

DECEMBER 5, 2019
LONDON

**GOLDMAN SACHS,
11TH ANNUAL GLOBAL
AUTO CONFERENCE**

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"*



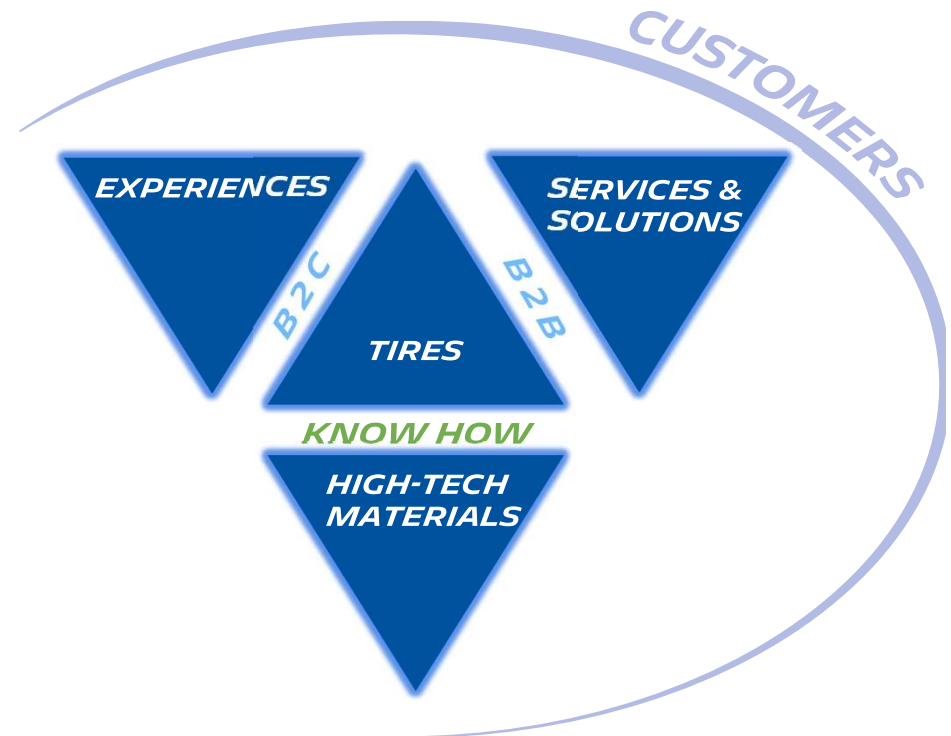
High-tech material leadership
125 years of competencies and innovations in flexible composite materials and transformation processes



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

**By American magazine advertising week*

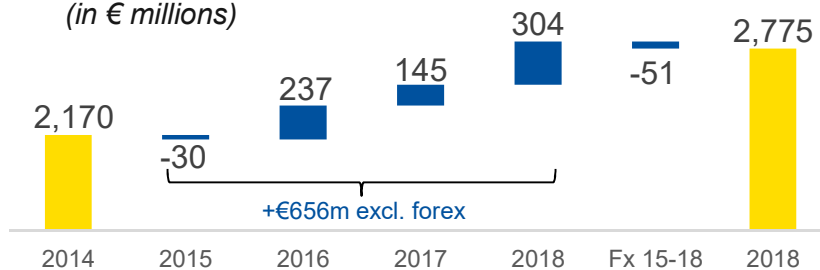
▲ Four domains of growth



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

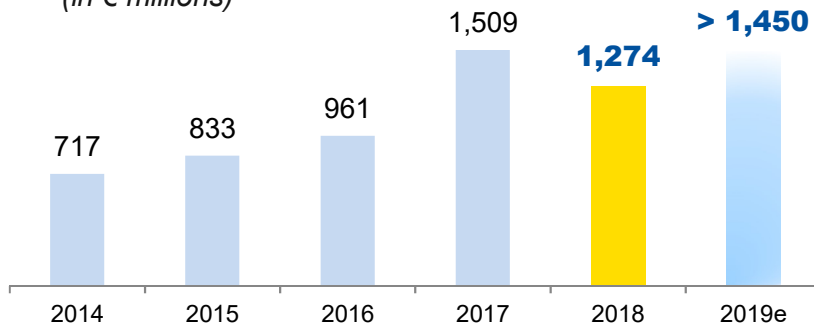
▲ Change in segment operating income 2014 – 2018

(in € millions)



▲ Structural Free Cash Flow 2014 – 2019^e

(in € millions)



3

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▲ 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

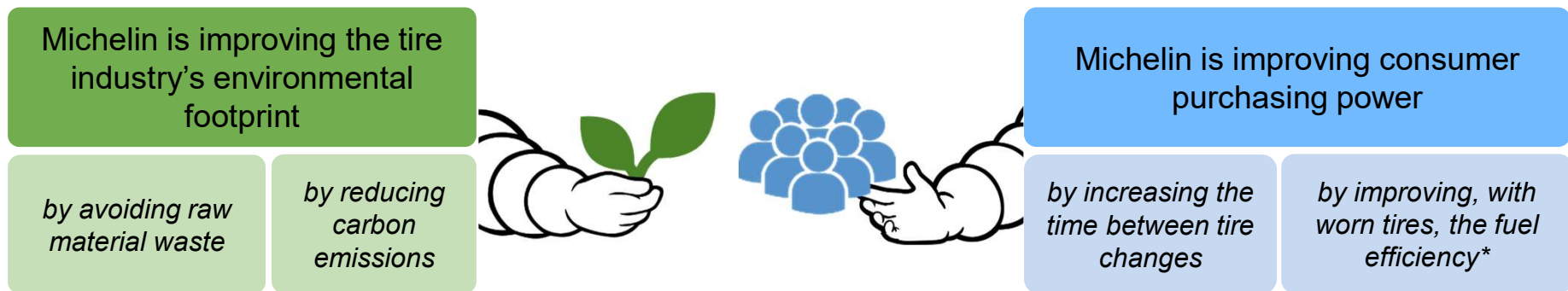


Working capital optimization



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



* 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








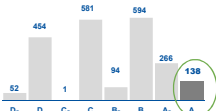
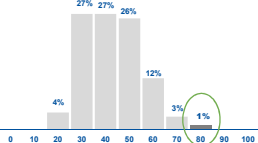

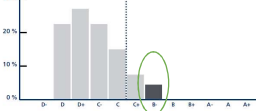
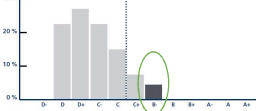

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Michelin's extra- financial rating: a leading and recognized player in sustainable mobility

- Major Sustainability Rating (As of September 2019)

	CDP 2018	ECOVADIS 2018	VigeoEris 2018	SUSTAINA- LYTICS 2018	ISS-OEKOM 2019	MSCI 2019
Status	<p>A</p>  <p>B Water Security</p>	<p>GOLD</p> 	<p>A1+</p> 	<p>OUTPERFORMER</p>	<p>PRIME</p>  <p>rated by ISS-oekom</p>	<p>AA</p> 
Rating	-	78/100	68/100	77/100	B-	7.3/10
Ranking / Distribution of ratings		<p>Top 1%(natural rubber)</p> 	<p>1er/31 secteur</p> 	<p>7ème/54 secteur</p> 		



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**Sales for the nine
months ended
September 30, 2019**



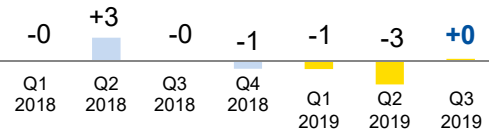
Nine-month sales up 10.4%, lifted by the contribution from acquisitions and a robust price-mix effect

- In weaker than expected markets, Michelin's volumes declined by 0.8% in the first nine months of 2019, with in particular:
 - A contraction in Automotive tire volumes, in line with the markets; sustained growth in the 18-inch and larger segment
 - A decline in Truck tire volumes in increasingly difficult markets
 - A Growth in the mining tire business, in line with expectations
 - A steeper than expected drop in the agricultural and construction tire markets
- A 2.1% improvement in the price-mix effect (+2.9% in Q3), attributable to:
 - Disciplined price management in every business and region, in particular with price increases in the third quarter
 - A strong mix effect, shaped by a favorable business mix and a firm product mix in the Automotive segment
- Contribution from acquisitions in line with expectations (+7.1%)
- Sustained deployment of the competitiveness plan

Weaker demand in Truck and Off-the-road tires; Passenger car and Mining markets in line with expectations



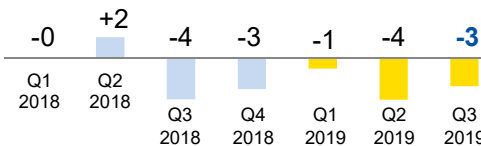
PC/LT 9M 2019: -1%



- OE: worldwide demand down 7% (-4% on Q3), especially in China, India and Europe
- RT: demand well oriented in North America, still weak in Europe, penalized by slow start of winter
- Chinese RT market still dynamic



TRUCK 9M 2019: -3%



- OE: global demand contraction, driven by Europe and India; market downturn in North America in Q3
- RT: steep drop in demand in the Americas, and to a lesser extent in China; growth in Europe, driven by imports



