

**KEPLER CHEUVREUX  
DUBLIN & EDINBURGH**

SEPTEMBER 26 - 28, 2018

September 26 – 28, 2018

Kepler Cheuvreux – Dublin & Edinburgh



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**2018 guidance confirmed**

# 2018 guidance: on the road to our 2020 objectives

Unchanged

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

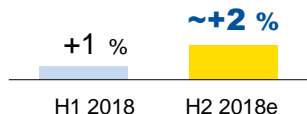
# H2 2018 markets: Outlook confirmed for Specialties and Truck; slightly lower in Passenger Car



PC/LT  
updated

**PC/LT: +1.5% / +1.8 %**

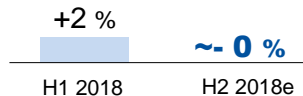
vs +1.5%/+2% announced in H1



- OE H2: slower decline in North America given the more favorable comparatives; stabilization at a high level in China
- RT H2: Faster growth in RT in H2 in mature markets; stabilization in China



**TRUCK: +0.5 % / + 1 %**



- In a strong freight demand environment (Americas & Europe)
- OE H2: global demand expected to cool in coming months, due to a contraction in China following fleet upgrades in 2017
  - RT H2: faster market growth in H2

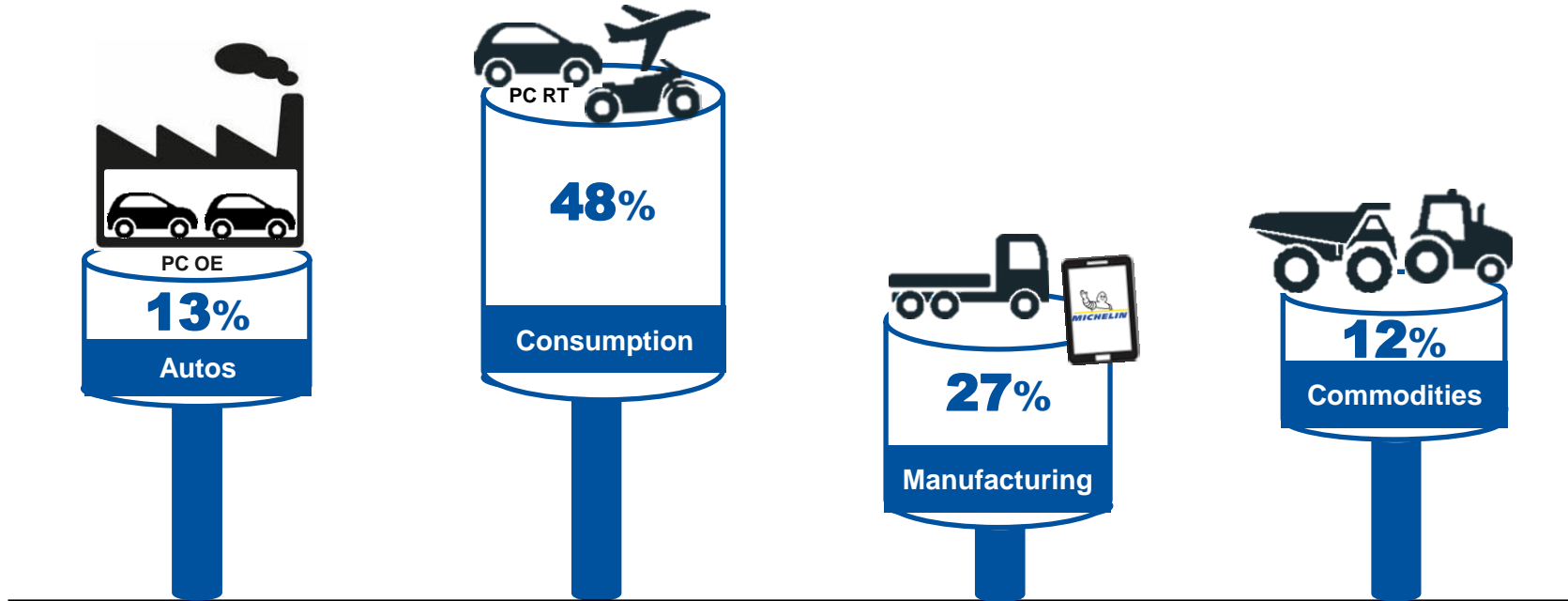


**SPECIALTIES: +6 % / +8 %**

- Mining: sustained strong demand (+10%/+12%); end of destocking
- Strong growth in OE OTR; RT stable
- Growing demand for Commuting Two-wheel tires and Aircraft tires

# A business model strongly linked to consumption

## ▲ Net sales by drivers\*



\*2017 net sales by sector

# 2018 scenario: a year led by the net positive impact of changes in the price-mix and raw materials prices

Unchanged

	H1 actual	H2 2018	2018
Impact from raw materials costs	-€67m	stable	around -€50m*
Currency effect	-€218m	around -€60m**	around -€280m based on August 2018 exchange rates**
Standard effective tax rate	Standard ETR of 28%		
Net impact of price-mix and raw materials prices	+€264m	slightly negative	positive
Competitiveness plan gains vs. inflation	-€42m	positive	positive

\*2018 average prices: Natural rubber: \$1.45/kg; butadiene (US, Europe and Asia): \$1350/t; Brent: \$74/bbl

\*\*€/€ at 1.16 and further depreciation of Argentinian Peso and Turkish Lira

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**Levers for Growth**

# 2017-2020 projections: growing worldwide demand



MICHELIN X-Ice Norh 4



MICHELIN Primacy 4



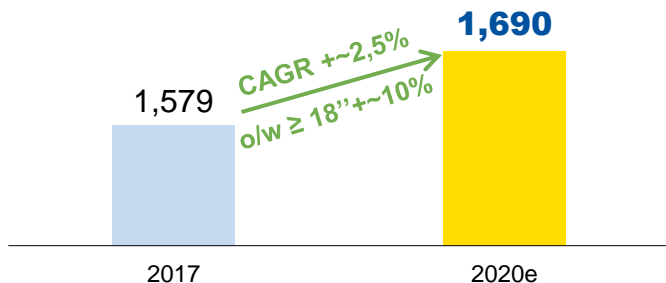
MICHELIN CrossClimate+



MICHELIN Alpin 6



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



MICHELIN Tyrecare service



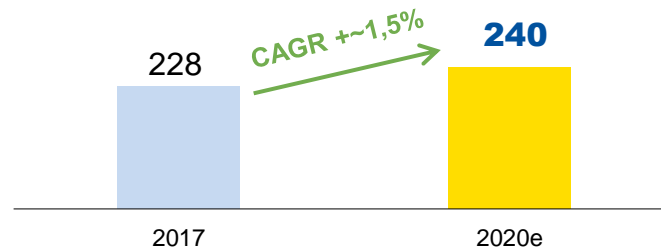
MICHELIN X Line Energy Z



MICHELIN X Multi Energy



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

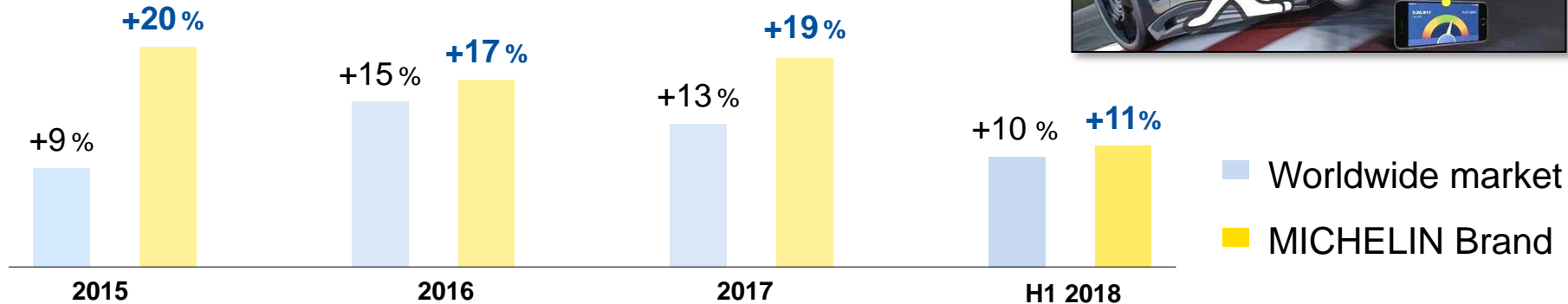




# ≥18' tires: the market recognizes the power of Michelin's line-up in the premium segment

## ▲ Growth in ≥18' tire sales

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



- ≥18' Michelin Brand volume growth in Q2 +14%
- Customers who value the MICHELIN brand and its product performance: price positioning in line with the reputation of the MICHELIN brand
- A force of innovation sought by premium manufacturers
  - OE sales much more exposed to ≥18' than RT
  - MICHELIN's brand loyalty rate of around 50%
- Sustained growth momentum, made possible by aligning production capacity

