

MAY 22 - 24, 2018

**EQUITA NORDICS**

May 22 – 24 , 2018  
**Equita Nordics**

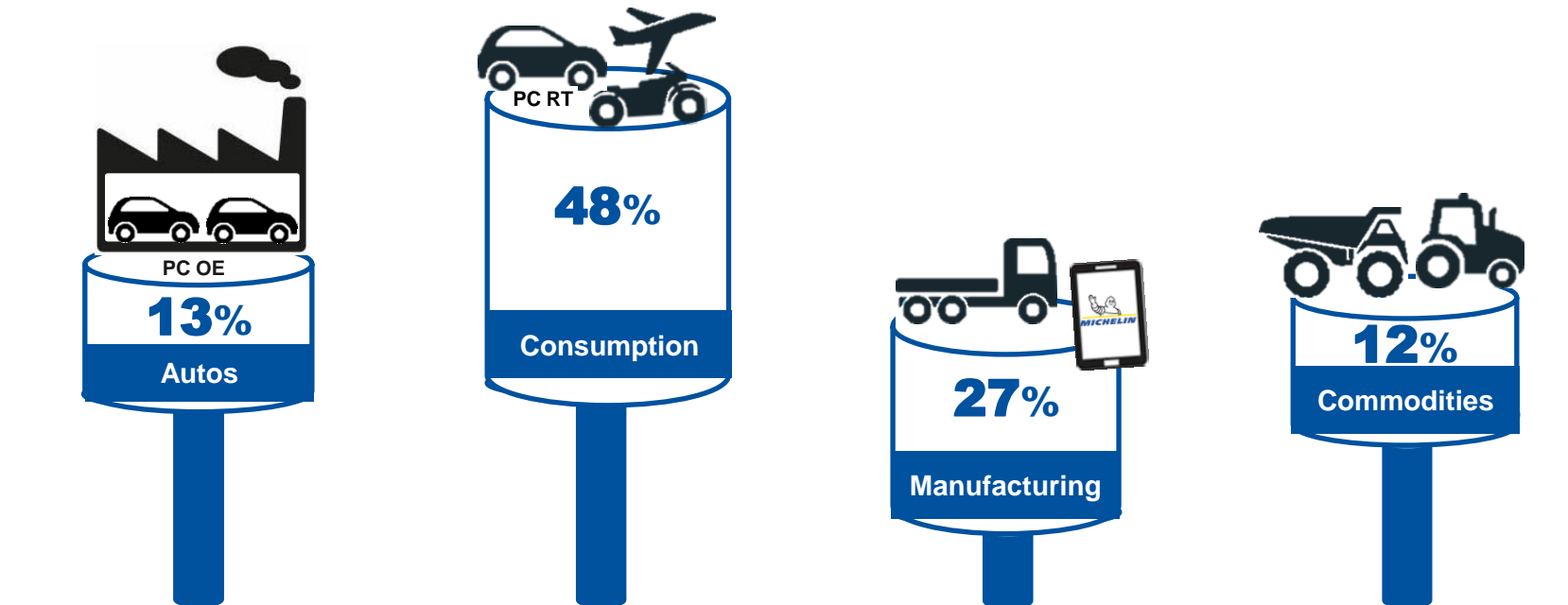


**1** /

## **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 is offering £6.10 per Fenner PLC share, representing an enterprise value of £1.3bn
- Fenner AGM, May 16, 2018: shareholders voted at 99,9% in favour of the deal

Key Figures Fenner		
<i>(in £ millions)</i>	2017	2010-2017 average
• Net sales	655	693
• EBITDA	86	98
• EBITDA margin	13%	14%



# Michelin and Sumitomo Corporation created the 2<sup>nd</sup> 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

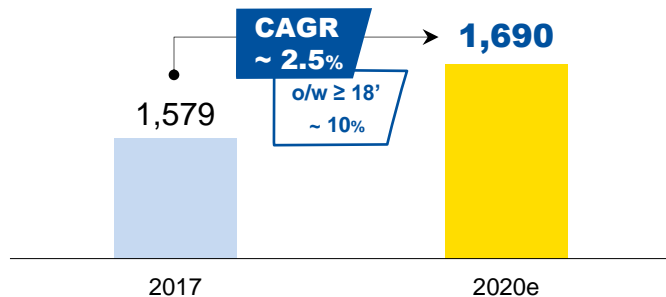


### JV TBC Corp. & TCi key figures

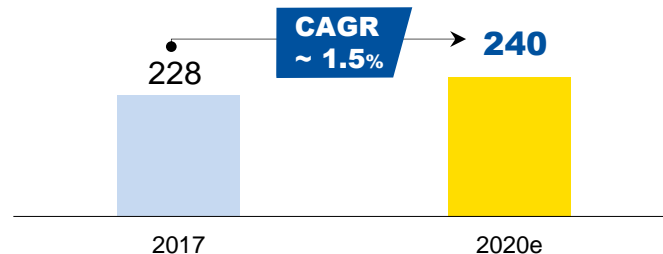
- 38m tires
- 2,411 retail outlets in the US & Canada
- More than 120 wholesale distribution centers

# 2016-2020 projections: growing worldwide demand

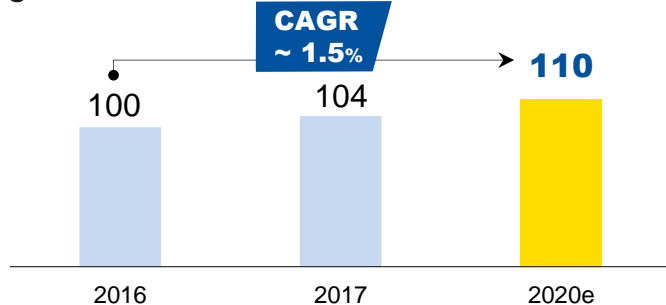
- PC OE&RT market projection (in millions of units)



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

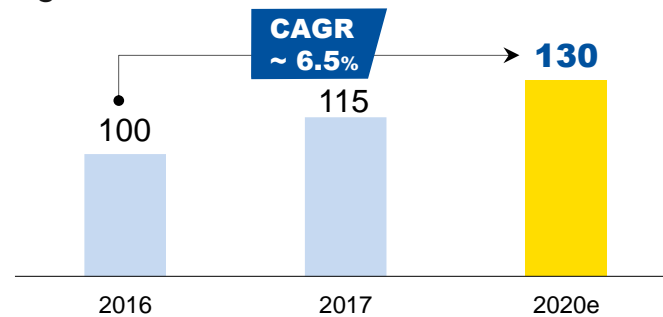


- Agricultural tires\* (base 100 in 2016, in tonnes)



\* OE & RT in Europe and North America

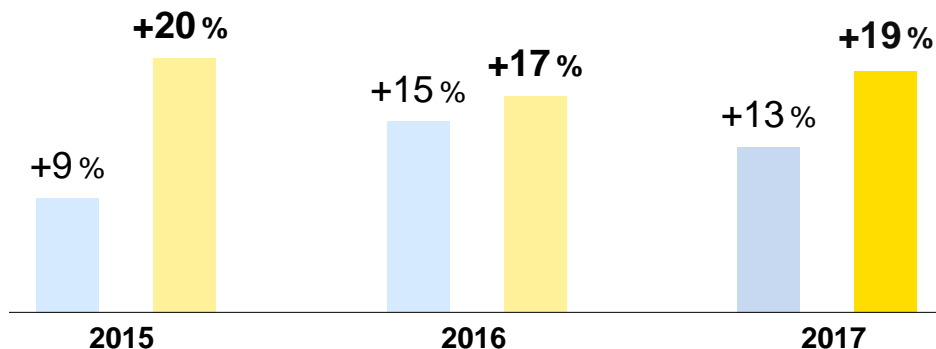
- Mining tires (base 100 in 2016, in tonnes)



# ≥18” tires: the market recognizes the power of Michelin’s line-up in the premium segment

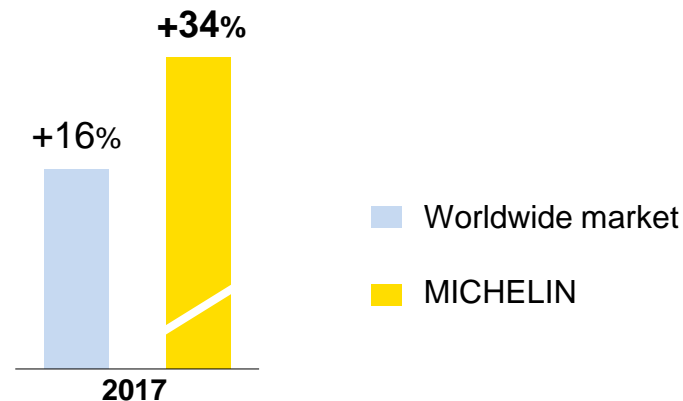
## ▲ Growth in ≥18” tire sales

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



## ▲ Growth in ≥19” tire sales

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

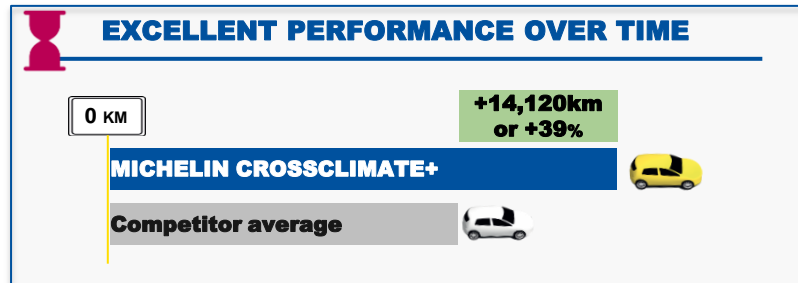
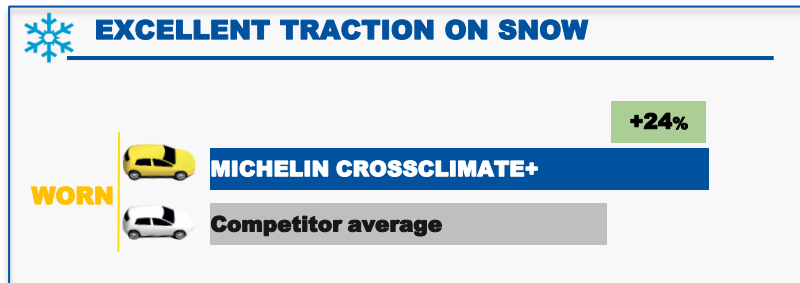
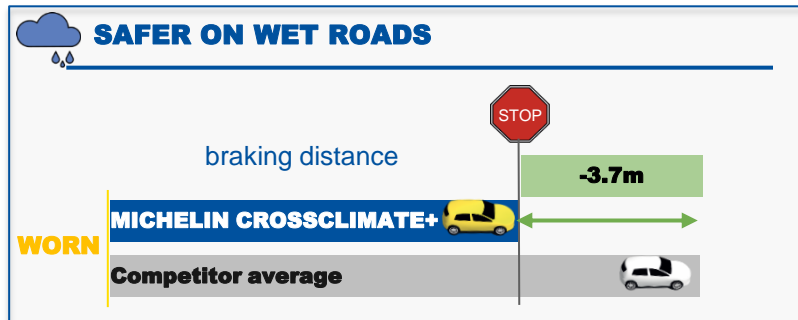
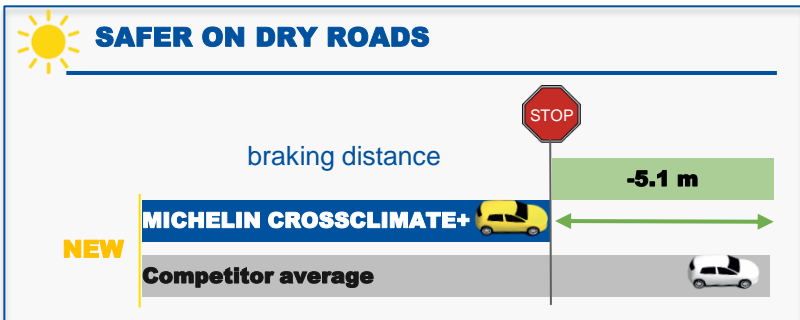


