

BRUSSELS – ODDO BHF

DECEMBER 11, 2018

December 11, 2018
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1 / **2018 & 2019 outlook**

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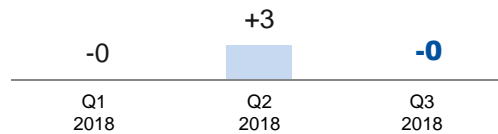
Brussels - ODDO BHF - December 11, 2018



2018 market scenario: significant slowdown in Passenger car and Truck tires in H2; sustained growth in Specialties



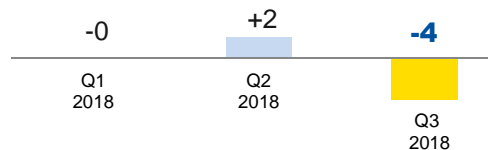
PC/LT 2018: +0,5% / +0,7%



- OE: sharp slowdown in the global market
- RT: cooling demand in $\leq 16''$ tires, sustained growth in $\geq 18'$ tires
- China: Slowdown in OE market and RT impacted by inventory drawdown
- Impact on markets of currency depreciation in emerging countries



TRUCK 2018: -1,5% / -2%



- OE and RT markets dampened by slowing demand in Asia, particularly in China
- Slight growth in markets excluding China
- Impact on markets of currency depreciation in emerging countries



SPECIALTIES 2018 : +6% / +7%

- Mining tires: sustained strong demand ($\sim +10\%$), led by growth in the global economy and the end of destocking
- Off-road: strong growth in OE Construction; OE Ag slowing down in H2, RT Ag stable
- Growth in the Two-wheel, Commuting and Aircraft segments

2018 scenario

	H1 actual	H2 2018	2018
Net impact of price-mix and raw materials prices	+ €264m	Stable	Positive
Including impact from raw materials costs	- €67m	around - €50m	around - €120m *
Competitiveness plan gains vs. inflation	- €42m	around + €40m	neutral
Currency effect	- €218m	around - €60m **	around - €280m **
Standard effective tax rate 2018			ETR of 28%

*2018 average prices: Natural rubber: \$1.45/kg; butadiene (US, Europe and Asia): \$1346/t; Brent: \$74/bbl

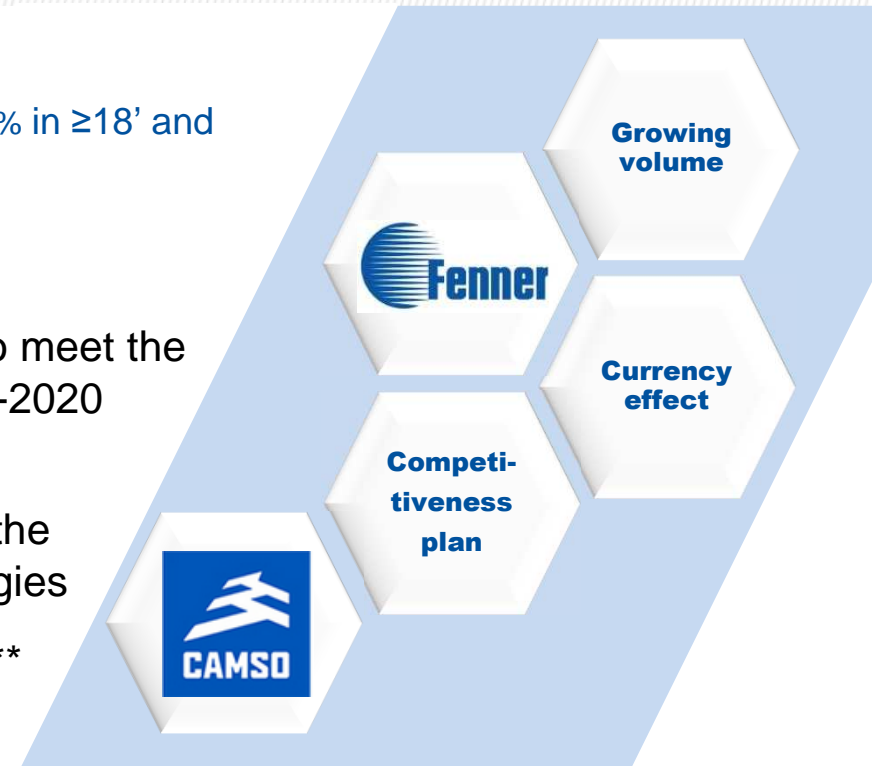
** with 2018 October currency effect with an average €/€ at 1.15

2018 guidance reminder

	2018
Volumes	Growth in line with the markets
Operating income from recurring activities at constant exchange rates	> €200m vs. 2017
Structural FCF	> €1,100m

Preliminary 2019 scenario

- Market trends
 - Passenger car & Light truck: ~+1.5% of which ~+10% in ≥18' and slight upturn in the Chinese market
 - Truck: ~0%
 - Specialties: from +4% to +5%
- Faster deployment of the competitiveness plan to meet the target of saving more than €600m over the 2019-2020 period
- Around €150m in additional EBIT vs. 2018 from the Fenner and Camso* acquisitions including synergies
- Currency effect expected to be slightly favorable**

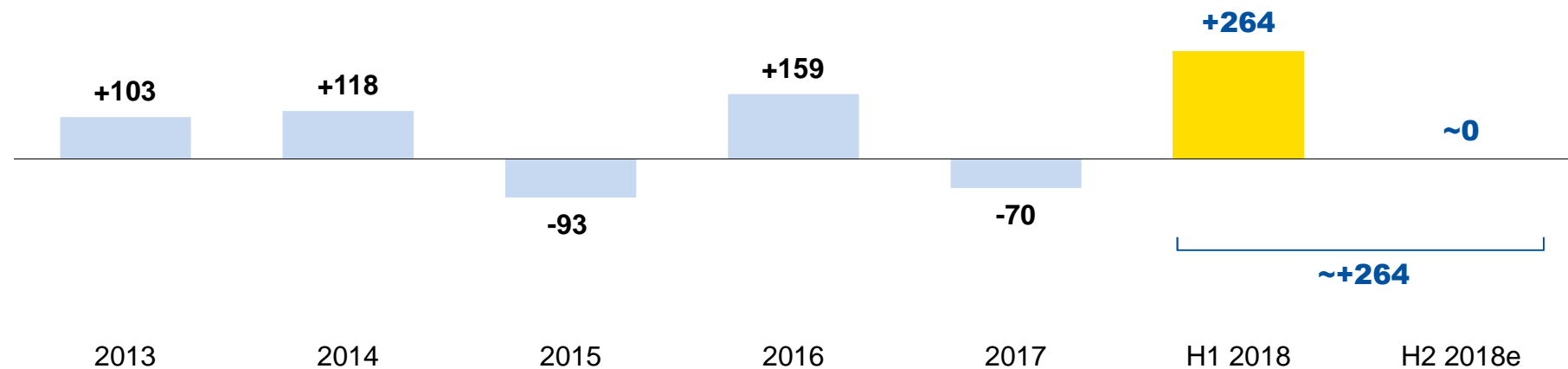


* Pending the regulatory approvals expected to be obtained in December 2018

** Based on average exchange rates of October 2018 (o/w €/€ at 1.15)

An assertive pricing policy

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



- Steady pricing policy offsetting raw materials changes
- Recent price increases announced in North America for 2019 in PC and TB

* from recurring activities

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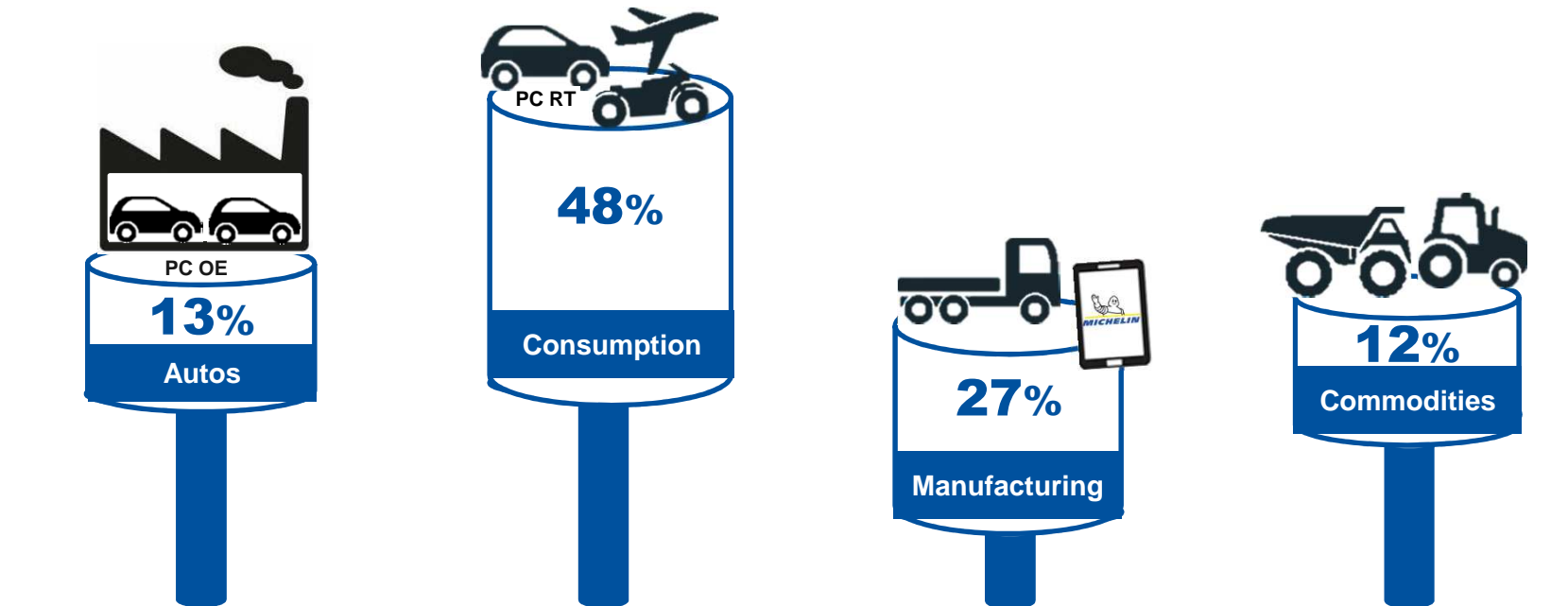


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Levers for Growth

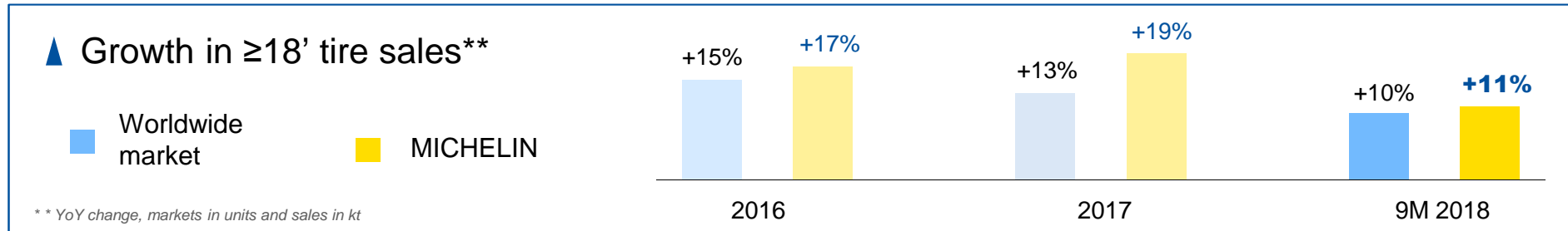
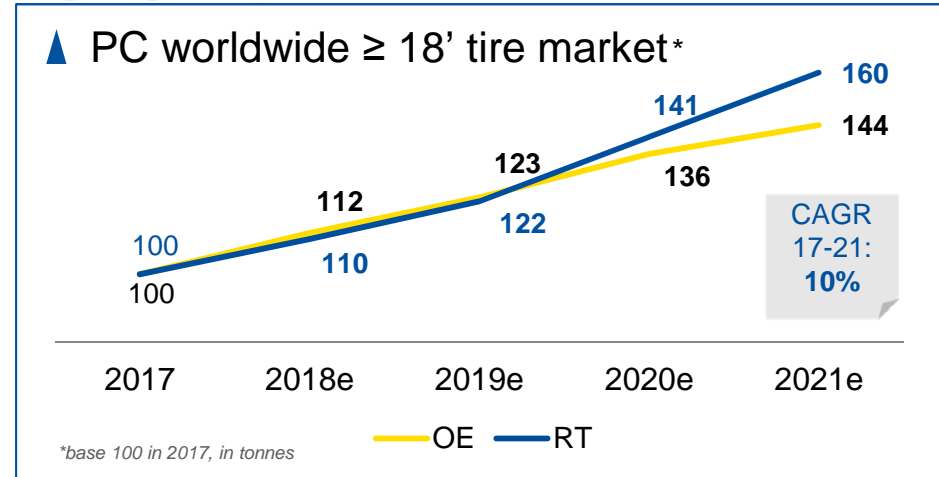
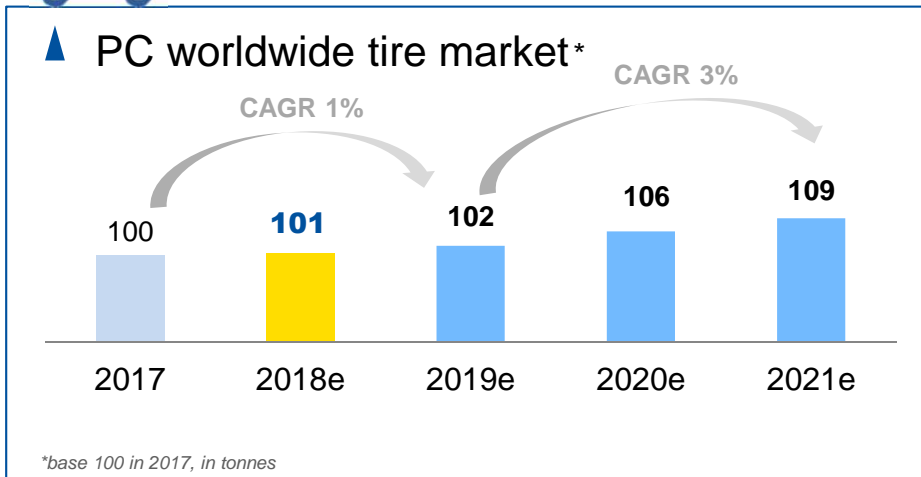
A business model strongly linked to consumption

