



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

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- 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

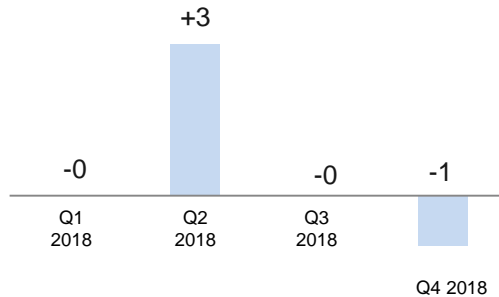
2018: disciplined management in H2 and firm volume resistance delivered more than €300m increase in Segment Operating Income at constant exchange rates

	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



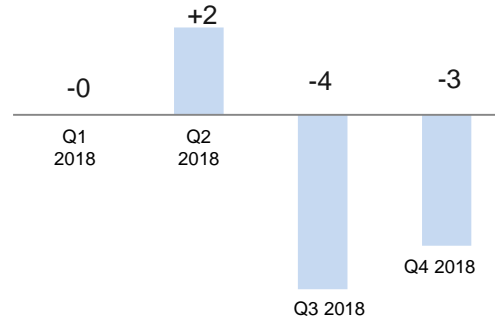
PC/LT: -0%



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



Truck: -1%



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



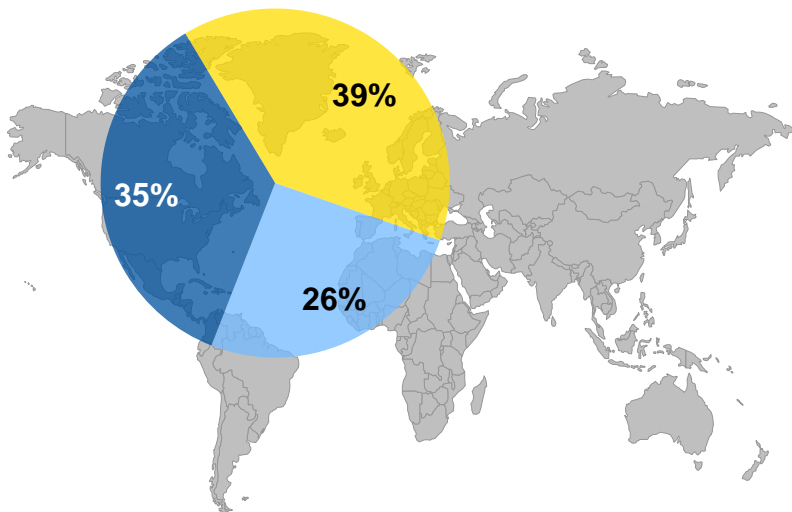
Specialties: +6%

- 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

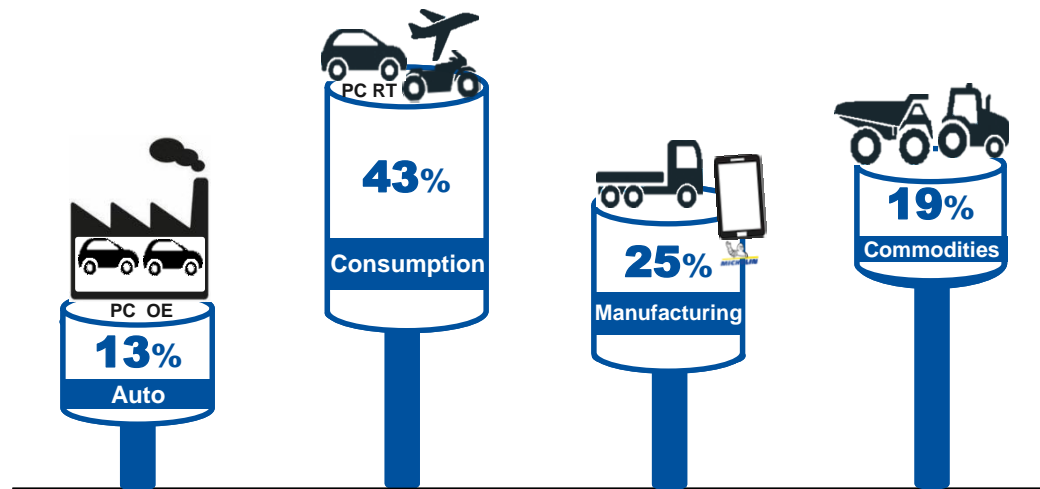


■ Europe incl. Russia & CIS

■ Asia and rest of the world

■ North America incl. Mexico

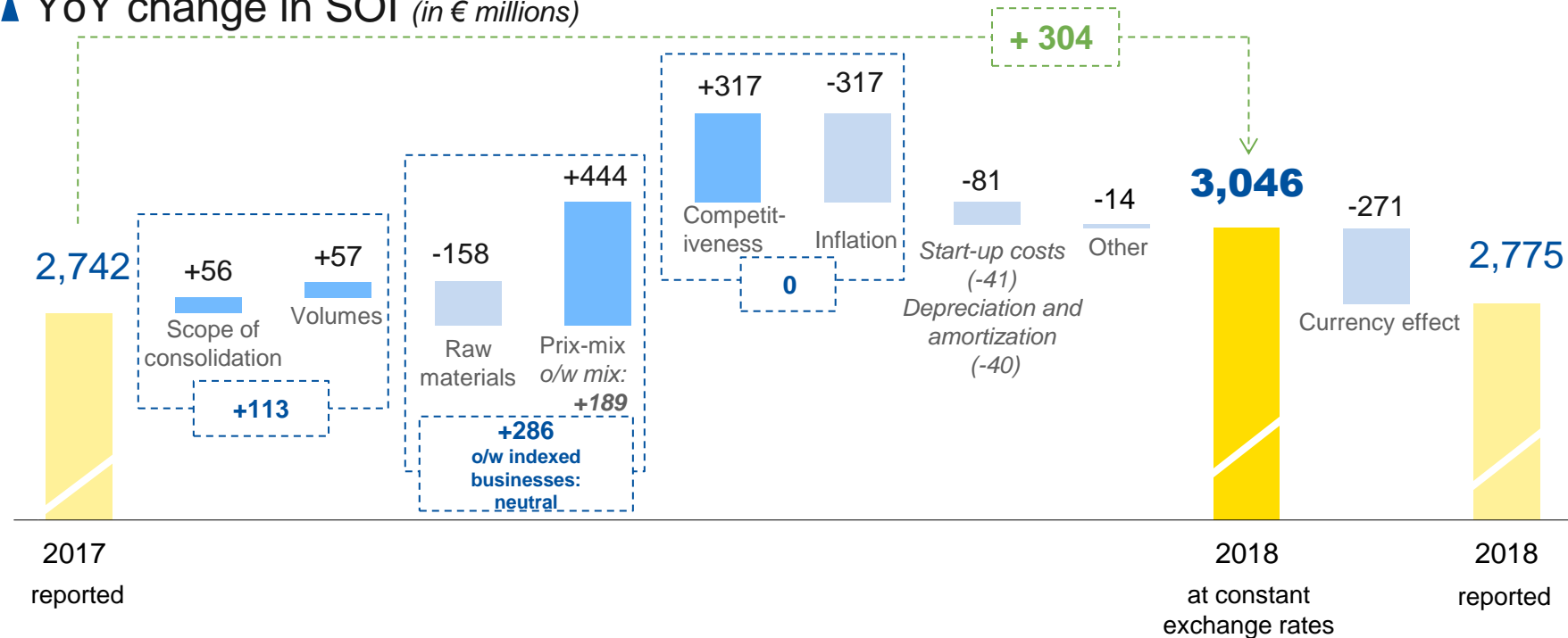
▲ 2018 sales by growth driver






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





