- Customers who value the MICHELIN brand and its product performance: price positioning in line with the reputation of the MICHELIN brand
- Sustained growth momentum, made possible by adapting production capacity



# 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.

# Truck: innovative tires and solutions that meet customer needs, to drive a return to growth

## MICHELIN X Multi Energy

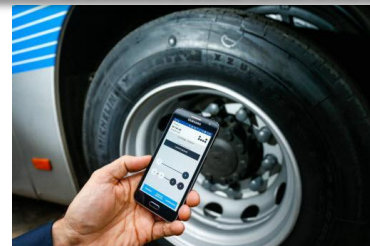
70 launches scheduled for 2018



**BF Goodrich**  
Tires



## Convoy TripleA and connected services



## MICHELIN X Guard



Ashok Leyland

**COPILOTO SATELITAL**  
una empresa del grupo Michelin



**sascar**  
PAIXÃO PELA INOVAÇÃO



May 22 – 24 , 2018  
**Equita Nordics**

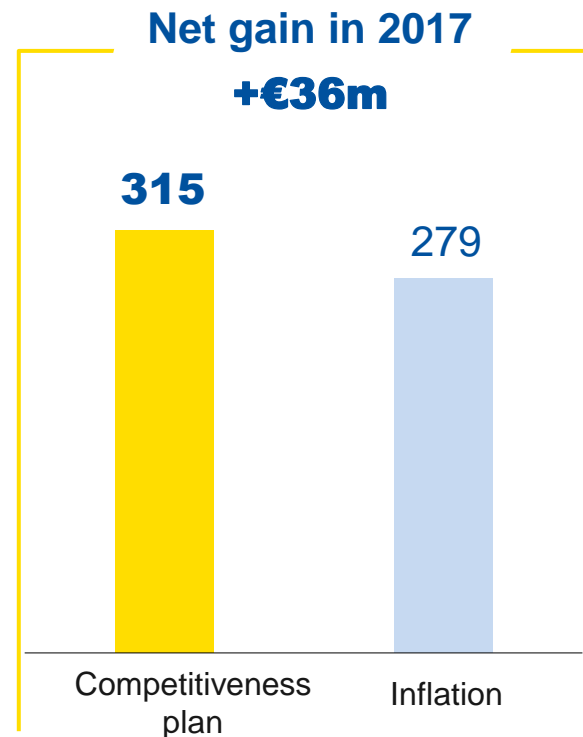
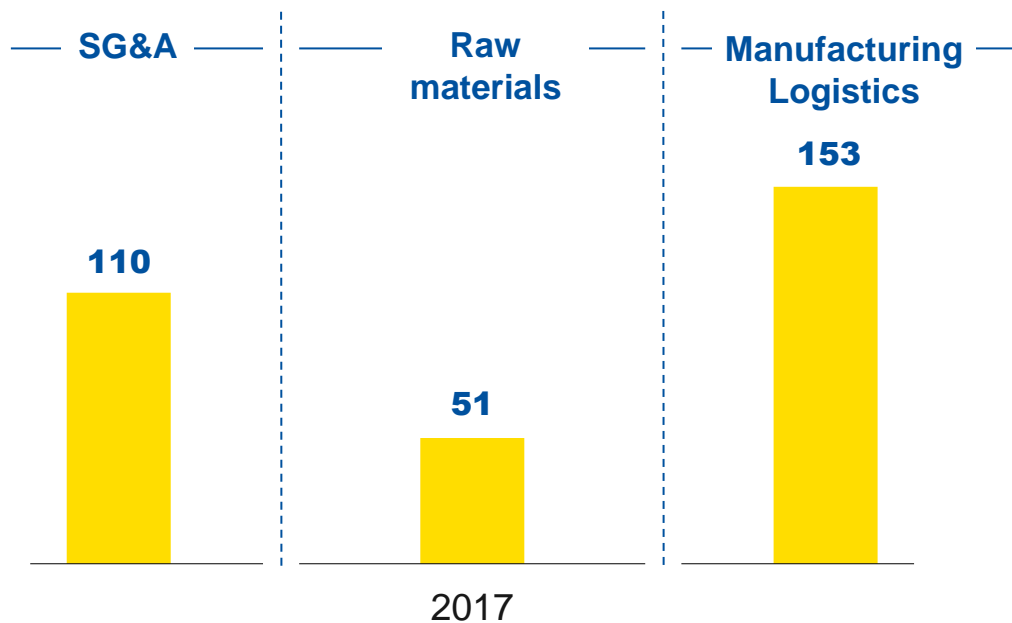


**2**

## **Levers for Competitiveness**

# 2017-2020 competitiveness plan on track to deliver targeted €1.2bn in gains

▲ Target: €300m in average annual gains\*



\*before inflation and including avoided costs.

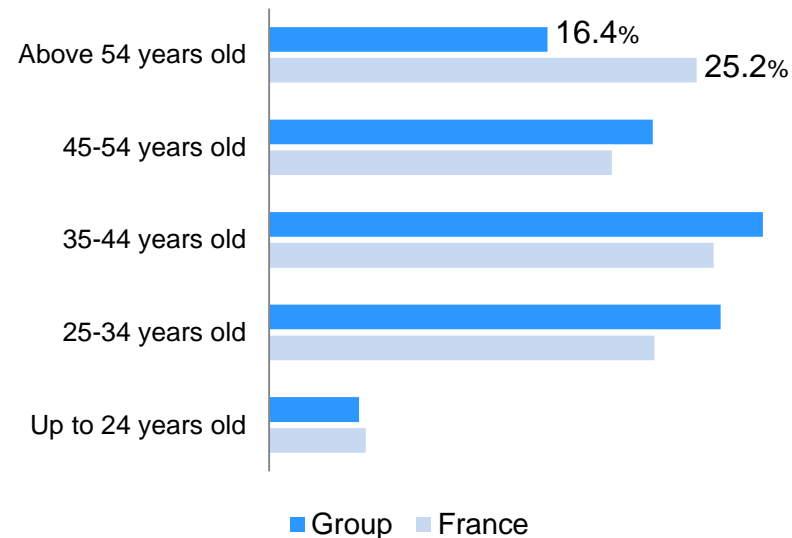
# The reorganization project announced in June will enable corporate positions to be reduced by 1,420 worldwide

▲ 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 2021
- Optimize hiring:
  - 2,080 new hires in France and the United States between 2018 and 2021



## ● Age pyramid, Group and France\*



\* Manufacture Française des Pneumatiques Michelin

# Investing to create value

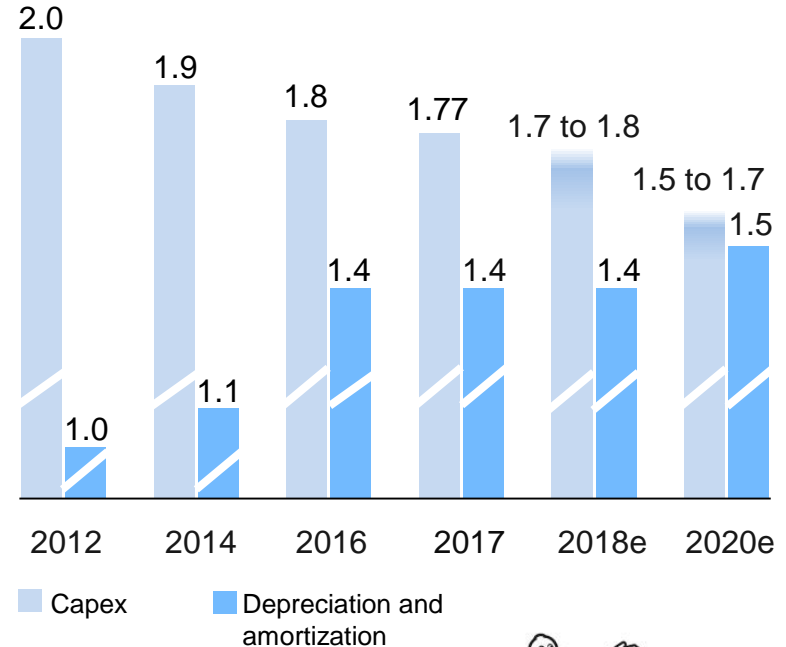
▲ Successfully deploy our priority Capex and M&A projects to drive expansion:

- 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)