# Michelin Primacy 4: safe when new, safe when worn<sup>(1)</sup>

**NEW**

## MICHELIN PRIMACY 4

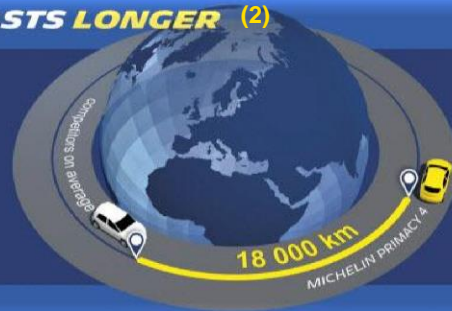
**SAFE**  
WHEN  
**NEW**



**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

**LASTS LONGER** (2)



**WET BRAKING WHEN WORN** (3)



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

# Specialties: customer-aligned solutions to capture strong market growth



**MICHELIN EVOBIB**  
"2 in 1" Technology



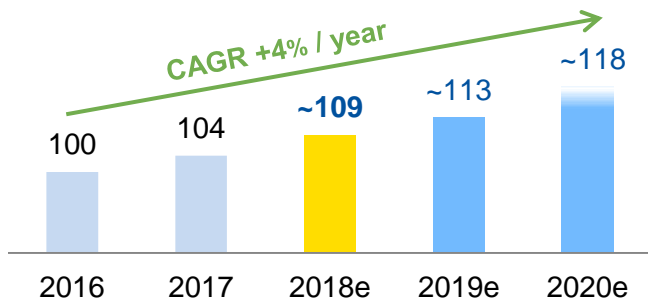
**MICHELIN  
MEMS  
Evolution 4**



**MICHELIN  
XDR 3**



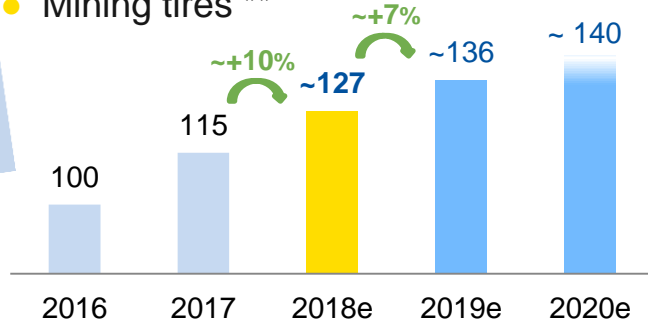
## ● Agricultural tires\*



\* Global Agricultural tire market (Radial, Bias and tracks), base 100 in 2016, in tons

















## ● Mining tires\*\*

Restart of Anderson plant



\*\* base 100 in 2016, in tons

# 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>
		<p>Telematics and services</p> 		

# 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



# 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

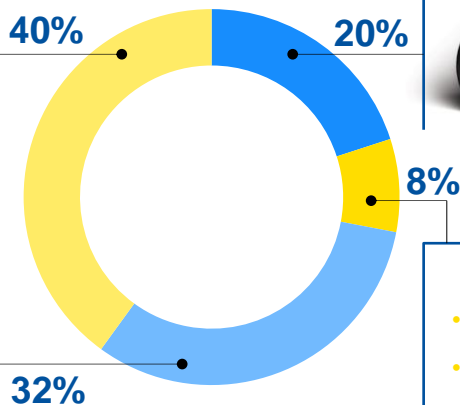
Tracks and track systems



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



▲ Net sales by segment\*



\*Source: Camso 2018

# H1 2018 acquisitions and partnerships: integration and synergies on track

- TBC & TCi joint venture, the leader in the North America distribution landscape:
  - Increased distribution efficiency and improved service to retailers allowing them to better serve their customers;
  - Strong base to develop e-commerce with a highly effective “advice-warehousing-logistic-fitting” system;
  - All tire manufacturers except Goodyear and Bridgestone have confirmed or increased their support to TBC
- Fenner acquisition:
  - Leverage the full value of the Group’s technological leadership in materials in non-tire segments
  - Expand the Group’s portfolio for mining customers with a leading conveyor belt manufacturer
  - Estimated synergies raised to £60m from the initially projected £30m by 2022

TBC  
key figures



- 2,400 retail location
- More than 120 logistic centers
- Largest Tier 3 / Tier 4 tire trader



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## 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
<b>Total</b>	<b>1,022</b>	<b>1,197</b>	<b>~1,200</b>	<b>315</b>

\*before inflation and including avoided costs.

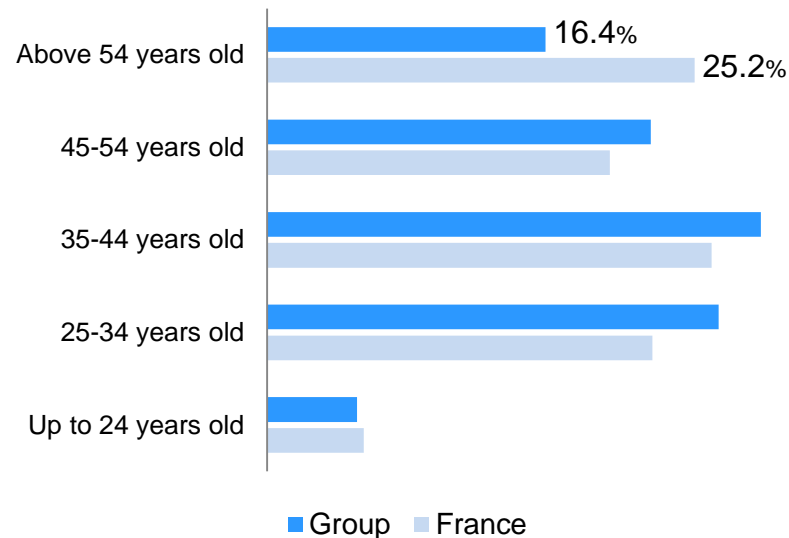
# Reorganization project announced in June 2017 on track: reduction of corporate positions by 1,420 worldwide