SPECIALTIES*: ~ +0%

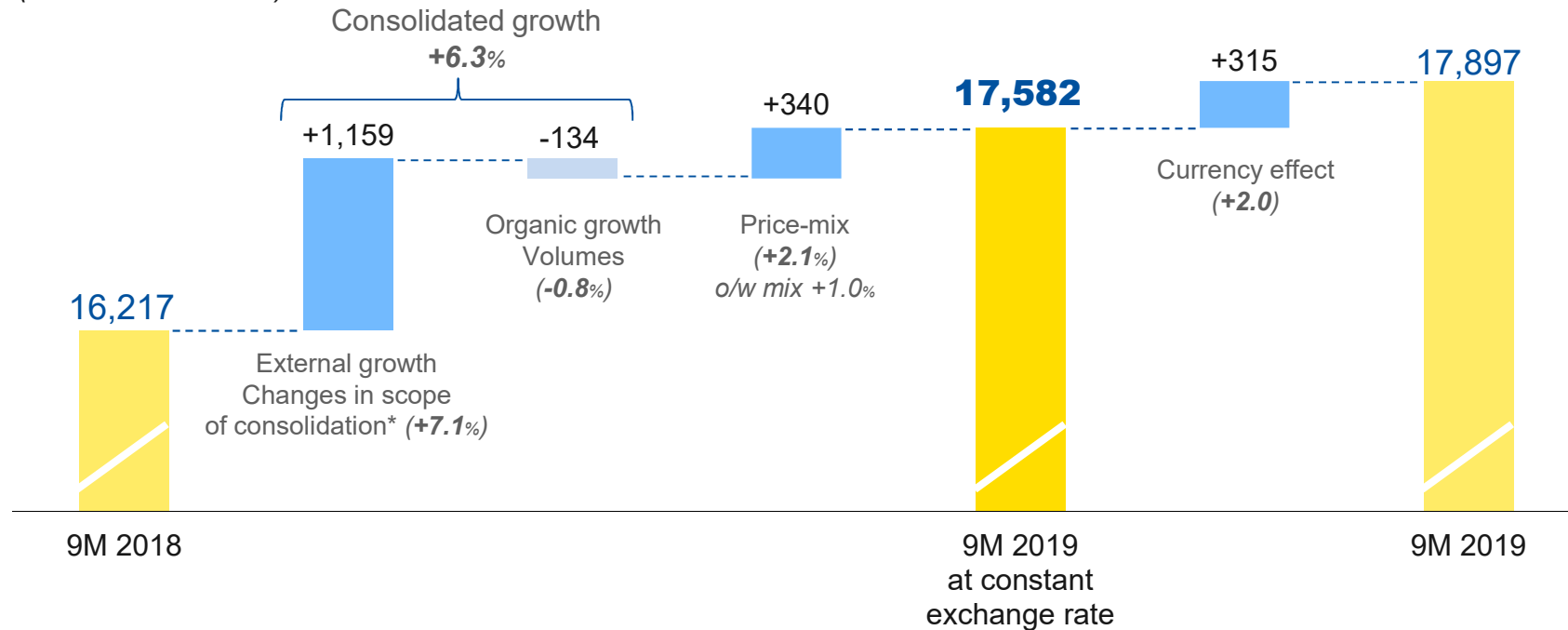
* Estimated full-year 2019

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

Source: Michelin estimates. Those estimates are regularly adjusted and may be updated following their initial publication.

9M 2019 sales: up 10.4%, lifted by acquisitions, disciplined price management and the sustained improvement in the mix

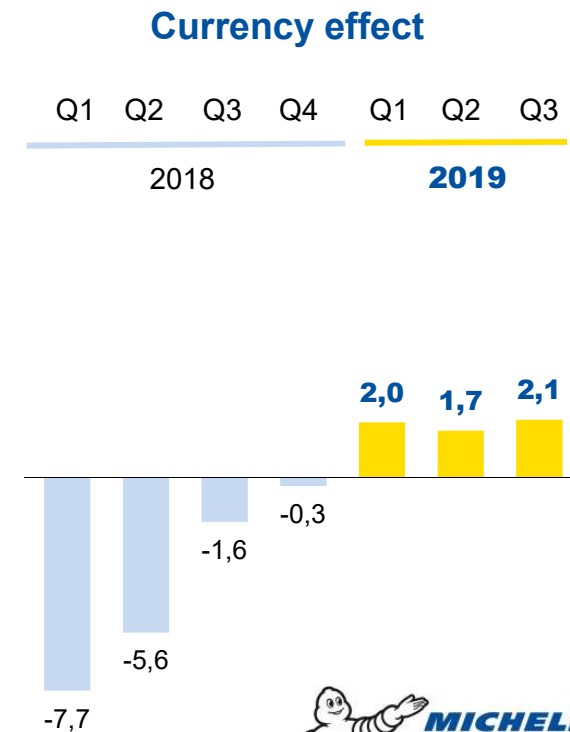
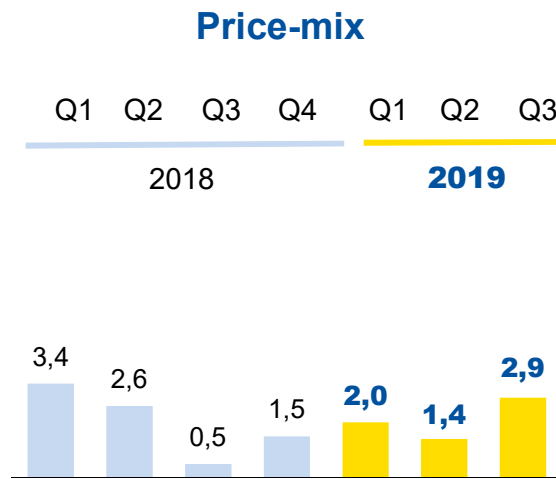
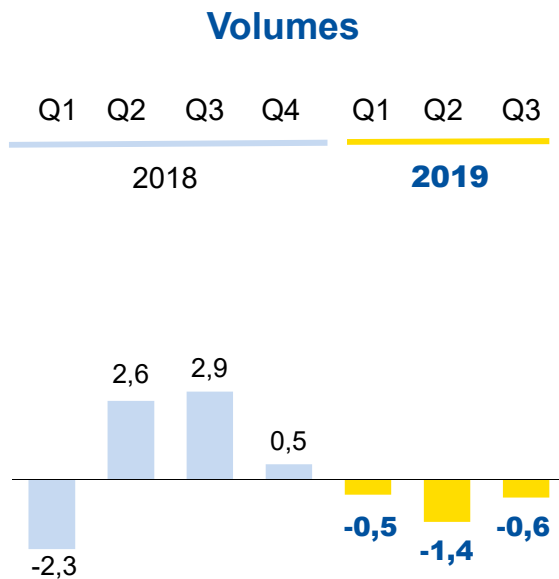
▲ YoY change in sales (in € millions and %)



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

Q3 2019: as falling demand weighed on volumes, a priority focus on margin protection with a robust price-mix

▲ YoY change, by quarter
(in %)



2019 market scenario: PC/LT down for the year, hurt by OE; steeper decline in Truck tire demand; Mining growth offset by fall in Ag and Construction



PC/LT: ~ -1%

vs. ~ -1%

- OE: sustained decline in demand in every region (-6%)
- RT: markets up slightly in every geography with a slight pick-up in Chinese demand
- RT ≥18" demand up by around 10%



TRUCK ~ -4%

vs. ~ -2%

- 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



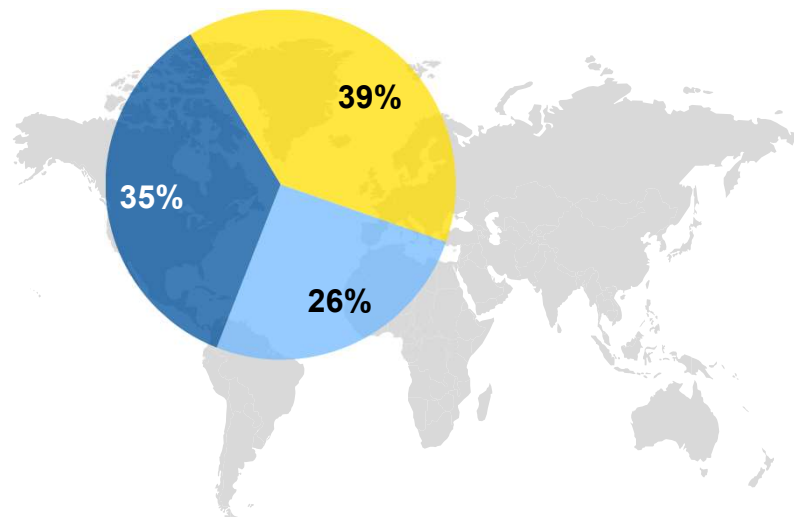
SPECIALTIES: ~ +0%

vs. ~ +2%

- Mining tires: sustained 4% growth in demand, in line with actual tire consumption
- Off-the-road: steeper downturn in the agricultural tire market and strong decline in OE construction tire demand
- Growth in the Two-Wheel commuting and Aircraft segments

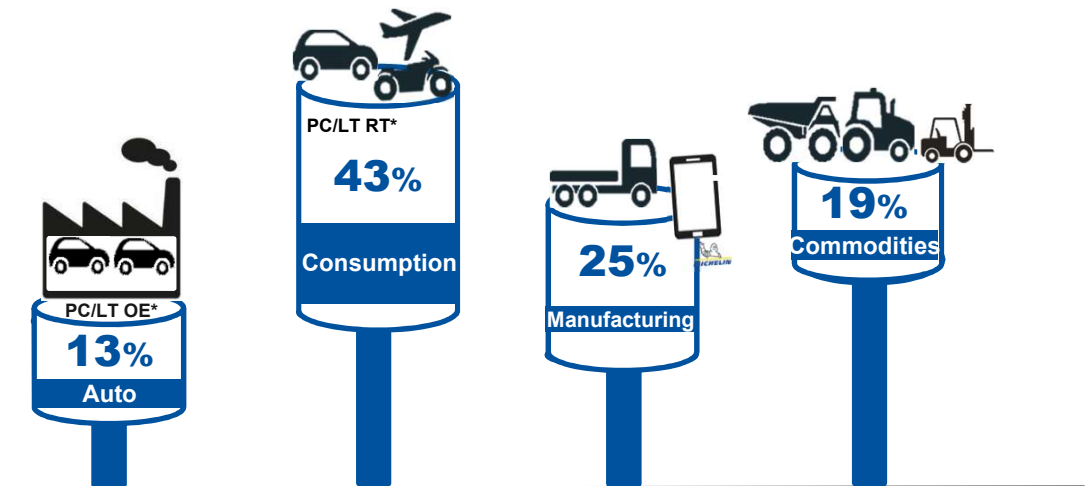
The close fit between the Group's businesses helps to cushion it from the steep drop in auto markets

▲ 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 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

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	> €200m
Competitiveness plan gains vs. inflation	Positive

* Based on the following average prices and exchange rates for 2019: Natural rubber: \$1.45/kg; butadiene (US, Europe and Asia): \$0,969/t; Brent: \$63/bbl; EUR/USD: 1.12