▲ Net sales by drivers*



*2017 net sales by sector

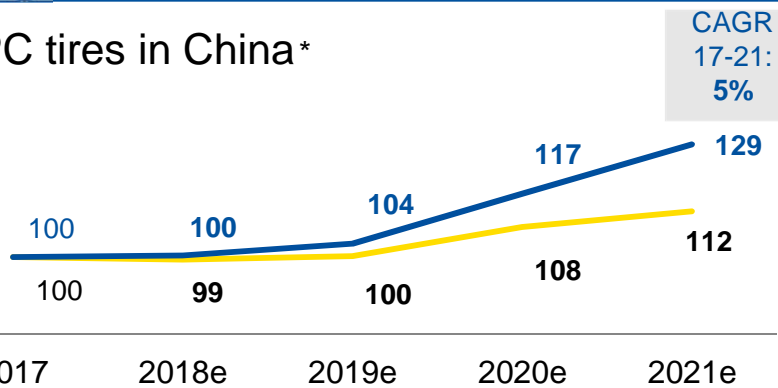
2017-2021 projections: structurally sustained worldwide demand driven by a strong growth in ≥18'



China: Michelin brand leadership on a structurally growing market driven by $\geq 18'$ demand



▲ PC tires in China*

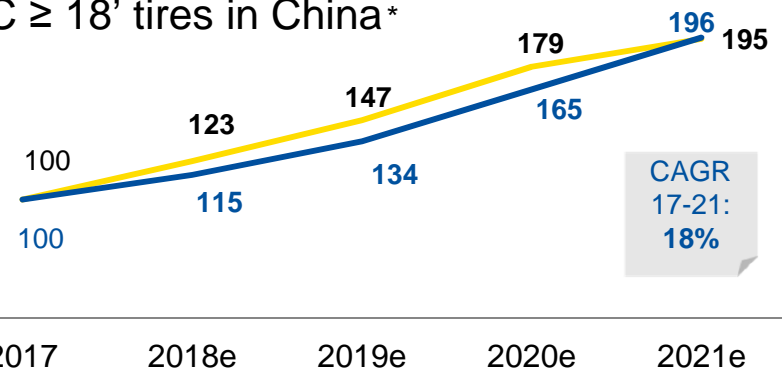


*base 100 in 2017, in tonnes

— OE — RT



▲ PC $\geq 18'$ tires in China*

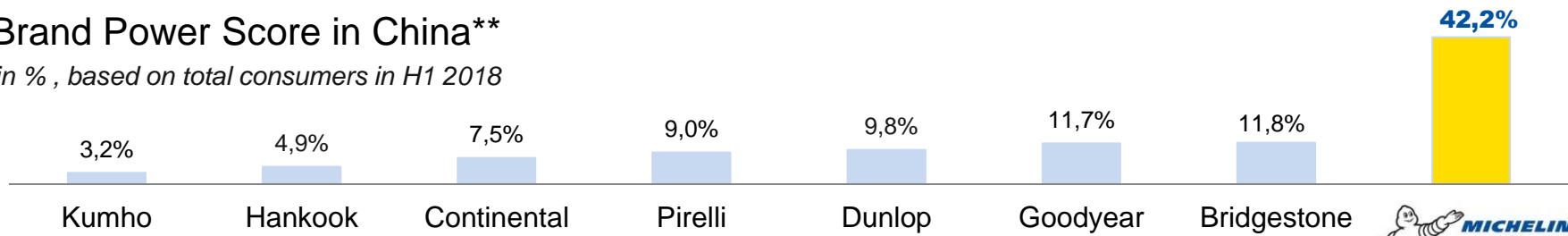


*base 100 in 2017, in tonnes

— OE — RT

▲ Brand Power Score in China**

in % , based on total consumers in H1 2018



** BCM study conducted by market research institute Millward Brown, based on the reduced brand list of 8 brands



MICHELIN, THE premium brand

Michelin position at Prestige OEM

<i>Leader</i>	<i>Leader</i>	<i>Leader</i>	<i>Leader</i>	<i>Leader</i>	<i>Co-leader</i>	<i>Co-leader</i>	<i>Top 2</i>
							FERRARI

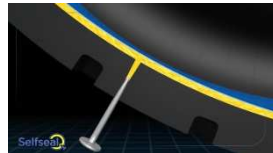
Technologies

Acoustic



Reduces the rolling noise generated by the tire inside the car

Selfseal



Self sealing solution: a rubber compound that immediately plugs anyholes in the tread

Track connect



The first connected tire to own the track

Premium Touch



Full ring checkered sidewall. Patented premium touch velvet finish

Acorus



A flexible wheel that improves the ride and comfort

Michelin Primacy 4: safe when new, safe when worn⁽¹⁾

NEW
MICHELIN PRIMACY 4



SAFE WHEN NEW **SAFE WHEN WORN***

*New and Worn (worn means 2 mm tread depth), on 205/55 R16 91V. MICHELIN PRIMACY 4 is above the R117 European regulation wet grip threshold



1) Whether new or worn, the 205/55 R16 91V MICHELIN PRIMACY 4 exceeded the R117 European regulation wet grip threshold. Worn means worn on a machine (buffed) to the depth of the tread wear indicator according to European regulation for Tread Wear Indicator ECE R30r03f.

(2) Test conducted by DEKRA TEST CENTER, on Michelin's request, between June and July 2017, on dimension 205/55 R16 91V on VW Golf 7 comparing MICHELIN PRIMACY 4 versus the average of the following competitor tires: BRIDGESTONE TURANZA T001 EVO, CONTINENTAL PREMIUM CONTACT 5, DUNLOP BLURESPONSE, GOODYEAR EFFICIENT GRIP PERFORMANCE, PIRELLI CINTURATO P7 BLUE. Longevity test run in average real usage (Michelin test D50) with 10,000 km run and estimated longevity at 1.6mm.

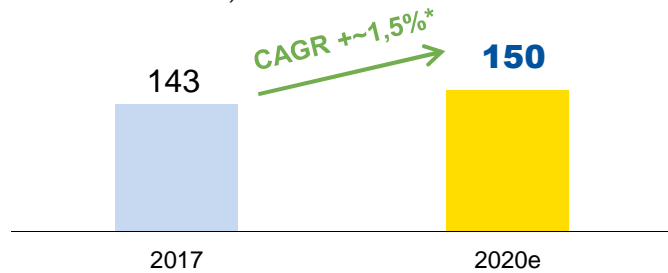
(3) Wet braking test, between 80 and 20 kph, conducted by TÜV SÜD product service, on Michelin's request, between June and July 2017, on dimension 205/55 R16 91V on VW Golf 7 comparing MICHELIN PRIMACY 4 versus the average of the following competitor tires: BRIDGESTONE TURANZA T001 EVO, CONTINENTAL PREMIUM CONTACT 5, DUNLOP BLURESPONSE, GOODYEAR EFFICIENT GRIP PERFORMANCE, PIRELLI CINTURATO P7 BLUE. Worn, MICHELIN PRIMACY 4 is joint-leader with BRIDGESTONE TURANZA T001 EVO. Worn means worn on a machine (buffed) to the depth of the tread wear indicator according to European regulation for Tread Wear Indicator ECE R30r03f.

Information valid as of the date of publication – 01/2018 MFP Michelin, registered in Clermont Ferrand, no. 855 200 507, partnership limited by shares with capital of €504,000,004. Created by: All Contents - 10/2017 - ©Michelin - 17060238

Truck : sustained demand in every zone except China, favorable impact from services



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



*excluding China

- Expanding service offers



More than 840 000 of trucks with contracts

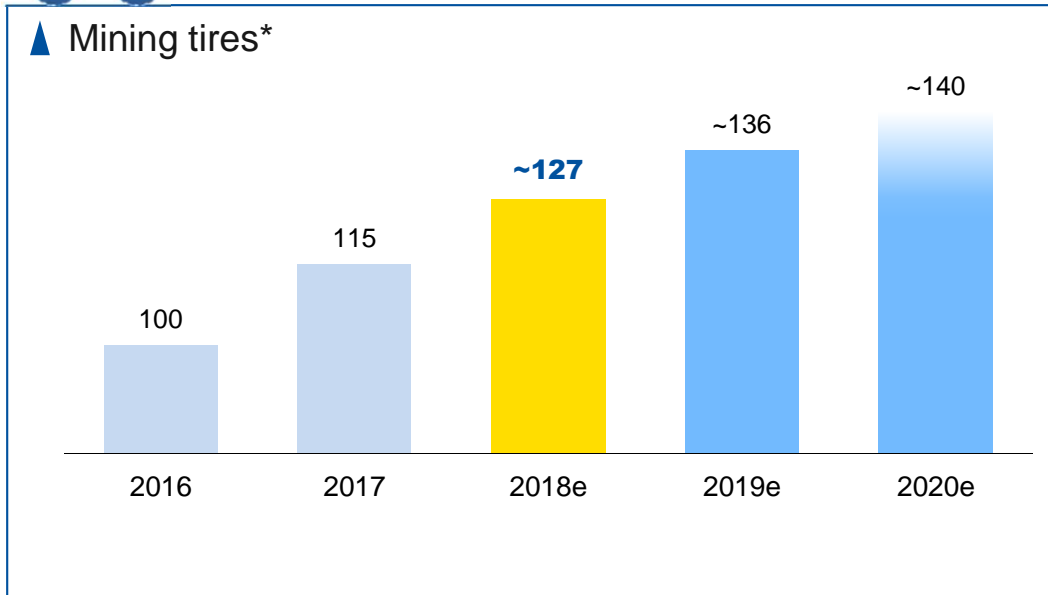
- Deploying Sascar in Americas



MICHELIN X® MULTI™ ENERGY™ Z & D
 Energy efficiency on versatile usage
 with a high level of mileage and safety
Save up to 1,2 L of fuel / 100km**

** Calculations made with the VECO tool configured on the basis of a 4x2 tractor unit and 3-axle semi-trailer equipped with new tires 315/70 R 22.5 MICHELIN X® MULTI™ ENERGY™ Z and D vs equipment 315/70 R 22.5 MICHELIN X® MULTIWAY™ 3D XZE and XDE, traveling an average of 100,000 km / year, based on average vehicle use between 5 and 7 years old.

Mining tire markets: customer-aligned solutions and Fenner acquisition to capture strong market growth



MICHELIN
MEMS
Evolution 4



MICHELIN
XDR 3



Restart of the
Anderson
plant



Conveyor belts

















Services and
solutions



*base 100 in 2016, in tonnes

Four areas of growth: Capex and acquisitions to support our value creation strategy

	Tires	Services	Experiences	Materials
2015-2020 target	Net sales +20%	Net sales doubled	Net sales tripled	Capitalize on our leadership
2018 partnerships and acquisitions...	     			  
...in line with the 2020 strategy	 <p>Capital expenditure</p>	<p>Distribution</p> 	<p>Experiences: travel and fine dining</p> 	 <p>High-tech materials</p>

