

OCTOBER 1, 2019
PARIS

CREDIT AGRICOLE CIB CONFERENCE

Recognition for the economic and environmental benefits of Michelin tires' long-lasting performance

- By offering customers tires that deliver high performance until 1.6mm wear indicators appear

Michelin is improving the tire industry's environmental footprint

by avoiding raw material waste

by reducing carbon emissions



Michelin is improving consumer purchasing power

by increasing the time between tire changes

*by improving, with worn tires, the fuel efficiency**

* Up to a 20% reduction in rolling resistance

- Michelin's approach is supported by:

- The automotive industry
- The European Parliament

2019

The European Parliament approves worn tire testing

2022

In Europe, long-lasting performance will be a prerequisite for every tire

Innovation leader with Uptis: the airless concept, an essential step towards more sustainable mobility

- From ambition to action -

FOR THE NEW C.A.S.E MOBILITY

*(Connected, Autonomous,
Shared, Electric)*

Benefits for car owner

*More serenity during
the journeys*

AIRLESS TECHNOLOGY « PUNCTURE PROOF »

**Co-developed
with General Motors**

Benefits for all
*Material savings and
waste reduction*

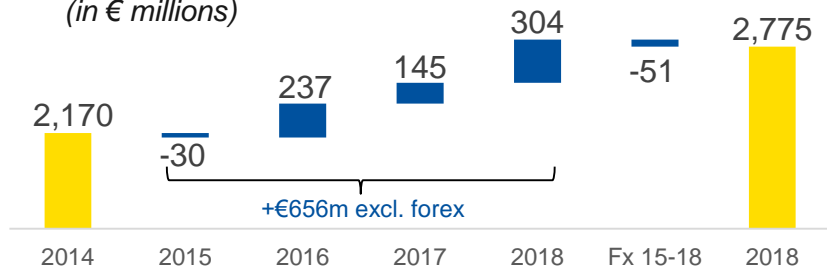
**Benefits for fleet
owners and
professionals**
Productivity optimisation



Resilient margin and robust strengths and levers give confidence to sustainably grow FCF

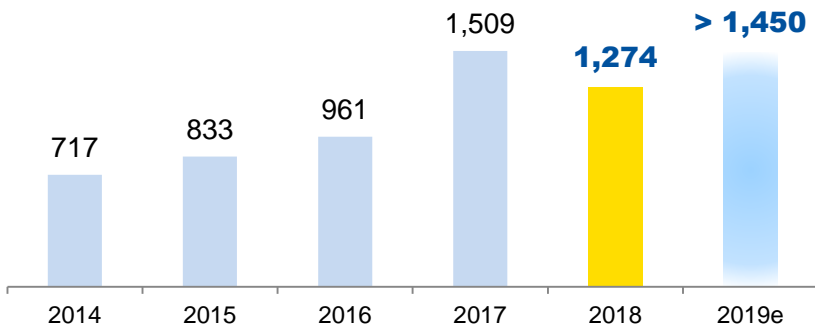
▲ Change in segment operating income 2014 – 2018

(in € millions)



▲ Structural Free Cash Flow 2014 – 2019^e

(in € millions)



▲ 2019e onwards: Michelin's strengths and levers for more value creation



A powerful **brand** on structurally growing markets



Innovation for better performance, respectful of Environment



Tires moving towards more **technology**



Business **expansion** leveraging our customers base and our distinctive competencies



Competitiveness plan deployment



Working capital optimization

Leverage on Group's strengths, in four domains of growth, to enhance customers mobility and create value

▲ Michelin strengths



Michelin Brand leadership
Michelin Man sacred "Icon of the Millennium"*



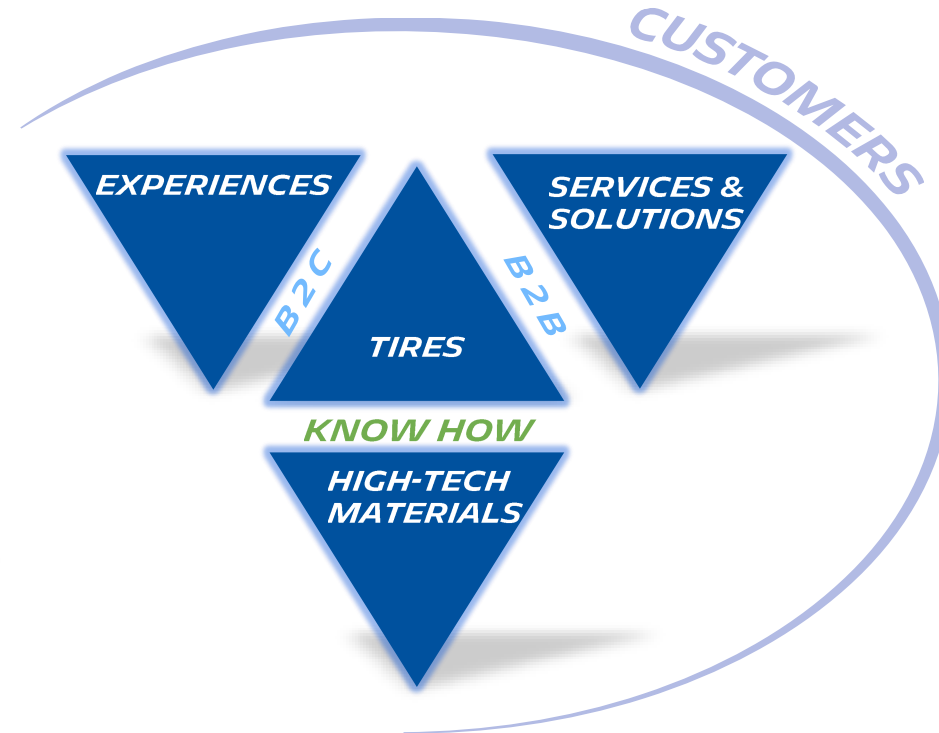
High-tech material leadership
125 years of competencies and innovations in flexible composite materials and transformation processes



Employees engagement
In 2018, 80% of employees say they are proud and happy to work at Michelin

**By American magazine advertising week*

▲ Four domains of growth

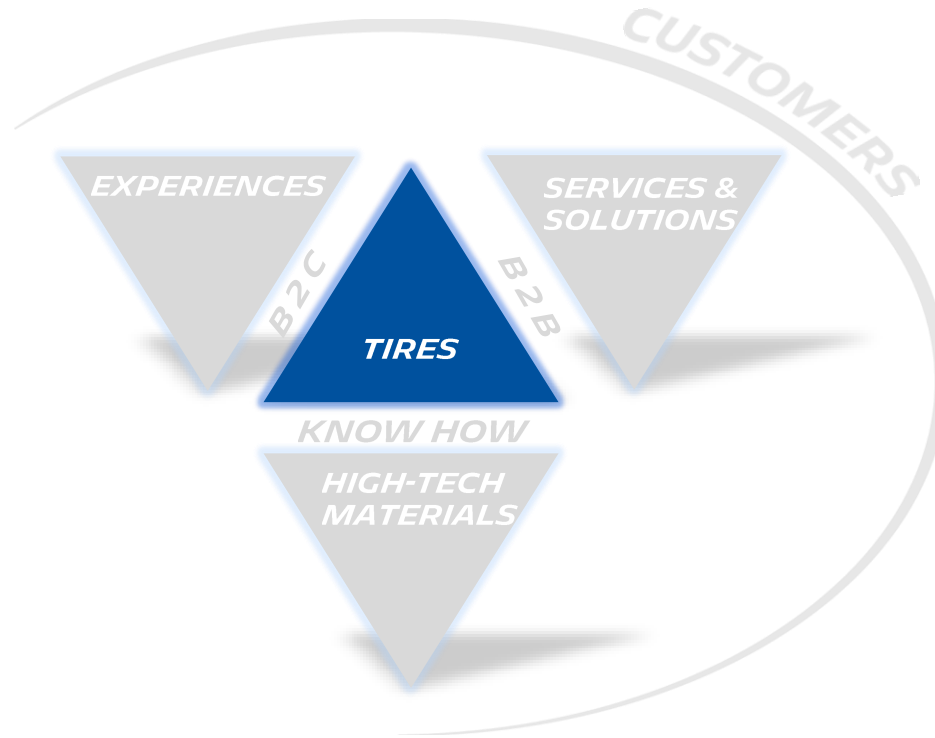


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Levers of growth



Tire market growth prospects

Tires

<i>(in millions units)</i>		2019e	Long term trend	Michelin growth ambitions
	SR1	~ -1%	~ +2% CAGR	Growth in line with markets
	SR2	~ -2%	0 to +1% CAGR	Value-creating growth
	SR3	~ +2%	~ +3% CAGR	Growth above markets

Recognized brand and technical leadership supporting pricing power

Tires

- Recent Tirelines have already been acclaimed by some of the most demanding German car magazines

Manufacturer of the year 2019 with



- The two latest additions to the MICHELIN Pilot Sport family presented at the Geneva International Motor Show



**MICHELIN
Pilot Sport
Cup2 R**



**MICHELIN
Pilot Sport
4 SUV**

Since 1989, Michelin has won 91 of the 112 awards for OE tire satisfaction

***ALMOST 5X MORE THAN THE
COMPETITION COMBINED!***

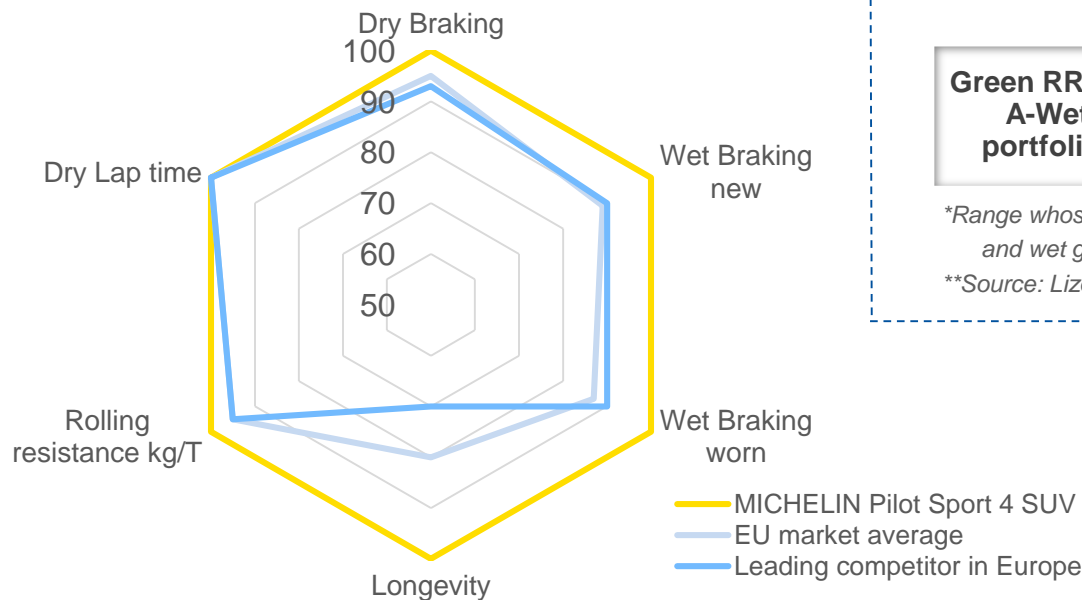


Source: 2018 J.D. Power U.S. OE Tire Customer Satisfaction Study

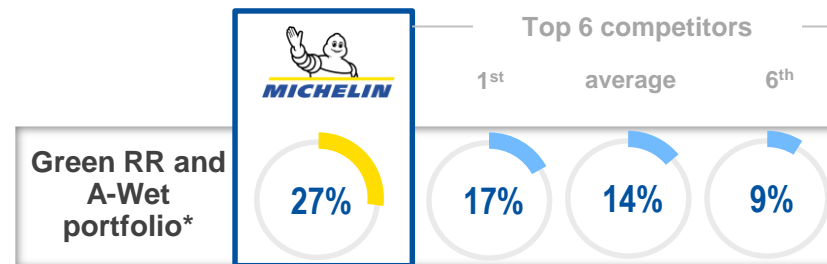
Michelin Total Performance: bringing a tire key performances to their best level at the same time



▲ Performance of the MICHELIN Pilot Sport 4 SUV tire compared with competitors



▲ Tier 1 market portfolio by range (in %) **



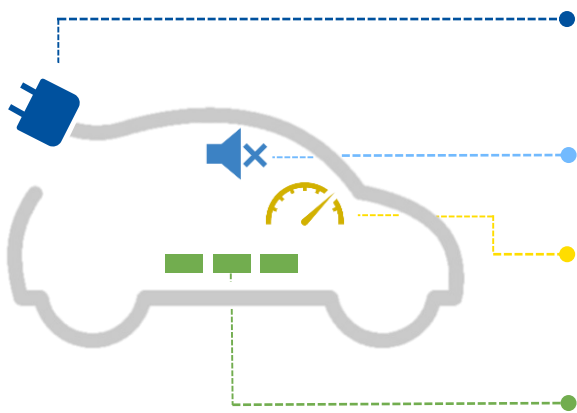
*Range whose rolling resistance (RR) rating is A, B or C and wet grip (WG) rating is A

**Source: Lizéo, May 2019



Michelin is meeting the EV challenge

Tires



Increasing range
the major challenge for EVs

Reducing cockpit
noise

Coping with torque

Supporting heavy
batteries

By reducing rolling resistance, with the right materials, and aerodynamic drag, with the right tire design (Slimline)

By using Michelin Acoustic Technology and adjusting tread design

By improving tread rigidity and contact patch friction

By designing tires capable of both carrying heavier loads and reducing rolling resistance



Consumer and commercial EVs

- Renault Zoé – MICHELIN Energy E-V
- Tesla, the world leader – MICHELIN Pilot Sport
- Renault Kangoo Z.E. and Z.E.H2 – MICHELIN Energy Saver
- GM Bolt/Volt...

Asia





- Certified by a large number of Chinese OEMs*
- Partnership with Hyundai for its EV line

Racing

- Formula E – MICHELIN Pilot Sport

* Xiaopeng, WM Motors, Human Horizons, Iconiq, SAIC, BAIC, Guangzhou Autos, FAW

Michelin's OE position is unique, ...

