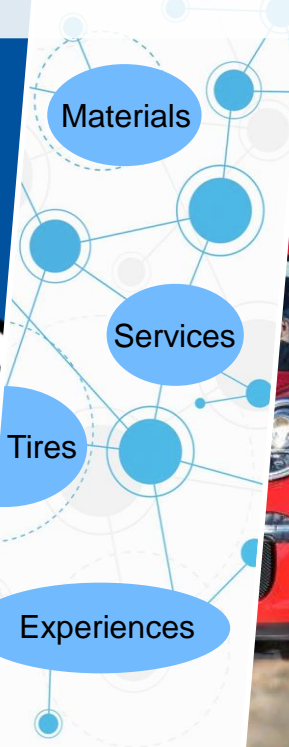


Investor Day in Almeria – April 04, 2019

Mining business: market perspectives and strength of Michelin product and service offerings

Bruce BRACKETT, Senior Vice President Mining Business Line





FORECAST FOR STEADY GROWTH



Positive mining indicators in 2018



COMMODITY PRODUCTION

+3% since 2016



TOP 40 MINERS GAIN REVENUE

+23% in 2018



INVESTMENTS IN EXPLORATION

+20% since 2016



COMMODITY PRICING

holding steady or improving

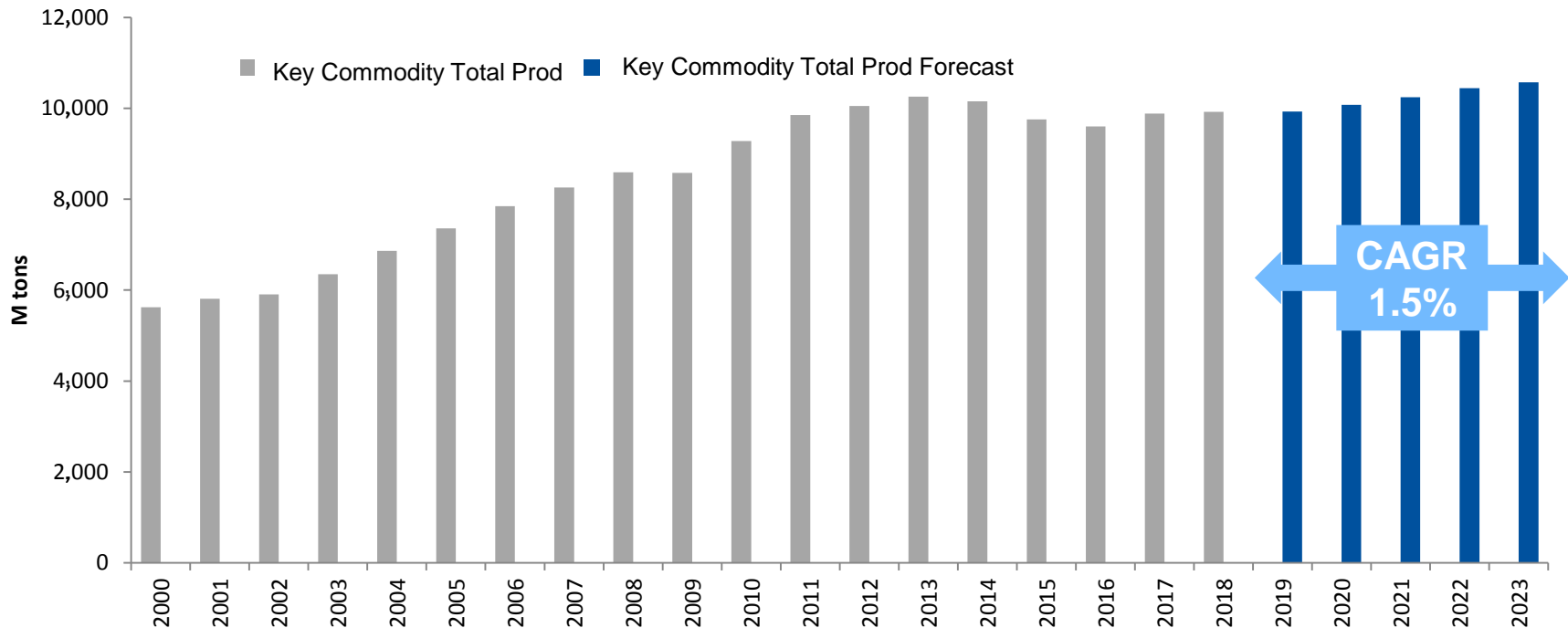


EXPANSION ANNOUNCEMENTS

particularly in iron ore and copper



Commodity output is key driver of mining tire consumption

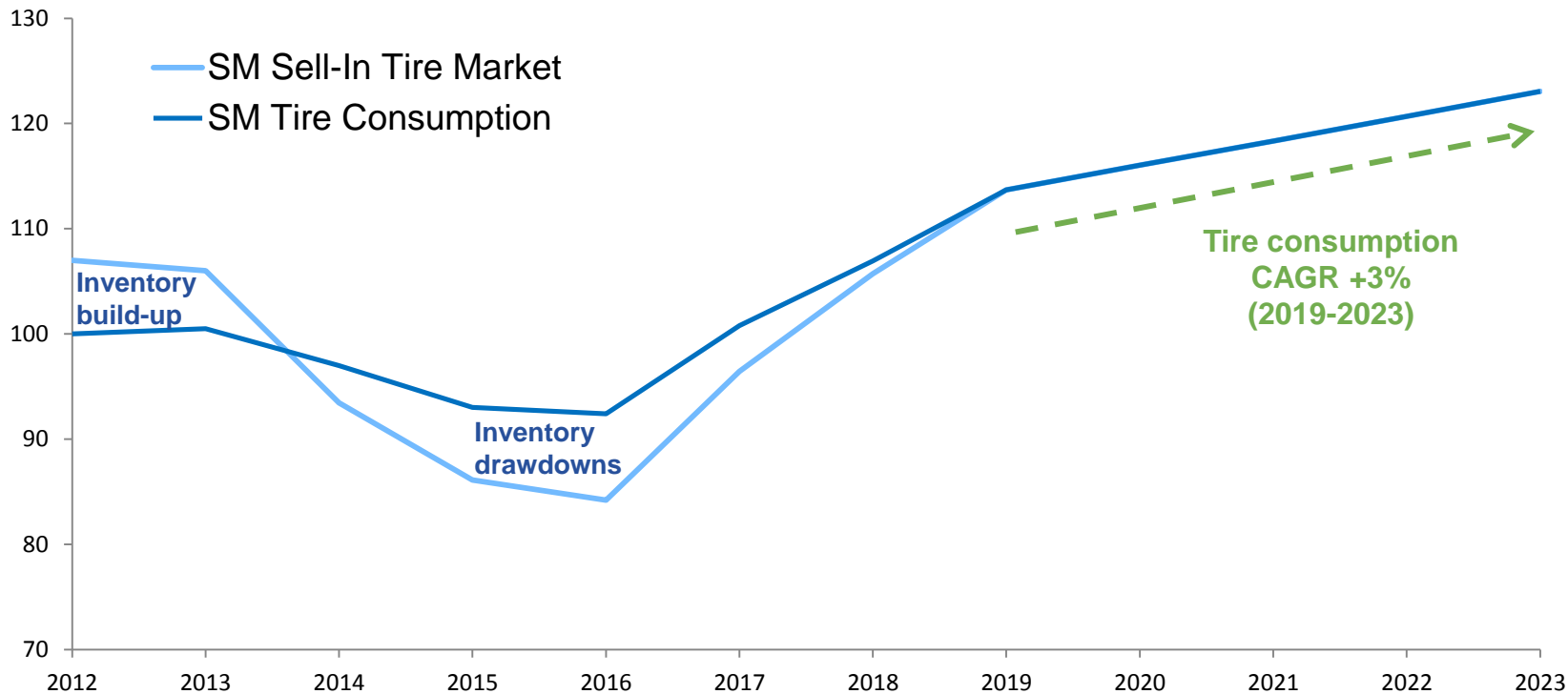


SOURCE: GlobalData Mine Intelligence Center

KEY COMMODITIES: Iron ore, copper, coal



