

**EXANE BNP PARIBAS
EUROPEAN CEO CONFERENCE**

PARIS

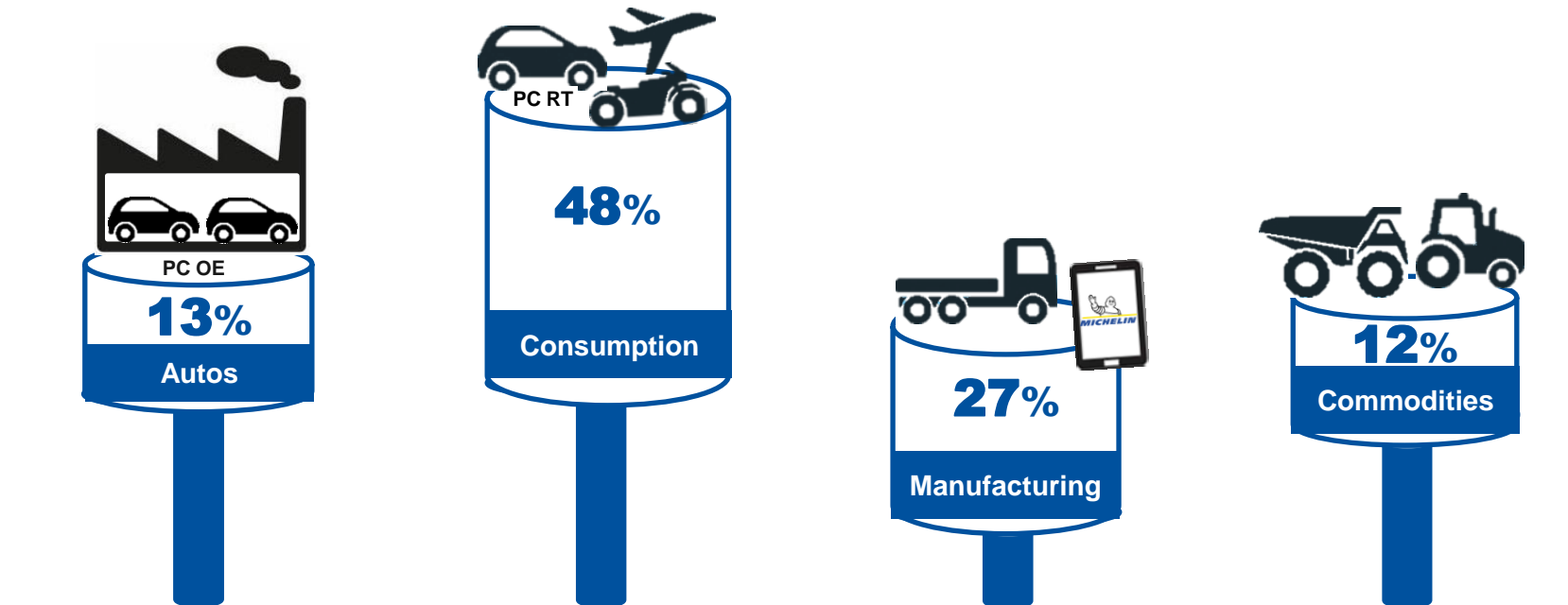
JUNE 12 – 13, 2018



1 / Levers for Growth















A business model strongly linked to consumption

▲ Net sales by drivers



2017 net sales by sector

Four domains of growth: partnerships and acquisitions to support our value creation strategy

	Tires	Services	Experiences	Materials
2015-2020 objectives	Net Sales +20%	Net Sales x2	Net Sales x3	Capitalize on our leadership
Recent partnerships and acquisitions	   	  	  	   

Michelin's offer to acquire Fenner, a leading global provider of conveyor belt solutions & reinforced polymer products



- A strategic acquisition with compelling value creation potential, in line with Michelin's ambition to leverage its expertise in high technology materials:
 - provide a comprehensive offering to mining customers, creating synergies currently estimated at £30m
 - expand the engineered materials division with a complementary polymer portfolio
- Michelin offered £6.10 per Fenner PLC share, representing an enterprise value of £1.3bn

deal approved

Key Figures Fenner

<i>(in £ millions)</i>	Last 2018 consensus	2017
• Net sales	682	655
• EBITDA	99	86
• EBITDA margin	15%	13%



Michelin and Sumitomo Corporation created the 2nd largest tire distributor player in the U.S. and Mexico



Michelin and Sumitomo Corporation of Americas created a 50-50 joint venture

- Creating a best-in-class distributor in US and Mexico with
 - an expanded geographic footprint,
 - better availability of products at all price points, across all product categories
 - e-commerce initiatives
 - shorter delivery times and greater efficiency
- Focusing on the growing service and tire needs of fleets and personal vehicles
- Taking advantage of TBC's expertise in the import of Tier 3 and Tier 4 brands
- Michelin to contribute USD 658m and the TCi wholesale business

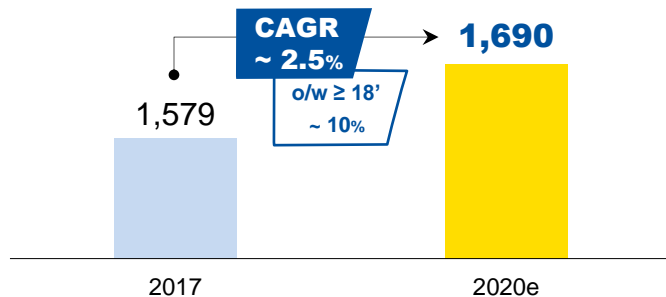


JV TBC Corp. & TCi key figures

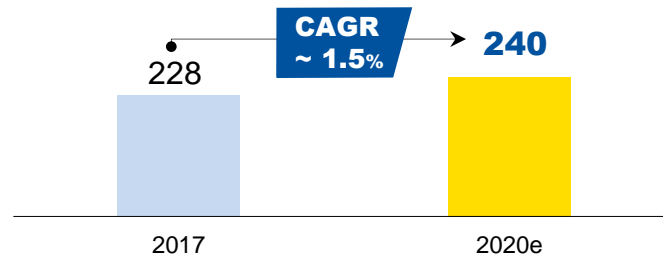
- 38m tires
- 2,411 retail outlets in the US & Canada
- More than 120 wholesale distribution centers

2016-2020 projections: growing worldwide demand

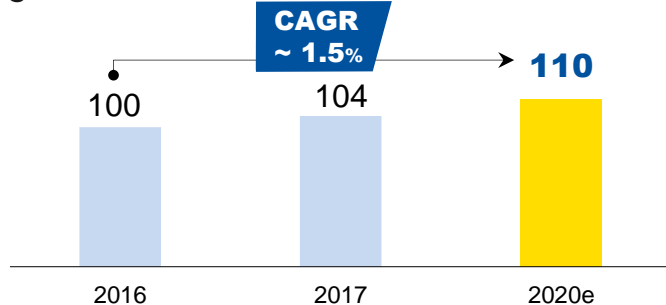
- PC OE&RT market projection (in millions of units)



- TB OE&RT market projection (Radial & Bias in millions of units)

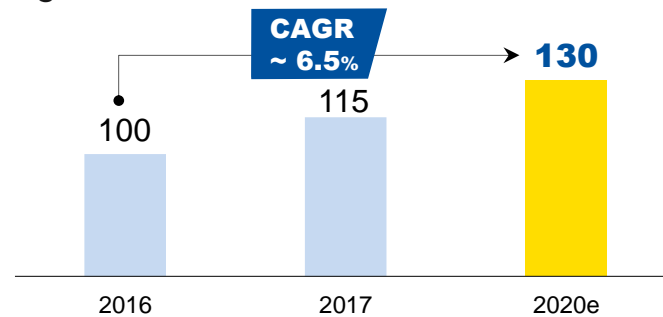


- Agricultural tires* (base 100 in 2016, in tonnes)



* OE & RT in Europe and North America

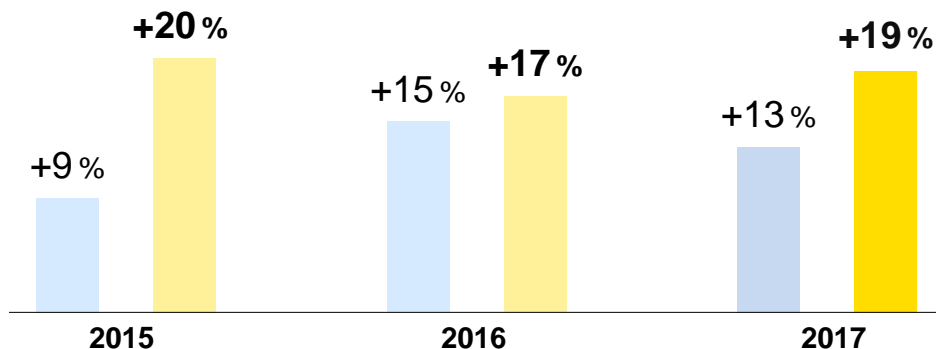
- Mining tires (base 100 in 2016, in tonnes)



≥18" tires: the market recognizes the power of Michelin's line-up in the premium segment

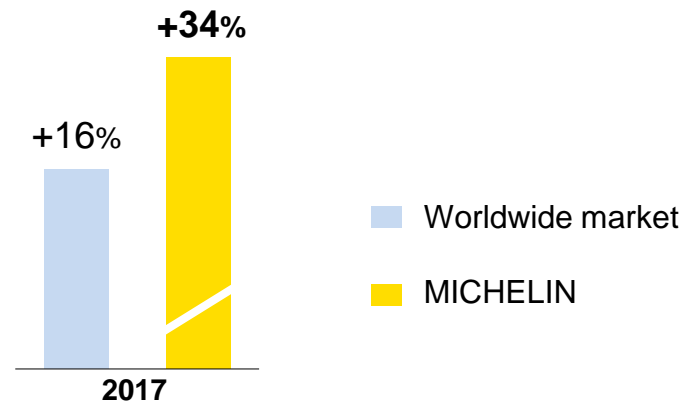
▲ Growth in ≥18" tire sales

(YoY change, markets in units and sales in kt)



▲ Growth in ≥19" tire sales

(YoY change, markets in units and sales in kt)



