



TreadWright Tires

***Exploring TreadWright and Tire Sustainability
August 23rd, 2018***

Anthony Showen



Anthony Showen - CEO TreadWright Tires - TRIB Board Member

BIO - Over 30 years of engineering and product development experience

- Nuclear Engineering - US Navy – Submarine warfare operations
- Product Development – OnStar's first triband antenna technology to GM and Panasonic's first DVD TV's.
- Retail and Commercial Tire Sales – Tire Retailers from \$50M to \$800M annually in sales and retread manufacturing
- TreadWright - Currently disrupting the LT tire market with remold technology
 - Product is 100% rebranded, 70% recycled with a price point that is up to 50% lower than comparable branded product.



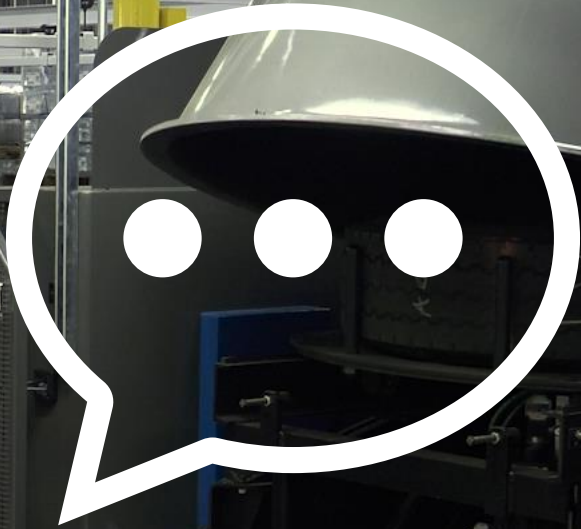
Dispelling the Myths
& Misconceptions
About Tire Remolding
and Retreading



H I S T O R Y

H I S T O R Y

- Retreading began in 1904
- Shortages during World War II and development of synthetic rubber major factors in retreading growth.
- Number of retread plants has decreased but output has increased
- 14.3 million retreaded truck tires sold in US in 2017, or about \$3 billion



SAFETY

NOTICE
SAFETY GLASSES
REQUIRED
IN THIS AREA

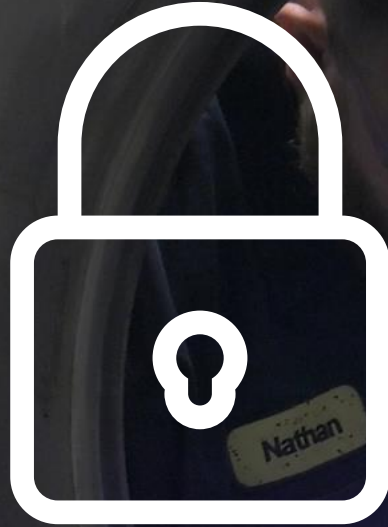
BANDAG

INSIGHT

7450

S A F E T Y

- Insurance Industry – No variance for remolded or retreaded tires
- 80% of commercial aircraft landings are on retreaded tires, and they are retreaded up to 12 times
- School buses, ambulances, fire trucks, and even race cars use retreaded tires safely everyday

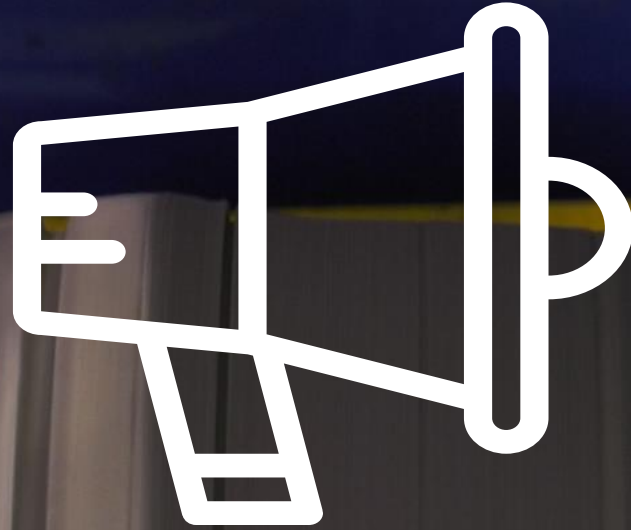


RELIABILITY



R E L I A B I L I T Y

- Rubber on the Road – NOT RETREADS!! Low air pressure and tread depth are the #1 and #2 causes of rubber on the side of roads across America
- Compounds can achieve >50% tread life depending on the application
- Fedex, UPS, and USPS all massive users of retreaded tires
- 100% of fleets with over 100 trucks use retreaded tires
- Remolded tires are used in the same presses that make new tires



