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

FORM 10-K

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-12936

TITAN INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware	**36-3228472**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1525 Kautz Road, Suite 600, West Chicago, IL 60185
(Address of principal executive offices)
(217) 228-6011
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, $0.0001 par value	TWI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☑
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of the shares of common stock of the registrant held by non-affiliates as of June 30, 2021, was approximately $528 million based upon the last reported sale price of the common stock on the New York Stock Exchange on June 30, 2021.

Indicate the number of shares of Titan International, Inc. outstanding: 62,421,300 shares of common stock, $0.0001 par value, as of February 25, 2022.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the 2022 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

TITAN INTERNATIONAL, INC.
Index to Annual Report on Form 10-K

NOTE ON FORWARD-LOOKING STATEMENTS

This Form 10-K contains forward-looking statements, which are covered by the "Safe Harbor for Forward-Looking Statements" provided by the Private Securities Litigation Reform Act of 1995. Readers can identify these statements by the fact that they do not relate strictly to historical or current facts. The Company tried to identify forward-looking statements in this report by using words such as “anticipates,” “estimates,” “expects,” “intends,” “plans,” and “believes,” and similar expressions or future or conditional verbs such as “will,” “should,” “would,” “may,” and “could.” These forward-looking statements include, among other items, statements relating to the following:

- the Company's future financial performance;
- anticipated trends in the Company’s business;
- expectations with respect to the end-user markets into which the Company sells its products (including agricultural equipment, earthmoving/construction equipment, and consumer products);
- future expenditures for capital projects;
- the Company’s ability to continue to control costs and maintain quality;
- the Company's ability to meet conditions of loan agreements;
- the Company’s business strategies, including its intention to introduce new products;
- expectations concerning the performance and success of the Company’s existing and new products; and
- the Company’s intention to consider and pursue acquisition and divestiture opportunities.

Readers of this Form 10-K should understand that these forward-looking statements are based on the Company’s current expectations and assumptions about future events and are subject to a number of risks, uncertainties, and changes in circumstances that are difficult to predict, including those in Part 1, Item 1A of this report, “Risk Factors,” certain of which are beyond the Company’s control.

Actual results could differ materially from those expressed in, or implied by, these forward-looking statements as a result of various factors, including:

- the effect of the COVID-19 pandemic on our operations and financial performance;
- the effect of a recession on the Company and its customers and suppliers;
- changes in the Company’s end-user markets into which the Company sells its products as a result of domestic and world economic or regulatory influences or otherwise;
- changes in the marketplace, including new products and pricing changes by the Company’s competitors;
- ability to maintain satisfactory labor relations;
- unfavorable outcomes of legal proceedings;
- the Company's ability to comply with current or future regulations applicable to the Company's business and the industry in which it competes or any actions taken or orders issued by regulatory authorities;
- availability and price of raw materials;
- availability and price of supply chain logistics and freight;
- levels of operating efficiencies;
- the effects of the Company's indebtedness and its compliance with the terms thereof;
- changes in the interest rate environment and their effects on the Company's outstanding indebtedness;
- unfavorable product liability and warranty claims;
- actions of domestic and foreign governments, including the imposition of additional tariffs;
- geopolitical and economic uncertainties relating to the countries in which the Company operates or does business;
- risks associated with acquisitions, including difficulty in integrating operations and personnel, disruption of ongoing business, and increased expenses;
- results of investments;
- the effects of potential processes to explore various strategic transactions, including potential dispositions;

- fluctuations in currency translations;
- climate change and related laws and regulations;
- risks associated with environmental laws and regulations;
- risks relating to our manufacturing facilities, including that any of our material facilities may become inoperable; and
- risks related to financial reporting, internal controls, tax accounting, and information systems.

Any changes in such factors could lead to significantly different results. Any assumptions that are inaccurate or do not prove to be correct could have a material adverse effect on the Company’s ability to achieve the results as indicated in forward-looking statements. Forward-looking statements speak only as of the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. In light of these risks and uncertainties, there can be no assurance that the forward-looking information and assumptions contained in this document will in fact transpire. The reader should not place undue reliance on the forward-looking statements included in this report or that may be made elsewhere from time to time by the Company, or on its behalf. All forward-looking statements attributable to Titan are expressly qualified by these cautionary statements.

PART I

ITEM 1 – BUSINESS

OVERVIEW

Titan International, Inc., together with its subsidiaries (Titan or the Company), is a global wheel, tire, and undercarriage industrial manufacturer and supplier that services customers across the globe. Titan traces its roots to the Electric Wheel Company in Quincy, Illinois, which was founded in 1890. Titan was originally incorporated in 1983 and has increased its global footprint and enhanced product offerings through major acquisitions which include the following:

- 2005 - The Goodyear Tire & Rubber Company’s North American farm tire assets
- 2006 - Off-the-road (OTR) tire assets of Continental Tire North America
- 2011 - The Goodyear Tire & Rubber Company's Latin American farm tire business
- 2012 - 56% controlling interest in Planet Corporation Group, now known as Titan Australia
- 2013/2014 - A noncontrolling interest in Voltyre-Prom, a leading producer of agricultural and industrial tires, which owns and operates an over two million square foot manufacturing facility located in Volgograd Russia
- 2018 - The remaining 44% interest in Titan Australia
- 2019 - An additional 21.4% interest in Voltyre-Prom (from 42.9% to 64.3%) resulting in controlling interest

As a leading manufacturer in the off-highway industry, Titan produces a broad range of products to meet the specifications of original equipment manufacturers (OEMs) and aftermarket customers in the agricultural, earthmoving/construction, and consumer markets. Titan manufactures and sells certain tires under the Goodyear Farm Tire, Titan Tire and Voltyre-Prom Tire brands and has complete research and development facilities to validate tire and wheel designs.

BUSINESS SEGMENTS

Titan designs and manufactures products for OEMs and aftermarket customers in the agricultural, earthmoving/construction, and consumer markets. For additional information concerning the revenues, expenses, income from operations, and assets attributable to each of the segments in which the Company operates, see Note 29 of the Notes to Consolidated Financial Statements.

AGRICULTURAL SEGMENT

Titan’s agricultural wheels, tires, and undercarriage systems and components are manufactured for use on various agricultural equipment, including tractors, combines, skidders, plows, planters, and irrigation equipment, and are sold directly to OEMs and to the aftermarket through independent distributors, equipment dealers, and Titan’s distribution centers. The wheels range in diameter from nine inches to 54 inches, with the 54-inch diameter being the largest agricultural wheel manufactured in North America. Basic configurations are combined with distinct variations (such as different centers and a wide range of material thickness) allowing the Company to offer a broad line of products to meet customer specifications. Titan’s agricultural tires range from approximately one foot to approximately seven feet in outside diameter and from five inches to 55 inches in width. The Company offers the added value of delivering a complete wheel and tire assembly to OEM and aftermarket customers.

EARTHMOVING/CONSTRUCTION SEGMENT

The Company manufactures wheels, tires, and undercarriage systems and components for various types of OTR earthmoving, mining, military, construction, and forestry equipment, including skid steers, aerial lifts, cranes, graders and levelers, scrapers, self-propelled shovel loaders, articulated dump trucks, load transporters, haul trucks, backhoe loaders, crawler tractors, lattice cranes, shovels, and hydraulic excavators. The Company provides OEM and aftermarket customers with a broad range of earthmoving/construction wheels ranging in diameter from 15 to 63 inches and in weight from 125 pounds to 7,000 pounds. The 63-inch diameter wheel is the largest manufactured in North America for the earthmoving/construction market. Titan's earthmoving/construction tires range from approximately three feet to approximately 13 feet in outside diameter and in weight from 50 pounds to 12,500 pounds. The Company also offers the added value of wheel and tire assembly for certain applications in the earthmoving/construction segment.

CONSUMER SEGMENT

Titan manufactures bias truck tires in Latin America and light truck tires in Russia. Titan also offers select products for ATVs, turf, and golf cart applications. This segment also includes sales that do not readily fall into the Company's other segments.

COMPETITIVE STRENGTHS

Titan's strong market position in the off-highway wheel, tire, and undercarriage market and its long-term core customer relationships contribute to the Company's competitive strengths. Titan's production of both wheels and tires enables the Company to provide a one-stop solution for its customers' wheel and tire assembly needs. These strengths, along with Titan's dedication to the off-highway equipment market, continue to drive the Company forward.

- **Strong Market Position**

As a result of Titan's offering of a broad range of specialized wheels, tires, assemblies, and undercarriage systems and components, Titan is a leader in the global off-highway market. Through an extensive dealer network and sales force, the Company is able to reach an increasing number of aftermarket and OEM customers which builds Titan's image and brand recognition. The Company's production of the Goodyear Farm Tire brand in North America, Latin America, Europe, the Middle East and Africa contributes to overall visibility and customer confidence. Years of product design and engineering experience have enabled Titan to improve existing products and develop new ones, such as Low Sidewall (LSW®), which have been well received in the marketplace. Titan believes it has benefited from significant barriers to entry, such as the substantial investment necessary to replicate the Company's manufacturing equipment and numerous tools, dies and molds, many of which are used in custom processes.

- **Wheel and Tire Manufacturing Capabilities**

The Company's position as a manufacturer of both wheels and tires allows Titan to mount and deliver one of the largest selections of off-highway assemblies in North America. Both standard and LSW assemblies are delivered as a single, complete unit based on each customer's specific requirements. Titan offers this value-added service for wheel and tire assemblies for the agricultural, earthmoving/construction, and consumer segments.

- **Long-Term Core Customer Relationships**

The Company's top customers, including global leaders in agricultural and construction equipment manufacturing, have been purchasing products from Titan or its predecessors for numerous years. Customers including AGCO Corporation, Caterpillar Inc., CNH Global N.V., Deere & Company, Hitachi, Ltd., Kubota Corporation, Liebherr, and Volvo have helped sustain Titan's market leading position in wheel, tire, assembly, and undercarriage products.

BUSINESS STRATEGY

We are the worldwide leader in manufacturing and distribution of wheels, tires, assemblies and undercarriage products and serve our customers' needs through product innovation and quality service in the Company's key markets: agriculture, earthmoving/construction, and consumer. Other strategic considerations include:

- **Tire Technology**

The Company has developed an LSW tire technology, featuring a larger rim diameter and a smaller sidewall than standard tires. With LSW tire technology, which has been widely adopted within the automotive industry, users experience reduced power hop, road lope, soil compaction, and fuel consumption as well as improved safety and performance. Both power hop and road lope can disturb ride quality and impede equipment performance. The benefits correspond to Titan's markets through superior comfort, ride and fuel economy. Our LSW proprietary larger footprint agricultural products provide a framework for expansion of carbon sinks, reducing soil compaction and improving soil health. Reduced soil compaction from the larger footprint of the LSW product requires less tillage thus reducing the release of carbon dioxide, a greenhouse gas. Titan continues to enhance the LSW technology and expand its LSW product and other tire offerings in both the agricultural and construction segments.

- **Increase Aftermarket Tire Business**

The Company has concentrated on increasing Titan's presence in the tire aftermarket, which historically has been somewhat less cyclical than the OEM market. The aftermarket also offers the potential for higher profit margins and is a larger market. Titan’s strategy to enhance the Company's aftermarket platform focuses on improving the customer experience and product positioning in key sales markets. To support this strategy, the Company has a dedicated salesforce for the tire aftermarket.

- **Improve Operating Efficiencies**

The Company regularly works to improve the operating efficiency of assets and manufacturing facilities. Titan integrates each facility’s strengths through, among other things, transfer of equipment and business to the facilities that are best equipped to handle the work, which enables Titan to increase utilization and spread operating costs over a greater volume of products. Titan continues to implement a comprehensive program to refurbish, modernize, and enhance the technology of its manufacturing equipment. Titan has also made investments to streamline processes, increase productivity, and lower costs in the selling, general and administrative areas.

- **Enhance Design Capabilities and New Product Development**

Equipment manufacturers constantly face changing industry dynamics. Titan directs its business and marketing strategy to understand and address the needs of customers and demonstrate the advantages of products. In particular, the Company often collaborates with customers in the design of new and enhanced products and recommends modified products to customers based on the Company's own market information. These value-added services enhance Titan’s relationships with customers. The Company tests new designs and technologies and develops manufacturing methods to improve product quality, performance, and cost.

- **Reduction of Non-Core Assets and Other Strategic Considerations**

The Company has reduced non-core assets and continues to explore ways to improve underperforming assets in an effort to improve cash flow and working capital and reduce debt.

The Company’s expertise in the manufacture of off-highway wheels, tires, and undercarriage systems and components has permitted it to take advantage of opportunities to acquire businesses that complement this product line. In the future, Titan may consider strategic partnerships, joint ventures or make additional strategic acquisitions of businesses that have an off-highway focus. The Company continually explores worldwide opportunities to expand its manufacturing and distribution capabilities in order to serve new and existing geographies.

SUSTAINABILITY

Titan is committed to be a positive force in the lives of our employees, customers and in the communities they work and live. The Company has made significant progress on the environmental, social and governance (ESG) areas by creating and updating various policies, preparing new forms of monitoring, and expanding disclosure of data regarding operations.

The protection of the environment is a core value at Titan. We are dedicated to the continual improvement of environmental performance of our global operations. In 2021, Titan solidified these values becoming a signatory of the United National Global Compact, a set of international principles focusing on universal human rights, labor, the environment, and anti- corruption. From there, we began revisiting our policies with both new policies and adopting updates which reflect these core values. With each of these updates, we have taken a stand against child and forced labor, harassment and discrimination at any of our sites or supplier or contractor sites. We will adhere to these ethical standards and will follow outlined procedures for any infraction.

Titan works toward continuous improvement in considering our impact on the environment. Whether it is creating tires that reduce soil compaction, which also help our customers increase yield, closely tracking our business operations to identify reduced use of harmful solvents, finding use for recycled materials or discovering new ways to design our facilities more sustainably, we are committed to making ongoing strides toward lessening our impact on our world.

As part of our commitment to the environment, Titan has Environmental Management Systems in place across many of our global facilities. Our systems monitor and track energy consumption, waste management, pollution prevention, emissions control and overall environmental health throughout our footprint, which enables us to measure and continuously improve environmental performance. We also conduct routine internal environmental assessment audits at our facilities. Currently 17 of our locations are ISO 14001 certified, making up 46% of our facility footprint. We continue to strive for efficiency and operational improvements to lessen our impact on the environment.

HUMAN CAPITAL

The Company’s key human capital management objectives are to attract, retain and develop talent to deliver on the Company’s strategy. To support these objectives, the Company’s human capital programs are designed to: keep people safe and healthy; develop talent to prepare them for critical roles and leadership positions; and facilitate internal talent mobility.

Titan is committed to maintaining a diverse, equitable, inclusive, and safe workplace, where employees feel comfortable and encouraged to bring their whole selves to work. We value having a diverse range of backgrounds, talents, perspectives, cultures, and experiences and believe it enables us to make connections and understand our customer needs across the globe. We are committed to providing a workplace where all Titan employees work without fear of discrimination or harassment and are confident that all employment decisions are based entirely on individual merit. Titan believes that genuine diversity drives strategic advantage and contributes to the achievement of our corporate objectives. It enables Titan to attract people with the best skills and attributes, and to develop a workforce selected from all available talent, whose diversity reflects that of the customers and communities in which we serve.

The Company focuses on the following in managing its human capital:

Health and safety: We have a safety program that focuses on implementing management systems, policies and training programs and performing assessments to evaluate whether workers are trained properly and help prevent injuries and incidents. Our employees are empowered with stop-work authority which enables them to immediately stop any unsafe or potentially hazardous working condition or behavior they may observe. We utilize a mixture of indicators to assess the safety performance of our operations, including total recordable injury rate, preventable motor vehicle incidents per million miles, corrective actions and near miss frequency. We also recognize outstanding safety behaviors through our annual awards program. Importantly, during the COVID-19 pandemic, our continuing focus on health and safety enabled us to preserve business continuity without sacrificing our commitment to keeping our colleagues safe.

Compensation programs and employee benefits: Our compensation and benefits programs provide a package designed to attract, retain and motivate employees. In addition to competitive base salaries, the Company provides a variety of short-term, long-term and commission-based incentive compensation programs to reward performance relative to key financial, human capital and customer experience metrics. We offer comprehensive benefit options including retirement savings plans, medical insurance, prescription drug benefits, dental insurance, vision insurance, accident and critical illness insurance, life and disability insurance, health savings accounts, flexible spending accounts, legal insurance, auto/home insurance and identity theft insurance. Additionally, we have conducted company-wide stock grant programs for employees with the most recent grant program occurring in March 2021.

Employee experience and retention: To evaluate the success of our employee experience and retention efforts, we monitor a number of employee measures, such as employee retention, internal promotions and referrals. We host town hall meetings that are designed to provide an open and frequent line of communication for all employees and to engage with our full team.

Training and development: The Company is committed to the continued development of its people. We also offer various training and development programs, including an undergraduate tuition assistance program. Our employee evaluation process encourages performance and development check-ins throughout the year to provide for development across the Company.

EMPLOYEES

At December 31, 2021, the Company employed approximately 7,500 people worldwide, including approximately 4,400 located outside the United States.

At December 31, 2021, the employees at each of the Company's Bryan, Ohio; Freeport, Illinois; and Des Moines, Iowa facilities, which collectively account for approximately 63% of the Company’s U.S. employees, are covered by collective bargaining agreements. By January 12, 2022, the employees represented by the United Steelworkers at each of the Company’s Bryan, Ohio; Freeport, Illinois; and Des Moines, Iowa facilities voted to ratify new three year contracts which expire on November 16, 2024.

Outside the United States, the Company enters into employment agreements in those countries in which such relationships are mandatory or customary. The provisions of these agreements generally correspond in each case with the required or customary terms in the subject jurisdiction.

COMPETITION

The Company competes with several domestic and international companies, some of which are larger and have greater financial and marketing resources than Titan. The Company believes it is a primary source of steel wheels to the majority of its North

American customers. Major competitors in the off-highway wheel market include Accuride, Gianetti, GKN Wheels, Ltd., Jantsa, Maxin, Pronar, Rimex, Trelleborg Group, Topy Industries, Ltd and Wheels India Limited. Significant competitors in the off-highway tire market include Alliance Tire Company Ltd., Balkrishna Industries Limited (BKT), Bridgestone/Firestone, Michelin, Mitas a.s., and Pirelli. Significant competitors in the undercarriage market include Berco and Caterpillar.

The Company competes on the basis of price, quality, sales support, customer service, design capability, and delivery time. The Company's position of manufacturing both the wheel and the tire allows Titan to provide innovative assembly solutions for our customers, creating a competitive advantage in the marketplace. The Company’s ability to compete with international competitors may be adversely affected by various factors, including currency fluctuations and tariffs imposed by domestic and foreign governments. Titan owns the molds and dies used to produce its wheels and tires. However, certain of the Company’s OEM customers could elect to manufacture their own products to meet their requirements or to otherwise compete with the Company. The Company may be adversely affected by increased competition in the markets in which it operates, or competitors developing products that are more effective, less expensive, or otherwise rendering certain of Titan’s products less competitive. From time to time, certain of the Company’s competitors have reduced their prices in particular product categories, which has prompted Titan to reduce prices as well. There can be no assurance that competitors of the Company will not further reduce prices in the future or that any such reductions would not have a material adverse effect on the Company.

OPERATIONS

Titan’s operations include manufacturing wheels, manufacturing tires, combining these wheels and tires into assemblies, and manufacturing undercarriage systems and components for use in the agricultural, earthmoving/construction, and consumer markets. These operations entail many manufacturing processes in order to complete the finished products.

- **Wheel Manufacturing Process**

Most agricultural wheels are produced using a rim and a center disc. A rim is produced by first cutting large steel sheets to required width and length specifications. These steel sections are rolled and welded to form a circular rim, which is flared and formed in the rollform operation. The majority of discs are manufactured using presses that both blank and form the center to specifications in multiple stage operations. The Company e-coats wheels using a multi-step process prior to the final paint top coating.

Large earthmoving/construction steel wheels are manufactured from hot and cold-rolled steel sections. Hot-rolled sections are generally used to increase cross section thickness in high stress areas of large diameter wheels. A special cold forming process for certain wheels is used to increase cross section thickness while reducing the number of wheel components. Rims are built from a series of hoops that are welded together to form a rim base. The complete rim base is made from either three or five separate parts that lock together after the rubber tire has been fitted to the wheel, the parts have been fully assembled, and the assembly inflated.

For most wheels in our consumer segment, the Company manufactures rims and center discs from rolled and flat steel. Rims are rolled and welded, and discs are stamped and formed from the sheets. The manufacturing process then entails welding the rims to the centers and painting the assembled product.

- **Tire Manufacturing Process**

The first stage in tire production is the mixing of rubber, carbon black, and chemicals to form various rubber compounds. These rubber compounds are then extruded and processed with textile or steel materials to make specific components. These components – beads (wire bundles that anchor the tire with the wheel), plies (layers of fabric that give the tire strength), belts (fabric or steel fabric wrapped under the tread in some tires), tread, and sidewall – are then assembled into an uncured tire carcass. The uncured carcass is placed into a press that molds and vulcanizes the carcass under set time, temperature, and pressure into a finished tire.

- **Wheel and Tire Assemblies**

The Company’s position as a manufacturer of both wheels and tires allows Titan to mount and deliver one of the largest selections of off-highway assemblies in North America. Titan offers this value-added service of one-stop solution for wheel and tire assemblies for the agricultural, earthmoving/construction, and consumer segments. Both standard and LSW assemblies are delivered as a single, complete unit based on each customer’s specific requirements.

- **Undercarriage Manufacturing Process**

The undercarriage components (track groups, track and carrier rollers, idler assemblies, and sprockets) are all manufactured from steel and produced according to the Company's specifications or if requested alternatively according to customer specification.

All tractor type track groups (up to 250 ton class) produced by the Company are built from five major parts: shoes, right and left hand links, pins, bushings and bolts and nuts. Shoes are manufactured from different shapes of hot rolled profiles (depending on application), sheared to length, and then heat treated for high wear bending and breaking resistance. Alternatively tailormade special shaped shoes are obtained from heat treated steel cast in the Company foundry. Right and left hand links are die forged, hot trimmed, mass heat treated, machined, and finally induction hardened on rail surface for optimal wear and fatigue resistance. Pins are made from round bars that are cut, machined, heat treated, and surface finished. Bushings are generally cold extruded, machined, mass heat treated, and finally carburized or induction hardened or through hardened for wear resistance and optimal toughness. All monobloc type track groups (250 ton class up) are high alloyed heavy castings, heat treated, induction hardened and machined to purpose in the Company foundry.
The lifetime lubricated and maintenance-free track and carrier rollers are assembled with three major components: single or double flange roller shells (typically hot forged in halves, deep hardened, friction or arc welded, and finish machined with metallurgical characteristics depending upon size and application), shafts (generally cut from bars or forged, mass heat treated, rough machined, induction hardened, and ground) and casted brackets to fit the rollers onto the machine. The sealing of the rollers is generally obtained by Duo Cone Steel seals.
The idler assemblies are also lifetime lubricated, for virtually no maintenance. They are offered with cast (single web or hollow design) or fabricated shells, depending on size and application, and feature induction-hardened tread surfaces for optimal wear resistance.
The sprockets, designed to transfer the machine driving loads from the final drive to the track, are produced cast or forged in several geometric options, depending upon size and application. They are also heat treated for wear resistance and cracking resistance.
The undercarriage systems, custom designed and produced by the Company, consist of a structured steel fabricated frame, all the undercarriage components mentioned above (track groups, track and carrier rollers, idler assemblies, and sprockets) and a final drive. They are completely assembled in house, for consistent quality.