<i>(in millions €)</i>		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

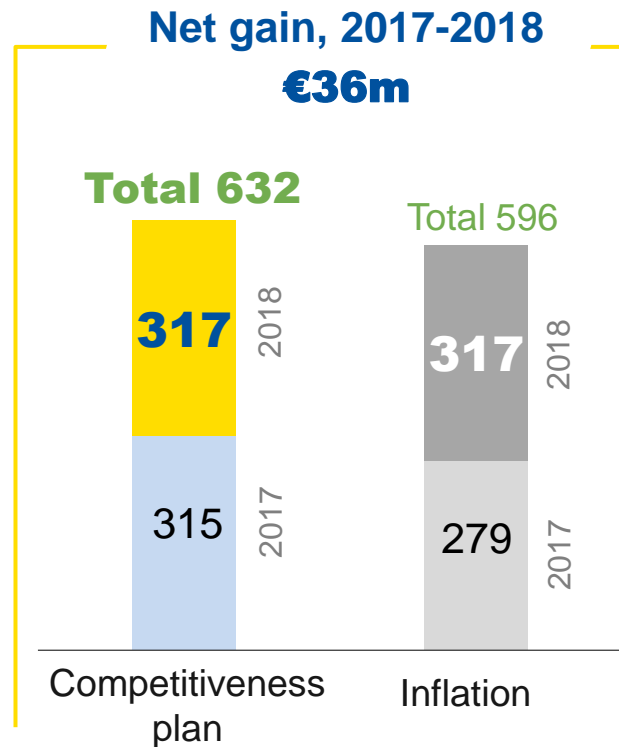
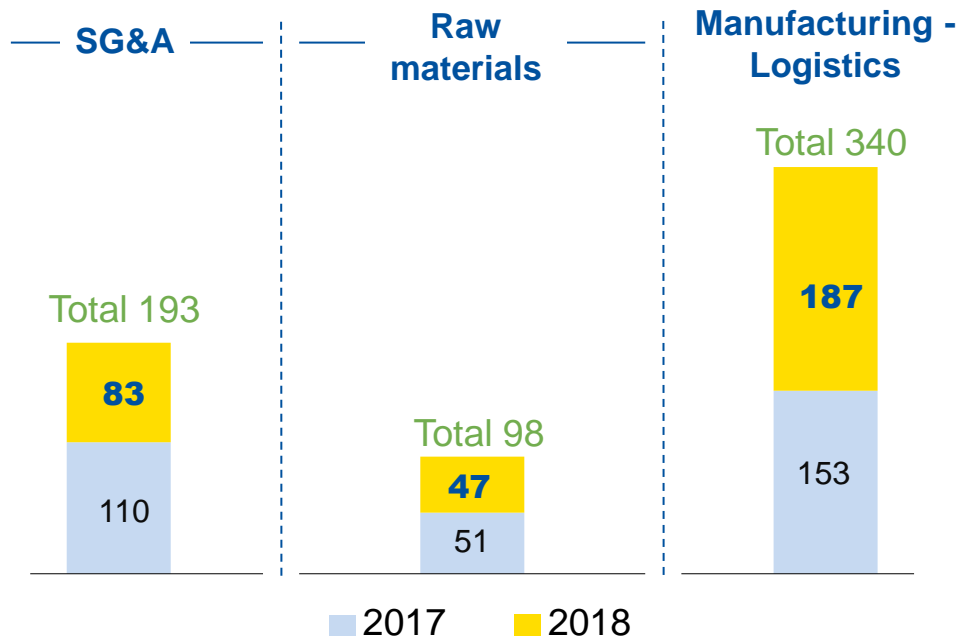
- RS1 sales down taking into account exchange rates and the deconsolidation of TCi; unit margin supported by the price/mix
- RS2 sales down due to the currency effect; OI up thanks to a strong net price-mix vs raw materials effect
- RS3 sales and OI up sharply despite the currency effect, lifted by volumes,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