May 22 – 24 , 2018  
**Equita Nordics**

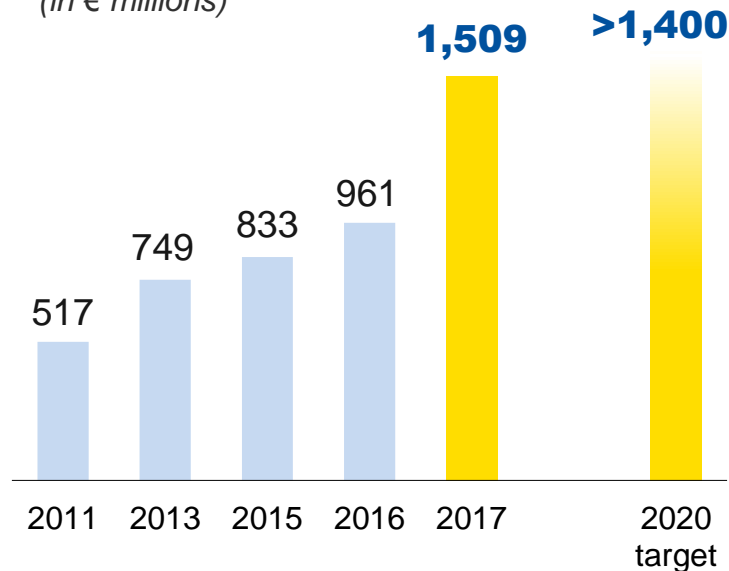


**3** /

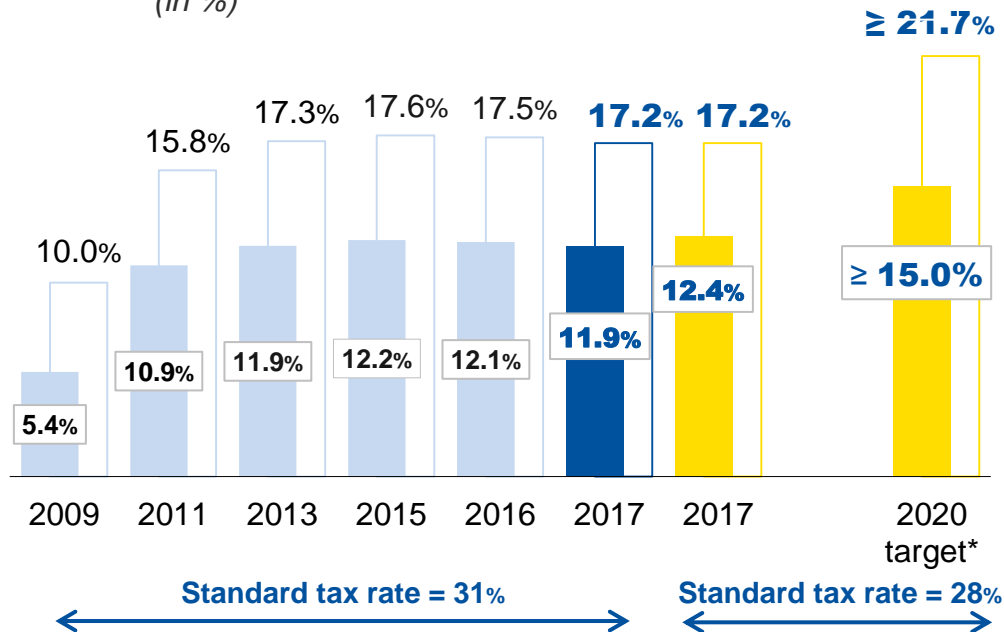
## **Ambition for Profitability**

# 2018: on the road to our 2020 objectives

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



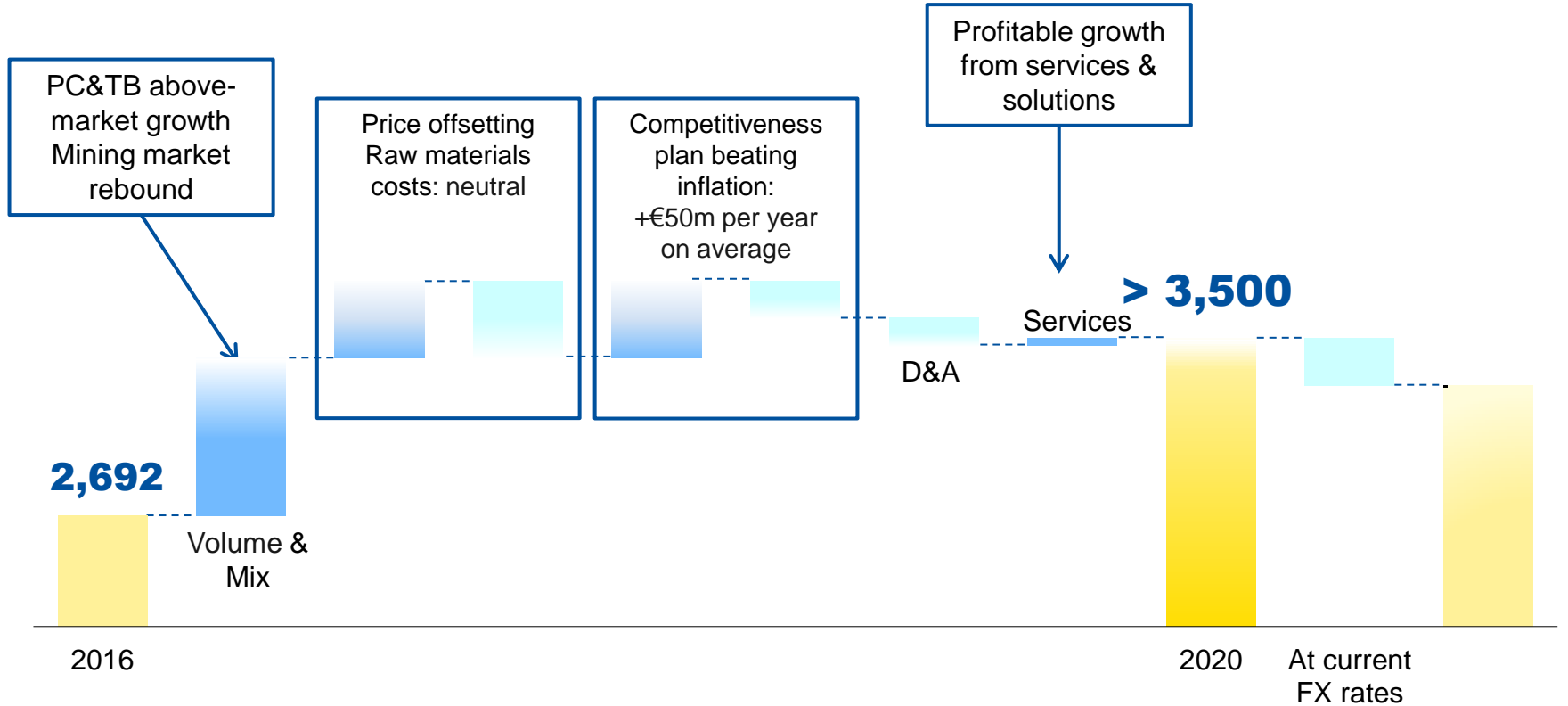
▲ Deliver an after-tax ROCE ≥ 15%  
as from 2020  
(in %)



\*at constant scope of consolidation excluding goodwill



# 2016-2020 scenario: profitability levers



May 22 – 24 , 2018  
**Equita Nordics**



**4** /

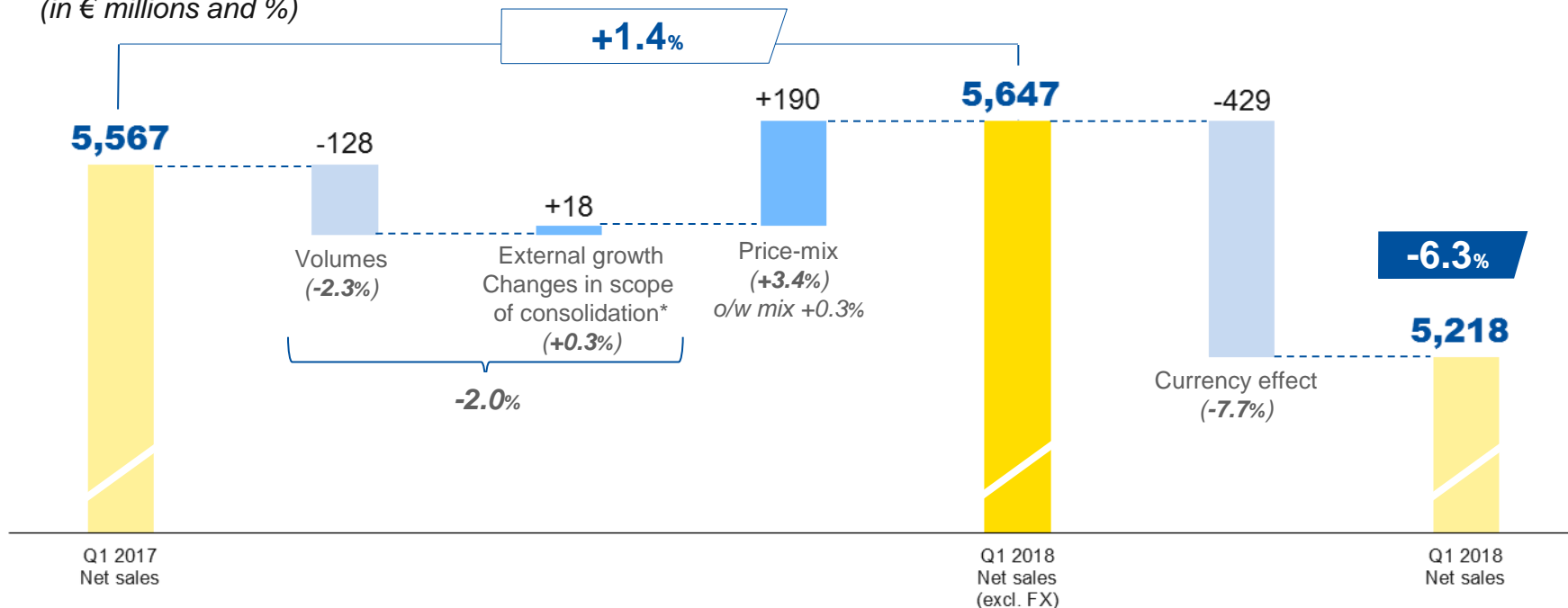
**Q1 net sales in line with  
2018 guidance**

# Q1 2018: net sales of €5.2 billion, up 1.4% at constant exchange rates

- PC/LT and Truck markets down slightly as announced
  - OE demand down in PC/LT, impacted by the Chinese and North American markets, and robust in Truck
  - Replacement demand weaker due to early buying in Q1 2017
- Sustained strong demand for Specialty tires
- Favorable 1.1% net impact from the price-mix/volume effect in Q1, in line with the 2018 scenario
  - Positive 3.4% price-mix effect, led by disciplined price management
  - Volumes down 2.3%, given the particularly strong early buying of MICHELIN brand tires in Q1 2017
- Highly unfavorable -7.7% currency effect caused by the stronger euro
- Recommended cash offer made for Fenner PLC and joint venture formed with Sumitomo Corporation of Americas, in line with the Group's strategy
- Roll-out of a new close-to-the-customer organization
- 2018 guidance confirmed, in line with the 2020 objectives

# Net sales up 1.4% at constant exchange rates

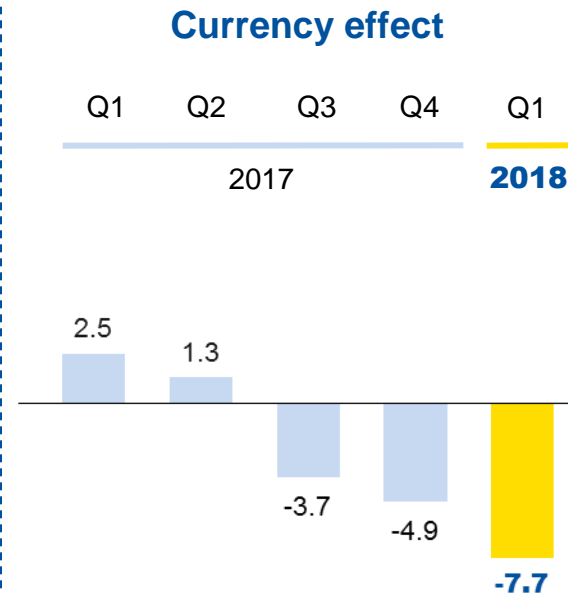
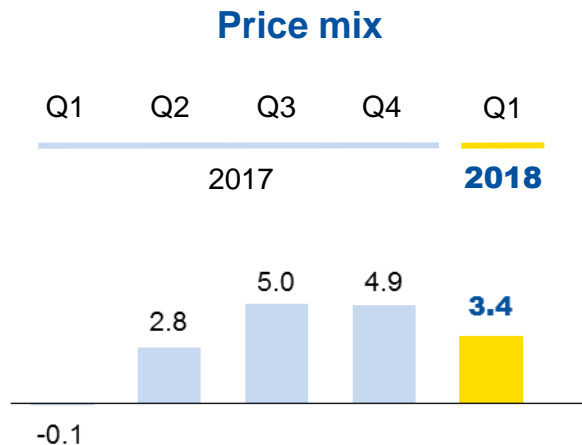
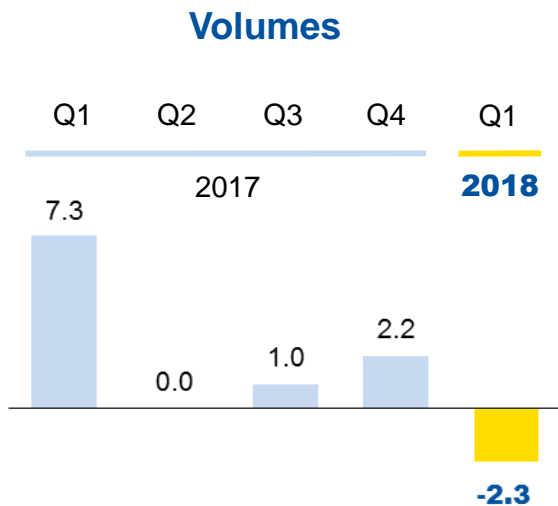
## ▲ YoY change (in € millions and %)



\* Levorin, NexTraq, Lehigh

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

▲ YoY quarterly change  
(in %)



# 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 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

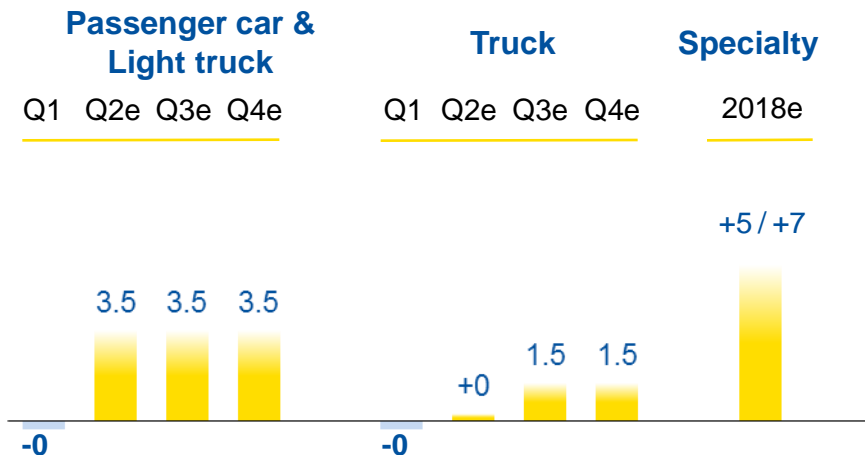


## SPECIALTY: +5%/+7%

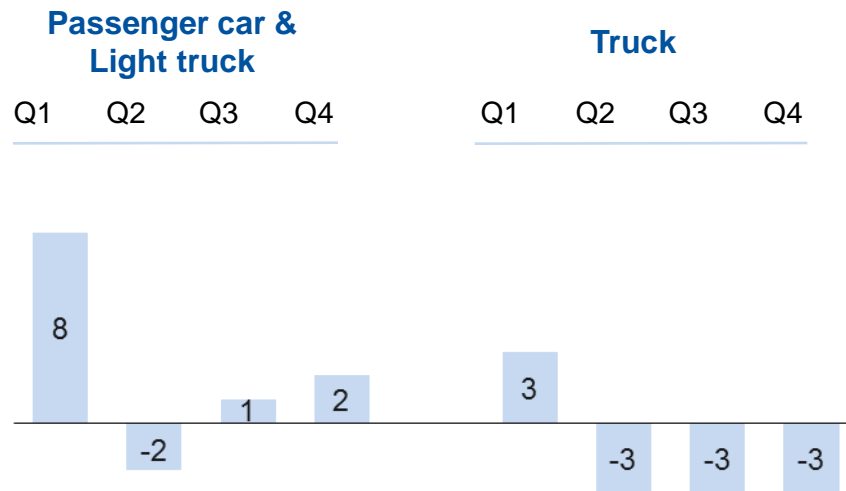
- Mining tires (+7%/+10%) sustained strong demand led by global economic growth
- OE Earthmover + OE Agricultural tires: steady positive trend