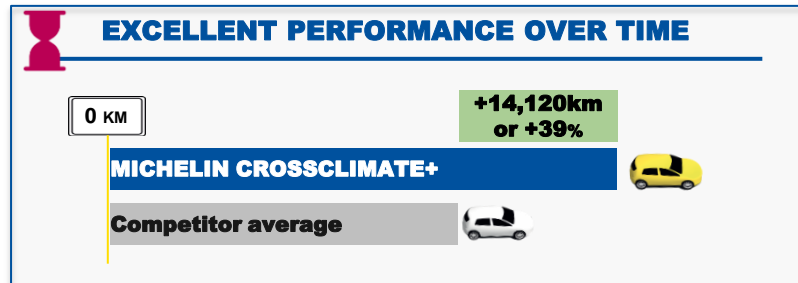
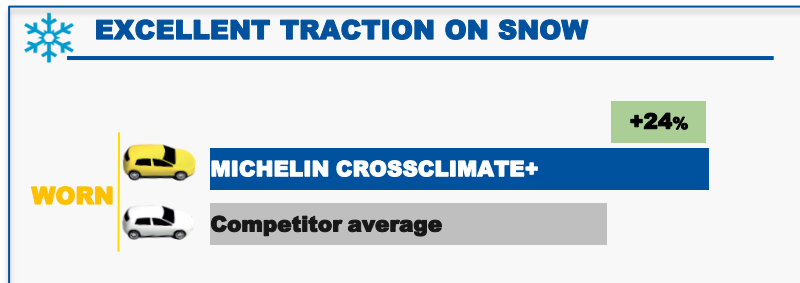
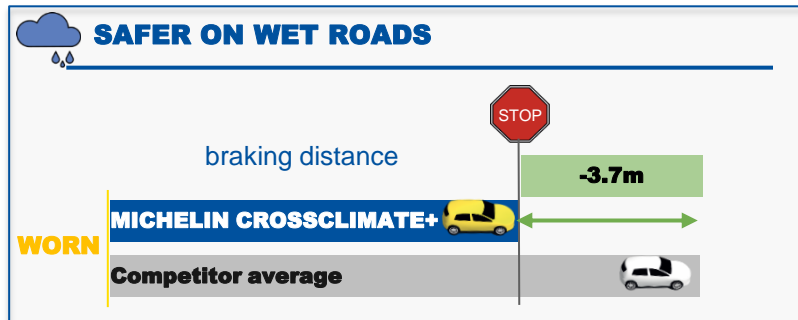
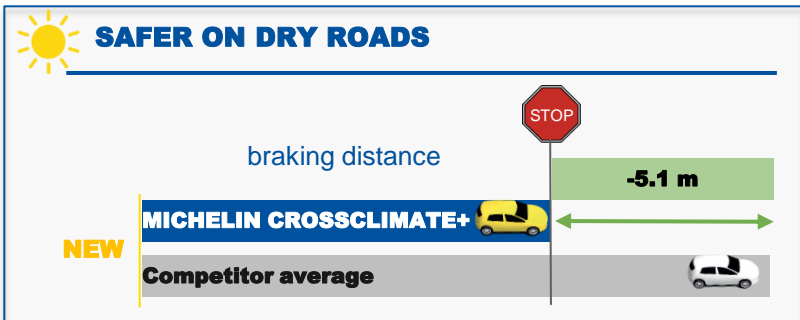
- Customers who value the MICHELIN brand and its product performance: price positioning in line with the reputation of the MICHELIN brand
- Sustained growth momentum, made possible by adapting production capacity

*WITH LONG LASTING PERFORMANCE, MICHELIN ACTS AGAINST
PLANNED OBSOLESCENCE AND PUSHES FOR HIGHER
TECHNOLOGICAL CONTENT*



Addressing planned obsolescence: MICHELIN CrossClimate+ offers top performance regardless of new or worn tread

▲ Results of the Auto Bild all-season tire tests*, November 2017



*Comparative tests conducted by Auto Bild on 185/65 R15 tires, published on November 24, 2017. Competitors: GOODYEAR VECTOR 4S GEN-2, PIRELLI Cinturato all season, VREDESTEIN Quatrac 5, NOKIAN Weatherproof, HANKOOK Kinergy 4 S.

Scales on the graphs are adjusted to improve readability.



2

Levers for Competitiveness

2017 – 2020 Competitiveness Plan: accelerating to ~€300m per annum* generating a net €50m/year vs. inflation

In €m	Plan 2007-2010 achieved (4 year plan)	Plan 2012-2016 Achieved (5 year plan)	Plan 2017-2020 (4 year plan)	
			Target	2017 achievement
SG&A	251	522	500/550	110
Manufacturing Costs	406	448	450/500	153
Materials	365	227	150/200	51
Total	1,022	1,197	~1,200	315

*before inflation and including avoided costs.

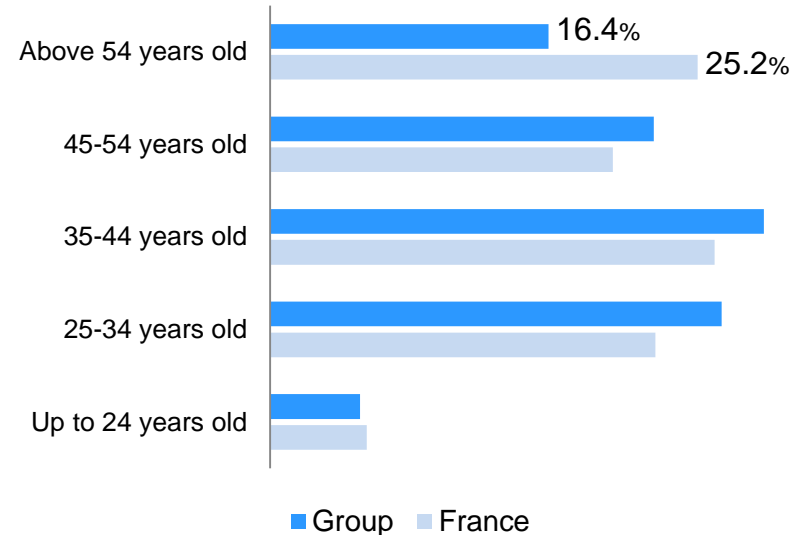
The reorganization project announced in June 2017 will enable corporate positions to be reduced by 1,420 worldwide

▲ A more agile, customer-focused Group capable of unleashing all its power

- Leverage the age pyramid:
 - 3,500 employees retiring in France and the United States between 2018 and 2020
- Optimize hiring:
 - 2,080 new hires in France and the United States between 2018 and 2020



● Age pyramid, Group and France*



* Manufacture Française des Pneumatiques Michelin

June 12 & 13, 2018

European CEO Conference

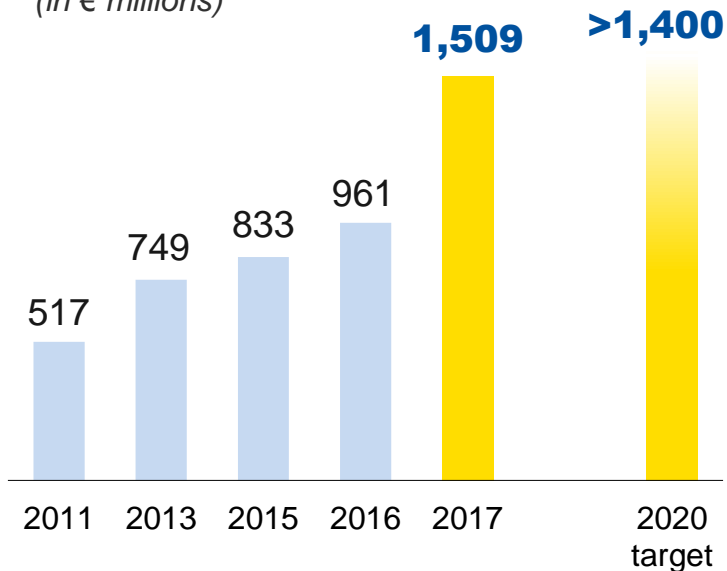


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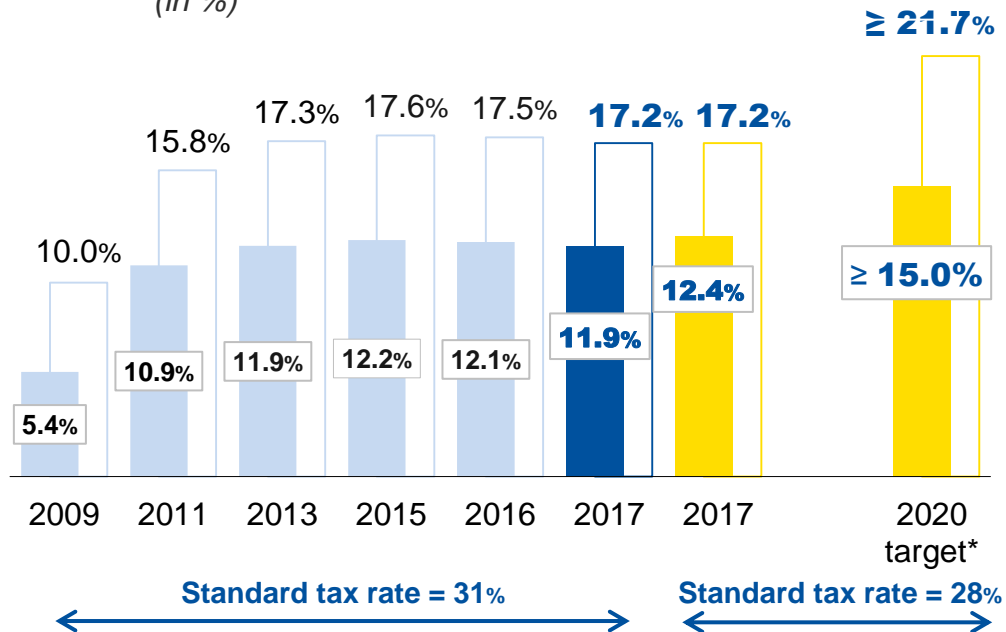
2020 Ambition for Profitability & 2018 Guidance

2018: on the road to our 2020 objectives

▲ Deliver structural FCF > €1,400m as from 2020
(in € millions)