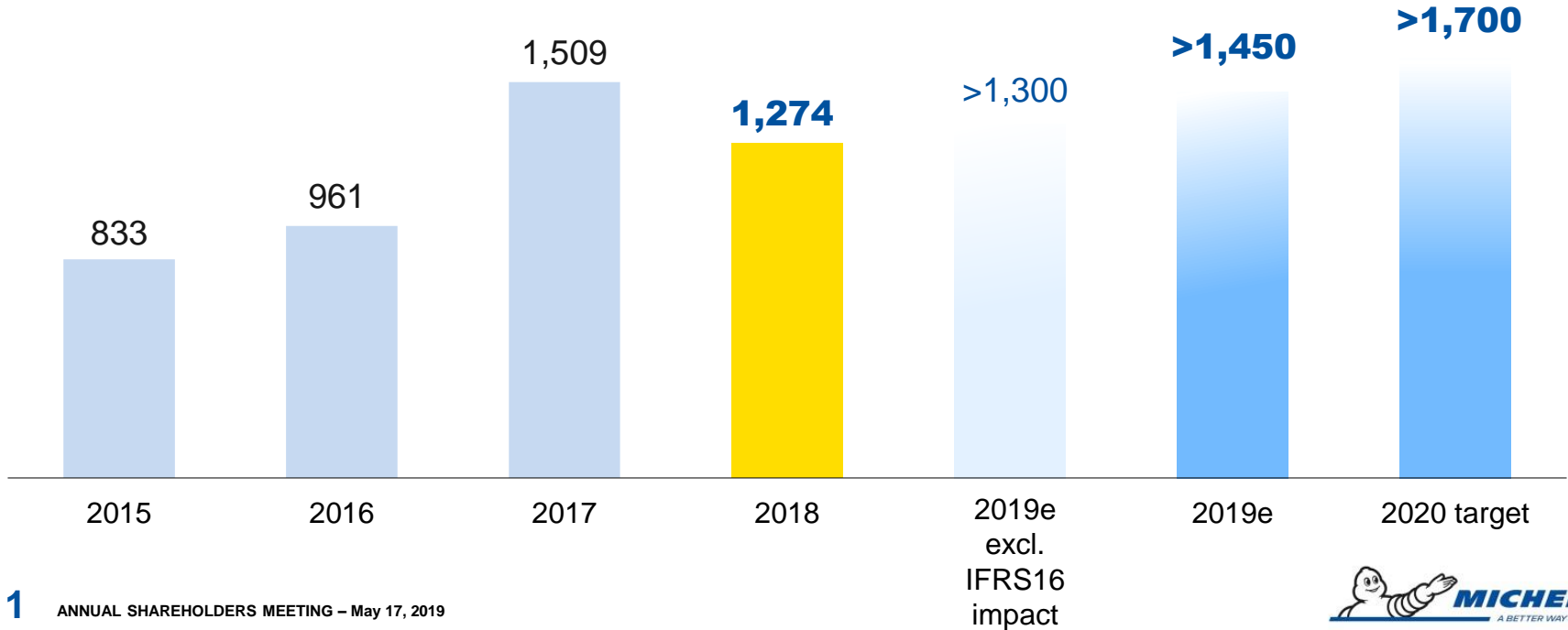
▲ Target: €300m in average annual gains*



*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

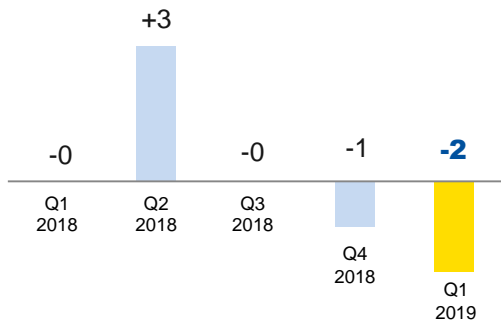
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Q1 2019 sales up 11.3% to €5.8 billion

