dollar amounts in thousands)

**RETURN ON INVESTED CAPITAL (ROIC)**

|   | Trailing Four Quarters Ended June 30, 2020 |  |
|---|--|--|
| Calculation of ROIC                           | Calculation of Net Interest Tax Effect     |  |
| Operating profit                              | \$ 115,435                                 | Adjusted (Non-GAAP) provision for income taxes (c) \$ 16,232 |
| Adjusted (Non-GAAP) effective tax rate        | 26.0%                                      | Income before income taxes (d) \$ 62,545                     |
| Income tax expense on operating profit        | 29,958                                     | Adjusted (Non-GAAP) effective income tax rate (c)/(d) 26.0%  |
| Adjusted operating profit after taxes (a)     | 85,477                                     |  |
| Total invested capital (b)                    | \$ 1,677,181                               |  |
| ROIC, including noncontrolling equity (a)/(b) | 5.1%                                       |  |

Calculation of Invested Capital (five quarter average)

|                      | Equity       | Long-term debt and finance leases | Current portion of long-term debt and finance leases | Short-term borrowings | Total invested capital |
|----------------------|--------------|-----------------------------------|--|-----------------------|------------------------|
| June 30, 2020        | \$ 1,197,471 | \$ 324,610                        | \$ 21,696  | \$ 244,745            | \$ 1,788,522           |
| March 31, 2020       | 1,195,740    | 301,920                           | 15,477   | 277,844               | 1,790,981              |
| December 31, 2019    | 1,327,733    | 309,148                           | 10,265   | 12,296                | 1,659,442              |
| September 30, 2019   | 1,268,463    | 120,657                           | 173,578  | 16,188                | 1,578,886              |
| June 30, 2019        | 1,254,026    | 120,624                           | 173,766  | 19,656                | 1,568,072              |
| Five quarter average | \$ 1,248,687 | \$ 235,392                        | \$ 78,956  | \$ 114,146            | \$ 1,677,181           |

Calculation of Trailing Four Quarter Income and Expense Inputs

|                        | Operating profit (loss) as reported | Income tax (benefit) provision as reported | Income tax overlay* | Adjusted (benefit) provision for income taxes | (Loss) income before income taxes as reported |
|------------------------|-------------------------------------|--|---------------------|---|---|
| Quarter-ended:         |                                     |  |                     |   |   |
| June 30, 2020          | \$ 5,311                            | \$ (882)                                   | \$ —                | \$ (882)                                      | \$ (6,525)                                    |
| March 31, 2020         | (6,228)                             | (659)                                      | —                   | (659)   | (11,976)                                      |
| December 31, 2019      | 63,583                              | (8,554)                                    | 18,606              | 10,052  | 44,317  |
| September 30, 2019     | 52,769                              | 7,721                                      | —                   | 7,721   | 36,729  |
| Trailing four quarters | \$ 115,435                          | \$ (2,374)                                 | \$ 18,606           | \$ 16,232                                     | \$ 62,545                                     |

\*The company recorded an income tax benefit of \$18,606 as a result of the implementation of a business realignment strategy in Europe in the fourth quarter of 2019.