	SPORT PASSION	LUXURY PREMIUM	GENERALISTS	NEW ENTRANTS (OEM & Mobility)
OEM BRANDS (examples)				
Who are they	Extreme emotions & passionate drivers	Premium brand focus on consumer experience	WW players mass-market oriented	New OEMs & new offers of mobility
Market weight (Volumes of tires)	2% > in € and image	13% > in € and image	65% =	20% < in € but > in speed
Main competitors	Pirelli	Continental Pirelli	Bridgestone, Goodyear, Continental, Dunlop, Hankook	All
Michelin position	Leader	Amongst the Top 3	Amongst the Top 3 Overall & WW presence	Leadership Position amongst non Chinese

... with the overall objectives to achieve

- a reference position in each segment & each geography
- a sales growth at a minimum in line with the market evolution
- a profitability at the level of the best auto suppliers

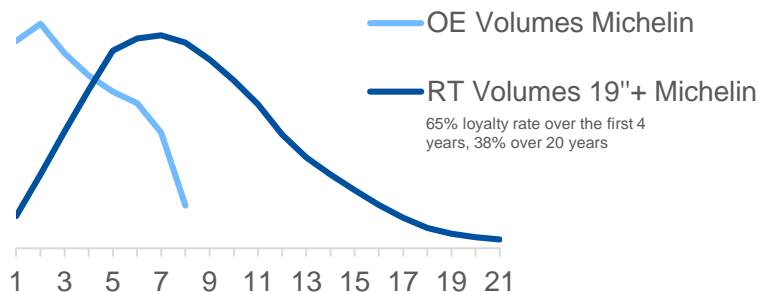
A strong OE/RT loyalty rate, a guarantee for future replacement growth



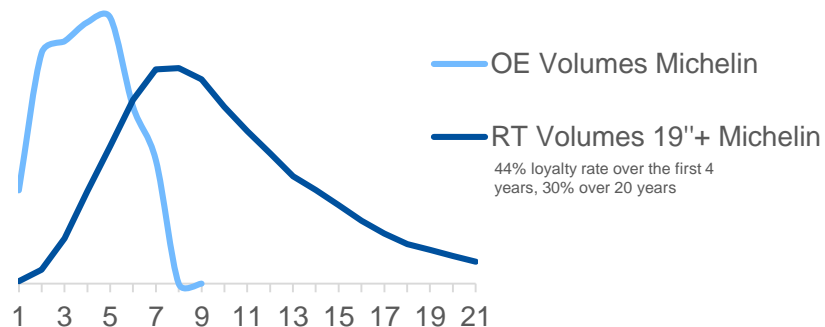
- A strong loyalty rate

40% < **LOYALTY OE/RT**
≥18" WORLDWIDE < **90%**

▲ Tire selling phase in Europe



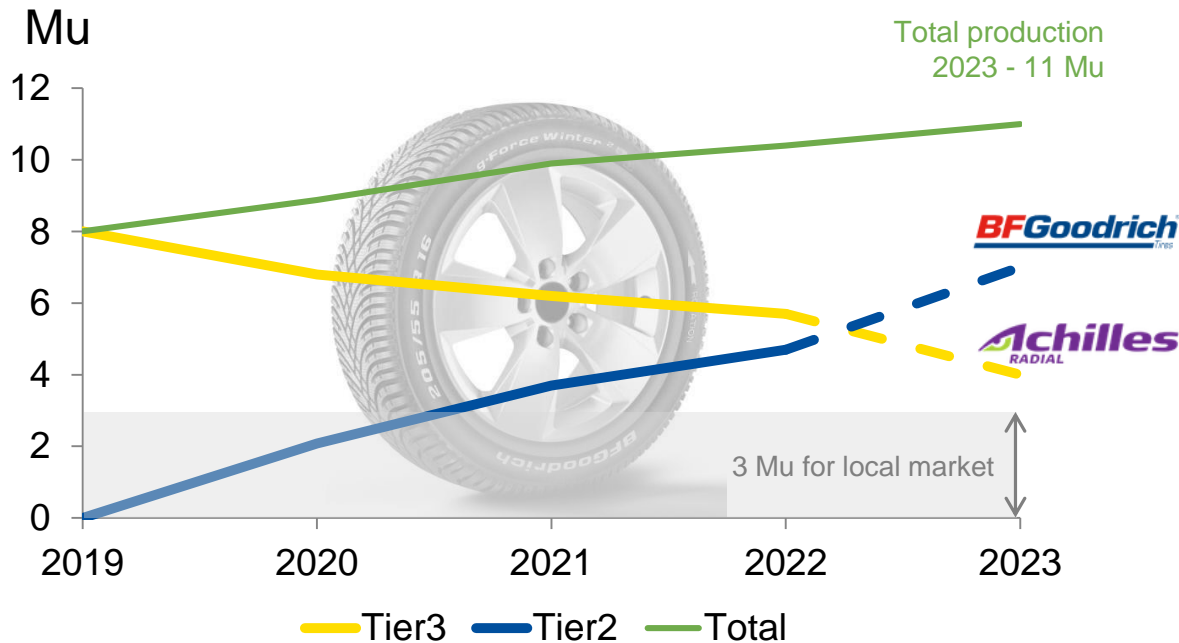
▲ Tire selling phase in US



Multistrada: a key asset to capture the worldwide rising demand in Tier 2 tires



▲ Rapidly convert PC Tier 3 capacity into PC Tier 2 capacity with very limited investment



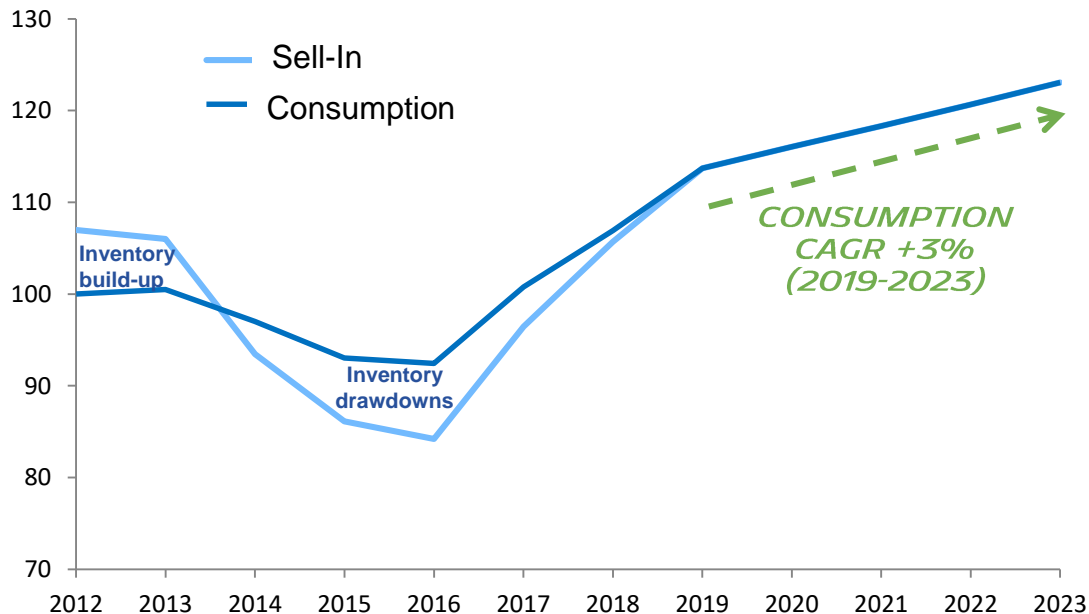
- Global Tier 2 market growth: ~+3%
 - in line with projected global growth over 2017-2023: ~+3%
 - Tier 1 market: ~+3% driven by emerging economies
- Capex required for the conversion: USD 13 million in 2019



Mining: a successful product offering in a growing market in line with tire consumption



▲ Surface mining tire market: Sell-in vs tire consumption*, 2012 – 2023e



*base 100 in 2012, in tonnes

▲ The most efficient tire offer in the marketplace



● XDR250 - 57''

25% (1) More productive with no trade-off on tire life



● XDR3 - 63''

12,6% (2) More load on the KOMATSU 930-E4

● MEMS Evolution 4

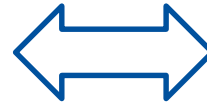


(1) Compared to BRIDGESTONE 46/90 R 57 VRDP and VRPS. Data gathered from 2012 BS databook. And compared to MICHELIN 40.00 R 57 XDR2
(2) Based on comparisons of maximum load capacity of the MICHELIN® XDR® 3 Extra Load to the MICHELIN® XDR® 3, size 53 80 R 63, as set forth in the 2018 Michelin Data Book, taking as a reference the technical data of the Komatsu 930-E4 truck. Actual results may vary, and may be impacted by many factors, to include road conditions, weather, environment, driving habits, tire size, equipment and maintenance.

Michelin Off-Highway Transportation: to sustainably contribute to build, and feed & protect people

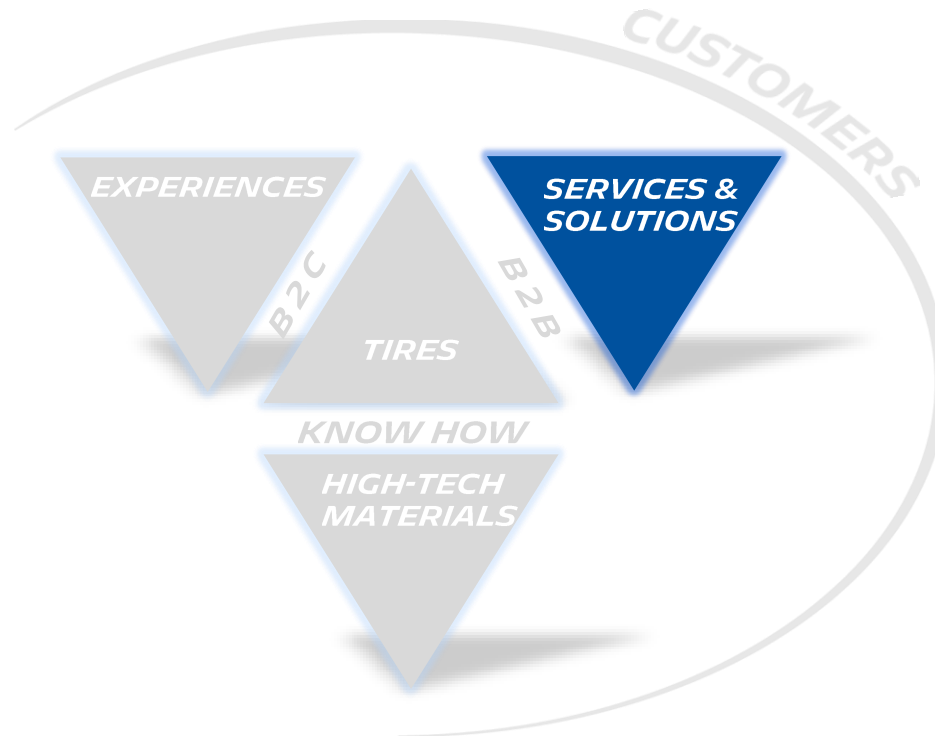
Tires

- **OHT customers** operate in
 - Agriculture
 - Construction
 - On-site Logistics
 - Defense
- They face challenges to operate sustainably
 - Lack of productive land
 - Material scarcity, pollution, safety risks
- In demanding, unpredictable conditions and constrained timing
- Benefitting from long term fundamental growth



- **Tires, tracks & related services:** a key asset to improve profitability and sustainability





Services & Solutions: a diverse range of offers adapted to the needs of customer, growing rapidly

SERVICES & SOLUTIONS



Worldwide Presence

TIRE AS A SERVICE

Pay-per-use models*



* including tire maintenance for Trucks and Mining

FLEET SOLUTIONS

Connected services

MORE THAN 1 MILLION vehicles under contract



EFFITRAILER™

DATA-DRIVEN BUSINESS MODELS

Monetize data analytics

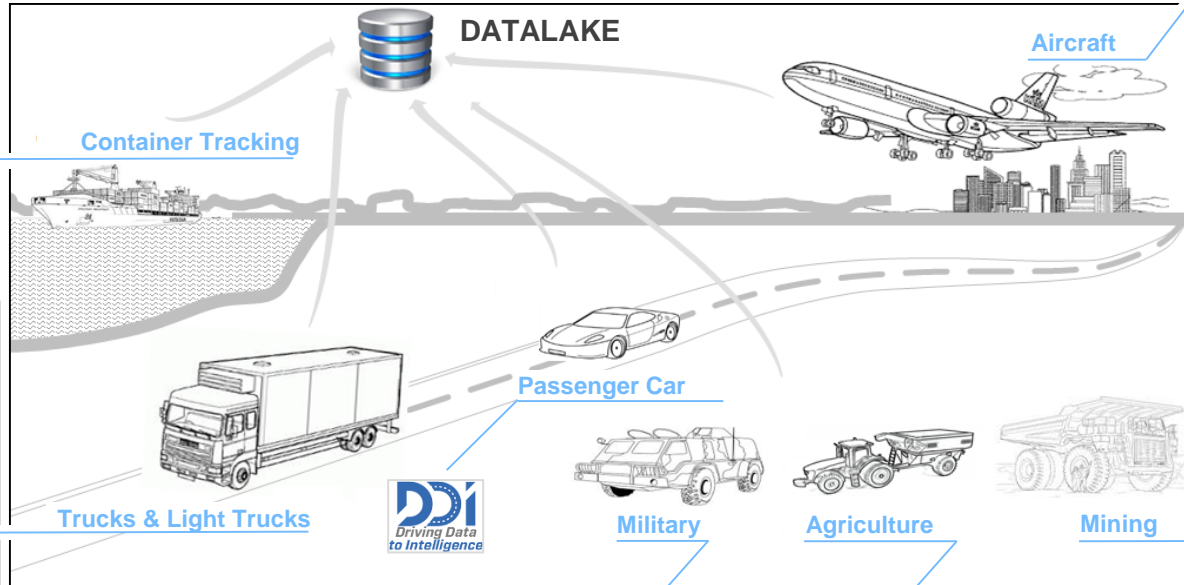
For transportation industry and beyond



Predictive maintenance

Our aim: deeply understand our customers to provide solutions that create greater value for all

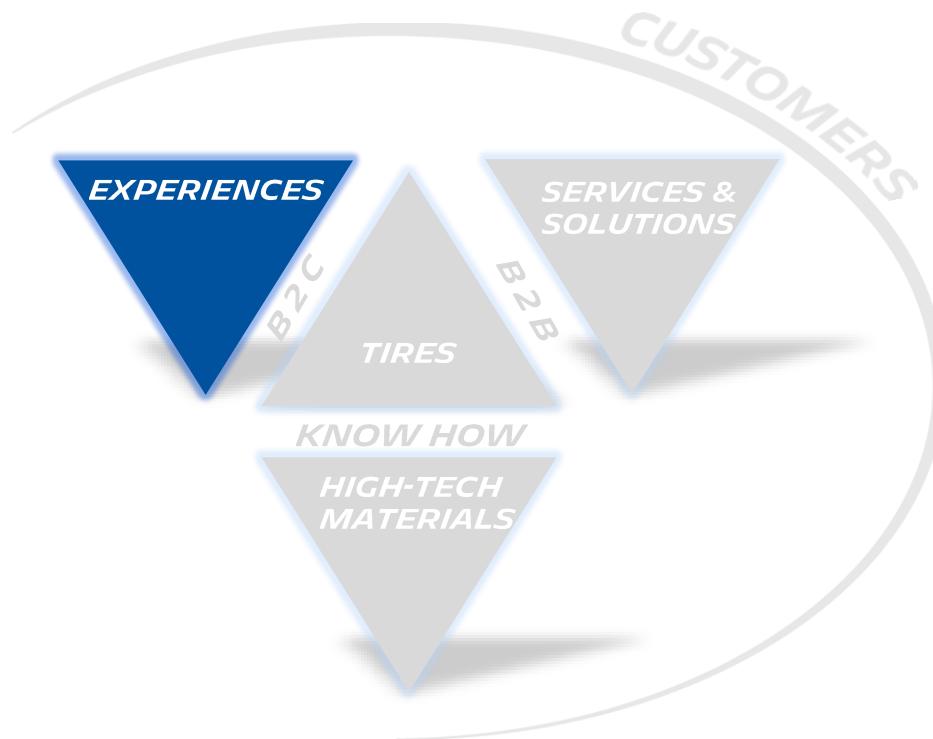
- Data collection: a pre-requisite to build **predictive** capabilities
- We launch on this journey with a data lake that merges **unique historical data sets**
- We will go much further, ultimately **connecting every single asset**