** Based on September 2019 rates. See slide 68

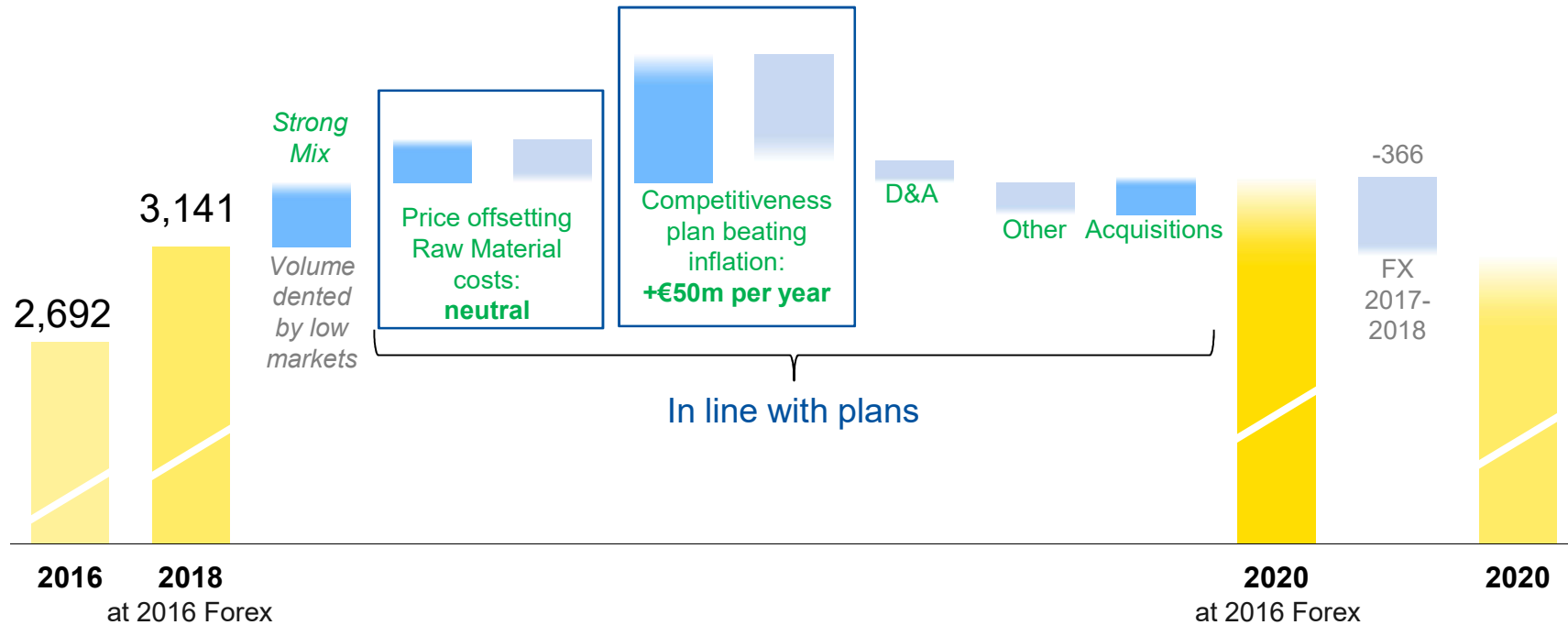
***Based on currently available information

2020 market outlook

<i>(in units)</i>		2019e	2020e	
	SR1	~ -1%	Flat to -1%	Replacement market slightly up OE market down ~-3%
	SR2	~ -4%	From -1% to -2%	Steep market decline in Europe and North America Stable demand in China and India
	SR3	~ +0%	Flat to -2%	Growth in Mining, Aircraft and 2W markets Steeper drop in Off-the road tire demand

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

▲ 2018-2020 SOI growth (in €millions)



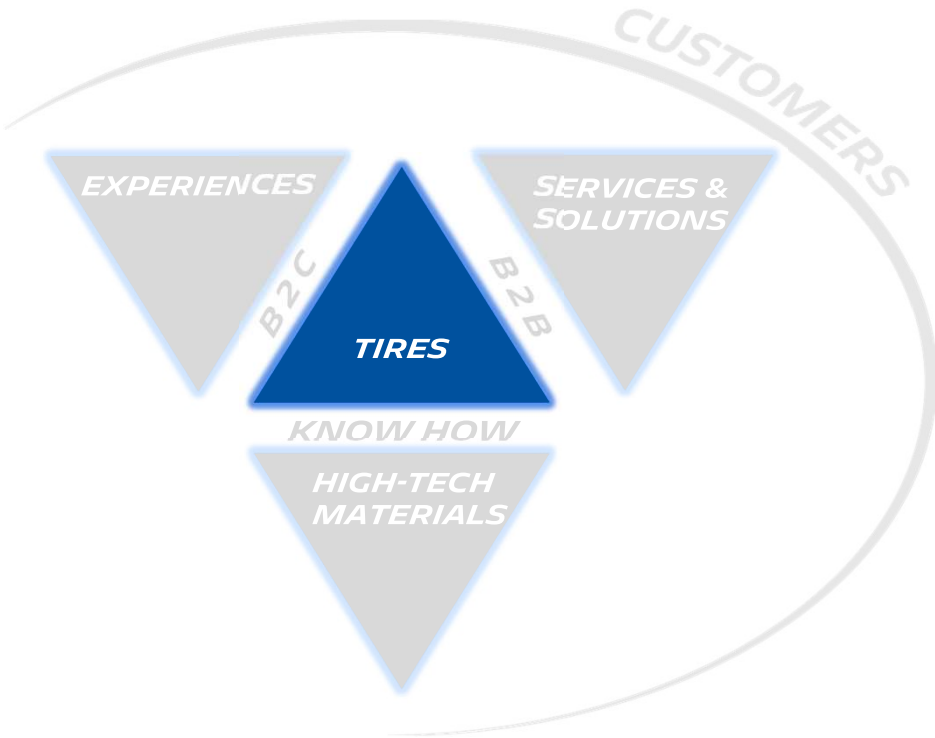
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Levers of growth





Tire market growth prospects



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



Recognized brand and technical leadership supporting pricing power



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

Manufacturer of the year 2019 with



MICHELIN Alpin 6



MICHELIN Pilot Sport 4 SUV



MICHELIN Pilot Sport Cup2 R

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

ALMOST 5X MORE THAN THE COMPETITION COMBINED!



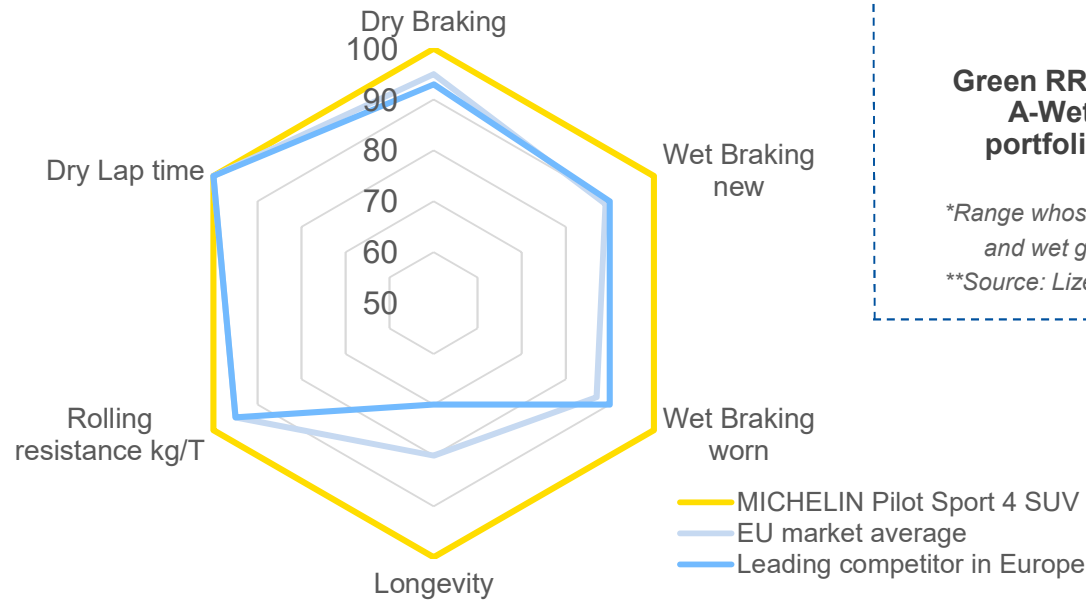
Source: 2018 J.D. Power U.S. OE Tire Customer Satisfaction Study



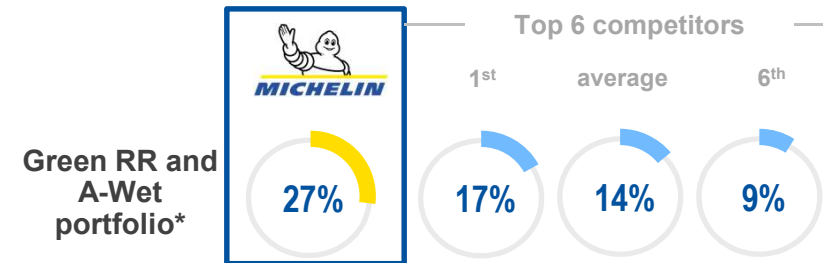
Michelin Total Performance: bringing a tire key performances to their best level at the same time



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



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



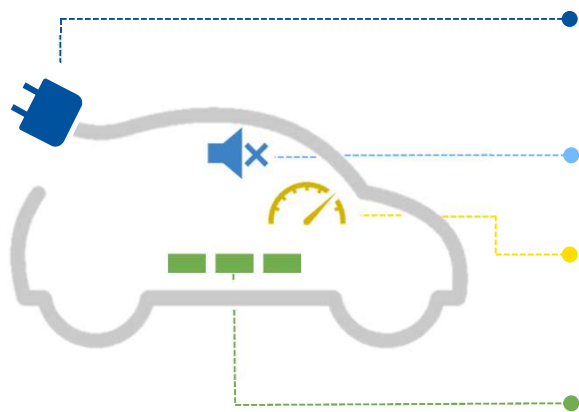
*Range whose rolling resistance (RR) rating is A, B or C and wet grip (WG) rating is A

**Source: Lizéo, May 2019



Michelin is meeting the EV challenge

Tires



Increasing range
the major challenge for EVs

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

Reducing cockpit noise

By using Michelin Acoustic Technology and adjusting tread design

Coping with torque

By improving tread rigidity and contact patch friction

Supporting heavy batteries

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, ...

