



ANNUAL SHAREHOLDERS MEETING MAY 17, 2019

A photograph of several stacks of black Michelin tires with a distinctive tread pattern, arranged in a grid-like fashion. The tires are stacked vertically and horizontally, creating a strong sense of depth and texture. The background is a clear blue sky.

May 17, 2019

ANNUAL SHAREHOLDERS MEETING

- 1 / 2018: in a challenging environment, another year of progress**
- 2 / 1st Quater 2019 : Q1 2019 sales up 11.3% to €5.8 billion**
- 3 / 2019 guidance confirmed**
- 4 / Shareholder commitment**

May 17, 2019

ANNUAL SHAREHOLDERS MEETING



2018: in a challenging environment, another year of progress

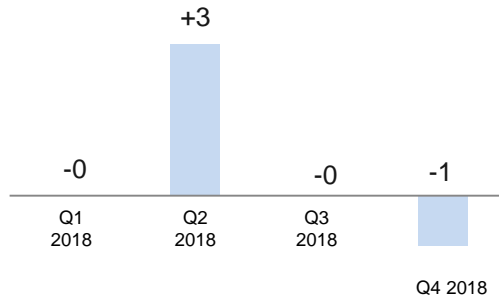
2018: disciplined management in H2 and firm volume resistance delivered more than €300m increase in Segment Operating Income at constant exchange rates

	H1 2018	H2 2018	2018 actual
Volumes	+0.1%	+1.7%	+0.9%
Price-mix	+3.0%	+1.1%	+2.0%
Competitiveness gains vs. inflation	€(42)m	€42m	Neutral
Segment operating income	€1,327m	€1,448m	€2,775m up €304m at constant exchange rates

Markets in 2018: sharp slowdown in Passenger car and Truck tires in H2; sustained growth in Specialties



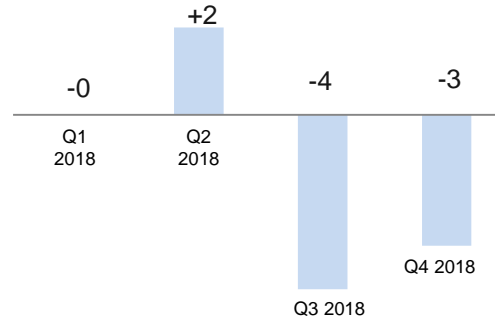
PC/LT: -0%



- OE : -2%
- RT : +1%



Truck: -1%



- OE : +1%
- RT : -2%



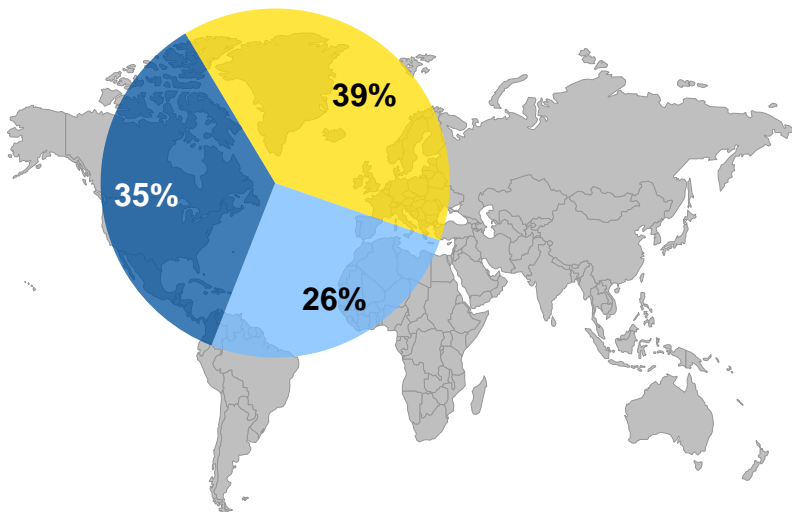
Specialties: +6%

- Mining tires: sustained demand (up ~10%)
- Off-road OE demand up sharply in Construction, slowing in Agricultural in H2; RT demand stable
- Growth in the Two-wheel, Commuting and Aircraft tire segments

Source : Michelin

Strong volume resilience thanks to Group's global geographic exposure and wide product offering