S U S T A I N A B I L I T Y

S U S T A I N A B I L I T Y

- Retreading is the original “green’ business
- 22 gallons of oil to produce a new truck tire, but only 7 gallons for a retread
- 40 pounds of raw materials (rubber, steel, carbon black, etc.) are saved with every retreaded truck tire
- 396,000 tons of carbon emissions saved every year in the US
- Reduces disease-causing tire-piles
- Ultimately, safely recycled as part of circular industry



E C O N O M I C S

E C O N O M I C S

- Tires should be an investment, not an expense
- Retreads typically provide 30-60% savings compared to comparable new tires
- Cost-per-mile vs upfront costs
- Beware of low-cost, low-quality imports
- Take advantage of testing by big fleets (100% of large fleets use retreaded tires)
- Work with your dealer/retreader to match your application

Who is Treadwright?

Treadwright offers North America's largest LT/SUV remolded tire for over 35 years



Do you know what TreadWright and all these industries have in common?

TW and all these industries use retread / recycled tires? 80% of all commercial airlines use retread tires with over 250+ landings per retread. Our children and citizens in need of urgent care are transported using retread tires. Recycling rubber not only improves the environmental footprint of the world, but it also produces one of the safest products in it!



Who are Treadwright's Customers?

Leading Government, tire retailers, and small businesses across the lower 48 US States

- Government – Local cities and municipalities along with National Guard and Army Bases
- E-commerce – Amazon, Walmart, e-bay
- Independently owned retailers all across the United States
- Businesses with medium to small fleets (500 vehicles or less)

amazon

Walmart



What goes into a 100% braded remolded Treadwright Tire

Remolding Process and Key Quality Differentiation

- Only Premiere recycled casings are used in the manufacturing of Treadwright tires. Common brands are Goodyear, Bridgestone, Micheline and Toyo.
- Rubber Compounds – Only Tier 1 level tread rubber is used, which contain 50k mile warranties on AT tires. This mileage warranty is an industry leader in the light truck segment. We use the same suppliers currently providing rubber to Goodyear’s US light truck manufacturing plants.
 - Using new compounds on recycled casings saves 6 to 15 gallons of oil per tire produced!
- B2B Mold Cure not Precure Retreading – The entire tire is remolded, which includes branded sidewall veneer that brings the tire back to its original “new” form. The result is a sustainable product that is 70% recycled back to a new state.
- TreadWright is one of a very few completely “Made in the USA” tire brands on the market today and the only B2B or fully branded sidewall offering in the Light Truck segment. This feature allows us to sell to premiere retailers such as Walmart.