Fenner integration proceeding as planned: £60m in synergies expected by 2021

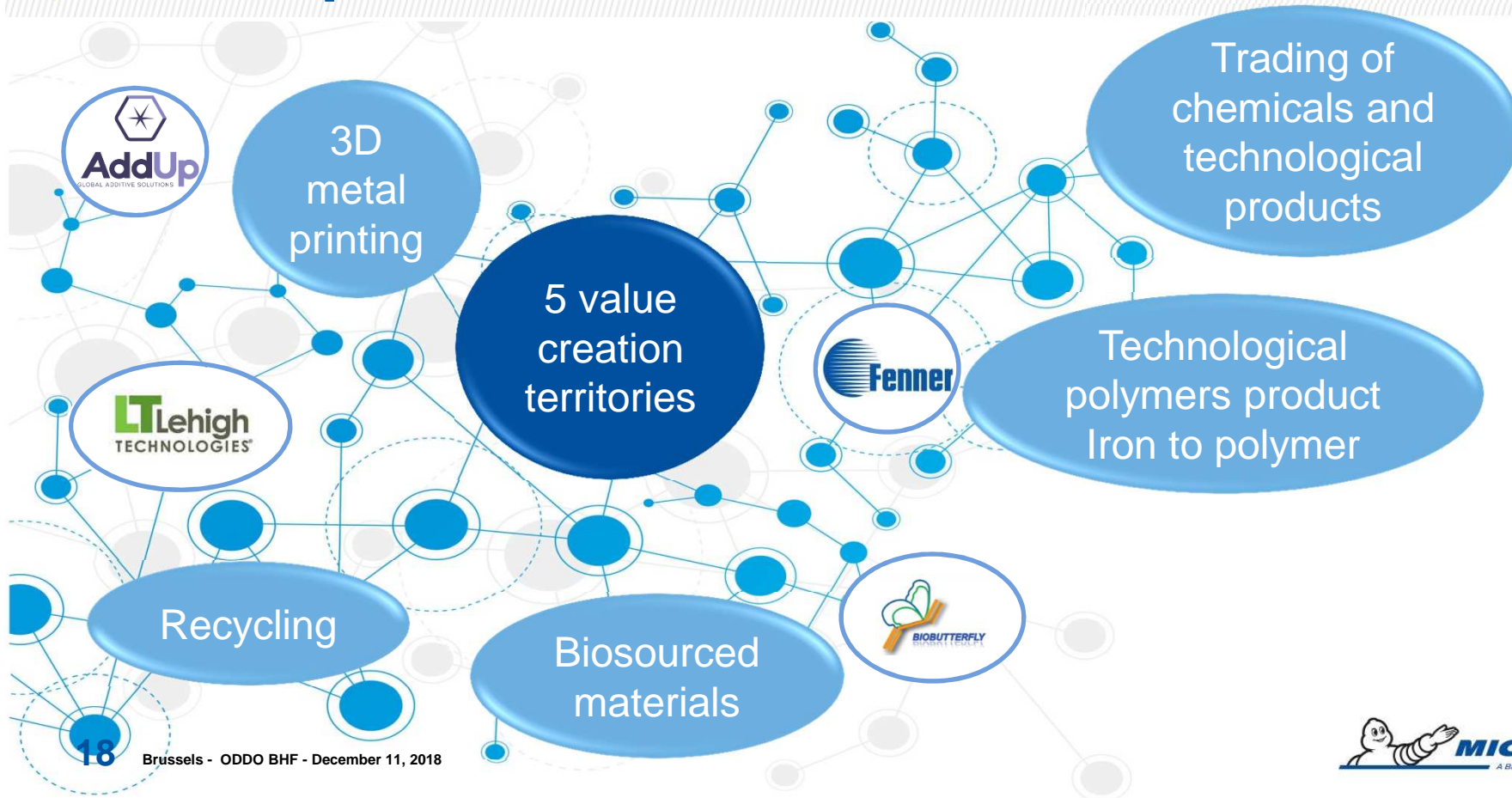


- Faster growth in net sales and improved margins in 2018
- Fenner expected to contribute around €40m in EBIT in 2018
- Synergies expected to total £60m by 2021, of which £30m in 2019

Fenner key 2018 figures		
<i>(in £ millions)</i>	2018 (latest consensus)	2018e/ 2017
• Net sales	682	+4.1%
• EBITDA	99	+15.1%
• EBITDA margin	15%	+2 pts



Technological materials: capitalizing on our R&D leadership to create more value with our assets



Proposed acquisition of Camso to create the world leader in off-the-road mobility solutions



- Manufactures and supplies high performance products and services for off-the-road mobility markets
 - Technological leadership in rubber tracks and solid tires
 - Competitive production facilities, particularly in Sri Lanka and Vietnam.
- Up to \$55m in identified synergies by 2021 and around \$20m in WCR optimization
- Accretive to EPS from year one and creation of major value
- \$1.45bn in cash out and closing scheduled for November 2018 after regulatory approvals are obtained

Camso* key figures		
(in \$ millions)	2018	2012
• Net sales	974	865
• EBITDA	136	105
• EBITDA margin	14%	12%

- Fast growth and major improvement in margins
- 7,700 employees in 26 countries, of whom around 5,500 in Sri Lanka and 300 in Magog, Quebec
- 17 plants and 3 research centers

*Fiscal year ends March 31



Vision concept: identified and celebrated as a great product of the future by the Red Dot



On September 28, 2018, Michelin received the famous Red Dot “Best of the Best” award in Singapore, for its VISION concept.



Permanent structure

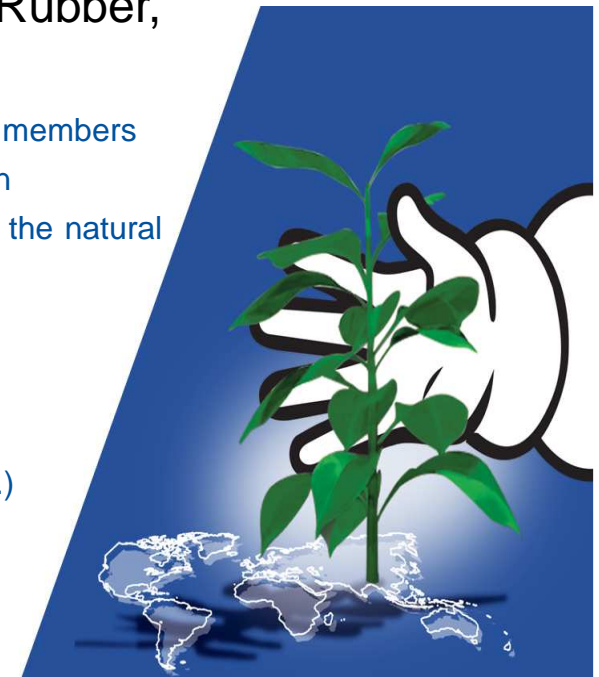
**Airless
Recycled
Recyclable**

On demand tread

**3D printing
Renewable
Biodegradable**

Renewable natural rubber's essential role in our sustainable mobility

- Reforestation of 88,000 hectares (o/w ~45,000 with rubber trees) in Indonesia through a joint venture with Barito Pacific Group
- GPSNR: A Global Platform for Sustainable Natural Rubber, launched in Singapore in October 2018
 - Project initiated by the Tire Industry Project of which Michelin is one of the founding members
 - All the stakeholders in the natural rubber value chain were gathered for the occasion
 - The ambition is to improve the environmental and socio-economic performance of the natural rubber industry
- Rubberway: an innovative application
 - Designed to map supply chain risks
 - Identify best practices in various regions concerned (Thailand, Indonesia...)



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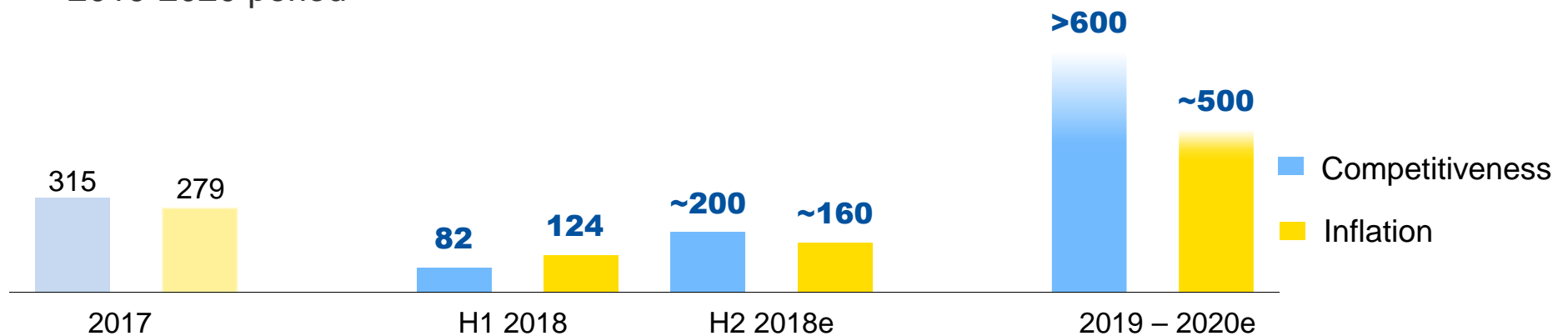


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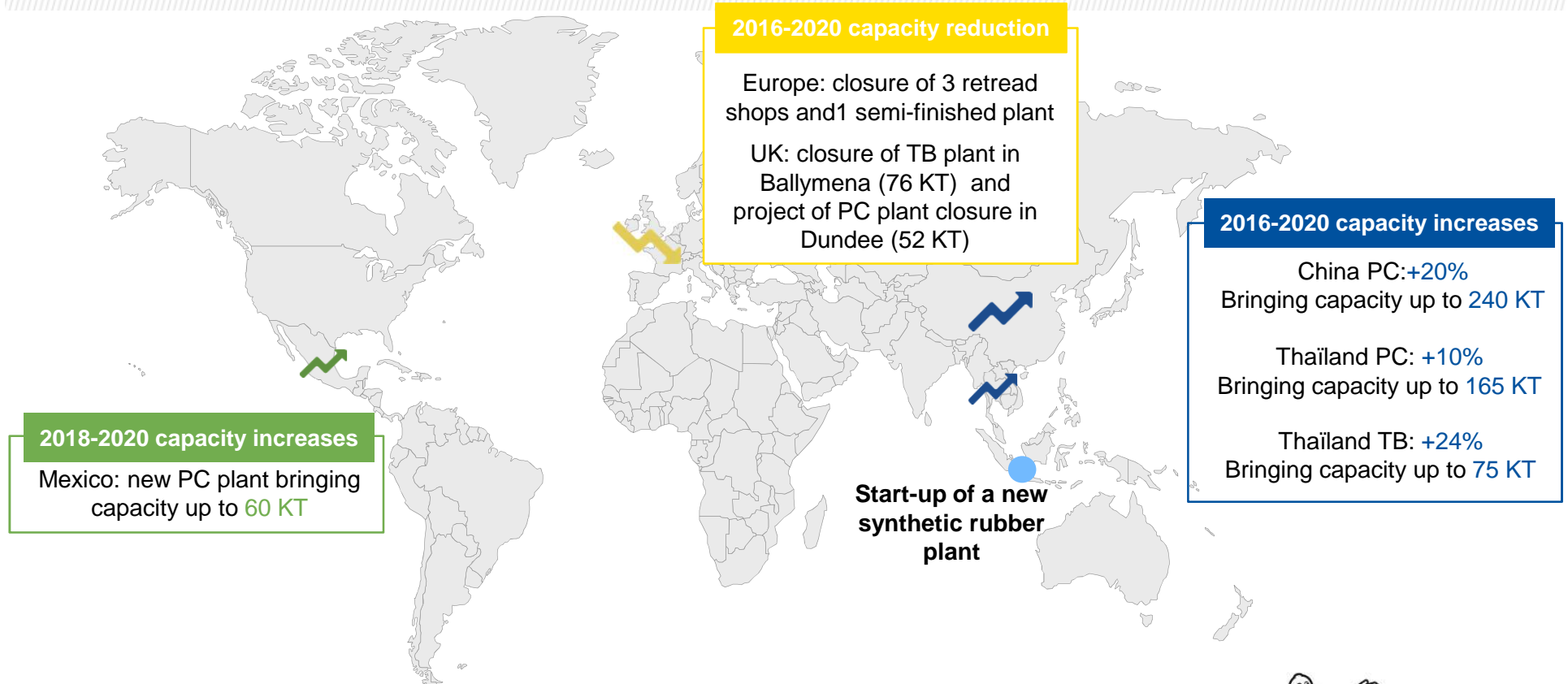
Levers for Competitiveness

Confirmation of the competitiveness plan: €1.2 billion savings over the 2017-2020 period

- Competitiveness plan gains to offset inflation in 2018, reflecting:
 - A €42m negative impact in H1, due to the roll-out of the new organization and the weak volume performance
 - A positive impact in H2 (estimated at around €40m) despite the slowdown in demand
 - A stronger inflation on energy and logistic costs of around €40m
- Competitiveness plan confirmed, with more than €600 million in savings forecast for the 2019-2020 period



Keeping on improving Michelin's industrial footprint: serving local demand with local production



Project of Dundee plant closure: adjusting our capacities to Passenger car market environment

- A UK site dedicated to ≤ 16” MICHELIN tyres for passenger cars
- Unfavourable market trends shaped by a strong slow down of the ≤ 16” market have made the plant unsuitable and its conversion not financially viable
- Plant closure by mid 2020
- Financial impacts:
 - £140m non recurring costs recorded in 2018
 - £50m cash out in 2019 and 2020
 - £40m annual productivity gains by 2021

<i>In £m</i>	2018	2019	2020	2021	Total non-recurring expense
Non-recurring cost	(140)	0	0	0	(140)
o/w cash out	0	(50)	(50)	0	(100)
					Following years
Productivity gains	0	0	+20	+40	+40

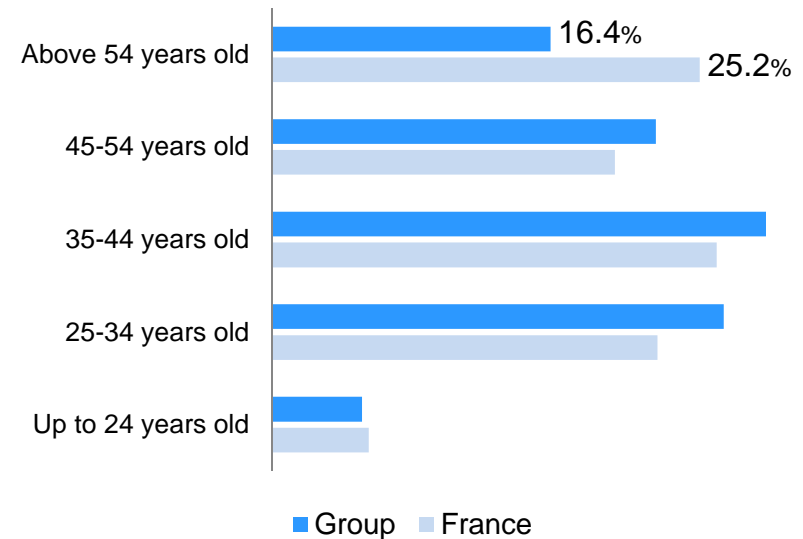
Reorganization project announced in June 2017 on track: reduction of corporate positions by 1,420 worldwide