Tires

	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



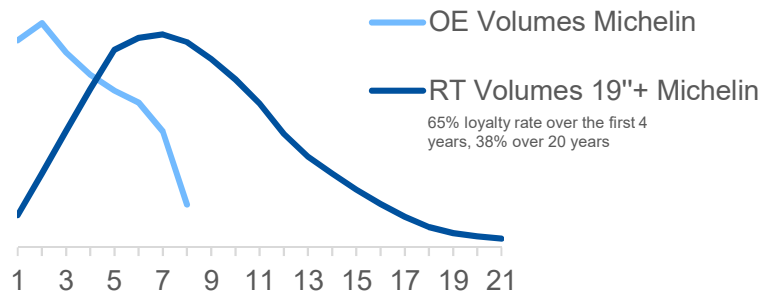
A strong OE/RT loyalty rate, a guarantee for future replacement growth



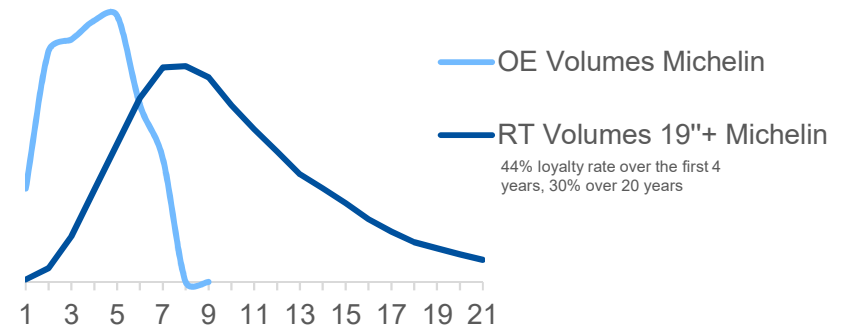
- A strong loyalty rate

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

▲ Tire selling phase in Europe



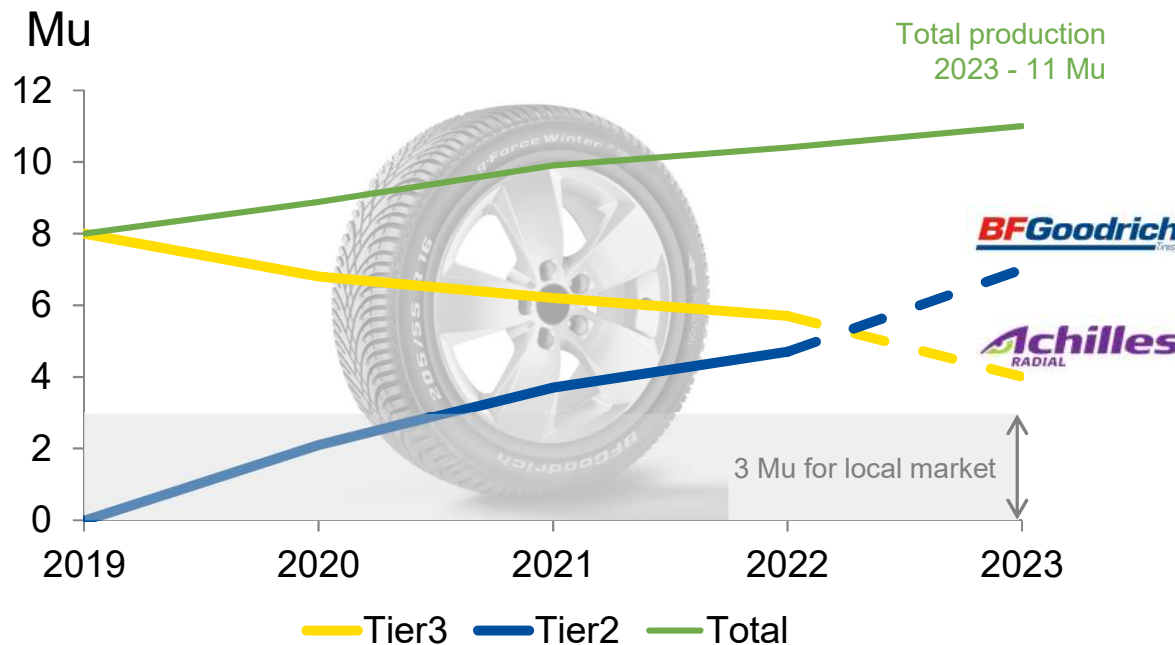
▲ Tire selling phase in US



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

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 for a demanding industry focused on productivity



- 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



- Digital services improving efficiency

MEMS Evolution 4



- Comprehensive offer with Conveyor belts



Belt

Conveyor Service

Conveyor Diagnostics

Conveyor Components

Engineered Drive Systems



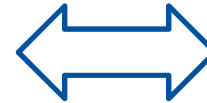
(1) Compared to BRIDGESTONE 46/90 R 57 VRDP and VRPS. Data gathered from 2012 BS databook. And compared to MICHELIN 40.00 R 57 XDR2
 (2) Based on comparisons of maximum load capacity of the MICHELIN® XDR® 3 Extra Load to the MICHELIN® XDR® 3, size 53 80 R 63, as set forth in the 2018 Michelin Data Book, 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



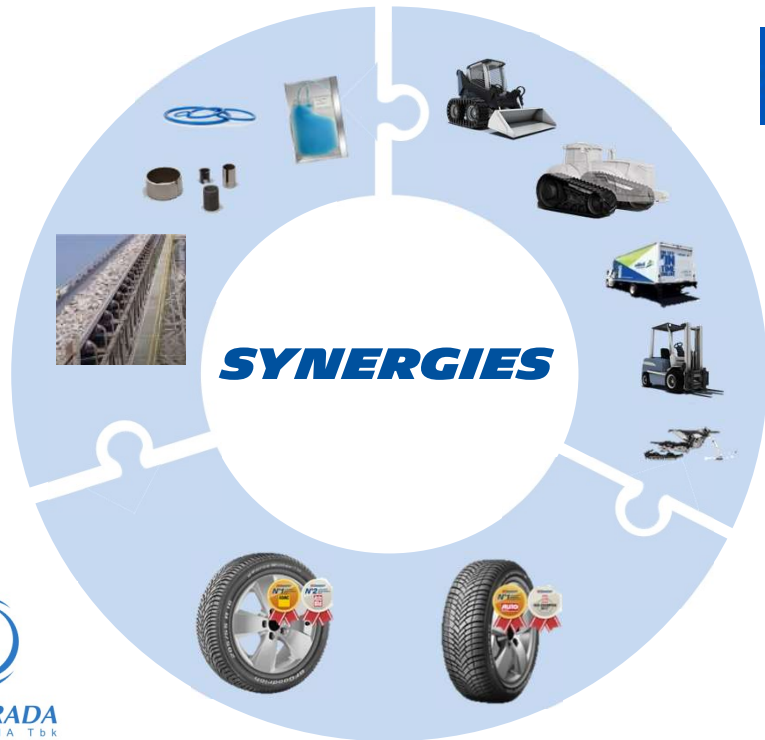
- **Tires, tracks & related services:** a key asset to improve profitability and sustainability



Recent acquisitions delivering on synergies



- Scrap and raw materials
- Financial and insurance costs
- Development of ECS businesses in South America
- On going R&D cross fertilization in technological materials



- Commercial synergies: SwissPort contract gain
- SG&A optimization

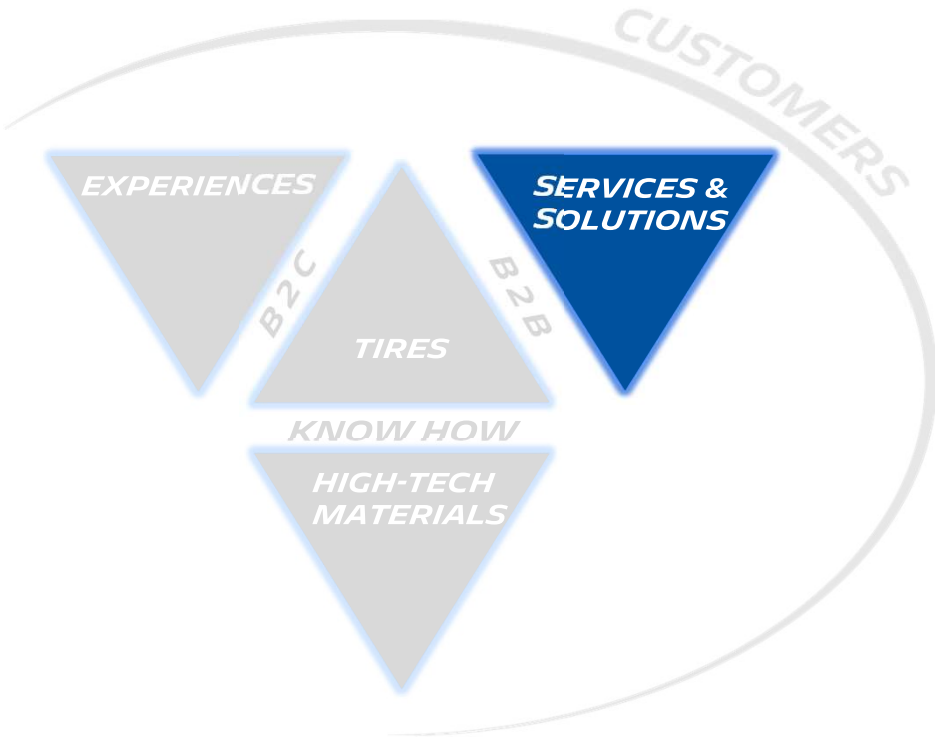


- First BFGoodrich tires produced in Q3 : transformation of the plant in line with 2021 expected synergies