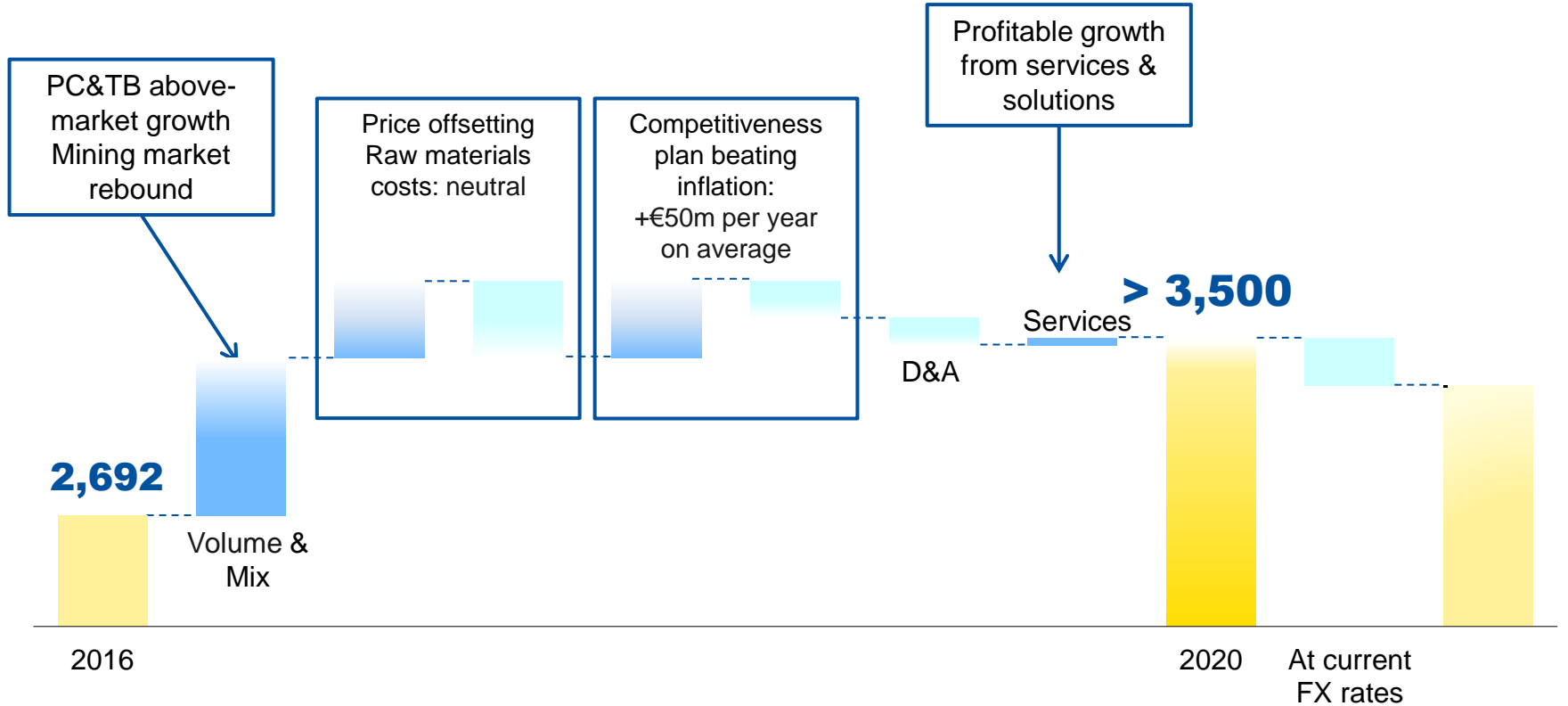


▲ Deliver an after-tax ROCE ≥ 15% as from 2020
(in %)



*at constant scope of consolidation excluding goodwill

2016-2020 scenario: profitability levers



2018 guidance: on the road to our 2020 objectives

	2018
Volumes	Growth in line with the markets
Operating income from recurring activities at constant exchange rates	> 2017
Structural FCF	> €1,100m

2018 scenario

	H1	Full Year
Impact from raw materials costs	Around €50m negative	Around €50m* negative
Currency effect	Approx. a negative €250m**	Approx. a negative €300m**
Effective tax rate Positive impact of US tax reform	Standard ETR reduced to 28%	
Net impact of price-mix and raw materials prices	Positive	Positive
Competitiveness plan gains vs. inflation	Negative	Positive

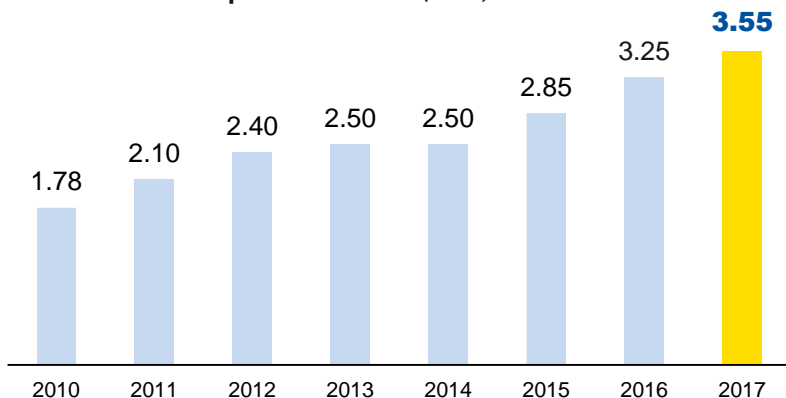
*2018 average prices: Natural rubber: \$1.58/kg; butadiene (US and Europe): \$1,210/t; Brent: \$69/bbl

** €/€ at 1.196

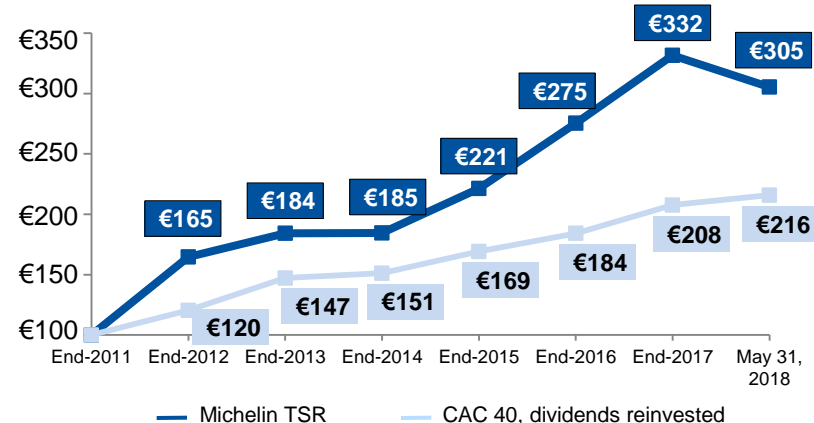
Sustained shareholder return policy: dividends and share buybacks

- 2017 dividend: €3.55 per share, representing a payout ratio of 36%*
- Share buyback programs
 - 2015-2016: €750m committed and 4.5% of outstanding shares cancelled
 - 2017: €101m committed and 0.5% of outstanding shares cancelled
 - 2018: €75m program to offset the dilution from share-based compensation

● Dividend per share (in €)



● Total Shareholder Return



* of consolidated net income excluding non-recurring items



Appendices

PC Tire Market: Excluding one extra day of sales in April, stabilizing OE demand in North America and growing in other regions; RT demand flat in mature markets and dynamic in China and South America

April 2018 / 2017

Market	Europe including Russia & CIS *	Europe excluding Russia & CIS *	North America	South America	China
Original equipment tires	▲ +13%	▲ +14%	▲ +5%	▲ +30%	▲ +9%
Replacement tires	▲ +4%	▲ +4%	▲ +3%	▲ +13%	▲ +9%

YTD (April 2018)

Market	Europe including Russia & CIS *	Europe excluding Russia & CIS *	North America	South America	China
Original equipment tires	▲ +1%	▲ +0%	▼ -3%	▲ +16%	▲ +0%
Replacement tires	▲ +2%	▲ +0%	▼ -0%	▲ +8%	▲ +0%

* Turkey included

TB Tire Market: With one extra day of sales in April continuing OE markets growth, RT demand still affected in Europe by further pre-buy in April 2017 and sharply increasing in North America favoured by easy comps

April 2018 / 2017

Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	South America
Original equipment tires	▲ +7%	▲ +9%	▲ +21%	▲ +64%
Replacement tires	▲ +1%	▲ +0%	▲ +24%	▲ +5%

YTD (April 2018)

Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	South America
Original equipment tires	▲ +6%	▲ +7%	▲ +20%	▲ +57%
Replacement tires	▲ +2%	▼ -1%	▲ +9%	▲ +6%

* Turkey included

2018 markets: back to growth markets in Q2 and beyond for PC and TB; still buoyant growth in Specialties



PASSENGER CAR: +1.5%/+2.5%

- Strong demand stabilizing in the mature markets
- Still buoyant demand in China
- Trending upwards in the other regions



TRUCK: +0%/+1%

- Freight demand buoyed by the global economy
- OE: demand outside China leveling off; decline in China following 2017 park renewal
- RT: demand lifted by a favorable economic environment

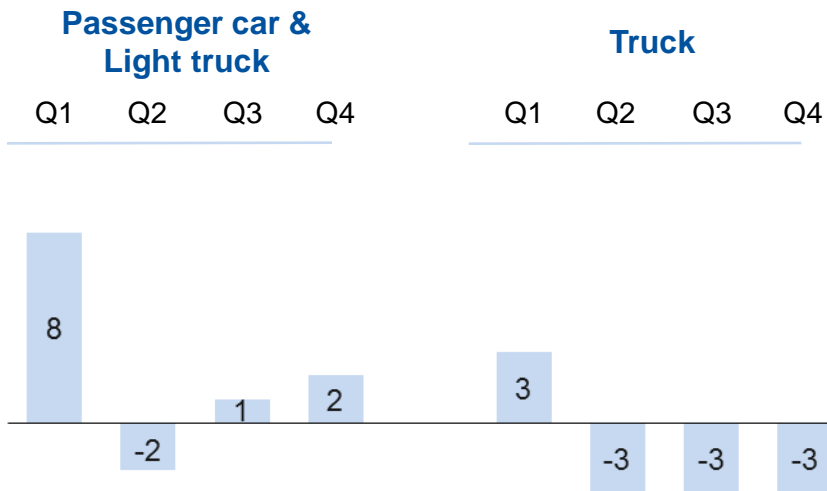


SPECIALTY: +5%/+7%

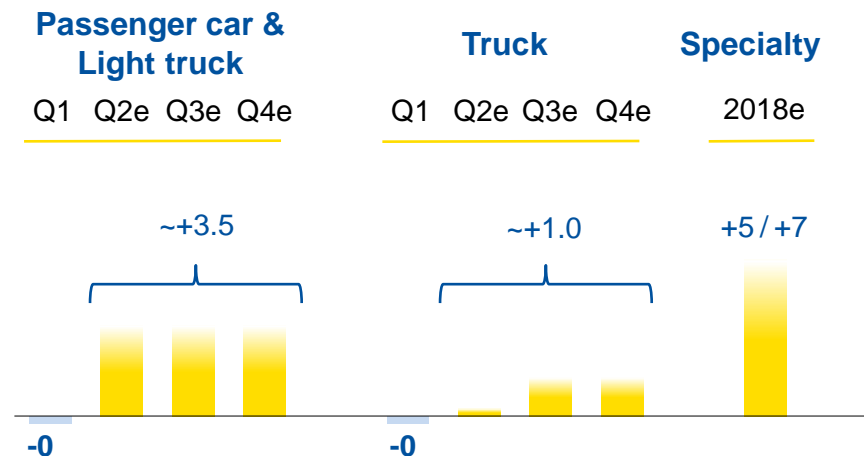
- Mining tires (+7%/+10%) sustained strong demand led by global economic growth
- OE Earthmover + OE Agricultural tires: steady positive trend

Year to go: favorable comparatives and expanding markets in the PC and Truck segments

▲ 2017 Group volumes (in % and in tonnes)
favorable prior-year comparatives over the next months



▲ 2018 markets projected growth over the next months
(in % and in tonnes)



Source: Michelin

New sources of growth over the next nine months

- Product and BFGoodrich brand launches supported by broad-based advertising campaigns