Surface mining tire market driven by growing tire consumption





Sustained tire consumption CAGR of 3% between 2019-2023

**1.5% CAGR =
3% TIRE CONSUMPTION CAGR**

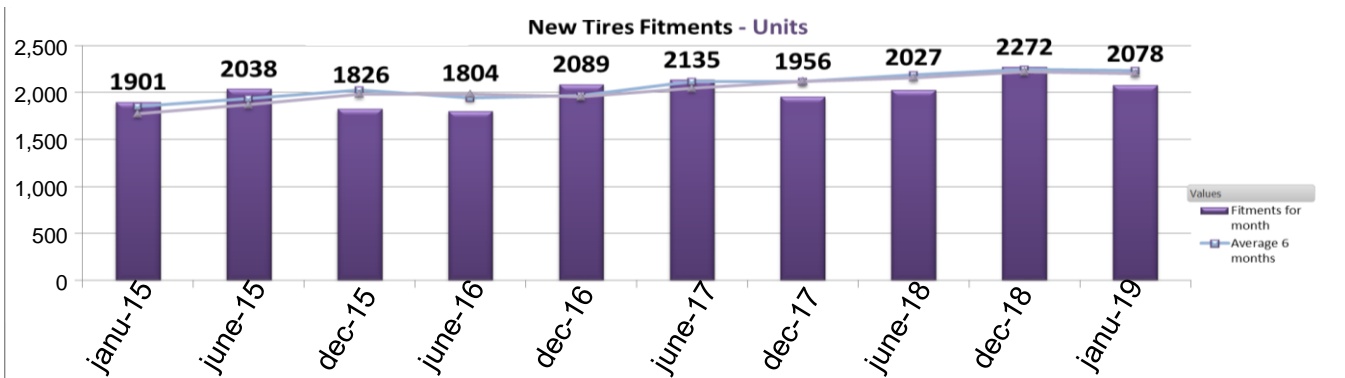
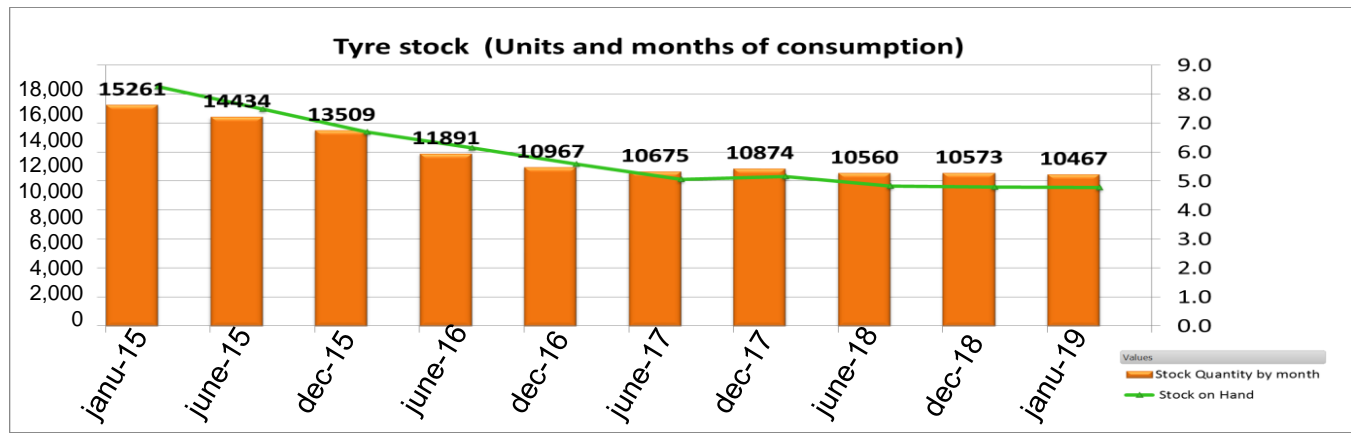
Based on empirical tire consumption data, 2016-2018, of the top 20 mining companies compared to ore production during the same time period

WHY?