▲ 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*



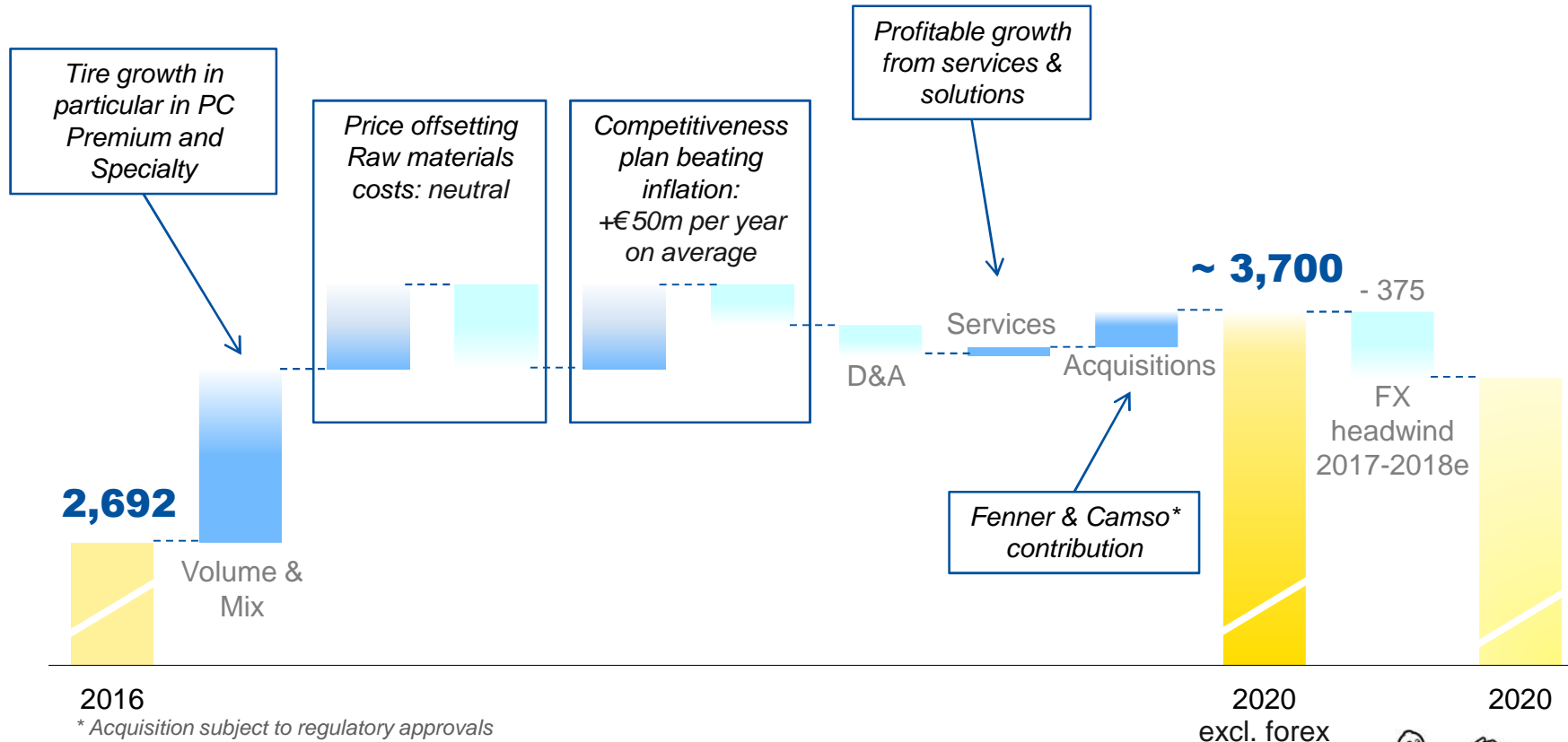
* Manufacture Française des Pneumatiques Michelin

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4 / **2020 Ambition for Profitability**

2016-2020: profitability levers



2016

* Acquisition subject to regulatory approvals

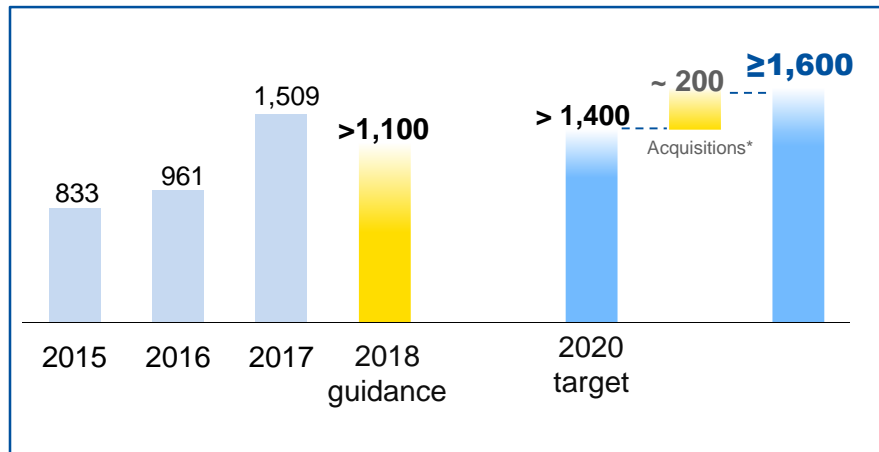
2020
excl. forex

2020



Strong structural free cash flow of at least €1,600m in 2020

▲ Deliver structural FCF \geq €1,600m
as from 2020
(in € millions)



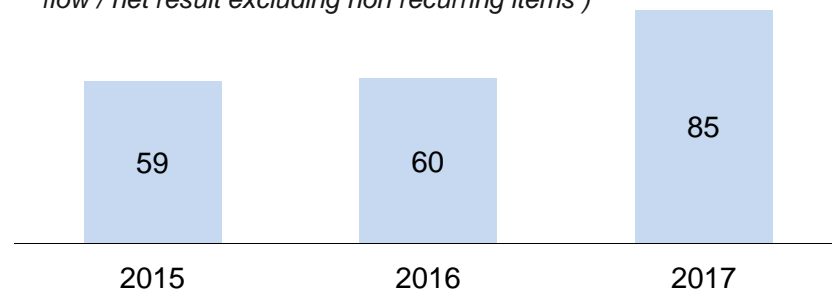
Free cash flow improvement by 2020 Including acquisitions*

- EBITDA excluding Forex of ~€5,300m
- Capex stabilizing at ~€1.7bn/€1.8bn
- Working capital management leading to €250m reduction in inventory

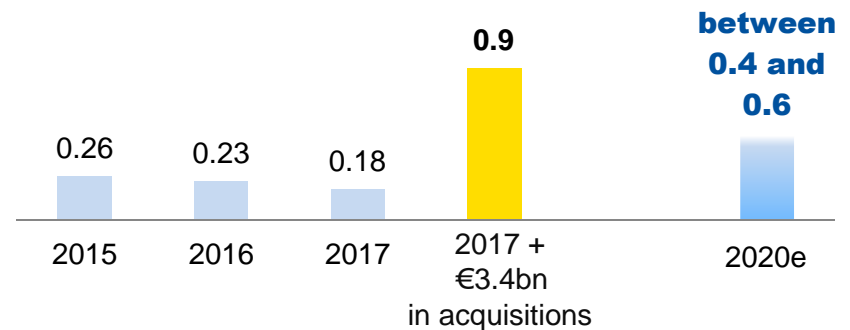
*Fenner and Camso (subject to regulatory approvals)

High free cash flow and a robust financial position

▲ Cash conversion (in % - structural free cash flow / net result excluding non recurring items)



▲ Net debt/EBITDA*

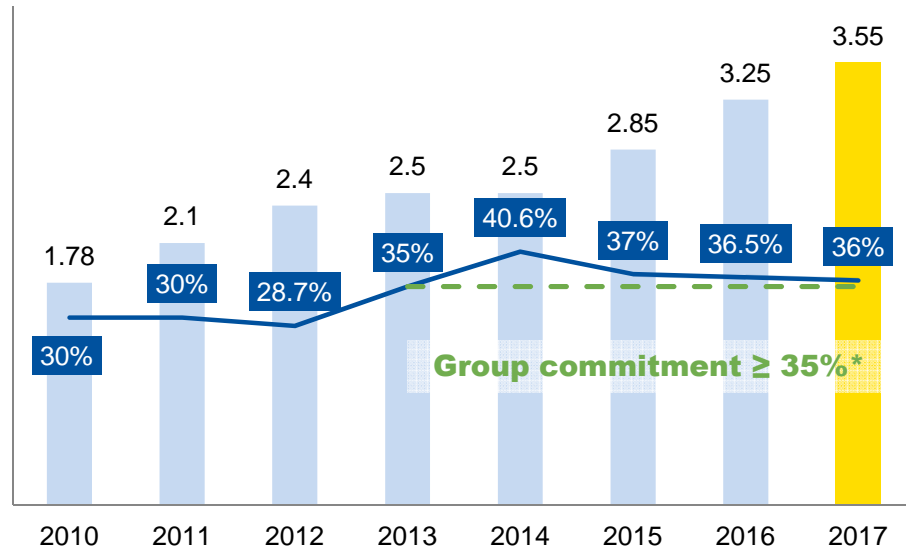


- Net debt/EBITDA peaking in 2018 due to cash out for planned acquisitions during the year, before easing to between 0.4 and 0.6 in 2020
- Rating agencies Moody's, Standard & Poor's and Fitch have confirmed an A-/A3 credit rating after the Camso acquisition project announcement bringing to €3.4bn the cash out in 2018
- Success of a three-tranche bond offering for a total amount of €2.5bn (of which a 20 year-tranche of €750m), rated A- by Standard & Poor's and A3 by Moody's.

*See the 2017 Registration Document, notes 3.7.2 and 26 to the consolidated financial statements

Sustained shareholder return policy: dividends and share buybacks

- 2017 dividend of €3.55 per share, or a payout ratio of 36%*



- Dividend per share (in €)
- Payout ratio (in %)
- Group commitment: payout ratio $\geq 35\%$ * over the 2013-2020 period

* of Net results adjusted from non-recurring items

Share buyback programs

- 2015-2016: €750m in buybacks and 4.5% of outstanding shares canceled
- 2017-2018: €176m in buybacks and 0.9% of outstanding shares canceled

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Appendices

PC Tire Market: In October, replacement markets in mature zones benefitting from one additional day of sales and increasing demand in North America, while emerging regions show a sharp slow down due to uncertain economic environment that results in delayed consumption notably in China. OE demand still declining in Europe and China, whereas North America benefits from favorable basis of comparison.

October 2018 / 2017

Market	Europe including Russia & CIS *	Europe excluding Russia & CIS *	North America	South America	China
Original equipment tires	▼ -1%	▼ -1%	▲ +7%	▲ +12%	▼ -12%
Replacement tires	▲ +4%	▲ +3%	▲ +8%	▼ -13%	▼ -6%

YTD (October 2018)

Market	Europe including Russia & CIS *	Europe excluding Russia & CIS *	North America	South America	China
Original equipment tires	▼ -1%	▼ -1%	▼ -2%	▲ +10%	▼ -2%
Replacement tires	▲ +2%	▲ +1%	▲ +3%	▼ -7%	▼ -3%

* Turkey included

TB Tire Market: In October, freight demand and one additional day of sales support strong OE and RT markets in Europe and North America.