- **Quality Control**

The Company is ISO certified at all four main domestic manufacturing facilities located in Bryan, Ohio; Des Moines, Iowa; Freeport, Illinois; and Quincy, Illinois, as well as the majority of its foreign manufacturing facilities. The ISO series is a set of related and internationally recognized standards of management and quality assurance. The standards specify guidelines for establishing, documenting, and maintaining a system to ensure quality. The ISO certifications are a testament to Titan’s dedication to providing quality products for its customers.

- **International Operations**

The Company operates manufacturing facilities in Latin America, Europe and Russia. The Latin American, European and Russian operations accounted for 18%, 22%, and 5% of the Company's net sales, respectively, for the year ended December 31, 2021 and 17%, 21% and 6% of net sales, respectively, for the year ended December 31, 2020.

RAW MATERIALS

Steel, natural rubber, synthetic rubber, carbon black, bead wire, and fabric are the primary raw materials used by the Company. To help ensure a consistent steel supply, Titan purchases raw steel from various steel mills and maintains relationships with steel processors for steel preparation. The Company is not dependent on any single producer for its steel supply; however, some components do have limited suppliers. Rubber and other raw materials for tire manufacture represent some of the Company’s largest commodity expenses. Titan has developed a procurement strategy and practice designed to mitigate price risk and lower cost. Titan buys rubber in markets where there are usually several sources of supply. In addition to the development of key domestic suppliers, the Company’s strategic procurement plan includes international steel and rubber suppliers to assure competitive price and quality in the global marketplace. As is customary in the industry, the Company does not have long-term contracts for the purchase of steel or rubber and, therefore, purchases are subject to price fluctuations.

RESEARCH, DEVELOPMENT, AND ENGINEERING

The Company’s research, development, and engineering staff tests original designs and technologies and develops new manufacturing methods to improve product performance. Titan’s engineering and manufacturing resources are focused on designing quality products that address the needs of our customers and end-users across the markets that Titan serves. Titan’s team of experienced engineers continuously work on new and improved engineered solutions that evolve with today’s applications for the off-highway wheel, tire, and assembly markets. As a part of the design process, Titan seeks to be stewards of the environment through the adoption of eco-design principles, life cycle assessments, and evaluation of incorporating the use of recycled material and alternate environmentally friendly and sustainable raw materials where possible. Titan's advantage as both a wheel and tire manufacturer allows the Company to design, test, and bring to market innovative solutions to meet the specific needs of its customers. For example, Titan has developed the LSW technology, featuring a larger rim diameter and a smaller sidewall than standard tires, which helps reduce power hop, road lope, soil compaction, and provides improved safety and performance. Research and development (R&D) expenses are expensed as incurred. R&D costs were $10.1 million, $9.0 million, and $9.9 million for the years ended December 31, 2021, 2020, and 2019, respectively.

PATENTS, TRADEMARKS, AND ROYALTIES

The Company owns various patents and trademarks and continues to apply for patent protection for new products. Due to the difficult nature of predicting the interpretation of patent laws, the Company cannot anticipate or predict any material adverse effect on its operations, cash flows, or financial condition to the extent the Company is unable to protect its patents or should the Company be found to be infringing others' patents.

The Company has trademark license agreements with The Goodyear Tire & Rubber Company to manufacture and sell certain farm tires under the Goodyear name. These agreements cover sales in North America, Latin America, Europe, the Middle East, Africa, Russia, and other Commonwealth of Independent States countries. Each of these agreements is scheduled to expire in 2025. The Company also has a trademark license agreement with Goodyear to manufacture and sell certain non-farm tire products in Latin America under the Goodyear name. The trademark license between the Company and The Goodyear Tire & Rubber Company, relating to the manufacture and sale of bias truck tires in Brazil, Mexico, Paraguay and Uruguay, was extended through December 31, 2022, and the country of Bolivia was deleted from that license.

CUSTOMERS

Titan’s 10 largest customers accounted for 40% of net sales for the year ended December 31, 2021, and 35% for the year ended December 31, 2020. Net sales to Deere & Company in Titan's agricultural, earthmoving/construction, and consumer segments combined represented 12% and 11% of the Company's consolidated revenues for the years ended December 31, 2021 and 2020, respectively. No other customer accounted for 10% or more of Titan's net sales in 2021 and 2020. Management believes the Company is not dependent on any single customer; however, certain products are dependent on a few customers. While the loss of any substantial customer could impact Titan’s business, the Company believes that its diverse product mix and customer base should minimize a longer-term impact caused by any such loss.

ORDER BACKLOG

The Company's backlog of orders is not considered material to, or a significant factor in, evaluating and understanding any of the Company's business segments or Titan's businesses considered as a whole.

MARKETING AND DISTRIBUTION

The Company employs an internal sales force and utilizes several manufacturing representative firms for sales in North America, Europe, Latin America, the CIS region, and other worldwide locations. Sales representatives are primarily organized within geographic regions.

Titan distributes wheels, tires, assemblies, and undercarriage systems directly to OEMs. The distribution of aftermarket tires occurs primarily through a network of independent and OEM-affiliated dealers.

SEASONALITY

Agricultural equipment sales are seasonal by nature. Farmers generally order equipment to be delivered before the growing season. Shipments to OEMs in the agricultural industry in the U.S. and Europe usually peak during the Company’s first and second quarters for the spring planting period, while shipments in Latin America usually peak during the Company's second and third quarters for the fall planting period. Earthmoving/construction and consumer segments have historically experienced higher demand in the first and second quarters. These segments are affected by mining, building, economic conditions and various global commodity prices.

LAWS AND GOVERNMENTAL REGULATIONS

The Company's policy is to conduct its global operations in accordance with all applicable laws, regulations and other requirements. In the ordinary course of business, similar to other industrial manufacturing companies, Titan is subject to extensive and evolving federal, state, local, and international environmental laws and regulations. From time to time, the Company has, and may in the future, incurred costs and additional charges associated with environmental compliance and cleanup projects, including remediation activities. As appropriate, the Company makes provisions for the estimated financial impact of potential environmental cleanup activities. The Company's policy is to accrue environmental cleanup-related costs of a non-capital nature when those costs are believed to be probable and can be reasonably estimated. Expenditures that extend the life of the related property, or mitigate or prevent future environmental contamination, are capitalized. The Company does not currently anticipate any material capital expenditures for environmental control facilities. The quantification of environmental exposures requires an assessment of many factors, including changing laws and regulations, advances in environmental technologies, the quality of information available related to specific sites, the assessment stage of the site investigation, preliminary findings, and the length of time involved in remediation or settlement. Due to the difficult nature of predicting future environmental costs, the Company may not be able to anticipate or predict with certainty the potential material adverse effect on its operations, cash flows, or financial condition as a result of efforts to comply with, or any future liability under, environmental laws, regulations or other requirements.

AVAILABLE INFORMATION

The Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports are made available, without charge, through the Company's website located at www.titan-intl.com under "Investor Relations" as soon as reasonably practicable after they are filed with the Securities and Exchange Commission (SEC). You can also obtain copies of these materials by accessing the SEC's website at www.SEC.gov. The following documents are also posted on the Company's website:

- Corporate Governance Policy
- Code of Business Conduct
- Audit Committee Charter
- Compensation Committee Charter
- Nominating Committee Charter
- Corporate Governance Committee Charter
- Environmental and Social Commitment

Printed copies of these documents are available, without charge, by writing to: Titan International, Inc.,
c/o Corporate Secretary, 1525 Kautz Road, Suite 600, West Chicago, Illinois 60185.

The information on, or that may be accessed through, the aforementioned websites is not incorporated into this filing and should not be considered a part of this filing.

ITEM 1A – RISK FACTORS

The Company is subject to various risks and uncertainties that it believes are significant to our business. These risks relate to or arise out of the nature of the Company's business and overall business, economic, financial, legal, and other factors or conditions that may affect the Company. In addition to risks discussed elsewhere in this report, the following are factors that could, individually or in the aggregate, materially adversely affect the Company's business, financial condition and results of operations and cause the Company's actual results to differ from past results and/or those anticipated, estimated or projected. In addition, other risks not presently known to the Company or that the Company currently believes to be immaterial may also adversely affect the Company's business, financial condition and results of operations, perhaps materially. It is impossible to predict or identify all such risks and uncertainties and, as a result, you should not consider the following factors to be a complete discussion of all risks or uncertainties that may impact the Company's business, financial condition or results of operations.

Supplier and Raw Material Exposure

- **The Company is exposed to price fluctuations of key commodities.**
  The Company uses various raw materials, most significantly steel, natural rubber, synthetic rubber, carbon black, bead wire, and fabric in manufacturing its products across all of its market segments. The Company does not generally enter into long-term commodity contracts and does not use derivative commodity instruments to hedge exposures to

commodity market price fluctuations. Therefore, the Company is exposed to price fluctuations of key commodities. In addition, our business is susceptible to increases in other costs such as energy and natural gas prices to run our operating facilities as a result of factors beyond our control, including unfavorable weather conditions. Although the Company attempts to pass on certain material price and other cost increases to its customers, there is no assurance that the Company will be able to do so in the future. Any increase in the price of steel and rubber that is not passed on to customers could result in declining margins and have a material adverse effect on Titan's financial condition and results of operations.

- **Demand for global logistical services, including container shortages, can negatively impact the cost of delivery to the end customer and unexpected delays in meeting delivery requirements to the end customer.**

  The Company uses various logistical providers and transportation methods including containers to transport its products to the end customers. The overall demand for containers depends largely on the rate of world trade and economic growth. During 2021 and continuing into the first quarter of 2022, the global economy has experienced a surge in demand worldwide for logistical services which has resulted in a global shortage of shipping containers, congested seaports and capacity constraints on vessels, among other challenges. The Company is exposed to significant price fluctuations on global shipping costs as well as uncertainty in terms of shipping delays as a result of the container demand and shortages. While the Company does attempt to pass on certain shipping and delivery related charges to its customer, there is no assurance that the Company will be able to do so into the future which could result in declining margins and have a material adverse effect on Titan's financial condition and results of operations.

- **The Company relies on a limited number of suppliers.**
  The Company currently relies on a limited number of suppliers for certain key commodities, which consist primarily of steel and rubber, in the manufacturing of Titan products. If the Company's suppliers are unable to provide raw materials to Titan in a timely manner, or are unable to meet our quality, quantity or cost requirements, the Company may not in all cases be able to promptly obtain substitute sources. Any extended delay in receiving critical materials could impair Titan's ability to deliver products to its customers. The loss of key suppliers, the inability to establish relationships with replacement suppliers, or the inability of Titan's suppliers to meet price, quality, quantity, and delivery requirements could have a significant adverse impact on the Company's results of operations.

- **The Company has international operations and purchases raw material from foreign suppliers**
  The Company had total aggregate net sales outside the United States of approximately $944.2 million, $675.9 million, and $776.1 million for the years ended December 31, 2021, 2020, and 2019, respectively. Net sales outside the United States are a significant proportion of total net sales, accounting for 53%, 54% and 54% for the years ended December 31, 2021, 2020, and 2019, respectively. Net sales from these international operations are expected to continue to represent a similar portion of total net sales for the foreseeable future.

  International Operations and Sales – International operations and sales are subject to a number of risks and restrictions, that are not generally applicable to Titan's North American operations including, but not limited to, risks with respect to currency exchange rates, economic and political destabilization, other disruption of foreign markets, restrictive actions by foreign governments (such as restrictions on transfer of funds, export duties, and quotas and foreign customs) and local epidemics or pandemics such as COVID-19. Other risks include changes in foreign laws regarding trade and investment; difficulties in establishing and maintaining relationships with respect to product distribution and support; nationalization; reforms of United States laws and policies affecting trade, restrictions on foreign investment, and restrictions on loans to foreign entities; and changes in foreign tax and other laws. There may also be restrictions on the Company's ability to repatriate earnings and investments from international operations. There can be no assurance that one or a combination of these factors will not have a material adverse effect on the Company's ability to increase or maintain its international sales and results of operations.
  Foreign Suppliers – The Company purchases raw materials from foreign suppliers. The production costs, profit margins, and competitive position of the Company are affected by the strength of the currencies in countries where Titan purchases goods, relative to the strength of the currencies in countries where the products are sold. The Company's results of operations, cash flows, and financial position may be affected by fluctuations in foreign currencies.

Industry and Customer Base

- **The Company operates in cyclical industries and is subject to changes in the economy.**
  The Company's sales are substantially dependent on three major industries: agricultural equipment, earthmoving/construction equipment, and consumer products. The business activity levels in these industries are subject to specific

industry and general economic cycles. Any downturn in these industries or the general economy could drive decreases in demand for Titan's products and have a material adverse effect on Titan's business.
The agricultural equipment industry is affected by crop prices, farm income and farmland values, weather, export markets, and government policies. The earthmoving/construction industry is affected by the levels of government and private construction spending and replacement demand. The mining industry, which is within the earthmoving/construction industry, is affected by raw material commodity prices. The consumer products industry is affected by consumer disposable income, weather, competitive pricing, energy prices, and consumer attitudes. In addition, the performance of these industries is sensitive to interest rate and foreign exchange rate changes and varies with the overall level of economic activity. The cyclical and volatile nature of the industries on which our sales are substantially dependent results in significant fluctuations in profits and cash flow from period to period and over the business cycle.

- **The Company's revenues are seasonal in nature due to Titan's dependence on seasonal industries.**
The agricultural, earthmoving/construction, and consumer markets are seasonal, with typically lower sales during the second half of the year. This seasonality in demand has resulted in fluctuations in the Company's revenues and operating results between the first half and the second half of the year. Because much of Titan's overhead expenses are fixed, seasonal trends can cause volatility in profit margins and Titan's financial condition, especially during slower periods.

- **The Company's customer base is relatively concentrated.**
The Company's ten largest customers, which are primarily original equipment manufacturers (OEMs), accounted for 40% and 35% of Titan's net sales for 2021 and 2020, respectively. Net sales to Deere & Company represented 12% and 11% of Titan's net sales for 2021 and 2020, respectively. No other customer accounted for 10% or more of Titan's net sales in 2021 and 2020. Titan's business could be adversely affected if one of its larger customers reduces, or otherwise eliminates in full, its purchases from Titan due to work stoppages or slow-downs, financial difficulties, as a result of termination provisions, competitive pricing, or other reasons. There is also continuing pressure from OEMs to reduce costs, including the cost of products and services purchased from outside suppliers such as Titan, and in that regard OEMs may develop in-house tire and wheel capabilities. There can be no assurance that Titan will be able to maintain its long-term relationships with its major customers which could have an adverse effect on the Company's results of operations.

- **The Company faces substantial competition from domestic and international companies.**
The Company competes with several domestic and international competitors, some of which are larger and have greater financial and marketing resources than Titan. Titan competes on the basis of price, quality, sales support, customer service, design capability, and delivery time. The Company's ability to compete with international competitors may be adversely affected by various factors including, currency fluctuations and tariffs imposed by domestic and foreign governments. In addition, certain OEM customers could elect to manufacture certain products to meet their own requirements or to otherwise compete with Titan. The success of the Company's business depends in large part on its ability to provide comprehensive wheel and tire assemblies to its customers. The development or enhancement by Titan's competitors of similar capabilities could adversely affect its business.

There can be no assurance that Titan's businesses will not be adversely affected by increased competition in the Company's markets, or that competitors will not develop products that are more effective or less expensive than Titan products or which could render certain products less competitive. From time to time certain competitors have reduced prices in particular product categories, which has caused Titan to reduce prices. There can be no assurance that in the future Titan's competitors will not further reduce prices or that any such reductions would not have a material adverse effect on Titan's business.

- **The Company could be negatively impacted if Titan fails to maintain satisfactory labor relations.**
Titan is party to collective bargaining agreements covering a portion of the Company's workforce. Titan is exposed to risks associated with disruptions to the Company's operations if the Company is unable to reach a mutually agreeable domestic collective bargaining agreement. The current domestic collective bargaining agreement was ratified in January 2022 and will expire on November 16, 2024. If Titan is unable to maintain satisfactory labor relations with its employees covered by collective bargaining agreements, these employees could engage in strikes, or the Company may otherwise experience work slowdowns or be subject to other labor actions. Any such actions, and any other labor disputes with the Company's employees domestically or internationally, could materially disrupt its operations. Future collective bargaining agreements may impose significant additional costs on Titan, which could adversely affect its financial condition and results of operations.

Liquidity

- **The Company’s revolving credit facility and other debt obligations contain covenants that could limit the Company's financial and operational flexibility.**
  The Company’s revolving credit facility, the indenture relating to the Company’s 7.00% senior secured notes due 2028 and other debt obligations contain covenants and restrictions that may impact the Company’s business. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Debt Restrictions” below for a further discussion of these covenants and restrictions. A breach of one or more of the covenants could result in adverse consequences that could negatively impact the Company's business, results of operations and financial condition. These consequences could limit Titan’s ability to respond to market conditions, to provide for unanticipated capital investments, to raise additional debt or equity capital, to pay dividends, or to take advantage of business opportunities, including future acquisitions. Titan’s ability to comply with the covenants may be affected by events beyond its control, including prevailing economic, financial, and industry conditions.

International

- **The Company may be affected by unfair trade.**
  Titan faces intense competition from producers both in the United States and around the world, some of which may engage in unfair trade practices. For example, in early January 2016, Titan, along with the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Worker International Union, AFL-CIO, CLC of Pittsburgh, Pennsylvania, filed petitions with the U.S. Department of Commerce (DOC) and the U.S. International Trade Commission (ITC) alleging that imported off-the-road tires from India and Sri Lanka and wheel and tire assemblies from China were being dumped and/or subsidized and were a cause of material injury to the domestic industry. Unfair trade may have a material adverse effect on Titan's business.

- **The Company may be adversely affected by changes in government regulations and policies.**
  Domestic and foreign political developments and government regulations and policies directly affect the agricultural, earthmoving/construction, and consumer products industries in the United States and abroad. Regulations and policies in the agricultural industry such as those concerning greenhouse gas emissions in the United States and ongoing U.S. budget issues could negatively impact the Company's business. The earthmoving/construction industry is affected by changes in construction activity, housing starts, and other regulations related to the mining and the construction of roads, bridges, and infrastructure. The modification or adoption of existing laws, regulations, or policies could have an adverse effect on any one or more of these industries and, therefore, on Titan’s business.

  The United Kingdom (UK) officially withdrew from the EU (Brexit) on December 31, 2020. There is uncertainty as to the scope, nature and terms of the relationship between the UK and the EU after the Brexit Transition Period. This uncertainty could adversely impact customer or investor confidence, result in additional market volatility, legal uncertainty and divergent national laws and regulations.

  In February 2022, in response to the military conflict between Russia and Ukraine, the United States, other North Atlantic Treaty Organization member states, as well as non-member states, have announced targeted economic sanctions on Russia, certain Russian citizens and enterprises. The continuation of the conflict may trigger a series of additional economic and other sanctions enacted by the United States, other North Atlantic Treaty Organization member states, and other countries. The potential impact of bans, sanction programs, and boycotts on our business is uncertain at the current time due to the fluid nature of the military conflict as it is unfolding. The potential impacts include supply chain and logistics disruptions, financial impacts including disruptions to the execution of banking transactions with certain Russian financial institutions, volatility in foreign exchange rates and interest rates, inflationary pressures on raw materials and energy, heightened cybersecurity threats and other restrictions.

  As the Company maintains operations in Russia, any such economic sanctions may also result in an adverse effect on its Russian operations. The Company currently owns 64.3% of the Russian entity, which represents approximately 7% of consolidated assets of Titan as of December 31, 2021. The Russian operations represents approximately 6% of consolidated global sales for the year ended December 31, 2021. As of the date of issuance of this Annual Report on Form 10-K, the impact of the military conflict between Russia and Ukraine has not had a significant impact on global operations. The Company continues to monitor the potential impacts on the business and the ancillary impacts that the war could have on other global operations.

Legal and Compliance

- **Unfavorable outcomes of legal proceedings could adversely affect Titan's results of operations.**
  The Company is a party to routine legal proceedings arising out of the normal course of business. Due to the difficult nature of predicting unresolved and future legal claims, the Company cannot anticipate or predict any material adverse effect on its consolidated financial condition, results of operations, or cash flows as a result of efforts to comply with, or its liabilities pertaining to, legal judgments. Any adverse outcome in any litigation involving Titan or any of its subsidiaries could negatively affect the Company's business, reputation, and financial condition.

- **The Company is subject to anti-corruption laws and regulations.**
  The Company has international operations and must comply with anti-corruption laws and regulations including the U.S. Foreign Corrupt Practices Act (FCPA). These anti-bribery laws generally prohibit companies and their intermediaries from making improper payments or providing anything of value for the purpose of obtaining or retaining business. The FCPA prohibits these payments regardless of local customs and practices. Safeguards that Titan may implement to discourage these practices could prove to be ineffective, and violations of these laws may result in criminal or civil sanctions or other liabilities or proceedings against Titan and could adversely affect the Company's business and reputation.

- **The Company may be subject to product liability and warranty claims.**
  The Company warrants its products to be free of certain defects and, accordingly, may be subject, in the ordinary course of business, to product liability or product warranty claims. Losses may result or be alleged to result from defects in Titan products, which could subject the Company to claims for damages, including consequential damages. There can be no assurance that the Company's insurance coverage will be adequate for liabilities actually incurred or that adequate insurance will be available on terms acceptable to the Company. Any claims relating to defective products that result in liability exceeding Titan's insurance coverage could have a material adverse effect on Titan's financial condition and results of operations. Further, claims of defects could result in negative publicity against Titan, which could adversely affect the Company's business and reputation.

- **The Company is subject to risks associated with climate change regulations.**
  Governmental regulatory bodies in the United States and other countries have adopted, or are contemplating introducing regulatory changes in response to the potential impacts of climate change. Laws and regulations regarding climate change and energy usage may impact the Company directly through higher costs for energy and raw materials. The Company's customers may also be affected by climate change regulations that may impact future purchases of the Company's products. Physical climate change may potentially have a large impact on the Company's two largest industry segments, agriculture and earthmoving/construction. The potential impacts of climate change and climate change regulations are highly uncertain at this time, and the Company cannot anticipate or predict any material adverse effect on its consolidated financial condition, results of operations, or cash flows as a result of climate change and climate change regulations.
- **The Company is subject to risks associated with environmental laws and regulations.**
  The Company's operations are subject to federal, state, local, and foreign laws and regulations governing, among other things, emissions to air, discharge to waters, and the generation, handling, storage, transportation, treatment, and disposal of waste and other materials. The Company's operations entail risks in these areas, and there can be no assurance that Titan will not incur material costs or liabilities, including in connection with complying with the laws and regulations and any required remediation. In addition, potentially significant expenditures could be required in order to comply with evolving environmental and health and safety laws, regulations, or requirements that may be adopted or imposed in the future. Titan's customers may also be affected by environmental laws and regulations that may impact future purchases of the Company's products.

- **The Company is subject to corporate governance requirements, and costs related to compliance with, or failure to comply with, existing and future requirements could adversely affect Titan's business.**
  The Company is subject to corporate governance requirements under the Sarbanes-Oxley Act of 2002, as well as rules and regulations of the Securities and Exchange Commission (SEC), the Public Company Accounting Oversight Board (PCAOB), and the New York Stock Exchange (NYSE). These laws, rules, and regulations continue to evolve and may become increasingly restrictive in the future. Failure to comply with these laws, rules, and regulations may have a material adverse effect on Titan's reputation, financial condition, and the value of the Company's securities.

- **The Company is subject to risks associated with maintaining adequate disclosure controls and internal controls over financial reporting.**

Failure to maintain adequate financial and management processes and controls could affect the accuracy and timing of the Company's financial reporting. Testing and maintaining effective internal control over financial reporting and disclosures involves significant costs and could divert management's attention from other matters that are important to Titan's business. If the Company does not maintain adequate financial and management personnel, processes, and controls, it may not be able to accurately report its financial performance on a timely basis, the Company may be otherwise unable to comply with the periodic reporting requirements of the Securities and Exchange Commission and the listing of the Company's common stock on the NYSE could be suspended or terminated, each of which could have a material adverse effect on the confidence in the Company's financial reporting, its credibility in the marketplace, and the trading price of Titan's common stock.