▲ 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

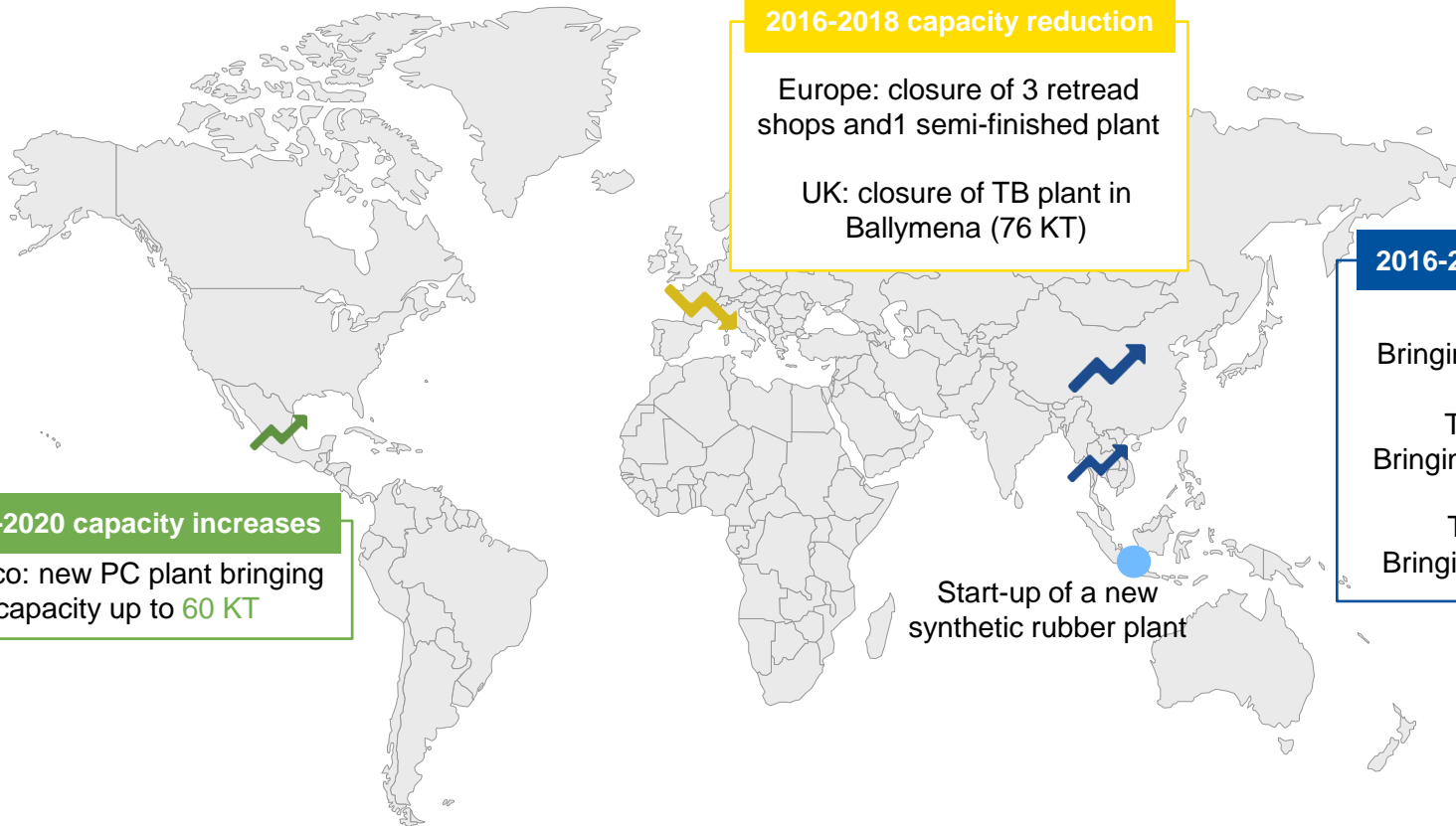


## ● Age pyramid, Group and France\*



\* Manufacture Française des Pneumatiques Michelin

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



## 2018-2020 capacity increases

Mexico: new PC plant bringing capacity up to **60 KT**

## 2016-2018 capacity reduction

Europe: closure of 3 retread shops and 1 semi-finished plant

UK: closure of TB plant in Ballymena (76 KT)

## 2016-2020 capacity increases

China PC: +20%  
Bringing capacity up to **240 KT**

Thailand PC: +10%  
Bringing capacity up to **165 KT**

Thailand TB: +24%  
Bringing capacity up to **75 KT**

Start-up of a new synthetic rubber plant

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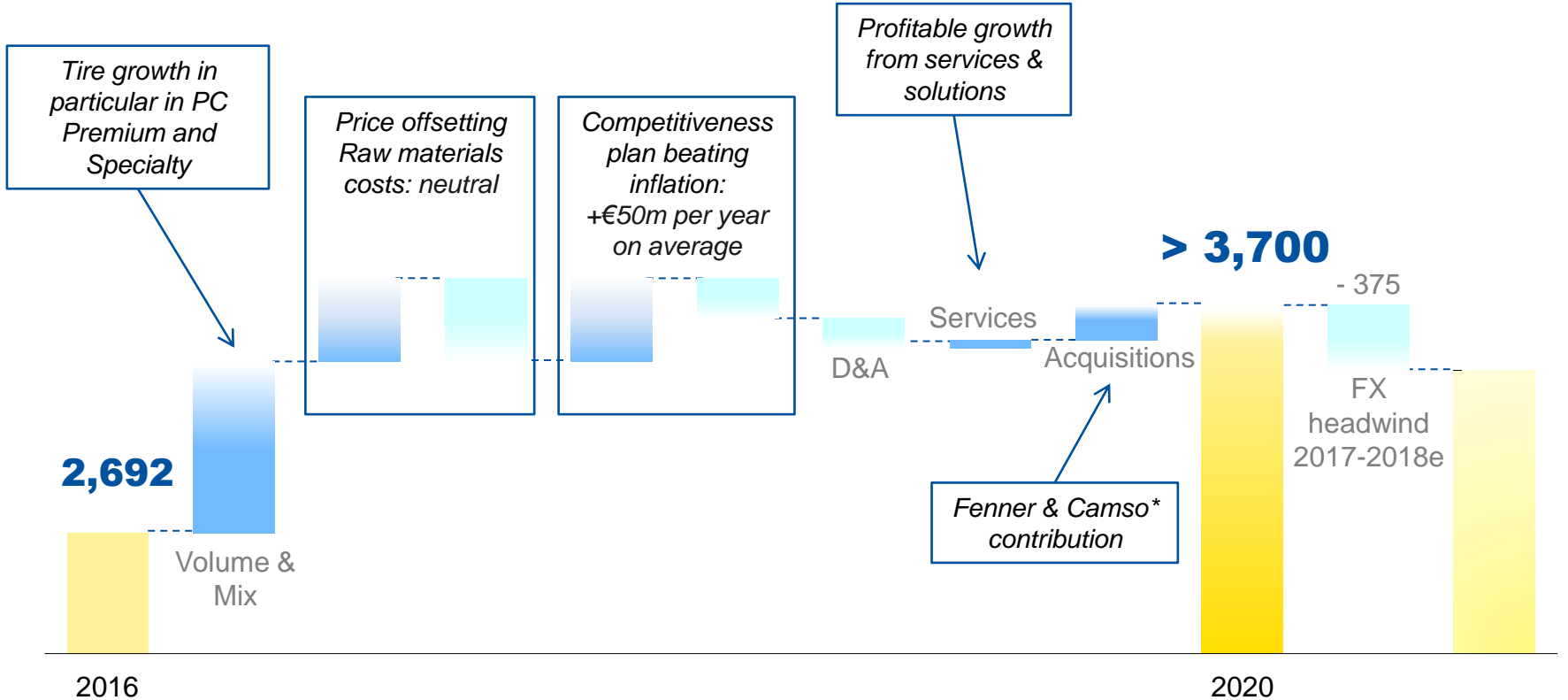
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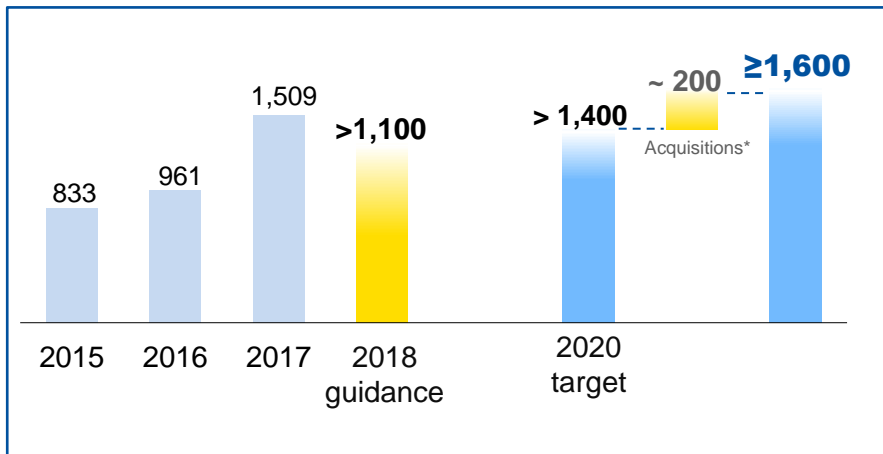
## 2020 Ambition for Profitability