▲ 2018 sales by region

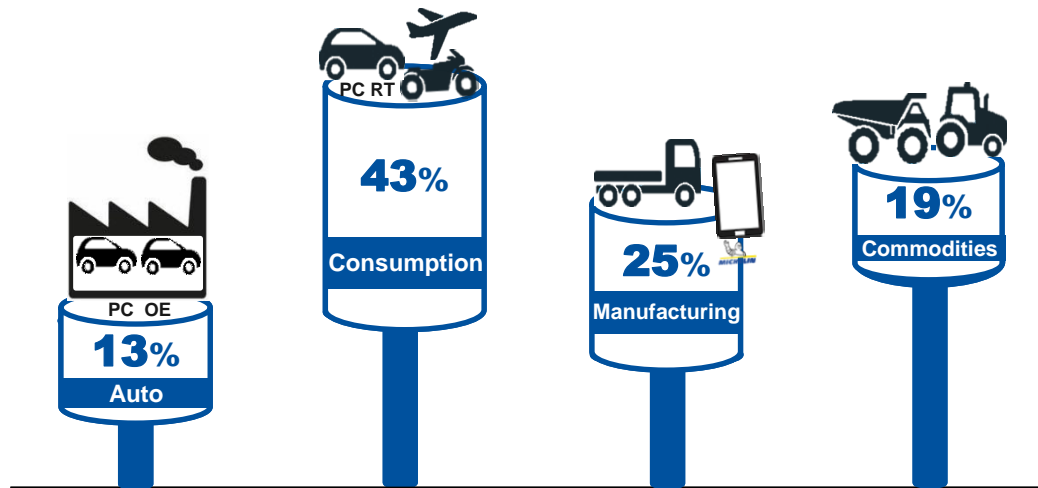


■ Europe incl. Russia & CIS

■ Asia and rest of the world

■ North America incl. Mexico

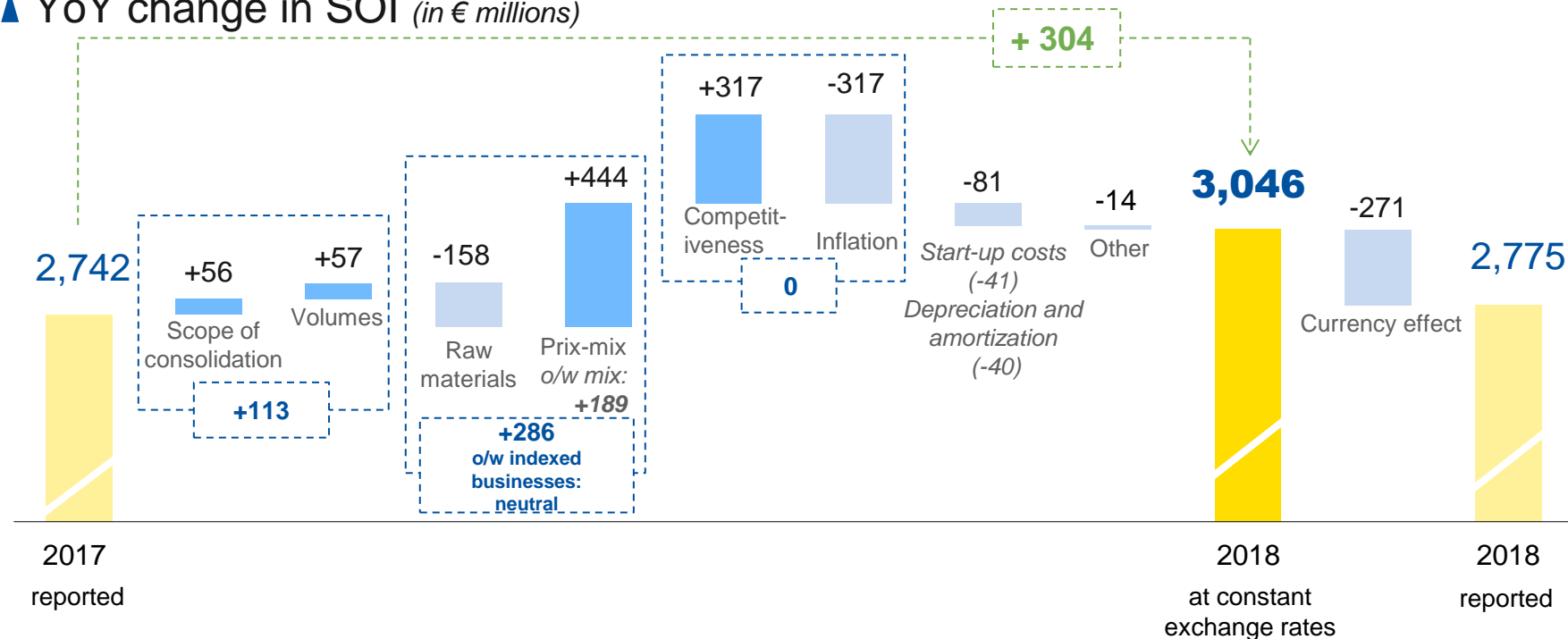
▲ 2018 sales by growth driver






PC OE/RT: Passenger car and light truck tires sold as original equipment (PC OE) or in replacement markets (PC RT)

SOI up a strong €304m (+11%) at constant exchange rates, led by the unit margin

▲ YoY change in SOI (in € millions)



2018 saw a strong growth in the Specialty businesses





















	(in millions €)	2018	2017 **	Variation
	RS1 sales	11,341	11,953	-5 %
	Operating income *	1,314	1,464	-10 %
	Operating margin *	11.6 %	12.3 %	- 0.7 pt
	<i>at 2017 exchange rates</i>	<i>12.3 %</i>		