Passenger car & Light truck



MICHELIN Primacy 4



MICHELIN Alpin 6



MICHELIN Agilis CrossClimate

Truck

BFGoodrich
1872



MICHELIN X Guard



Ashok Leyland

- Expanding service offers

Telematics

- Effitrailer: strong growth in Europe



Tire as a Service



+15% of trucks with contracts

Net sales by currency and EBIT impact

	% of net sales 2017		Q1'18/Q1'17 € change vs. currency	Droptrough Net sales/EBIT*
	ARS	1%	+44%	~85%
	AUD	2%	+11%	80% - 85%
	BRL	4%	+19%	-20% / -30%
	CAD	3%	+10%	25% - 30%
	CNY	6%	+7%	25% - 30%
	EUR	34%	NA	-
	GBP	3%	+3%	25% - 30%
	INR	1%	+11%	25% - 30%
	JPY	1%	+10%	80% - 85%

	% of net sales 2017		Q1'18/Q1'17 € change vs. currency	Droptrough Net sales/EBIT*
	MXN	2%	+6%	25% - 30%
	PLN	1%	-3%	25% - 30%
	RUB	1%	+11%	25% - 30%
	THB	1%	+4%	-100% / -130%
	TRY	1%	+19%	~85%
	TWD	1%	+9%	80% - 85%
	USD	37%	+15%	25% - 30%
	Other	1%		80% - 85%

* Droptrough depends on the export/manufacturing/sales base

Investing to create value

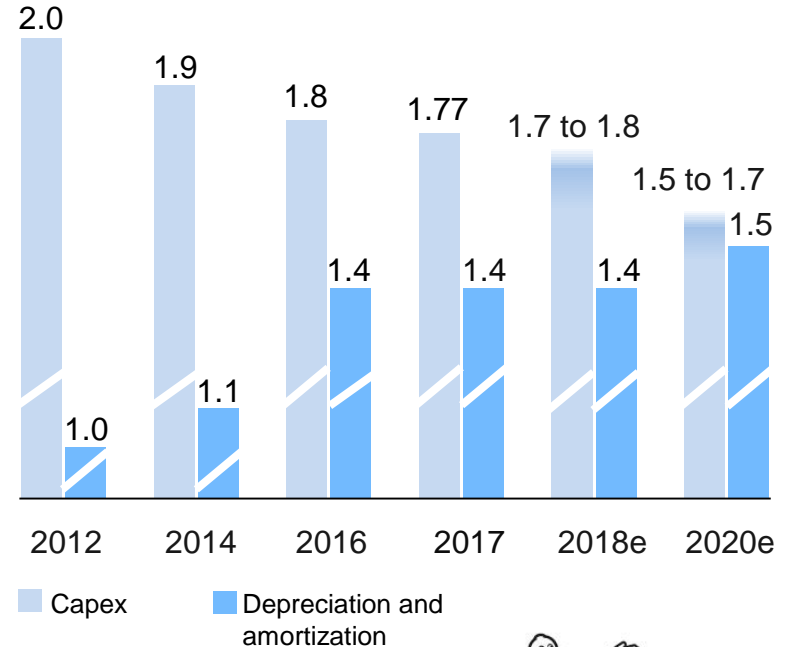
▲ Successfully deploy our priority Capex and M&A projects to drive expansion:

- In growing markets: Premium PC, North America and Asia
- In digital services
- In the dealerships
- In high-tech materials



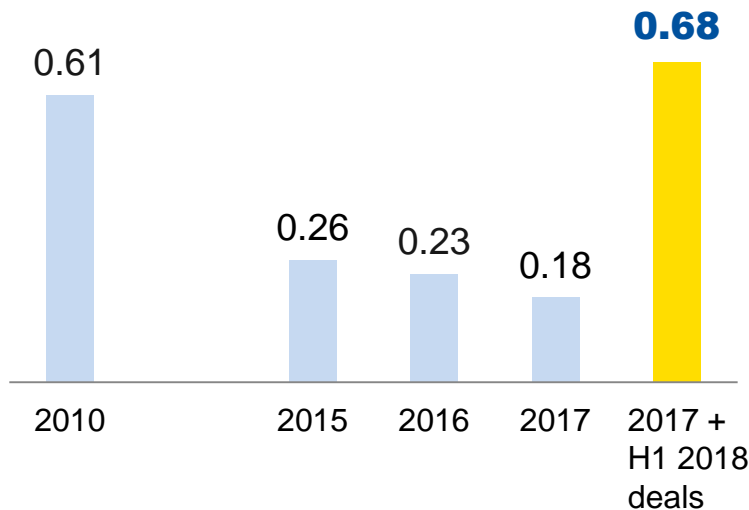
▲ Closing the gap between Capex and depreciation:

(in € billions, at current exchange rates)



Ratings A3 and A- confirmed after H1'18 external growth deals

▲ Net debt ⁽¹⁾ / Ebitda ⁽²⁾



* JV TBC & TCi / A.T.U / Fenner plc

(1) Net debt: financial liabilities – cash and cash equivalents (excluding cash flows from cash management financial assets and borrowing collaterals) +/- derivative assets, as defined in note 26 to the 2017 consolidated financial statements.

(2) As defined in note 3.7.2. to the 2017 consolidated financial statements.

▲ Rating

	Moody's	S&P
2017	A3	A-
2017 + H1 2018 deals	A3	A-
Outlook	stable	stable

Movin'On 2018: World Summit on Sustainable Mobility

- **Acting together for future mobility:** the mobility challenges we are facing today can only be resolved by concerted action involving all stakeholders around the world.
- Playing a **federating**, role, Michelin wants to open the path to **tomorrow's mobility** by feeding discussions that will lead to concrete solutions.
- In an ecosystem of more than 4,000 leaders from academia, politics, cities and business, Movin'On explores new and actionable solutions to address global challenges that will define the future of mobility.

“If you're not here then you're missing out on something big!” NUTONOMY

“An inspiring event - a great success!” THALES

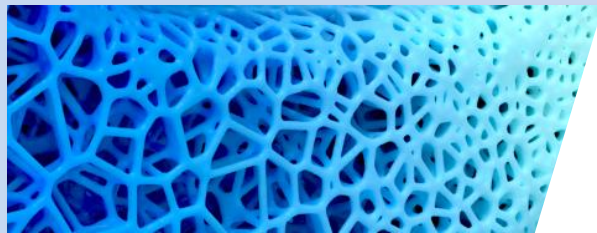
MOVIN'ON
by Michelin 2018



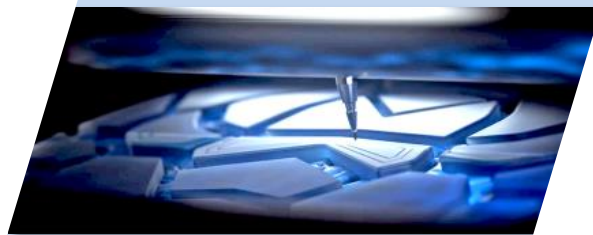
movinon.michelin.com/en/

MONTREAL
May 30 – June 1 2108

Michelin unveiled a concept tire that illustrates its vision of the mobility of the future in a combination of groundbreaking technologies and services.



An airless wheel



A tread which you can top up,
with a 3D printer



Connected tire

Fenner: best-in-class engineered products player

A global leading provider of conveyor solutions & reinforced polymer products

- A global leading player in heavy duty conveyor belts and reinforced polymer technology
- An established global supplier of engineered rubber-based products to mining and industrial markets
- Strong engineering culture
- Excellent position in the aftermarket and services sectors
- Attractive exposure to manufacturing and commodities
- Low capex intensity

Note: Fenner's fiscal year ends August 31

* As of August 2017

Key Figures Fenner		
<i>(in £ millions)</i>	Last 2018 consensus	FY17
• Net sales	682	655
• EBITDA	99	86
• EBITDA margin	15%	13%
• 4,330 employees*		

Fenner key figures

<i>(in £ millions)</i>	2017	2016
Net sales	655	573
EBITDA	86	61
EBITDA margin	13.1%	10.6%
EBIT	59	37
EBIT margin	9.0%	6.5%
Net income/(loss)	34.1	(26.3)
Earnings/(loss) per share in pence (diluted)	17.5	(13.6)
Net debt	102	150
Gearing (Net debt/equity)	30%	54%
Capex (including finance leases)	12.4	16.1
Free cash flow*	84.8	54.1

* $FCF = EBITDA - capex - change\ in\ WC - tax$

Source: Fenner PLC

ECS: A World Leader in Heavy Conveyor Belts

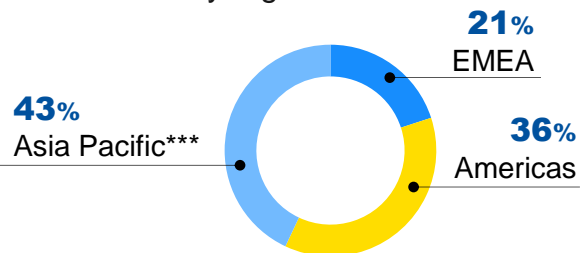
#2* Worldwide and Supplier of Choice for Largest Miners



Key Figures

(in £ millions)	FY17	through the cycle 2010-2017
• Net sales	361	449
• EBITDA**	39	59
• EBITDA margin**	11%	13%

▲ FY17 Net sales by region



* #2 global suppliers of heavyweight conveyor belt. Source: Fenner PLC annual report

** Excluding allocation of corporate costs *** Includes Australia

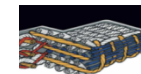
Portfolio Overview



Heavyweight Conveyor Belting

Products
(78% FY17
net sales)

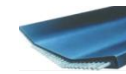
15 plants



Solid Wovens



Ply Belts



Steel Cords

Services
(22% FY17
net sales)



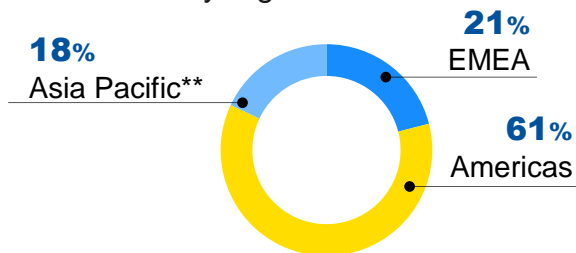
AEP: A Leading Diversified Polymers Engineered Products Player



Key Figures

(in £ millions)	FY17	average 2010-2017
• Net sales	294	244
• EBITDA*	56	46
• EBITDA margin*	19%	19%

▲ FY17 Net sales by region



* Excluding allocation of corporate costs

** Includes Australia

Portfolio Overview

	Advanced Sealing Technologies	Precision Polymers	Solesis Medical
Net sales growth FY17 vs FY16	+24%	+18%	+4%
% Net sales	44%	37%	19%
Brands			
Markets	O&G, construction, energy, industrials	Industrials, agriculture, mining	Medical
Products	Seals Wear products Precision machined products 	Elastomers Hoses 	Biomedical & Medical Technology
22 plants			

Mobivia partners with Michelin to expand its A.T.U chain, the German automotive services market leader