October 2018 / 2017

Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	South America
Original equipment tires	▲ +6%	▲ +6%	▲ +35%	▲ +31%
Replacement tires	▲ +6%	▲ +2%	▲ +13%	▼ -3%

YTD (October 2018)

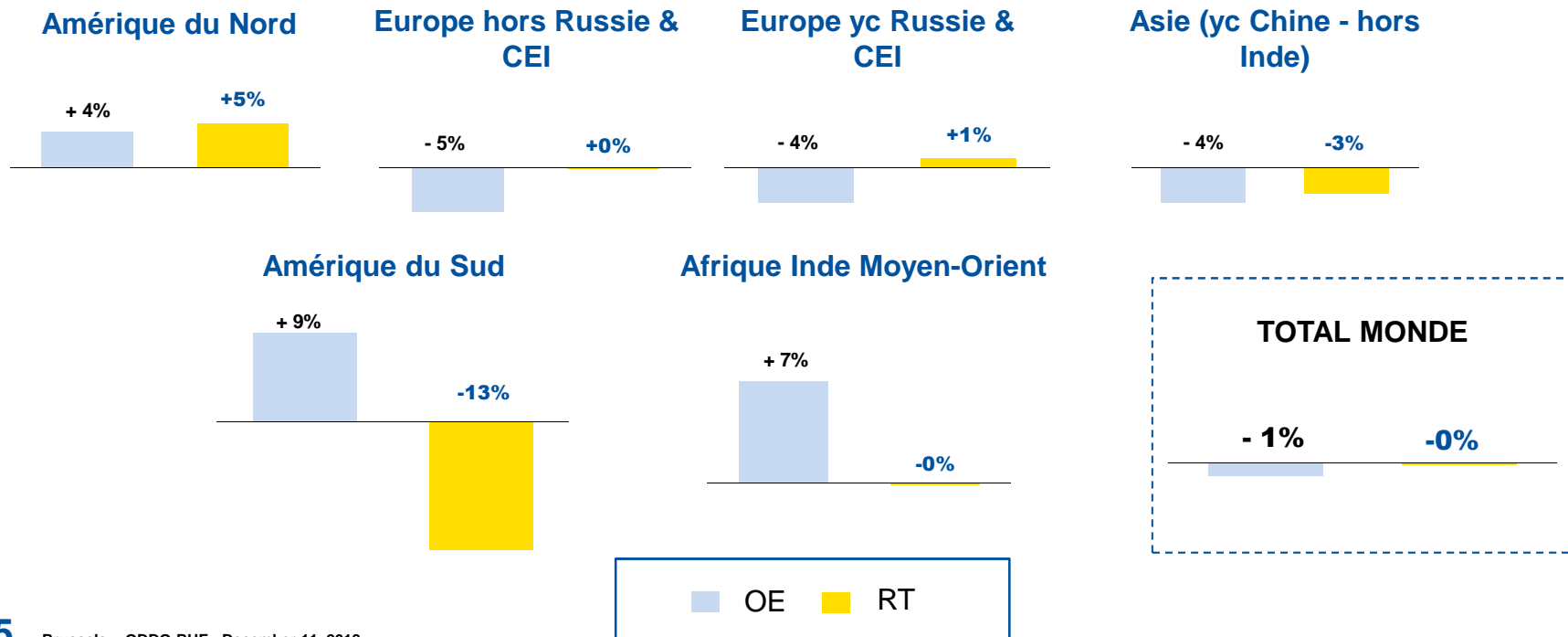
Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	South America
Original equipment tires	▲ +5%	▲ +5%	▲ +18%	▲ +59%
Replacement tires	▲ +1%	▼ -0%	▲ +9%	▲ +3%

* Turkey included

Q3 Passenger car: Global market starting to slow Favorable comparatives in North America



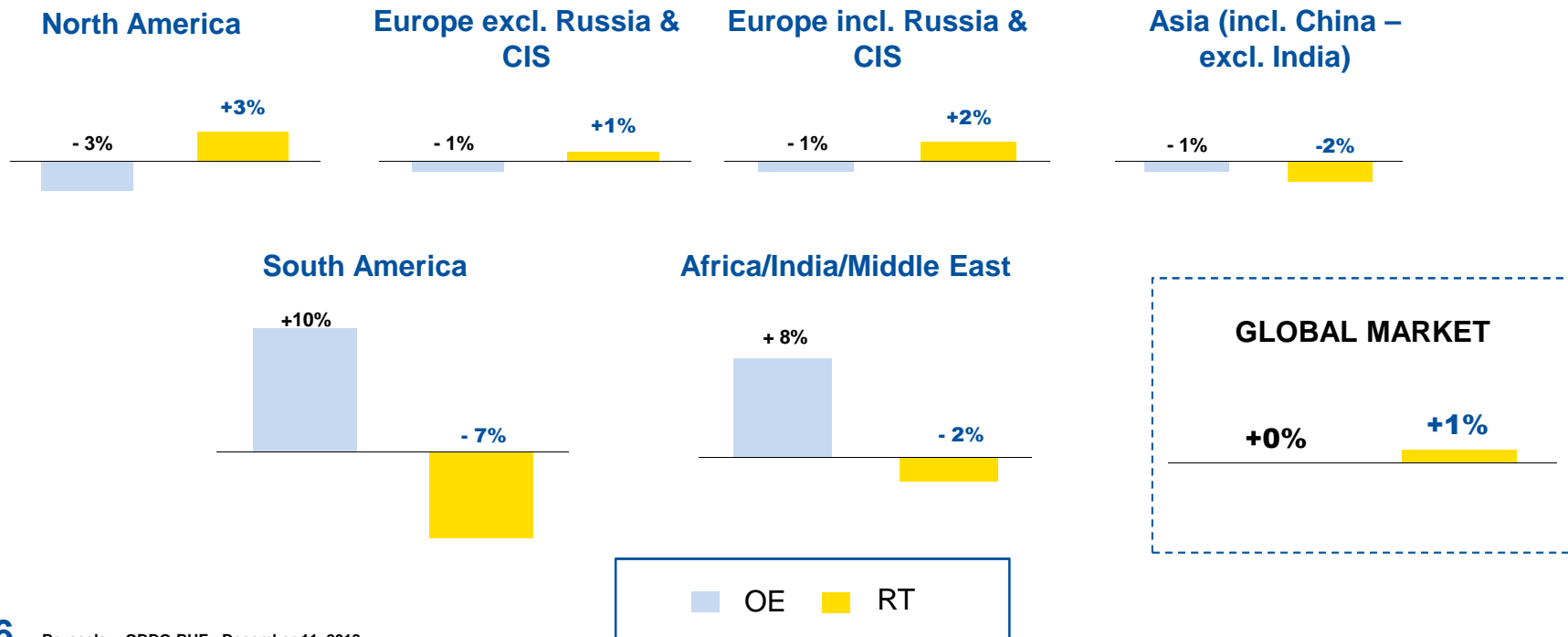
▲ Passenger car tire market, Q3 2018 (% change YoY, in number of tires)



Nine-month Passenger car: Global demand remains strong and steady



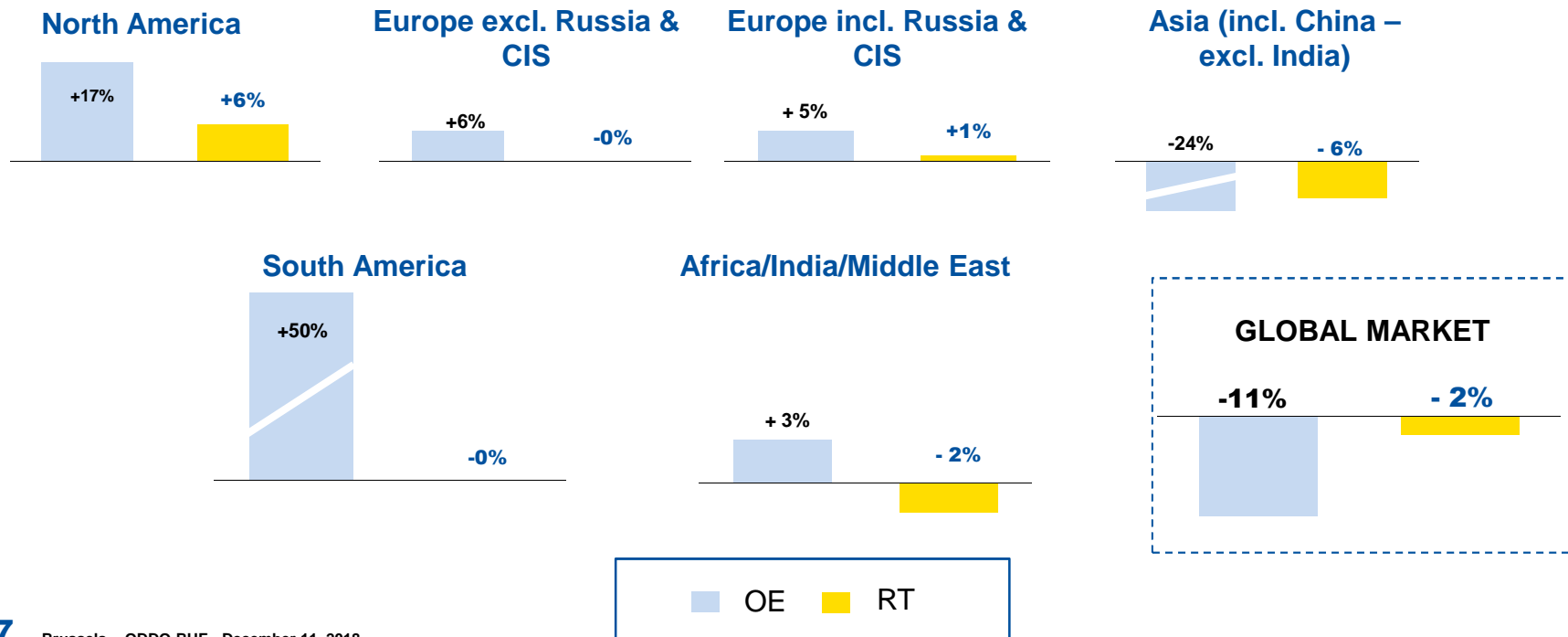
▲ Passenger car tire market, 9M 2018 (% change YoY, in number of tires)



Q3 Truck: Global markets hurt by the steep falloff in demand in Asia



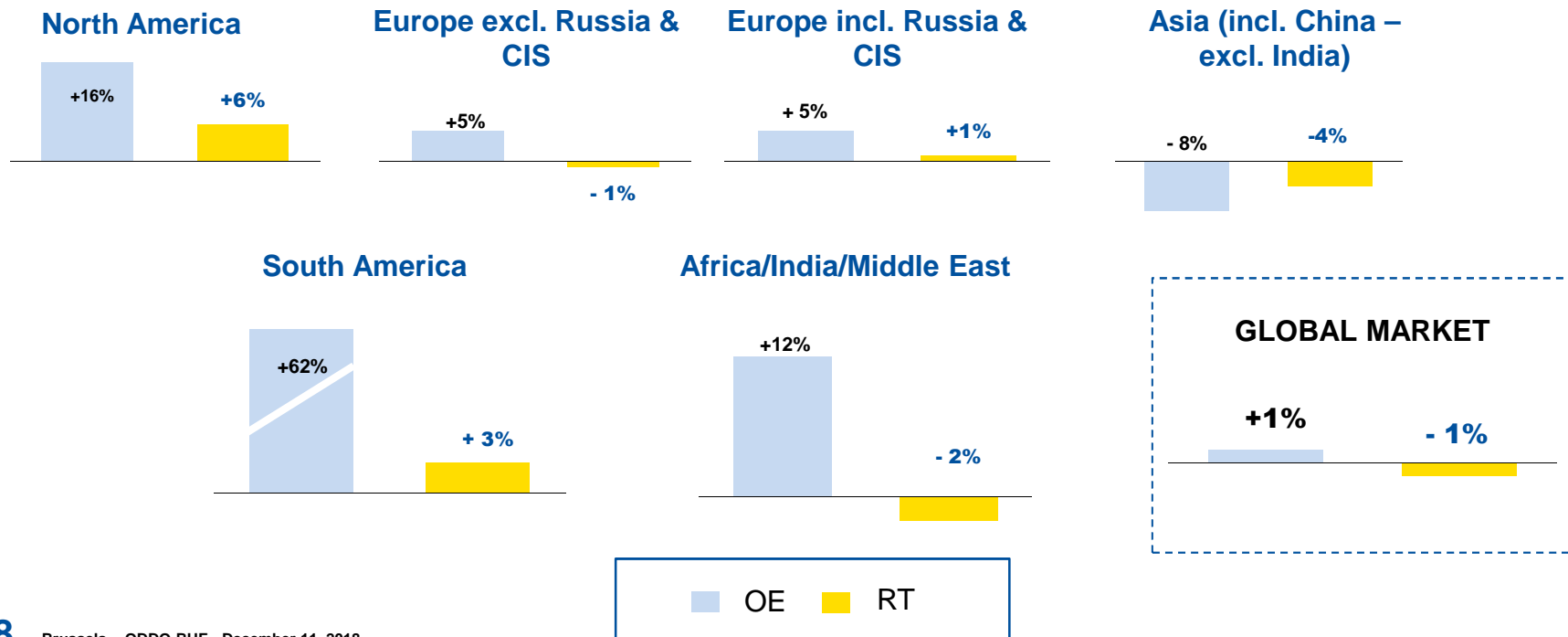
▲ Truck tire market, Q3 2018 (% change YoY, in number of tires)



Nine-month Truck: Global markets hurt by the falloff in demand in Asia



▲ Truck tire market, 9M 2018
 (% change YoY, in number of tires)






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.