PRESSENSE PROJECT
with Safran

100% tires with RFID*

*by end of 2019 for MICHELIN branded Trucks tires



Maintain our brand leadership and strengthen our B2C consumers link

Experiences

Nurturing our brand premiumness



8th most reputable company worldwide
1st in automotive sector
"BY 2019 GLOBAL REPTRACK@100 *"



Developing **selection activities** that enable our customer to enjoy unique mobility and becoming a trusted partner

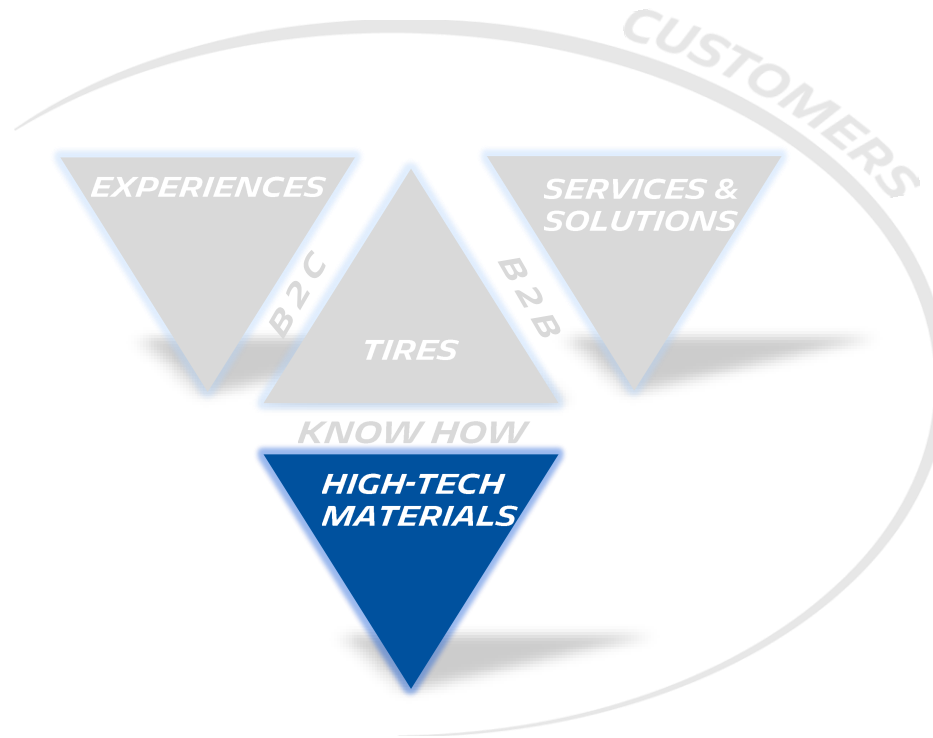


"BY MICHELIN"

*Reputation Institute



High-Technology Materials



Leverage our expertise in high performance materials

Enriching our portfolio offers in reinforced polymers

Seals



Flexible hoses



Belts and elastomeric solutions



Medical



Developing our tire recycling business



Micronized Rubber Powder



SME 2019 WINNER

January 21, 2019 : LeHigh wins Circular economy award in Davos*



* This price is awarded by « The Circulars », an initiative of the World Economic Forum and the Forum of Young Global Leaders, run in collaboration with Accenture Strategy.

Michelin, a committed and leading player in the Hydrogen sector



- With its expertise in the hydrogen fuel cell, notably with Symbio, Michelin is accelerating the deployment of zero-emission mobility:
 - by partnering with Faurecia to create a leading hydrogen fuel cell system
 - by participating in the Zero Emission Valley project (Hympulsion), in Auvergne Rhône Alpes

Symbio

An OEM who designs and industrialises, based on Michelin's production strength, hydrogen fuel cell kits

+300

Renault Kangoo ZE H2, Symbio equipped, circulate in Europe



H2 fuel cell for trucks, light trucks, buses...



Hympulsion

A Joint venture created as part of the Zero Emission Valley project in Auvergne Rhône Alpes, involving public-private partners and including Michelin (22.8%). The objective of first phase is to deploy:

20

H2 stations









15

electrolysers

1000

vehicles

Continuous and consistent deployment of Michelin'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	 Capital expenditure	Distribution 	Experiences: travel and fine dining 	 High-tech materials

A stack of several tires with a visible tread pattern, positioned on the left side of the slide. The tires are stacked vertically, with the top one slightly offset to the right.

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A short, thick yellow diagonal line pointing downwards and to the right, located to the left of the main title.

Levers of competitiveness

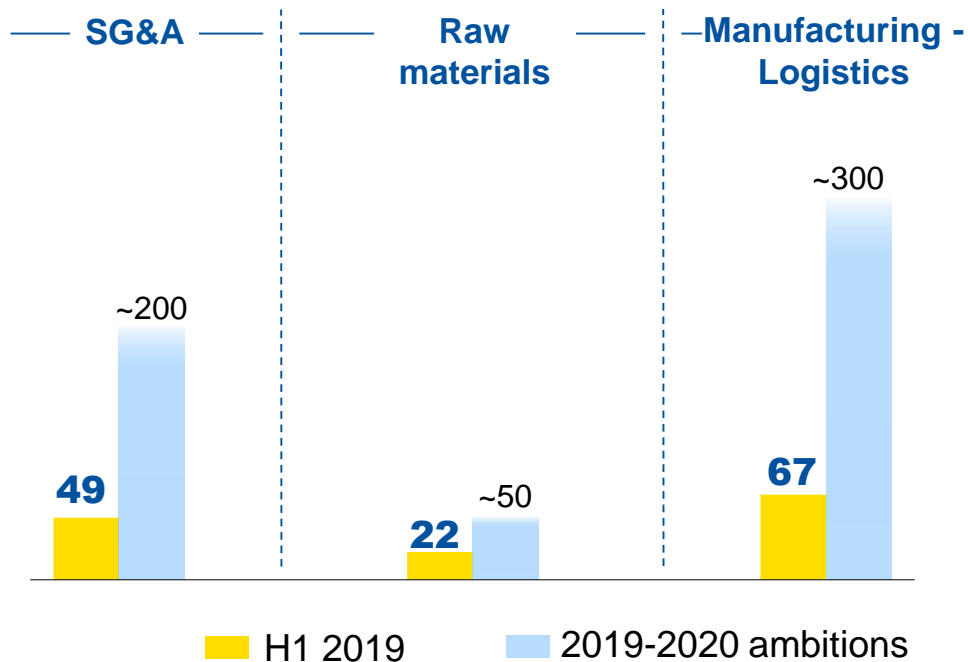
Improve our competitiveness

- Deploy « Simplicity » program
- Improve our manufacturing efficiency and pursue industrial footprint optimization
- Reduce our SG&A
- Optimize capital employed



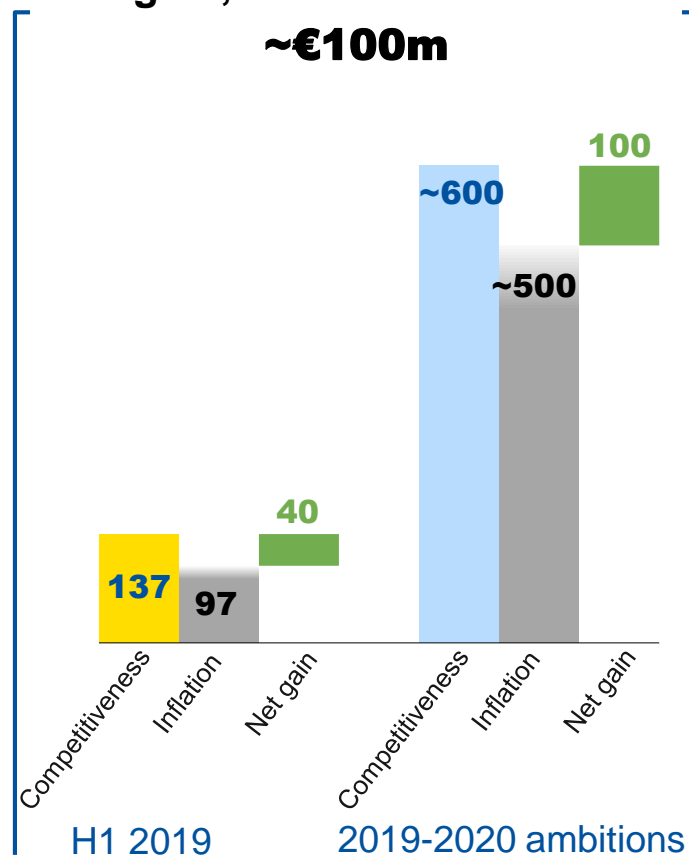
Competitiveness plan vs inflation 2019-2020 ambitions: €40m net savings in H1 2019

▲ €137m cumulated savings in H1 2019*



*Before inflation and including avoided costs.

Net gain, 2019-2020 ambitions ~€100m



Beyond 2020: reinforce our manufacturing efficiency with competitiveness gains boosted

INDUSTRIAL FOOTPRINT

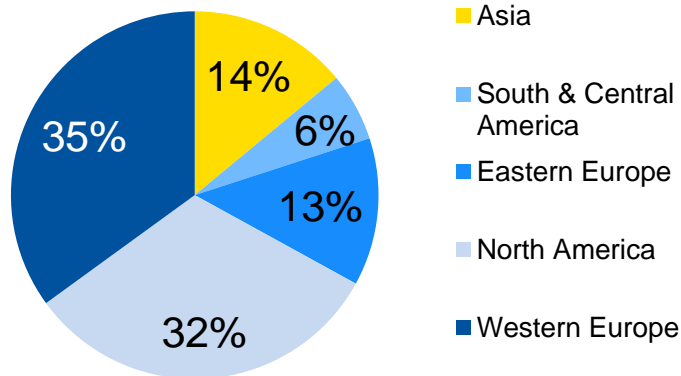
- Produce locally and increase flexibility to constantly adapt to local demand
- Optimise low cost plants loading and ramp-up
- Increase the number of large plants and their loading (>100ktons)

PRODUCTIVITY GAINS

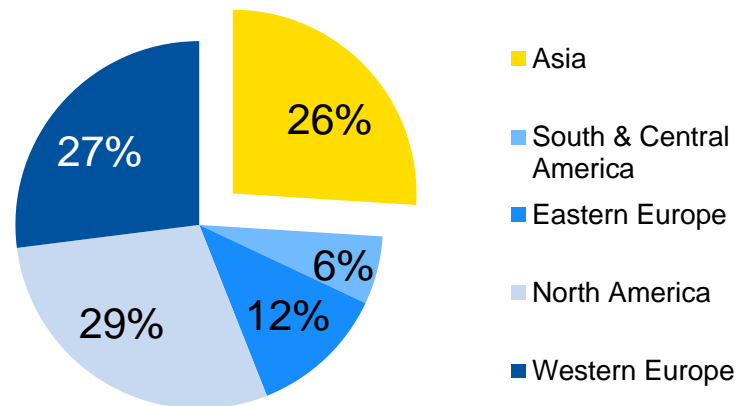
- Process standardization
- Digital Manufacturing
- Empowerment and Michelin Manufacturing Way deployment
- Simplicity

Footprint evolution to answer tire market geo-mix

▲ Production by region in 2018 (in KT)



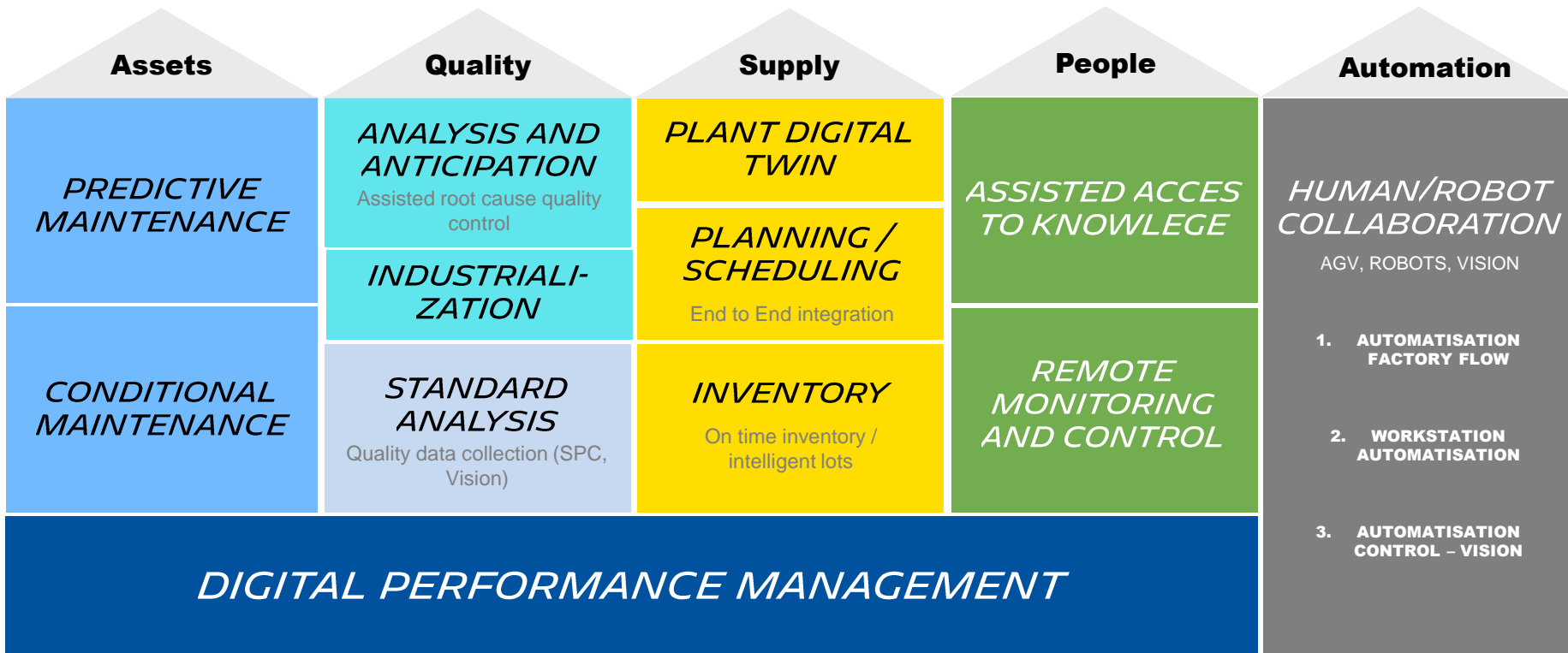
▲ Production by region in 2023 (in KT)
including Camso and Multistrada