# 2016-2020 scenario: profitability levers



# 2018: on the road to our 2020 objectives

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



## Free cash flow improvement by 2020 Including acquisitions\*

- EBITDA excluding Forex > €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)

# 2020 organic ROCE scenario

2020 ROCE TARGET\*

Growing operating income

Increase in net assets

WCR optimisation

Increase in capacity utilization rate

Standard tax rate at 28%

Stabilized capex

Slight increase in D&A

Increase in WCR in line with activity

Inventory reduction

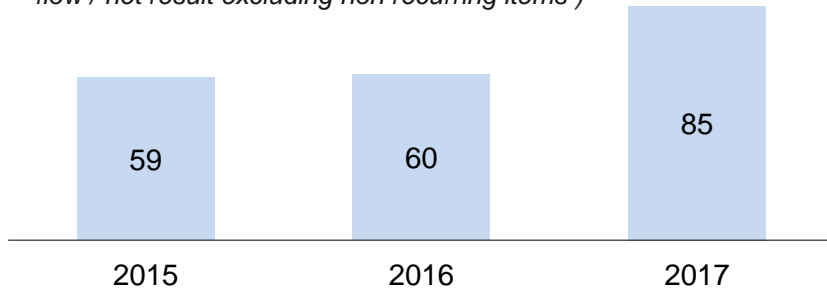


~15% after tax

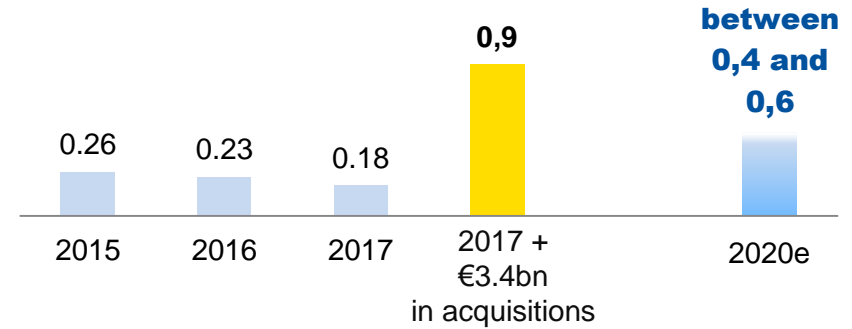
\* at constant perimeter and excluding Goodwill

# 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\*



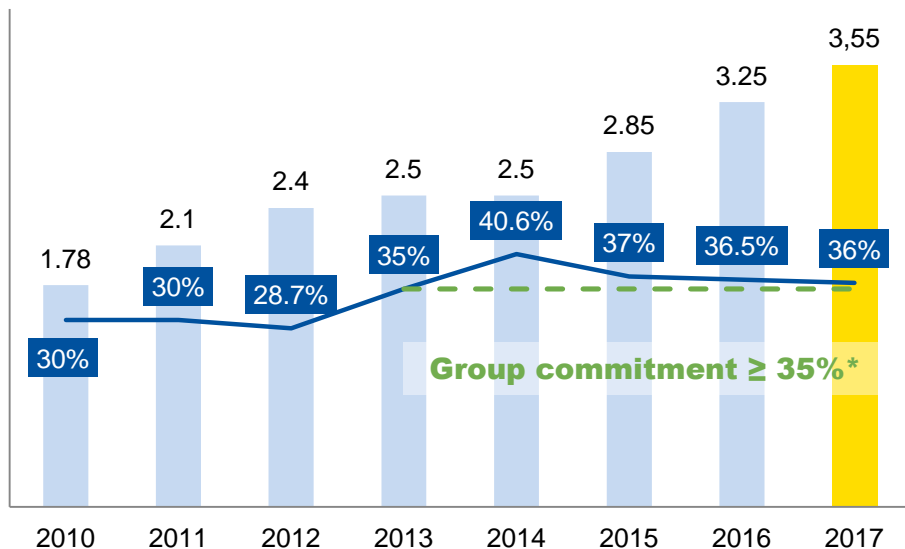
- Net debt/EBITDA peaking in 2018 due to cash out for planned acquisitions during the year, before easing to between 0.4 and 0.6 in 2020
- Rating agencies Moody's, Standard & Poor's and Fitch have confirmed an A-/A3 credit rating after the Camso acquisition project announcement bringing to €3.4bn the 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: €101m in buybacks and 0.5% of outstanding shares canceled
- 2018: €75m in buybacks and 0.4% of outstanding shares canceled to offset the dilutive impact of share-based compensation

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# Appendices

**PC Tire Market:** In August, decreasing OE demand in Europe and China at a high market level, stabilizing in North America and dynamic in South America. RT demand still growing in mature region, and declining in emerging markets in a context of economic and political uncertainty that leads the distribution to reduce its inventory.

### August 2018 / 2017

Market	Europe including Russia & CIS *	Europe excluding Russia & CIS *	North America	South America	China
Original equipment tires	▼ -4%	▼ -5%	▼ -1%	▲ +9%	▼ -2%
Replacement tires	▲ +4%	▲ +4%	▲ +3%	▼ -13%	▼ -12%

### YTD (August 2018)

Market	Europe including Russia & CIS *	Europe excluding Russia & CIS *	North America	South America	China
Original equipment tires	▲ +0%	▼ -0%	▼ -4%	▲ +10%	▲ +2%
Replacement tires	▲ +4%	▲ +2%	▲ +3%	▼ -6%	▼ -1%

\* Turkey included

**TB Tire Market:** In August, still dynamic growth in OE and RT in mature markets driven by fret demand. Slow down in demand in South America in an uncertain economic environment.

### August 2018 / 2017




Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	South America
Original equipment tires	▲ +11%	▲ +13%	▲ +19%	▲ +23%
Replacement tires	▲ +2%	▲ +2%	▲ +5%	▼ -4%

### YTD (August 2018)

Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	South America
Original equipment tires	▲ +6%	▲ +6%	▲ +17%	▲ +60%
Replacement tires	▲ +2%	▲ +0%	▲ +5%	▲ +4%