Information Technology and Data Protection

- **The Company may be adversely affected by a disruption in, or failure of, information technology systems.**
  In the ordinary course of business, the Company relies upon information technology systems, some of which are managed by third parties, to process, transmit, and store electronic information. Technology systems are used in a variety of business processes and activities, including purchasing, manufacturing, distribution, invoicing, and financial reporting. The Company utilizes security measures and business continuity plans to prevent, detect, and remediate damage from computer viruses, natural disasters, unauthorized access (whether through cybersecurity attacks or otherwise), utility failures, and other similar disruptions. Despite Titan's security measures and safeguards, a security breach or information technology system interruption or failure may disrupt and affect the Company's business, resulting in customer dissatisfaction, potential legal claims and adversely affect Titan's results of operations and financial conditions. There can be no assurance that any such security measures or plans will be sufficient to mitigate all potential risks to Titan's systems, networks, and information. Further a significant theft, loss, or fraudulent use of customer or employee information could adversely impact the Company's reputation and could result in unauthorized release of confidential or otherwise protected information, significant costs, fines, and litigation, including with respect to enhanced cybersecurity protection and remediation costs. The Company is currently undergoing upgrades and improvements to its core enterprise resource planning (ERP) systems which are 'cloud based'. Despite adequate security measures, these systems are vulnerable to disruption of service and security breaches as mentioned above. Further, investment in the 'cloud based' systems may have an adverse impact on short-term results of operations and financial condition.

- **The Company is subject to governmental laws, regulations and other legal obligations related to privacy and data protection.**
  The legislative and regulatory framework for privacy and data protection issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Titan collects personally identifiable information (PII) and other data as integral parts of its business processes and activities. This data is subject to a variety of U.S. and international laws and regulations, including oversight by various regulatory or other governmental bodies. Many foreign countries and governmental bodies, including the European Union, Canada, and other relevant jurisdictions where we conduct business, have laws and regulations concerning the collection and use of PII and other data obtained from their residents or by businesses operating within their jurisdiction that are more restrictive than those in the U.S. Additionally, in 2016, the European Union adopted the General Data Protection Regulation (GDPR) that imposes more stringent data protection requirements and provides for greater penalties for noncompliance. Any inability, or perceived inability, to adequately address privacy and data protection concerns, even if unfounded, or comply with applicable laws, regulations, policies, industry standards, contractual obligations, or other legal obligations could result in additional cost and liability to the Company or Company officials, damage our reputation, inhibit sales, and otherwise adversely affect our business.

General

- **The COVID-19 pandemic has adversely impacted, and may continue to adversely affect, the Company's business, operating results and financial condition.**

  COVID-19 has spread to all of the countries in which we operate. This has significantly impacted our workforce and our operations, including as a result of government mandates in certain countries to work from home to minimize the spread of the virus. In some of the countries where the Company has operations and where COVID-19 has been widespread (such as the Company's European and Latin America locations), the Company's operations were curtailed during portions of 2020, and to a certain extent continue today. Certain geographies (particularly Australia, Europe and Latin America) may continue to remain impacted by the COVID-19 pandemic due to new and emerging variants of COVID-19 resulting in higher employee absenteeism. Further, global supply chains are experiencing significant constraints as a result of the ongoing COVID-19 pandemic, including availability and pricing of raw materials, transportation and labor. The current constraints on the global supply chains are adding further complexity in the improvement to growth expectations in the near term. COVID-19 has had a significant impact on our ability to conduct business and has affected the Company's operational and financial performance. We have experienced and expect to continue to experience unpredictable disruption in the demand for our products in our end-markets.

- **The Company is subject to foreign currency translation risk.**
The Company operates in many worldwide locations and transacts business in many foreign currencies. Titan's financial statements are reported in U.S. dollars with financial statements of international subsidiaries being initially recorded in foreign currencies and translated into U.S. dollars. Large fluctuations in currency exchange rates between the U.S. dollar and other global currencies may have a material adverse impact on the Company's financial condition, results of operations, and liquidity.

- **The Company may incur additional tax expense or tax exposure.**
The Company is subject to income taxes in the United States and numerous foreign jurisdictions, and has domestic and international tax liabilities which are dependent upon the distribution of income among these different jurisdictions. Titan's income tax provision and cash tax liability in the future could be adversely affected by numerous factors, including income before taxes being lower than anticipated in countries with lower statutory tax rates and higher than anticipated in countries with higher statutory tax rates, changes in the valuation of deferred tax assets and liabilities, and changes in tax laws and regulations.

- **The Company is subject to risks related to uncertainties in global and regional economic conditions.**
Our results of operations are materially affected by economic conditions globally, regionally and in the particular industries we serve. The demand for our products tends to be cyclical and can be significantly reduced in periods of economic weakness characterized by lower levels of government and business investment, lower levels of business confidence, lower corporate earnings, high real interest rates, lower credit activity or tighter credit conditions, higher unemployment and lower consumer spending. Economic conditions vary across regions and countries, and demand for our products generally increases in those regions and countries experiencing economic growth and investment. Slower economic growth or a change in the global mix of regions and countries experiencing economic growth and investment could have an adverse effect on our business, results of operations and financial condition.

- **The Company is not insured against all potential losses and could be harmed by natural disasters, catastrophes, or sabotage.**
The Company's business activities involve substantial investments in manufacturing facilities and products are produced at a limited number of locations. These facilities could be materially damaged, including as a result of natural disasters, such as fires, floods, tornadoes, hurricanes, and earthquakes, or by sabotage. The Company could incur uninsured losses and liabilities arising from such events, as well as damage to its reputation, and/or suffer material losses in operational capacity and efficiency, which could have a material adverse impact on Titan's business, financial condition, and results of operations.

- **Acquisitions/divestitures may require significant resources and/or result in significant losses, costs, or liabilities.**
Any future acquisitions or divestitures will depend on the Company’s ability to identify suitable opportunities, to negotiate acceptable terms, and to finance acquisitions. Titan will also face competition for suitable acquisition candidates, which may increase costs. In addition, acquisitions and divestitures require significant managerial attention, which may be diverted from current operations. Furthermore, acquisitions and divestitures of businesses or facilities entail a number of additional risks and challenges including: integrating acquisitions with existing operations; and separating operations in connection with dispositions; applying internal controls and processes throughout the acquired business; potential disruption of the Company's ongoing business; inability to maintain key customer, supplier, and employee relationships; potential that transactions do not produce satisfactory returns on a timely basis or at all; and exposure to unanticipated liabilities.
International acquisitions or divestitures may be more complex and time consuming. Also, international acquisitions and divestitures may include a number of additional risks, including the integration of acquisitions or separation of divestitures in compliance with foreign laws and regulations and business and accounting systems.
Subject to the terms of its existing indebtedness, the Company may finance future acquisitions with cash from operations, additional indebtedness, and/or by issuing additional equity securities. These commitments may impair the operation of Titan’s businesses. In addition, the Company could face financial risks associated with incurring additional indebtedness, such as reducing liquidity and access to financing markets and increasing the amount of cash flow required to service such indebtedness.

ITEM 1B – UNRESOLVED STAFF COMMENTS

None.

ITEM 2 – PROPERTIES

The Company's properties with total square footage above one million, all of which are owned by the Company, are detailed by the location, size, and focus of each facility as provided in the table below (amounts in thousands):

	Approximate square footage		
Location	Owned	Use	Segment
Sao Paulo, Brazil	2,917	Manufacturing, distribution	All segments
Volzhsky, Russia	2,153	Manufacturing, distribution	All segments
Union City, Tennessee	2,149	Manufacturing, distribution	All segments
Des Moines, Iowa	1,930	Manufacturing, distribution	All segments
Quincy, Illinois	1,205	Manufacturing, distribution	All segments
Freeport, Illinois	1,202	Manufacturing, distribution	All segments

The Company's total properties by continent are detailed by the location, size, and focus as provided in the table below (amounts in thousands):

	Approximate square footage			
Location	Owned	Leased	Use	Segment
North America	7,549	661	Manufacturing, distribution	All segments
Europe	3,985	38	Manufacturing, distribution	All segments
South America	2,917	149	Manufacturing, distribution	All segments
Australia		1,098	Manufacturing, distribution	All segments
Asia	646	219	Manufacturing, distribution	All segments

The Company considers each of its facilities to be in good condition and adequate for present use. Management believes that the Company has sufficient capacity to meet current market demand with the active facilities.

ITEM 3 – LEGAL PROCEEDINGS

The Company is subject, from time to time, to certain legal proceedings and claims arising out of the normal course of its business, which cover a wide range of matters, including environmental issues, product liability, contracts, and labor and employment matters. See Note 25 of the Notes to Consolidated Financial Statements for further discussion.

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

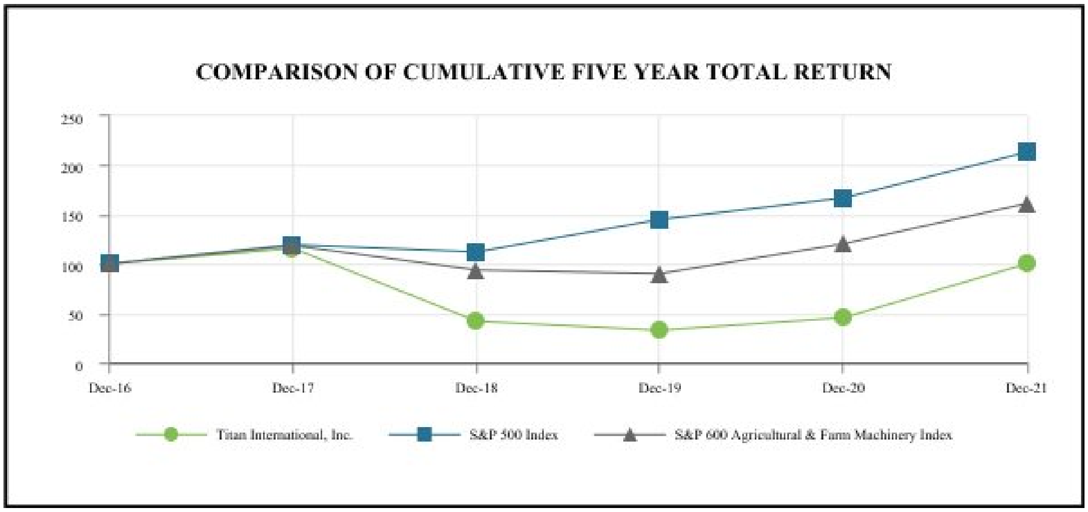
PART II

ITEM 5 – MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock is traded on the New York Stock Exchange (NYSE) under the symbol TWI. As of February 25, 2022, there were approximately 350 holders of record of Titan common stock.

PERFORMANCE COMPARISON GRAPH
The performance graph below compares cumulative total return on the Company's common stock over the past five years against the cumulative total return of the Standard & Poor's 600 Agricultural & Farm Machinery Index, and against the Standard & Poor's 500 Stock Index. The graph depicts the value on December 31, 2021, of a $100 investment made on December 31, 2016, in Company common stock and each of the other two indices, with all dividends reinvested. The stock price performance reflected below is based on historical results and is not necessarily indicative of future stock price performance.

The performance graph is not deemed to be "soliciting material" or to be "filed" with the SEC for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act) or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of Titan under the Securities Act of 1933 or the Exchange Act.



	Fiscal Year Ended December 31, 2016	2017	2018	2019	2020	2021
Titan International, Inc.	$ 100.00	$ 115.32	$ 41.90	$ 32.78	$ 45.42	$ 100.12
S&P 500 Index	100.00	119.42	111.97	144.31	166.70	213.45
S&P 600 Agricultural & Farm Machinery Index	100.00	117.72	93.74	89.65	120.07	161.39

ITEM 6 [RESERVED]

Not required.

ITEM 7 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

MANAGEMENT'S DISCUSSION AND ANALYSIS
Management's discussion and analysis of financial condition and results of operations (MD&A) is designed to provide a reader of the financial statements included in this annual report with a narrative from the perspective of the management of Titan

International, Inc. (together with its subsidiaries, Titan, or the Company) on Titan's financial condition, results of operations, liquidity, and other factors which may affect the Company's future results. You should read the following discussion and analysis in conjunction with our consolidated financial statements and related notes in "Item 8. Financial Statements and Supplementary Data." The following discussion includes forward-looking statements about our business, financial condition, and results of operations, including discussions about management's expectations for our business. These statements represent projections, beliefs, and expectations based on current circumstances and conditions and in light of recent events and trends, and you should not construe these statements either as assurances of performance or as promises of a given course of action. Instead, various known and unknown factors are likely to cause our actual performance and management's actions to vary, and the results of these variances may be both material and adverse. See "Forward-Looking Statements" and "Item 1A. Risk Factors" in Part 1 of this Form 10-K.

COVID-19 Pandemic

In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China. During March 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic. The emergence of COVID-19 and its global spread presents significant risks to the Company, some of which the Company is unable to fully evaluate or even foresee. The COVID-19 pandemic adversely affected the Company's financial results and business operations for the years ended December 31, 2020 and December 31, 2021 and economic and health conditions in the United States and across most of the globe have continued to change since then. In some of the countries where the Company has operations and where COVID-19 has been widespread (such as the Company's European and Latin America locations), the Company's operations were curtailed during portions of 2020. The Company's operations resumed with additional sanitary and other protective health measures, which have increased operating costs. We expect these additional measures to continue into the foreseeable future as we seek to ensure the safety and welfare of Titan's employees.

While the Company's operations began to return to historical levels beginning in the second half of 2020 and continued throughout 2021, certain geographies (particularly Australia, Europe and Latin America) continue to remain impacted by the COVID-19 pandemic due to new and emerging variants of COVID-19 resulting in higher employee absenteeism. Further, global supply chains are experiencing constraints as a result of the ongoing COVID-19 pandemic, including availability and pricing of raw materials, transportation and labor. The current constraints on the global supply chains have added complexity to growth expectations in the near term.

Due to the above circumstances and as described generally in this Form 10-K, the Company's results of operations for the year ended December 31, 2021 are not necessarily indicative of the results to be expected in the future. Management cannot predict the full impact of the COVID-19 pandemic on the economic conditions generally, on the Company's customers and, ultimately, on the Company. The nature, extent and duration of the effects of the COVID-19 pandemic on the Company are highly uncertain and will depend on future developments, and such effects could exist for an extended period of time even after the pandemic might end.

BUSINESS

For a description of the Company's business and segments see Part 1, Item 1 of this Form 10-K.

MARKET CONDITIONS AND OUTLOOK

AGRICULTURAL MARKET OUTLOOK

Agriculture-related commodity prices continued to remain at historically high levels during 2021 and favorable market conditions across the globe are expected to continue the momentum into 2022. Improved farmer income, replacement of an aging large equipment fleet and replenishment of lower equipment inventory levels are all factors which are anticipated to support improved demand for our products. Many of our customers are forecasting growth, providing further optimism of sustained stability in the market over the next few years. Many more variables, including weather, volatility in the price of commodities, grain prices, export markets, foreign currency exchange rates, government policies, subsidies, and the demand for used equipment can greatly affect the Company's performance in the agricultural market in a given period.

EARTHMOVING/CONSTRUCTION MARKET OUTLOOK

The earthmoving/construction segment is affected by many variables, including commodity prices, road construction, infrastructure, government appropriations, housing starts, and other macroeconomic drivers. The construction market is primarily driven by GDP by country and the need for infrastructure developments. The earthmoving/construction markets experienced declines in 2020 due in large part to global economic uncertainty and the impacts of the COVID-19 pandemic. The market experienced strong signs of growth in 2021 as economies emerged from the pandemic and the momentum is expected to continue into 2022. There are historically low equipment inventory levels throughout the global construction industry and mining capital budgets continued to rise during 2021, and we expect that trend to continue into 2022. Improvements in mineral commodity prices also currently support growth.

CONSUMER MARKET OUTLOOK

The consumer market consists of several distinct product lines within different regions. These products include light truck tires, turf equipment, specialty products, and train brakes. Overall, the markets stabilized during 2021 due to pent up demand from historically lower sales volume during 2020. This pace of growth is anticipated to be slower during 2022 than what is currently being experienced in the Agriculture and Earthmoving/Construction segments. The consumer segment is affected by many variables including consumer spending, interest rates, government policies, and other macroeconomic drivers.

SUMMARY OF RESULTS OF OPERATIONS

The following table sets forth the Company's statement of operations expressed as a percentage of net sales for the periods indicated. This table and subsequent discussions should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included elsewhere in this annual report.

	As a Percentage of Net Sales Year ended December 31,	
	2021	**2020**
Net sales	100.0 %	100.0 %
Cost of sales	86.7	89.7
Asset impairment	—	1.2
Gross profit	13.3	9.1
Selling, general and administrative expenses	7.4	10.4
Research and development	0.6	0.7
Royalty expense	0.6	0.8
Income (loss) from operations	4.7	(2.8)
Interest expense	(1.8)	(2.4)
Loss on senior note repurchase	(0.9)	—
Foreign exchange gain (loss)	0.7	(0.9)
Other income	0.1	1.5
Income (loss) before income taxes	2.8	(4.6)
Income tax provision	0.1	0.6
Net income (loss)	2.7 %	(5.2)%
Net income (loss) attributable to noncontrolling interests	—	(0.4)
Net income (loss) attributable to Titan	2.7 %	(4.8)%

In addition, the following table sets forth components of the Company's net sales classified by segment:

(amounts in thousands)	**2021**	**2020**	**2019**
Agricultural	$ 949,400	$ 634,652	$ 652,558
Earthmoving/construction	693,350	510,150	648,753
Consumer	137,465	114,511	147,355
Total	$ 1,780,215	$ 1,259,313	$ 1,448,666

FISCAL YEAR ENDED DECEMBER 31, 2021, COMPARED TO FISCAL YEAR ENDED DECEMBER 31, 2020

RESULTS OF OPERATIONS

Highlights for the year ended December 31, 2021, compared to 2020 (amounts in thousands):

	2021	2020	% Increase
Net sales	$ 1,780,215	$ 1,259,313	41.4 %
Cost of sales	1,542,673	1,130,194	36.5 %
Asset impairment	—	14,800	n/a
Gross profit	237,542	114,319	107.8 %
Selling, general and administrative expenses	131,772	130,942	0.6 %
Research and development expenses	10,104	9,013	12.1 %
Royalty expense	10,491	9,715	8.0 %
Income (loss) from operations	$ 85,175	$ (35,351)	340.9 %

Net Sales
Net sales for the year ended December 31, 2021 were $1.78 billion, compared to $1.26 billion for the year ended December 31, 2020, an increase of 41.4%, driven by sales increases in all segments. Overall, net sales volume and price/mix was up 23.4% and 18.0%, respectively, from 2020. Net sales volume and product price/mix improved due to market growth in all segments. Pricing increases have been implemented because of rising raw material costs and other inflationary impacts in the markets, including freight. The contributing factors to the increase in demand in 2021 were increased agriculture commodity prices, lower equipment inventory levels and pent up demand following the economic impacts of the COVID-19 pandemic during 2020. Lower sales volumes during 2020 were primarily caused by continued weakness in the commodity markets and the effect of the COVID-19 pandemic which caused significant uncertainty for customers in most geographies, most notably OEM customers.

Global supply chains are experiencing constraints, including availability and pricing of raw materials, transportation and labor. The current constraints on global supply chains are adding complexity to the market environment and growth expectations in the near term. Titan is experiencing similar supply chain challenges, and has been able to manage the situation effectively to date.

Cost of Sales and Gross Profit
Cost of sales was $1.54 billion for the year ended December 31, 2021, compared to $1.13 billion for 2020. The increase in cost of sales was driven by the impact of increases in sales volume. Gross profit for 2021 was $237.5 million, or 13.3% of net sales, compared to $114.3 million, or 9.1% of net sales, for 2020. The increase in gross profit and margin was driven by the impact of increases in sales volume, as described previously, favorably impacting overhead absorption. In addition, cost reduction initiatives were executed across global production facilities before and throughout the COVID-19 pandemic.

Selling, General and Administrative Expenses
Selling, general and administrative (SG&A) expenses for the year ended December 31, 2021, were $131.8 million, or 7.4% of net sales, up only 0.6%, compared to $130.9 million, or 10.4% of net sales, for 2020. The increase in SG&A was primarily due to investments to improve our supply chain and logistics processes and an increase in variable costs associated with improved operating performance and growth in sales. SG&A expenses for the year ended December 31, 2020 included a $5.0 million legal accrual related to the settlement of the Dico case and an impairment charge of $6.0 million related to certain customer relationships in Australia as a result of attrition of several customers since the business was initially acquired in 2012.

Research and Development Expenses
Research and development (R&D) expenses for the year ended December 31, 2021, were $10.1 million, or 0.6% of net sales, compared to $9.0 million, or 0.7% of net sales, for 2020. R&D spending reflects initiatives to improve product designs and an ongoing focus on quality.

Royalty Expense
The Company has trademark license agreements with The Goodyear Tire & Rubber Company to manufacture and sell certain farm tires under the Goodyear name. These agreements cover sales in North America, Latin America, Europe, the Middle East, Africa, Russia, and other Commonwealth of Independent States countries. Each of these agreements is scheduled to expire in 2025. Royalty expenses for the year ended December 31, 2021 were $10.5 million compared to $9.7 million for 2020. The increase in royalty expenses are due to the increase in sales, as described previously, resulting in an increase in the amount of royalty expense incurred.

Income (Loss) from Operations
Income from operations for the year ended December 31, 2021 was $85.2 million, or 4.7% of net sales, compared to loss of $35.4 million, or 2.8% of net sales, for 2020. The increase in income was primarily due to the higher sales and improvements in gross profit margins.

OTHER PROFIT/LOSS ITEMS

Interest Expense
Interest expense for 2021 and 2020 was $32.2 million and $30.6 million, respectively. Interest expense increased due to the refinancing of the senior secured notes during the second quarter of 2021 resulting in an increase in the interest rate from 6.50% to 7.00%.

Loss on Senior Note Repurchase
Loss on senior note repurchase was $16.0 million for 2021. The loss was in connection to the Company completing a call and redemption of all of its outstanding $400.0 million principal amount of Titan's 6.50% senior secured notes due 2023 during the second quarter of 2021.

Foreign Exchange Gain (Loss)
Foreign currency gain was $12.0 million for the year ended December 31, 2021, compared to a loss of $11.0 million for the year ended December 31, 2020. The foreign exchange gain in 2021 is primarily the result of the closeout of certain legal entities as part of the ongoing initiative to rationalize Titan's legal entity structure and ongoing management of the intercompany capital structure as well as a favorable impact of the movement of exchange rates. The foreign currency exchange loss in 2020 is the result of the significant movements in foreign currency exchange rates in many of the geographies in which we conduct business and translation of intercompany loans at certain foreign subsidiaries, which are denominated in local currencies rather than the reporting currency, which is the United States dollar. Since such loans are expected to be settled at some point in the future, these loans are adjusted each reporting period to reflect the current exchange rates.

Other Income
Other income was $2.1 million for the year ended December 31, 2021, compared to other income of $18.8 million for 2020, a decrease of $16.7 million. The decrease in other income was primarily attributable to the proceeds of $8.6 million related to a property insurance settlement at Titan Tire Reclamation Corporation, a $4.9 million gain on the sale of our Brownsville, Texas facility (Texas Facility), and $2.3 million of building rental income from the Texas facility, all in 2020. The sale of the Texas facility occurred in November 2020, and no further rental income was realized in 2021.

Provision for Income Taxes
The Company recorded tax expense for income taxes of $1.1 million and $6.9 million for the years ended December 31, 2021 and 2020, respectively. The Company's effective tax rate was 2.3% in 2021 and (11.9)% in 2020.