Industry leading **Bead to Bead** product line-up

Traditional Retreading Non-Branded

- Reliable, but not a new retail tire
- “Used” tire look and feel

Not remolded “Bead-to-Bead” Case Mfg Brand remains – No TW brand

Remold Process lines visible

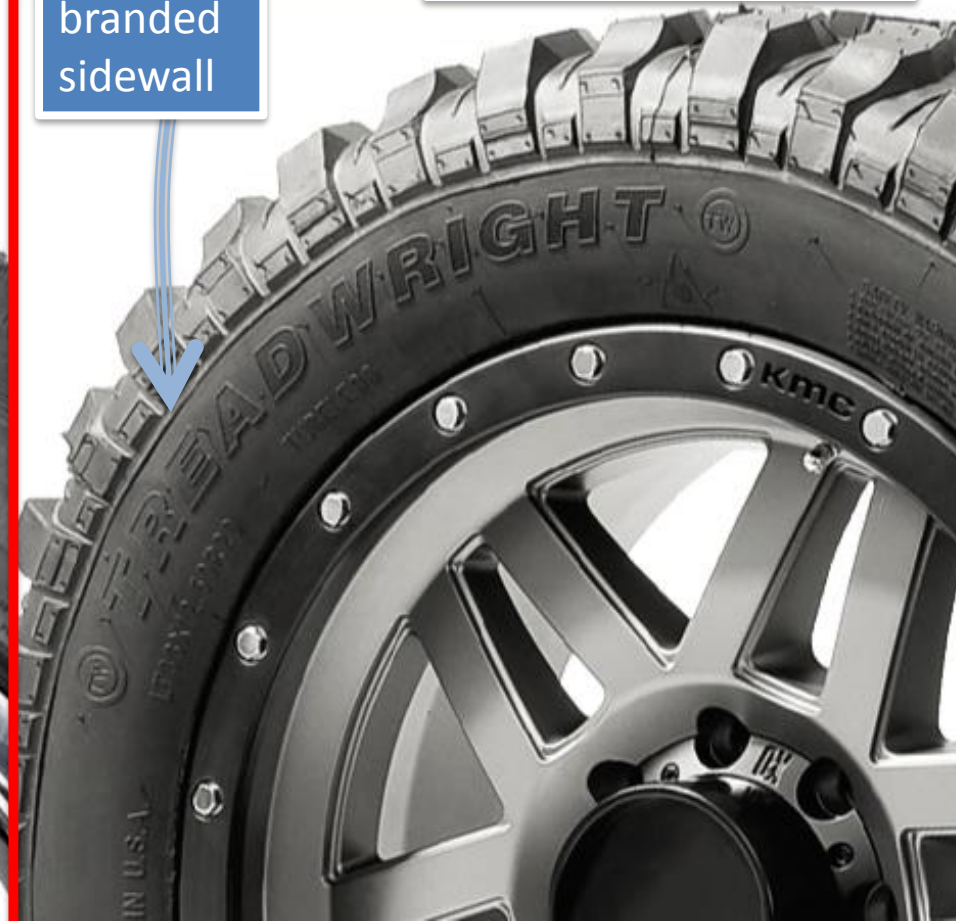


New Bead to Bead – Industry leader

- Appropriate for any OE application
- “New” tire look and feel

New TW branded sidewall

New Tread patterns



Product Line-Up (58 Total SKU's w/ 100% of these key OE replacement sizes)

2016 Top 10 OE sizes from 2013 (81% of the market)

- TreadWright Primary Line-up

- LT245/75R17 – 22%
- LT265/75R16 – 15%
- LT225/75R16 – 11%
- LT265/70R18 – 8% -
- LT265/70R17 – 8%
- LT275/70R18 – 6% -
- LT235/80R17 – 4%
- LT275/65R18 – 7% -

Common OE P-Metric Replacements

- P275/55R20 – 8/17
- P275/60R20 – 8/17
- P265/70R18 – 2/17

2016 Top 10 Replacement Sizes (72% of the market)

- TreadWright Primary Line-up

- LT245/75R16 – 14%
- LT265/75R16 – 12%
- LT265/70R17 – 10%
- LT235/85R16 – 9%
- LT225/75R16 – 8%
- LT285/75R16 – 5%
- LT31/10.5R15 – 4%
- LT215/85R16 – 4%
- LT245/75R17 – 3%
- LT285/70R17 – 3%

2016/2017 Top Upgrades for OE and Replace Sizes

- TreadWright Primary Line-up

- LT33X12.5R20 MT only
- LT33x12.5R18 MT only
- LT33x12.5R15 MT only
- LT35x12.5R20 MT/AT
- LT35x12.5R18 MT/AT
- LT35x12.5R17 MT/AT



TreadWright Business Sustainability

Federal Law and industry regulations (Extremely supportive of Retreading/Remolding)

- Auto insurance providers do not increase premiums for vehicles equipped with retreads. If the insurance industry had a variance, they would apply an increase.
- Accident rates of automobiles with retreads is no different than for vehicles equipped with new tires, which is also substantiated by the insurance industry and why rates don't vary for equipment with remolds/retreads.
- US Federal Executive Order 13149 mandates the use of retreads on specified federal vehicles where applicable. This is the greatest opportunity for sustainability in the LT/SUV segment as light truck and SUV's can now carry remolded tires



TreadWright Business Sustainability

Recycled Casing Supply and Availability

- Light Truck & SUV recycled casings have been consolidated by larger companies in the US. Lakin and Liberty tire are industry leaders in this market space.
 - TreadWright Tires is able to purchase nearly 10,000 casings per month from these suppliers
 - TreadWright also has 10 independent suppliers from around the country
 - Recycled casings drive our 70% recycled product in addition to saving 6 to 8 gallons of oil per tire produced
- TreadWright tires is looking to partner with other agencies around the US to reduce illegible dumping and support sustainability in the LT and SUV tire industry. We have a dedicated supply chain to support any and all opportunities in the lower 48 states and Texas.



Questions?