- Larger volumes of earth moved to extract a given amount of ore
- The deeper the footprint, the more distance vehicles cover
- Strip ratios and grades degrade over time

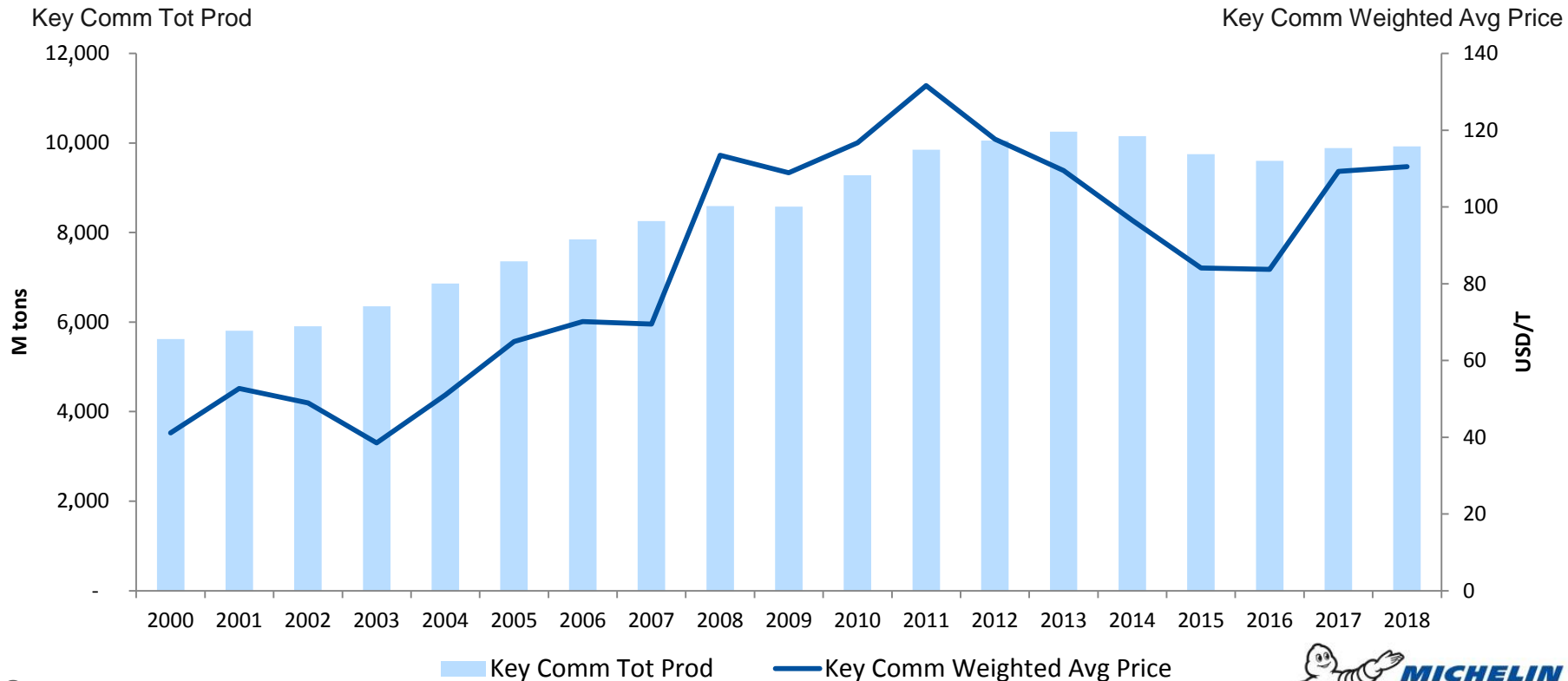


Stock levels stabilizing and tire consumption increasing





The main driver of tire consumption, commodity output, is less volatile than pricing





Growth in electric vehicles reinforces long term commodity demand

COMMODITIES IMPACTED (IN ORDER OF DEMAND)