	RS2 sales	5,852	5,946	-2 %
	Operating income *	513	483	+6 %
	Operating margin *	8.8 %	8.1 %	+0.7 pt
	<i>at 2017 exchange rates</i>	<i>9.7 %</i>		
	RS3 sales	4,836	4,061	+19 %
	Operating income *	948	794	+19 %
	Operating margin *	19.6 %	19.6 %	+0.0 pt
	<i>at 2017 exchange rates</i>	<i>20.2 %</i>		

* For the segment

** new organization

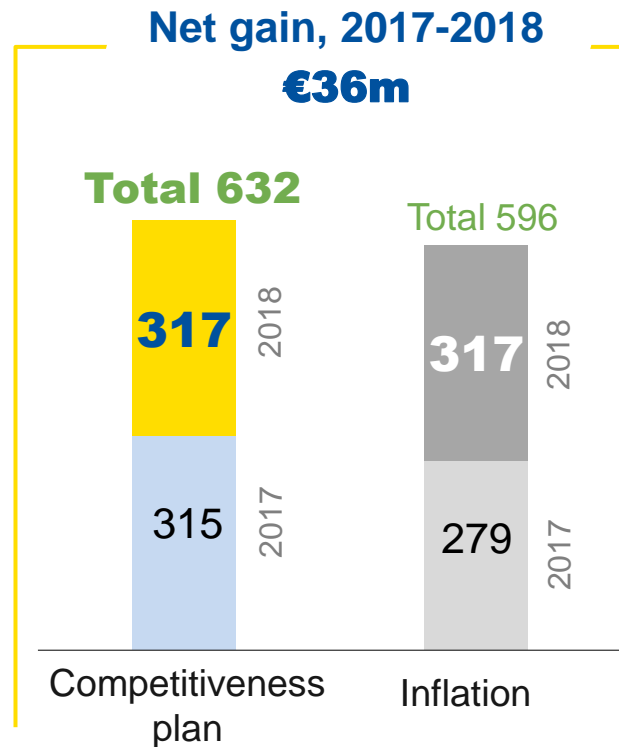
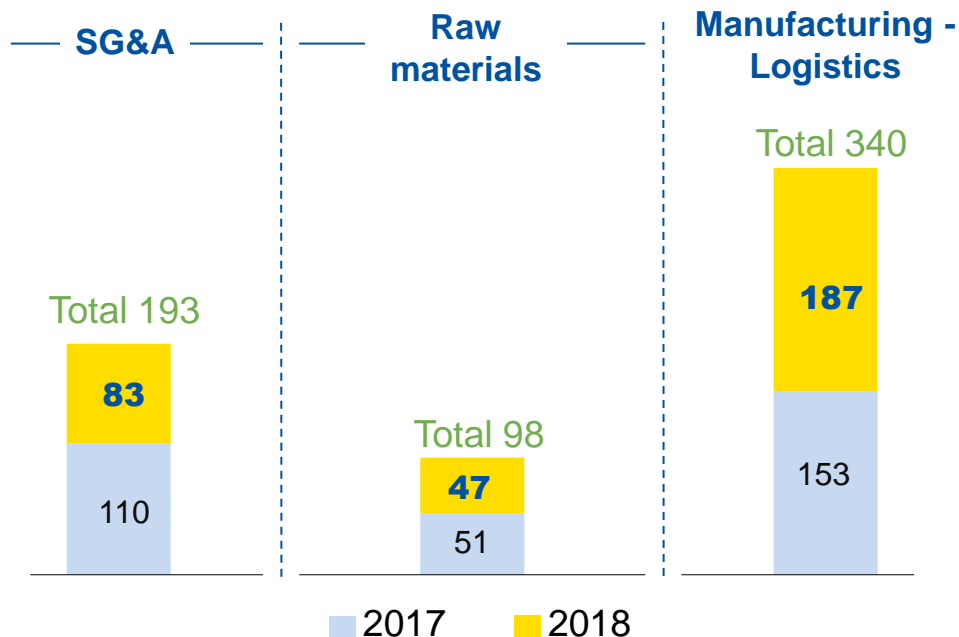
- RS1 sales down taking into account exchange rates and the deconsolidation of TCi; unit margin supported by the price/mix
- RS2 sales down due to the currency effect; OI up thanks to a strong net price-mix vs raw materials effect
- RS3 sales and OI up sharply despite the currency effect, lifted by volumes, prices and Fenner consolidation