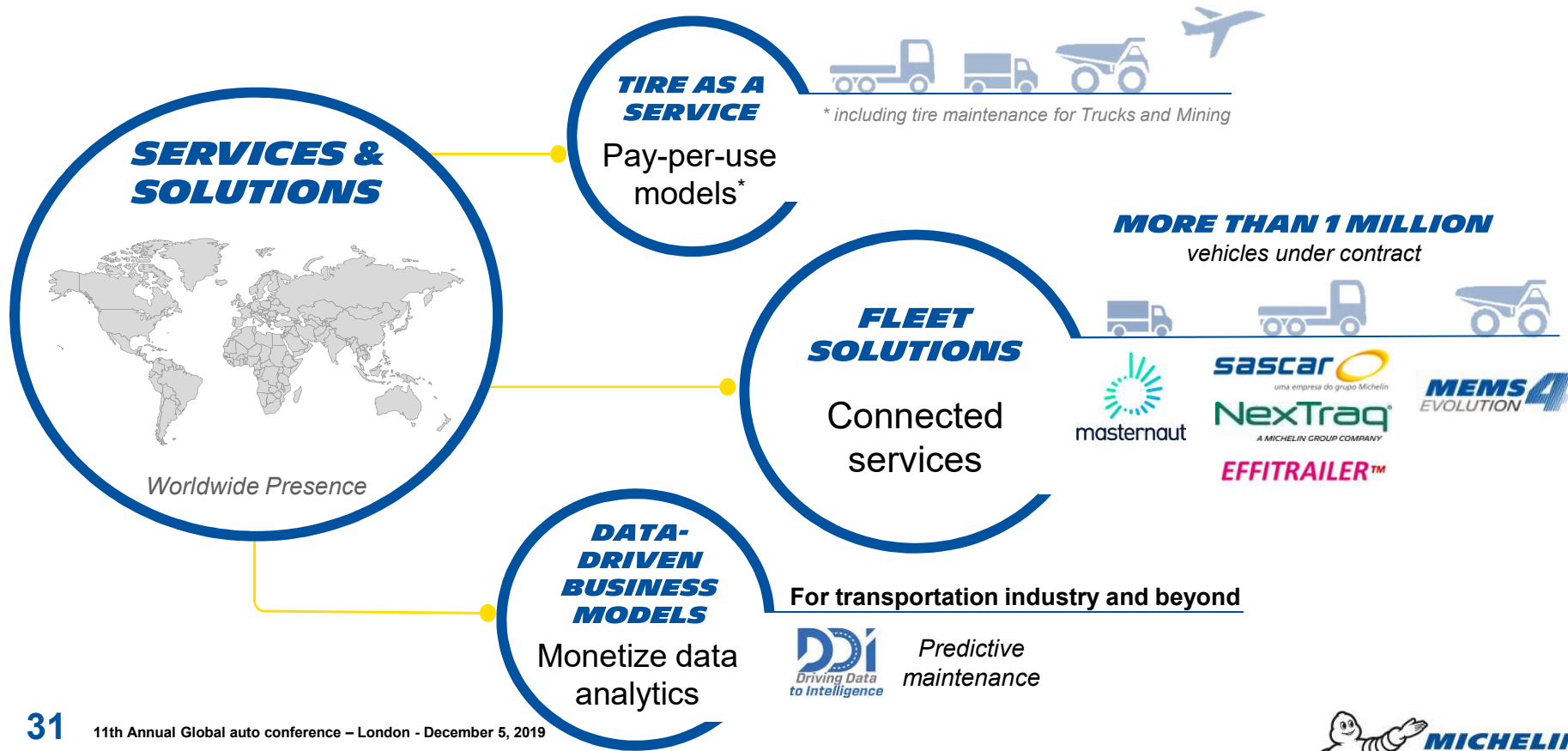


Services & Solutions

Services & Solutions

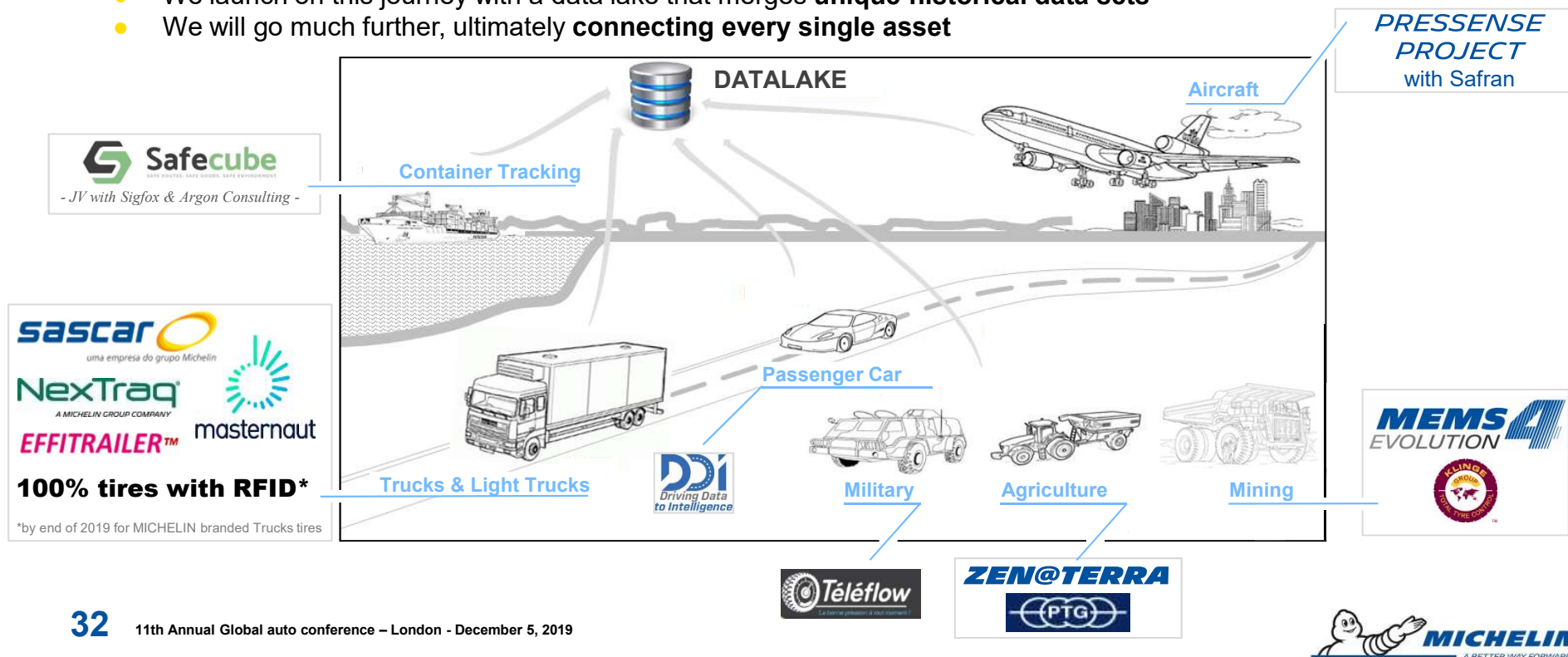


Services & Solutions: a diverse range of offers adapted to the needs of customer, growing rapidly



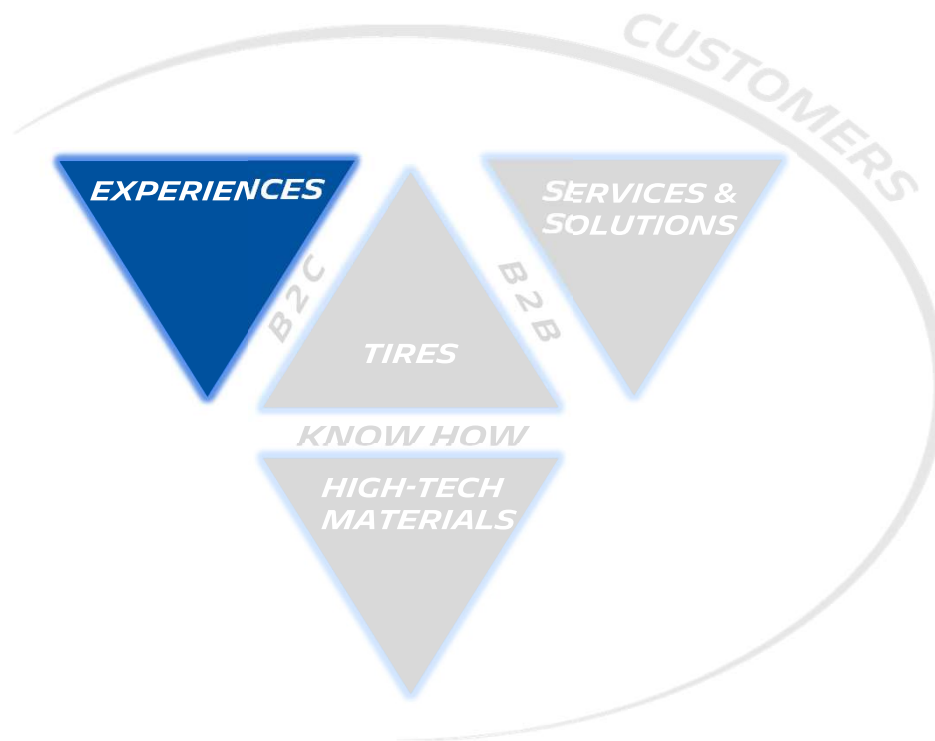
Our aim: deeply understand our customers to provide solutions that create greater value for all

- 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**



Consumer Experiences

Experiences



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 *"



*Reputation Institute

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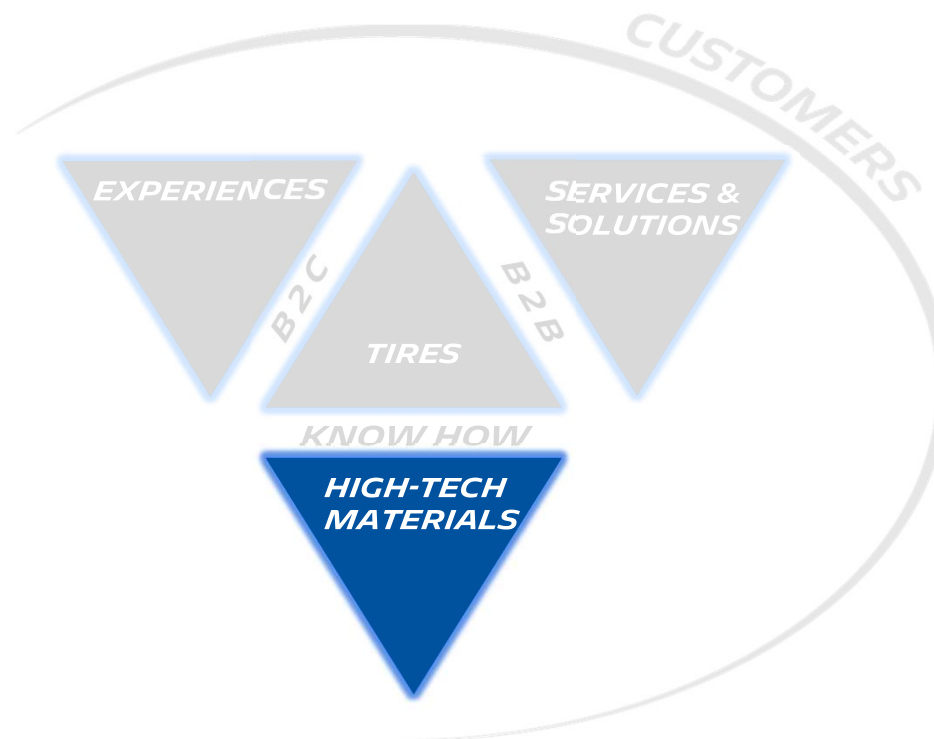
Developing **selection activities** that enable our customer to enjoy unique mobility and becoming a trusted partner



"BY MICHELIN"



High-Technology Materials



Leverage our expertise in high performance materials

Services

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 Circularity », an initiative of the World Economic Forum and the Forum of Young Global Leaders, run in collaboration with Accenture Strategy.