Copper
Nickel
Cobalt

Electric cars will comprise 35% of automotive production by 2040. – *PRNewswire*

It took 120 years to build the modern copper industry... **electric vehicle demand will require it to double in 20 years - *Barron's* ***

* SOURCE: *Barron's Article*

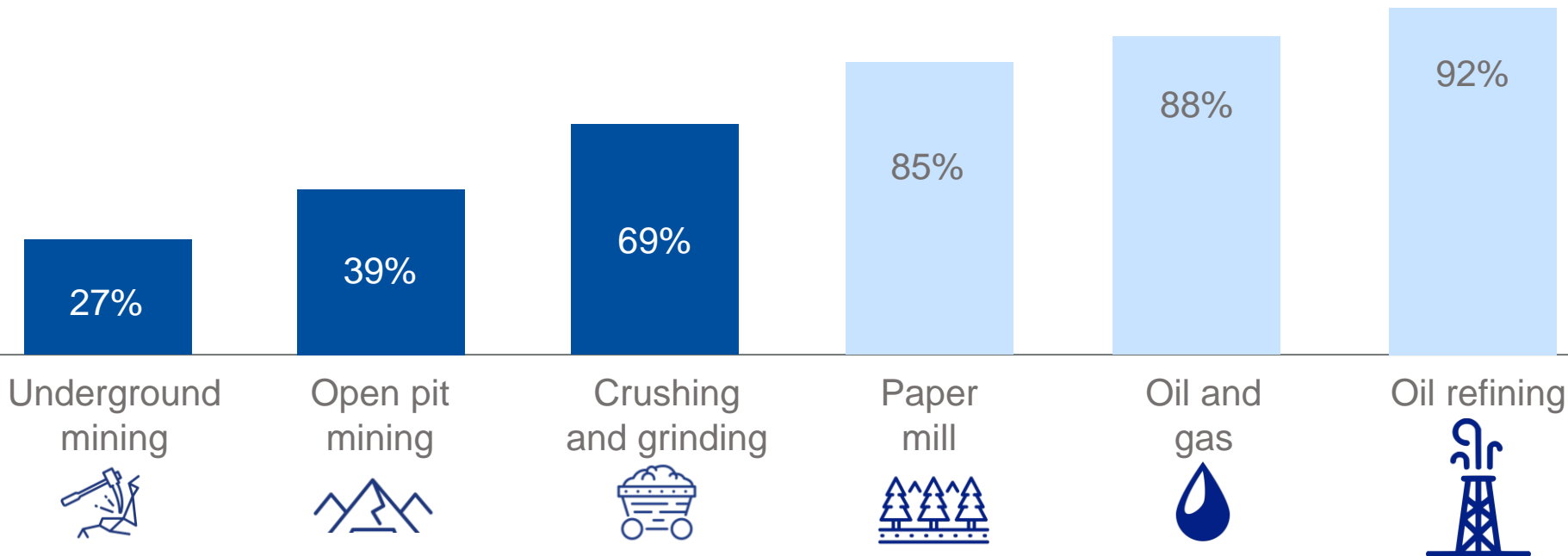


A WINNING FORMULA IN A STRONG MARKET



Relatively low equipment efficiency in mining: a strong opportunity for premium players