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

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



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



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**



Europe



MICHELIN X Guard



India



Ashok Leyland

- Expanding service offers

## Telematics

- Effitrailer: strong growth in Europe



## Tire as a Service



+15% of trucks with contracts

**MICHELIN**  
A BETTER WAY FORWARD

# 2018 scenario

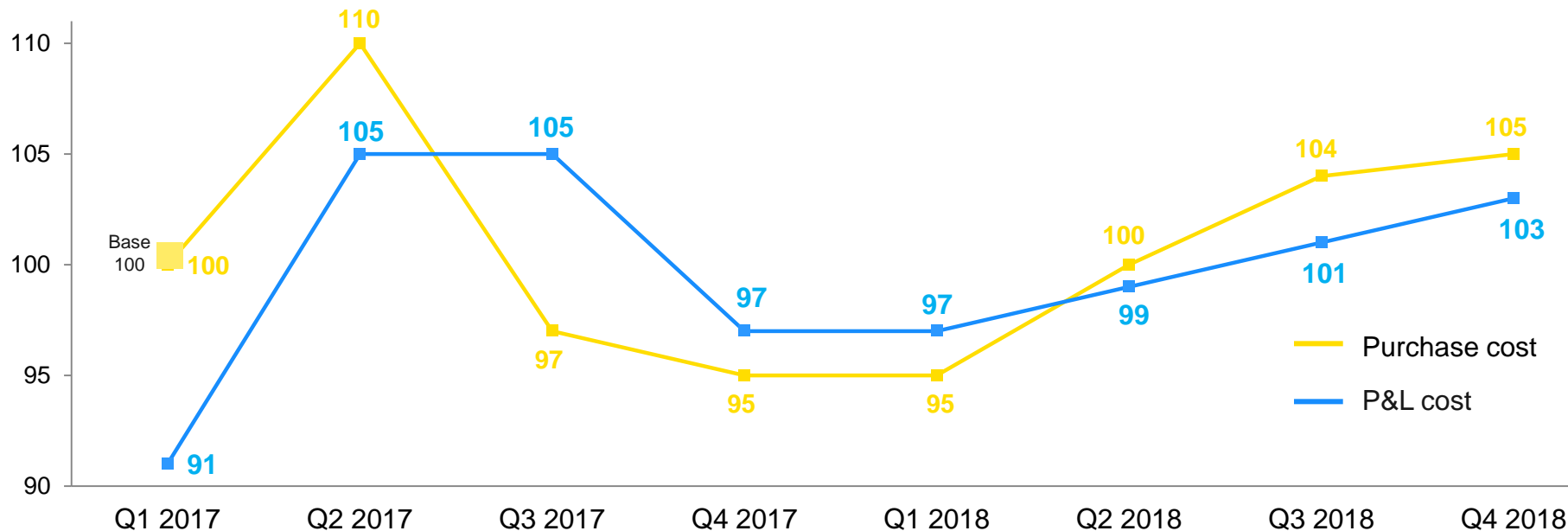
	H1 2018	FY 2018
Impact from raw materials costs	Neutral*	Between 0 and a negative €50m*
Currency effect	Approx. a negative €250m**	Approx. a negative €350m**
Effective tax rate Positive impact of US tax reform	Standard ETR reduced to 28%	
Net impact of price-mix and raw materials prices	Positive	Positive
Competitiveness plan gains vs. inflation	Positive over the year	

\*2018 average prices: Natural rubber: \$1.75/kg; butadiene (US and Europe): \$1,080/t; Brent: \$63/bbl

\*\* at march 2018 Forex

# 2018 raw materials scenario

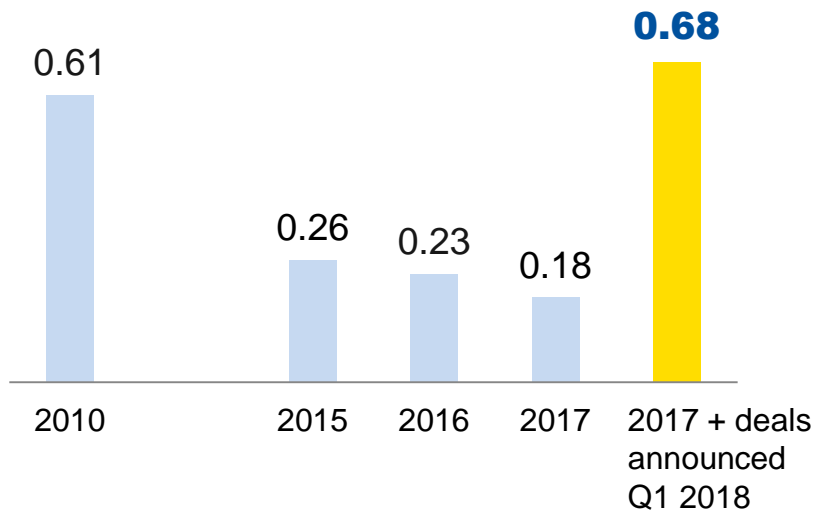
▲ Quarterly assumptions for 2018 (base 100 = Q1 2017 purchase costs)



\*2018 average prices: Natural rubber: \$1.75/kg; butadiene (US and Europe): \$1,080/t; Brent: \$63/bbl; at constant exchange rates

# Ratings A3 and A- confirmed after Q1'18 external growth announcements

## ▲ Net debt <sup>(1)</sup> / Ebitda <sup>(2)</sup>



## ▲ Rating

	Moody's	S&P
2017	A3	A-
2017 + deals announced Q1 2018	A3	A-
Outlook	stable	stable

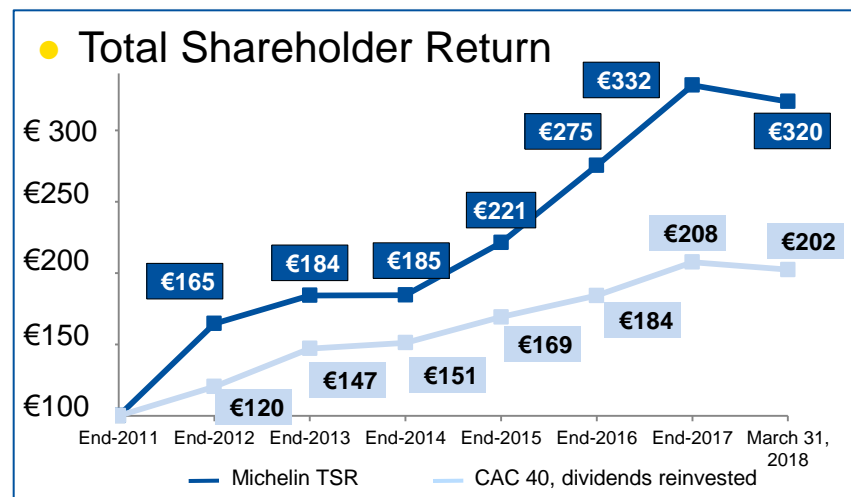
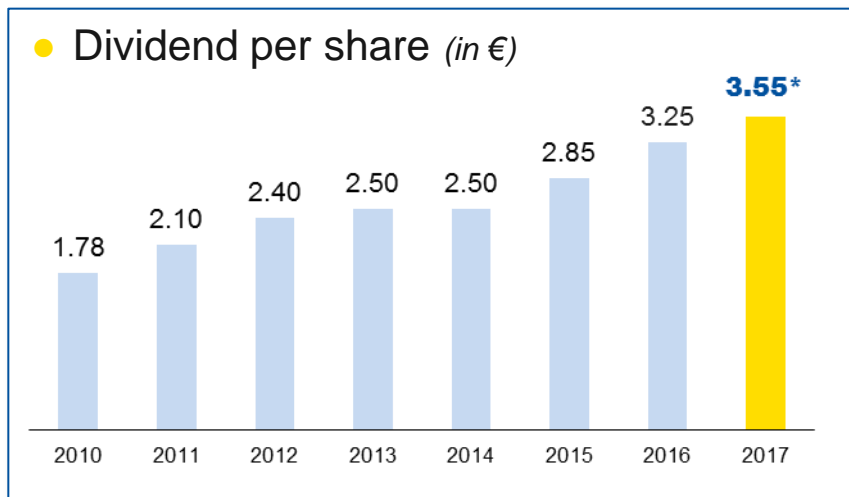
\* JV TBC & TCi / A.T.U / Fenner plc

(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.

# 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



\* subject to shareholder approval at the Annual Meeting on May 18, 2018 - \*\* of consolidated net income excluding non-recurring items

May 22 – 24 , 2018  
**Equita Nordics**



# 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%

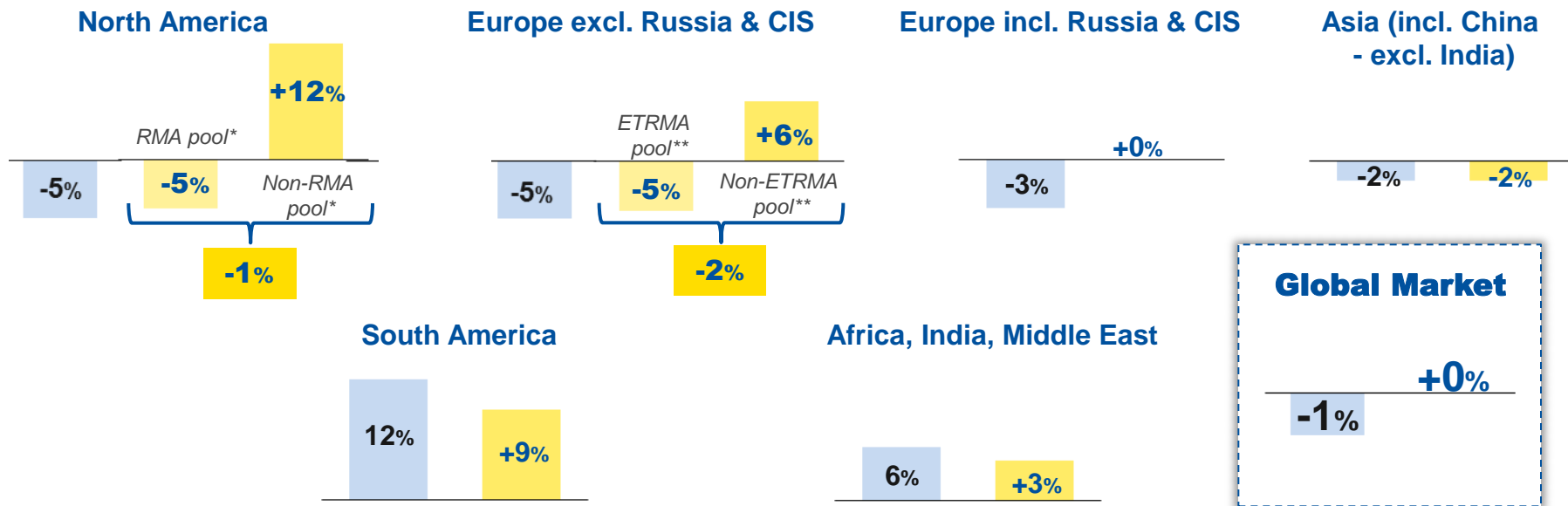
\* Turkey included



# PC: declining markets in mature zones and China and rebounding in the rest of the world



▲ Passenger car and Light truck market at March 31, 2018  
 (YoY in %, in number of tires)