- Mobivia: the largest chain of auto service and repair centers in Europe with more than 2,030 workshops and retail outlets, more than 20,000 employees and €2.7bn in revenue
- A.T.U (Auto-Teile-Unger), Germany's leading nationwide network of auto service centers, joined Mobivia in December 2016
- Mobivia and Michelin will combine their expertise, each in their traditional markets, to improve the customer experience and support the development of the A.T.U brand in Germany, Austria and Switzerland
- Michelin holds a 20% minority stake for €60m



KEY FIGURES A.T.U

- **600** auto centers in Germany, Austria and Switzerland
- **10,000** employees



Acquisition of Lehigh Technologies

- A specialty materials company
- Patented cryogenic turbo mill technology to transform rubber from end-of-life tires and industrial goods into materials for new tires and other products
- Micronized Rubber Powders: low-cost, high-performance, sustainable material that substitutes for other oil- and rubber-based materials used in manufacturing tires, plastics, asphalt and construction materials.
- Purchase extends Michelin's materials expertise beyond tires, demonstrates strategic high-technology applications for end-of-life tires, reduces demands on finite natural resources



Key data

- Based in Tucker, Ga., near Atlanta
- Customers = tire manufacturers, as well as companies in construction materials, asphalt modification
- About **100** employees

Acquisition of NexTraq, a US industry leader in the field of commercial-fleet telematics



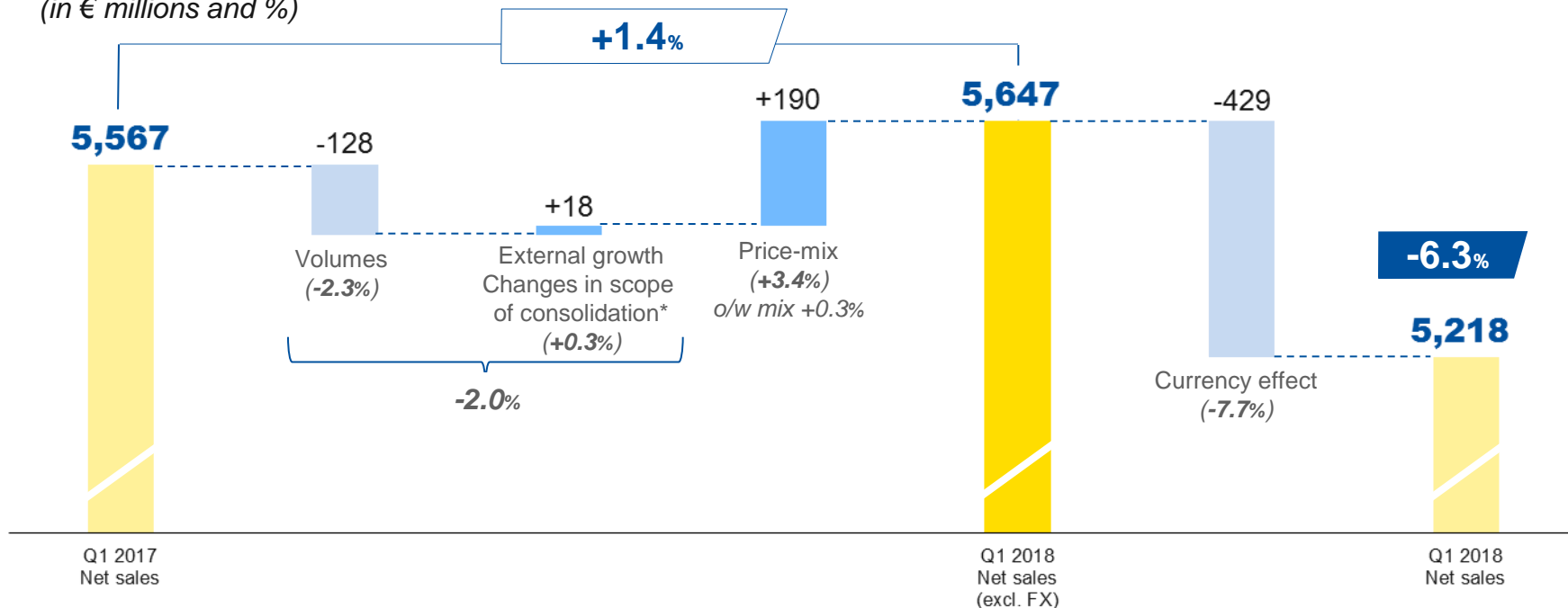
- Leader in SaaS fleet management for small-to medium-size businesses (Class 3-5 fleets ranging from 2 to 50 vehicles)
- NexTraq helps customers with driver behavior, scheduling, route optimization, vehicle trip history, fuel card integration, vehicle maintenance, and data integration enhancing fleet productivity
- Significant synergies expected with the Michelin Group through:
 - Service and solutions platform in North America
 - Technology expertise cross-fertilization between Sascar, Michelin solutions and NexTraq
 - Volume growth thanks to the strategic fit between Michelin and NexTraq customer bases;

KEY FIGURES

- Turnover: ~\$50m
- EBITDA: ~50%
- **110,000** subscribers in 2016 (67,000 in 2010)
- **100** employees

Net sales up 1.4% at constant exchange rates

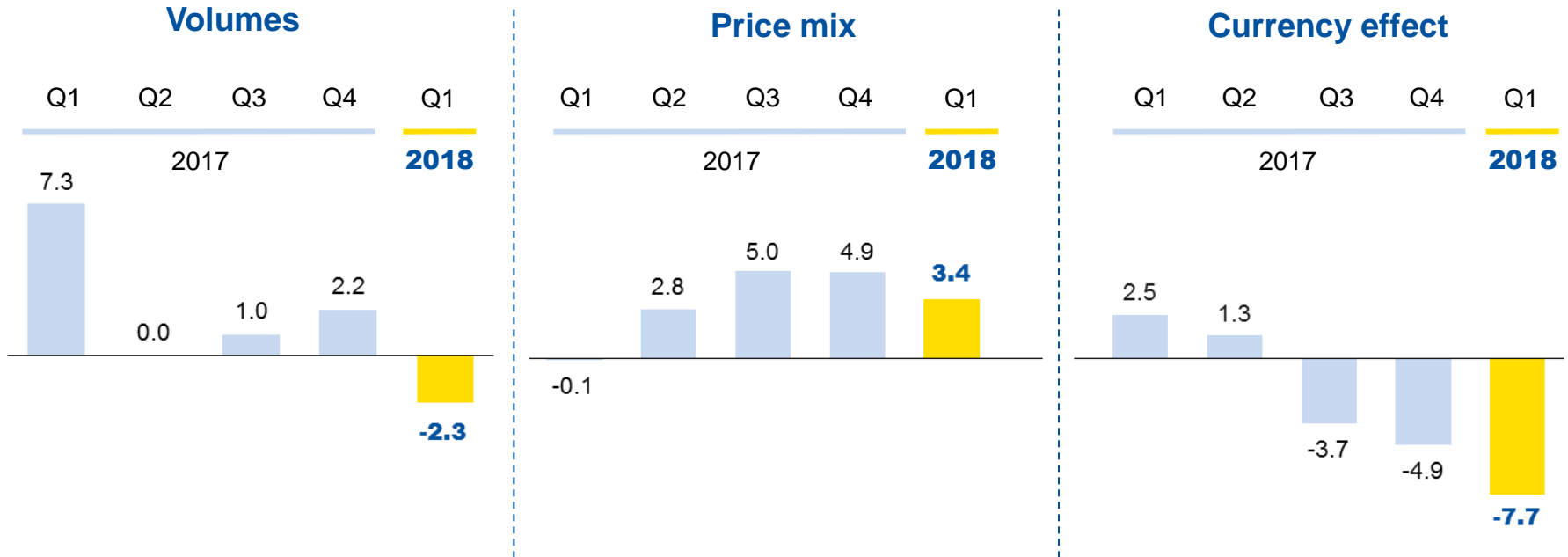
▲ YoY change (in € millions and %)



* Levorin, NexTraq, Lehigh

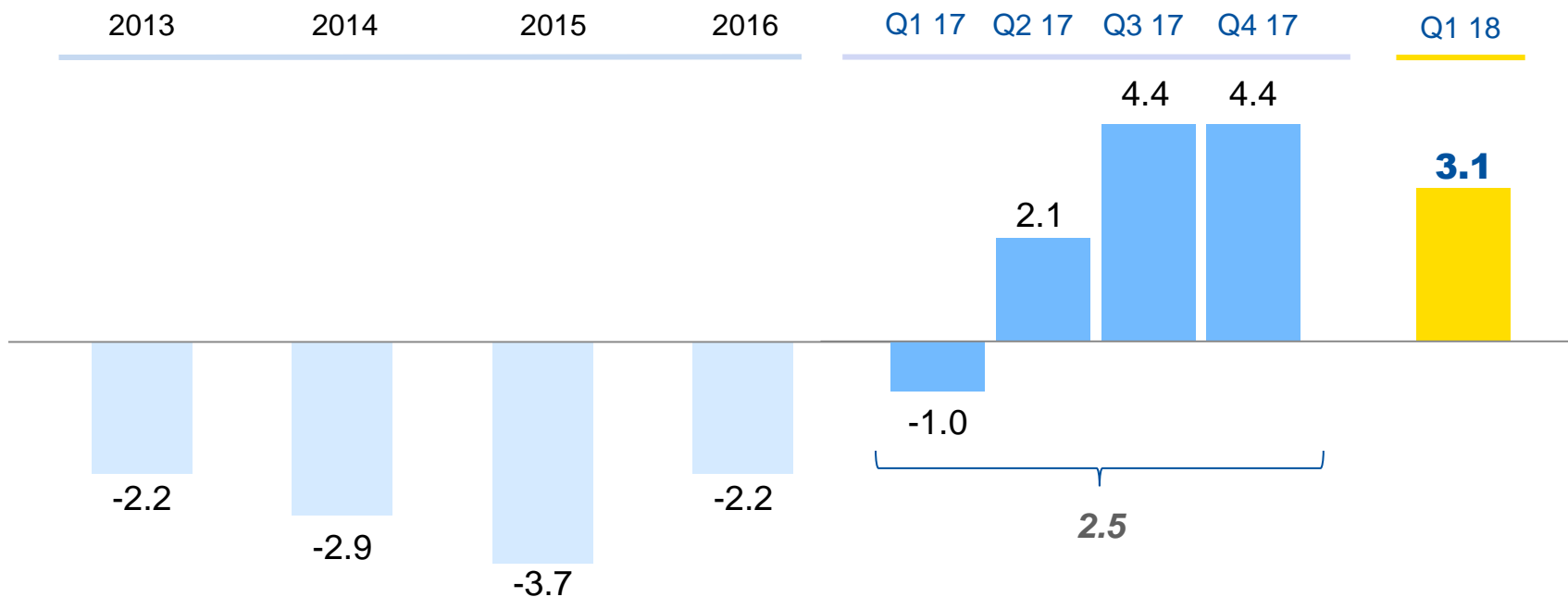
Favorable 1.1% net price-mix/volume effect in Q1, in line with the 2018 scenario