\* Turkey included

# First-half effects of the new organization by RS

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

\*from recurring activities

\*\*new organization

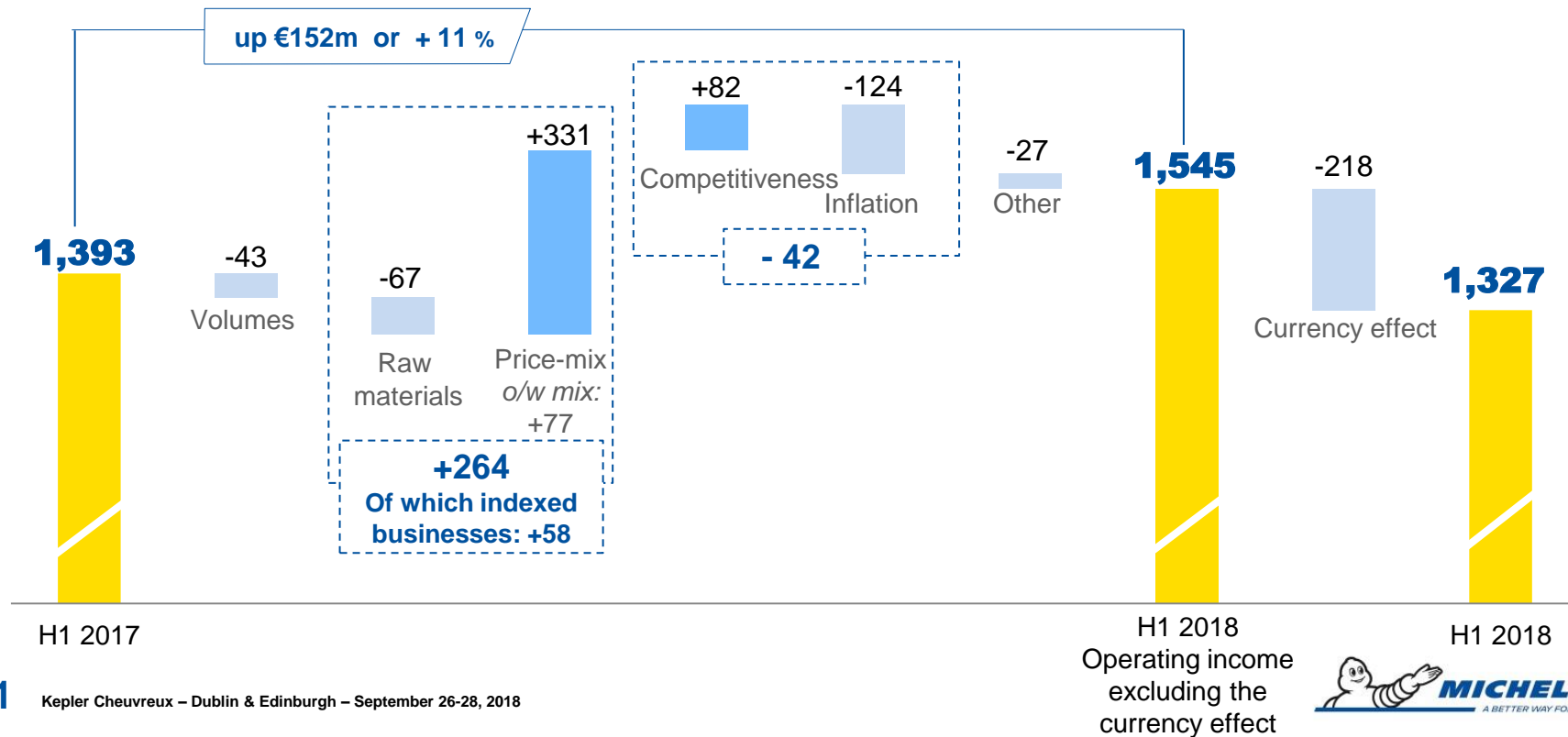
# Reported H1 2018 and H1 2017 financial highlights

<i>(en millions €)</i>	<b>H1 2018</b>	H1 2017
Net sales	<b>10,603</b>	11,059
Operating income from recurring activities	<b>1,327</b>	1,393
Operating margin on recurring activities	<b>12.5%</b>	12.6%
Operating income/(loss) from non-recurring activities	<b>23</b>	27
Net income	<b>917</b>	863
Basic earnings per share (in €)	<b>5.12</b>	4.76
Capital expenditure (excluding acquisitions)	<b>588</b>	585
Free cash flow*	<b>-2,049</b>	-305
Gearing	<b>33%</b>	16%

\*Net cash from operating activities less net cash from investing activities less net cash from other current financial assets, before distributions.

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

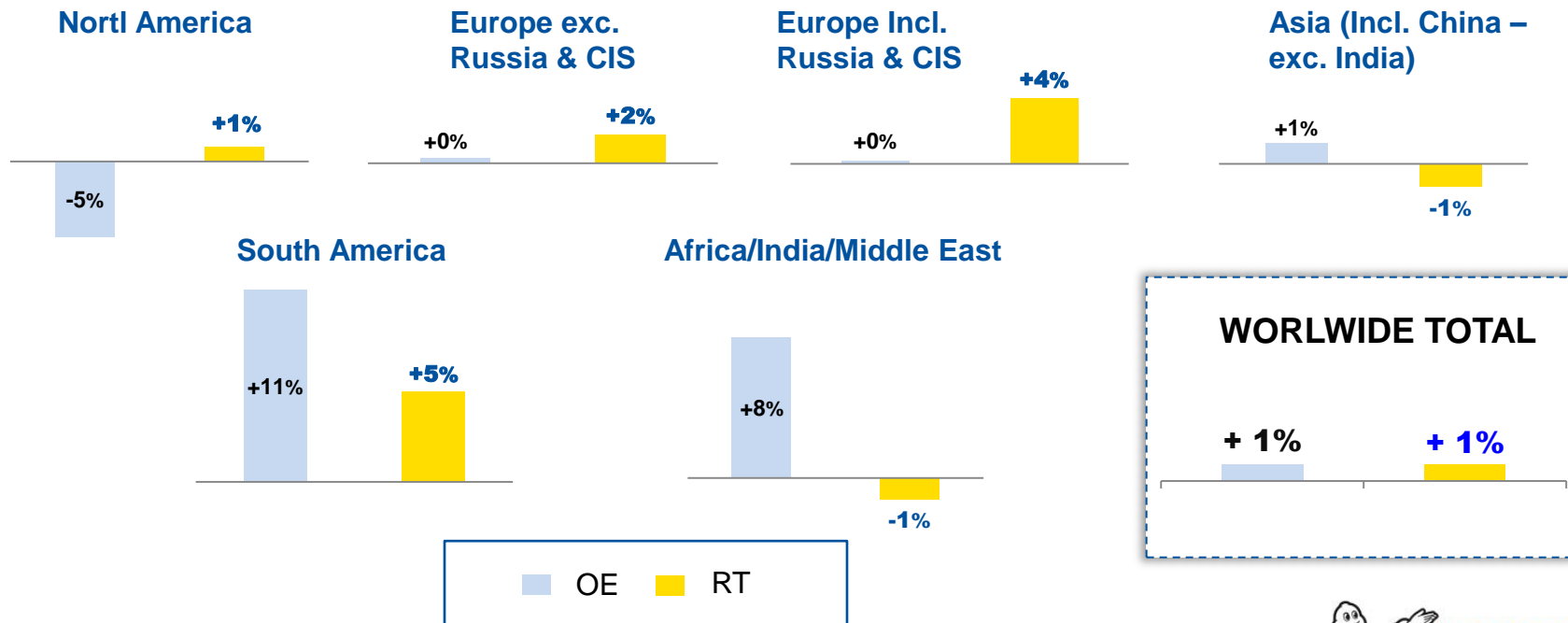
▲ YoY change in operating income from recurring activities (in € millions)



# PC/LT: Slower market growth in H1 due to unfavorable comparatives



▲ PC/LT tire market, first-half 2018  
 (% change YoY, in number of tires)