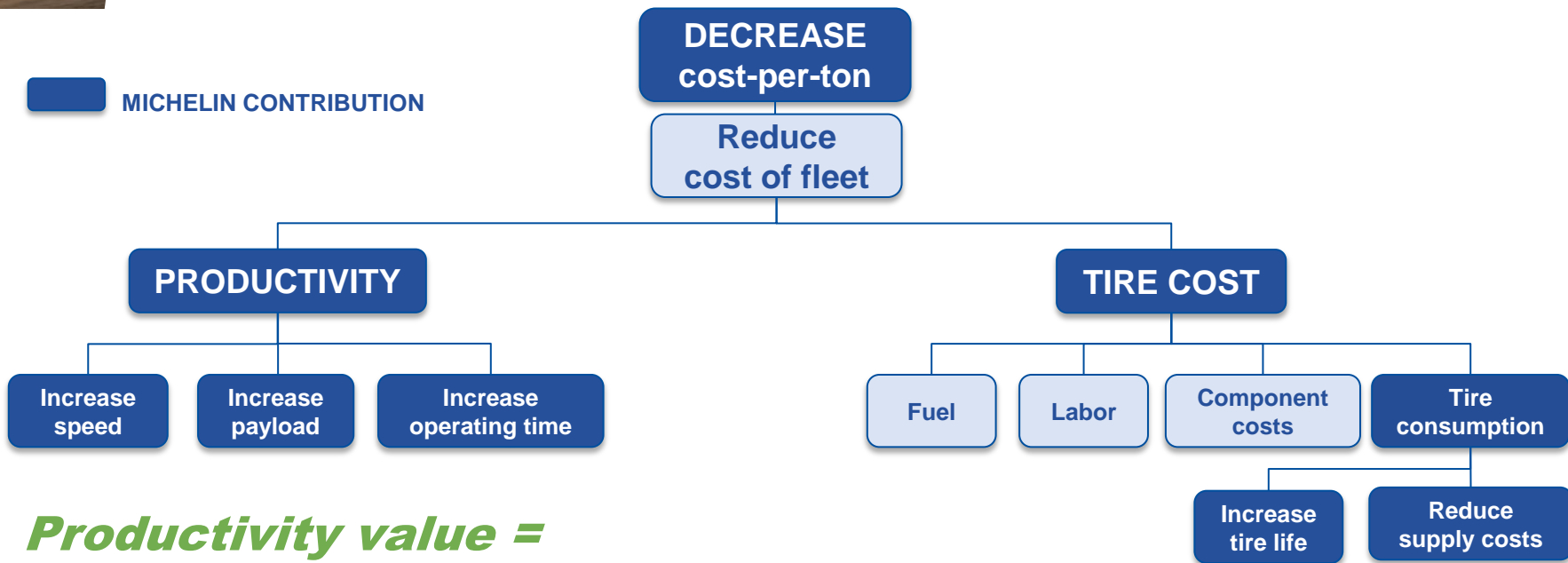
AVERAGE OVERALL EQUIPMENT EFFICIENCY



SOURCE: McKinsey & Company



Michelin offers are a key lever to increase productivity, the strongest value driver for miners



Productivity value = 15x vs. tire cost value



Market share gain drivers: product approach responds to customers' productivity needs



The most productive 57- inch offer in the market

The most productive 63-inch offer in the market



XDR250

XDR3



Market share gain drivers: secured and global commercial approach



20 GLOBALLY MANAGED ACCOUNTS



> 70% SURFACE MINING VOLUME UNDER LONG-TERM CONTRACTS



> 70% SHARE OF ACCOUNT WITH TOP 10 CUSTOMERS



Market share gain drivers: significant technical barriers

BELSHINA

BRIDGESTONE

GALAXY



GOODYEAR



Continental

YOKOHAMA

Mitas SIMEX

TOYO



29/35"

BELSHINA

BRIDGESTONE

GALAXY



GOODYEAR



YOKOHAMA

SIMEX
TYRES



39/49"

BRIDGESTONE

GOODYEAR



51/57"

BRIDGESTONE



63"



Winning with a sustainable approach



Materials and model:
5-15% weight advantage vs. competition



Continue progress on the Michelin environmental footprint



Increase performance efficiency: longer tire life



Develop and deploy solution for end of life tire offer



Key Takeaways

- Commodity output forecast shows steady growth, drives the mining tire market.
- Commodity production is notably less cyclical than commodity pricing.
- Michelin is growing faster than the market driven by innovative products and services that meet our customers' increasing level of expectation.
- Michelin confirms its growth above market in 2019, with a Q1 slightly dented by logistics issues.
- Michelin intends to win with a sustainable approach.
- Integration with Fenner going very well with results better than anticipated.





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 documents filed in France with *Autorité des marchés financiers*, which are also available from the <http://www.michelin.com/en/> website.

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