2018

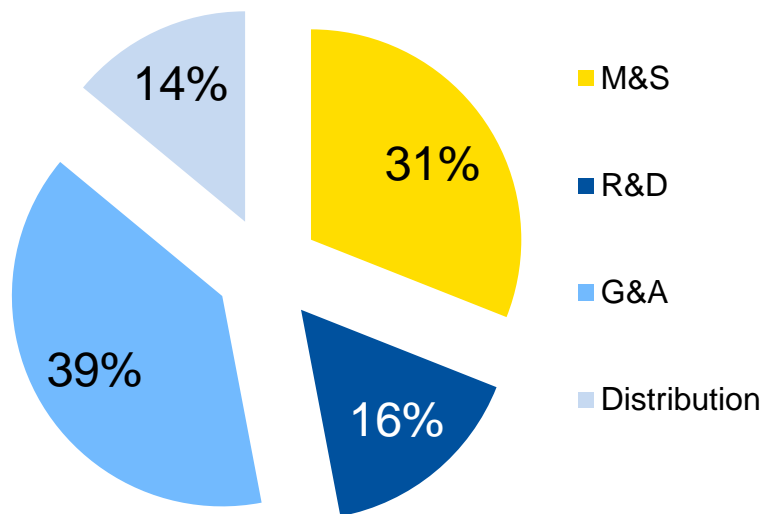
2023

Digital manufacturing: 50 demonstrators launched

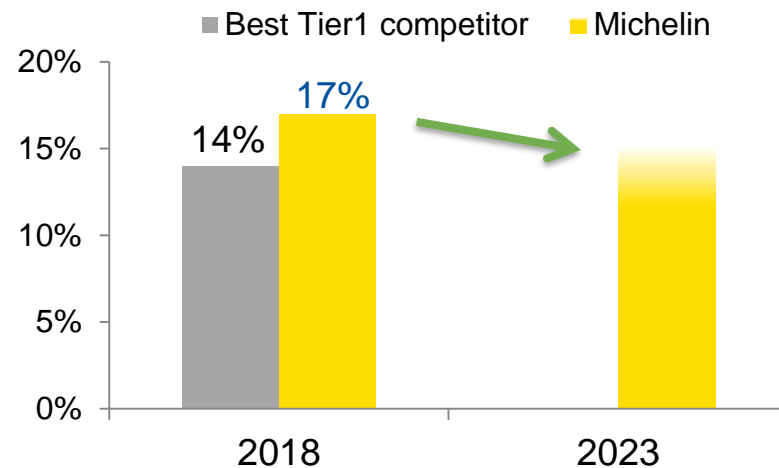


Beyond 2020: keep on targeting SG&A benchmark levels

▲ 2018 SG&A split (in €millions)



▲ Zoom SG&A excluding distribution (in % of sales)



**CLOSING THE GAP
VS TIER 1 BEST COMPETITOR**

Levers to improve our SG&A structure



CORPORATE BUSINESS SERVICE IN BUCAREST (EUROPE), QUERETARO (AMERICAS) AND IN ASIA (SHENYANG, BANGKOK)



CULTURAL TRANSFORMATION: SIMPLIFICATION AND FRUGALITY



COMPLETE THE DEPLOYMENT OF OUR BUSINESS MANAGEMENT PROGRAM (OPE)



CREATION OF MICHELIN TECHNOLOGY AND INNOVATION CENTER IN PUNE (INDIA)



STRENGTHENING OF OUR PURCHASING ORGANIZATION AND PROCESSES



VALUE STREAM MAPPING ON LARGE TRANSVERSAL PROCESSES



DIGITIZATION OF HR AND CRM PROCESSES

inTouch





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**2019 guidance
confirmed**

2019 market scenario: PC/LT down for the year, hurt by OE; contracting Truck tire demand; mixed growth in the Specialties



PC/LT: ~ -1%

vs. +0%/+1%

- OE: sustained decline in demand in every region (-4,4%)
- RT: markets up slightly in every geography with a slight pick-up in Chinese demand
- RT ≥18" demand up by around 10%



TRUCK ~ -2%

vs. ~ -1%

- OE: slowdown in North America; contraction in Europe
- RT: further decline in demand in North America; slight increase in the European market
- Chinese market down



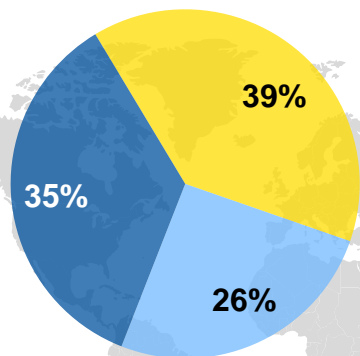
SPECIALTIES: ~ +2%

vs. +3%/+5%

- Mining tires: sustained 4%-5% growth in demand, in line with actual tire consumption
- Off-the-road: strong downturn in the agricultural tire market and declining demand in infrastructure
- Growth in the two-wheel commuting and aircraft segments

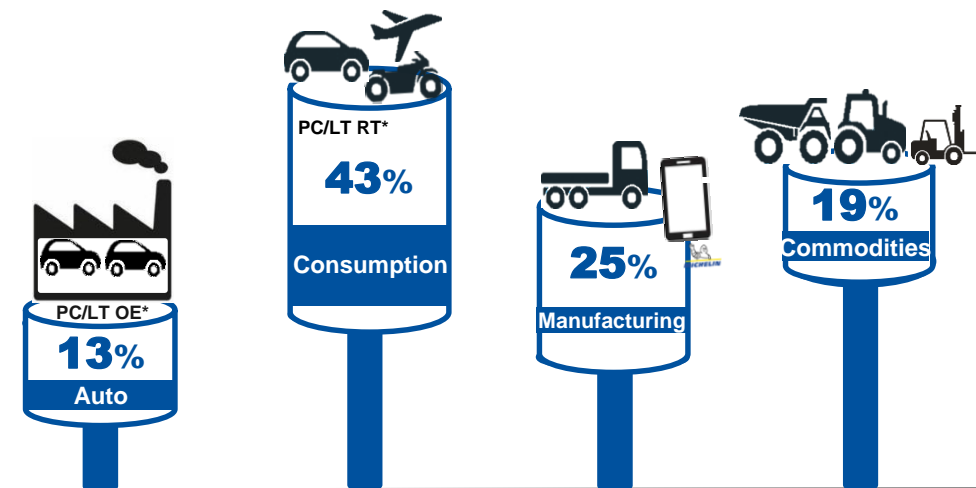
The close fit between the Group's businesses helps to cushion it from the steep drop in auto markets

▲ 2018 sales by region



- Europe incl. Russia & CIS
- Asia and rest of the world
- North America incl. Mexico

▲ 2018 sales by growth driver



* PC/LT OE/RT: Passenger Car and Light Truck tires sold as original equipment (TC/LT OE) or in replacement markets (PC/LT RT)

2019 scenario*

	2019
Cost impact of raw materials prices and customs duties	~ - €100m
Currency effect	Slightly positive **
Effective tax rate	Standard ETR reduced to 26%***
Net price-mix/raw materials effect	Between €100m and €200m
Competitiveness plan gains vs. inflation	Positive

* Based on the following average prices and exchange rates for 2019: Natural rubber: \$1.49/kg; butadiene (US, Europe and Asia): \$0,989/t; Brent: \$65/bbl; EUR/USD: 1.13

** Based on August 2019 rates. See slide 64

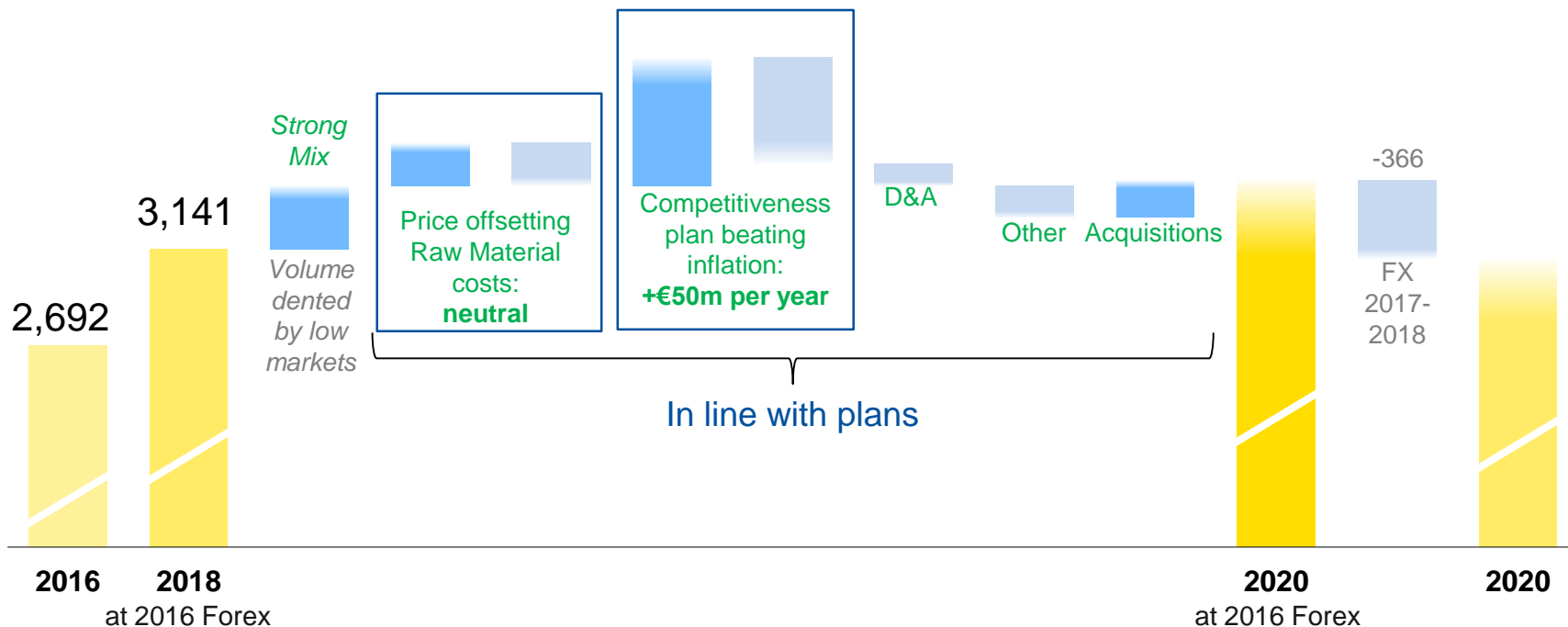
***Based on currently available information

2019 guidance confirmed

	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 from IFRS 16</i>	> €1,450m

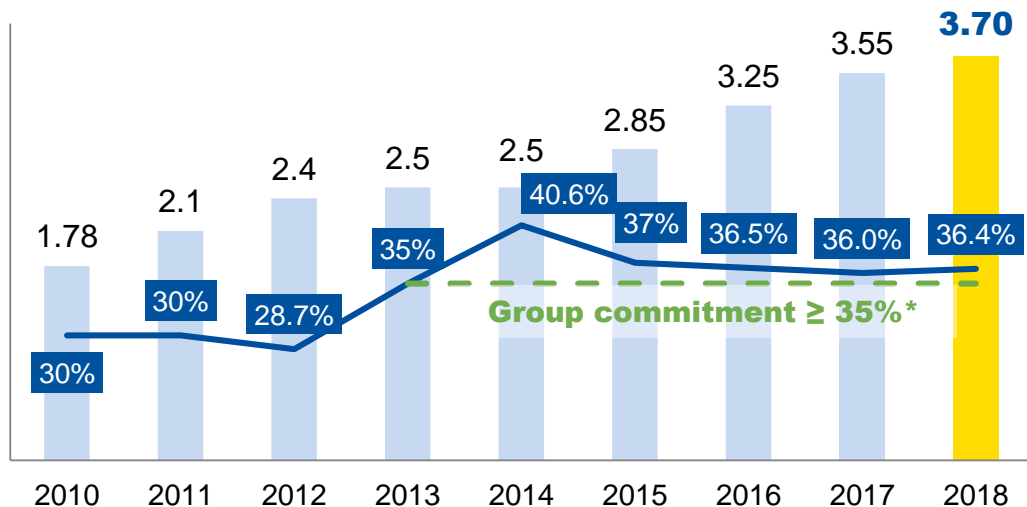
2018-2020: in adverse market environment, continuing EBIT growth with strong price mix and competitiveness plan

▲ 2018-2020 EBIT growth (in €millions)



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

* Of consolidated net income before non-recurring items



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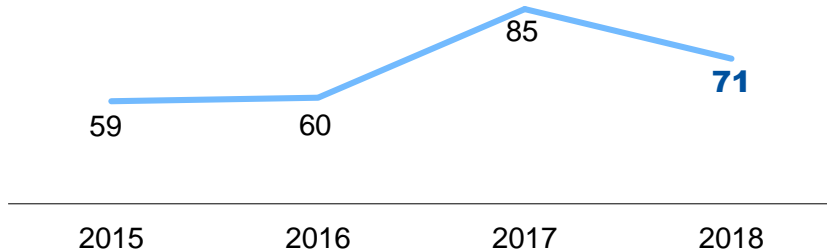


Financial profile

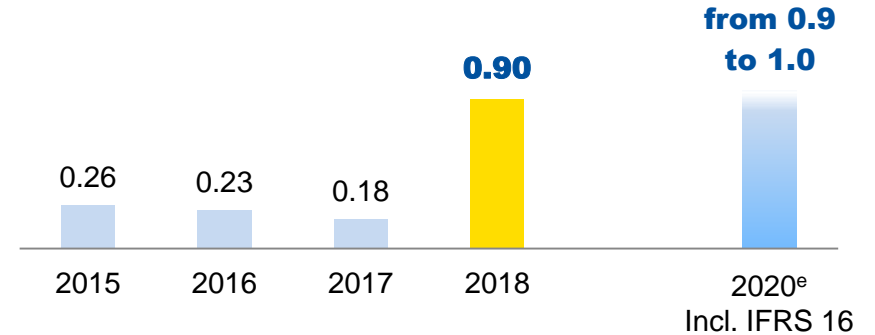
High free cash flow and a robust financial position

▲ Cash conversion ratio

(in % - structural free cash flow/net income before non-recurring items)



▲ Net debt*/EBITDA*



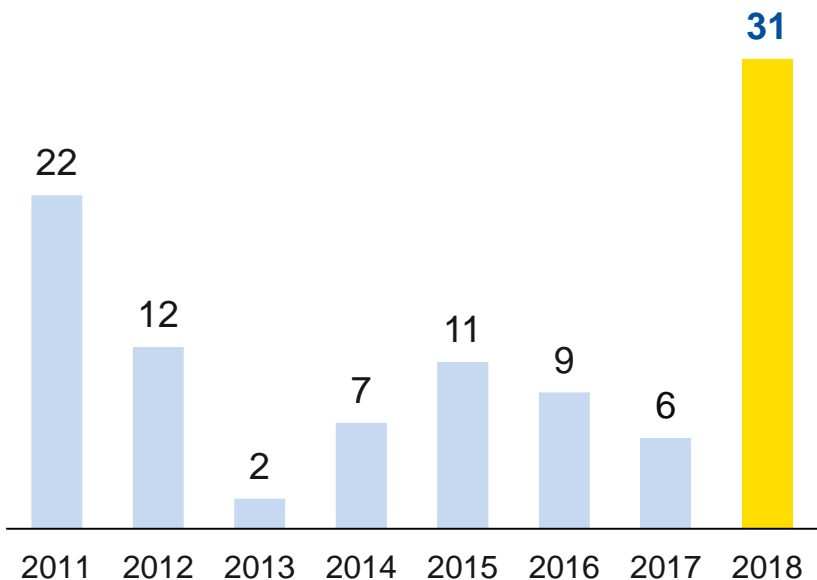
- The net debt/EBITDA ratio increased in 2018 due to cash out for acquisitions during the year, and is expected to remain stable until 2020 mainly due to IFRS 16 implementation and to a lesser extent 2019 acquisitions.
- Moody's, Standard & Poor's and Fitch all confirmed Michelin's A-/A3 credit rating
- Two successful bond issues in 2018 totaling €2.9bn (of which a 20-year tranche for €750m)