The Company’s 2021 and 2020 income tax expense and rates differed from the amount of income tax determined by applying the U.S. Federal income tax rate to pre-tax income primarily as a result of U.S. and certain foreign jurisdictions that incurred a full valuation allowance on deferred tax assets created by current year projected losses and a reduction of the liability for unrecognized tax positions. In addition, there were non-deductible royalty expenses and statutorily required income adjustments made in certain foreign jurisdictions that negatively impacted the tax rate for the years ended December 31, 2021 and 2020. In 2021, the Company released the valuation allowance on its deferred tax assets related to its subsidiary, Titan Luxembourg, resulting in the increase in the effective tax rate as compared to 2020. The Company expects to generate positive taxable income in Titan Luxembourg in future periods as a result of the legal entity and loan rationalization completed during 2021, allowing for the realization of future tax benefits from the carryforward of past net operating losses.

Net Income (Loss)

Net Income for the year ended December 31, 2021, was $49.9 million, compared to net loss of $65.1 million for 2020. Basic earnings per share was $0.80 for the year ended December 31, 2021, compared to a loss of $0.99 for 2020. Diluted earnings per share was $0.79 for the year ended December 31, 2021, compared to a loss of $0.99 for 2020. The Company's higher net income and earnings per share were due to the items previously discussed.

SEGMENT INFORMATION

Segment Summary (Amounts in thousands)

2021	Agricultural	Earthmoving/ Construction	Consumer	Corporate/ Unallocated Expenses	Consolidated Totals
Net sales	$ 949,400	$ 693,350	$ 137,465	$ —	$ 1,780,215
Gross profit	135,807	83,705	18,030	—	237,542
Income (loss) from operations	77,666	27,809	9,553	(29,853)	85,175
2020					
Net sales	$ 634,652	$ 510,150	$ 114,511	$ —	$ 1,259,313
Gross profit	65,408	37,885	11,026	—	114,319
Income (loss) from operations	9,838	(21,620)	1,085	(24,654)	(35,351)

Agricultural Segment Results

Agricultural segment results were as follows:

(Amounts in thousands)	2021	2020	% Increase
Net sales	$ 949,400	$ 634,652	49.6 %
Gross profit	135,807	65,408	107.6 %
Income from operations	77,666	9,838	689.4 %

Net sales in the agricultural market were $949.4 million for the year ended December 31, 2021, compared to $634.7 million for 2020, an increase of 49.6%. Net sales volume and product price/mix was up 28.0% and 23.4%, respectively, from 2020. The sales volume increase was driven by demand in the global agricultural markets, reflective of improved farmer income, the need for replacement of an aging large equipment fleet and the need to replenish equipment inventory levels within the equipment dealer channels. Pricing is primarily reflective of increases in raw material and other inflationary cost increases in the markets, including freight. The overall increase in net sales was partially offset by unfavorable currency translation, primarily in Latin America and Europe of 1.8%.

Gross profit in the agricultural market was $135.8 million, or 14.3% of net sales, for 2021, compared to $65.4 million, or 10.3% of net sales, for 2020. The increase in gross profit and margin is primarily attributable to the impact of increases in sales volume as described previously and cost reduction initiatives executed across global production facilities before and throughout the COVID-19 pandemic. The Company balanced the increases of related raw materials and other inflationary cost impacts throughout 2021 with corresponding price increases to protect profitability.

Income from operations in the agricultural market was $77.7 million for the year 2021, compared to $9.8 million for 2020. The overall increase in income from operations is attributable to higher gross profit from significant demand improvements, and the overall cost reduction initiatives.

Earthmoving/Construction Segment Results
Earthmoving/construction segment results were as follows:

(Amounts in thousands)	2021	2020	% Increase
Net sales	$ 693,350	$ 510,150	35.9 %
Gross profit	83,705	37,885	120.9 %
Income (loss) from operations	27,809	(21,620)	228.6 %

The Company's earthmoving/construction market net sales were $693.4 million for the year ended December 31, 2021, compared to $510.2 million for the year ended December 31, 2020, an increase of 35.9%. The increase in earthmoving/construction net sales was driven by increased volume and product price/mix of 21.5% and 11.9%, respectively, which was primarily due to improvements in global economic conditions and recovery in construction markets, including the return to normalized supply and demand levels after the initial effects of the COVID-19 pandemic in 2020. Net sales was also favorably impacted by foreign currency translation in Europe and Australia, which increased net sales by 2.5%.

Gross profit in the earthmoving/construction market was $83.7 million, or 12.1% of net sales, for the year ended December 31, 2021, compared to $37.9 million, or 7.4% of net sales, for the year ended December 31, 2020. The increase in gross profit and margin was primarily driven by the increased sales volume and continued improved production efficiencies stemming from the strong management actions taken to improve profitability for the long-term. Again, the Company balanced the increases related to raw materials and other inflationary cost impacts throughout 2021 with corresponding price increases to protect profitability.

The Company's earthmoving/construction segment income from operations was $27.8 million for the year ended December 31, 2021, as compared to a loss of $21.6 million for 2020. This improvement was due to increases in sales volume and the sustained benefit of cost containment measures taken to manage profitability in response to the prior market declines and the impact of the COVID-19 pandemic.

Consumer Segment Results
Consumer segment results were as follows:

(Amounts in thousands)	2021	2020	% Increase
Net sales	$ 137,465	$ 114,511	20.0 %
Gross profit	18,030	11,026	63.5 %
Income from operations	9,553	1,085	780.5 %

Consumer market net sales were $137.5 million for the year ended December 31, 2021, compared to $114.5 million for 2020, an increase of 20.0%. The increase in consumer net sales was primarily due to increased volume and product price/mix of 7.1% and 14.5%, respectively. The increase in net sales was partially offset by unfavorable foreign currency translation, primarily in Latin America and Russia, which negatively impacted net sales by 1.6%.

Gross profit from the consumer market was $18.0 million for 2021, or 13.1% of net sales, compared to $11.0 million, or 9.6% of net sales, for 2020. The increase was primarily caused by increased product price/mix and the impact of sales volume increase.

Consumer segment income from operations was $9.6 million for 2021, compared to $1.1 million for 2020. The increase was due to increase in gross profit as mentioned previously.

Corporate & Unallocated Expenses
Income from operations on a segment basis does not include corporate expenses of approximately $29.9 million and $24.7 million for the year ended December 31, 2021 and 2020, respectively. Unallocated expenses are primarily comprised of corporate selling, general and administrative expenses. The year-over-year change was due to an increase in certain unallocated SG&A expenses at the corporate level including an increase in costs associated with investments to improve our supply chain and logistics processes, increase in R&D expenses as previously mentioned and other variable operating costs associated with improved operating performance and growth in sales.

FISCAL YEAR ENDED DECEMBER 31, 2020, COMPARED TO FISCAL YEAR ENDED DECEMBER 31, 2019

The comparison of the 2020 results to 2019 has been omitted from this Form 10-K and can be found in the Company's Form 10-K for the fiscal year ended December 31, 2020 filed with the SEC on March 4, 2021.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows
As of December 31, 2021, the Company had $98.1 million of cash, a decrease of $19.3 million from December 31, 2020, due to the following items:

Operating Cash Flows
Summary of cash flows from operating activities:

(Amounts in thousands)	Year ended December 31, 2021	2020	Change
Net income (loss)	$ 49,891	$ (65,077)	$ 114,968
Depreciation and amortization	47,991	54,655	(6,664)
Asset impairment	—	20,823	(20,823)
Gain on building and investment sale	(569)	(4,152)	3,583
Gain on property insurance settlement	—	(8,657)	8,657
Loss on senior note repurchase	16,020	—	16,020
Accounts receivable	(74,736)	(15,236)	(59,500)
Inventories	(112,850)	37,747	(150,597)
Prepaid and other current assets	(15,671)	2,312	(17,983)
Accounts payable	121,189	11,942	109,247
Other current liabilities	14,781	24,025	(9,244)
Other liabilities	(11,588)	(13,226)	1,638
Other operating activities	(23,732)	12,073	(35,805)
Net cash provided by operating activities	$ 10,726	$ 57,229	$ (46,503)

For the year ended December 31, 2021, operating activities provided cash of $10.7 million, driven by the increase in accounts payable of $121.2 million, the net income of $49.9 million, and partially offset by increases in inventories of $112.9 million and increases in accounts receivable of $74.7 million, which was driven by the increase in sales activity during the year. Included in net income of $49.9 million was a non-cash charge for depreciation and amortization of $48.0 million. Cash flows provided by operating activities also includes $16.0 million loss on senior note repurchase.

Cash provided by operating activities decreased by $46.5 million when comparing 2021 to 2020. This decrease was due to managed investments in working capital to support significant business growth, along with the $9.2 million legal settlement paid in February 2021 in a previously settled litigation matter (see Note 25 of the Notes to Consolidated Financial Statements for additional information), and partially offset by the impact of higher profitability in 2021, which resulted in an increase of $115.0 million in net income year over year.

Summary of the components of cash conversion cycle:

	December 31, 2021	December 31, 2020
Days sales outstanding	48	54
Days inventory outstanding	86	99
Days payable outstanding	(61)	(56)
Cash conversion cycle	73	97

Cash conversion cycle decreased by 24 days during 2021 from 2020 due to strategic improvement in working capital management, including more accurate demand forecasting and strategic sourcing of raw materials. Further, the decrease is also due to continued focus on customer cash collections and favorable management of supplier payment cycles and terms.

Investing Cash Flows
Summary of cash flows from investing activities:

(Amounts in thousands)	Year ended December 31,		
	2021	2020	Change
Capital expenditures	$ (38,802)	$ (21,680)	$ (17,122)
Sale of Wheels India Limited shares	—	32,852	(32,852)
Proceeds from property insurance settlement	—	8,657	(8,657)
Other investing activities	1,203	13,392	(12,189)
Cash (used for) provided by investing activities	$ (37,599)	$ 33,221	$ (70,820)

Net cash used for investing activities was $37.6 million in 2021, compared to cash provided by $33.2 million in 2020. The Company invested a total of $38.8 million in capital expenditures in 2021, compared to $21.7 million in 2020. Capital expenditures represent plant equipment replacement and improvements, along with new tools, dies and molds related to new product development. The overall capital outlay for 2021 increased as the Company seeks to enhance the Company's existing facilities and manufacturing capabilities and drive productivity gains following suppression of capital outlay in 2020 as a result of the COVID-19 pandemic and reduction of business activity.

Cash provided by investing activities for 2020 included $8.7 million from the proceeds of a property insurance settlement and $32.9 million from proceeds for the sales of Wheels India Limited shares. Other investing activities during 2020 includes $11.4 million from the sale of our Brownsville, Texas facility.

Financing Cash Flows
Summary of cash flows from financing activities:

(Amounts in thousands)	Year ended December 31,		
	2021	2020	Change
Proceeds from borrowings	$ 497,149	$ 91,639	$ 405,510
Repurchase of senior secured notes	(413,000)	—	(413,000)
Payment on debt	(69,182)	(126,393)	57,211
Dividends paid	—	(603)	603
Other financing activities	(1,021)	(3,208)	2,187
Cash provided by (used for) financing activities	$ 13,946	$ (38,565)	$ 52,511

Net cash provided by financing activities was $13.9 million in 2021 primarily due to the premium of $13 million paid on the repurchasing of the senior security notes. Proceeds from borrowings of $497.1 million were partially offset by the repurchase of the senior secured notes and debt payments of $69.2 million. Borrowing on the domestic revolving credit facility occurred during 2021 to support costs of refinancing the Company's senior secured notes, along with the settlement of the legal matter (See Note 25 of the Notes to Consolidated Financial Statements), resulting in an outstanding balance on the revolving credit facility of $30.0 million at December 31, 2021 as compared to no borrowings as of December 31, 2020.

Debt Restrictions

The Company’s revolving credit facility (credit facility) and indenture relating to the 7.00% senior secured notes due 2028 contain various restrictions which include:

- When remaining availability under the credit facility is less than 10% of the total commitment under the credit facility ($12.5 million as of December 31, 2021), the Company is required to maintain a minimum fixed charge coverage ratio of not less than 1.0 to 1.0 (calculated quarterly on a trailing four quarter basis);
- Limits on dividends and repurchases of the Company’s stock;
- Restrictions on the ability of the Company to make additional borrowings, or to consolidate, merge, or otherwise fundamentally change the ownership of the Company;
- Limitations on investments, dispositions of assets, and guarantees of indebtedness; and
- Other customary affirmative and negative covenants.

These restrictions could limit the Company’s ability to respond to market conditions, provide for unanticipated capital investments, raise additional debt or equity capital, pay dividends, or take advantage of business opportunities, including future acquisitions.

LIQUIDITY OUTLOOK

The Company does not anticipate significant liquidity constraints during the foreseeable future. At December 31, 2021, the Company had $98.1 million of cash and cash equivalents. At December 31, 2021, under the Company's $125 million credit facility, there were $30.0 million of outstanding borrowings, $10.7 million in outstanding letters of credit, and the amount available to borrow totaled $75.4 million. Titan’s availability under this domestic facility may be less than $125 million, from time to time, as a result of any outstanding letters of credit and eligible accounts receivable and inventory balances at certain of its domestic subsidiaries. The cash and cash equivalents balance of $98.1 million includes $86.4 million held in foreign countries.

Capital expenditures for 2022 are forecasted to be approximately $45 million to $50 million. These capital expenditures are anticipated to be used primarily to continue to enhance the Company’s existing facilities and manufacturing capabilities and drive productivity gains, along with the purchase of new tools, dies and molds related to new product development.

Cash payments for interest are currently forecasted to be approximately $32 million in 2022, based on the Company's year-end 2021 debt balances and debt maturities. The forecasted interest payments are comprised primarily of the semi-annual interest payments totaling approximately $28 million (paid in April and October) for the 7.00% senior secured notes.

On February 1, 2022, the Company entered into a Stock Purchase Agreement with the Russian Direct Investment Fund (RDIF) equity holders to buy back the restricted Titan common stock for the previously agreed amount of $25 million. The Company funded the buy-back of restricted Titan common stock from the RDIF equity holders through a draw down on the credit facility.

Subject to the terms of the agreements governing Titan's outstanding indebtedness, the Company may finance future acquisitions or joint ventures with cash on hand, cash from operations, additional indebtedness, issuing additional equity securities, and divestitures.

Cash and cash equivalents, totaling $98.1 million at December 31, 2021, along with anticipated internal cash flows from operations and utilization of availability on global credit facilities, are expected to provide sufficient liquidity for working capital needs, debt maturities, and capital expenditures. Potential divestitures and unencumbered assets are also a means to provide for future liquidity needs.

Titan has continued to take actions to ensure financial flexibility and credit capabilities from our banking partners and other sources throughout our global operations during 2021, to gain flexibility to respond to market dynamics in the future. On October 28, 2021, the Company amended and extended the credit and security agreement with respect to the $100 million revolving credit facility (credit facility) with agent BMO Harris Bank N.A. and other financial institutions party thereto. The credit facility was increased to $125 million with the amount available under the credit facility determined based upon eligible accounts receivable and inventory balances at certain of the Company's domestic subsidiaries. The amended credit facility can be expanded by up to $50 million through an accordion provision within the agreement. The amended credit facility has a five-year term with the new maturity occurring on October 28, 2026.

As previously mentioned, the Company refinanced its $400 million senior secured notes during the second quarter of 2021 resulting in extension of the due date from 2023 to 2028. During 2021, Moody’s Investors Service and S&P Global both upgraded the Company’s credit rating for its senior secured notes due to the Company's improved financial position and favorable demand recovery in its end markets, specifically agricultural equipment. We are managing the business cycle and the current impact of the COVID-19 pandemic; however, we do not anticipate that this impact will cause the Company to violate any financial covenants with respect to its debt agreements.

As a result of the measures undertaken by management, the Company does not anticipate significant liquidity constraints during the foreseeable future.

CONTRACTUAL OBLIGATIONS

The Company's contractual obligations at December 31, 2021, consisted of the following (amounts in thousands):

		Payments due by period			
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
7.00% senior secured notes due 2028	$ 400,000	$ —	$ —	$ —	$ 400,000
Other debt	90,427	32,500	16,615	36,555	4,757
Interest expense (a)	198,243	29,091	56,589	56,305	56,258
Operating and finance leases	27,090	10,034	11,322	3,870	1,864
Purchase obligations	46,554	43,150	3,404	—	—
Other long-term liabilities (b)	70,107	8,472	15,731	14,842	31,062
Total	$ 832,421	$ 123,247	$ 103,661	$ 111,572	$ 493,941

(a) Interest expense is estimated based on the Company's year-end 2021 debt balances, maturities, and interest rates. The estimates assume the credit facility borrowings are paid off during 2022. The Company's actual debt balances and interest rates may fluctuate in the future; therefore, actual interest payments may vary from those payments detailed in the above table.

(b) Other long-term liabilities represent the Company's estimated funding requirements for defined benefit pension plans. The Company's liability for pensions is based on a number of assumptions, including discount rates, rates of return on investments, mortality rates, and other factors. Certain of these assumptions are determined with the assistance of outside actuaries. Assumptions are based on past experience and anticipated future trends and are subject to a number of risks and uncertainties and may lead to significantly different pension liability funding requirements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are described in Note 1. Description of Business and Significant Accounting Policies to the consolidated financial statements. Preparation of financial statements and related disclosures in compliance with accounting principles generally accepted in the United States of America requires the application of technical accounting rules and guidance, as well as the use of estimates. The Company's application of such rules and guidance involves assumptions that require difficult subjective judgments regarding many factors, which, in and of themselves, could materially impact the financial statements and disclosures. A future change in the estimates, assumptions, or judgments applied in determining the following matters, among others, could have a material impact on future financial statements and disclosures.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and the respective tax basis of assets and liabilities. Deferred tax assets and liabilities are measured using the enacted tax rates that are expected to apply in the years the temporary differences are expected to be settled or realized. A valuation allowance is recorded for the portion of the deferred tax assets for which it is more likely than not that a tax benefit will not be realized. Management's judgment is required to determine the provision for income taxes, deferred tax assets and liabilities, and valuation allowances against deferred tax assets. See Note 22 to the consolidated financial statements for additional information on the composition of valuation allowances.

Retirement Benefit Obligations

Pension benefit obligations are based on various assumptions used by third-party actuaries in calculating these amounts. These assumptions include discount rates, expected return on plan assets, mortality rates, and other factors. Revisions in assumptions and actual results that differ from the assumptions affect future expenses, cash funding requirements, and obligations. The Company has three frozen defined benefit pension plans in the United States and pension plans in several foreign countries. For more information concerning these obligations, see Note 23 of the Notes to Consolidated Financial Statements for additional information.

The effect of hypothetical changes to selected assumptions on the Company's frozen pension benefit obligations would be as follows (amounts in thousands):

		December 31, 2021		2022
Assumptions	Percentage Change	Increase (Decrease) PBO (a)	Increase (Decrease) Equity	Increase (Decrease) Expense
Pension				
Discount rate	+/-5	$(4,463)/$4,824	$4,416/$4,725	$(291)/$290
Expected return on assets	+/-5			$(462)/$462

(a) Projected benefit obligation (PBO) for pension plans.

Product Warranties

The Company provides limited warranties on workmanship on its products in all market segments. The majority of the Company's products are subject to a limited warranty that ranges between less than one year and ten years, with certain product warranties being prorated after the first year. Actual warranty experience may differ from historical experience. The Company calculates an estimated warranty liability based on past warranty experience and the sales of products subject to that experience. The Company records warranty expense based on warranty payments made and changes to the estimated warranty liability. The Company's warranty liability was $16.6 million at December 31, 2021, and $15.0 million at December 31, 2020. The Company recorded warranty expense of $9.8 million for the year ended December 31, 2021, and $6.9 million for the year ended December 31, 2020. The Company's estimated warranty liability and expense increased primarily as the result of higher net sales of product with historical warranty experience.

MARKET RISK

Foreign Currency Risk

The Company is exposed to the impact of foreign currency fluctuations in certain countries in which it operates. The exposure to foreign currency movements is limited in many countries because the operating revenues and expenses of the Company's various subsidiaries and business units are substantially in the local currency of the country in which they operate. To the extent that borrowings, sales, purchases, revenues, expenses or other transactions are not in the local currency of the subsidiary, the Company is exposed to currency risk and may enter into foreign exchange derivative contracts to mitigate the currency risk. The Company is exposed to fluctuations in the Australian dollar, Brazilian real, British pound, euro, Russian ruble and other global currencies. The Company's net investment in foreign entities translated into U.S. dollars was $255.6 million at December 31, 2021, and $283.0 million at December 31, 2020. The hypothetical potential loss in value of the Company's net investment in foreign entities resulting from a 10% adverse change in foreign currency exchange rates at December 31, 2021, would have been approximately $25.6 million.

Commodity Price Risk

The Company does not generally enter into long-term commodity pricing contracts and does not use derivative commodity instruments to hedge its exposures to commodity market price fluctuations. Therefore, the Company is exposed to price fluctuations of its key commodities, which consist primarily of steel, natural rubber, synthetic rubber, and carbon black. The Company attempts to pass on certain material price increases and decreases to its customers, depending on market conditions.

Interest Rate Risk

The Company is exposed to interest rate risk on its variable debt. The Company has a $125 million credit facility that has a variable interest rate. As of December 31, 2021, the amount available under the credit facility was $75.4 million. If the credit facility were fully drawn to available funds, a change in the interest rate of 100 basis points, or 1%, would have changed the Company's interest expense by approximately $0.8 million. At December 31, 2021, there were borrowings of $30.0 million under the credit facility.

ITEM 7A – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Reference is made to Part II, Item 7 of this report.

ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to Part IV, Item 15 of this report, "Exhibits and Financial Statement Schedules."

ITEM 9 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A – CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Titan management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2021. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2021, Titan's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by Titan in the reports that it files or submits under the Exchange Act are recorded, processed, summarized, and reported accurately and within the time frames specified in the SEC's rules and forms and accumulated and communicated to Titan management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in Titan's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fourth quarter of fiscal 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Titan management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States. Internal control over financial reporting includes those policies, procedures, and activities that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Titan management, including the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the "Internal Control-Integrated Framework (2013)." Based on this assessment, management concluded that the Company maintained effective internal control over financial reporting as of December 31, 2021.

The effectiveness of Titan's internal control over financial reporting as of December 31, 2021, has been audited by Grant Thornton LLP, an independent registered public accounting firm, as stated in their report within this Form 10-K.

Inherent Limitations on the Effectiveness of Controls

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ITEM 9B – OTHER INFORMATION

None.

ITEM 9C – DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Directors

Information required by this item regarding the Company's directors is incorporated herein by reference to the Company's 2022 Proxy Statement under the captions "Proposal #1 - Election of Directors," "Committees of the Board of Directors; Meetings" and "Corporate Governance."

Executive Officers

The names, ages, and positions of all executive officers of the Company are listed below, followed by a brief account of their business experience during the past five years. Officers are normally appointed annually by the Board of Directors at a meeting immediately following the Annual Meeting of Stockholders. There is no arrangement or understanding between any officer and any other person pursuant to which an officer was selected.

Paul G. Reitz, 49, joined the Company in July 2010 as Chief Financial Officer. Mr. Reitz was appointed President in February 2014. In December 2016, Mr. Reitz was appointed President and Chief Executive Officer.

David A. Martin, 54, joined the Company in June 2018 as Chief Financial Officer. Prior to joining Titan, Mr. Martin served from 1993 to 2018 in various roles at Aegion Corporation, a global technology/service provider maintaining, protecting and strengthening infrastructure, primarily pipelines, that is listed on the NASDAQ Global Select Market. Mr. Martin's roles included Chief Financial Officer from 2007 to November 2017.

Michael G. Troyanovich, 64, joined the Company in August 2011 as Assistant General Counsel. Mr. Troyanovich was appointed Secretary in December 2012, and General Counsel in June 2013.