First-half effects of the new organization by RS

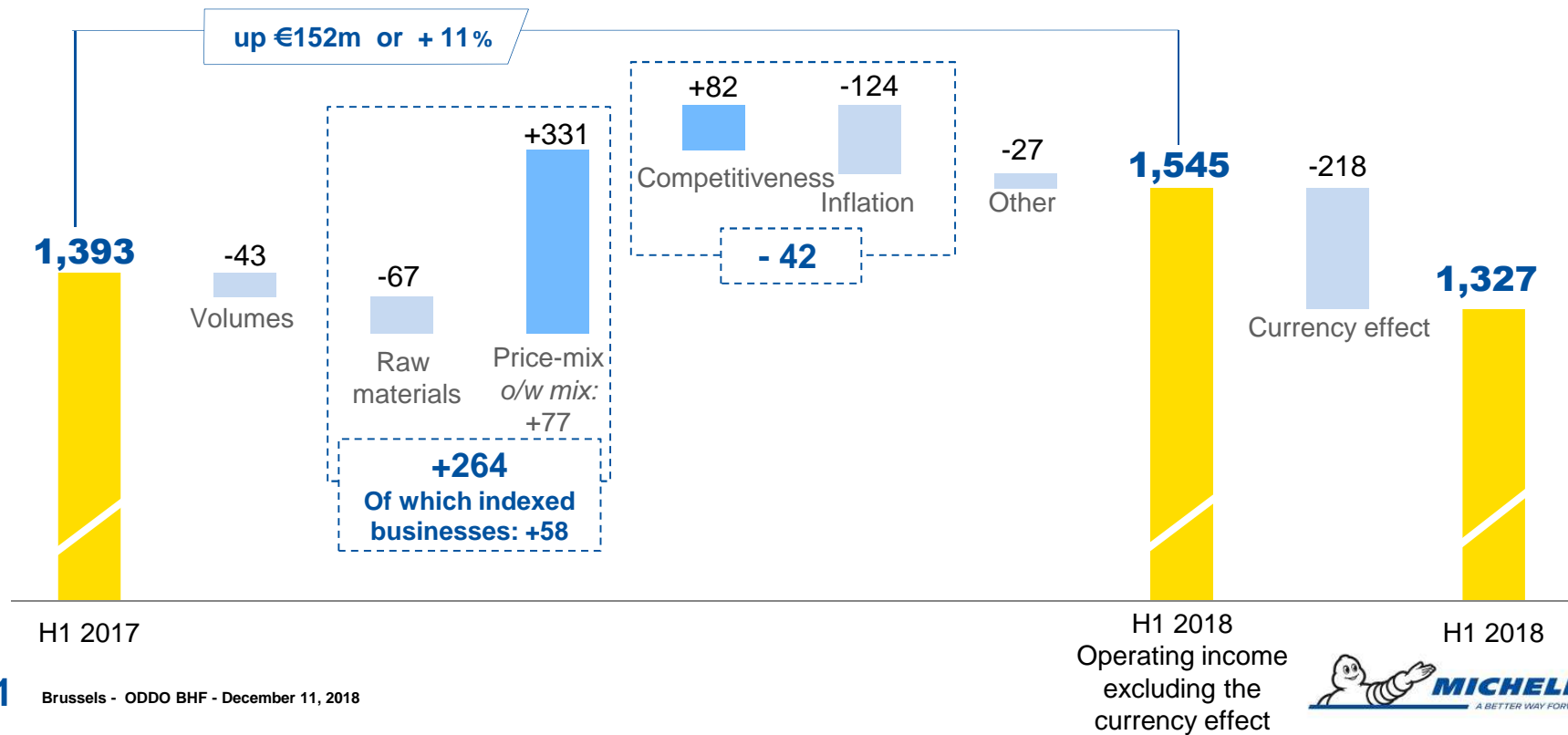
	(in € millions)	H1 2017**	H1 2017	Change
	RS1 net sales	6,009	6,263	-4%
	Operating income*	764	800	-5%
	Operating margin*	12.7%	12.8%	-0.1 pt
	RS2 net sales	2,928	3,041	-4%
	Operating income*	214	229	-7%
	Operating margin*	7.3%	7.5%	-0.2 pts
	RS3 net sales	2,122	1,755	+21%
	Operating income*	415	364	+14%
	Operating margin*	19.6%	20.8%	-1.2 pts

*from recurring activities

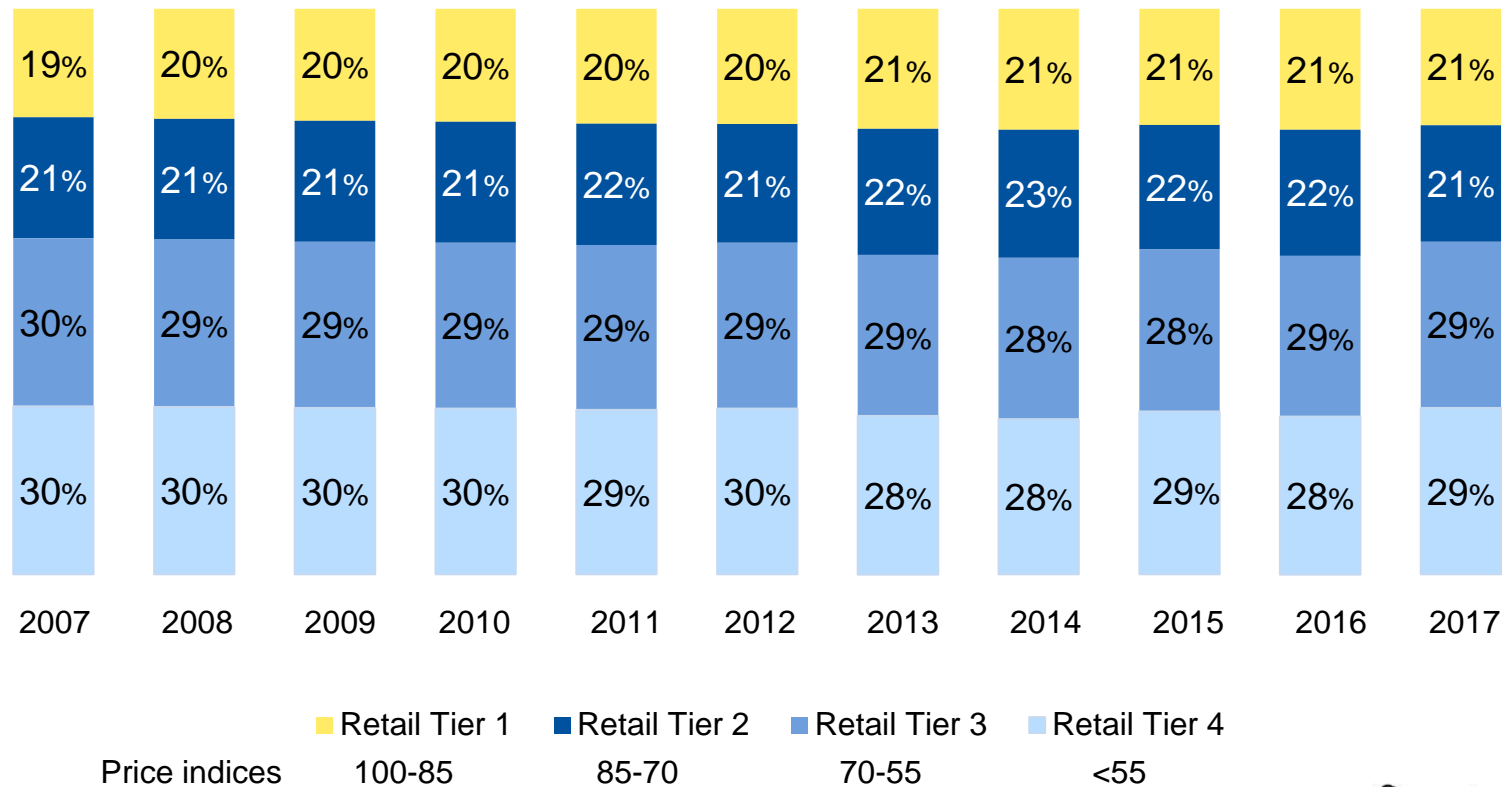
**new organization

H1 2018: €1,327m in operating income from recurring activities, up €152m or 11% at constant exchange rates

▲ YoY change in operating income from recurring activities (in € millions)

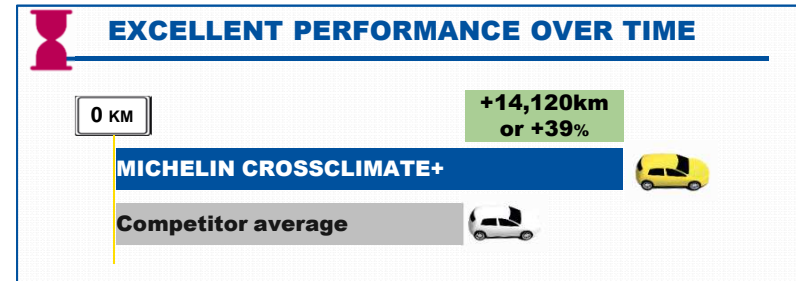
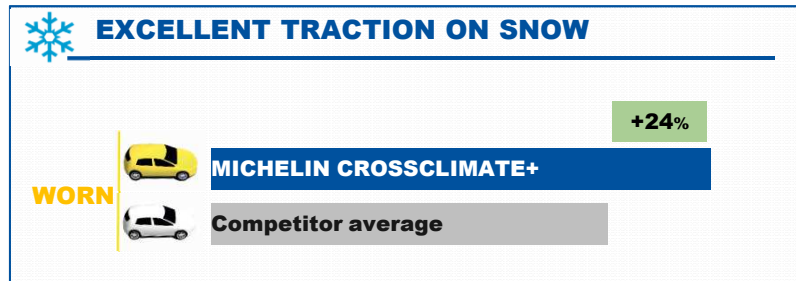
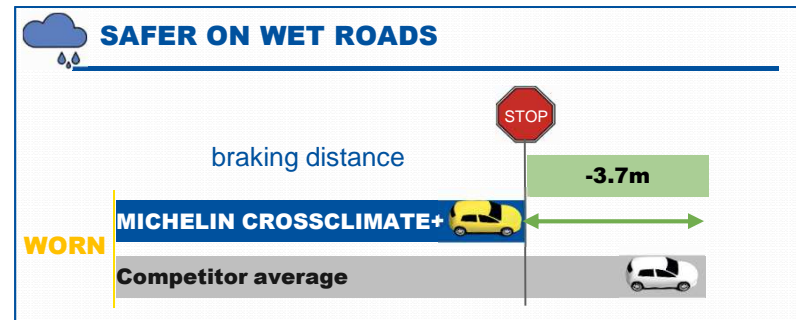
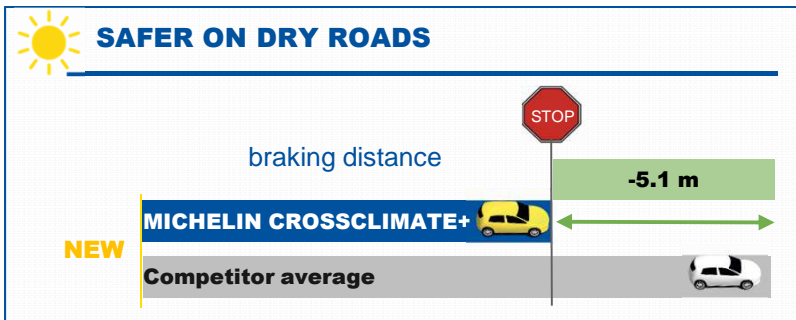


US Replacement Passenger car Tire Market, A Stable Tier 1-pricing Segment Over Time



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

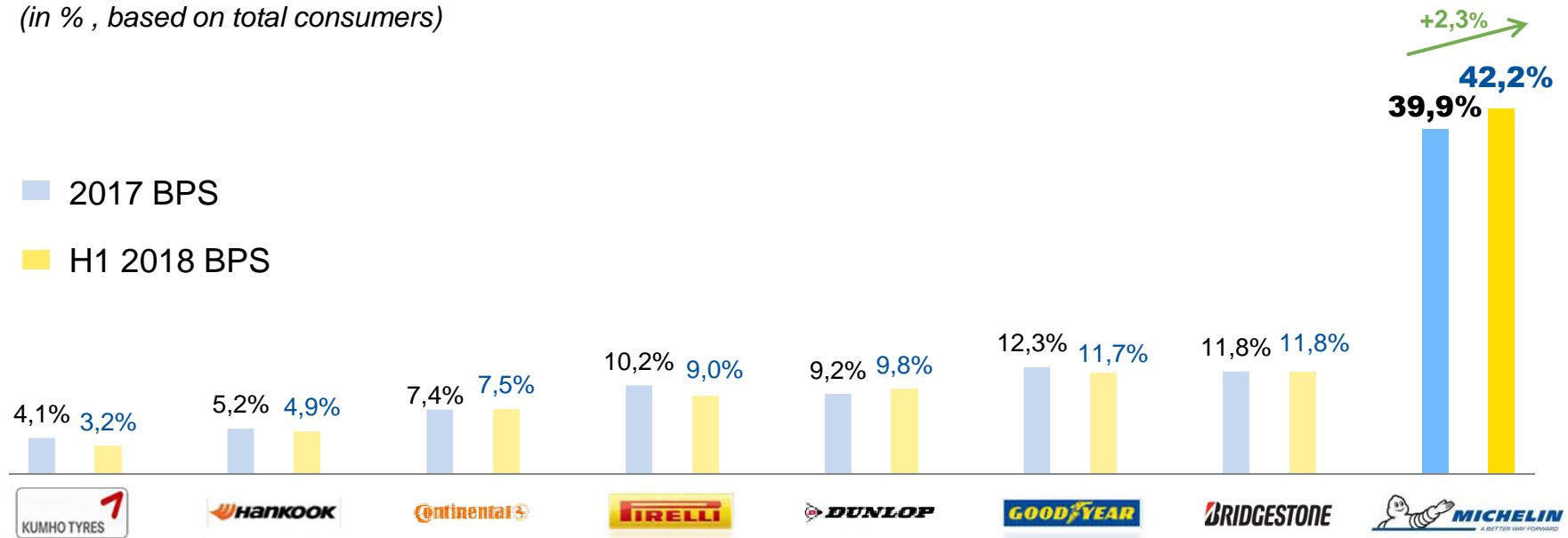
▲ Results of the Auto Bild all-season tire tests*, November 2017



*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.