2018: faster deployment of the Group's strategy

	Tires	Services	Experiences	Materials
2015-2020 target	Sales +20%	Sales doubled	Sales tripled	Capitalize on our leadership
Recent 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> 		

2017-2020 Competitiveness Plan: €632m in gains in two years; on track to deliver the targeted €1.2bn

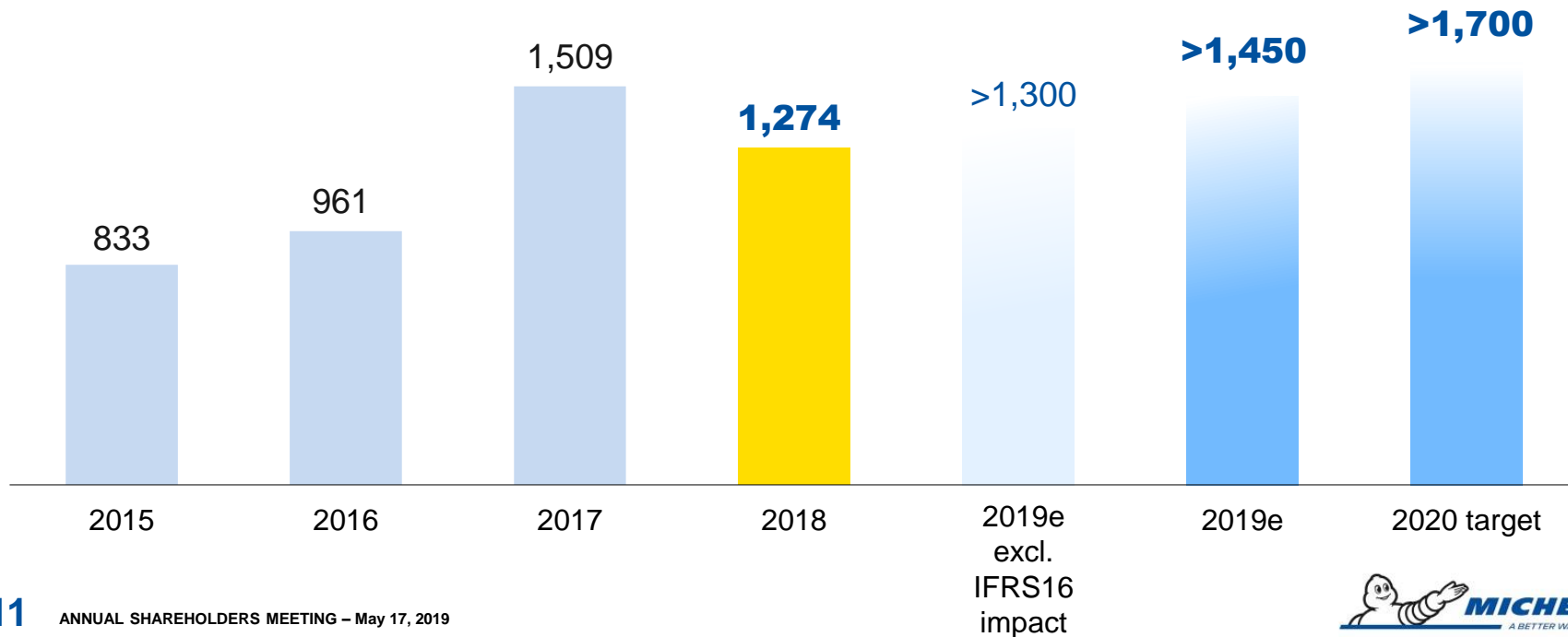
▲ Target: €300m in average annual gains*