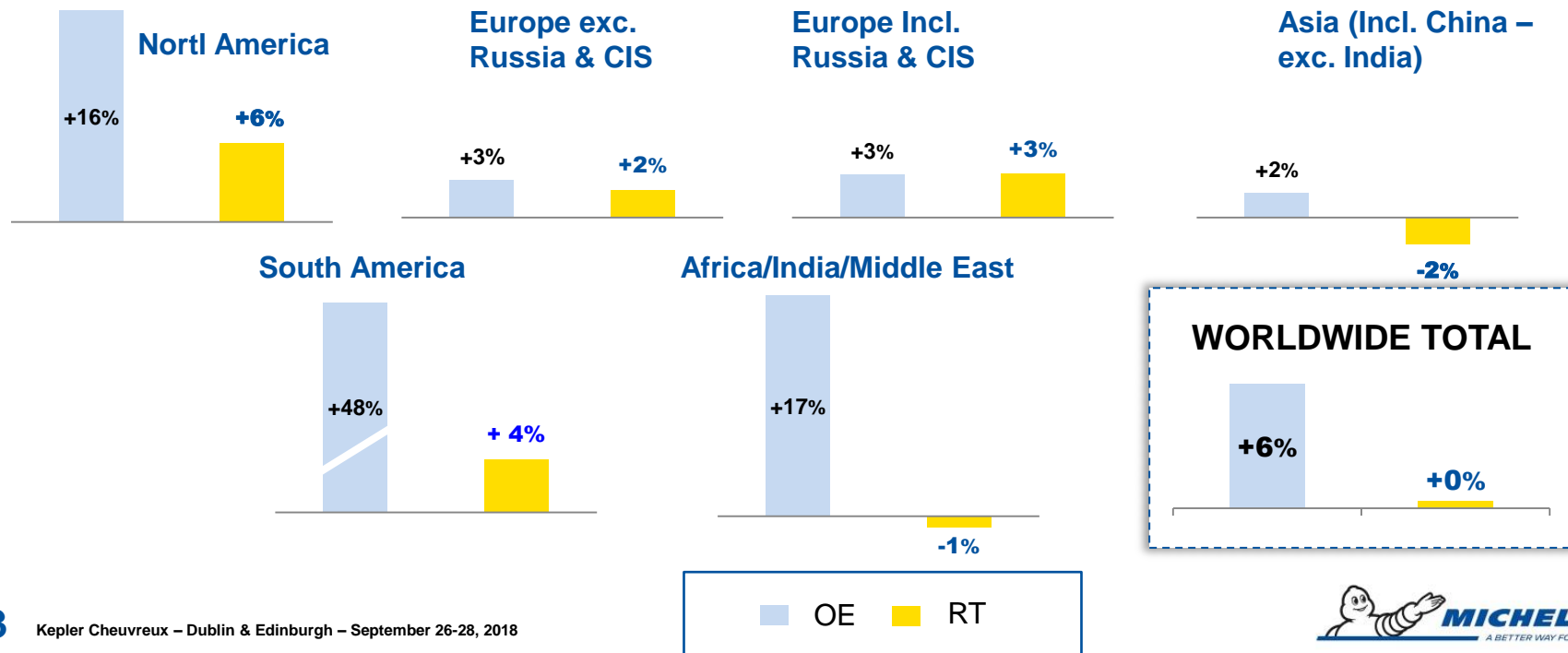




# Truck: Strong growth in OE markets and stable RT demand, due to an unfavorable basis of comparison



## ▲ Truck tire market, first-half 2018 (% change YoY, in number of new tires)




# Michelin acquires 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 upgraded to £60m
  - 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

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



# 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	<b>34,1</b>	(26,3)
Earnings 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

# 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

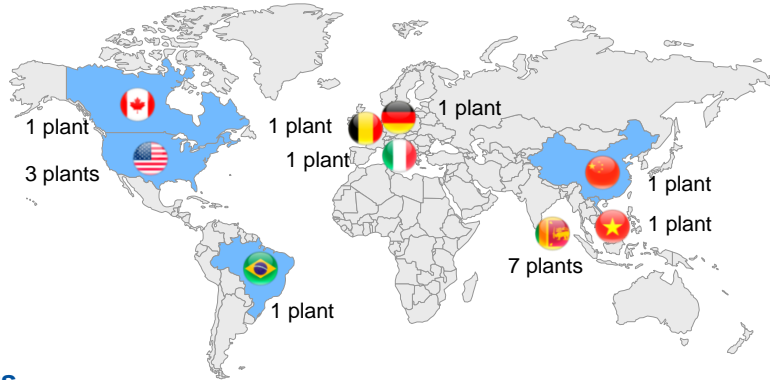
- Acquisition subject to customary due diligence procedures and regulatory approvals
- Closing expected in november 2018

\*EBITDA April 1, 2018 – March 31, 2019

# Camso, a global footprint

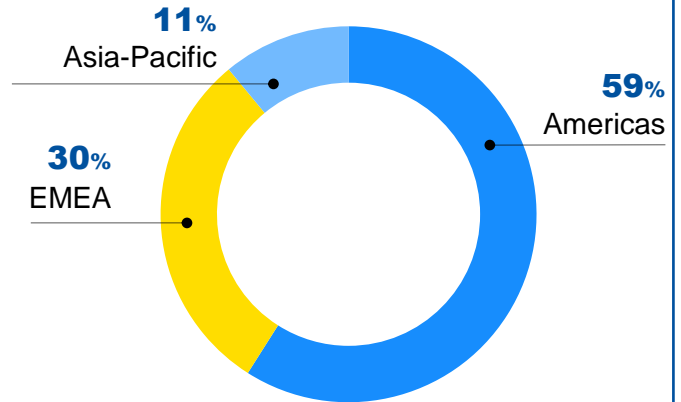


## Plant locations worldwide



**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	~ <b>10%</b>	<b>Strong</b>	Absent	Normal	<b>+5%</b>
Bias	~ <b>45%</b>	Absent	<b>Present</b>	High	
Solid	~ <b>45%</b>	Absent	<b>Strong</b>	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	~ <b>30%</b>	<b>Strong</b>	Absent	High	<b>3.5%</b>
Bias	~ <b>60%</b>	Absent	<b>Present</b>	High	
Tracks	~ <b>10%</b>	Absent	<b>Present</b>	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	Camso	Competition	Growth CAGR 2019-2021
Radial	~ <b>30%</b>	<b>Strong</b>	Absent	Normal	<b>+4%</b> o/w 9% in the track segment
Bias	~ <b>60%</b>	Absent	Absent	High	
Tracks	~ <b>10%</b>	Absent	<b>Leader</b>	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 Camso solutions
  - Michelin R&D can help to optimize the lifespan of Camso treads
- Products that protect the environment and increase yields, with reduced soil compaction and better traction

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

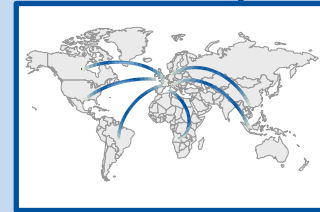




# Up to \$55 million in quantified synergies in 2021...



- 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 finance costs
- Optimization of working capital requirement to improve cash flow by around \$20m



# Camso key figures



<i>In \$ millions</i>	<b>2018</b>
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

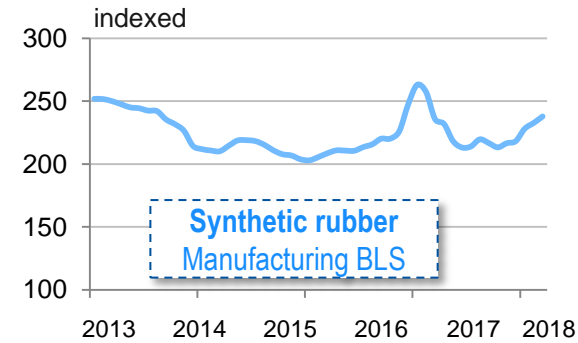
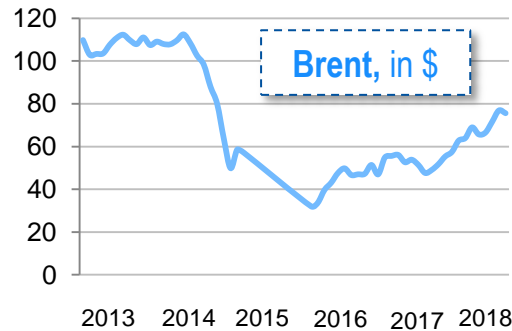
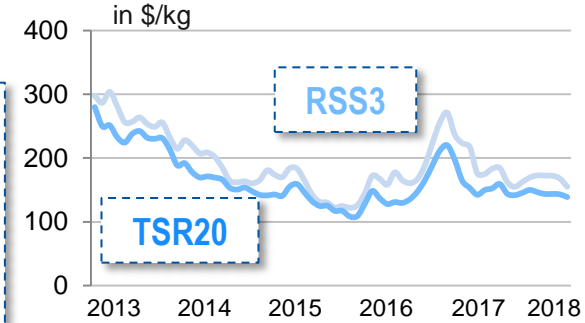
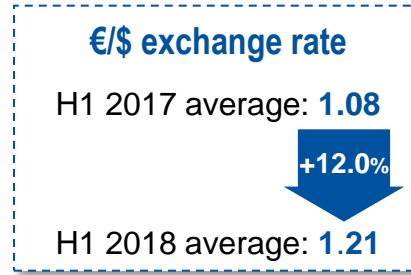
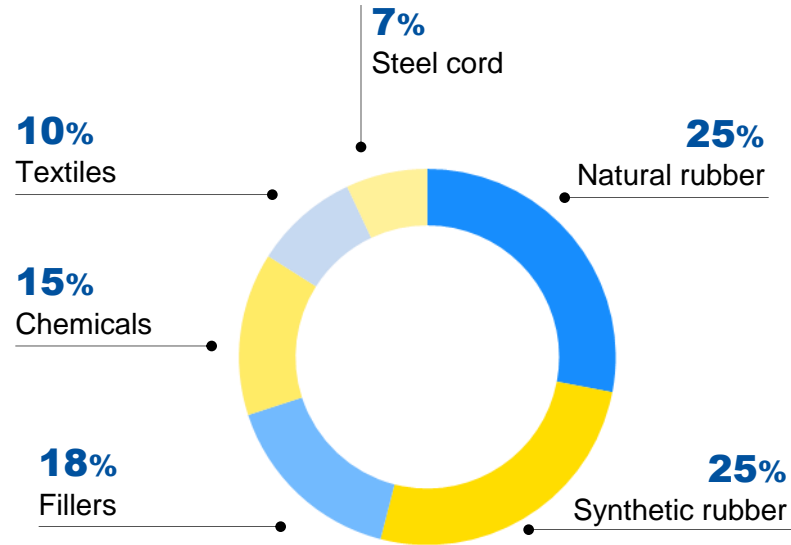
	% of net sales H1 2018		H1 2018 vs 2017 € change vs. currency	Droptthrough Net sales/EBIT*
ARS	1%		+51%	80% - 85%
AUD	2%		+9%	80% - 85%
BRL	3%		+20%	-20% / - 30%
CAD	3%		+7%	25% - 30%
CNY	6%		+4%	25% - 30%
EUR	35%		NA	-
GBP	3%		+2%	25% - 30%
INR	1%		+12%	25% - 30%
JPY	1%		+8%	80% - 85%