BPS: MICHELIN, the most powerful tire brand in China still growing

▲ Brand Power Score in China*
(in % , based on total consumers)



* BCM study conducted by market research institute Millward Brown, based on the reduced brand list of 8 brands



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	34,1	(26,3)
Earnings 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

Camso, a market leader in four of the Off-The-Road segments



Material handling

Tires, wheels and services



- **No. 1*** in solid forklift tires
- Largest network of forklift tire installation service



Agriculture

Tracks and track systems



- **No. 1*** in tracks and track systems



Construction

Tires, wheels and tracks



- Among top 3* leaders for construction compact tire segment (<25")
- Among top 3* leaders for construction rubber tracks



PowerSport

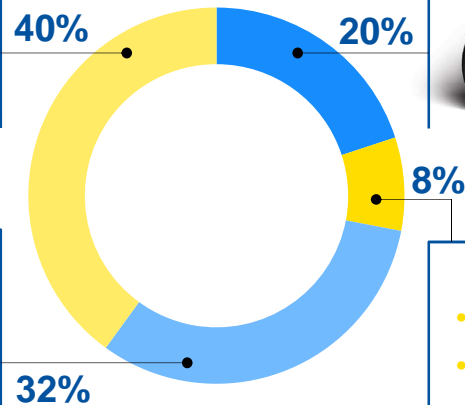
Tracks and track systems



- **No. 1*** in snowmobile tracks
- **No. 1*** in UTV-ATV track systems



▲ Net sales by segment*



*Source: Camso 2018

Camso: a perfect fit with Michelin to enhance value creation



Transaction process

- Michelin is acquiring Camso based on an enterprise value of \$1.7bn
- Cash out for Michelin amounts to \$1.45bn
- The deal has been approved by all of Camso's shareholders

Value creation

- Up to \$55m in identified synergies by 2021 and optimization of around \$20m in WCR
- Accretive to EPS from year one and strong value creation
- 8.3 x EBITDA* post synergies

Financing

- All-cash deal
- Strategy aligned with Michelin's financing policy, which should maintain a solid credit rating (A-/A3) even after €3.4bn external growth in 2018

Support from both management teams

- An enthusiastic Camso and Michelin management team, motivated to meet the ambitious targets set for the new OTR unit
- The new OTR Mobility division's decision center will be based in Magog, Quebec, Canada

Timing

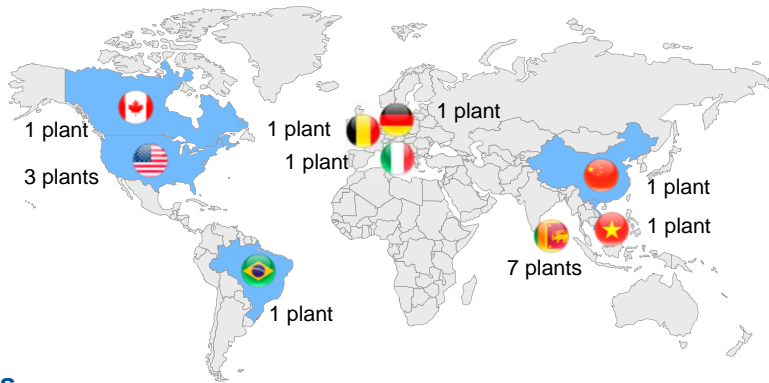
- Acquisition subject to customary due diligence procedures and regulatory approvals
- Closing expected in november 2018

*EBITDA April 1, 2018 – March 31, 2019

Camso, a global footprint

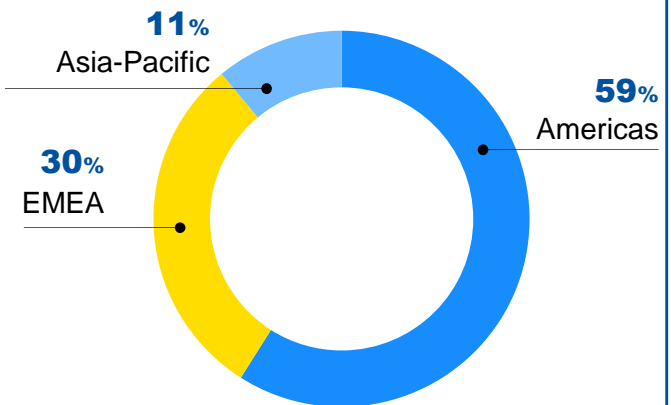


Plant locations worldwide



17 plants
Of which 10 in emerging countries

Net sales by region*



Global marketing operations

Distributed in
100 countries

26 countries
Proprietary dealerships
and services under the
SOLIDEAL brand



*Source: Camso 2018



Material handling: with Camso and its SOLIDEAL brand, Michelin will become a major player in solid tires, with a competitive manufacturing base



■ Material handling markets and competitive environment*



Global market breakdown		Michelin	Camso	Competition	Growth CAGR 2019-2021
Radial	~ 10%	Strong	Absent	Normal	+5%
Bias	~ 45%	Absent	Present	High	
Solid	~ 45%	Absent	Strong	Normal	

- Michelin will broaden the range of solutions offered by Camso, the world leader with the SOLIDEAL brand, which enjoys high awareness and a major share of the OE market. Strong opportunity to drive growth in radial sales
- Camso's services are built around customer-centric solutions, which support their high market share
- Competitive production facilities in Vietnam and Sri Lanka
- Enhanced expertise and innovation capabilities

*Source: Camso/Michelin, global market in \$ billions

Construction: Camso strengthens Michelin's offering with a competitive production base



■ Construction markets and competitive environment*



Global market breakdown		Michelin	Camso	Competition	Growth CAGR 2019-2021
Radial	~ 30%	Strong	Absent	High	3.5%
Bias	~ 60%	Absent	Present	High	
Tracks	~ 10%	Absent	Present	High	

- Michelin's intimacy with OE customers to grow Camso's bias business
- Close fit between the dealership networks, to expand the bias and radial offerings
- Michelin will enhance its portfolio thanks to a highly competitive production base (Sri Lanka)
- Conversion from tire to track systems in certain sub-segments
- Growth potential in Asia

*Source: Camso/Michelin, global market in \$ billions

Agriculture: creation of a unique player providing its customers with comprehensive, premium solutions in radial tires and track systems



■ Agricultural markets and competitive environment*



	Global market breakdown	Michelin	Camsco	Competition	Growth CAGR 2019-2021
Radial	~ 30%	Strong	Absent	Normal	+4% o/w 9% in the track segment
Bias	~ 60%	Absent	Absent	High	
Tracks	~ 10%	Absent	Leader	Normal	

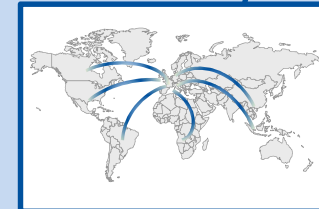
- Expanding agro-industry markets are driving strong demand for agriculture equipment, especially tracked vehicles
- A large number of synergy drivers:
 - A product offering that is both comprehensive (radial, tracks and tire pressure control systems) and technologically advanced
 - A tight fitting geographic footprint, especially in Europe and North America
 - Use of Michelin dealerships to drive sales of Camsco solutions
 - Michelin R&D can help to optimize the lifespan of Camsco treads
- Products that protect the environment and increase yields, with reduced soil compaction and better traction

*Source: Camsco/Michelin, global market in \$ billions

Up to \$55 million in quantified synergies in 2021...



- Three sales growth drivers:
 - Products, geographies and customers
 - Generating additional sales, led by replacement markets, feeding through to \$25m in EBITDA
- Identified cost optimizations:
 - Improved raw materials purchasing conditions and in-sourcing options:
 - Up to \$15m in gains
 - Optimization of expenses, pooling of R&D capabilities
 - Up to \$15m in gains
 - Reduction in Camso's financial costs
- Optimization of working capital requirement to improve cash flow by around \$20m



Camso key figures



<i>In \$ millions</i>	2018
Net sales	974
EBITDA	136
EBITDA margin	14%
Net income	68
Net debt	251
Capex as a % of net sales	5.5
Free cash flow*	17

*Free cash flow = EBITDA – investment – change in WCR - tax

Source: Camso

H1 2018 net sales by currency and EBIT impact

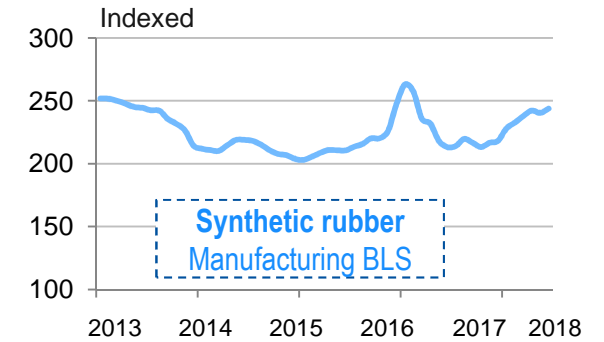
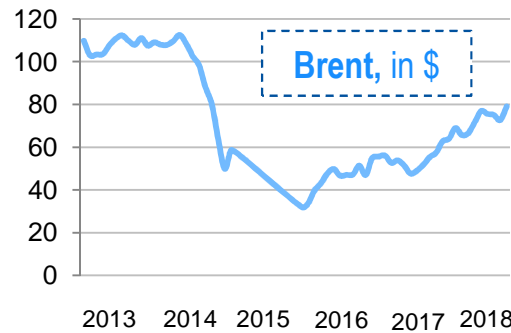
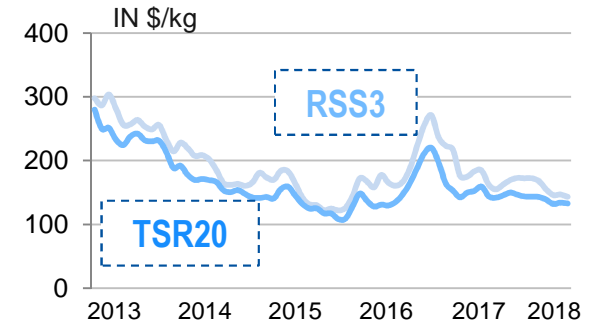
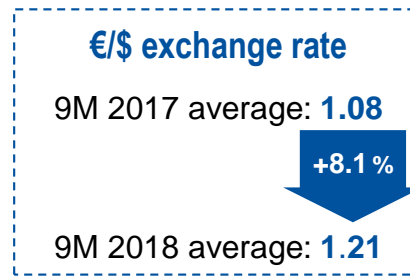
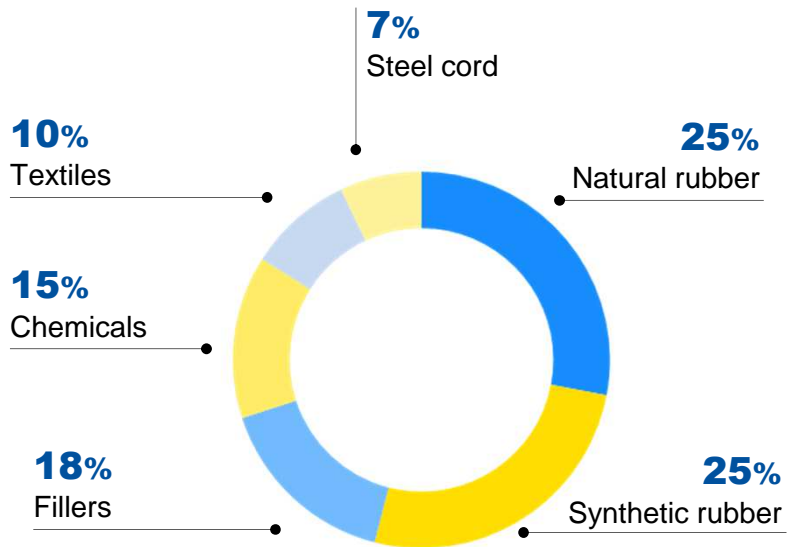
	% of net sales H1 2018		H1 2018 vs 2017 € change vs. currency	Droptrough Net sales/EBIT*
	ARS	1%	+51%	80% - 85%
	AUD	2%	+9%	80% - 85%
	BRL	3%	+20%	-20% / - 30%
	CAD	3%	+7%	25% - 30%
	CNY	6%	+4%	25% - 30%
	EUR	35%	NA	-
	GBP	3%	+2%	25% - 30%
	INR	1%	+12%	25% - 30%
	JPY	1%	+8%	80% - 85%

	% of net sales H1 2018		H1 2018 vs 2017 € change vs. currency	Droptrough Net sales/EBIT*
	MXN	1%	+10%	25% - 30%
	PLN	1%	-1%	25% - 30%
	RUB	2%	+14%	25% - 30%
	THB	1%	+2%	-100% / -130%
	TRY	1%	+25%	80% - 85%
	TWD	1%	+8%	80% - 85%
	USD	35%	+12%	25% - 30%
	Autres	1%		80% - 85%