*Before inflation and including avoided costs.

2018 : on the road to our 2020 objectives

▲ Deliver structural FCF > €1 700m as from 2020
(in € millions)





May 17, 2019

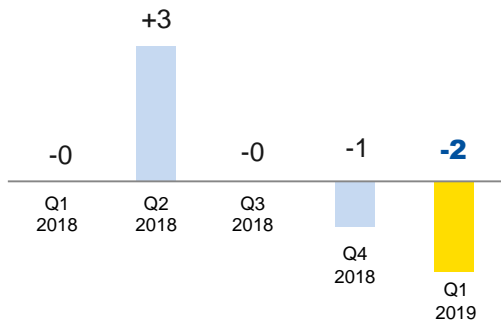
ANNUAL SHAREHOLDERS MEETING

Q1 2019 sales up 11.3% to €5.8 billion

Markets in Q1 2019: PC/LT tire markets dampened by the OE segment and RT demand in Europe; Truck tire markets stable



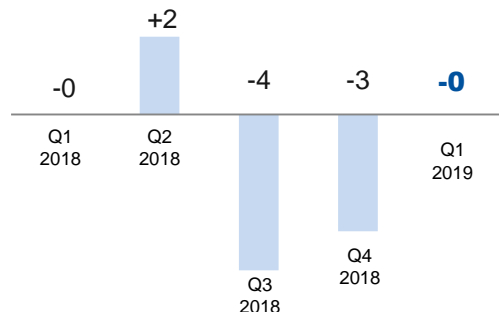
PC/LT Q1 2019: -2%



- OE : -8%
- RT : +1%



TRUCK Q1 2019: -0%



- OE : +4%
- RT : -2%



SPECIALTIES*: +3% / +5%

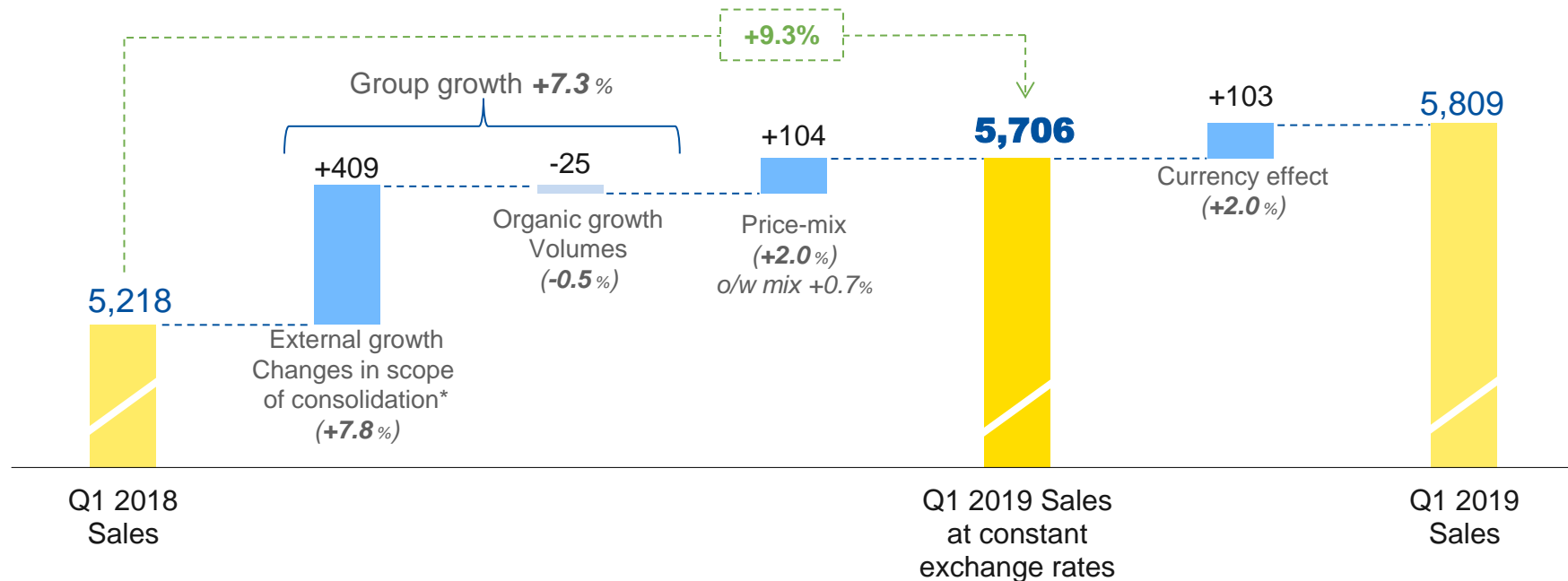
* Full-year market estimate

- Mining tires: sustained growth in demand (+4% to +5%)
- Off-road tires: higher Infrastructure tire sales, Agricultural tires slightly up
- Growth in the Two-Wheel Commuting and Aircraft segments

Source : Michelin

Sales up 9.3% at constant exchange rates, lifted by the contribution from acquisitions, strong prices and the sustained improvement in the mix

▲ YoY change (in € millions and %)




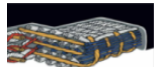
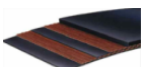



* consolidation of Fenner and Camso, deconsolidation of TCi