*See the 2018 Registration Document, notes 3.7.2 and 26 to the consolidated financial statements

A robust balance sheet after recent acquisitions, confirmed by the rating agencies

▲ Gearing

Net debt/equity, in %

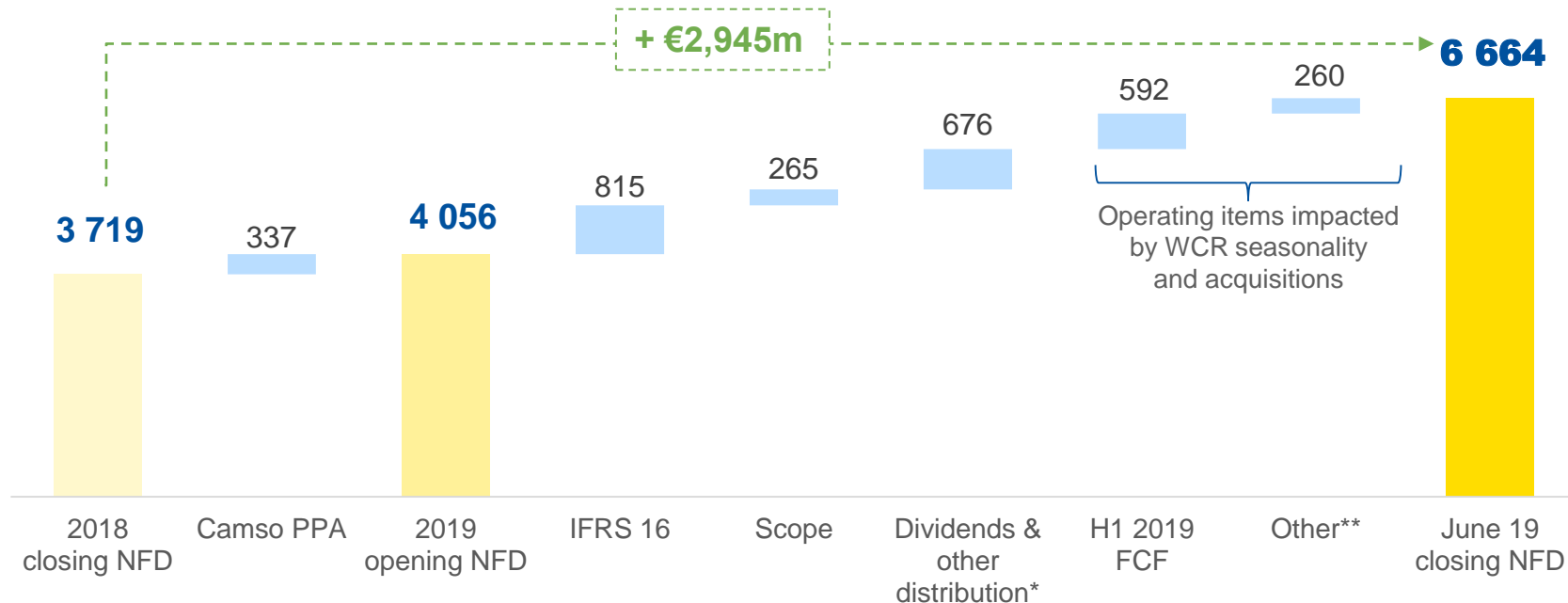


▲ Long-term ratings confirmed following the Multistrada acquisition

Short term	S&P Moody's Fitch	A-2 P-2 F-2
Long term	S&P Moody's Fitch	A- A3 A-
Outlook	S&P Moody's Fitch	Stable Stable Stable

Michelin Net Financial Debt bridge

▲ Net Financial Debt - December 31, 2018 – June 30, 2019 (in € millions)

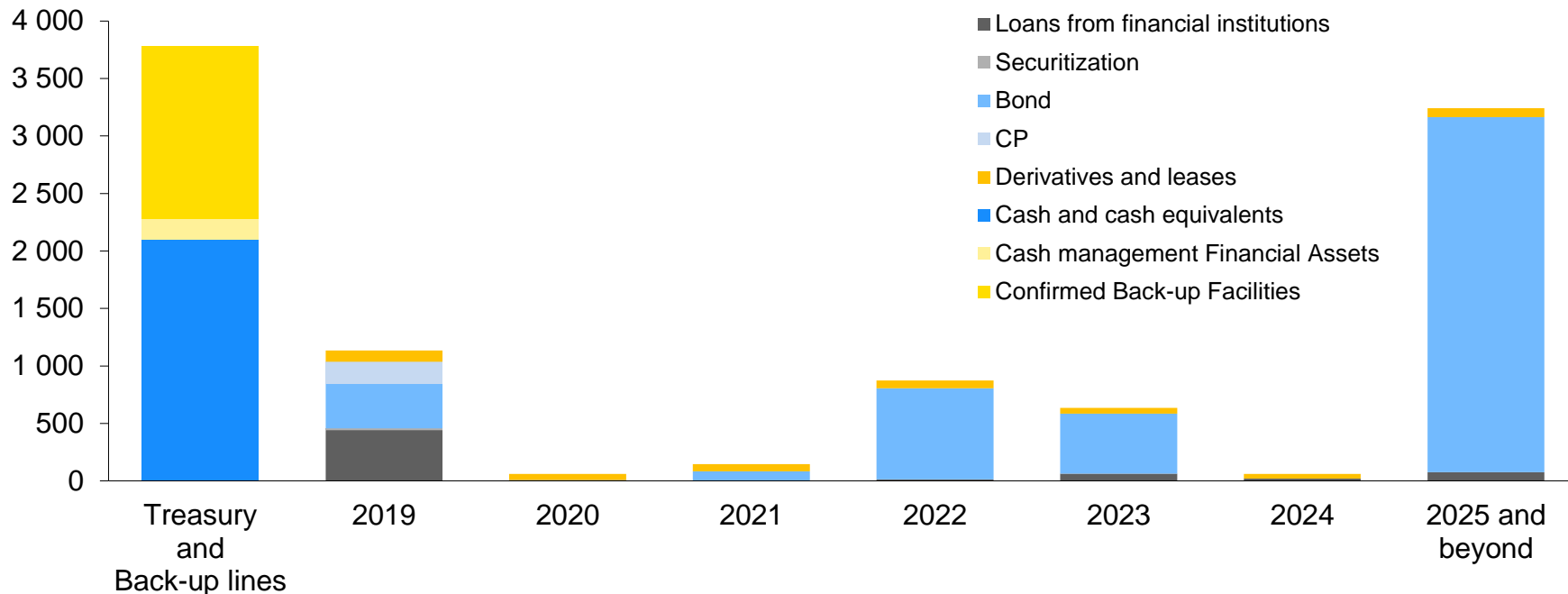


* Including share buy back commitment for 2019

** Including financial leases and translation adjustments

A comfortable cash position

▲ Debt maturities at Dec. 31, 2018 *(carrying amount, in € millions)*



Outstanding bond issues (as of June 30, 2019)

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
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
Principal Amount	€ 750 mn	€ 1'000 mn	€ 750 mn	\$ 600 mn	\$ 500 mn + TAP \$100 mn	€ 302 mn	€ 300 mn	€ 300 mn
Offering price	99,099%	99,262%	99,363%	95,50%	100% & 103,85%	98,926%	99,967%	99,081%
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)
Current coporation rating	A- (S&P) ; A3 (Moody's) ; 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
Issue Date	3-sept.-18	3-sept.-18	3-sept.-18	05/jan/2018	05/jan/2017 & 25/apr/2017	21/sep/2015 & 27/sep/2016	19-mai-15	19-mai-15
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
Interest payment	Annual Sept 03	Annual Sept 03	Annual Sept 03	N/A	N/A	Annual Sept 30	Annual May 28	Annual May 28
ISIN	FR0013357845	FR0013357852	FR0013357860	FR0013309184	FR0013230745	XS1298728707	XS1233732194	XS1233734562
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

Cash and Liquidity Reserve

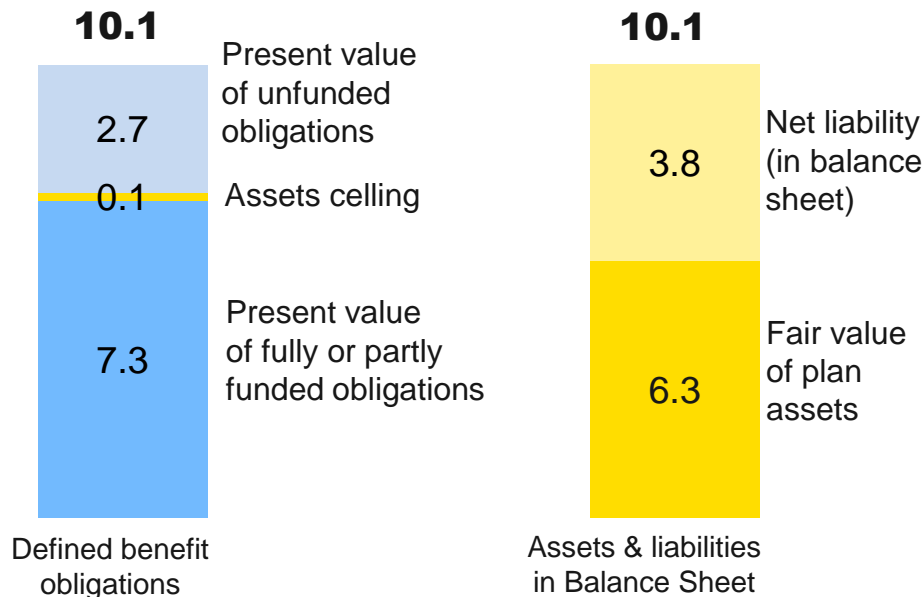
- 2,100 M€ of cash & cash equivalent + 314 M€ of current financial assets at Dec 31, 2018
- 1,500 M€ of an undrawn committed syndicated credit facility successfully refinanced in December/2014 with 17 banks for 7 years :
 - Back-up facility
 - EUR and/or USD
 - No financial covenants
- Main short-term debt programs :
 - French Commercial Papers (NEUCP/BT) : maximum @ 2.500 M€ (since end of May/2019)
 - USCP program launched in April/2012 : maximum @ 700 M\$
 - Pan- European receivables securitization program : total capacity @ 300 M€
 - US receivables securitization program : total capacity @ 150 M\$, up to 250 M\$
 - Reverse factoring : @ 440 M€ as of 31/December/2018

Systematic and Efficient Management of the Main Financial Risks under the Governance of the Financial Risk Committee

- Liquidity risk:
 - Secured financing : RCF, undrawn committed syndicated credit facility of €1,500m
 - Diversified financing sources
 - Conservative approach with available short- term instruments much above our needs
 - Non-risky cash investment
 - Risk managed at diverse horizons: very short term (5 d), monthly on a rolling 18 months, 5 years financial plan
- Interest rate risk:
 - Managed by currency at central level only
 - Defined fixed/variable thresholds
- FX rate risk:
 - Accounting FX exposure systematically hedged on a daily basis
- Counterparty risk:
 - Duly authorized counterparts (Group banks, CDS, ratings, market cap, ...) with defined thresholds in €
 - Managed on a weekly basis

Defined benefit plans as at December 31, 2018

▲ (in € billions)



Estimates of contributions to be paid and benefits to be paid directly	
2019e:	€324m
2020e:	€206m
2021e:	€207m
2022e:	€186m
2023e:	€201m
2024-2028e:	€1,341m

Reported 2018 financial highlights: P&L

<i>(in € millions)</i>	2018	<i>(as a % of net sales)</i>
Net sales	22,028	
Cost of sales	(14,912)	67.7%
Gross income	7,116	32.3%
Sales and marketing expenses	(1,862)	8.5%
Research and development expenses	(648)	2.9%
General and administrative expenses	(1,826)	8.3%
Other operating income and expenses	(5)	0.0%
Operating income from recurring activities	2,775	12.6%
Operating income/(loss) from non-recurring activities	(225)	1.0%
Operating income	2,550	11.6%
Cost of net debt	(200)	0.9%
Other financial income and expenses	16	0.1%
Net interest on employee benefit obligations	(90)	0.4%
Share of profits and losses from associates	(46)	0.2%
Income before taxes	2,230	10.1%
Income tax	(570)	2.6%
Net income	1,660	7.5%

Reported 2018 financial highlights: Balance Sheet

ASSETS (in € millions)	December 31, 2018
Goodwill	2,667
Intangible assets	1,828
Property, plant and equipment	11,379
Non-current financial assets and other assets	691
Investments in associates	938
Deferred tax assets	740
Non-current assets	18,243
Inventories	4,447
Trade receivables	3,307
Current financial assets	314
Other current assets	1,037
Cash and cash equivalents	2,100
Current assets	11,205
TOTAL ASSETS	29,448

EQUITY AND LIABILITIES (in € millions)	December 31, 2018
Share capital	360
Share premiums	2,923
Reserves	8,862
Non-controlling interests	22
Equity	12,167
Non-current financial liabilities	5,020
Employee benefit obligations	3,850
Provisions and other non-current liabilities	1,315
Deferred tax liabilities	326
Non-current liabilities	10,511
Current financial liabilities	1,134
Trade payables	2,506
Reverse factoring contracts	440
Other current liabilities	2,690
Current liabilities	6,770
TOTAL EQUITY AND LIABILITIES	29,448

Estimated impact of applying IFRS 16 on the 2019 balance sheet, income statement and statement of cash flows

<i>(in € millions)</i>	Income statement
EBITDA	~ +170
Depreciation and amortization	~ -160
SOI	~ +10
Net financial income	~ -20
Net income	~ -10

<i>(in € millions)</i>	Cash flows
EBITDA	~ +170
Net financial income	~ -20
Impact on structural cash flow	~ +150
Cash flows used in financing activities (debt repayment)	-150
Net cash impact	0