	% of net sales H1 2018		H1 2018 vs 2017 € change vs. currency	Droptthrough 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%

\* Droptthrough depending on countries specificities: export/production/sales base

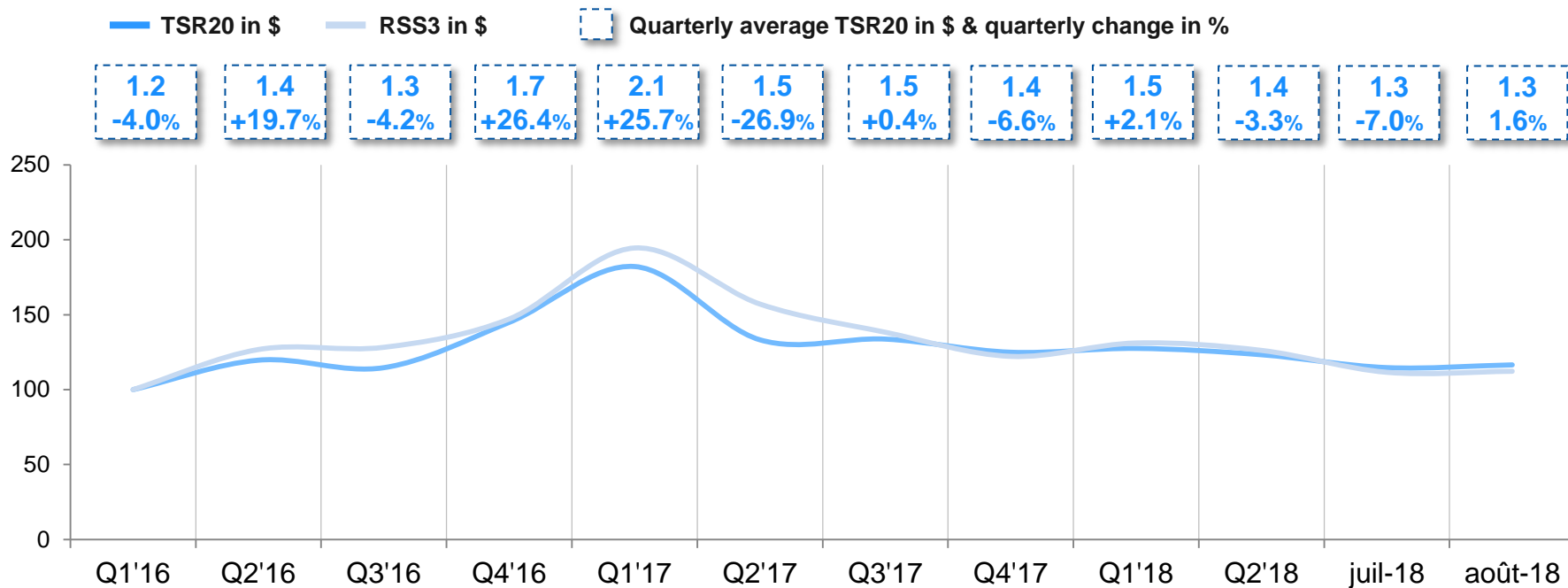
# Raw materials

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



# Natural rubber prices

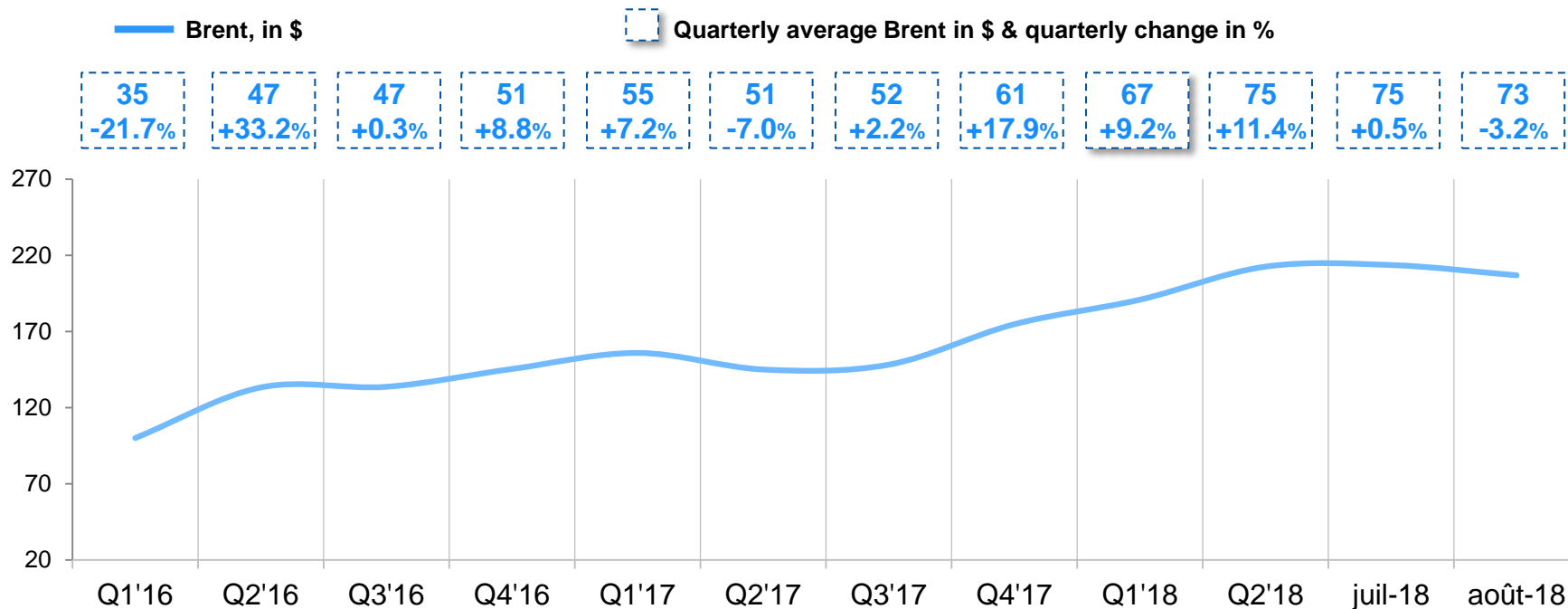
▲ Index as of August 31, 2018 (in \$/kg, base 100: Q1 2016)