\* RMA pool: members of the Rubber Manufacturers Association

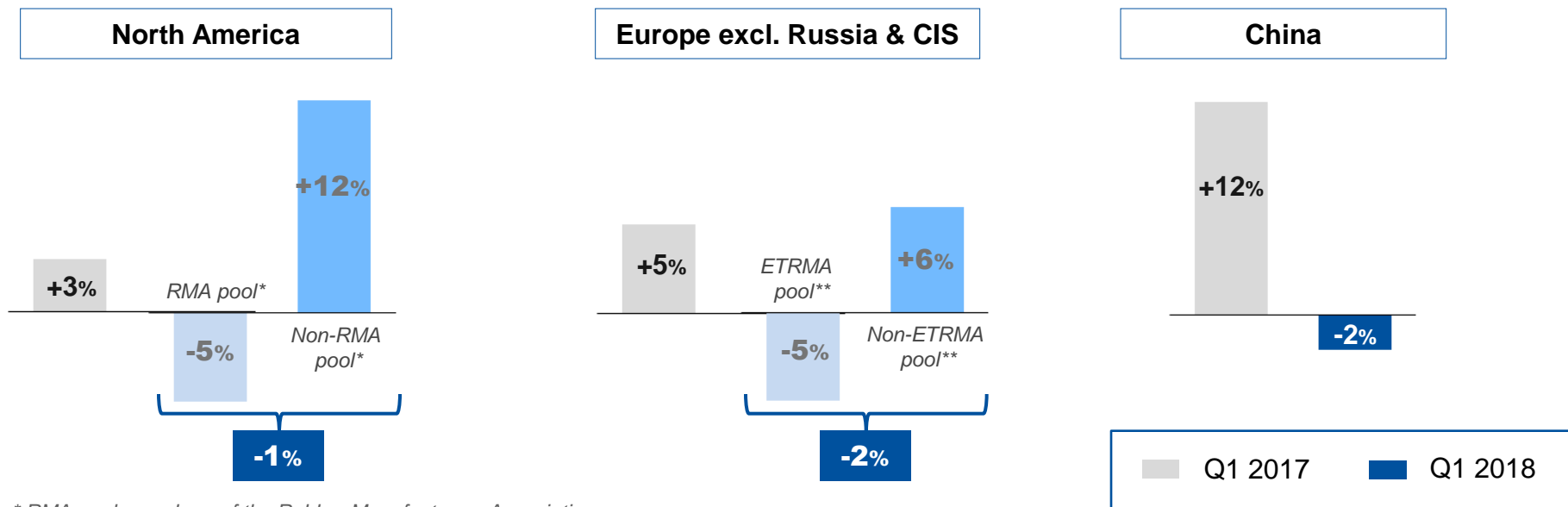
\*\* ETRMA pool: members of the European Tire & Rubber Manufacturers Association

Source: Michelin



# PC RT: markets down in Q1 2018 due to early buying in Q1 2017

## ▲ Passenger car and Light truck market at March 31, 2018 and 2017 (YoY in %, in number of tires)



\* RMA pool: members of the Rubber Manufacturers Association

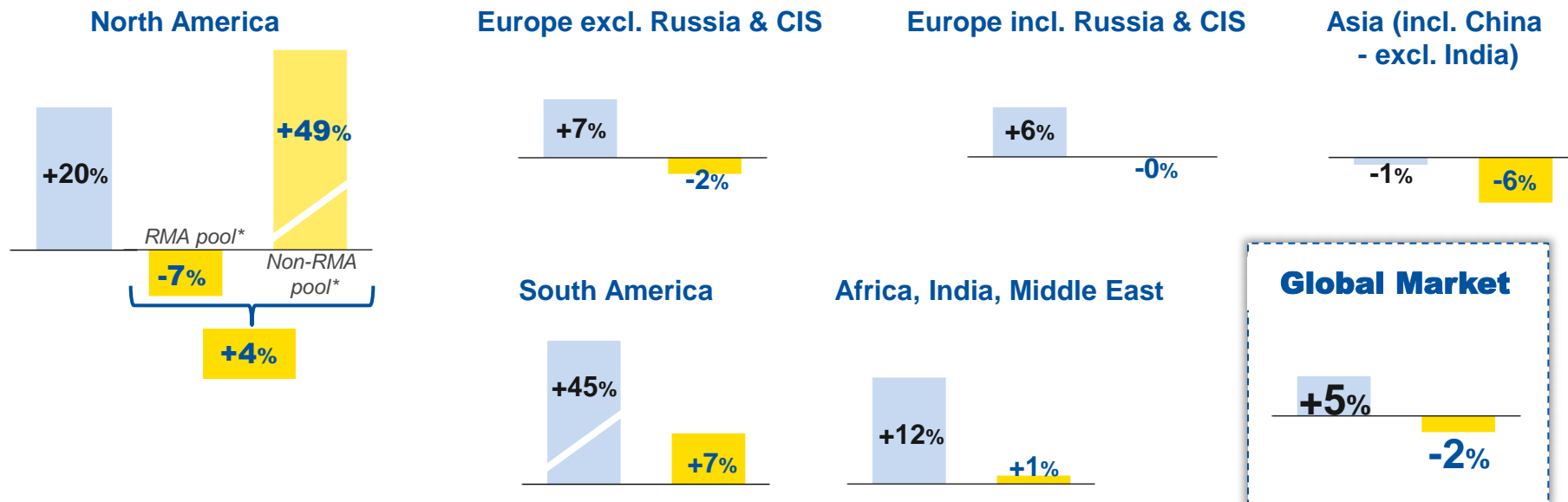
\*\* ETRMA pool: members of the European Tire & Rubber Manufacturers Association

Source: Michelin

# TB: growing OE markets and declining RT demand



## ▲ Truck tire market at March 31, 2018 (YoY in %, in number of new tires)

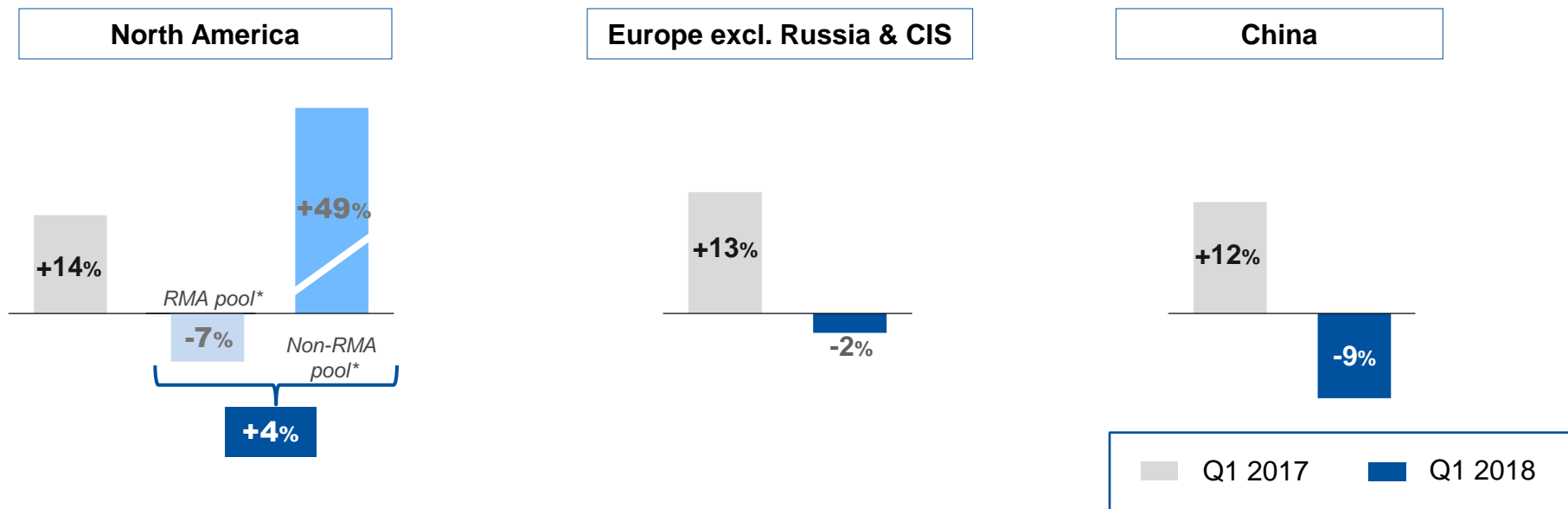


\* RMA pool: members of the Rubber Manufacturers Association

Source: Michelin

# PL RT: markets down in Q1 2018 due to early buying in Q1 2017

## ▲ Truck tire market at March 31, 2018 and 2017 (YoY in %, in number of new tires)



\* RMA pool: members of the Rubber Manufacturers Association

Source: Michelin

# 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%	80% - 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%	80% - 85%
	TWD	1%	+9%	80% - 85%
	USD	37%	+15%	25% - 30%
	Other	1%		80% - 85%

\* Droptrough depends on the export/manufacturing/sales base

# 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>	FY17	2010-2017 average
• Net sales	655	693
• EBITDA	86	98
• EBITDA margin	13%	14%
• <b>4,330</b> employees*		

# Transaction overview

## Key transaction terms

- Michelin to acquire Fenner plc for £6.10 per share representing an enterprise value of £1.3bn
- 30.7% premium to pre-announcement closing share price as of March 16, 2018
- Michelin cash out of £1.2bn and immediate cash return to Fenner's shareholders

## Value creation

- £30m in identified synergies to have full effect in year 2; limited implementation cost
- Expected EPS accretive in year 1
- 10.4x average FY10-17 EBITDA post £30m in synergies<sup>(1)</sup>

## Financing

- All cash acquisition with fully committed financing<sup>(2)</sup>
- Consistent with Michelin's financing policy, and preserves solid A-/ A3 credit rating

## Fenner Board and shareholders' support

- Unanimous recommendation by Fenner's Board of Directors
- 99,9% of votes in favour of the deal during the AGM of May 16, 2018

## Key conditions

- Subject to customary closing conditions and regulatory approvals
- Transaction expected to be implemented by way of Scheme of Arrangement

(1) Calculated as enterprise value of £1.3bn divided by the average EBITDA over FY10 to FY17 of £98m plus annual synergies of £30m

(2) Bridge loan fully underwritten

# Anticipated Timeline

**April 12**

- Scheme document sent to Fenner's shareholders

**May 16**

- Fenner AGM: shareholders' voted at 99,9% in favour of the deal

**End of Q2 2018**

- Court sanctions hearing validating the Scheme
- Expected closing

*Note: All dates subject to change and closing conditions including regulatory approvals*



# Fenner key figures

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

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

Source: Fenner PLC

# ECS: A World Leader in Heavy Conveyor Belts

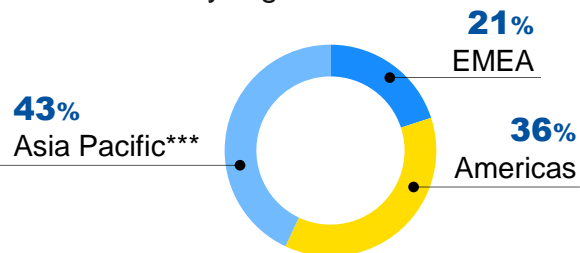
## #2\* Worldwide and Supplier of Choice for Largest Miners