<i>(in € millions)</i>	Balance sheet
Net assets	~ +800
Net debt	~ +800



October 1, 2019

Credit Agricole CIB Conference - Paris



Appendices

Reported H1 2019 and H1 2018 financial highlights

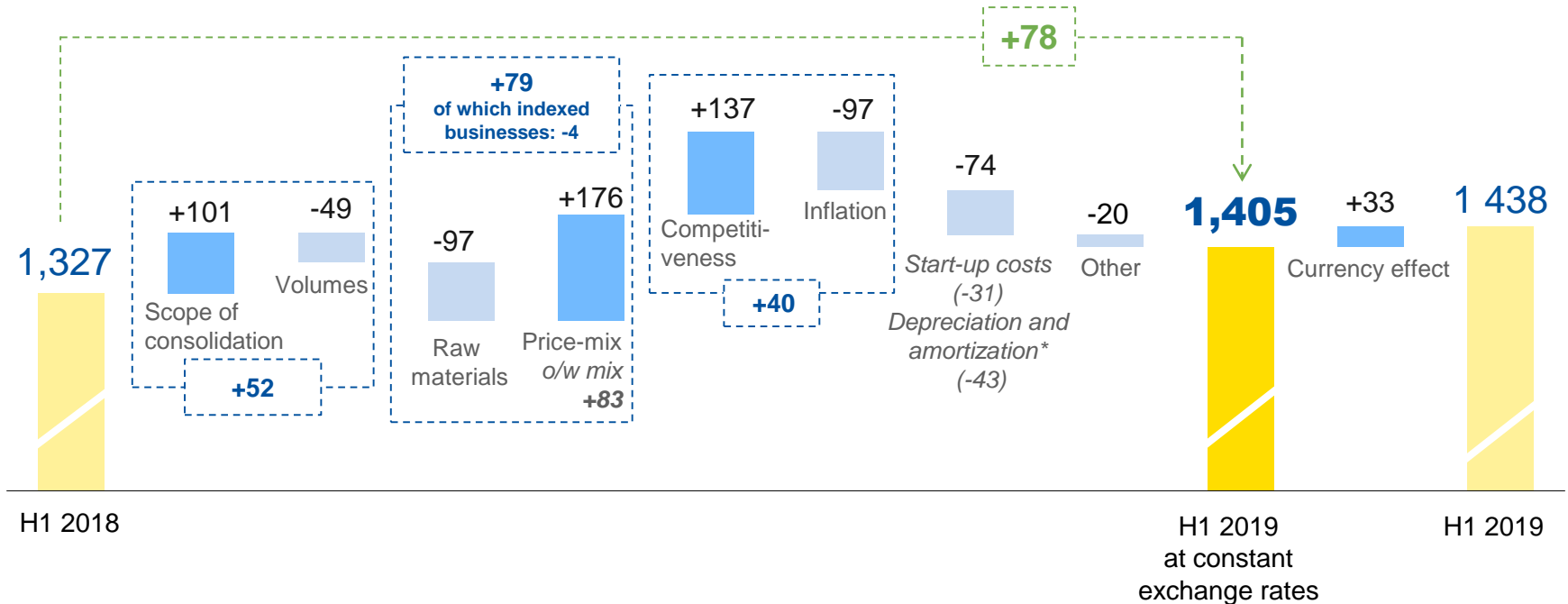
<i>(in € millions)</i>	H1 2019*	H1 2018
Sales	11,781	10,603
Segment EBITDA	2,296	1,985
Segment EBITDA margin	19.4%	18.7%
Segment Operating income	1,438	1,327
Segment Operating margin	12.2%	12.5%
Other Operating income and expenses	(90)	23
Net income	844	917
Basic earnings per share (in €)	4.74	5.12
Capital expenditure	665	588
Free cash flow**	(592)	(2,049)
Gearing	54%	33%

* Including IFRS 16 impact

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

H1 2019: Segment operating income up €78m, on the combined impact of acquisitions, a robust price mix and the competitiveness plan

▲ YoY change in SOI (in € millions)

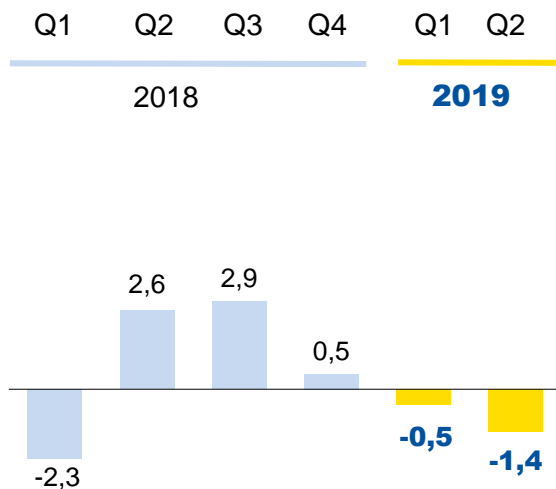


* Excluding IFRS 16

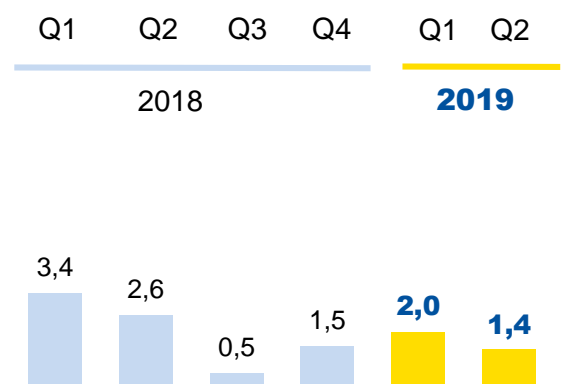
Q2 2019: as falling demand weighed on volumes, a priority focus on margins with a robust price mix

▲ YoY change, by quarter
(in %)

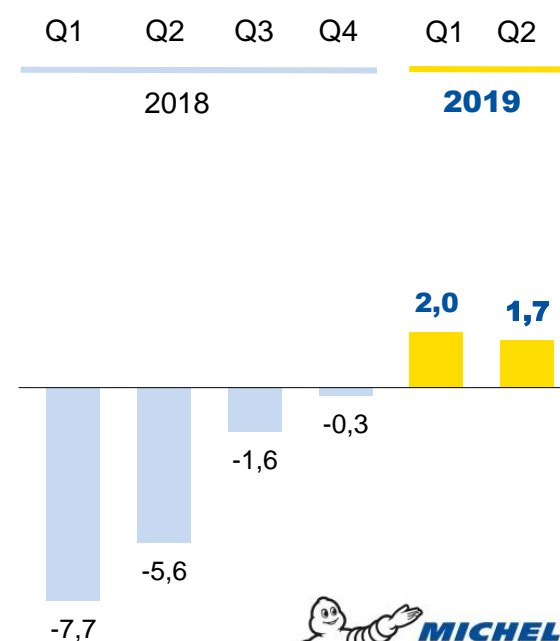
Volumes



Price-mix

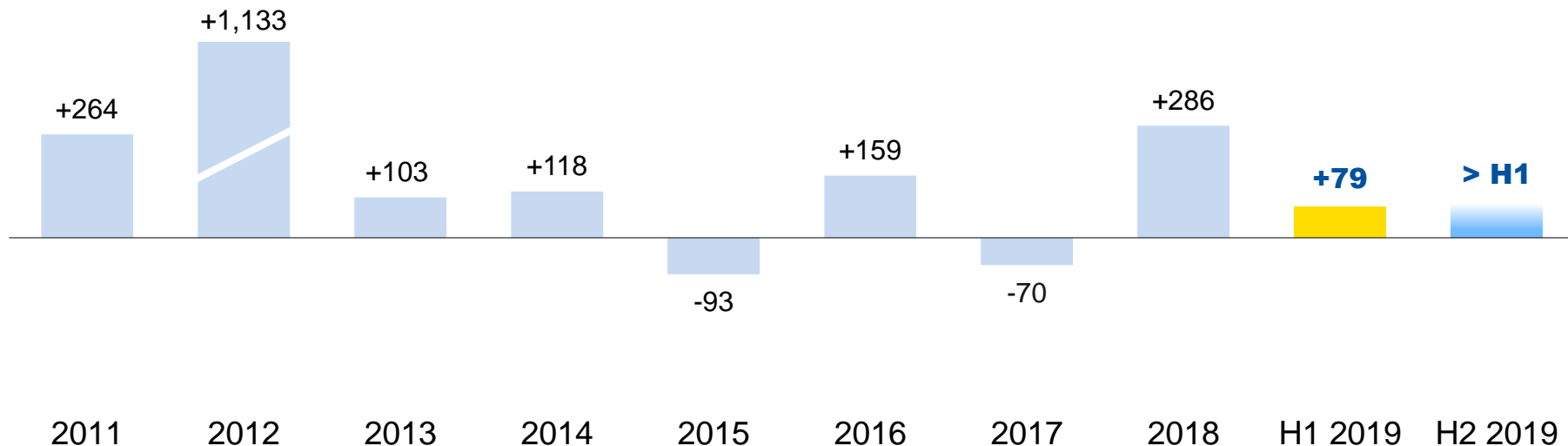


Currency effect






Group's capacity to protect its margin in a highly competitive market environment

▲ Net price-mix/raw materials effect (in € millions)



Sales and SOI by SR: 2018 reported and restated

<i>(In € millions)</i>		2018 restated	2018 reported	<i>Change</i>
	SR1 Sales	11,332	11,340	- 0 %
	Operating income*	1,295	1,314	- 1 %
	Operating margin*	11.4 %	11.6 %	- 0.2 pt
	SR2 Sales	6,378	5,852	+ 9 %
	Operating income*	612	513	+ 19 %
	Operating margin*	9.6 %	8.8 %	+ 0.8 pt
	SR3 Sales	4,318	4,836	- 11 %
	Operating income*	868	948	- 8 %
	Operating margin*	20.1 %	19.6 %	+ 0.5 pt

* For the segment

Restatement of the cost of sales of services in the dealership networks from SG&A expense to gross income

(in € millions)				As a % of sales	
	2018 reported	Restatement	2018 restated	2018 reported	2018 restated
Sales	22,028	-	22,028		
Cost of sales	(14,912)	(605)	(15,517)	67.7%	70.4%
Gross income	7,116	(605)	6,511	32.3%	29.6%
Sales and marketing expenses	(1,862)	595	(1,267)	8.5%	5.8%
Research and development expenses	(648)	10	(638)	2.9%	2.9%
General and administrative expenses	(1,826)	-	(1,826)	8.3%	8.3%
Other segment income and expenses	(5)	-	(5)	0.0%	0.0%
Segment operating income	2,775	-	2,775	12.6%	12.6%

- The restatements had no impact on the competitiveness plan

PC Tire Market: In August 2019, markets are penalized by one working-day less. Restated for this impact, the decrease in OE demand is slowing down in most of the regions, while Replacement markets are slightly growing

August 2019 / 2018

Market	Europe including Russia & CIS *	Europe excluding Russia & CIS *	North America	South America	China
Original equipment tires	▼ -8%	▼ -9%	▼ -4%	▼ -4%	▼ -8%
Replacement tires	▼ -2%	▼ -2%	▼ -2%	▼ -8%	▲ +6%

YTD (August 2019)

Market	Europe including Russia & CIS *	Europe excluding Russia & CIS *	North America	South America	China
Original equipment tires	▼ -6%	▼ -6%	▼ -3%	▼ -1%	▼ -14%
Replacement tires	▼ -2%	▼ -2%	▲ +3%	▼ -3%	▲ +4%

* Turkey included

TB Tire Market: In August 2019, markets are penalized by one working-day less. Slowdown in OE demand is confirmed in Europe, whereas it is relatively stable in North America. The Replacement market remains well-oriented in Europe and keeps on declining in the Americas.

August 2019 / 2018

Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	South America
Original equipment tires	▼ -19%	▼ -22%	▼ -6%	▲ +11%
Replacement tires	▼ -1%	▲ +4%	▼ -19%	▼ -6%

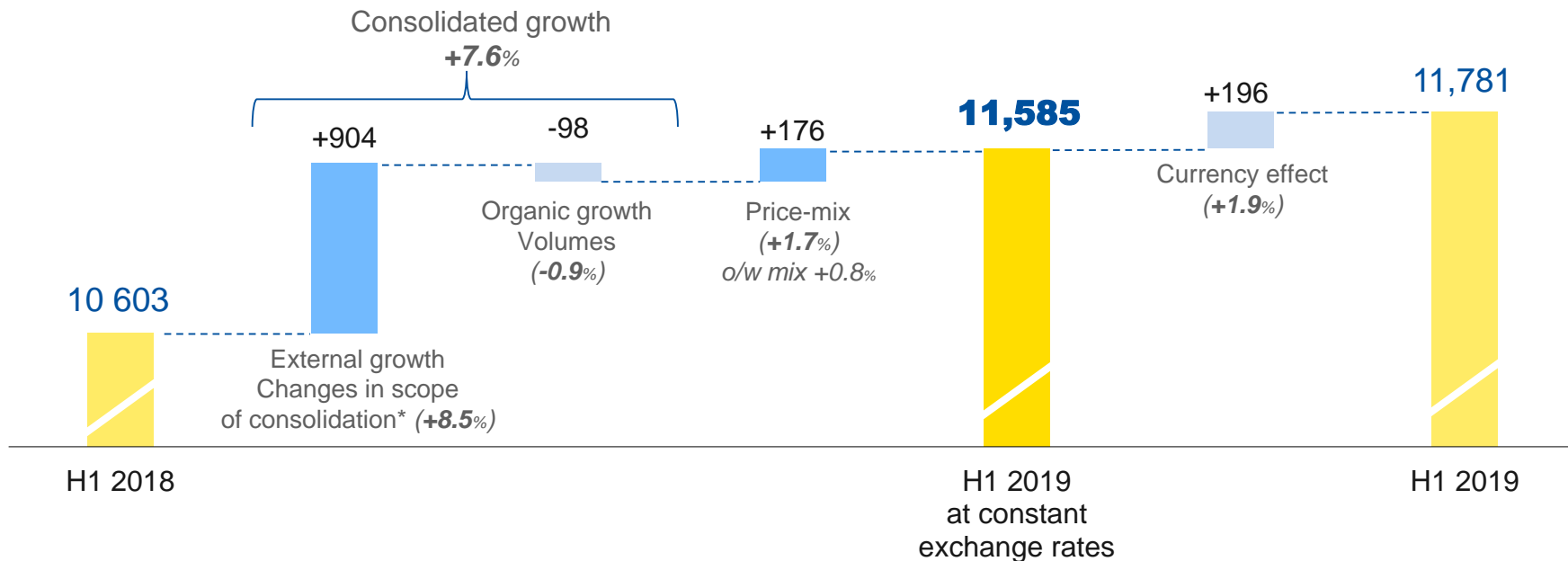
YTD (August 2019)

Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	South America
Original equipment tires	▼ -6%	▼ -6%	▲ +6%	▲ +30%
Replacement tires	▲ +0%	▲ +2%	▼ -12%	▼ -2%

* Turkey included

Sales up 11%, lifted by acquisitions, disciplined price management and the sustained improvement in the mix

▲ YoY change in sales (in € millions and %)



* Fenner, Camso, Multistrada, Tablet and deconsolidation of the TCi tire wholesaling chain

Auto: negative impact of lower volumes partially offset by the move upmarket in the mix and robust price steering

(in € millions)



RS1 sales
Operating income*
 Operating margin*
 Operating margin at
 constant scope of consolidation

	H1 2019	H1 2018 restated	Change	H1 2018 reported
RS1 sales	5,658	5,603	+1.0%	5,607
Operating income*	585	635	-7.9%	646
Operating margin*	10.3%	11.3%	-1.0 pt	11.5%
Operating margin at constant scope of consolidation	10.5%	11.3%	-0.8 pt	

*For the segment

- Positions maintained in a market down 2%, impacted by the 7% fall-off in OE demand
 - Fixed costs under absorption due to weaker demand and ramp-up costs at the Leon (Mexico) plant reduce margin by around 0,5 pt
 - business particularly hard hit by the increase in butadiene prices in H2 2018
 - Restructuring the NTW network, in line with the business plan, led to a decline in its inventory in H1 2019
- Higher proportion of 18”+ tires in the sales mix (41% in H1 vs. 39% in 2018), led notably by the success of the MICHELIN Pilot Sport 4 SUV

Road transportation: sustained improvement in margins, led by a solid price-mix and the success of Michelin offers

(in € millions)

RS2 sales
Operating income*
Operating margin*

H1 2019

3,144
279
8.9%

H1 2018
restated

3,046
248
8.1%

Change

+3.2%
+12.5%
+0.8 pt

*H1 2018
reported*


2,782
195
7.0%



*For the segment

- Volumes stable in a market down 1%
- Sustained improvement in operating margin thanks to disciplined price management
- Successful sales of Services and Solutions and faster deployment in Europe with the acquisition of Masternaut: more than one million vehicles under contract worldwide
- Continued success of the MICHELIN AGILIS CrossClimate global all-season tire range
- Temporary impact of customs duties between China and the US: €20 million in H1; €30m over the full year