* Droptrough depending on countries specificities: export/production/sales base

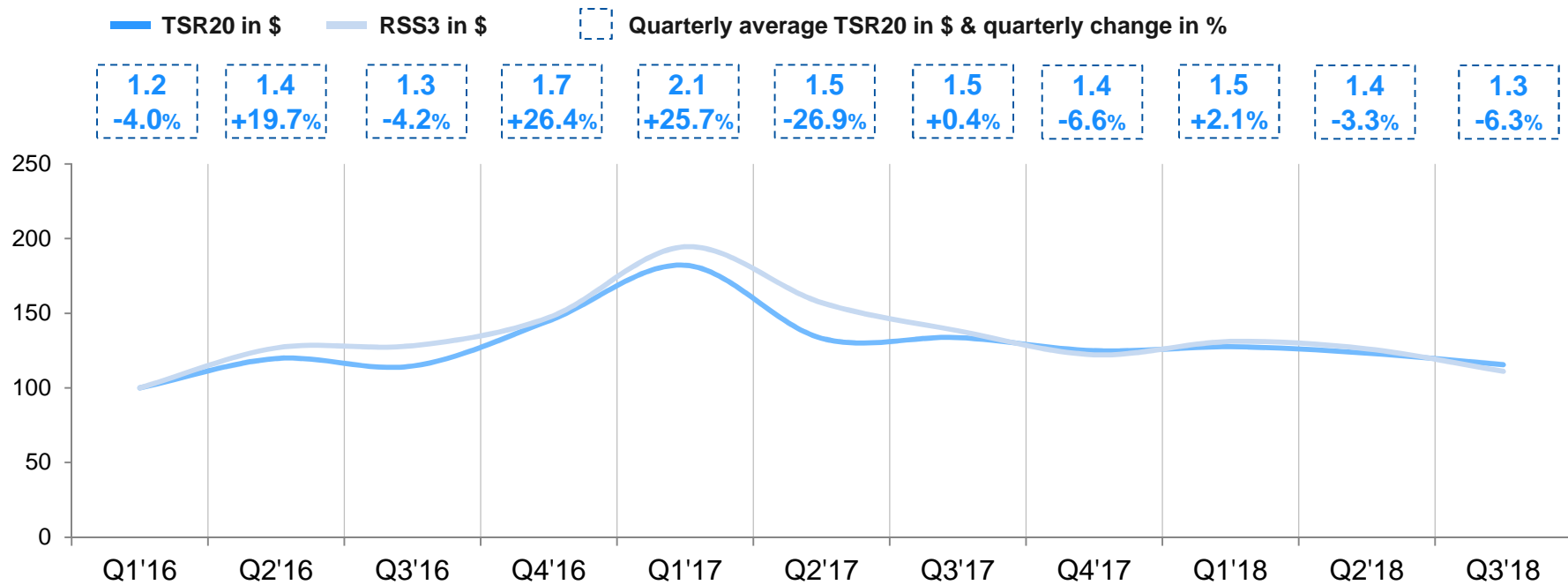
Raw materials

▲ Raw materials purchases in H1 2018 (€2.5bn)



Natural rubber prices

▲ Index as of September 30, 2018 (in \$/kg, base 100: Q1 2016)

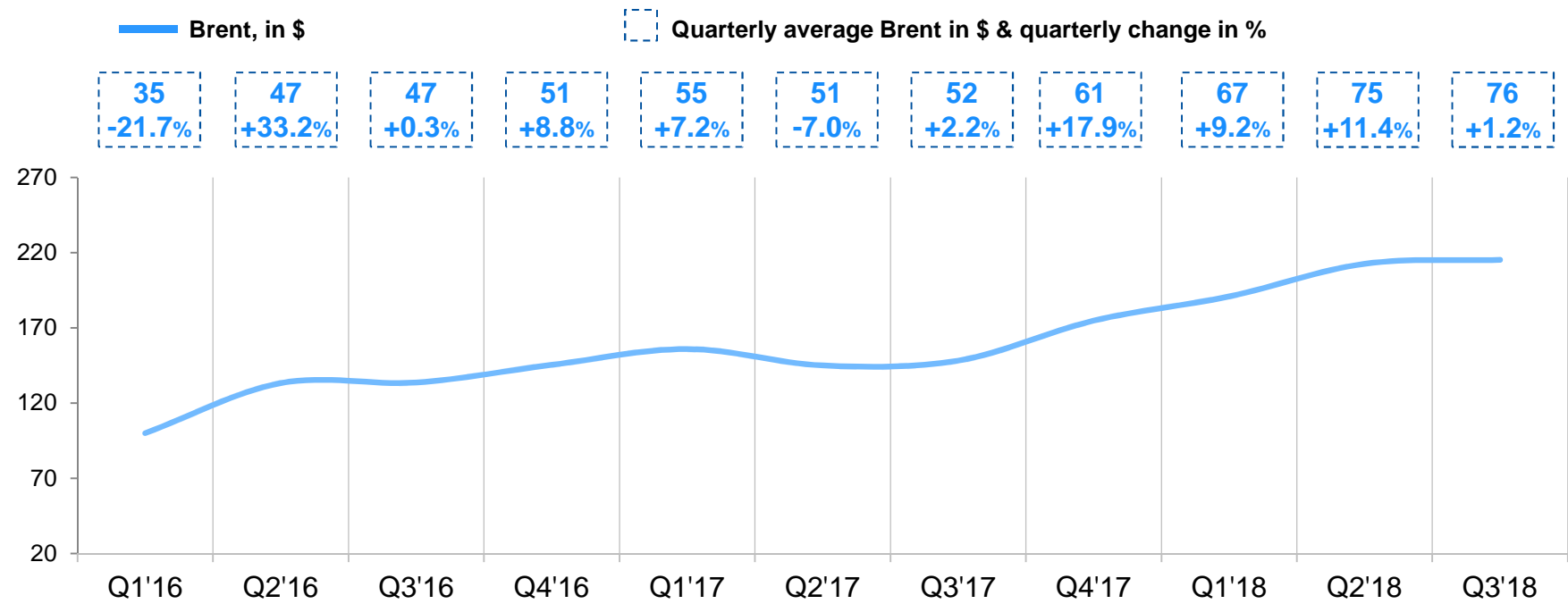


Source: SICOM



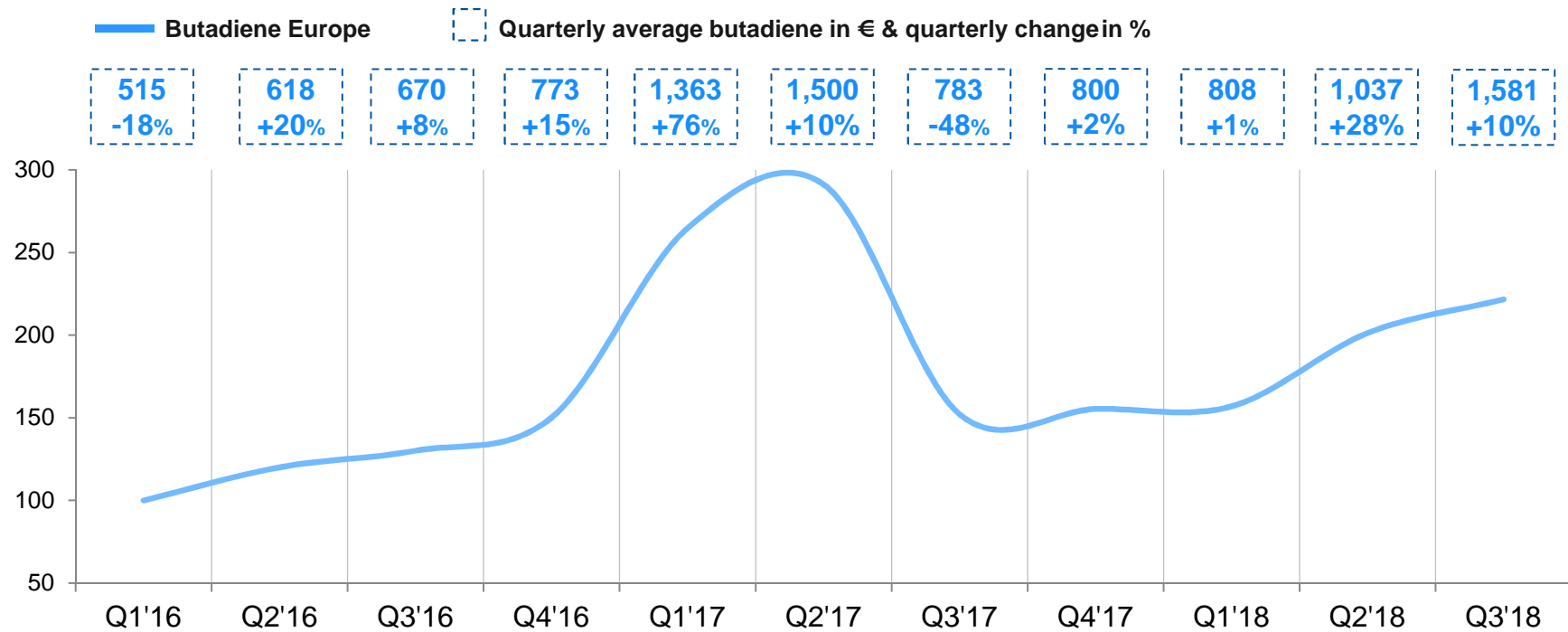
Brent crude oil prices

▲ Index as of September 30, 2018 (\$ per barrel, base 100: Q1 2016)



Butadiene prices

▲ Index as of September 30, 2018 (€ per tonne, base 100: Q1 2016)



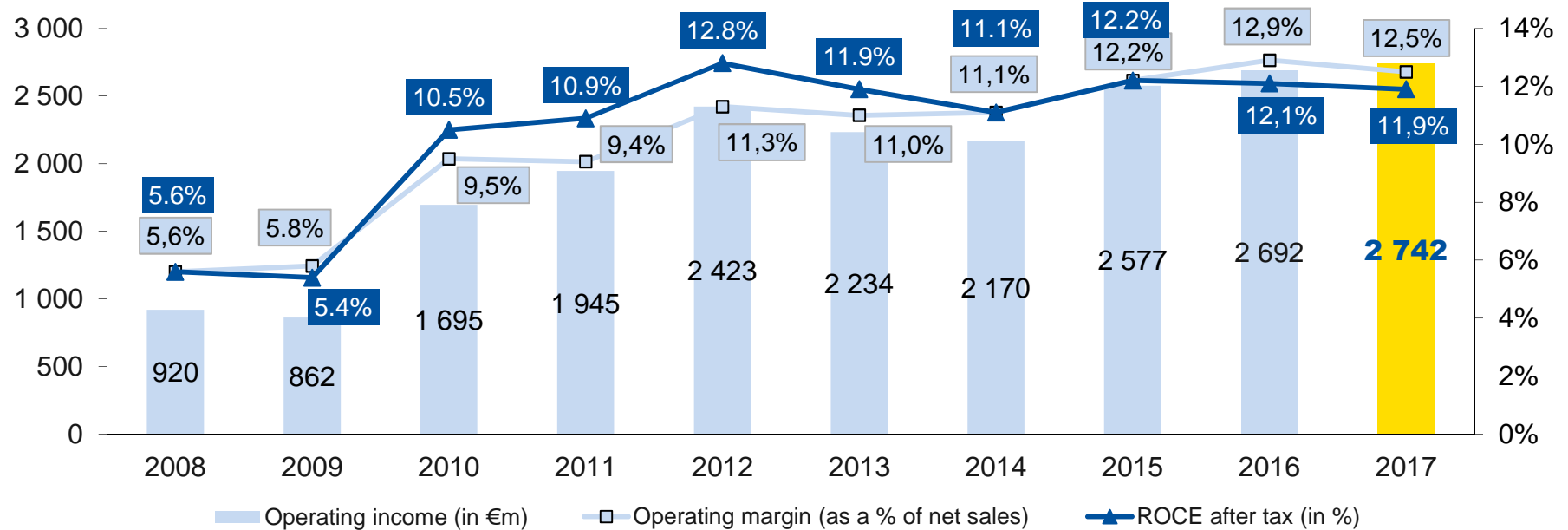
Source: IHS

Bond issues outstanding (as of August 29, 2018)

Issuer	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	MICHELIN Luxembourg	MICHELIN Luxembourg	MICHELIN Luxembourg	MICHELIN Luxembourg
Issue Type	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Convertible	Senior Note Convertible	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond
Principal Amount	€ 750 mn	€ 1000 mn	€ 750 mn	\$ 600 mn	\$ 500 mn + TAP \$100 mn	€ 302 mn	€ 300 mn	€ 300 mn	€ 400 mn
Offering price	99,099%	99,262%	99,363%	95,50%	100% & 103,85%	98,926%	99,967%	99,081%	99,912%
Rating corporation at Issuance date	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)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	BBB+ (S&P) Baa1 (Moody's)
Current coporation rating	A- (S&P) ; A3 (Moody's) ; unsolicited A- (Fitch)								
Coupon	0,875% p.a	1,75% p.a	2,50% p.a	ZERO Conv premium 130%	ZERO Conv premium 128%	3,25% p.a	1,125% p.a	1,75% p.a	2,75% p.a
Issue Date	29-août-18	29-août-18	29-août-18	05/jan/2018	05/jan/2017 & 25/apr/2017	21/sep/2015 & 27/sep/2016	19-mai-15	19-mai-15	11-juin-12
Maturity	3-sept.-25	3-sept.-30	3-sept.-38	10-nov.-23	10-janv.-22	30-sept.-45	28-mai-22	28-mai-27	20-juin-19
Interest payment	Annual Sept 03	Annual Sept 03	Annual Sept 03	N/A	N/A	Annual Sept 30	Annual May 28	Annual May 28	Annual June 20
ISIN	FR0013357845	FR0013357852	FR0013357860	FR0013309184	FR0013230745	XS1298728707	XS1233732194	XS1233734562	XS0794392588
Denomination	€ 100'000 with min. tradable amount € 100'000	€ 100'000 with min. tradable amount € 100'000	€ 100'000 with min. tradable amount € 100'000	\$ 200'000 with min. tradable amount \$ 200'000	\$ 200'000 with min. tradable amount \$ 200'000	€ 1'000 with min. tradable amount € 1'000	€ 1'000 with min. tradable amount € 1'000	€ 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

▲ Operating income and margin* & ROCE



*from recurring activities.

Investor calendar

- **Coming events:**
 - **February 11, 2019 (after close of trading):** 2018 full year results
 - **April 4, 2019:** Investor day

Disclaimer

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