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



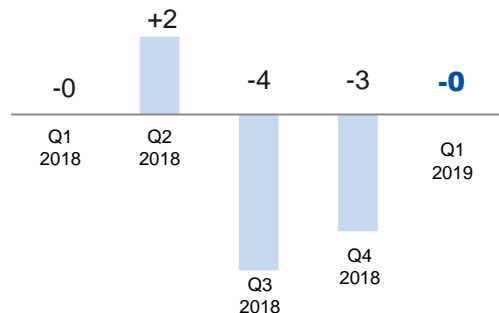
PC/LT Q1 2019: -2%



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



TRUCK Q1 2019: -0%



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



SPECIALTIES*: +3% / +5%

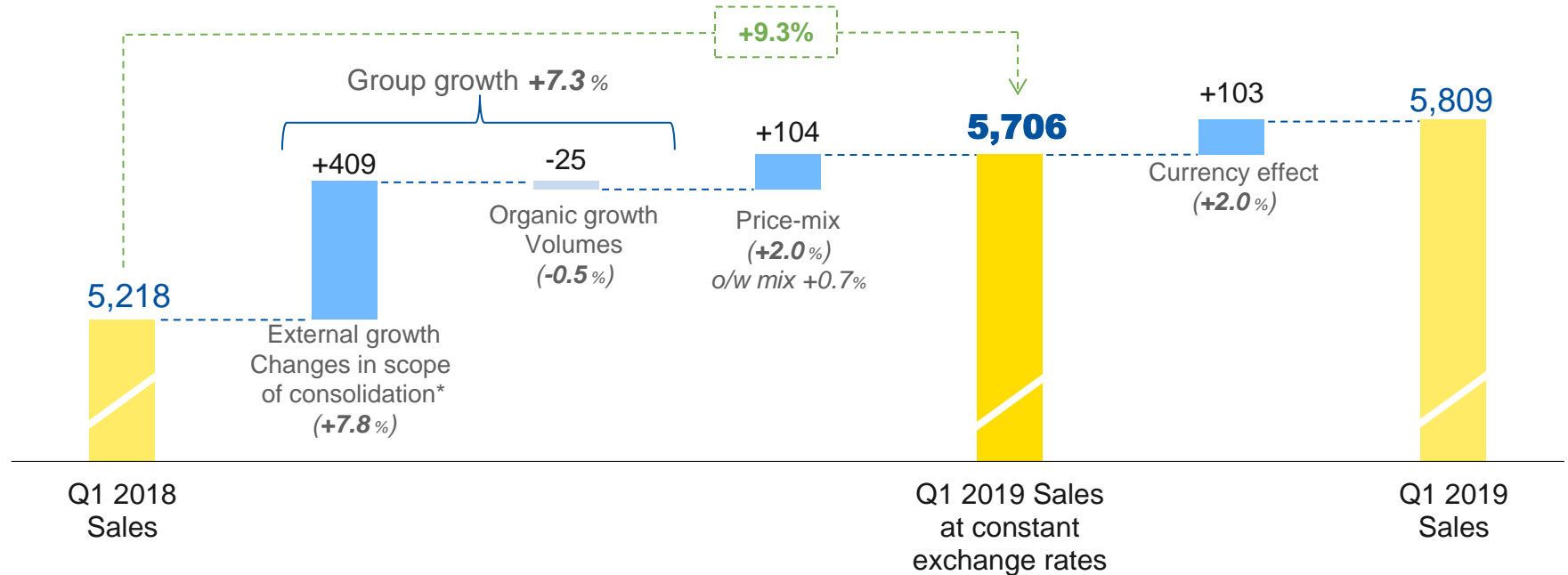
* Full-year market estimate

- 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 %)




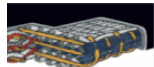
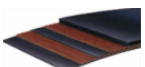



* consolidation of Fenner and Camso, deconsolidation of TCi

Fenner: successful integration and growth exceeding business plan targets












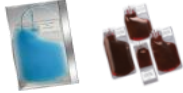
Keeping up with growth momentum



Record backlog

Products 15 plants	 Heavyweight conveyor belts
	  Solid woven belt Ply belt
	 Steel cord
Services	 