### 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

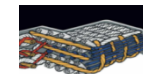
### Portfolio Overview



#### Heavyweight Conveyor Belting

**Products**  
(78% FY17  
net sales)

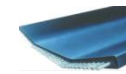
15 plants



Solid Wovens



Ply Belts



Steel Cords

**Services**  
(22% FY17  
net sales)



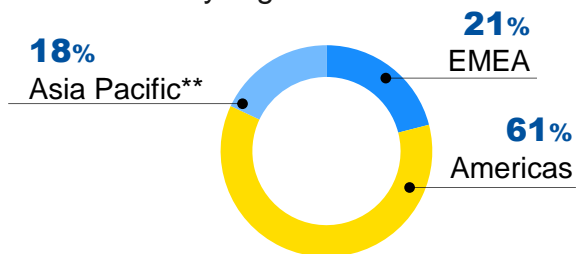
# AEP: A Leading Diversified Polymers Engineered Products Player



## 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

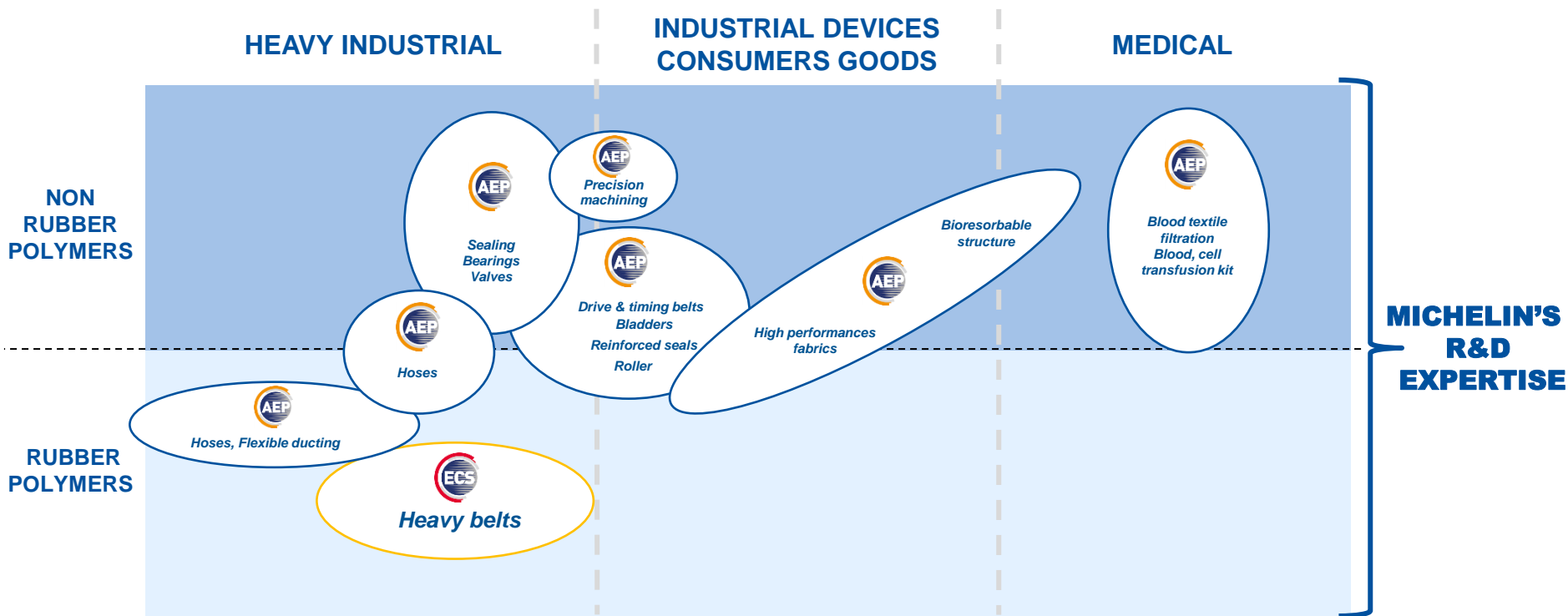
\*\* Includes Australia

## 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		



# A Complementary High-Tech Polymers Portfolio and a Wider Range of Customers Enhanced by Michelin R&D Expertise



# 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 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

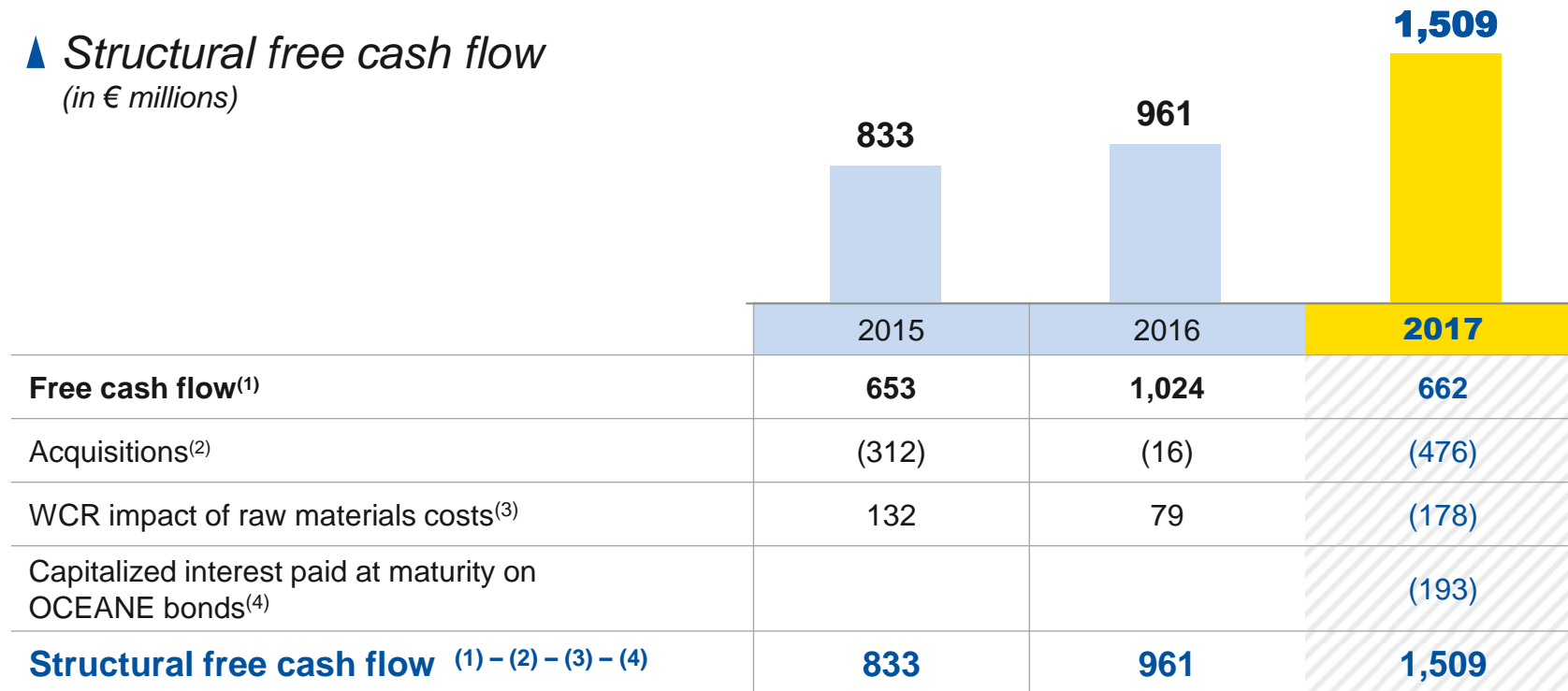


# 2017: another year of progress, in line with the 2020 objectives and the expected scenario

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

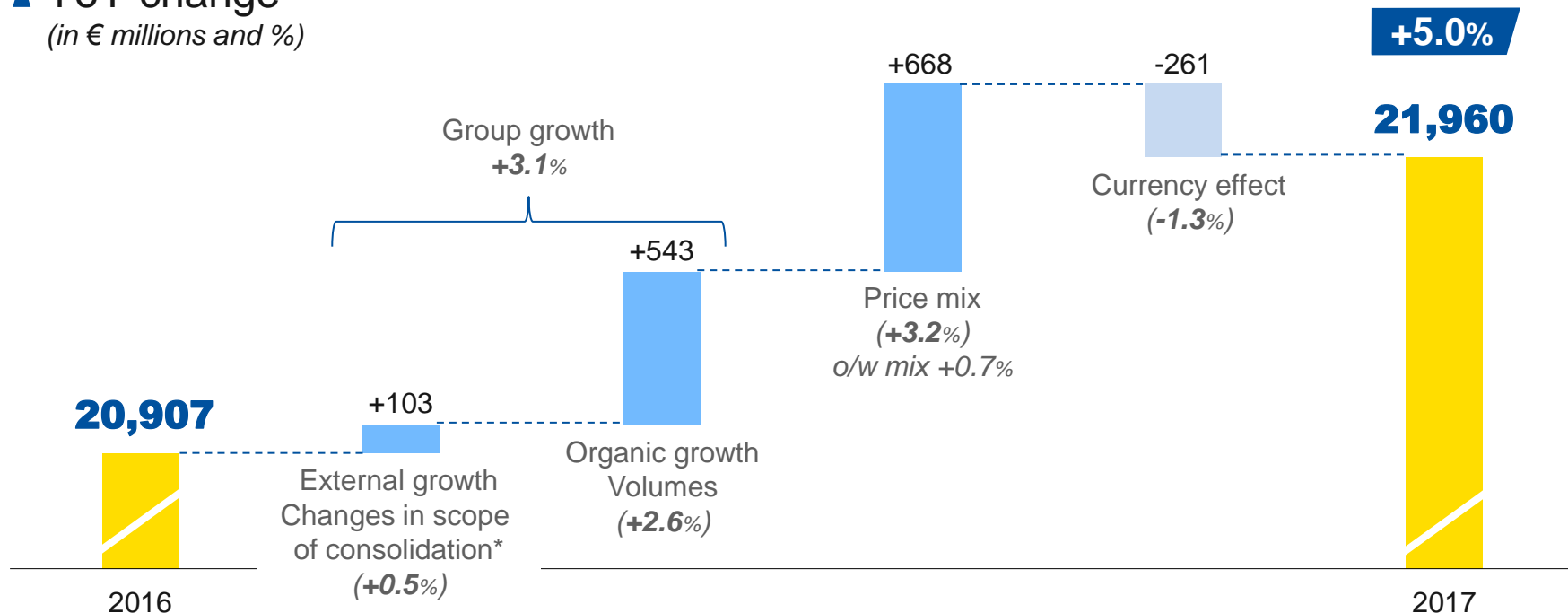
# A business that structurally generates free cash flow, supported in 2017 by WCR monitoring

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



# Net sales supported by growth in volumes and price increases

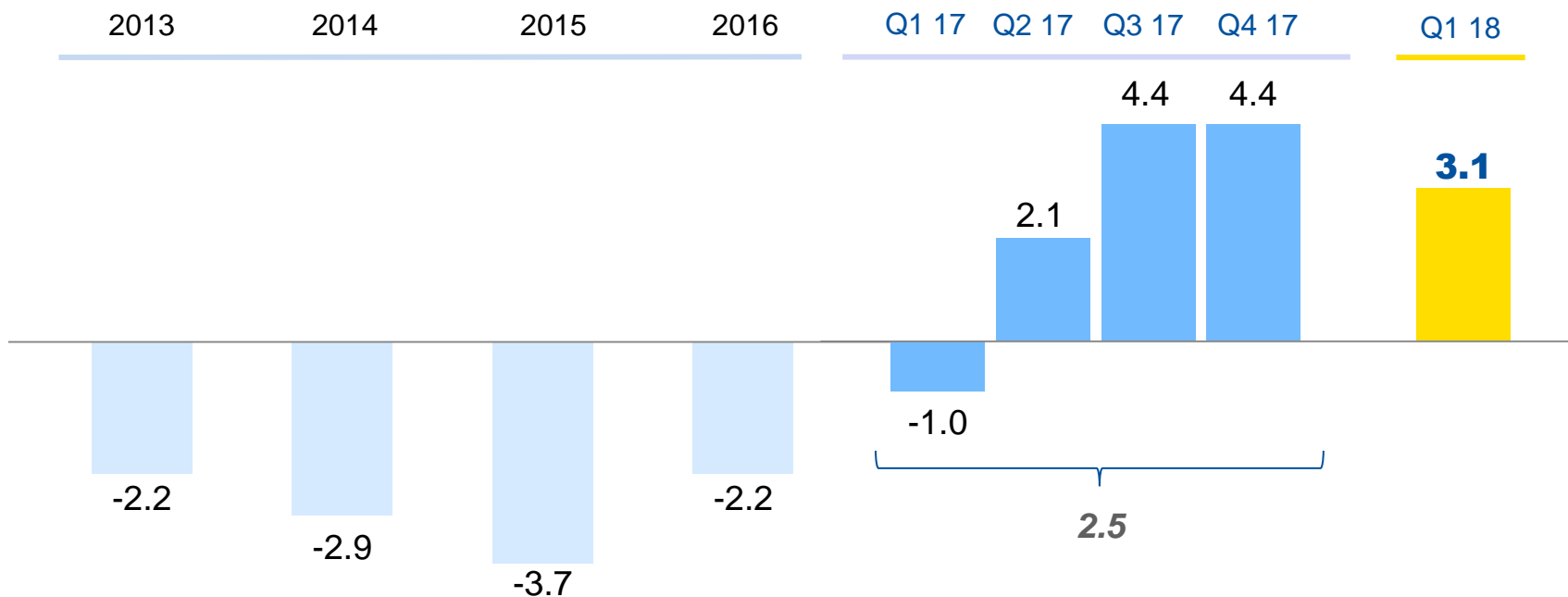
▲ YoY change  
(in € millions and %)