Biosourced materials: with its unique expertise in materials and its culture of innovation, Michelin is breaking new ground with BioButterfly and BioImpulse

Materials



Construction of France's first demonstrator unit capable of producing butadiene using biosourced ethanol

*Project in partnership with IFP Energies Nouvelles and Axens
With support from ADEME**



Creation of a new adhesive resin without any Substances of Very High Concern (SVHC)

*Collaborative project coordinated by Michelin through ResiCare, that brings together France's FCBA**, INRA**, INSA** and Leaf, a business unit of Lesaffre.*

*With support from ADEME**

**FROM AMBITION
TO ACTION**



* ADEME: French Environment & Energy Management Agency

** FCBA: France's Institute of Technology for Forest-based and Furniture Sectors ; INRA : National Institute for Agricultural Research
INSA: National Institute of Applied Sciences

The BioImpulse project is giving new impetus to the use of biotechnology in materials

6

years of
project work

28

Budget in M€

5

Partners



- Coordinated by Michelin through its ResiCare entity, the project aims to replace Substances of Very High Concern (SVHCs) in resins



Development and scale-up to mass production of a biosourced molecule



Incremental investments through modularization and ramp-up of processes



Design and development of a range of non-toxic glues and resins

- The high-potential worldwide market targeted by the substance replacement project is concentrated in the automotive and construction industries



Wood



Insulation



Tires



Molding compounds



Laminates

Michelin, IFP Energies nouvelles, and Axens give a new dimension to the BioButterfly project

20 - 30

Tonnes / year of production capacity

70

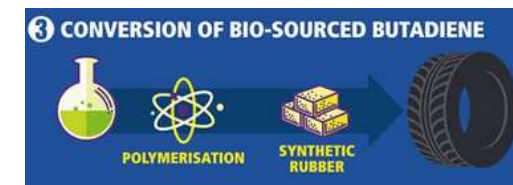
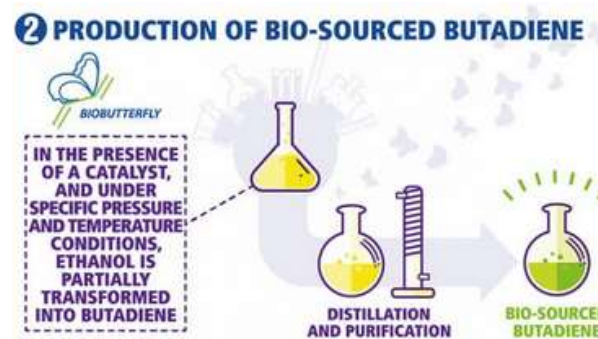
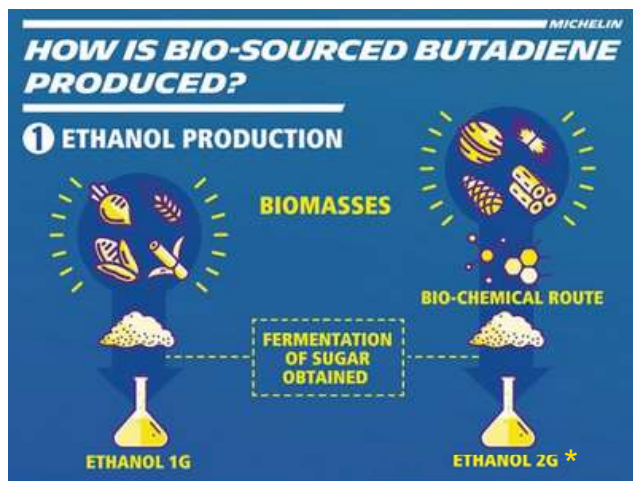
Budget in €M between 2012 and 2022

3

Partners



- The construction of France's first industrial demonstrator capable of producing butadiene from ethanol, aims to replace the oil-based raw materials used in the company's tires with bio-sourced molecules



* 2nd generation, non-competing with food: made from forest or agricultural residues (straw, woodchips, etc.)

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

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

+300

Renault Kangoo Z.E. H2, Symbio equipped, circulate in Europe



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

Renault completes its offer (end 2019/2020) with Renault KANGOO Z.E.Hydrogen and MASTER Z.E.Hydrogen, Symbio equipped



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

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

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A short, thick yellow diagonal line pointing downwards and to the right.

Levers of competitiveness



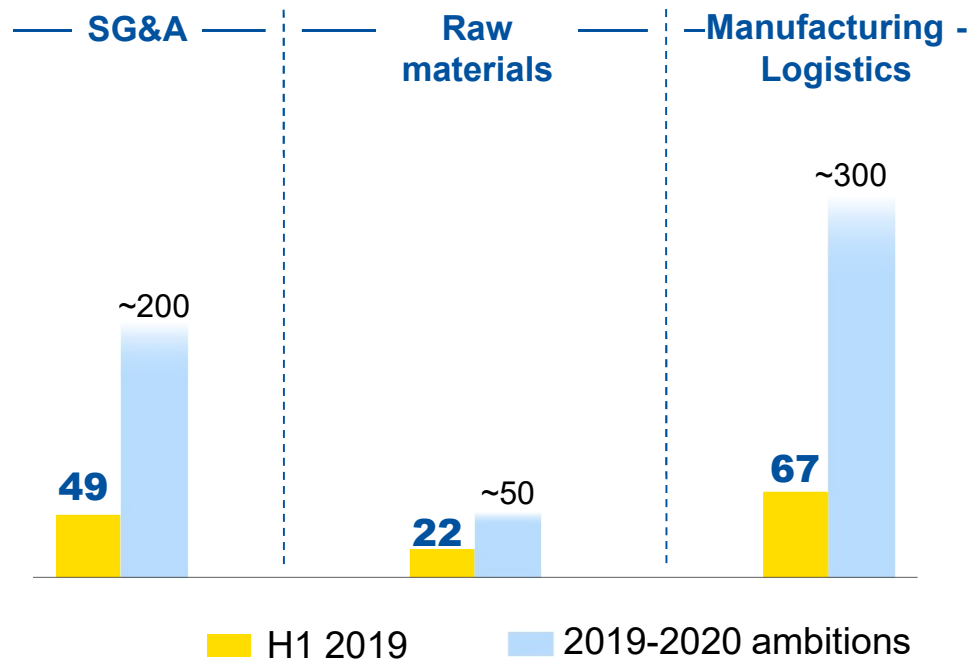
Improve our competitiveness

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



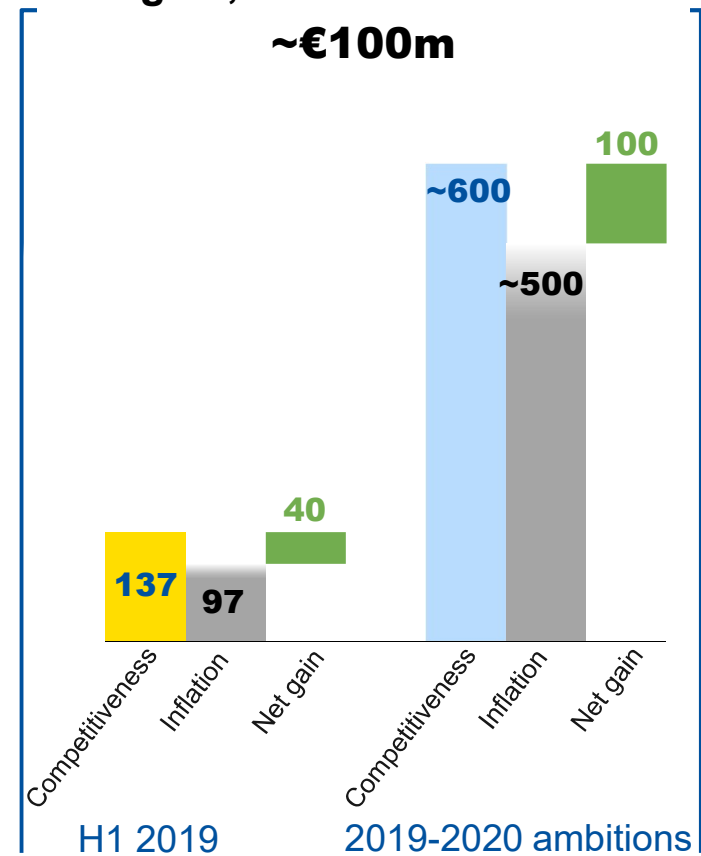
Competitiveness plan vs inflation 2019-2020 ambitions: €40m net savings in H1 2019

▲ €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

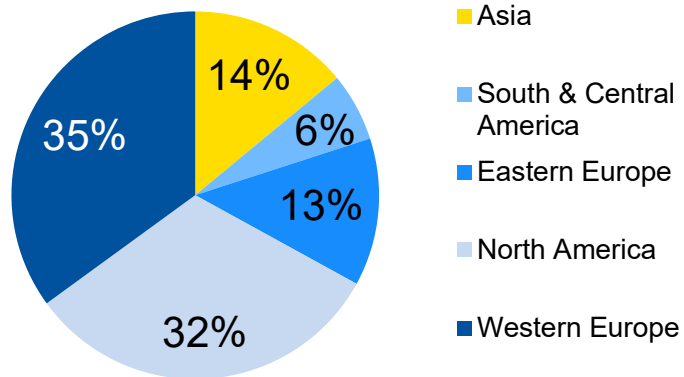
- Produce locally and increase flexibility to constantly adapt to local demand
- Optimise low cost plants loading and ramp-up
- Increase the number of large plants and their loading (>100ktons)

PRODUCTIVITY GAINS

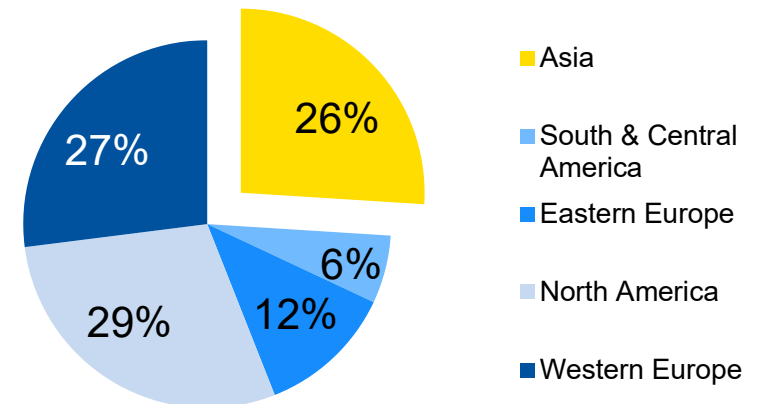
- Process standardization
- Digital Manufacturing
- Empowerment and Michelin Manufacturing Way deployment
- Simplicity

Footprint evolution to answer tire market geo-mix

▲ Production by region in 2018 (in KT)