Tony C. Eheli, 44, joined the Company in March 2021 as Vice President and Chief Accounting Officer. Prior to joining Titan, Mr. Eheli served from 2011 to 2021 in various roles at Danaher Corporation, including as a Global Director of Financial Planning and Analysis and as a Global Corporate Controller of two separate divisions of Danaher.

Business Conduct Policy

The Company adopted a business conduct policy, which is applicable to directors, officers and employees. The Company has also adopted corporate governance guidelines. The business conduct policy and corporate governance guidelines are available under the Investor Relations section of the Company's website, www.titan-intl.com. The Company intends to satisfy disclosure requirements regarding amendments to or waivers from its business conduct policy by posting such information on its website. Printed copies of the business conduct policy and corporate governance guidelines are available, without charge, by writing to: Titan International, Inc., c/o Corporate Secretary, 1525 Kautz Road, Suite 600, West Chicago, IL 60185.

ITEM 11 – EXECUTIVE COMPENSATION

Information required by this item regarding executive compensation is incorporated herein by reference to the Company's 2022 Proxy Statement under the caption "Compensation of Executive Officers."

ITEM 12– SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this item regarding security ownership is incorporated herein by reference to the Company's 2022 Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management."

ITEM 13 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Information required by this item regarding relationships and related party transactions is incorporated herein by reference to the Company's 2022 Proxy Statement under the captions "Certain Relationships and Related Party Transactions" and "Corporate Governance" and also appears in Note 28 of the Notes to Consolidated Financial Statements.

ITEM 14 – PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by this item regarding audit fees and services is incorporated by reference herein to the Company's 2022 Proxy Statement under the caption "Audit and Other Fees."

PART IV

ITEM 15 – EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements

2. Financial Statement Schedule

3. Exhibits

The accompanying Exhibit Index is incorporated herein by reference.

TITAN INTERNATIONAL, INC.
Exhibit Index
Annual Report on Form 10-K

Exhibit No.	DESCRIPTION
3.1 (a)	Titan International, Inc. Amended and Restated Certificate of Incorporation
3.2 (a)	Bylaws of the Company
4.1*	Description of Securities of the Registrant
4.2 (b)	Indenture, dated as of April 22, 2021, among Titan, the Guarantors named therein, the Trustee and the Collateral Trustee
4.3 (b)	Registration Rights Agreement, dated as of April 22, 2021, among, Titan, the Guarantors named therein, and Goldman Sachs & Co. LLC, as representative of the initial purchasers of the Senior Secured Notes due 2028
10.1 (c)	Equity Incentive Plan
10.2 (d)	Paul G. Reitz Employment Agreement
10.3 (e)	Paul G. Reitz Employment Agreement Amendment
10.4 (f)	Michael G. Troyanovich Employment Agreement
10.5 (g)	David A. Martin Employment Agreement
10.6 (h)	Trademark License Agreement with The Goodyear Tire & Rubber Company **
10.7 (i)	Agreement, dated as of February 26, 2016, by and among the Company and MHR Institutional Partners III LP, MHR Capital Partners Master Account LP, MHR Capital Partners (100) LP, MHR Institutional Advisors III LLC, MHR Advisors LLC, MHRC LLC, MHR Fund Management LLC, MHR Holdings LLC and Mark H. Rachesky
10.8 (j)	Audit Committee Observer Agreement, dated as of September 29, 2016
10.9 (k)	Credit and Security Agreement with agent BMO Harris Bank N. A., dated as of February 17, 2017
10.10 (l)	Shareholders' Agreement, dated July 9, 2013, between Titan International, Inc., Titan Luxembourg S.A.R.L., OEP 11 Cooperatief U.A., Rubber Cooperatief U.A., and Titan Tire Russia B.V.
10.11 (m)	Transaction Agreement among Titan Luxembourg S.A.R.L., Titan International, Inc., and Rubber Coöperatief U.A.
10.12 (n)	Amendment, dated as of February 25, 2019, to the February 26, 2016, Agreement by and among the Company and MHR Institutional Partners III LP, MHR Capital Partners Master Account LP, MHR Capital Partners (100) LP, MHR Institutional Advisors III LLC, MHR Advisors LLC, MHRC LLC, MHR Fund Management LLC, MHR Holdings LLC and Mark H. Rachesky
10.13 (o)	Second Amendment to Credit and Security Agreement with agent BMO Harris Bank N. A. dated as of May 17, 2019
10.14 (p)	Sale Purchase Agreement among OEP Tire Russia L.P., Titan Luxembourg S.A.R.L., OEP II Partners, Co-Invest, L.P. and One Equity Partners V, L.P., dated July 30, 2019
10.15 (q)	Third Amendment to Credit and Security Agreement with agent BMO Harris Bank N. A. dated as of February 25, 2021
10.16 (r)	Fifth Amendment to Credit and Security Agreement with agent BMO Harris Bank N. A. dated as of October 28, 2021
21*	Subsidiaries of the Registrant
22*	List of Subsidiary Guarantors
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32*	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith
** Confidential treatment has been granted with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

(a) Incorporated by reference to the same numbered exhibit contained in the Company’s Current Report on Form 8-K filed on June 29, 2015 (No. 1-12936).
(b) Incorporated by reference to the same numbered exhibit contained in the Company’s Current Report on Form 8-K filed on November 20, 2017 (No. 1-12936).
(c) Incorporated by reference to Appendix A of the Company’s Definitive Proxy Statement filed on March 28, 2011.
(d) Incorporated by reference to exhibit 10.1 contained in the Company's Current Report on Form 8-K filed on December 23, 2015 (No. 1-12936).
(e) Incorporated by reference to exhibit 10.3 contained in the Company's Current Report on Form 8-K filed on December 9, 2016 (No. 1-12936).
(f) Incorporated by reference to exhibit 10.3 contained in the Company's Current Report on Form 8-K filed on December 23, 2015 (No. 1-12936).
(g) Incorporated by reference to exhibit 10 contained in the Company's Current Report on Form 8-K filed on June 15, 2018 (No. 1-12936).
(h) Incorporated by reference to exhibit 10.1 contained in the Company's Form 10-Q for the quarterly period ended March 31, 2016 (No. 1-12936).
(i) Incorporated by reference to exhibit 10 contained in the Company's Current Report on Form 8-K filed on February 29, 2016 (No. 1-12936).
(j) Incorporated by reference to exhibit 10 contained in the Company's Current Report on Form 8-K filed on October 3, 2016 (No. 1-12936).
(k) Incorporated by reference to exhibit 10 contained in the Company's Current Report on Form 8-K filed on February 23, 2017 (No. 1-12936).
(l) Incorporated by reference to exhibit 10 contained in the Company's Form 10-Q for the quarterly period ended September 30, 2018 (No. 1-12936).
(m) Incorporated by reference to exhibit 10 contained in the Company's Current Report on Form 8-K filed on February 11, 2019 (No 1-12936).
(n) Incorporated by reference to exhibit 10 contained in the Company's Current Report on Form 8-K filed on February 25, 2019 (No 1-12936).
(o) Incorporated by reference to exhibit 10 contained in the Company's Current Report on Form 8-K filed on May 21, 2019 (No 1-12936).
(p) Incorporated by reference to exhibit 10 contained in the Company's Current Report on Form 10-Q for the quarterly period ended September 30, 2019 (No 1-12936).
(q) Incorporated by reference to exhibit 10 contained in the Company's Current Report on Form 8-K filed on February 26, 2021 (No 1-12936).
(r) Incorporated by reference to exhibit 10 contained in the Company's Current Report on Form 8-K filed on October 28, 2021 (No 1-12936).

ITEM 16 – FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

TITAN INTERNATIONAL, INC.
(Registrant)

Date: March 2, 2022

By: /s/ PAUL G. REITZ
Paul G. Reitz
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 2, 2022.

Signatures	Capacity
/s/ PAUL G. REITZ Paul G. Reitz	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ DAVID A. MARTIN David A. Martin	SVP and Chief Financial Officer (Principal Financial Officer)
/s/ TONY C. EHELI Tony C. Eheli	VP, Chief Accounting Officer (Principal Accounting Officer)
/s/ MAURICE M. TAYLOR JR. Maurice M. Taylor Jr.	Chairman
/s/ RICHARD M. CASHIN JR. Richard M. Cashin Jr.	Director
/s/ GARY L. COWGER Gary L. Cowger	Director
/s/ MAX A. GUINN Max A. Guinn	Director
/s/ DR. MARK RACHESKY Dr. Mark Rachesky	Director
/s/ ANTHONY L. SOAVE Anthony L. Soave	Director
/s/ LAURA K. THOMPSON Laura K. Thompson	Director

Management's Responsibility for Financial Statements

Management is responsible for the preparation of the Company's consolidated financial statements included in this annual report on Form 10-K. Management believes that the consolidated financial statements fairly reflect the Company's financial transactions and the financial statements reasonably present the Company's financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

The Board of Directors of the Company has an Audit Committee comprised entirely of outside directors who are independent of management. The Committee meets periodically with management, the internal auditors, and the independent registered public accounting firm to review accounting control, auditing, and financial reporting matters. The Audit Committee is responsible for the appointment of the independent registered public accounting firm and approval of their fees.

The independent registered public accounting firm audits the Company's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). The consolidated financial statements as of December 31, 2021 have been audited by Grant Thornton LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
Titan International, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Titan International, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income (loss), changes in equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated March 2, 2022 expressed an unqualified opinion.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

Critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Grant Thornton LLP

We have served as the Company's auditor since 2012.

Chicago, Illinois
March 2, 2022

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
Titan International, Inc.

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Titan International, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2021, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in the 2013 Internal Control—Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2021, and our report dated March 2, 2022 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Grant Thornton LLP

Chicago, Illinois
March 2, 2022

TITAN INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(All amounts in thousands, except per share data)

	Year ended December 31, 2021	2020	2019
Net sales	$ 1,780,215	$ 1,259,313	$ 1,448,666
Cost of sales	1,542,673	1,130,194	1,319,662
Asset impairment	—	14,800	—
Gross profit	237,542	114,319	129,004
Selling, general and administrative expenses	131,772	130,942	137,697
Research and development expenses	10,104	9,013	9,859
Royalty expense	10,491	9,715	9,880
Income (loss) from operations	85,175	(35,351)	(28,432)
Interest expense	(32,221)	(30,554)	(32,004)
Loss on senior note repurchase	(16,020)	—	—
Foreign exchange gain (loss)	12,020	(11,025)	3,999
Other income	2,086	18,799	8,393
Income (loss) before income taxes	51,040	(58,131)	(48,044)
Provision for income taxes	1,149	6,946	3,475
Net income (loss)	49,891	(65,077)	(51,519)
Net income (loss) attributable to noncontrolling interests	305	(4,689)	(3,094)
Net income (loss) attributable to Titan	49,586	(60,388)	(48,425)
Redemption value adjustment	—	—	(1,928)
Net income (loss) applicable to common shareholders	$ 49,586	$ (60,388)	$ (50,353)
Earnings (loss) per common share:			
Basic	$ .80	$ (.99)	$ (.84)
Diluted	$ .79	$ (.99)	$ (.84)
Average common shares and equivalents outstanding:			
Basic	62,100	60,818	60,100
Diluted	62,685	60,818	60,100
Dividends declared per common share:	$ —	$ .01	$ .02

See accompanying Notes to Consolidated Financial Statements.

TITAN INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(All amounts in thousands)

	Year ended December 31,		
	2021	**2020**	**2019**
Net income (loss)	$ 49,891	$ (65,077)	$ (51,519)
Derivative gain (loss)	374	(413)	—
Currency translation adjustment	(42,338)	(4,140)	(8,949)
Pension liability adjustments, net of tax of $39, $43, and $133, respectively	12,308	3,454	6,566
Comprehensive income (loss)	20,235	(66,176)	(53,902)
Net comprehensive loss attributable to redeemable and noncontrolling interests	(125)	(7,185)	(1,533)
Comprehensive income (loss) attributable to Titan	$ 20,360	$ (58,991)	$ (52,369)

See accompanying Notes to Consolidated Financial Statements.

TITAN INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS
(All amounts in thousands, except share data)

	December 31, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 98,108	$ 117,431
Accounts receivable (net of allowance of $4,550 and $3,782, respectively)	255,180	193,014
Inventories	392,615	293,679
Prepaid and other current assets	67,401	54,475
Total current assets	813,304	658,599
Property, plant and equipment, net	301,109	319,854
Operating lease assets	20,945	24,356
Deferred income taxes	16,831	2,591
Other long-term assets	30,496	26,484
Total assets	$ 1,182,685	$ 1,031,884
Liabilities		
Current liabilities		
Short-term debt	$ 32,500	$ 31,119
Accounts payable	278,099	167,210
Other current liabilities	140,214	131,382
Total current liabilities	450,813	329,711
Long-term debt	452,451	433,584
Deferred income taxes	3,978	3,895
Other long-term liabilities	48,271	63,429
Total liabilities	955,513	830,619
Commitments and contingencies: Notes 10, 25, 26 and 27		
Redeemable noncontrolling interest	—	25,000
Equity		
Titan stockholders' equity		
Common stock ($0.0001 par, 120,000,000 shares authorized, 66,492,660 issued at December 2021 and 61,466,593 at December 2020)	—	—
Additional paid-in capital	562,340	532,742
Retained deficit	(85,439)	(135,025)
Treasury stock (at cost, 80,876 shares at December 2021 and 89,612 shares at December 2020)	(1,121)	(1,199)
Accumulated other comprehensive loss	(246,480)	(217,254)
Total Titan stockholders’ equity	229,300	179,264
Noncontrolling interests	(2,128)	(2,999)
Total equity	227,172	176,265
Total liabilities and equity	$ 1,182,685	$ 1,031,884

See accompanying Notes to Consolidated Financial Statements.

TITAN INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(All amounts in thousands, except share data)

	Number of common shares	Common stock	Additional paid-in capital	Retained earnings (deficit)	Treasury stock	Stock reserved for deferred compensation	Accumulated other comprehensive income (loss)	Total Titan Equity	Non-controlling interest	Total Equity
Balance January 1, 2019	59,916,973	$ —	$ 519,498	$ (29,048)	$ (7,831)	$ —	$ (203,571)	279,048	(8,951)	270,097
Net loss *				(48,425)				(48,425)	(2,275)	(50,700)
CTA, net of tax *							(10,510)	(10,510)	878	(9,632)
Pension liability adjustments, net of tax							6,566	6,566		6,566
Dividends declared				(1,207)				(1,207)		(1,207)
Accounting standards adoption				4,346			(4,933)	(587)		(587)
Redeemable noncontrolling interest activity			9,437					9,437	15,445	24,882
Acquisition of additional interest			6,203				(6,203)	—		—
Redemption value adjustment			(1,928)					(1,928)		(1,928)
Stock-based compensation	100,118		213		1,168			1,381		1,381
VIE consolidation and distributions								—	(2,968)	(2,968)
Record initial NCI								—	2,008	2,008
Issuance of treasury stock under 401(k) plan	266,121		(1,353)		2,429			1,076		1,076
Balance December 31, 2019	60,283,212	$ —	$ 532,070	$ (74,334)	$ (4,234)	$ —	$ (218,651)	234,851	4,137	238,988
Net loss *				(60,388)				(60,388)	(4,689)	(65,077)
CTA, net of tax *							(1,644)	(1,644)	(2,496)	(4,140)
Pension liability adjustments, net of tax							3,454	3,454		3,454
Derivative loss							(413)	(413)		(413)
Dividends declared				(303)				(303)		(303)
Stock-based compensation	440,558		1,562		900			2,462		2,462
VIE deconsolidation and distributions								—	(559)	(559)
Noncontrolling interest contributions								—	608	608
Issuance of treasury stock under 401(k) plan	653,211		(890)		2,135			1,245		1,245
Balance December 31, 2020	61,376,981	$ —	$ 532,742	$ (135,025)	$ (1,199)	$ —	$ (217,254)	179,264	(2,999)	176,265
Net income *				49,586				49,586	305	49,891
CTA, net of tax *							(41,908)	(41,908)	(430)	(42,338)
Pension liability adjustments, net of tax							12,308	12,308		12,308
Derivative gain							374	374		374
VIE deconsolidation and distributions								—	996	996
Stock-based compensation	827,277		3,363		78			3,441		3,441
Issuance of common stock under 401(k) plan	175,267		1,235					1,235		1,235
RDIF settlement	4,032,259		25,000					25,000		25,000
Balance December 31, 2021	66,411,784	—	562,340	(85,439)	(1,121)	—	(246,480)	229,300	(2,128)	227,172

* Net income (loss) excludes income (loss) attributable to redeemable noncontrolling interest of $(819), $0, and $0 for 2019, 2020, and 2021, respectively. CTA excludes $683, $0, and $0 for 2019, 2020, and 2021, respectively.

See accompanying Notes to Consolidated Financial Statements.

TITAN INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All amounts in thousands)

	Year ended December 31, 2021	2020	2019
Cash flows from operating activities:			
Net income (loss)	$ 49,891	$ (65,077)	$ (51,519)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	47,991	54,655	54,376
Asset impairment	—	20,823	—
Loss on senior note repurchase	16,020	—	—
Deferred income tax provision	(14,180)	(3,007)	(2,300)
Gain on building and investment sale	(569)	(4,152)	(4,695)
Gain on property insurance settlement	—	(8,657)	—
Stock-based compensation	3,441	2,462	1,381
Issuance of common stock under 401(k) plan	1,235	1,245	1,076
Foreign currency translation (gain) loss	(8,930)	12,444	(4,657)
(Increase) decrease in assets:			
Accounts receivable	(74,736)	(15,236)	56,832
Inventories	(112,850)	37,747	63,654
Prepaid and other current assets	(15,671)	2,312	1,912
Other long-term assets	(5,298)	(1,071)	(1,842)
Increase (decrease) in liabilities:			
Accounts payable	121,189	11,942	(53,183)
Other current liabilities	14,781	24,025	(10,155)
Other liabilities	(11,588)	(13,226)	(5,438)
Net cash provided by operating activities	10,726	57,229	45,442
Cash flows from investing activities:			
Capital expenditures	(38,802)	(21,680)	(36,414)
Sale of Wheels India Limited shares	—	32,852	19,021
Proceeds from property insurance settlement	—	8,657	—
Payments related to redeemable noncontrolling interest	—	—	(71,722)
Other	1,203	13,392	(3,476)
Net cash (used for) provided by investing activities	(37,599)	33,221	(92,591)
Cash flows from financing activities:			
Proceeds from borrowings	497,149	91,639	134,227
Repurchase of senior secured notes	(413,000)	—	—
Payment on debt	(69,182)	(126,393)	(100,901)
Dividends paid	—	(603)	(1,204)
Other financing activities	(1,021)	(3,208)	—
Net cash provided by (used for) financing activities	13,946	(38,565)	32,122
Effect of exchange rate changes on cash	(6,396)	(1,253)	141
Net (decrease) increase in cash and cash equivalents	(19,323)	50,632	(14,886)
Cash and cash equivalents, beginning of year	117,431	66,799	81,685
Cash and cash equivalents, end of year	$ 98,108	$ 117,431	$ 66,799
Supplemental information:			
Interest paid	$ 34,578	$ 29,233	$ 32,498
Income taxes paid, net of refunds received	$ 16,263	$ 12,355	$ 10,416

See accompanying Notes to Consolidated Financial Statements.

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Business
Titan International, Inc. and its subsidiaries (Titan or the Company) are leading manufacturers of wheels, tires, and undercarriage systems and components for off-highway vehicles used in the agricultural, earthmoving/construction, and consumer segments. Titan manufactures both wheels and tires for the majority of these market applications, allowing the Company to provide the value-added service of delivering complete wheel and tire assemblies. The Company offers a broad range of products that are manufactured to meet the specifications of original equipment manufacturers (OEMs) and/or the requirements of aftermarket customers.

Principles of consolidation
The consolidated financial statements include the accounts of all majority-owned subsidiaries and variable interest entities in which Titan is the primary beneficiary. Investments in companies in which Titan does not own a majority interest, but which Titan has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method. Investments in other companies are carried at cost. All significant intercompany accounts and transactions have been eliminated.

COVID-19 pandemic
The COVID-19 pandemic continued to have an impact on the Company in 2021. The Company’s operations continued with additional sanitary and other protective health measures which have increased operating costs. While the Company's operations began to return to historical levels beginning in the second half of 2020 and continuing throughout 2021, certain geographies (particularly Australia, Europe and Latin America) continue to remain impacted by the COVID-19 pandemic due to new and emerging variants of COVID-19 resulting in higher employee absenteeism. Further, global supply chains are experiencing constraints as a result of the ongoing COVID-19 pandemic, including availability and pricing of raw materials, transportation and labor. The current constraints on the global supply chains are adding complexity to growth expectations in the near term. We expect that the Company's operations will continue to be impacted by the pandemic, though the nature and extent of the impact will depend on the duration and severity of the COVID-19 pandemic, the length of time it takes for more normal economic and operating conditions to resume, additional governmental actions that may be taken and/or extensions of time for restrictions that have been imposed to date and other uncertainties.

Cash and cash equivalents
The Company considers short-term debt securities with an original maturity of three months or less to be cash equivalents. The cash in the Company's U.S. banks is not fully insured by the Federal Deposit Insurance Corporation. The Company had $86.4 million and $100.4 million of cash in foreign bank accounts at December 31, 2021 and 2020, respectively. The Company's cash in its foreign bank accounts is not fully insured.

Accounts receivable and allowance for doubtful accounts
The Company carries its accounts receivable at their face amounts less an allowance for doubtful accounts. An allowance for uncollectible receivables is recorded based upon the best estimate of credit losses in accounts receivable. In order to monitor credit risks associated with our customer base, credit worthiness of our existing customer base is reviewed on a periodic basis. At the end of each reporting period, the allowance for doubtful accounts is reviewed relative to management's collectibility assessment and adjusted if deemed necessary. The factors considered in this review include known bad debt risks and past loss history. Actual collection experience may differ from the current estimate of net receivables.

Inventories
Inventories are valued at the lower of cost or net realizable value. The Company’s inventories are valued under the first in, first out (FIFO) method or average cost method. Net realizable value is estimated based on current selling prices. Estimated provisions are established for slow-moving and obsolete inventory.

Fixed assets
Property, plant, and equipment have been recorded at cost. Depreciation is provided using the straight-line method over the following estimated useful lives of the related assets:

	Years
Building and improvements	25 - 40
Machinery and equipment	7 - 20
Tools, dies, and molds	2 - 9

Maintenance and repairs are expensed as incurred. When property, plant, and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated, and any gain or loss on disposition is included in the accompanying Consolidated Statements of Operations.

Interest is capitalized on fixed asset projects which are constructed over a period of time. The amount of interest capitalized is determined by applying a weighted average interest rate to the average amount of accumulated expenditures for the asset during the period. The interest rate used is based on the rates applicable to borrowings outstanding during the period. No interest was capitalized in 2021, 2020 or 2019.

Impairment of Long-Lived Assets

The Company reviews fixed assets to assess recoverability from future operations whenever events and circumstances indicate that the carrying values may not be recoverable. Factors that could result in an impairment review include, but are not limited to, a current period cash flow loss combined with a history of cash flow losses, current cash flows that may be insufficient to recover the investment in the property over the remaining useful life, or a projection that demonstrates continuing losses associated with the use of a long-lived asset, significant changes in the manner of use of the assets, or significant changes in business strategies. Impairment losses are recognized in operating results when expected undiscounted cash flows are less than the carrying value of the asset. Impairment losses are measured as the excess of the carrying value of the asset over the discounted expected future cash flows or the estimated fair value of the asset.