\*Levorin, NexTraq

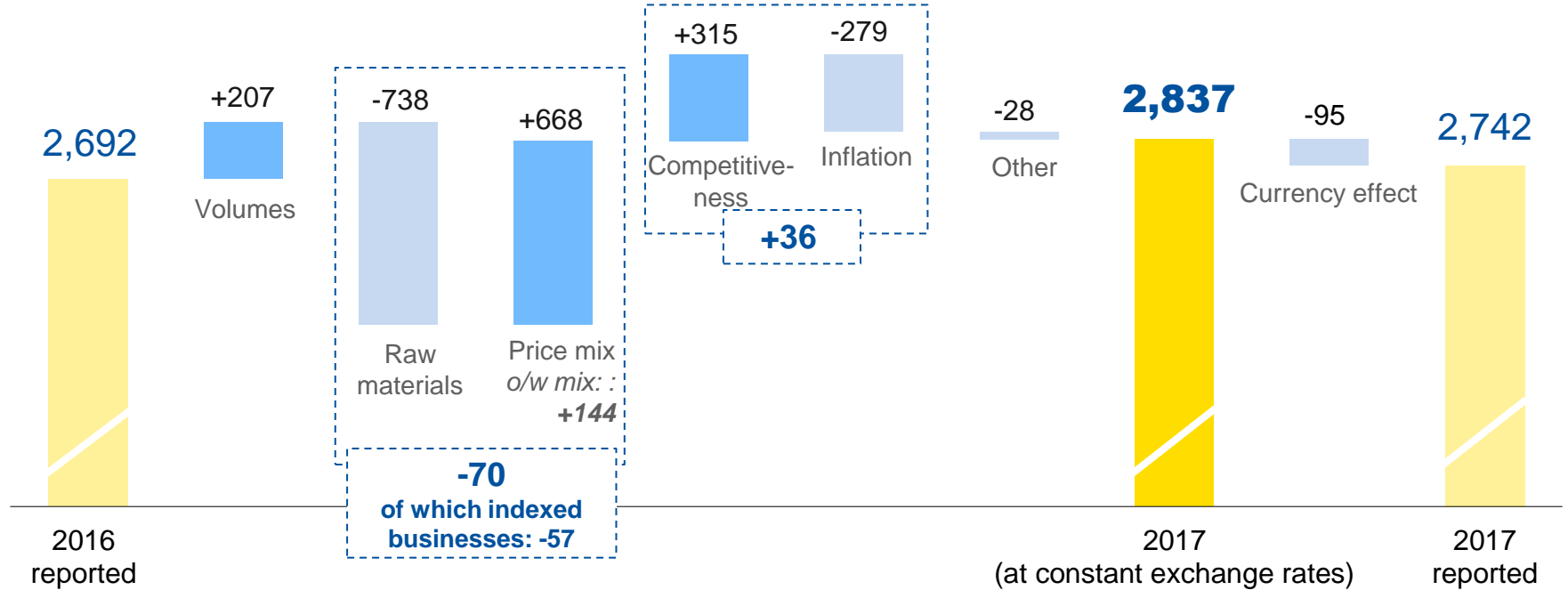
# Still strong price effect in Q4, as announced, led by RT price increases and the application of indexation clauses

▲ (as a % of net sales)



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

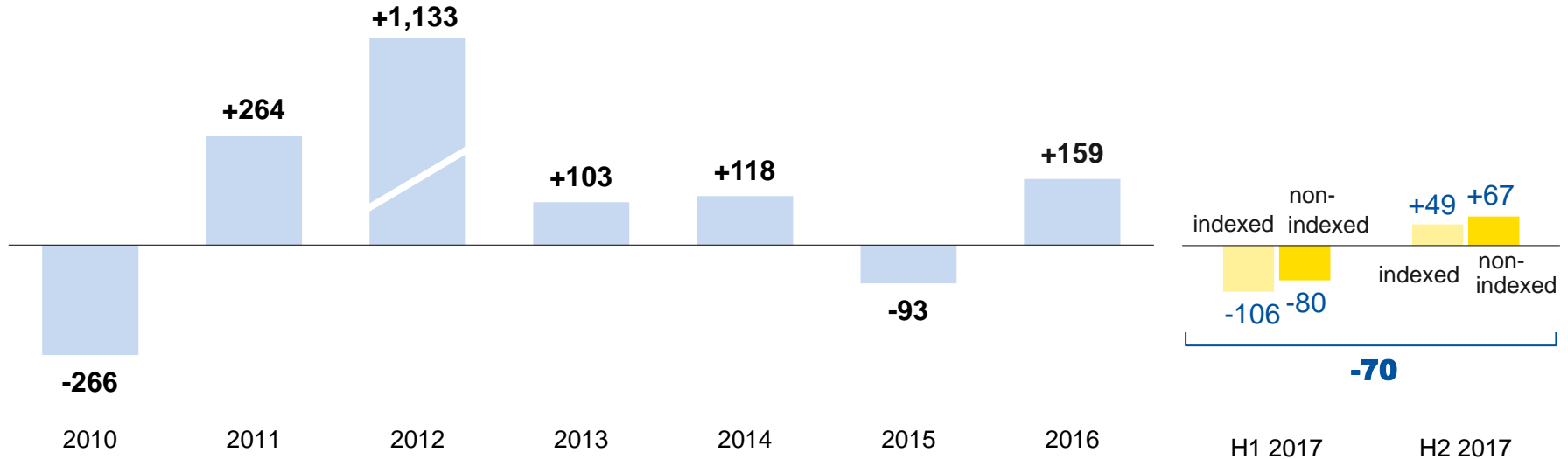
▲ YoY change in operating income\* (in € millions)



\*from recurring activities

# An assertive pricing policy, 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

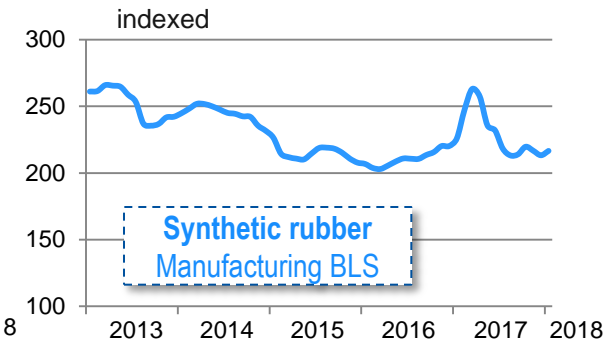
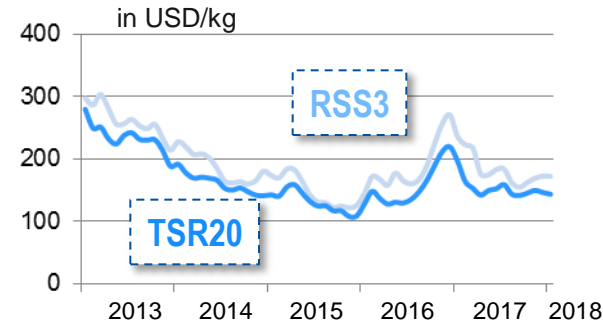
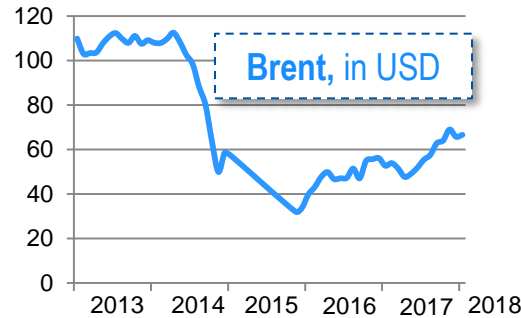
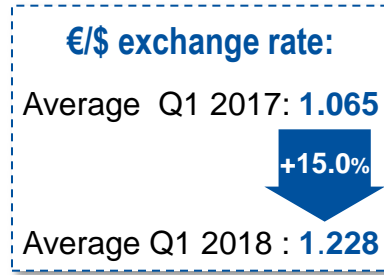
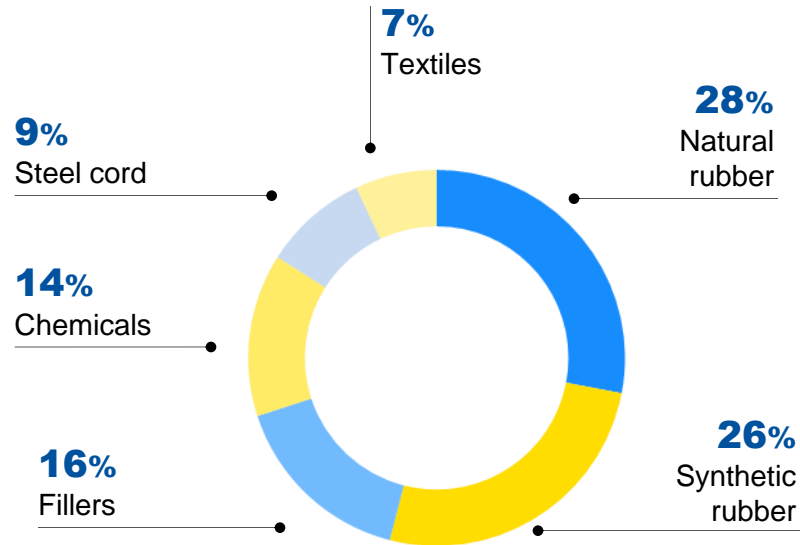
<i>(in € millions)</i>		<b>2017</b>	2016	<i>Variation</i>
	<b>RS1 Net sales</b> <b>Operating income*</b> Operating margin*	<b>12,479</b> <b>1,552</b> <b>12.4%</b>	12,105 1,585 13.1%	+3% -2% -0.7 pts
	<b>RS2 Net sales</b> <b>Operating income*</b> Operating margin*	<b>6,123</b> <b>497</b> <b>8.1%</b>	5,966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