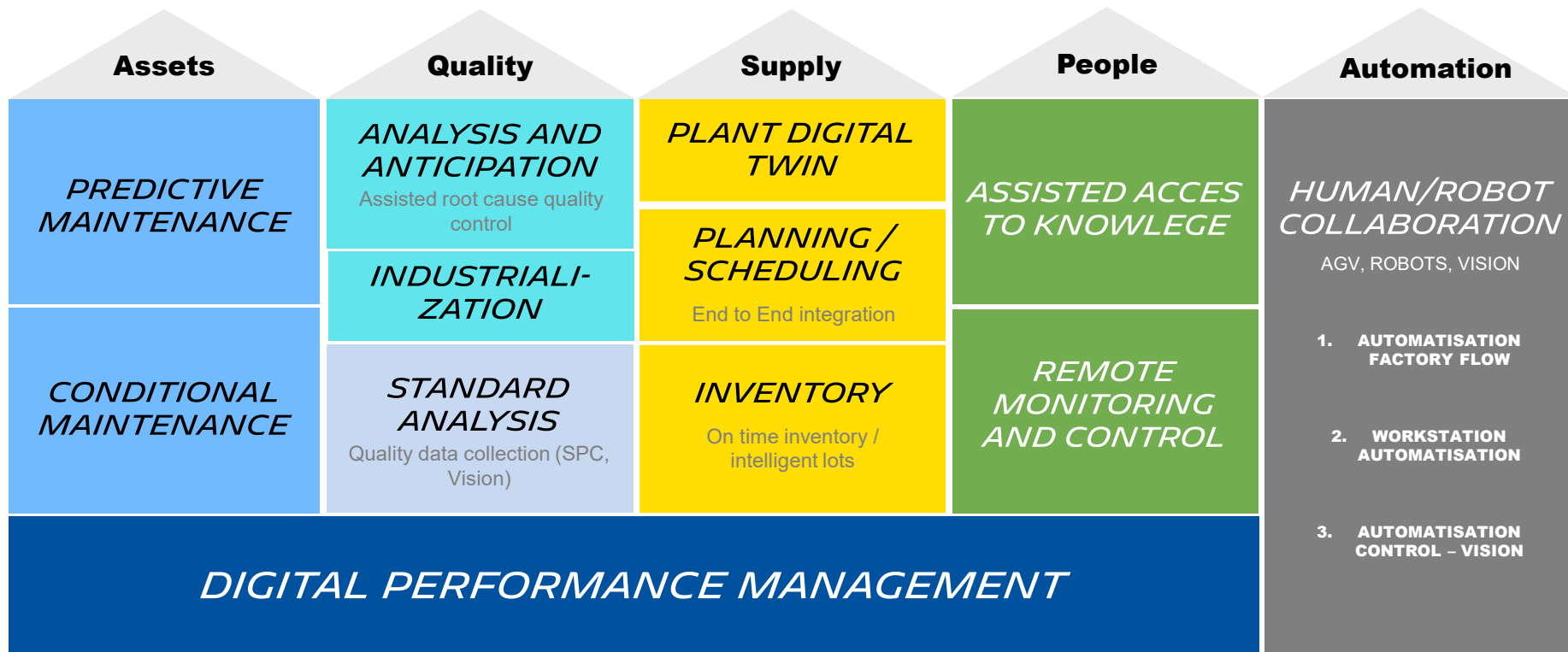
▲ Production by region in 2023 (in KT)
including Camso and Multistrada



2018

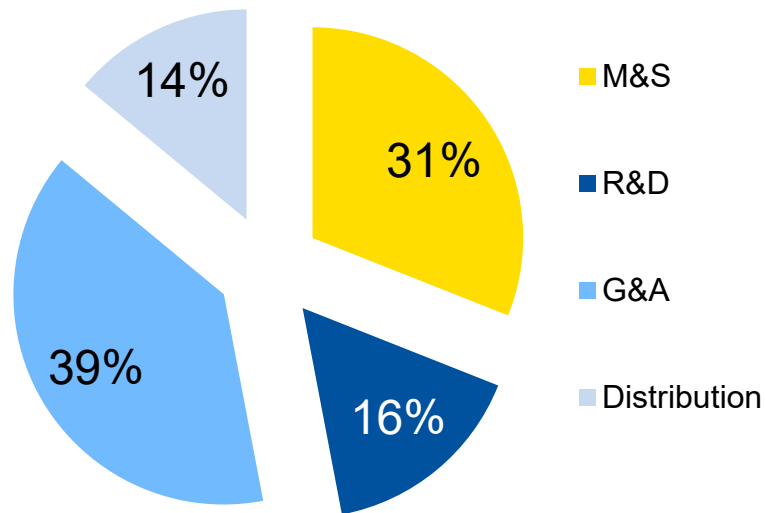
2023

Digital manufacturing: 50 demonstrators launched

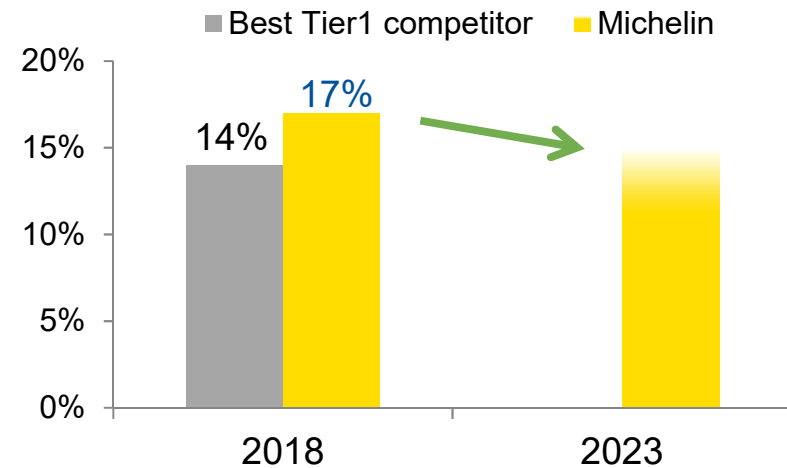


Beyond 2020: keep on targeting SG&A benchmark levels

▲ 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





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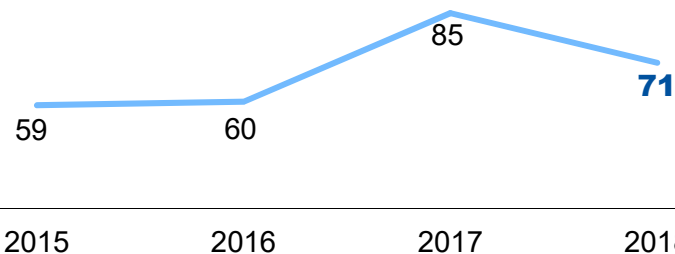
Financial profile



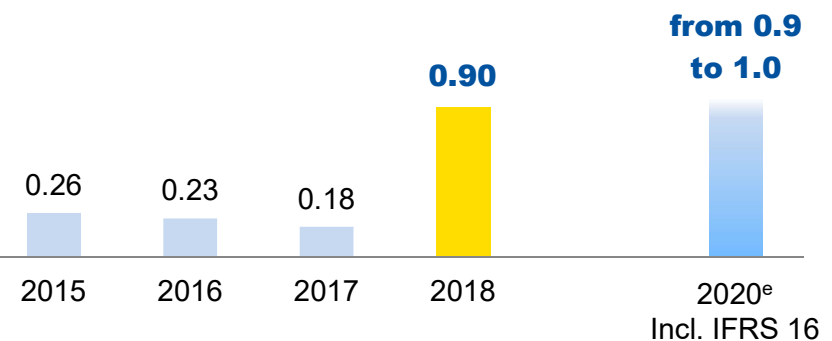
High free cash flow and a robust financial position

▲ Cash conversion ratio

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



▲ Net debt*/EBITDA*



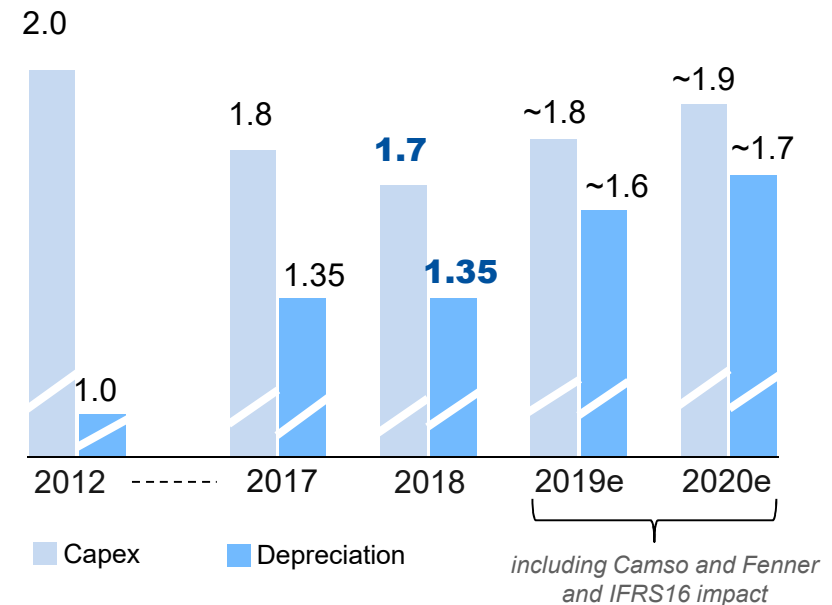
- The net debt/EBITDA ratio increased in 2018 due to cash out for acquisitions during the year, and is expected to remain stable until 2020 mainly due to IFRS 16 implementation and to a lesser extent 2019 acquisitions.
- Moody's, Standard & Poor's and Fitch all confirmed Michelin's A-/A3 credit rating
- 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

Investing to create value

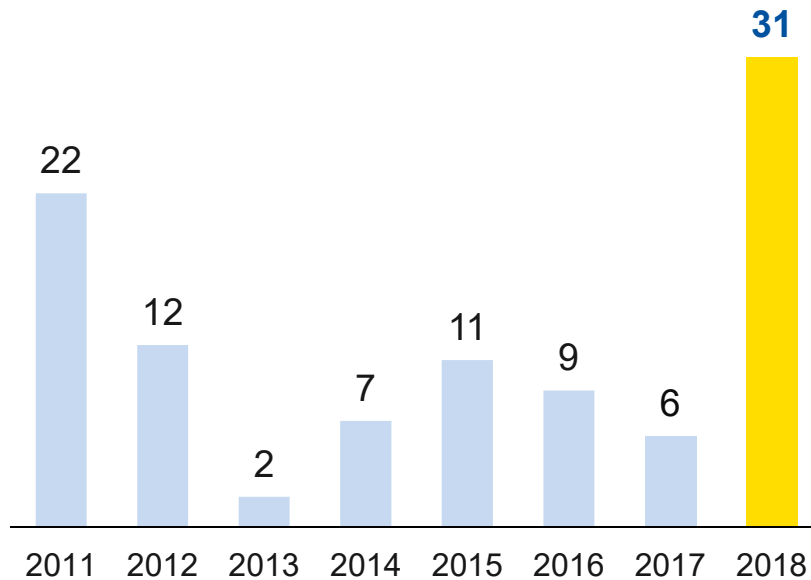
- Reducing Capex on historical core-business towards depreciation level
- Reinforcing Michelin footprint where the growth is
- Capex in Specialties businesses (SR3)
- Developing new territories: fleet management solutions & High Tech Materials excluding JVs
- Speeding up a comprehensive digitization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