▲ YoY quarterly change
(in %)






Still strong price effect in Q4, as announced, led by RT price increases and the application of indexation clauses

▲ (as a % of net sales)



Net sales dampened by currency movements

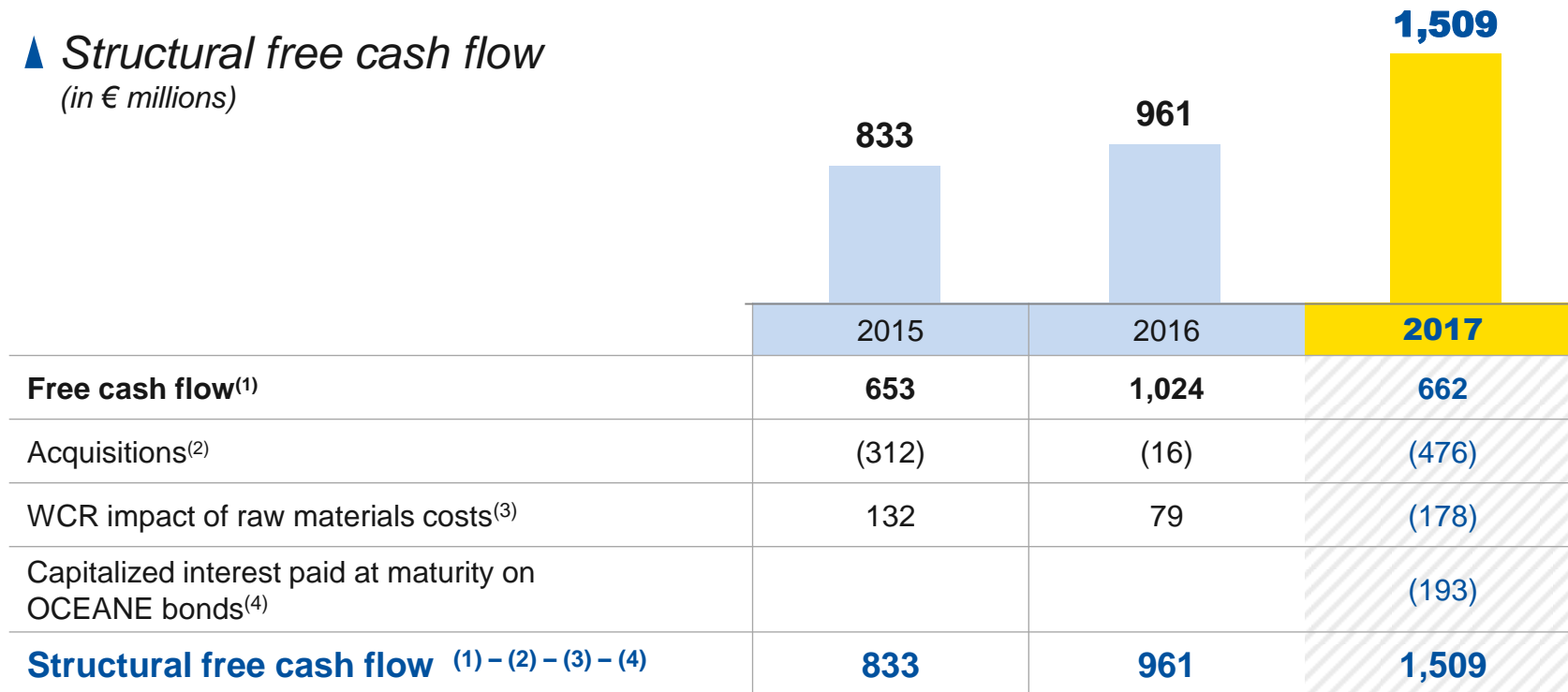
<i>(in millions €)</i>		Q1 2018 new organization	Q1 2017 new organization	Change	Q1 2017 reported
	RS1 net sales	2,772	3,056	-9.3%	3,201
	RS2 net sales	1,368	1,489	-8.2%	1,518
	RS3 net sales	1,078	1,022	+5.5%	848

2017: another year of progress, in line with the 2020 objectives and the expected scenario

	H1 2017	H2 2017	2017 actual	2016
Volumes	+3.6%	+1.6%	+2.6%	+2.1%
Price mix	+1.4%	+4.9%	+3.2%	-1.8%
Operating income from recurring activities	-49	+194	€2,742m up €145m at constant exchange rates	€2,692m
Structural FCF	N/A	N/A	€1,509m	€961m

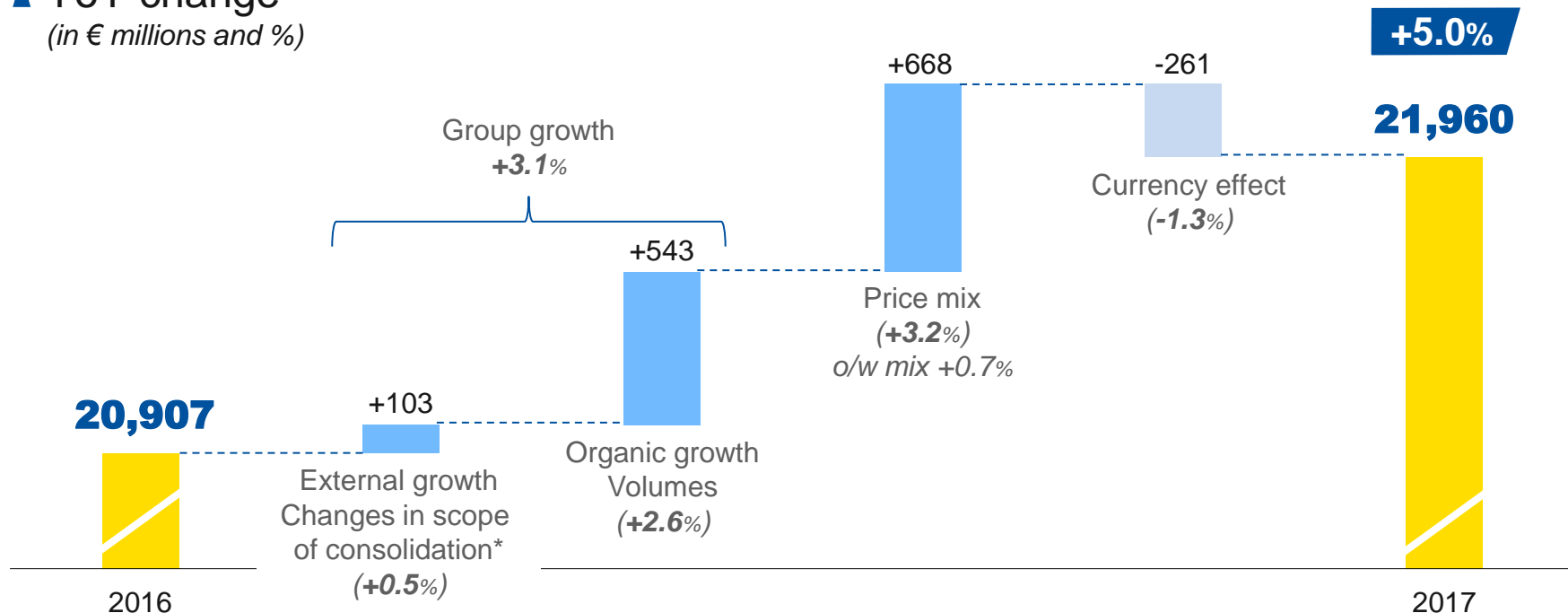
A business that structurally generates free cash flow, supported in 2017 by WCR monitoring

▲ *Structural free cash flow*
(in € millions)



2017 Net sales supported by growth in volumes and price increases

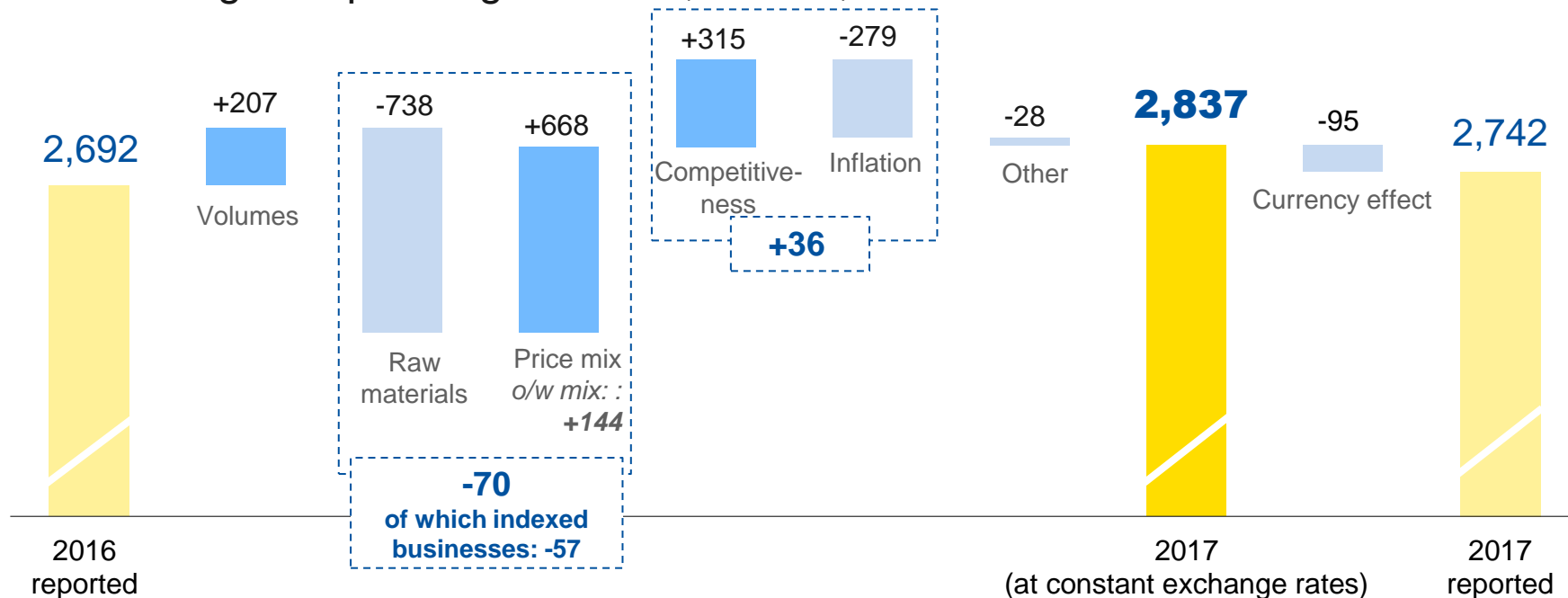
▲ YoY change
(in € millions and %)



*Levorin, NexTraq

2017: €2,837m in operating income* at constant exchange rates, led by volume gains, in line with the Group's roadmap