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

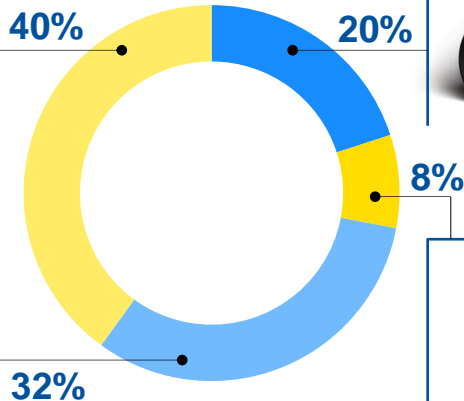
Tracks and track systems



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

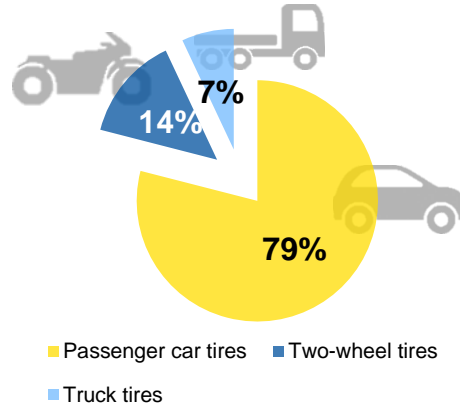
**Productivity gain
vs. 2016-2018:**

 **21%**



Achilles RADIAL **CORSA** BAN MOTOR TANGGUH

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

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A vertical Michelin tire stands on a wet asphalt road in a forest. The tire is the central focus, with its tread pattern clearly visible. The background shows a dense forest of tall, thin trees under a bright sky. The road is dark and reflective, suggesting it has recently rained.

**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

A stack of several black tires with a visible tread pattern, arranged vertically. The tires are slightly out of focus, with the top one being sharper.

May 17, 2019

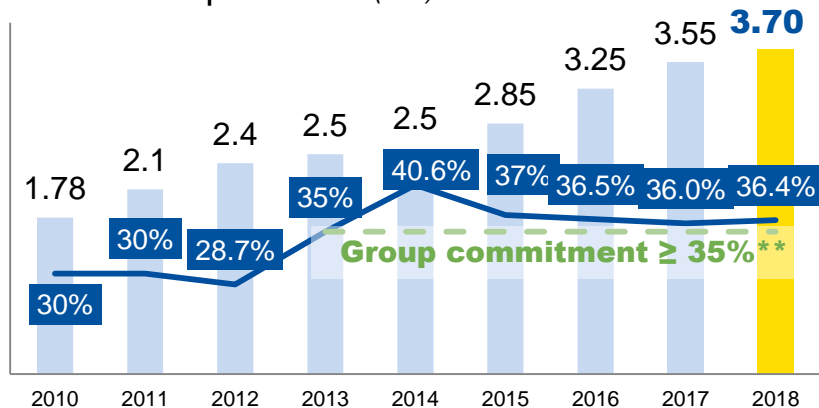
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**Shareholder
commitment**

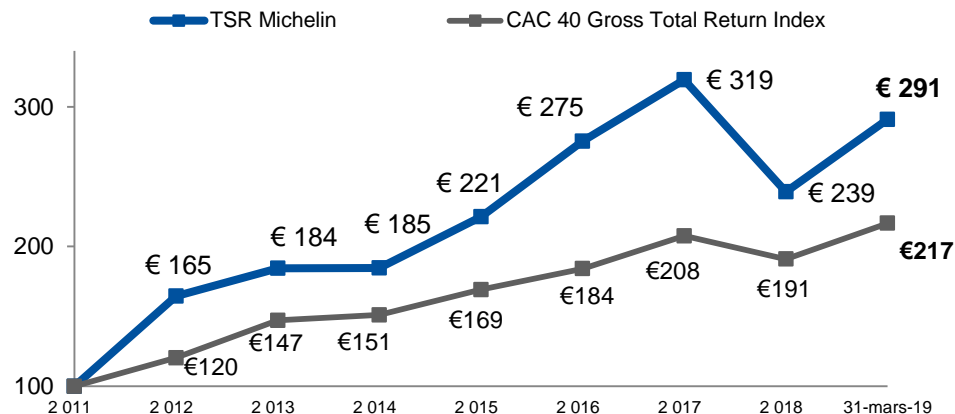
Sustained shareholder return policy

- 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