Fair value of financial instruments

The Company records all financial instruments, including cash and cash equivalents, accounts receivable, notes receivable, accounts payable, and notes payable at cost, which approximates fair value due to their short term or stated rates. Investments in marketable equity securities are recorded at fair value. Our 7.00% senior secured notes due 2028 (the senior secured notes due 2028) were carried at cost of $394.5 million at December 31, 2021. The fair value of the senior secured notes due 2028 at December 31, 2021, as obtained through an independent pricing source, was approximately $424.9 million.

Investments

The Company sold its remaining equity method investment in Wheels India Limited (Wheels India) during 2020 resulting in net proceeds of $32.9 million and net loss of $0.7 million for the year ended December 31, 2020. This equity method investment was included in other long-term assets in the Consolidated Balance Sheets for the year ended December 31, 2019. The Company assesses the carrying value of its equity method investments whenever events and circumstances indicate that the carrying values may not be recoverable. Investment write-downs, if necessary, are recognized in operating results when expected undiscounted future cash flows are less than the carrying value of the asset. These write-downs, if any, are measured as the excess of the carrying value of the asset over the discounted expected future cash flows or the estimated fair value of the asset.

The Company uses the cost method to account for investments in entities that are not consolidated or accounted for under the equity method. Under the cost method, investments are reported at cost in other long-term assets on the Consolidated Balance Sheets. The fair values of cost method investments are not estimated if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair values of the investments.

Foreign currency translation

The financial statements of the Company's foreign subsidiaries are translated to United States dollars. Assets and liabilities are translated to United States dollars at period-end exchange rates. Income and expense items are translated at average rates of exchange prevailing during the period. Translation adjustments are included in "Accumulated other comprehensive loss" in stockholders' equity. Gains and losses that result from foreign currency transactions are included in the accompanying Consolidated Statements of Operations.

Revenue recognition
The Company records sales revenue when products are shipped to customers and when our performance obligations with our customer are satisfied. Our obligations under the contracts are satisfied when we transfer control of our products to our customer which is generally upon shipment. Provisions are established for sales returns and uncollectible accounts based on historical experience. Should trends change, adjustments would be necessary to the estimated provisions.

Cost of sales
Cost of sales is comprised primarily of direct materials and supplies consumed in the manufacturing of the Company's products, as well as manufacturing labor, depreciation expense, and overhead expense necessary to acquire and convert the purchased materials and supplies into a finished product. Cost of sales also includes all purchasing, receiving, inspection, internal transfers, and related distribution costs.

Selling, general, and administrative expense
Selling, general, and administrative (SG&A) expense is comprised primarily of sales commissions, marketing expense, selling, and administrative wages, information system costs, legal fees, bank charges, professional fees, depreciation and amortization expense on non-manufacturing assets, and other administrative items.

Research and development expense
Research and development (R&D) expenses are expensed as incurred. R&D costs were $10.1 million, $9.0 million, and $9.9 million for the years ended December 31, 2021, 2020, and 2019, respectively.

Advertising
Advertising expenses are included in SG&A expense and are expensed as incurred. Advertising costs were approximately $2.7 million, $2.3 million and $3.7 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Warranty costs
The Company provides limited warranties on workmanship on its products in all market segments. The provision for estimated warranty costs is made in the period when such costs become probable and is based on past warranty experience. See Note 9 for additional information.

Income taxes
Deferred income tax provisions are determined using the liability method to recognize deferred tax assets and liabilities. This method is based upon differences between the financial statement carrying amounts and the respective tax basis of assets and liabilities using enacted tax rates that are expected to apply in the years the temporary differences are expected to be settled or realized. Valuation allowances are recorded where it is considered more likely than not that some portion or all of the deferred tax assets will not be realized. Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities.

Earnings per share
Basic earnings per share (EPS) is computed by dividing consolidated net earnings applicable to common shareholders by the weighted average number of common shares outstanding. Diluted EPS is computed by dividing adjusted consolidated net earnings applicable to common shareholders by the sum of the weighted average number of common shares outstanding and the weighted average number of potential common shares outstanding. Potential common shares consist of outstanding options under the Company's stock compensation plans.

Environmental liabilities
Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and that do not contribute to current or future revenue are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and can be reasonably estimated.

Stock-based compensation
Compensation expense for stock-based compensation is recognized over the requisite service period at the estimated fair value of the award at the grant date. The Company granted 438,195, 1,026,946 and 355,201 restricted stock awards in 2021, 2020 and 2019, respectively. See Note 24 for additional information.

Use of estimates
The policies utilized by the Company in the preparation of the financial statements conform to United States generally accepted accounting principles (US GAAP or GAAP) and require management to make estimates, assumptions, and judgments that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates and assumptions.

Reclassifications
Certain reclassifications have been made to prior year financial statements to conform to classifications used in the current year. These reclassifications had no impact on net income, stockholders' equity or cash flows as previously reported.

Adoption of new accounting standards
In December 2019, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) 2019-12, Simplifying the Accounting for Income Taxes, as part of its simplification initiative to reduce the cost and complexity in accounting for income taxes. ASU 2019-12 removes certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences. ASU 2019-12 also amends other aspects of the guidance to help simplify and promote consistent application of GAAP. The Company adopted this guidance on January 1, 2021 and it did not have a material impact on our consolidated financial statements.

2. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2021 and 2020, consisted of the following (amounts in thousands):

	2021	2020
Accounts receivable	$ 259,730	$ 196,796
Allowance for doubtful accounts	(4,550)	(3,782)
Accounts receivable, net	$ 255,180	$ 193,014

Accounts receivable are reduced by an estimated allowance for doubtful accounts which is based on known risks and historical losses.

3. INVENTORIES

Inventories at December 31, 2021 and 2020, consisted of the following (amounts in thousands):

	2021	2020
Raw material	$ 135,241	$ 78,733
Work-in-process	44,694	36,485
Finished goods	212,680	178,461
	$ 392,615	$ 293,679

Inventories are reduced by estimated provisions for slow-moving and obsolete inventory.

4. PREPAID AND OTHER CURRENT ASSETS

Prepaid and other current assets at December 31, 2021 and 2020, consisted of the following (amounts in thousands):

	2021	2020
Value added tax and duty receivable	$ 23,245	$ 11,124
Factory supplies	22,240	24,006
Prepaid expense	13,188	13,341
Prepaid taxes	2,856	2,403
Deposits	1,296	651
Contract receivable	1,227	528
Other	3,349	2,422
	$ 67,401	$ 54,475

5. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment at December 31, 2021 and 2020, consisted of the following (amounts in thousands):

	2021	2020
Land and improvements	$ 41,010	$ 43,943
Buildings and improvements	236,367	245,619
Machinery and equipment	578,816	583,847
Tools, dies, and molds	111,169	111,189
Construction-in-process	20,288	11,282
	987,650	995,880
Less accumulated depreciation	(686,541)	(676,026)
	$ 301,109	$ 319,854

Depreciation, including depreciation on capital leases, related to property, plant, and equipment for the years 2021, 2020 and 2019 totaled $46.4 million, $51.3 million, and $50.9 million, respectively.

The Company recorded a $13.8 million asset impairment charge during the year ended December 31, 2020 related to certain machinery and equipment located at Titan Tire Reclamation Corporation (TTRC) in Canada as a result of market declines, which indicated the remaining book value of the equipment is more than the fair market value.

6. OTHER LONG-TERM ASSETS

Other long-term assets at December 31, 2021 and 2020, consisted of the following (amounts in thousands):

	2021	2020
Net pension asset	$ 11,095	$ 1,740
Prepaid software	6,704	10,792
Other equity investments	6,522	5,601
Manufacturing spares	1,637	1,964
Amortizable intangibles	1,498	1,975
Deferred financing costs	333	141
Other	2,707	4,271
	$ 30,496	$ 26,484

7. INTANGIBLE ASSETS

The components of intangible assets for each of the years ended December 31, 2021 and 2020, were as follows (amounts in thousands):

	Weighted- Average Useful Lives (in Years)	2021	2020
Amortizable intangible assets:			
Patents, trademarks, and other	11.41	$ 10,084	$ 10,181
Total at cost		10,084	10,181
Less accumulated amortization		(8,586)	(8,206)
		$ 1,498	$ 1,975

During the fourth quarter of 2020, the Company recorded an impairment charge of $6.0 million related to the customer relationships intangible asset in Australia as a result of attrition of several customers since the business was initially acquired in 2012.

Amortization related to intangible assets for the years 2021, 2020, and 2019 totaled $0.6 million, $2.3 million, and $2.2 million, respectively.

The estimated aggregate amortization expense at December 31, 2021, for each of the years (or other periods) set forth below was as follows (amounts in thousands):

2022	$ 145
2023	145
2024	132
2025	123
2026	123
Thereafter	830
	$ 1,498

8. OTHER CURRENT LIABILITIES

Other current liabilities at December 31, 2021 and 2020, consisted of the following (amounts in thousands):

	2021	2020
Compensation and benefits	$ 46,583	$ 44,103
Warranty	16,628	15,040
Accrued insurance benefits	14,269	11,964
Customer rebates and deposits	9,311	8,244
Accrued other taxes	9,274	10,071
Operating lease liability	6,180	7,533
Accrued interest	4,958	2,338
Foreign government grant (1)	4,383	4,799
Settlement of legal matter (see footnote 25)	1,620	9,327
Other	27,008	17,963
	$ 140,214	$ 131,382

(1) The amount relates to foreign government grant programs for certain capital development projects in Italy and Spain. The grants were recorded as deferred income which will be amortized over the life of the capital development projects.

9. WARRANTY

Changes in the warranty liability for the periods set forth below consisted of the following (amounts in thousands):

	2021	2020
Warranty liability, January 1	$ 15,040	$ 14,334
Provision for warranty liabilities	9,848	6,853
Warranty payments made	(8,260)	(6,147)
Warranty liability, December 31	$ 16,628	$ 15,040

The Company provides limited warranties on workmanship on its products in all market segments. The majority of the Company's products are subject to a limited warranty that ranges between less than one year and ten years, with certain product warranties being prorated after the first year. The Company calculates a provision for warranty expense based on past warranty experience. Warranty accruals are included as a component of other current liabilities on the Consolidated Balance Sheets.

10. DEBT

Long-term debt consisted of the following as of the dates set forth below (amounts in thousands):

	December 31, 2021		
	Principal Balance	Unamortized Debt Issuance	Net Carrying Amount
7.00% senior secured notes due 2028	$ 400,000	$ (5,476)	$ 394,524
Titan Europe credit facilities	44,993	—	44,993
Revolving credit facility	30,000	—	30,000
Other debt	15,434	—	15,434
Total debt	490,427	(5,476)	484,951
Less amounts due within one year	32,500	—	32,500
Total long-term debt	$ 457,927	$ (5,476)	$ 452,451

	December 31, 2020		
	Principal Balance	Unamortized Debt Issuance	Net Carrying Amount
6.50% senior secured notes due 2023	$ 400,000	$ (3,124)	$ 396,876
Titan Europe credit facilities	49,583	—	49,583
Revolving credit facility	—	—	—
Other debt	18,244	—	18,244
Total debt	467,827	(3,124)	464,703
Less amounts due within one year	31,119	—	31,119
Total long-term debt	$ 436,708	$ (3,124)	$ 433,584

The weighted-average interest rates on total short-term borrowings, excluding current maturities of long-term debt, at December 31, 2021 and December 31, 2020, were approximately 6.7% and 6.5%, respectively.

Aggregate maturities of total debt at December 31, 2021, for each of the years (or other periods) set forth below were as follows (amounts in thousands):

2022	$	32,500
2023		8,906
2024		7,709
2025		4,012
2026		32,543
Thereafter		404,757
	$	490,427

7.00% senior secured notes due 2028

On April 22, 2021, the Company issued $400.0 million aggregate principal amount of 7.00% senior secured notes due April 2028 (the senior secured notes due 2028), guaranteed by certain of the Company's subsidiaries. Including the impact of debt issuance costs, these notes had an effective yield of 7.27% at issuance. These notes are secured by the land and buildings of the following subsidiaries of the Company: Titan Wheel Corporation of Illinois, Titan Tire Corporation, Titan Tire Corporation of Freeport, and Titan Tire Corporation of Bryan.

6.50% senior secured noted due 2023

In connection with the issuance of the senior secured notes due 2028, the Company satisfied and discharged the indenture related to the 6.50% senior secured notes due 2023 (senior secured notes due 2023) by completing a call and redemption of all of its outstanding $400.0 million principal amount of the senior secured notes due 2023. In connection with this call and redemption, the Company recorded $16.0 million of expenses included within the loss on senior note repurchase line item within the Consolidated Statements of Operations.

Titan Europe credit facilities

The Titan Europe credit facilities included borrowings from various institutions totaling $45.0 million in aggregate principal amount at December 31, 2021. Maturity dates on this primarily unsecured debt range from less than one year to five years.

Revolving credit facility

The Company has a $125 million revolving credit facility (credit facility) with agent BMO Harris Bank N.A. and other financial institutions party thereto. The credit facility is collateralized by accounts receivable and inventory of certain of the Company’s domestic subsidiaries and is scheduled to mature on October 28, 2026. The credit facility can be expanded by up to $50 million through an accordion provision within the agreement. From time to time Titan's availability under this credit facility may be less than $125 million as a result of outstanding letters of credit and eligible accounts receivable and inventory balances at certain of its domestic subsidiaries. At December 31, 2021, there were borrowings of $30.0 million under the credit facility, $10.7 million in outstanding letters of credit and the amount available to borrow under the facility totaled $75.4 million based on eligible accounts receivable and inventory balances.

Other Debt

The Company has working capital loans at Titan Pneus do Brasil Ltda and Voltyre-Prom at various interest rates, which totaled $11.5 million and $3.8 million, respectively at December 31, 2021. The maturity dates on this debt are less than one year. The Company expects to negotiate an extension of the maturity dates on these loans with the respective financial institutions.

11. OTHER LONG-TERM LIABILITIES

Other long-term liabilities at December 31, 2021 and 2020, consisted of the following (amounts in thousands):

	2021	2020
Accrued pension liabilities	$ 19,124	$ 25,407
Operating lease liability	11,352	17,137
Foreign government grant (1)	9,015	10,279
Contingencies	1,199	2,694
Income tax liabilities	111	804
Other	7,470	7,108
	$ 48,271	$ 63,429

(1) The amount relates to foreign government grant programs related to certain capital development projects in Italy and Spain. The grants were recorded as deferred income which will be amortized over the life of the capital development projects.

12. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses financial derivatives to mitigate its exposure to volatility in foreign currency exchange rates. These derivative financial instruments are recognized at fair value.

For the year ended December 31, 2021 and 2020, the Company recorded derivative gain of $0.4 million and derivative loss of $0.4 million, respectively, related to certain derivative contracts entered into during the year. The Company has designated these financial instruments as hedging instruments. Any gain or loss on the re-measurement of the fair value is included within the Consolidated Statements of Comprehensive Income.

13. REDEEMABLE NONCONTROLLING INTEREST

The Company, in partnership with One Equity Partners (OEP) and the Russian Direct Investment Fund (RDIF), owned all of the equity interests in Voltyre-Prom, a leading producer of agricultural and industrial tires in Volgograd, Russia. The Company is party to a shareholders' agreement with OEP and RDIF (Shareholders' Agreement) which was entered into in connection with the acquisition of Voltyre-Prom. The agreement contains a settlement put option which was exercisable during a six-month period beginning July 9, 2018. The settlement put option required Titan to purchase the equity interests from OEP and RDIF in Voltyre-Prom with cash or Titan common stock, at a value set by the agreement. The value set by the agreement was the greater of: the aggregate of the investment of the selling party and an amount representing an internal rate of return of 8%, or the last twelve months of EBITDA multiplied by 5.5 less net debt times the selling party's ownership percentage.

On November 14, 2018, the Company received notification of exercise of the put option from RDIF. On February 11, 2019, the Company entered into a definitive agreement (the "Agreement") with an affiliate of RDIF relating to the put option that was exercised by RDIF. The transactions contemplated by the Agreement closed on February 22, 2019. Under the terms of the Agreement, in satisfaction of the settlement put option that was exercised by RDIF, Titan paid to RDIF $25 million in cash at the closing of the transaction, and agreed, subject to the completion of regulatory approval, to issue to RDIF in a private placement 4,032,259 restricted shares of Titan common stock. Due to pending regulatory approval, the issuance of the restricted shares of Titan common stock pursuant to the Agreement was not completed as of December 31, 2019. Immediately following the closing, RDIF continued to own the same interest in Voltyre-Prom, subject to the terms of the Agreement and the Shareholders’ Agreement. Titan retained the right to buy back the Titan shares from RDIF for $25 million until February 12, 2022, the three-year anniversary of the signing of the Agreement.

On January 8, 2019, the Company received notification of exercise of the put option from OEP. During the second quarter of 2019, the Company made a payment to OEP in the amount of $16.0 million representing the majority of the interest on the amount due to OEP with respect to the put option. On July 30, 2019, Titan Luxembourg S.à r.l. (the “Titan Purchaser”), a subsidiary of the Company, entered into a sale purchase agreement (the “OEP Agreement”) with subsidiaries of OEP, relating to the settlement put option under the Shareholders’ Agreement that was exercised by OEP. Pursuant to the terms of the OEP Agreement, on July 31, 2019, the Titan Purchaser paid to OEP $30.7 million in cash, which, together with the Company’s prior payment to OEP of $16.0 million during the second quarter of 2019, were made in full satisfaction of the settlement put option exercised by OEP under the Shareholders' Agreement. Immediately following the closing, OEP ceased to have any ownership interests in, and the Titan Purchaser and RDIF owned 64.3% and 35.7%, respectively, of, Voltyre-Prom.

As of December 31, 2020, the value of the redeemable noncontrolling interest held by RDIF remained at $25 million, the value of the shares of restricted stock to be issued pursuant to the terms of the Agreement. This obligation represents the value of the restricted shares of Titan common stock due to RDIF on December 31, 2020, and is presented in the Consolidated Balance Sheet in redeemable noncontrolling interest, which is treated as mezzanine equity.

In November 2021, Titan received regulatory approval for the issuance of restricted stock to RDIF. On December 17, 2021, the Company issued 4,032,259 shares of Titan Restricted Stock to the RDIF equity holders subject to the Company's right to repurchase the shares for $25 million until February 12, 2022.

On February 1, 2022, the Company entered into a Stock Purchase Agreement with the RDIF equity holders to buy back the Titan Restricted Stock for the previously agreed amount of $25 million. The transaction was completed on February 1, 2022.

14. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss consisted of the following at the dates set forth below (amounts in thousands):

	Currency Translation Adjustments	Gain (Loss) on Derivatives	Unrecognized Losses and Prior Service Cost	Total
Balance at January 1, 2020	$ (192,507)	$ —	$ (26,144)	$ (218,651)
Currency translation adjustments	(1,644)		—	(1,644)
Defined benefit pension plan adjustments, net of tax of $43	—		3,454	3,454
Derivative loss	—	(413)	—	(413)
Balance at December 31, 2020	(194,151)	(413)	(22,690)	(217,254)
Currency translation adjustments	(41,908)		—	(41,908)
Defined benefit pension plan adjustments, net of tax of $39	—		12,308	12,308
Derivative gain	—	374	—	374
Balance at December 31, 2021	$ (236,059)	$ (39)	$ (10,382)	$ (246,480)

15. STOCKHOLDERS' EQUITY

The Company did not repurchase any shares of Titan common stock in 2021, 2020, or 2019. The Company records treasury stock using the cost method. On June 11, 2020, the Board of Directors unanimously approved the suspension of the Company's quarterly common stock dividend until further notice. Titan paid aggregate cash dividends of $.005 per share of common stock for the first quarter of 2020 and then the Company's quarterly stock dividend was suspended for the remainder of 2020, continuing through the entirety of 2021. Titan paid $.02 per share in 2019. Dividends declared totaled $0.0 million, $0.3 million and $1.2 million for years ended December 31, 2021, 2020 and 2019, respectively.

16. VARIABLE INTEREST ENTITIES

The Company holds a variable interest in two joint ventures for which Titan is the primary beneficiary. One of these joint ventures operate distribution facilities that primarily distribute mining products. Titan is the 50% owner of the distribution facility located in Canada. Titan is also a 50% owner of a manufacturer of undercarriage components and complete track systems for earthmoving machines in India. The Company’s variable interests in these joint ventures relate to sales of Titan products to these entities, consigned inventory, and working capital loans. As the primary beneficiary of these variable interest entities (VIEs), the VIEs’ assets, liabilities, and results of operations are included in the Company’s consolidated financial statements. The other equity holders’ interests are reflected in “Net income (loss) attributable to noncontrolling interests” in the Consolidated Statements of Operations and “Noncontrolling interests” in the Consolidated Balance Sheets.

The Company also held a variable interest in three other entities for which Titan was the primary beneficiary. Two of these entities provided specific manufacturing related services at the Company's Tennessee facility. Titan's variable interest in these entities related to financial support to the entities through providing many of the assets used by these entities in their business. The Company owned no equity in these entities. In March 2020, the Company delivered a notice of termination of the supply agreement with these entities and the Company no longer holds a variable interest in them. Titan was also a 40% owner in a Australian distribution facility, which primarily distributed mining products. Effective during the second quarter of 2021, the Company is no longer an owner of the facility located in Australia.

The following table summarizes the carrying amount of the VIEs’ assets and liabilities included in the Company’s Consolidated Balance Sheets at December 31, 2021 and 2020 (amounts in thousands):

	2021	2020
Cash and cash equivalents	$ 714	$ 1,585
Inventory	2,459	1,751
Other current assets	5,135	4,276
Property, plant, and equipment, net	3,414	2,656
Other non-current assets	626	1,671
Total assets	$ 12,348	$ 11,939
Current liabilities	1,687	1,152
Other long-term liabilities	669	2,591
Total liabilities	$ 2,356	$ 3,743

All assets in the above table can only be used to settle obligations of the consolidated VIE to which the respective assets relate. Liabilities are non-recourse obligations. Amounts presented in the table above are adjusted for intercompany eliminations.

The Company holds variable interests in certain VIEs that are not consolidated because Titan is not the primary beneficiary. The Company's involvement with these entities is in the form of direct equity interests and prepayments related to purchases of materials. The maximum exposure to loss represents the loss of assets recognized by Titan relating to non-consolidated entities and amounts due to the non-consolidated assets. The assets and liabilities recognized in Titan's Consolidated Balance Sheets related to Titan's interest in these non-consolidated VIEs and the Company's maximum exposure to loss relating to non-consolidated VIEs were as follows at December 31, 2021 and 2020 (amounts in thousands):

	2021	2020
Investments	$ 6,402	$ 5,623
Total VIE assets	6,402	5,623
Accounts payable	4,296	3,377
Maximum exposure to loss	$ 10,698	$ 9,000

17. FAIR VALUE MEASUREMENTS

ASC 820 Fair Value Measurements establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers are defined as:

Level 1 – Quoted prices in active markets for identical instruments.

Level 2 – Inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3 – Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Fair value, nonrecurring, Level 2 and 3 measurements from impairments consisted of the following (amounts in thousands):

	Fair Value		
	Level 2	Level 3	**Impairment Charges**
	December 31, 2020		2020
Property, plant and equipment	$ 1,874	$ —	$ 13,793
Customer relationship	—	—	6,023
Total	$ 1,874	$ —	$ 19,816
Inventory impairment [1]			1,007
Total			$ 20,823

(1) As part of the closure of the Saltville, Virginia wheel operations, the Company recorded an inventory impairment charge of $1.0 million for the year ended December 31, 2020.

The fair value measurements and impairment charges shown above for property, plant and equipment pertain to certain machinery and equipment located at Titan Tire Reclamation Corporation (TTRC) in Canada as a result of market declines. See Note 18 for additional information for the impairment of the property, plant and equipment for TTRC and impairment of the customer relationships intangible asset.

18. ASSET IMPAIRMENT

The Company recorded no asset impairment charges during the year ended December 31, 2021.