Specialties: continued growth in mining tires, and a focus on margin integrity in every business

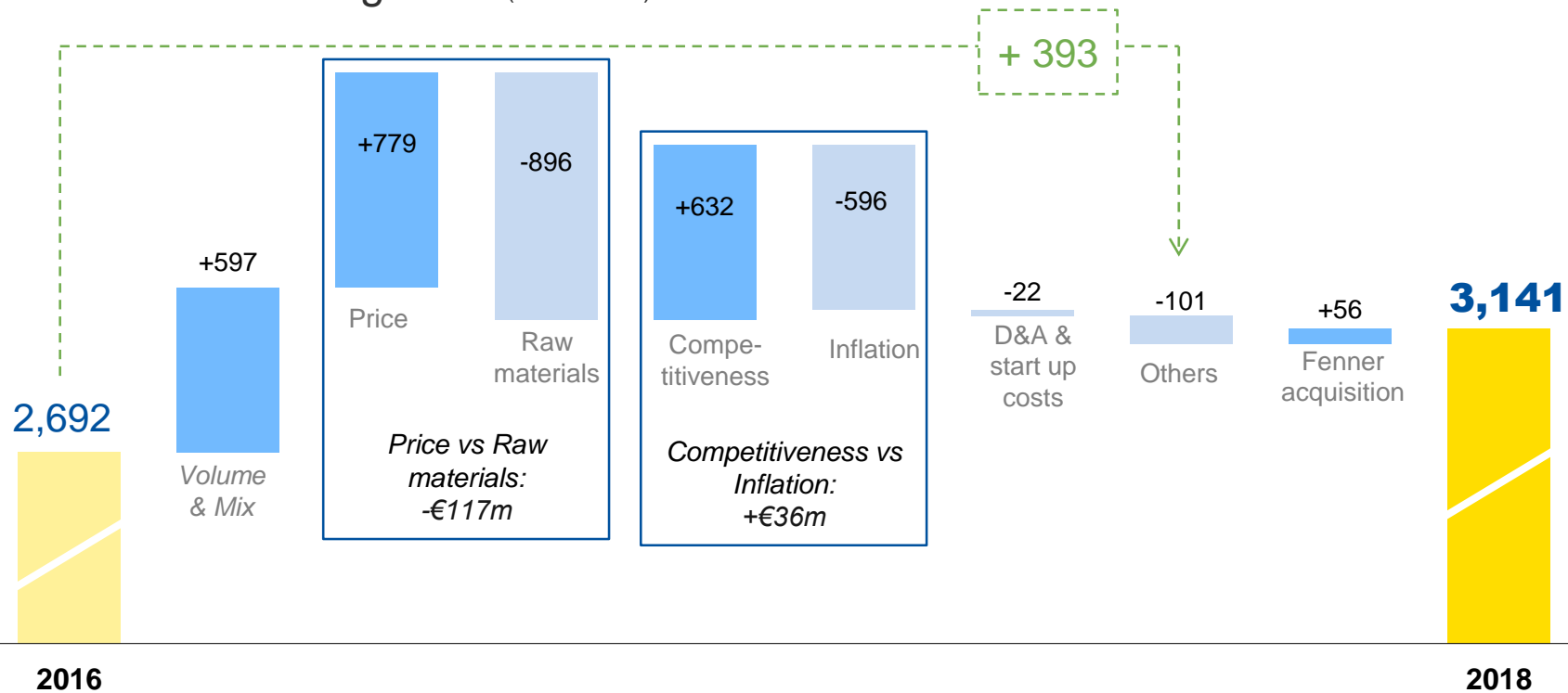
<i>(in € millions)</i>		H1 2019	H1 2018 restated	Change	H1 2018 reported
	RS3 sales	2,979	1,954	+52.5%	2,214
	Operating income*	574	444	+29.3%	486
	Operating margin*	19.3%	22.7%	-3.4 pt	22.0%
	Operating margin <i>at constant scope of consolidation</i>	23.0%	22.7%	+0.3 pt	

*For the segment

- Robust price-mix in every division
- Tire volumes up 1%, with:
 - strong growth and market share gains in the mining business
 - Off-the-road business hard hit by the downturn in the agricultural tire markets; improved margins following price repositioning in OE agricultural
- Camso and Fenner: performance in line with expectations and smooth integration of the new operations

2016-2018: +€200m/year organic EBIT growth

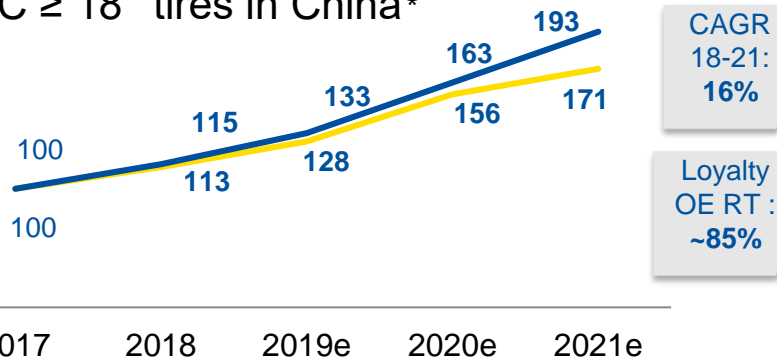
▲ 2016-2018 EBIT growth (in €millions)



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

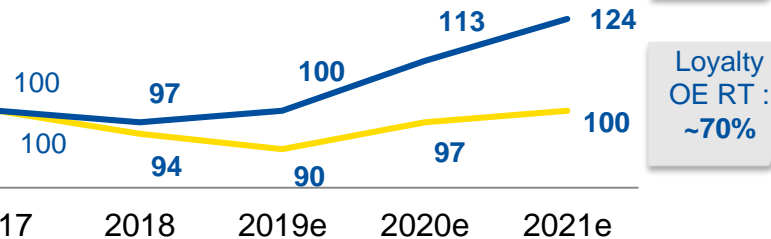


▲ PC $\geq 18''$ tires in China*



*base 100 in 2017, in units

— OE — RT

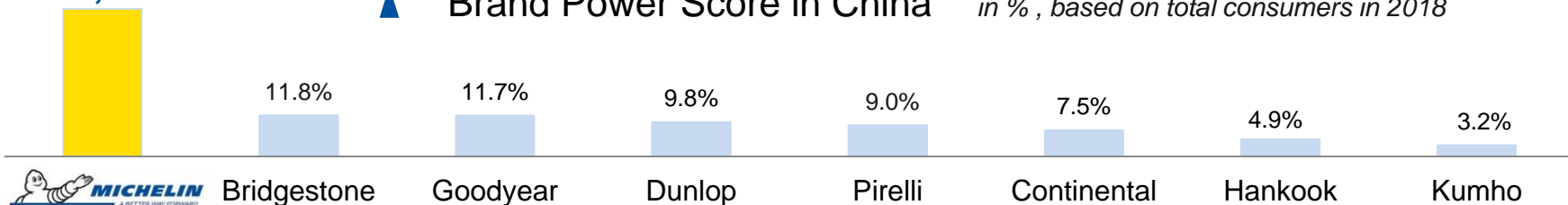


**base 100 in 2017, in units

— OE — RT

42,2%

▲ Brand Power Score in China** in % , based on total consumers in 2018



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

Partner dealership chains* that showcase the Group's products

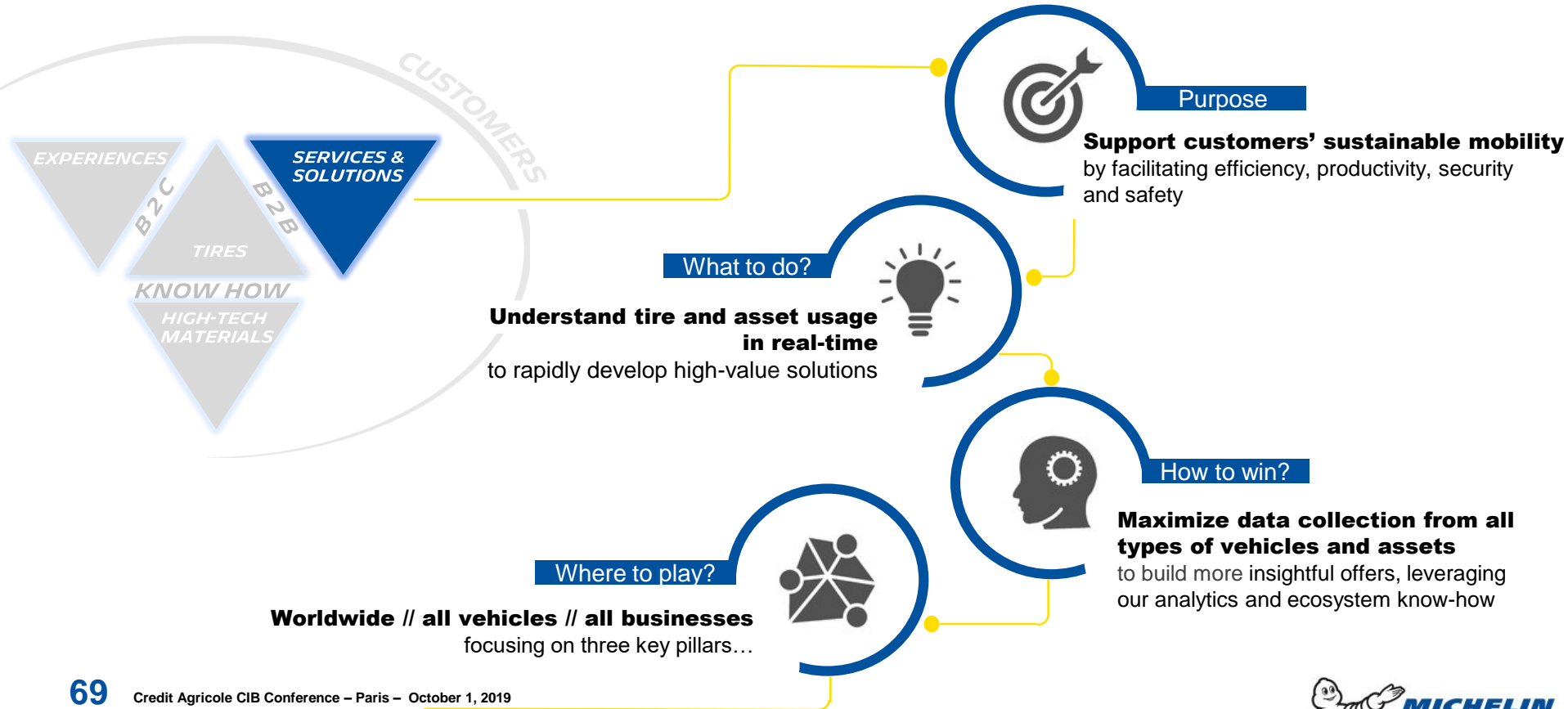
- Michelin boasts industry-leading global coverage



- Partner wholesalers: NTW, Ihle, Meyer Lissendorf
- A vast network of strategic retailers* as of late 2018: ~ 7,400 including Penta in Indonesia following the acquisition of Multistrada

*Proprietary or franchised dealers, plus minority stakes in partners

Michelin, a trusted partner in mobility, is accelerating its expansion in Services & Solutions



Renewable natural rubber's essential role in our sustainable mobility

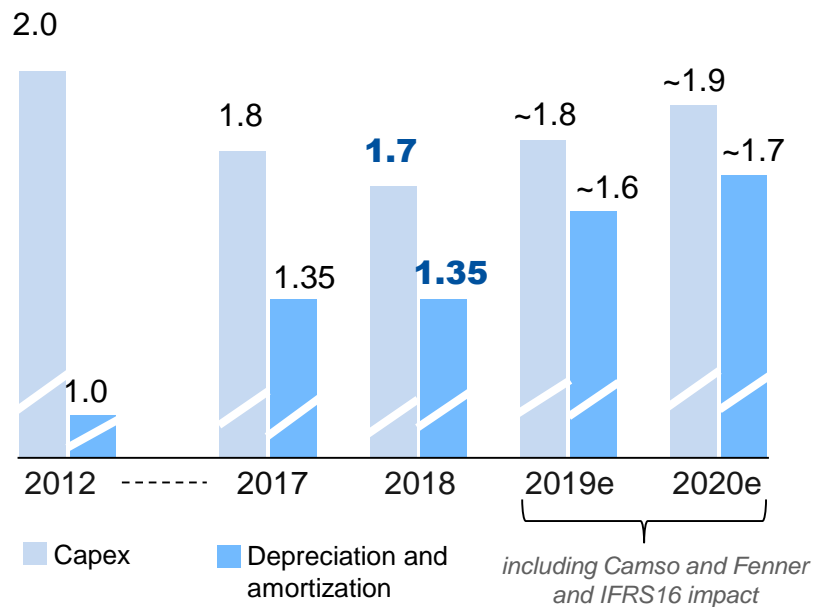
- Reforestation of 88,000 hectares (o/w ~ 45,000 with hevea's tree) in Indonesia through a joint venture with Barito Pacific Group
- GPSNR: A Global Platform for Sustainable Natural Rubber, launched in Singapour in October 2018
 - Project initiated by the Tire Industry Project of which Michelin is one 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...)