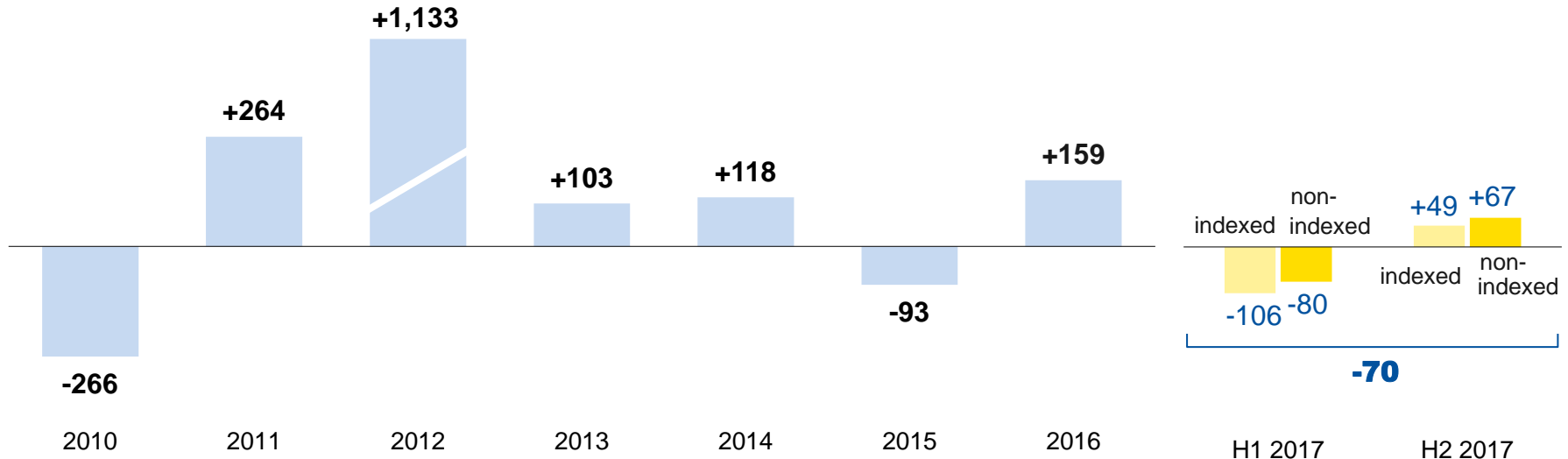
▲ YoY change in operating income* (in € millions)



*from recurring activities

An assertive pricing policy in 2017, as announced




▲ Net impact of price mix and raw materials prices on operating income*
(in € millions)



- 2017: Net negative €57m impact of price mix and raw materials prices on indexed businesses

*from recurring activities

2017 saw a strong rebound in the Specialty businesses

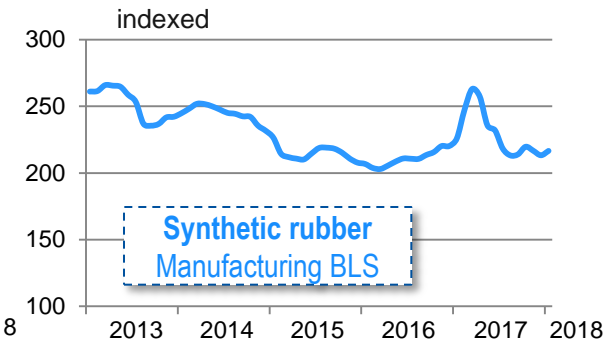
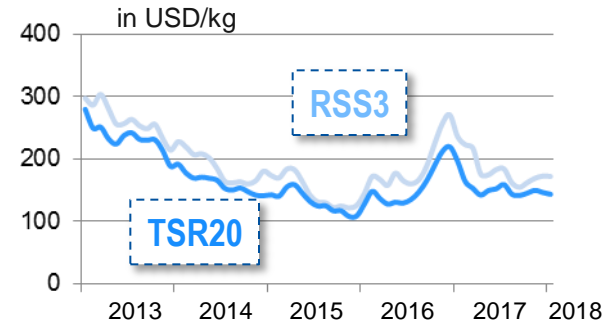
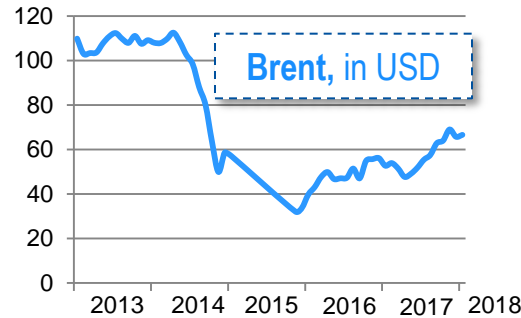
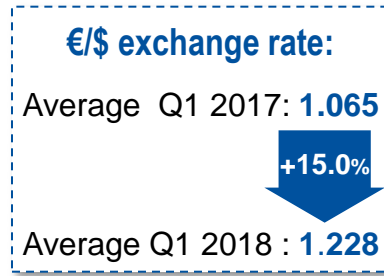
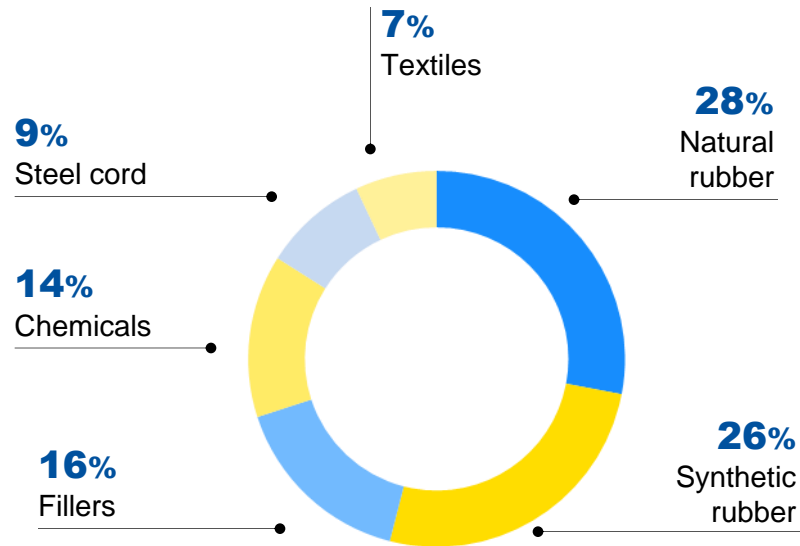
<i>(in € millions)</i>		2017	2016	<i>Variation</i>
	RS1 Net sales Operating income* Operating margin*	12,479 1,552 12.4%	12,105 1,585 13.1%	+3% -2% -0.7 pts
	RS2 Net sales Operating income* Operating margin*	6,123 497 8.1%	5,966 580 9.7%	+3% -14% -1.6 pts
	RS3 Net sales Operating income* Operating margin*	3,358 693 20.6%	2,836 527 18.6%	+18% +31% +2 pts

- RS1 offset the impact of RM prices and currency movements, neutral impact from changes in price mix and RM prices in RS2, remarkable improvements in RS3

**from recurring activities*

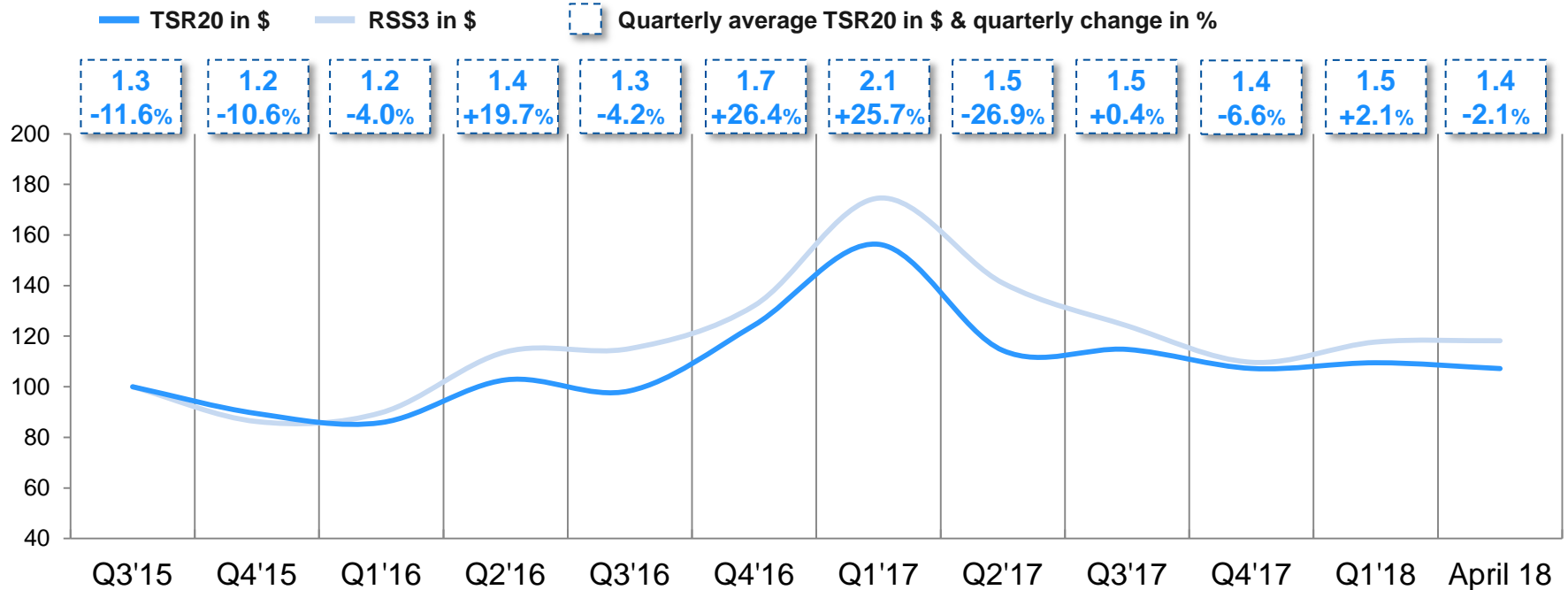
Raw materials

▲ Raw material purchases in 2017 (€5.2bn)