The Company recorded a $13.8 million asset impairment charge during the year ended December 31, 2020 related to certain machinery and equipment located at TTRC as a result of market declines, which indicated the remaining book value of the equipment is more than the fair market value. The TTRC asset impairment charge is recorded in cost of sales line item in the Consolidated Statement of Operations.

During the fourth quarter of 2020, the Company recorded an impairment charge of $6.0 million related to the customer relationships intangible asset in Australia as a result of attrition of several customers since the business was initially acquired in 2012. This impairment charge is recorded in the selling, general and administrative expenses line item in the Consolidated Statement of Operations.

19. RESTRUCTURING ACTIVITIES

As part of the North American and Corporate Restructuring plan, which was approved in the second quarter of 2020, certain positions have been eliminated to continue ongoing operational improvement initiatives designed to prioritize resource allocation, reduce costs and drive profitability for the Company on a global basis.

The Company recorded no restructuring charge during the year ended December 31, 2021. The Company incurred $1.7 million during the year ended December 31, 2020 for severance costs related to the rationalization of certain Corporate and European positions. The Company paid the severance amounts during the third and fourth quarters of 2020. The severance costs are primarily recorded in cost of sales line item in the Consolidated Statement of Operations.

As part of the closure of the Saltville, Virginia wheel operations, the Company recorded an inventory impairment charge of $1.0 million for the year ended December 31, 2020. The Company expects the closure of Saltville, Virginia wheel operations to be completed during 2022. The inventory impairment charge was included in cost of sales in the Consolidated Statement of Operations.

20. ROYALTY EXPENSE

The Company has trademark license agreements with The Goodyear Tire & Rubber Company to manufacture and sell certain farm tires under the Goodyear name. These agreements cover sales in North America, Latin America, Europe, the Middle East, Africa, Russia, and other Commonwealth of Independent States countries. Each of these agreements is scheduled to expire in 2025. Royalty expenses recorded for the years ended December 31, 2021, 2020, and 2019, were $10.5 million, $9.7 million, and $9.9 million, respectively.

21. OTHER INCOME

Other income consisted of the following for the years set forth below (amounts in thousands):

	2021	2020	2019
Gain on legal settlement (1)	$ 1,750	$ —	$ —
Equity investment income	806	720	2,394
Gain on sale of assets	257	440	871
Gain on property insurance settlement (2)	—	8,600	—
Gain on sale of Brownsville, Texas facility	—	4,855	—
(Loss) gain on sale of Wheels India Limited shares	—	(703)	4,695
Other (expense) income(3)	(727)	4,887	433
	$ 2,086	$ 18,799	$ 8,393

(1) The gain on legal settlement relates to proceeds received from a steel supplier for the year ended December 31, 2021.

(2) The gain on property insurance settlement relates to the receipt of insurance proceeds for the year ended December 31, 2020 for a 2017 fire that occurred at a facility of TTRC, a subsidiary of the Company, located in Fort McMurray in Alberta, Canada.

(3) Other (expense) income includes rental income for our Brownsville, Texas facility of $2.3 million and $1.7 million for the for the year ended December 31, 2020 and 2019, respectively.

22. INCOME TAXES

Income (loss) before income taxes, consisted of the following for the years set forth below (amounts in thousands):

	2021	2020	2019
Domestic	$ (5,862)	$ (36,761)	$ (52,234)
Foreign	56,902	(21,370)	4,190
	$ 51,040	$ (58,131)	$ (48,044)

The income tax provision was as follows for the years set forth below (amounts in thousands):

	2021	2020	2019
Current			
Federal	$ (933)	$ (4,050)	$ (4,599)
State	(160)	326	622
Foreign	16,422	13,677	9,752
	15,329	9,953	5,775
Deferred			
Federal	—	—	—
State	—	—	—
Foreign	(14,180)	(3,007)	(2,300)
	(14,180)	(3,007)	(2,300)
Income tax provision	$ 1,149	$ 6,946	$ 3,475

The income tax provision differs from the amount of income tax determined by applying the statutory U.S. federal income tax rate to pre-tax income (loss) as a result of the following:

	2021	2020	2019
Statutory U.S. federal tax rate	21.0 %	21.0 %	21.0 %
Unrecognized tax positions	(1.1)	5.9	6.1
Impact of foreign income	13.0	(7.2)	(0.8)
Valuation allowance	(31.6)	(38.4)	(29.0)
State taxes, net	1.4	(0.5)	(0.9)
Nondeductible royalty	1.9	(1.2)	(1.5)
Sale of investment	—	8.7	—
Equity based compensation	(1.0)	(0.2)	—
Nondeductible interest	1.5	(1.0)	(1.4)
Other, net	(2.8)	1.0	(0.7)
Effective tax rate	2.3 %	(11.9)%	(7.2)%

The effective tax rate for the year ended December 31, 2021, was 2.3% compared to (11.9)% for the year ended December 31, 2020. For 2021 the Company recorded pre-tax income and had a positive effective tax rate and for 2020 the Company recorded a pre-tax loss and had a negative effective tax rate. These both represent tax expense in the consolidated financial statements.

In jurisdictions where the Company operates its businesses, management analyzes the ability to utilize its deferred tax assets arising from losses in its cyclical business. The Company continues to record a valuation allowance in several jurisdictions, including the U.S., various U.S. states, Italy, and Australia as it remains more likely than not that the deferred tax assets would not be utilized. In 2021, the Company released the $16.1 million valuation allowance on its deferred tax assets related to Luxembourg. The Company expects to generate positive taxable income in Luxembourg in future periods as a result of the legal entity and loan rationalization completed during 2021. In 2020, the Company recorded a valuation allowance of $22.3 million primarily related to net operating losses generated from operations in the affected jurisdictions.

The Company is involved in various tax matters, for some of which the outcome is uncertain. The Company believes that it has adequate tax reserves to address open tax matters acknowledging that the outcome and timing of these events are uncertain.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities at December 31, 2021 and 2020, were as follows (amounts in thousands):

	2021	2020
Deferred tax assets:		
Net operating loss carryforwards	$ 138,472	$ 151,597
Pension	447	3,904
Inventory	7,602	6,758
Warranty	4,391	5,648
Employee benefits and related costs	8,585	9,819
Prepaid royalties	2,922	3,755
Interest limitation	21,868	16,067
Lease liability	6,482	7,734
Other	17,672	19,633
Deferred tax assets	208,441	224,915
Deferred tax liabilities:		
Fixed assets	(11,455)	(15,603)
Intangible assets	(710)	(1,012)
Lease assets	(6,441)	(7,759)
Other	(3,810)	(2,669)
Deferred tax liabilities	(22,416)	(27,043)
Subtotal	186,025	197,872
Valuation allowance	(173,172)	(199,176)
Net deferred tax asset (liability)	$ 12,853	$ (1,304)

As of December 31, 2021 and 2020, certain net tax loss carryforwards of $138.5 million and $151.6 million were available with $3.2 million expiring between 2021 and 2026 and $135.3 million expiring after 2026. At December 31, 2021, a valuation allowance of $173.2 million has been established. The net change in the valuation allowance was $(26.0) million and $34.5 million for 2021 and 2020, respectively. The majority of the valuation allowance is related to deferred tax assets in the U.S., Italy, and Australia.

The Company has $178.6 million of gross Federal net operating loss carryforward, a portion of which expires starting in 2035. Additionally, the Company has $321 million of state net operating losses and $334.4 million of foreign loss carryforwards.

As a result of the Tax Cuts and Jobs Act, the Company can repatriate future foreign earnings back to the U.S. when needed with minimal additional taxes other than state income and foreign withholding tax. The Company has not changed its indefinite reinvestment assertion in light of the Tax Cuts and Jobs Act and has not accrued any potential incremental taxes which could be incurred if any foreign earnings are repatriated. The Company has not calculated the potential foreign withholding taxes as the Company does not expect to repatriate those earnings.

On March 27, 2020, the U.S. government passed the CARES Act (the "CARES Act"), which provides tax relief to assist companies dealing with the effects of COVID-19. The impact of the CARES Act was not material to the Company's financial position or results of operations, except for the deferral of Social Security payroll taxes, which benefited the Company's operating cash flows through the end of calendar year 2020.

On December 27, 2020 the Consolidated Appropriations Act of 2021 ("the Appropriations Act") was signed into law. The Appropriations Act, among other things includes provisions related to the deductibility of PPP expenses paid with PPP loan proceeds, payroll tax credits, modifications to the meals and entertainment deduction, increased limitations on charitable deductions for corporate taxpayers, and enhancements of expiring tax "extender" provisions. The Company has completed its assessment of the impact of the legislation, and there is no significant impact to the consolidated financial statements.

The Company or one of its subsidiaries files income tax returns in the U.S., Federal and State, and various foreign jurisdictions. The Company's major locations are in the U.S., Italy, Australia, Russia, and Brazil. Open tax years for the U.S. are from

2018-2021, for Italy open tax years are from 2016-2021, and for Russia open tax years are from 2018-2021. Australia has open tax years from 2017-2021 and Brazil has open tax years from 2015-2021.

The Company has applied the provisions of ASC 740, "Income Taxes" related to unrecognized tax benefits. At December 31, 2021, 2020, and 2019, the unrecognized tax benefits were $0.1 million, $0.8 million, and $4.5 million, respectively. As of December 31, 2021, $0.1 million of unrecognized tax benefits would have affected income tax expense if the tax benefits were recognized. The majority of the accrual in unrecognized tax benefits relates to potential state tax exposures. Although management cannot predict with any degree of certainty the timing of ultimate resolution of matters under review by various taxing jurisdictions, it is possible that the Company's gross unrecognized tax benefits balance will decrease by approximately $0.1 million within the next twelve months.

A reconciliation of the total amounts of unrecognized tax benefits at December 31 were as follows (amounts in thousands):

	2021	2020	2019
Balance at January 1	$ 1,012	$ 4,097	$ 7,406
Increases to tax positions taken during the prior years	—	13	973
Decreases to tax positions taken during prior years	—	—	(350)
Decreases due to lapse of statutes of limitations	(473)	(3,099)	(3,429)
Settlements	—	—	(506)
Foreign exchange	1	1	3
Balance at December 31	$ 540	$ 1,012	$ 4,097

The Company accrues interest and penalties related to unrecognized tax benefits in income tax expense. The amount of interest and penalties related to unrecognized tax benefits recorded in income tax expense was $(0.2) million, $(1.1) million, and $(1.0) million at December 31, 2021, 2020 and 2019. The reconciliation of unrecognized tax benefits above does not include accrued interest and penalties of $0.0 million, $0.3 million, and $1.4 million, at December 31, 2021, 2020, and 2019, respectively.

Brazilian Tax Credits
In June 2021, the Company's Brazilian subsidiaries received a notice that it had prevailed on an existing legal claim in regards to certain non-income (indirect) taxes that had been previously charged and paid. The matter specifically relates to companies' rights to exclude the state tax on goods circulation (a value-added-tax or VAT equivalent, known in Brazil as "ICMS") from the calculation of certain additional indirect taxes (specifically the program of social integration ("PIS") and contribution for financing of social security ("COFINS") levied by the Brazilian States on the sale of goods. The Company is in the process of submitting the related supporting documentation to the Brazilian tax authorities during the first half of 2022. After review by the Brazilian tax authorities, the Company could receive approximately $29 million of non-income tax credits to be applied as credits against future PIS/COFINS tax obligations. The Company plans to recognize the full benefit of the non-income tax credits, contingent upon successful approval and verification from the Brazilian tax authorities.

23. EMPLOYEE BENEFIT PLANS

Pension plans
The Company has three frozen defined benefit pension plans covering certain employees or former employees of three U.S. subsidiaries. The Company also has pension plans covering certain employees of several foreign subsidiaries. The Company's policy is to fund pension costs as required by law, which is consistent with the funding requirements of federal laws and regulations. Certain foreign subsidiaries maintain unfunded pension plans consistent with local practices and requirements.
The Company's recorded liability for pensions is based on a number of assumptions, including discount rates, rates of return on investments, mortality rates, and other factors. Certain of these assumptions are determined by the Company with the assistance of outside actuaries. Assumptions are based on past experience and anticipated future trends. These assumptions are reviewed on a regular basis and revised when appropriate. In 2020, the Company changed the assumptions related to the mortality projection scale to better reflect anticipated plan experience and adjusted the discount rate to reflect market conditions as of the measurement date. In 2021, the Company changed the assumption related to the expected long-term return on plan assets to reflect market conditions as of the measurement date.

The following table provides the change in benefit obligation, change in plan assets, funded status, and amounts recognized in the Consolidated Balance Sheet of the defined benefit pension plans as of December 31, 2021 and 2020 (amounts in thousands):

Change in benefit obligation:	**2021**	**2020**
Benefit obligation at beginning of year	$ 114,940	$ 113,559
Service cost	655	801
Interest cost	2,880	3,496
Actuarial assumption changes	—	5,589
Actuarial loss	(1,985)	1,237
Benefits paid	(8,381)	(8,634)
Foreign currency translation	(1,522)	(1,108)
Benefit obligation at end of year	$ 106,587	$ 114,940
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 89,744	$ 81,375
Actual return on plan assets	13,259	12,749
Employer contributions	1,397	3,433
Benefits paid	(7,355)	(7,740)
Foreign currency translation	(38)	(73)
Fair value of plan assets at end of year	$ 97,007	$ 89,744
Unfunded status at end of year	$ (9,580)	$ (25,196)
Amounts recognized in Consolidated Balance Sheet:		
Noncurrent assets	$ 11,095	$ 1,740
Current liabilities	(1,551)	(1,529)
Noncurrent liabilities	(19,124)	(25,407)
Net amount recognized in the Consolidated Balance Sheet	$ (9,580)	$ (25,196)

The change in the benefit obligation was mainly driven by the benefits paid from the plans, negative impact of foreign currency translation due to unfavorable exchange rates and actuarial losses and offset by interest costs positively impacting the benefit obligation. The change in the benefit obligation was favorably impacted by the actuarial assumption changes primarily related to discount rate and mortality projection scale table to better reflect the market conditions and anticipated plan experience.

The pension benefit obligation included $90.0 million of pension benefit obligation for the three frozen plans in the U.S. and $16.6 million of pension benefit obligation for plans at foreign subsidiaries. The fair value of plan assets included $96.1 million of plan assets for the three frozen plans in the U.S. and $0.9 million of plan assets for foreign plans.

Information for pension plans with projected benefit obligations and accumulated benefit obligations in excess of plan assets were (amounts in thousands):

	2021	**2020**
Projected and accumulated benefit obligations (1)	$ 59,895	$ 68,265
Fair value of plan assets	39,561	41,695

(1) The majority of the Company's pension plans are frozen plans and therefore there is no difference between the projected and accumulated benefit obligations.

Amounts recognized in accumulated other comprehensive loss:

	2021	**2020**
Unrecognized prior service cost	$ 668	$ 779
Unrecognized net loss	(22,231)	(34,650)
Deferred tax effect of unrecognized items	11,181	11,181
Net amount recognized in accumulated other comprehensive loss	$ (10,382)	$ (22,690)

The weighted-average assumptions used in the actuarial computation that derived the benefit obligations at December 31 were as follows:	2021	2020
Discount rate	2.7 %	2.5 %
Expected long-term return on plan assets	6.5 %	7.0 %

The following table provides the components of net periodic pension cost for the plans, settlement cost, and the assumptions used in the measurement of the Company's benefit obligation for the years ended December 31, 2021, 2020, and 2019 (amounts in thousands):

Components of net periodic benefit cost and other amounts recognized in other comprehensive income (loss)			
Net periodic benefit cost:	2021	2020	2019
Service cost	$ 655	$ 801	$ 765
Interest cost	2,880	3,496	4,385
Assumed return on assets	(6,024)	(5,463)	(4,737)
Amortization of unrecognized prior service cost	(95)	(69)	49
Amortization of net unrecognized loss	2,805	2,840	3,238
Net periodic pension cost	$ 221	$ 1,605	$ 3,700

Service cost is recorded as cost of sales in the Consolidated Statement of Operations while all other components are recorded in other income.

The weighted-average assumptions used in the actuarial computation that derived net periodic pension cost for the years ended December 31, 2021, 2020, and 2019 were as follows:

	2021	2020	2019
Discount rate	1.4 %	3.6 %	5.0 %
Expected long-term return on plan assets	6.5 %	6.9 %	6.9 %

The allocation of the fair value of plan assets was as follows:

	Percentage of Plan Assets at December 31,		Target Allocation
Asset Category	2021	2020	2021
U.S. equities (a)	62 %	61 %	40% - 80%
Fixed income	23 %	20 %	20% - 50%
Cash and cash equivalents	6 %	10 %	0% - 20%
International equities (a)	7 %	7 %	0% - 16%
REITs	2 %	2 %	
	100 %	100 %	

(a) Total equities may not exceed 80% of total plan assets.

The majority of the Company's foreign plans do not have plan assets. The foreign plans which have plan assets holds these plan assets in an insurance or money market fund.

The fair value of the plan assets by asset categories consisted of the following as of the dates set forth below (amounts in thousands):

	Fair Value Measurements as of December 31, 2021			
	Total	Level 1	Level 2	Level 3
Money market funds	$ 5,830	$ 5,830	$ —	$ —
Common stock	38,231	38,231	—	—
Bonds and securities	8,240	8,240	—	—
Mutual and insurance funds	44,706	44,194	512	—
Totals	$ 97,007	$ 96,495	$ 512	$ —

	Fair Value Measurements as of December 31, 2020			
	Total	Level 1	Level 2	Level 3
Money market funds	$ 8,916	$ 8,916	$ —	$ —
Common stock	35,951	35,951	—	—
Bonds and securities	3,638	3,638	—	—
Mutual and insurance funds	41,239	40,410	829	—
Totals	$ 89,744	$ 88,915	$ 829	$ —

The Company invests in a diversified portfolio consisting of an array of asset classes in an attempt to maximize returns while minimizing risk. These asset classes include U.S. equities, fixed income, cash and cash equivalents, international equities and REITs. The investment objectives are to provide for the growth and preservation of plan assets on a long-term basis through investments in: investment grade securities that provide investment returns that meet or exceed the Standard & Poor's 500 Index and investment grade fixed income securities that provide investment returns that meet or exceed the Barclays Capital Aggregate Bond Index. The U.S. equities asset category included the Company's common stock in the amount of $1.9 million (approximately one percent of total plan assets) at December 31, 2021, and $0.8 million (approximately two percent of total plan assets) at December 31, 2020.

The fair value of money market funds, stock, bonds, U.S. government securities and mutual funds is determined based on valuation for identical instruments in active markets.

The long-term rate of return for plan assets is determined using a weighted-average of long-term historical approximate returns on cash and cash equivalents, fixed income securities, and equity securities considering the anticipated investment allocation within the plans. The expected return on plan assets is anticipated to be 6.5% over the long-term. This rate assumes long-term historical returns of approximately 8.5% for equities and approximately 4.0% for fixed income securities using the plans' target allocation percentages. Professional investment firms, none of which are Titan employees, manage the plan assets.

Although the 2022 minimum pension funding calculations are not finalized, the Company estimates those funding requirements will be approximately $0.8 million.

Projected benefit payments from the plans as of December 31, 2021, are estimated as follows (amounts in thousands):

2022	8,472
2023	7,908
2024	7,823
2025	7,570
2026	7,272
2027-2031	31,062

401(k)/Defined contribution plans
The Company sponsors two 401(k) retirement savings plans in the U.S. and a number of defined contribution plans at foreign subsidiaries. One U.S. plan is for the benefit of substantially all employees who are not covered by a collective bargaining arrangement. Titan provides a 50% matching contribution in the form of the Company's common stock on the first 6% of the employee's contribution in this plan. The Company issued 162,356 shares, 653,211 shares and 266,121 shares of common

stock in connection with this 401(k) plan during 2021, 2020, and 2019, respectively. Expenses to the Company related to this common stock matching contribution were $1.4 million, $1.2 million, and $1.2 million for 2021, 2020, and 2019, respectively. The other U.S. 401(k) plan is for employees covered by collective bargaining agreements and does not include a Company matching contribution. Expenses related to foreign defined contribution plans were $3.8 million, $3.7 million, and $3.9 million for 2021, 2020, and 2019, respectively.

24. STOCK COMPENSATION

The Company recorded stock compensation of $3.4 million, $2.5 million, and $1.4 million in 2021, 2020, and 2019, respectively.

Titan International, Inc. Equity and Incentive Compensation Plan
The Company adopted a new Titan International, Inc. Equity and Incentive Compensation Plan at the 2021 Annual Meeting of Stockholders to provide stock compensation as a means of attracting and retaining qualified independent directors and employees for the Company. A total of 4.3 million shares are available for future issuance under the equity incentive plan at December 31, 2021.

Stock Options
Under this plan (or its predecessor plan), the Company granted no stock options in 2021, 2020, and 2019. The exercise price of stock options may not be less than the fair market value of the common stock on the date of the grant. The vesting and term of each option is set by the Board of Directors. All options outstanding at December 31, 2021 are fully vested and expire 10 years from the grant date.

The following is a summary of activity in stock options during the year ended December 31, 2021:

	Shares Subject to Option	Weighted-Average Exercise Price	Weighted- Average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2020	660,700	$ 16.97		
Granted	—	—		
Exercised	—	—		
Forfeited/Expired	(207,500)	22.50		
Outstanding, December 31, 2021	453,200	14.44	3.79	$ 237,900
Exercisable, December 31, 2021	453,200	14.44	3.79	$ 237,900

No stock options were granted or exercised in 2021, 2020 and 2019. The Company currently uses treasury shares to satisfy any stock option exercises. At December 31, 2021 and 2020, the Company had 0.1 million and 0.1 million shares of treasury stock, respectively.

The Company uses the Black-Scholes option pricing model to determine the fair value of its stock options. The determination of the fair value of stock option awards on the date of grant using option pricing models is affected by the Company’s stock price, as well as assumptions regarding a number of complex and subjective variables. These variables include the Company’s expected stock price volatility over the expected term of the awards, actual and projected stock option exercise behaviors, risk-free interest rates, and expected dividends. The expected term of options represents the period of time over which options are expected to be outstanding and is estimated based on historical experience. Expected volatility is based on the historical volatility of the Company’s common stock calculated over the expected term of the option. The risk-free interest rate is based on U.S. Treasury yields in effect at the date of grant.

Restricted Stock
Under this plan (or its predecessor plan), the Company granted 438,195, 1,026,946, and 355,201 restricted stock awards under this plan in 2021, 2020 and 2019, respectively. The restricted stock awards to employees vest over a period of three years. The restricted stock awards to the members of the Company's Board of Directors vest over a period of one year.

	Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2020	1,144,377	$ 2.54
Granted	438,195	9.13
Vested	(840,703)	2.75
Forfeited/Expired	(19,000)	4.49
Unvested at December 31, 2021	722,869	6.25

Pre-tax unrecognized compensation expense for unvested restricted stock was $3.1 million at December 31, 2021, and will be recognized as an expense over a weighted-average period of 1.8 years.

The fair value of restricted stock vested, based on the stock's fair value on the vesting date, was $7.5 million, $1.3 million, and $0.6 million for the years ended December 31, 2021, 2020, and 2019, respectively.

2021 Performance Share Awards
On December 28, 2021, the Company awarded certain named executive officers grants of long-term performance shares based on the achievement of certain adjusted-EBITDA targets for the fiscal years commencing January 1, 2021 and ending December 31, 2024. The Company recorded $0.9 million of stock compensation expense associated with these awards for the year ended December 31, 2021.

25. LITIGATION

The Company is a party to routine legal proceedings arising out of the normal course of business. Due to the difficult nature of predicting unresolved and future legal claims, the Company cannot anticipate or predict the material adverse effect on its consolidated financial condition, results of operations, or cash flows as a result of efforts to comply with, or liabilities pertaining to, legal judgments.