Investing to create value

- Reducing Capex on historical core-business towards depreciation level
- Reinforcing Michelin footprint where the growth is
- Capex in Specialties businesses (SR3)
- Developing new territories: fleet management solutions & High Tech Materials excluding JVs
- Speeding up a comprehensive digitization plan

▲ Capital expenditure and depreciation (in € billions, at current exchange rates)



2019 : Sales by currency and EBIT impact

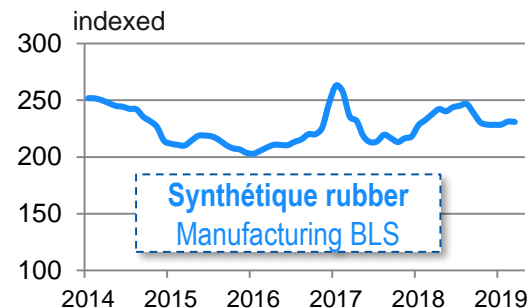
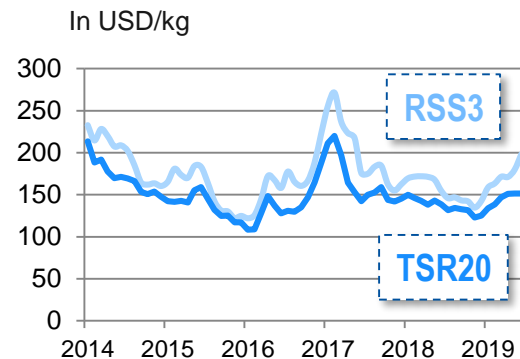
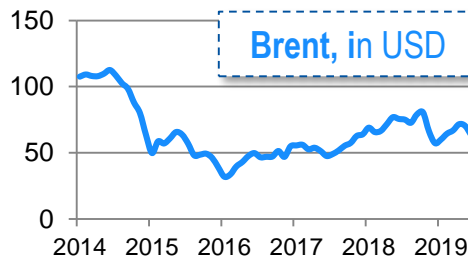
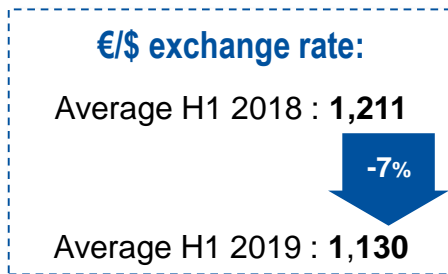
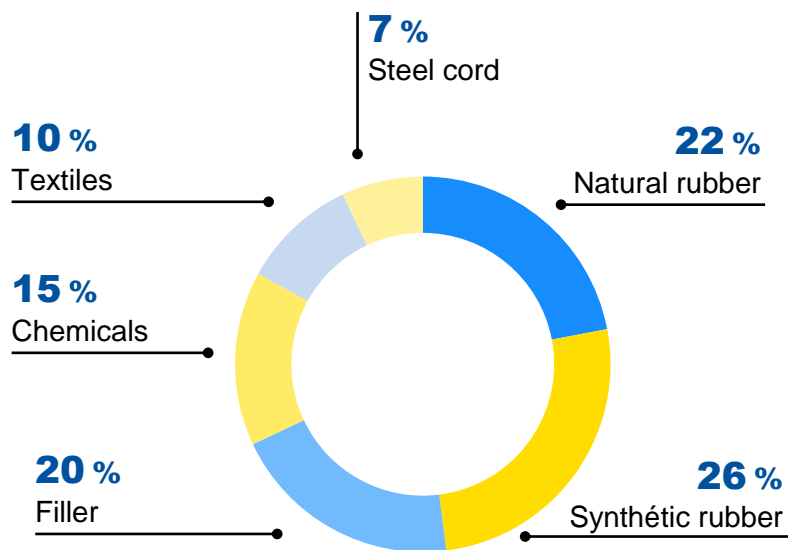
	% of sales		H1 2019 € change vs. currency	Droptthrough sales/EBIT*
AUD	3%	2%	80% / 85%	
BRL	3%	5%	-20% / - 30%	
CAD	3%	-2%	25% / 30%	
CHF	1%	-3%	80% / 85%	
CNY	5%	-1%	25% / 30%	
EUR	32%	-	-	
GBP	3 %	-1%	25% / 30%	
INR	1%	0%	25% / 30%	
JPY	1%	-6%	80% / 85%	

	% of sales		H1 2019 € change vs. currency	Droptthrough sales/EBIT*
MXN	1%	-6%	25% / 30%	
PLN	1%	+2%	25% / 30%	
RUB	1%	+3%	25% / 30%	
SEK	1%	+4%	80% / 85%	
THB	1%	-7%	-100% / -130%	
TRY	1%	+29%	80% / 85%	
USD	36%	-7%	25% / 30%	
ZAR	1%	+8%	80% / 85%	
Other	5%		80% / 85%	

* Droptthrough dépendant de la base d'exportation / fabrication / vente

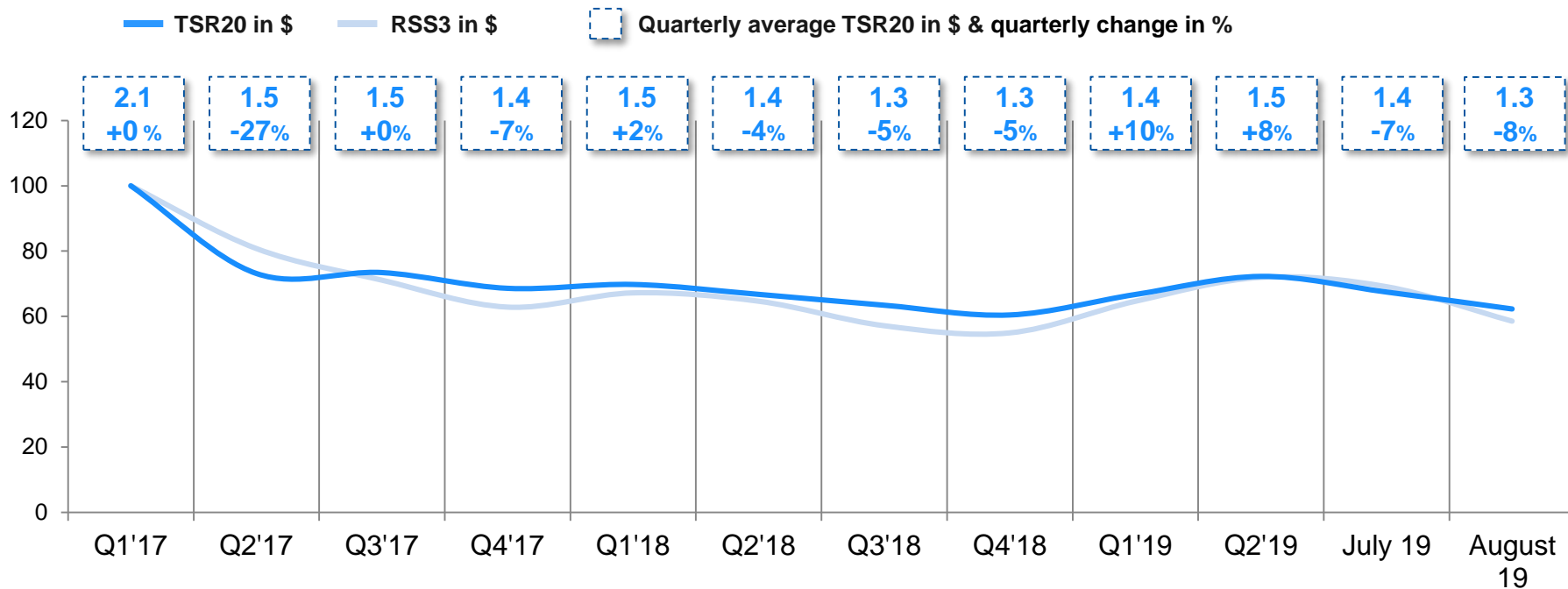
Raw materials

▲ Raw material purchases in H1 2019 (€2.5bn)



Natural Rubber price trend

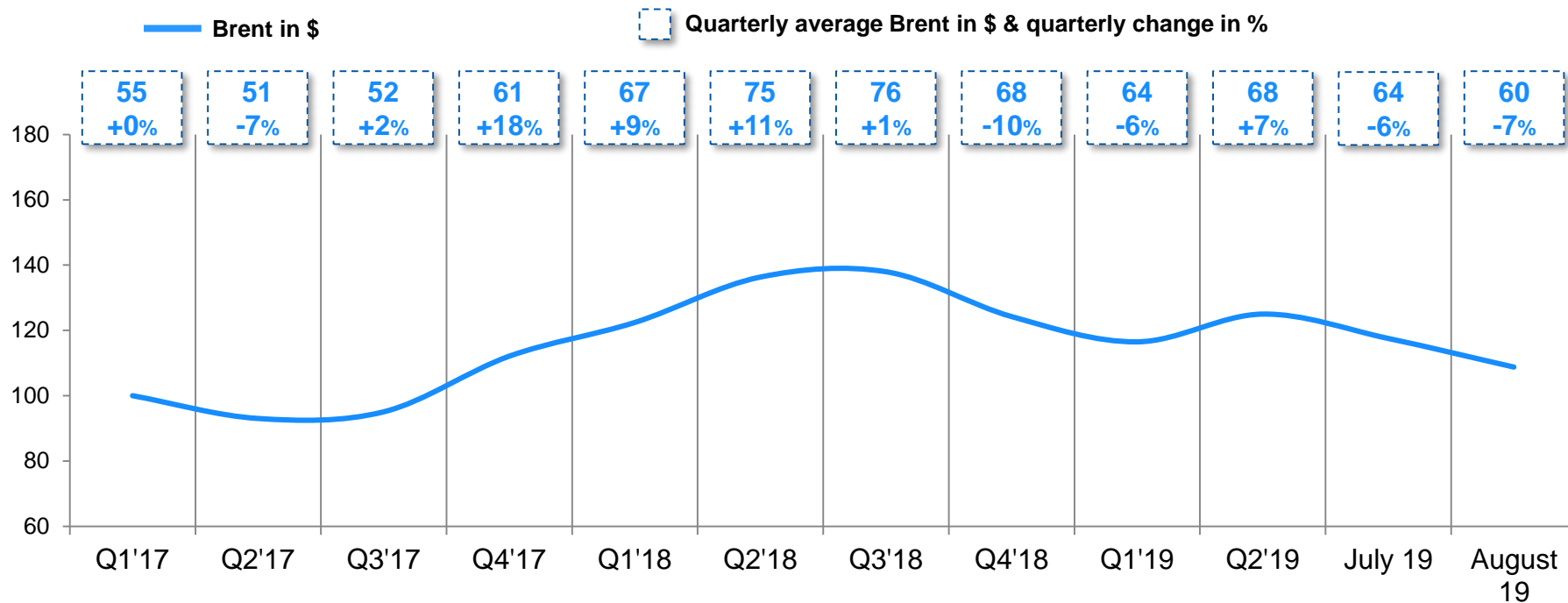
▲ At end of August 31, 2019 (per kg, base 100 au Q1'17)



Source : SICOM

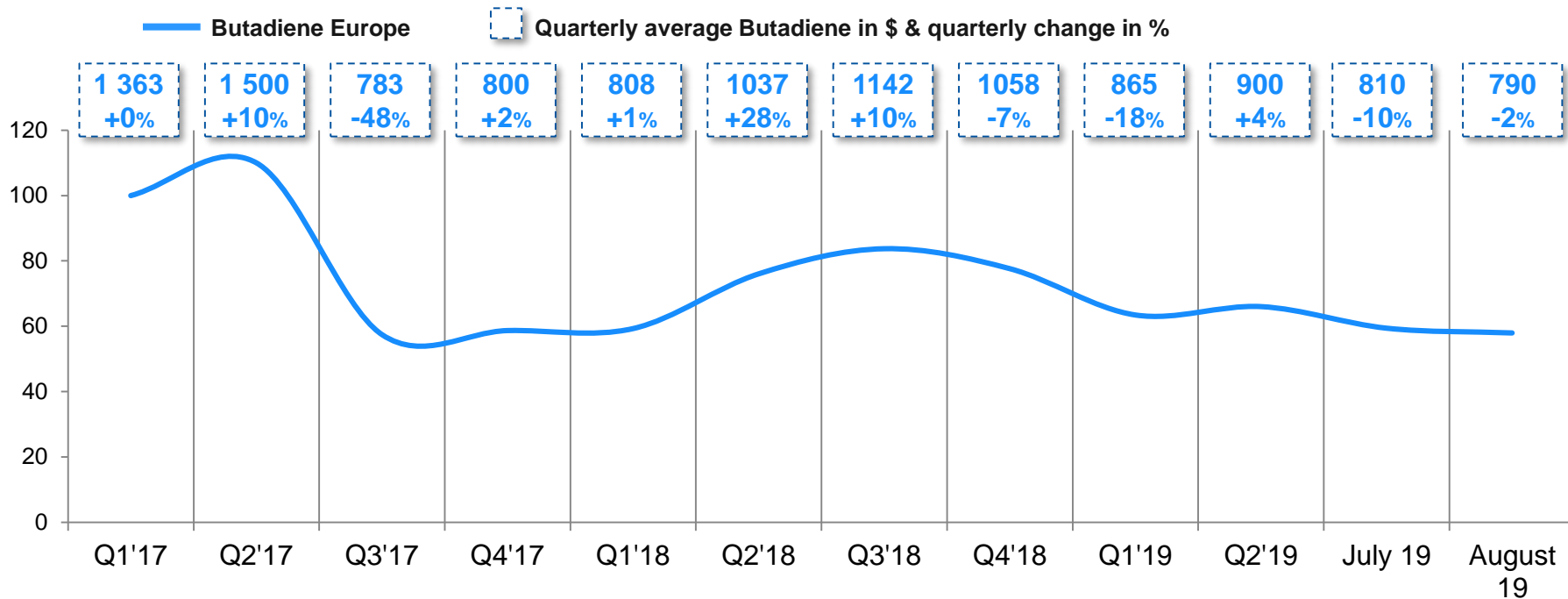
Brent price trend

▲ At end of August 31, 2019 (per barrel, base 100 in Q1'17)



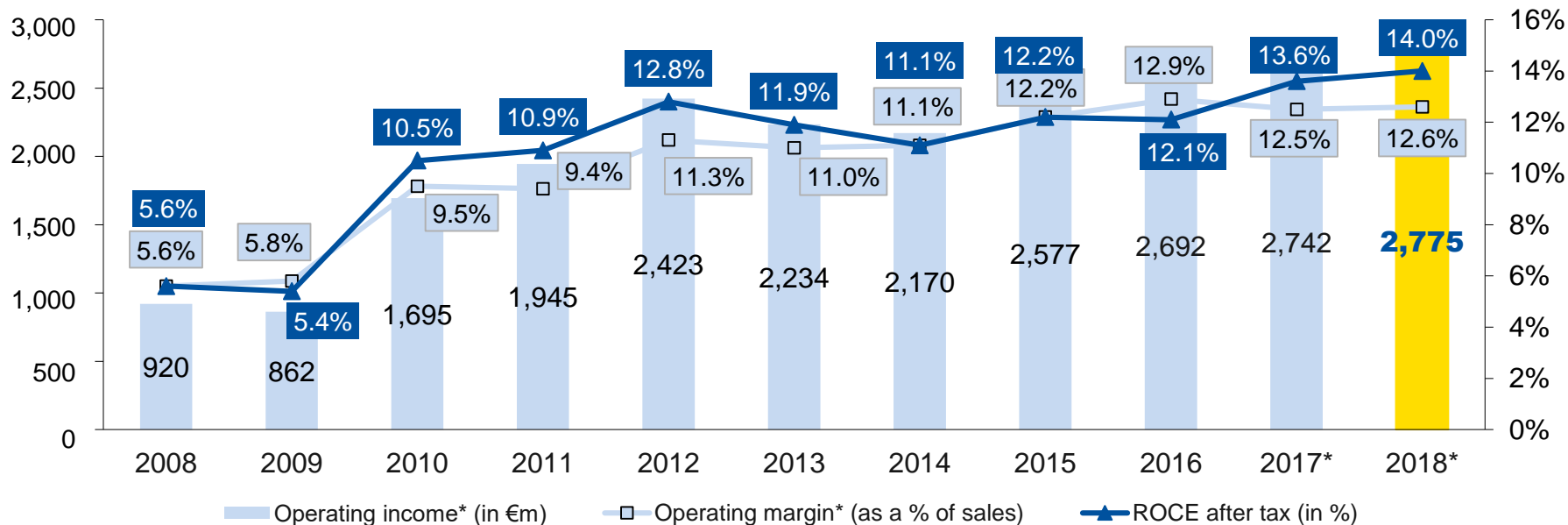
Butadiene price trend

▲ At end of August 31, 2019 (per ton, base 100 au Q1'17)



2018: another year in line with our 2020 roadmap

▲ Group segment operating income and margin & ROCE*



* With standard tax rate at 28% for 2017 and 26% for 2018 and **excluding goodwill, acquired intangibles, associates and joint ventures for 2017 and 2018**

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/eng/> website.

This presentation may contain a number of forward-looking statements. Although the Company believes that these statements are based on reasonable assumptions as at the time of publishing this document, they are by nature subject to risks and contingencies liable to translate into a difference between actual data and the forecasts made or inferred by these statements."

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