Fenner: successful integration and growth exceeding business plan targets












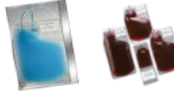
Keeping up with growth momentum



Record backlog

<p>Products</p> <p>15 plants</p>	 <p>Heavyweight conveyor belts</p>  <p>Solid woven belt</p>  <p>Ply belt</p>  <p>Steel cord</p>
<p>Services</p>	 



	Advanced Sealing Technologies	Precision Polymers	Solesis Medical
Brands	   	  	 
Market	Oil and gas, construction, energy, manufacturing	Manufacturing, farming, mining	Healthcare
Products	<p>Seals Wear products Precision components</p> 	<p>Elastomeric solutions Lay-flat hoses</p> 	<p>Medical and biomedical technologies</p> 
	22 plants		



Camso: sales up +9% in Q1 2019

Material handling

Tires, wheels and services



Sales up
+8%



Agriculture

Tracks and track systems



Sales up
+9%



Construction

Tires, wheels and tracks



Sales up
+5%



PowerSport

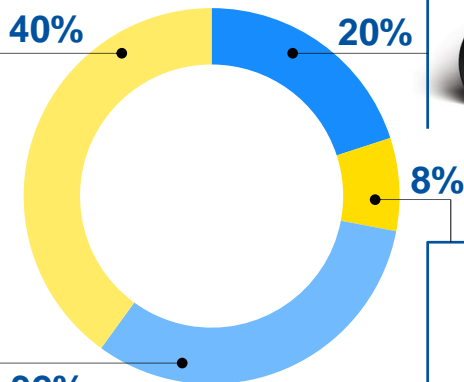
Tracks and track systems



Sales up
+29%



▲ Sales by segment*



* Source: Camso 2018

Multistrada: with leading Indonesian tire manufacturer, Michelin gains competitive Tier 2/Tier 3 production capacity

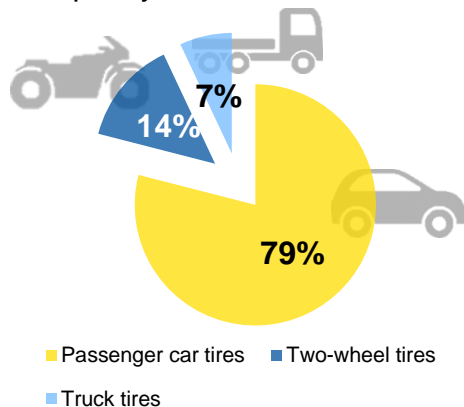
Tier 3 production

Productivity gain vs. 2016-2018:

 **21%**



Breakdown of production capacity in KT



Financial indicators

Net sales of USD313 million*

EBITDA of 13%*



3,900 employees

* Rolling 12 months as at end of Sept. 2018

Distribution

24 dealerships
in Indonesia

more than **400** partners
in 100 countries

May 17, 2019

ANNUAL SHAREHOLDERS MEETING



**2019 guidance
confirmed**

2019 Scenario*

	2019
Cost impact of raw material prices and customs duties <i>(primarily in H1)</i>	~ €(100) million
Currency effect	Slightly positive based on March 2019 rates
Effective tax rate	Standard ETR reduced to 26%**
Net price-mix/raw materials effect	Positive
Competitiveness plan gains vs. inflation	Positive

*Based on the following average prices and exchange rates for the year: Natural rubber: \$1.43/kg; butadiene (US, Europe and Asia): \$1,174/t; Brent: \$65/bbl; EUR/USD: 1.14

**Based on currently available information

2019 guidance: in line with 2020 objectives

	2019
Volumes	Growth in line with the markets
Segment operating income at constant exchange rates <i>before the estimated €150m additional contribution from Camso and Fenner</i>	>2018
Structural FCF <i>including the positive €150m accounting impact of IFRS 16</i>	>€1,450m

May 17, 2019

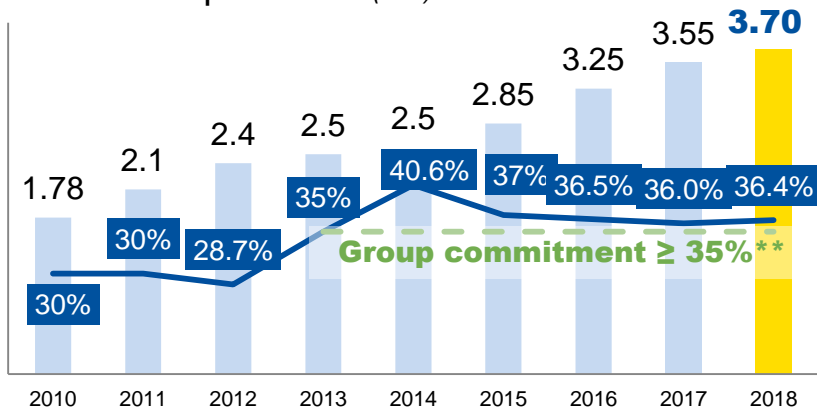
ANNUAL SHAREHOLDERS MEETING

**Shareholder
commitment**

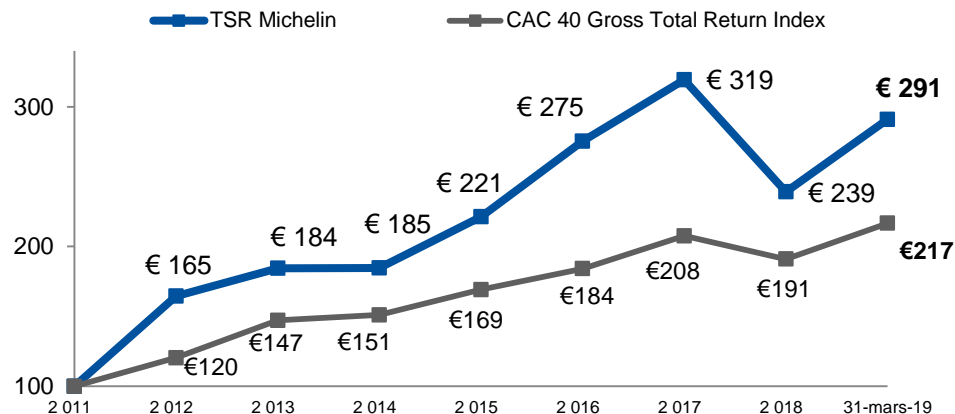
Sustained shareholder return policy

- 2018 dividend of €3.70 per share*, for a payout ratio of 36.4%**
- 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
 - 2019-2023: €500m share buyback program over the next five years

● Dividend per share (in €)



● Total Shareholder Return (in €)



*Subject to shareholder approval at the Annual Meeting on May 17, 2019 - **Of consolidated net income before non-recurring items