In June 2015, Titan Tire Corporation (Titan Tire) and Dico, Inc. (Dico) appealed an order from the U.S. District Court for the South District of Iowa granting the federal government's motion for summary judgment that found Dico liable for violating the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) and an Environmental Protection Agency (EPA) Administrative Order and awarded response costs, civil penalties, and punitive damages.

In December 2015, the U.S. Court of Appeals for the Eighth Circuit reversed the District Court's summary judgment order with respect to "arranger" liability for Titan Tire and Dico under CERCLA and the imposition of punitive damages against Dico for violating the EPA Administrative Order, but affirmed the summary judgment order imposing civil penalties in the amount of $1.62 million against Dico for violating the EPA Administrative Order. The case was remanded to the District Court for a new trial on the remaining issues.

The trial occurred in April 2017. On September 5, 2017, the District Court issued an order: (a) concluding Titan Tire and Dico arranged for the disposal of a hazardous substance in violation of 42 U.S.C. § 9607(a); (b) holding Titan Tire and Dico jointly and severally liable for $5.45 million in response costs previously incurred and reported by the United States relating to the alleged violation, including enforcement costs and attorney's fees; and (c) awarding a declaratory judgment holding Titan Tire and Dico jointly and severally liable for all additional response costs previously incurred but not yet reported or to be incurred in the future, including enforcement costs and attorney's fees. The District Court also held Dico liable for $5.45 million in punitive damages under 42 U.S.C. § 9607(c)(3) for violating a unilateral administrative order. The punitive damages award does not apply to Titan Tire. The Company accrued a contingent liability of $6.5 million, representing $5.45 million in costs incurred by the United States and $1.05 million of additional response costs, for this order in the quarter ended September 30, 2017.

Titan Tire and Dico appealed the case to the United States Court of Appeals for the Eighth Circuit. On April 11, 2019, the U.S. Court of Appeals for the Eighth Circuit affirmed the District Court's September 5, 2017, order. Thereafter, Dico and Titan Tire filed a petition for rehearing with the U.S. Court of Appeals for the Eighth Circuit, which was denied in August 2019.

Following settlement negotiations with the U.S. federal government and the City of Des Moines, an agreement was reached in September 2020 which has been reduced to a Consent Decree that was executed by all parties on February 1, 2021. The Consent Decree prescribes total cash payments by Titan Tire to the federal government in the amount of $11.5 million, with

$9.0 million due and payable within 30 days of the settlement becoming final, $1.5 million (plus interest at a rate of 2.22% per annum) due and payable within one year of the settlement becoming final and $1.0 million (plus interest at a rate of 2.22% per annum) due and payable within two years of the settlement becoming final. The Company paid $9.2 million and $1.6 million, including accrued interest, to the federal government on February 25, 2021 and February 1, 2022, respectively. The remaining amount of $1.2 million, including accrued interest, are accounted for within the Company's other long-term liabilities line item within the Company's Consolidated Balance Sheets as of December 31, 2021. On May 27, 2021, the Company transferred ownership of the Dico land to the City of Des Moines, in accordance with the agreement.

26. LEASES

The Company leases certain buildings and equipment under both operating and finance leases. Certain lease agreements provide for renewal options, fair value purchase options, and payment of property taxes, maintenance, and insurance by the Company. Under ASC 842, the Company made an accounting policy election, by class of underlying asset, not to separate non-lease components such as those previously stated from lease components and instead will treat the lease agreement as a single lease component for all asset classes. Operating right-of-use (ROU) assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent Titan's obligations to make lease payments arising from the lease. The majority of Titan's leases are operating leases. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of Titan's leases do not provide an implicit interest rate, the Company used its incremental borrowing rate (7.27%), based on the information available at the lease commencement date, in determining the present value of lease payments. Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of sales and selling, general and administrative expenses on the Consolidated Statement of Operations. Amortization expense associated with finance leases is included in cost of sales and selling, general and administrative expenses, and interest expense associated with finance leases is included in interest expense in the Consolidated Statement of Operations.
Supplemental balance sheet information related to leases was as follows (amounts in thousands):

	Balance Sheet Classification	2021
Operating lease ROU assets	Operating lease assets	$ 20,945
Operating lease current liabilities	Other current liabilities	$ 6,180
Operating lease long-term liabilities	Other long-term liabilities	11,352
Total operating lease liabilities		$ 17,532
Finance lease, gross	Property, plant & equipment, net	$ 5,305
Finance lease accumulated depreciation	Property, plant & equipment, net	(2,801)
Finance lease, net		$ 2,504
Finance lease current liabilities	Other current liabilities	$ 2,384
Finance lease long-term liabilities	Other long-term liabilities	3,878
Total finance lease liabilities		$ 6,262

At December 31, 2021, maturity of lease liabilities were as follows (amounts in thousands):

	Operating Leases	Finance Leases
2022	$ 7,055	$ 2,979
2023	5,354	2,164
2024	3,119	685
2025	1,771	504
2026	1,403	192
Thereafter	1,857	7
Total future minimum lease payments	$ 20,559	$ 6,531
Less imputed interest	3,027	269
	$ 17,532	$ 6,262
Weighted average remaining lease term (in years)	3.99	2.65

Supplemental cash flow information related to leases for year ended December 31, 2021 were as follows: operating cash flows from operating leases were $10.8 million and operating cash flows from finance leases were $0.2 million.

27. PURCHASE OBLIGATIONS

At December 31, 2021, the Company's expected cash outflow resulting from non-cancellable purchase obligations are summarized by year in the table below (amounts in thousands):

2022	$ 43,150
2023	1,962
2024	1,442
Total non-cancellable purchase obligations	$ 46,554

28. RELATED PARTY TRANSACTIONS

The Company sells products and pays commissions to companies controlled by persons related to the Chairman of the Company, Mr. Maurice Taylor. The related party is Mr. Fred Taylor, who is Mr. Maurice Taylor's brother. Mr. Fred Taylor passed away on December 13, 2021. The companies which Mr. Fred Taylor is associated with that do business with Titan include the following: Blacksmith OTR, LLC; F.B.T. Enterprises; Green Carbon, Inc; Silverstone, Inc.; and OTR Wheel Engineering, Inc. During 2021, 2020, and 2019, sales of Titan product to these companies were approximately $2.7 million, $0.7 million, and $1.1 million, respectively. Titan had trade receivables due from these companies of approximately $0.2 million and $0.0 million at December 31, 2021, and 2020. On other sales referred to Titan from these manufacturing representative companies, commissions were approximately $2.0 million, $1.3 million, and $1.5 million during 2021, 2020, and 2019, respectively. Titan had purchases from these companies of approximately $1.3 million during 2021, and had no purchases from these companies during 2020 and 2019.

29. SEGMENT AND GEOGRAPHICAL INFORMATION

The Company has aggregated its operating units into reportable segments based on its three customer markets: agricultural, earthmoving/construction, and consumer. These segments are based on the information used by the chief executive officer to make certain operating decisions, allocate portions of capital expenditures and assess segment performance. The accounting policies of the segments are the same as those described in Note 1, "Description of Business and Significant Accounting Policies." Segment external revenues, expenses, and income from operations are determined on the basis of the results of operations of operating units of manufacturing facilities. Segment assets are generally determined on the basis of the tangible assets located at such operating units' manufacturing facilities and the intangible assets associated with the acquisitions of such operating units. However, certain operating units' goodwill and property, plant, and equipment balances are carried at the corporate level.

Titan is organized primarily on the basis of products being included in three marketing segments, with each reportable segment including wheels, tires, wheel/tire assemblies, and undercarriage systems and components.

The table below presents information about certain operating results of segments as reviewed by the chief operating decision maker of the Company as of and for the years ended December 31, 2021, 2020, and 2019 (amounts in thousands):

	2021	2020	2019
Revenues from external customers			
Agricultural	$ 949,400	$ 634,652	$ 652,558
Earthmoving/construction	693,350	510,150	648,753
Consumer	137,465	114,511	147,355
	$ 1,780,215	$ 1,259,313	$ 1,448,666
Gross profit			
Agricultural	$ 135,807	$ 65,408	$ 55,971
Earthmoving/construction	83,705	37,885	57,678
Consumer	18,030	11,026	15,355
	$ 237,542	$ 114,319	$ 129,004
Income (loss) from operations			
Agricultural	$ 77,666	$ 9,838	$ 10,991
Earthmoving/construction	27,809	(21,620)	(1,892)
Consumer	9,553	1,085	1,849
Corporate & Unallocated	(29,853)	(24,654)	(39,380)
Income (loss) from operations	85,175	(35,351)	(28,432)
Interest expense	(32,221)	(30,554)	(33,137)
Loss on senior note repurchase	(16,020)	—	—
Foreign exchange gain (loss)	12,020	(11,025)	3,999
Other income, net	2,086	18,799	9,526
Income (loss) before income taxes	$ 51,040	$ (58,131)	$ (48,044)
Capital expenditures			
Agricultural	$ 20,749	$ 10,869	$ 16,500
Earthmoving/construction	15,014	8,859	16,229
Consumer	3,039	1,952	3,685
	$ 38,802	$ 21,680	$ 36,414
Depreciation & amortization			
Agricultural	$ 25,082	$ 26,534	$ 23,478
Earthmoving/construction	18,428	21,328	23,235
Consumer	3,621	4,785	5,277
Corporate & Unallocated	860	2,008	2,386
	$ 47,991	$ 54,655	$ 54,376
Total assets			
Agricultural	$ 517,528	$ 444,843	$ 423,955
Earthmoving/construction	502,373	478,264	496,988
Consumer	133,906	86,752	123,320
Corporate & Unallocated (a)	28,878	22,025	70,044
	$ 1,182,685	$ 1,031,884	$ 1,114,307

(a) Unallocated assets included cash of approximately $7 million, $13 million, and $9 million at year-end 2021, 2020, and 2019, respectively.

The table below presents information by geographic area. Revenues from external customers were determined based on the location of the selling subsidiary. Geographic information as of and for the years ended December 31, 2021, 2020, and 2019 was as follows (amounts in thousands):

	2021	2020	2019
Net Sales			
United States	$ 835,985	$ 583,400	$ 672,556
Europe / CIS	479,724	343,452	400,059
Latin America	318,879	218,258	254,375
Other international	145,627	114,203	121,676
	$ 1,780,215	$ 1,259,313	$ 1,448,666
Long-Lived Assets			
United States	$ 98,307	$ 103,748	$ 121,022
Europe / CIS	146,547	163,265	162,817
Latin America	42,599	38,531	50,358
Other international	13,656	14,310	33,398
	$ 301,109	$ 319,854	$ 367,595

30. EARNINGS PER SHARE

Earnings per share for 2021, 2020, and 2019 were as follows (amounts in thousands, except per share data):

	2021	2020	2019
Net income (loss) attributable to Titan	$ 49,586	$ (60,388)	$ (48,425)
Redemption value adjustment	—	—	(1,928)
Net income (loss) applicable to common shareholders	$ 49,586	$ (60,388)	$ (50,353)
Determination of Shares:			
Weighted average shares outstanding (basic)	62,100	60,818	60,100
Effect of restricted stock and stock options	585	—	—
Weighted average shares outstanding (diluted)	62,685	60,818	60,100
Earnings per share:			
Basic	$ 0.80	$ (0.99)	$ (0.84)
Diluted	$ 0.79	$ (0.99)	$ (0.84)

The effect of restricted stock and stock options has been excluded for 2020 and 2019, as the effect would have been antidilutive. The weighted average share amount excluded for restricted stock and stock options was 0.4 million shares and 0.0 million shares for 2020 and 2019, respectively.

31. SUBSIDIARY GUARANTOR FINANCIAL INFORMATION

The Company's 7.00% senior secured notes due 2028 are guaranteed by the following 100% owned subsidiaries of the Company: Titan Tire Corporation, Titan Tire Corporation of Bryan, Titan Tire Corporation of Freeport, and Titan Wheel Corporation of Illinois. The note guarantees are full and unconditional, joint and several obligations of the guarantors. The guarantees of the guarantor subsidiaries are subject to release in limited circumstances only upon the occurrence of certain customary conditions. The following condensed consolidating financial statements are presented using the equity method of accounting. Certain sales & marketing expenses recorded by non-guarantor subsidiaries have not been allocated to the guarantor subsidiaries.

(Amounts in thousands)

Consolidating Condensed Statements of Operations
Year Ended December 31, 2021

	Titan Intl., Inc. (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ —	$ 374,727	$ 1,780,494	$ (375,006)	$ 1,780,215
Cost of sales	3,153	270,347	1,644,179	(375,006)	1,542,673
Gross profit	(3,153)	104,380	136,315	—	237,542
Selling, general, and administrative expenses	10,174	46,736	74,862	—	131,772
Research and development expenses	1,023	3,110	5,971	—	10,104
Royalty expense	1,291	4,368	4,832	—	10,491
(Loss) income from operations	(15,641)	50,166	50,650	—	85,175
Interest expense	(30,298)	(23)	(1,900)	—	(32,221)
Loss on note repurchase	(16,020)	—	—	—	(16,020)
Intercompany interest (expense) income	(2,037)	2,314	(277)	—	—
Foreign exchange (loss) income	(6)	(194)	12,220	—	12,020
Other (expense) income	(1,732)	2,564	1,254	—	2,086
(Loss) income before income taxes	(65,734)	54,827	61,947	—	51,040
(Benefit) provision for income taxes	(1,007)	347	1,809	—	1,149
Equity in earnings (loss) of subsidiaries	114,618	—	6,773	(121,391)	—
Net income (loss)	49,891	54,480	66,911	(121,391)	49,891
Net income attributable to noncontrolling interests	—	—	305	—	305
Net income (loss) attributable to Titan	$ 49,891	$ 54,480	$ 66,606	$ (121,391)	$ 49,586

(Amounts in thousands)

Consolidating Condensed Statements of Comprehensive Income (Loss)
For the Year Ended December 31, 2021

	Titan Intl., Inc. (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$ 49,891	$ 54,480	$ 66,911	$ (121,391)	$ 49,891
Derivative gain (loss)	—	—	374	—	374
Currency translation adjustment, net	—	—	(42,338)	—	(42,338)
Pension liability adjustments, net of tax	—	11,909	399	—	12,308
Comprehensive income (loss)	49,891	66,389	25,346	(121,391)	20,235
Net comprehensive loss attributable to noncontrolling interests	—	—	(125)	—	(125)
Comprehensive income (loss) attributable to Titan	$ 49,891	$ 66,389	$ 25,471	$ (121,391)	$ 20,360

(Amounts in thousands)	Consolidating Condensed Balance Sheets December 31, 2021				
	Titan Intl., Inc. (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Cash and cash equivalents	$ 7,040	$ 17	$ 91,051	$ —	$ 98,108
Accounts receivable	170	3	255,007	—	255,180
Inventories	—	67,100	325,515	—	392,615
Prepaid and other current assets	1,234	16,182	49,985	—	67,401
Total current assets	8,444	83,302	721,558	—	813,304
Property, plant, and equipment, net	1,667	80,219	219,223	—	301,109
Investment in subsidiaries	710,736	—	66,612	(777,348)	—
Other long-term assets	1,373	13,998	52,901	—	68,272
Total assets	$ 722,220	$ 177,519	$ 1,060,294	$ (777,348)	$ 1,182,685
Liabilities and Stockholders' Equity					
Short-term debt	$ —	$ —	$ 32,500	$ —	$ 32,500
Accounts payable	2,557	51,416	224,126	—	278,099
Other current liabilities	28,064	30,706	81,444	—	140,214
Total current liabilities	30,621	82,122	338,070	—	450,813
Long-term debt	424,524	—	27,927	—	452,451
Other long-term liabilities	233	6,179	45,837	—	52,249
Intercompany accounts	(3,427)	(471,450)	474,877	—	—
Titan stockholders' equity	270,269	560,668	175,711	(777,348)	229,300
Noncontrolling interests	—	—	(2,128)	—	(2,128)
Total liabilities and stockholders' equity	$ 722,220	$ 177,519	$ 1,060,294	$ (777,348)	$ 1,182,685

(Amounts in thousands)	Consolidating Condensed Statements of Cash Flows Year Ended December 31, 2021			
	Titan Intl., Inc. (Parent)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated
Net cash (used for) provided by operating activities	$ (15,512)	$ 10,911	$ 15,327	$ 10,726
Cash flows from investing activities:				
Capital expenditures	(67)	(10,911)	(27,824)	(38,802)
Other, net	—	45	1,158	1,203
Net cash (used for) provided by investing activities	(67)	(10,866)	(26,666)	(37,599)
Cash flows from financing activities:				
Proceeds from borrowings	471,692	—	25,457	497,149
Payment on debt	(41,357)	—	(27,825)	(69,182)
Repurchase of senior secured notes	(413,000)	—	—	(413,000)
Dividends paid	—	—	—	—
Other financing activities	(5,714)	(32)	4,725	(1,021)
Net cash provided by (used for) financing activities	11,621	(32)	2,357	13,946
Effect of exchange rate change on cash	—	—	(6,396)	(6,396)
Net (decrease) increase in cash and cash equivalents	(3,958)	13	(15,378)	(19,323)
Cash and cash equivalents, beginning of period	10,998	4	106,429	117,431
Cash and cash equivalents, end of period	$ 7,040	$ 17	$ 91,051	$ 98,108

32. SUBSEQUENT EVENTS

By January 12, 2022, the employees represented by the United Steelworkers at each of the Company's Bryan, Ohio; Freeport, Illinois; and Des Moines, Iowa facilities voted to ratify new three year contracts which expire on November 16, 2024.

On February 1, 2022, the Company entered into a Stock Purchase Agreement with the RDIF equity holders to buy back 4,032,259 shares restricted Titan common stock for the previously agreed amount of $25 million. The transaction was completed on February 1, 2022.

In February 2022, in response to the military conflict between Russia and Ukraine, the United States, other North Atlantic Treaty Organization member states, as well as non-member states, have announced targeted economic sanctions on Russia, certain Russian citizens and enterprises. The continuation of the conflict may trigger a series of additional economic and other sanctions enacted by the United States, other North Atlantic Treaty Organization member states, and other countries. The potential impact of bans, sanction programs, and boycotts on our business is uncertain at the current time due to the fluid nature of the military conflict as it is unfolding. The potential impacts include supply chain and logistics disruptions, financial impacts including disruptions to the execution of banking transactions with certain Russian financial institutions, volatility in foreign exchange rates and interest rates, inflationary pressures on raw materials and energy, heightened cybersecurity threats and other restrictions.

As the Company maintains operations in Russia, any such economic sanctions may also result in an adverse effect on its Russian operations. The Company currently owns 64.3% of the Russian entity, which represents approximately 7% of consolidated assets of Titan as of December 31, 2021. The Russian operations represents approximately 6% of consolidated global sales for the year ended December 31, 2021. As of the date of issuance of this Annual Report on Form 10-K, the impact of the military conflict between Russia and Ukraine has not had a significant impact on global operations. The Company continues to monitor the potential impacts on the business and the ancillary impacts that the war could have on other global operations.

The Company has evaluated subsequent events through the filing of this Form 10-K and determined that there have been no additional subsequent events that have occurred that would require adjustments to our disclosures in the consolidated financial statements.

Exhibit 4.1

Description of the Securities of the Registrant

As of December 31, 2021, Titan International, Inc., a Delaware corporation (Titan or the Company), has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: Common Stock.

The general terms and provisions of the Company's Common Stock are summarized below. This summary does not purport to be complete and is subject to, and is qualified in its entirety by express reference to, provisions of the Company's Amended and Restated Certificate of Incorporation (Certificate of Incorporation) and the Bylaws of the Company, each of which is filed as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.1 is a part, and the applicable provisions of the Delaware General Corporation Law (DGCL). Titan encourages you to read the Company's Amended and Restated Certification of Incorporation, Bylaws, and the applicable provisions of the DGCL for additional information.

Authorized Shares
Titan's authorized shares consists of 120,000,000 shares of common stock, par value $0.0001 per share (Common Stock), and 4,000,000 shares of preferred stock, par value $0.0001 per share (Preferred Stock).

As of February 25, 2022, there were 62,421,300 shares of common stock issued and outstanding and no shares of preferred stock issued and outstanding.

Dividends
Subject to the rights accorded the holders of Preferred Stock or any series thereof pursuant to the Certificate of Incorporation or in any Preferred Stock Designation, holders of Common Stock are entitled to receive such dividends as may be declared by the Board of Directors of the Corporation or any duly authorized committee thereof (the Board) from time to time.

Voting Rights
Except as otherwise provided by the Certificate of Incorporation, or the DGCL, each outstanding share, regardless of class, shall be entitled to one (1) vote upon each matter submitted to vote at a meeting of stockholders. No holder of any shares of any class of stock of the Company are be entitled to cumulative voting rights in the election of the board of directors of the corporation under any circumstances.

Liquidation
In the event of any liquidation, dissolution or winding up of the Company, the holders of Common Stock will be entitled to receive pro rata all of the assets of the Corporation available for distribution to stockholders.

Fully Paid and Non-assessable
All of the Company's issued and outstanding Common Stock is fully paid and non-assessable.

Transfer Agent
The Common Stock is listed and traded on the NYSE (symbol "TWI"). The transfer agent for the Common Stock is Computershare Trust Company, N.A., P.O. Box 505000, Louisville, KY 40233, (877) 237-6882 (www.computershare.com).

Exhibit 21

TITAN INTERNATIONAL, INC.
SUBSIDIARIES

Name	Jurisdiction of Incorporation
Titan Tire Corporation	Illinois
Titan Tire Corporation of Freeport	Illinois
Titan Tire Corporation of Bryan	Ohio
Titan Tire Corporation of Union City	Tennessee
Titan Wheel Corporation of Illinois	Illinois
Titan Marketing Services, LLC	Illinois
Titan Pneus Do Brasil Ltda	Brazil
Titan Europe Plc	United Kingdom
Titan Steel Wheels Ltd	United Kingdom
Intertractor America Corporation	Delaware
Piezas Y Rodajes SA	Spain
Titan France SAS	France
Titan Intertractor GMBH	Germany
ITM Latin America Industria De Pecas Para Tractores Ltda	Brazil
Titan Italia Spa	Italy
Italtractor ITM S.p.A.	Italy
Titan ITM Holding S.p.A.	Italy
Titan ITM (Tianjin) Co Ltd	China
Voltyre-Prom	Russian Federation
Titan Tire Russia B.V.	Netherlands
TMSA Holdings PTY Ltd	Australia
Titan National (Australia) Holdings PTY Ltd	Australia
ITM Mining Pty Ltd	Australia
Titan Tire Reclamation Corporation	Canada
Titan Tire Marketing Services - Canada, Inc.	Canada
Titan Investment Corporation	Illinois
Titan International SCS	Luxembourg
Titan Luxembourg Holding SARL	Luxembourg
Titan International Bermuda LP	Bermuda
Titan Cyprus Limited	Cyprus
Titan Luxembourg, SARL	Luxembourg

Exhibit 22

List of Subsidiary Guarantors

As of December 31, 2021, the Company's 7.00% senior secured notes due 2028 are guaranteed by the following 100% owned subsidiaries of the Company:

Titan Tire Corporation
Titan Tire Corporation of Bryan
Titan Tire Corporation of Freeport
Titan Wheel Corporation of Illinois

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Paul G. Reitz, certify that:

1. I have reviewed this annual report on Form 10-K of Titan International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 2, 2022

By: /s/ PAUL G. REITZ
Paul G. Reitz
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David A. Martin, certify that:

1. I have reviewed this annual report on Form 10-K of Titan International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 2, 2022

By: /s/ DAVID A. MARTIN
David A. Martin
SVP and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Titan International, Inc. on Form 10-K for the period ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned hereby certifies that, to the best of their knowledge, the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

TITAN INTERNATIONAL, INC.
(Registrant)

Date: March 2, 2022

By: /s/ PAUL G. REITZ
Paul G. Reitz
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ DAVID A. MARTIN
David A. Martin
SVP and Chief Financial Officer
(Principal Financial Officer)