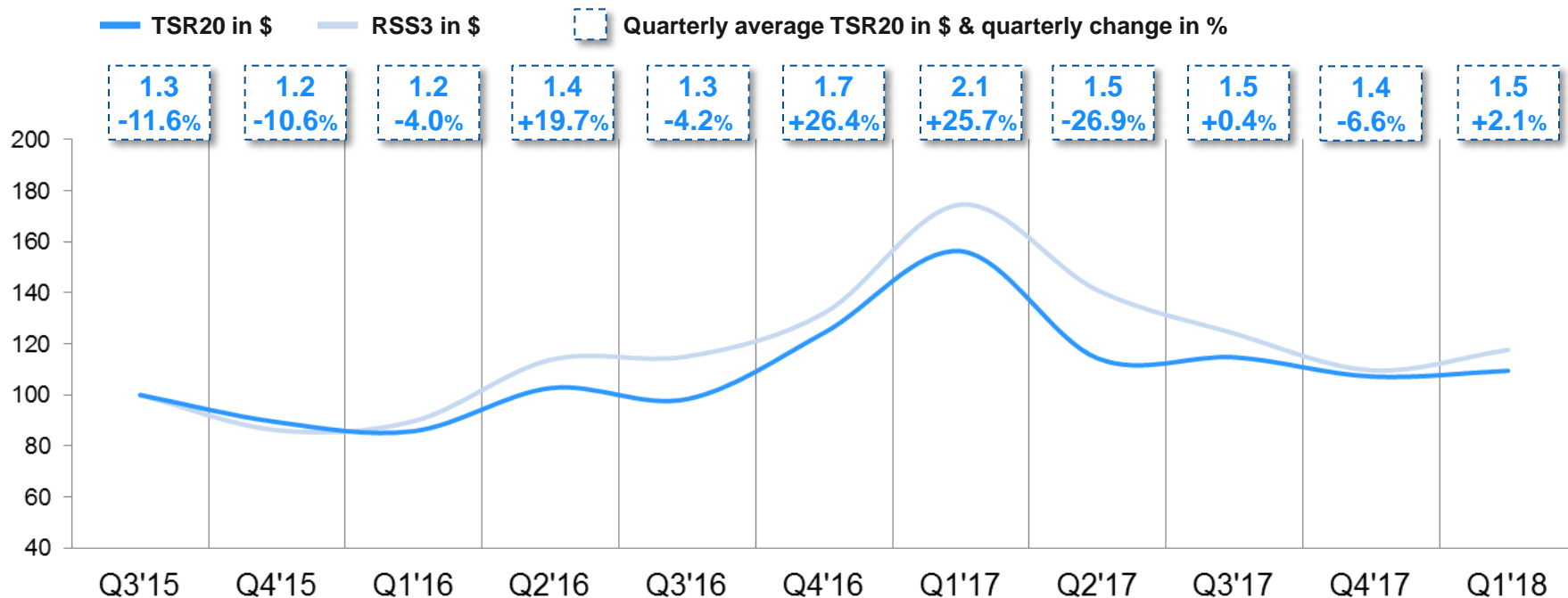
## ▲ Raw material purchases in 2017 (€5.2bn)





# Natural Rubber price trend

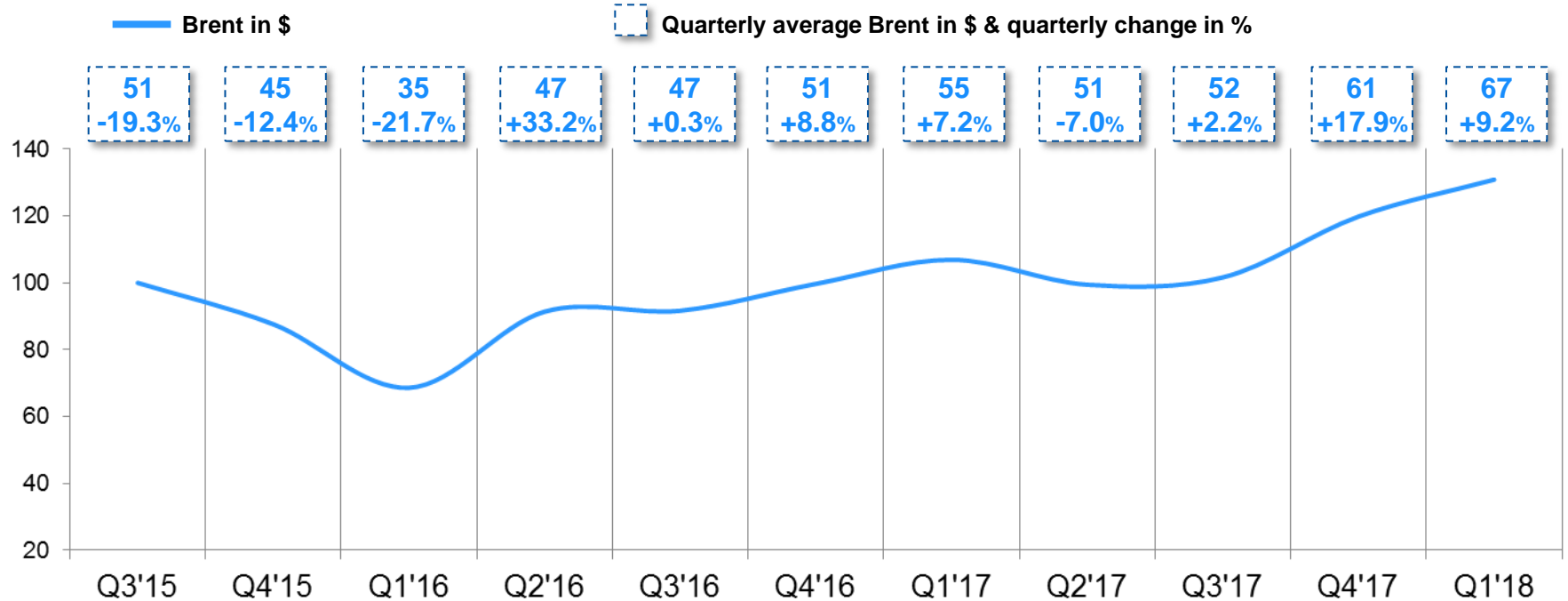
▲ Indexed, at end of March 2018 (per kg, base 100 in Q3'15)



Source: SICOM

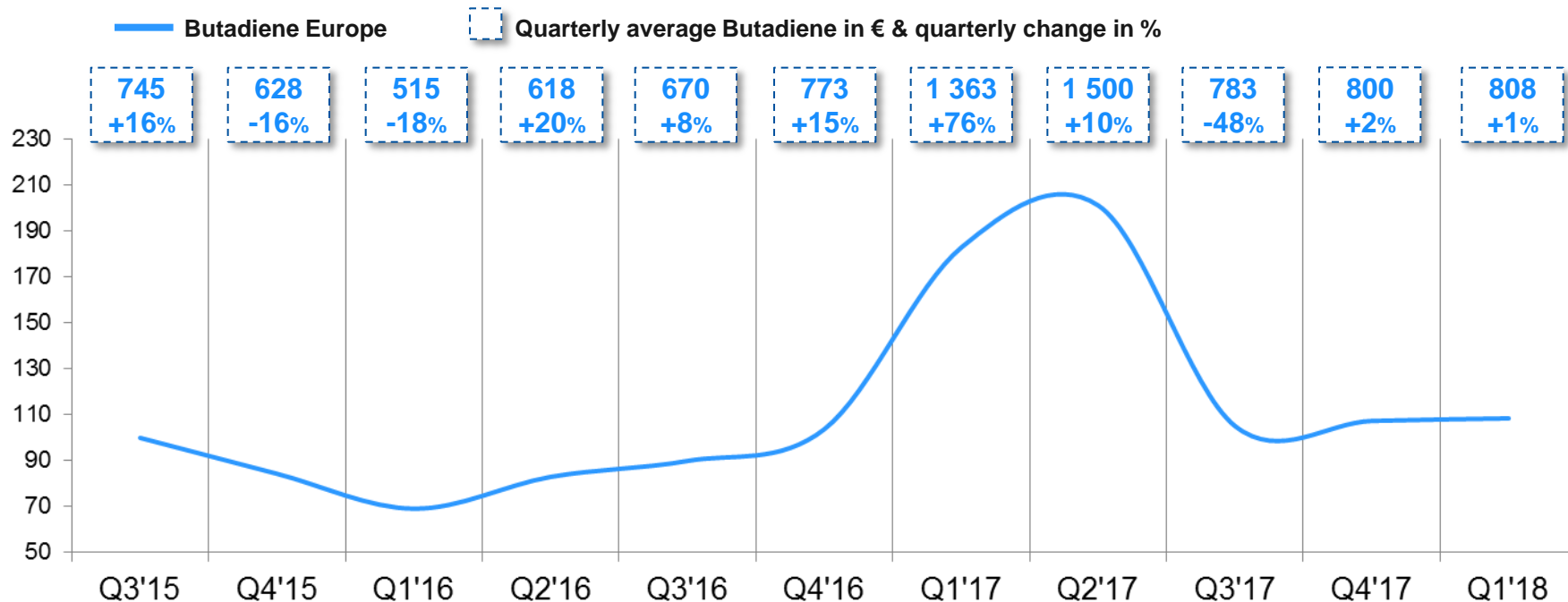
# Brent price trend

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



# Butadiene price trend

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



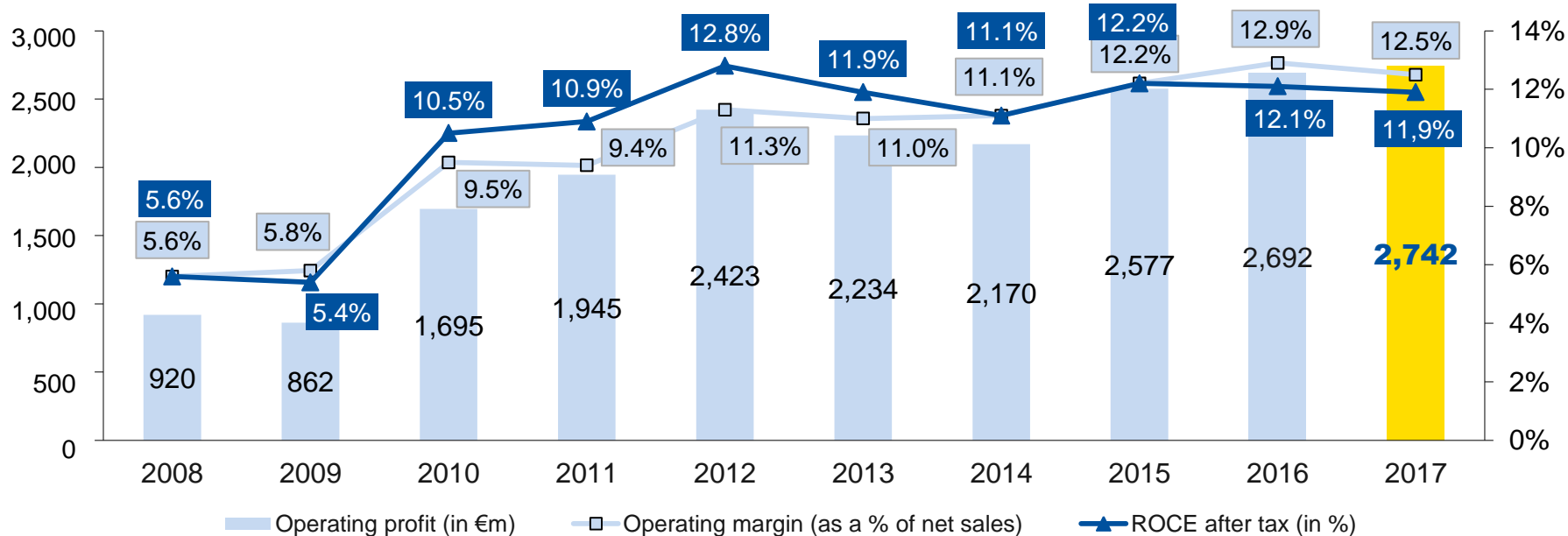
Source : IHS

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

- **Dividend dates:**

- **May 22, 2018:** Ex-dividend date
- **May 23, 2018:** Record date
- **May 24, 2018:** Payment date

# 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.

This presentation may contain a number of forward-looking statements. Although the Company believes that these statements are based on reasonable assumptions at the time of the publication of this document, they are by nature subject to risks and contingencies liable to translate into a difference between actual data and the forecasts made or induced by these statements."

**Edouard de PEUFEILHOUX**  
**Matthieu DEWAVRIN**  
**Humbert de FEYDEAU**

**+33 (0)4 15 39 84 68**

27, cours de l'île Seguin  
92100 Boulogne-Billancourt - France

*[investor-relations@michelin.com](mailto:investor-relations@michelin.com)*