Natural Rubber price trend

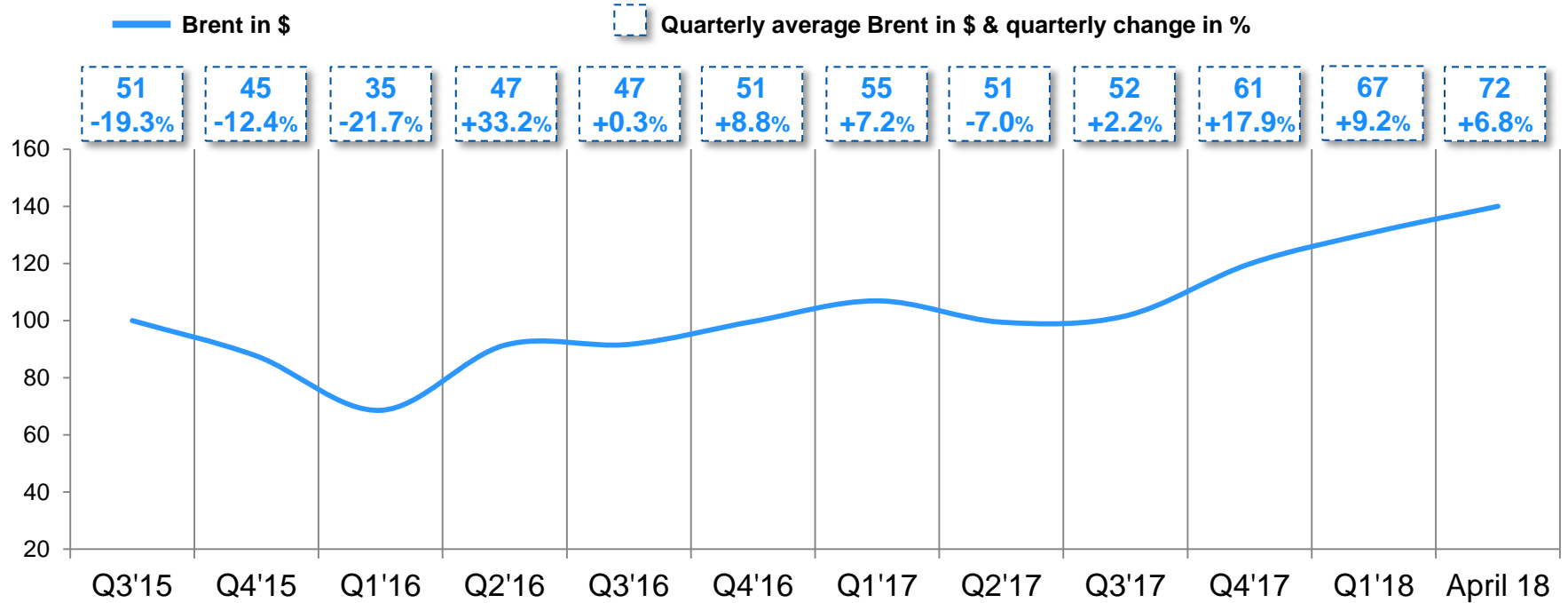
▲ Indexed, at end of April 2018 (per kg, base 100 in Q3'15)



Source: SICOM

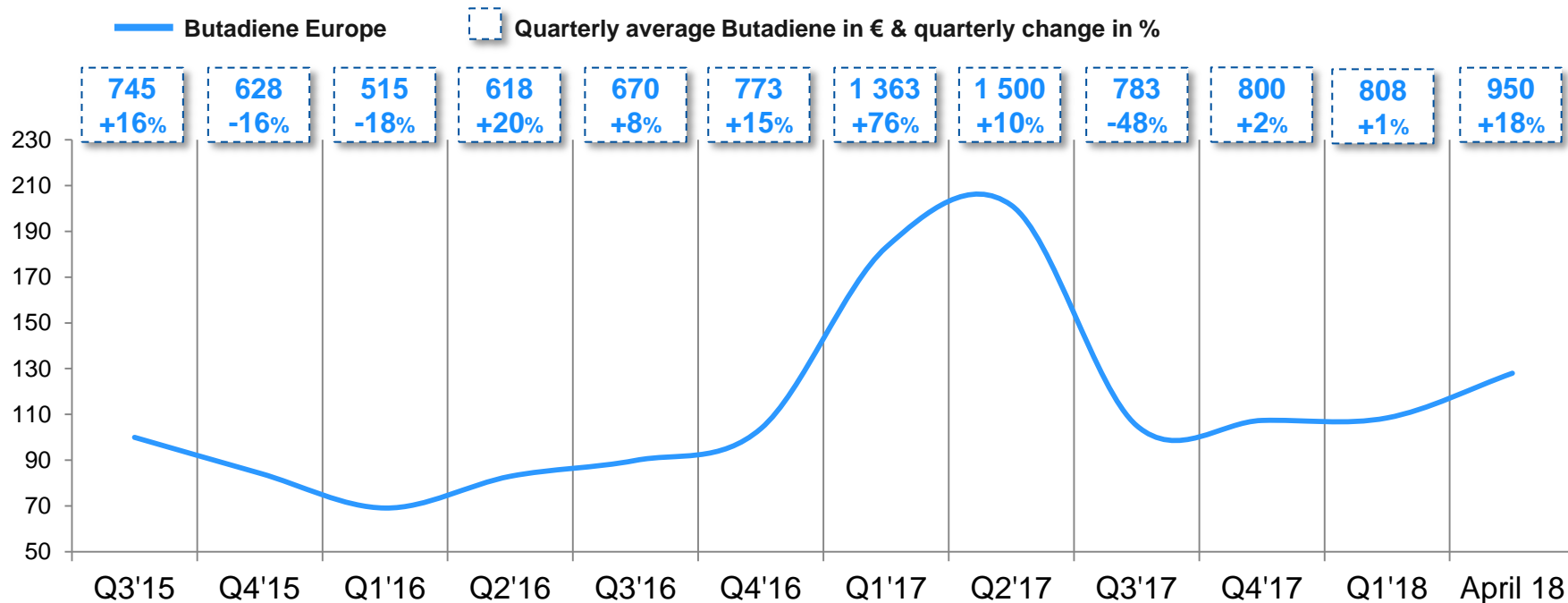
Brent price trend

▲ Indexed, at end of April 2018 (per barrel, base 100 in Q3'15)



Butadiene price trend

▲ Indexed, at end of April 2018 (per tonne, base 100 in Q3'15)



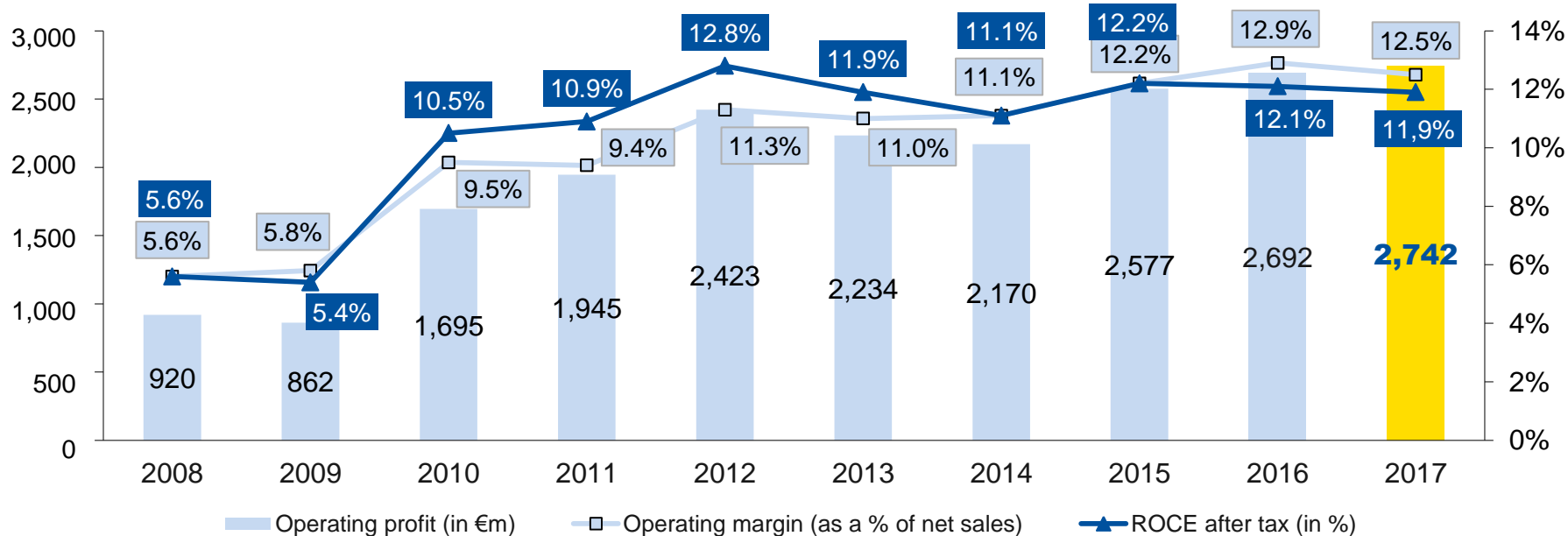
Source : IHS

Outstanding bond issues (as of April 23, 2018)

Issuer	MICHELIN Luxembourg	Compagnie Générale des Etablissements MICHELIN	MICHELIN Luxembourg	Compagnie Générale des Etablissements MICHELIN	MICHELIN Luxembourg	MICHELIN Luxembourg
Issue Type	Senior Note Bond	Senior Note Convertible	Senior Note Bond	Senior Note Convertible	Senior Note Bond	Senior Note Bond
Principal Amount	€ 400 mn	\$ 500 mn + TAP \$100 mn	€ 300 mn	\$ 600 mn	€ 300 mn	€ 302 mn
Offering price	99,912%	100% & 103,85%	99,967%	95,50%	99,081%	98,926%
Rating corporation at Issuance date	BBB+ (S&P) Baa1 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)
Current coporation rating	A- (S&P) ; A3 (Moody's) ; unsolicited A- (Fitch)					
Coupon	2,75% p.a	ZERO Conv premium 128%	1,125% p.a	ZERO Conv premium 130%	1,75% p.a	3,25% p.a
Issue Date	11-juin-12	05/jan/2017 & 25/apr/2017	19-mai-15	05/jan/2018	19-mai-15	21/sep/2015 & 27/sep/2016
Maturity	20-juin-19	10-janv.-22	28-mai-22	10-nov.-23	28-mai-27	30-sept.-45
Interest payment	Annual June 20	N/A	Annual May 28	N/A	Annual May 28	Annual Sept 30
ISIN	XS0794392588	FR0013230745	XS1233732194	FR0013309184	XS1233734562	XS1298728707
Denomination	€ 1'000 with min. tradable amount € 1'000	\$ 200'000 with min. tradable amount \$ 200'000	€ 1'000 with min. tradable amount € 1'000	\$ 200'000 with min. tradable amount \$ 200'000	€ 1'000 with min. tradable amount € 1'000	€ 1'000 with min. tradable amount € 1'000

2017: another year in line with our 2020 roadmap

▲ Group operating income and margin* & ROCE



*from recurring activities

Investor calendar

- **Coming events:**
 - **July 23, 2018 (after close of trading):** First-half 2018 results
 - **October 22, 2018 (after close of trading):** Third-quarter 2018 net sales

Disclaimer

"This presentation is not an offer to purchase or a solicitation to recommend the purchase of Michelin shares. To obtain more detailed information on Michelin, please consult the documentation published in France by Autorité des Marchés Financiers available from the <http://www.michelin.com/eng/> website.

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