Source: SICOM

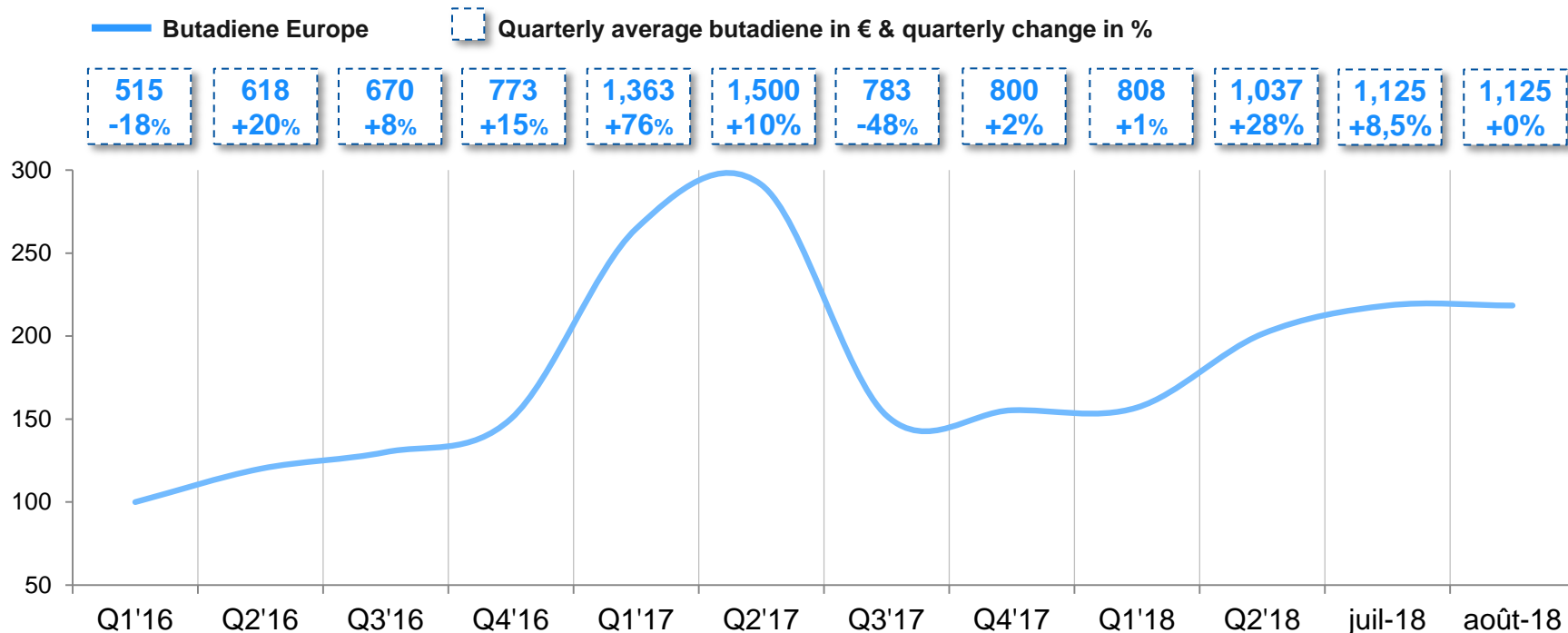
# Brent crude oil prices

▲ Index as of August 31, 2018 (\$ per barrel, base 100: Q1 2016)



# Butadiene prices

▲ Index as of August 31, 2018 (€ per tonne, base 100: Q1 2016)



Source: IHS

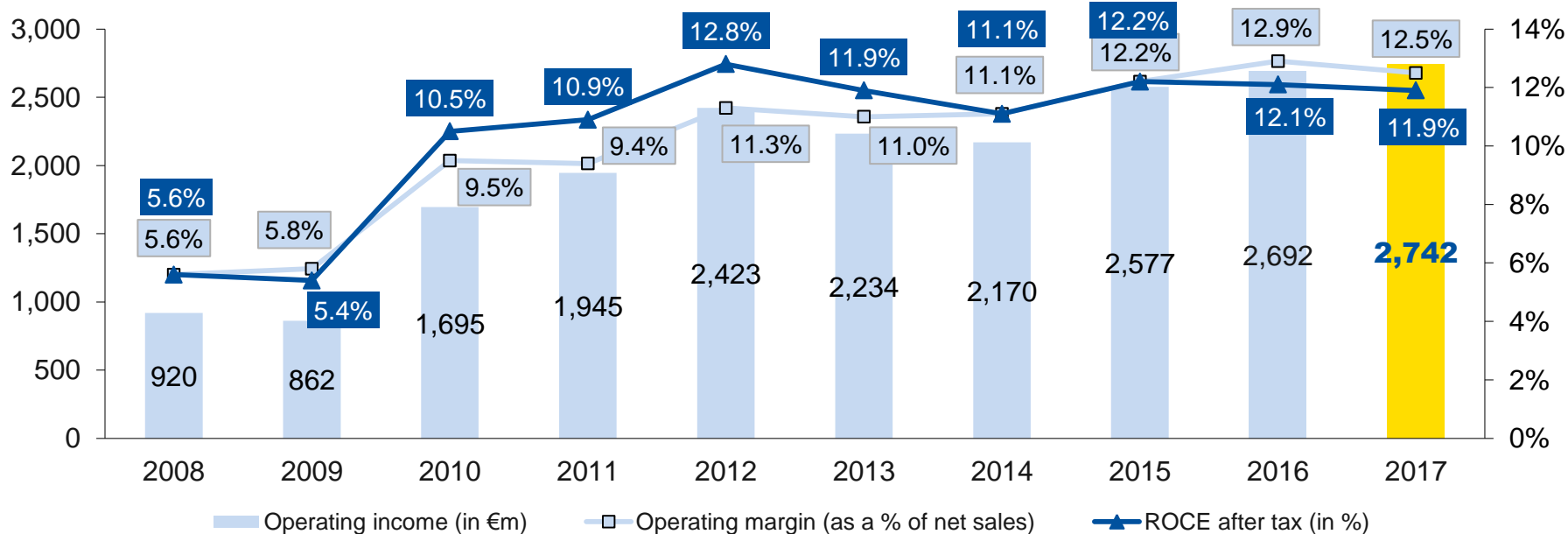
# Bond issues outstanding (as of August 31, 2018)

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
<b>Issue</b>	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note
<b>Type</b>	Bond	Bond	Bond	Convertible	Convertible	Bond	Bond	Bond	Bond
<b>Principal Amount</b>	€ 750 mn	€ 1000 mn	€ 750 mn	\$ 600 mn	\$ 500 mn + TAP \$100 mn	€ 302 mn	€ 300 mn	€ 300 mn	€ 400 mn
<b>Offering price</b>	99,099%	99,262%	99,363%	95,50%	100% & 103,85%	98,926%	99,967%	99,081%	99,912%
<b>Rating coporation at Issuance date</b>	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)
<b>Current coporation rating</b>	A- (S&P) ; A3 (Moody's) ; unsolicited A- (Fitch)								
<b>Coupon</b>	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
<b>Issue Date</b>	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
<b>Maturity</b>	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
<b>Interest payment</b>	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
<b>ISIN</b>	FR0013357845	FR0013357852	FR0013357860	FR0013309184	FR0013230745	XS1298728707	XS1233732194	XS1233734562	XS0794392588
<b>Denomination</b>	€ 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:**
  - **October 22, 2018 (after close of trading):** Third-quarter 2018 net sales
  - **February 11, 2019 (after close of trading):** 2018 full year results
  - **April 4, 2019:** Investor day

# 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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