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



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

▲ Gearing Net debt/equity, in %

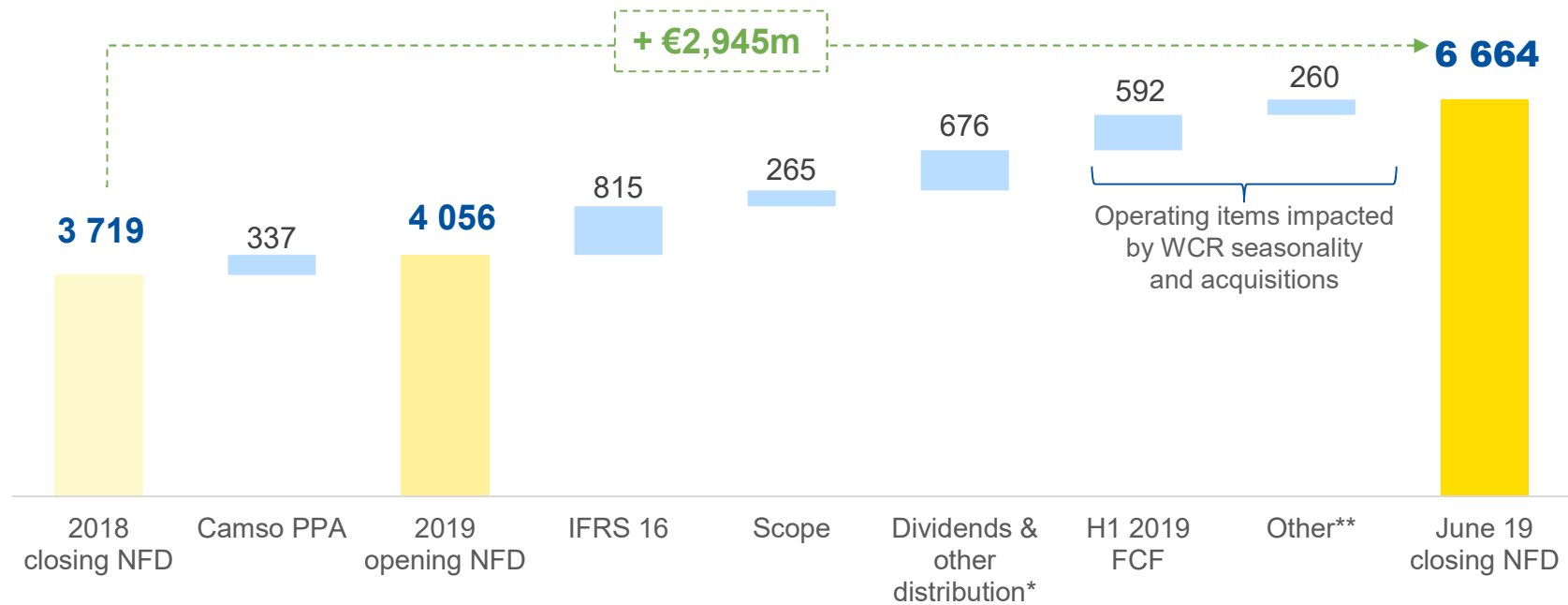


▲ Long-term ratings confirmed following the Multistrada acquisition

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)

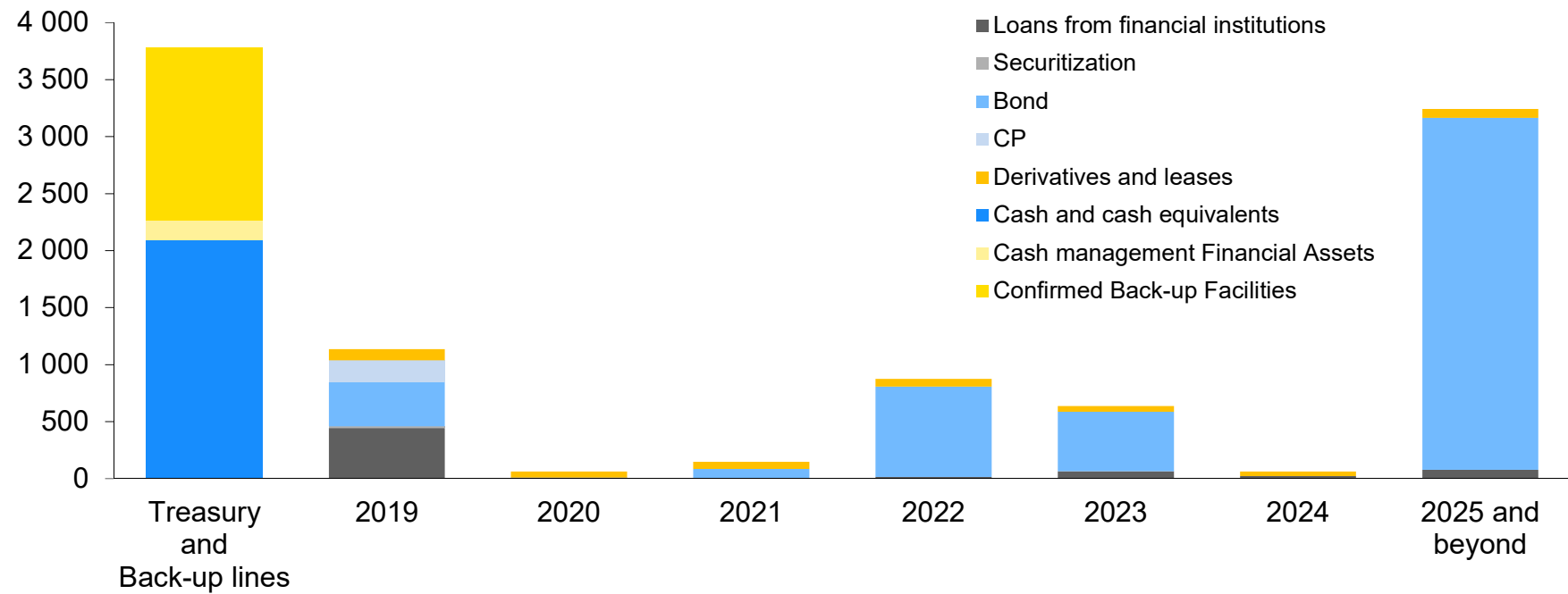


* Including share buy back commitment for 2019

** Including financial leases and translation adjustments

A comfortable cash position

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

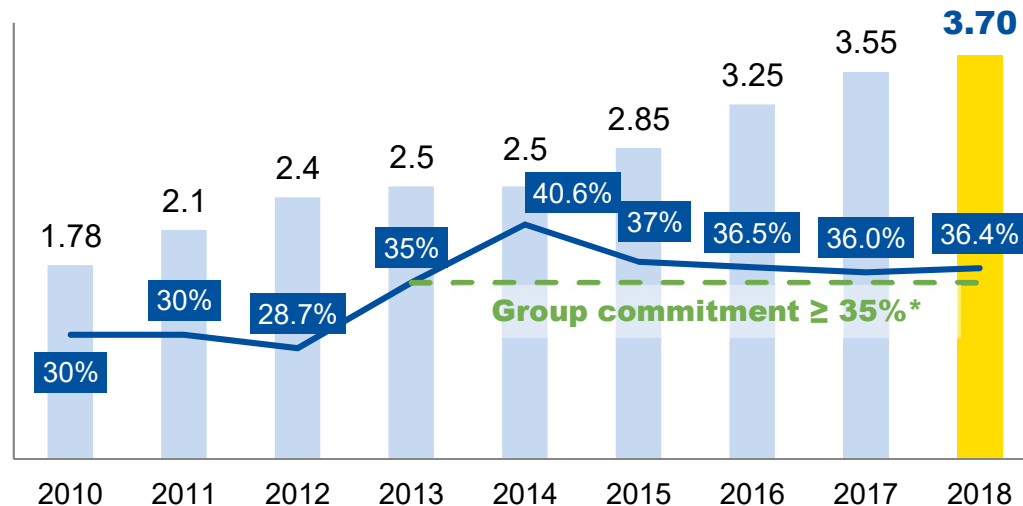


Outstanding bond issues (as of June 30, 2019)

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	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note
Type	Bond	Bond	Bond	Convertible	Convertible	Bond	Bond	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)	BBB+ (S&P) A3 (Moody's)	BBB+ (S&P) A3 (Moody's)
Current corporation 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

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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Appendices



PC Tire Market: In October 2019, continuing decline in OE demand in every region, with North America being particularly impacted by the General Motor strike and high basis of comparison. Replacement demand slightly up in Europe, despite a weak Winter season start, and strong in China. In North America, the replacement market is penalized by high basis of comparison

October 2019 / 2018

Market	Europe including Russia & CIS *	Europe excluding Russia & CIS *	North America	South America	China
Original equipment tires	▼ -5%	▼ -6%	▼ -22%	▼ -8%	▼ -5%
Replacement tires	▲ +1%	▲ +1%	▼ -6%	▲ +3%	▲ +10%

YTD (October 2019)

Market	Europe including Russia & CIS *	Europe excluding Russia & CIS *	North America	South America	China
Original equipment tires	▼ -5%	▼ -6%	▼ -5%	▼ -0%	▼ -12%
Replacement tires	▼ -1%	▼ -1%	▲ +2%	▲ +0%	▲ +4%

* Turkey included

TB Tire Markert: In October 2019, acceleration of OE market decline in Europe and North America, as expected. Replacement demand increases in Europe, lifted by the come back of Asian imports on favorable basis of comparison. In North America, the Replacement market is still penalized by the impact of significant basis of comparison due to Asian tires pre buy ahead of tariffs implementation in early 2019

October 2019 / 2018

Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	South America
Original equipment tires	▼ -14%	▼ -14%	▼ -13%	▲ +9%
Replacement tires	▲ +2%	▲ +2%	▼ -9%	▼ -3%

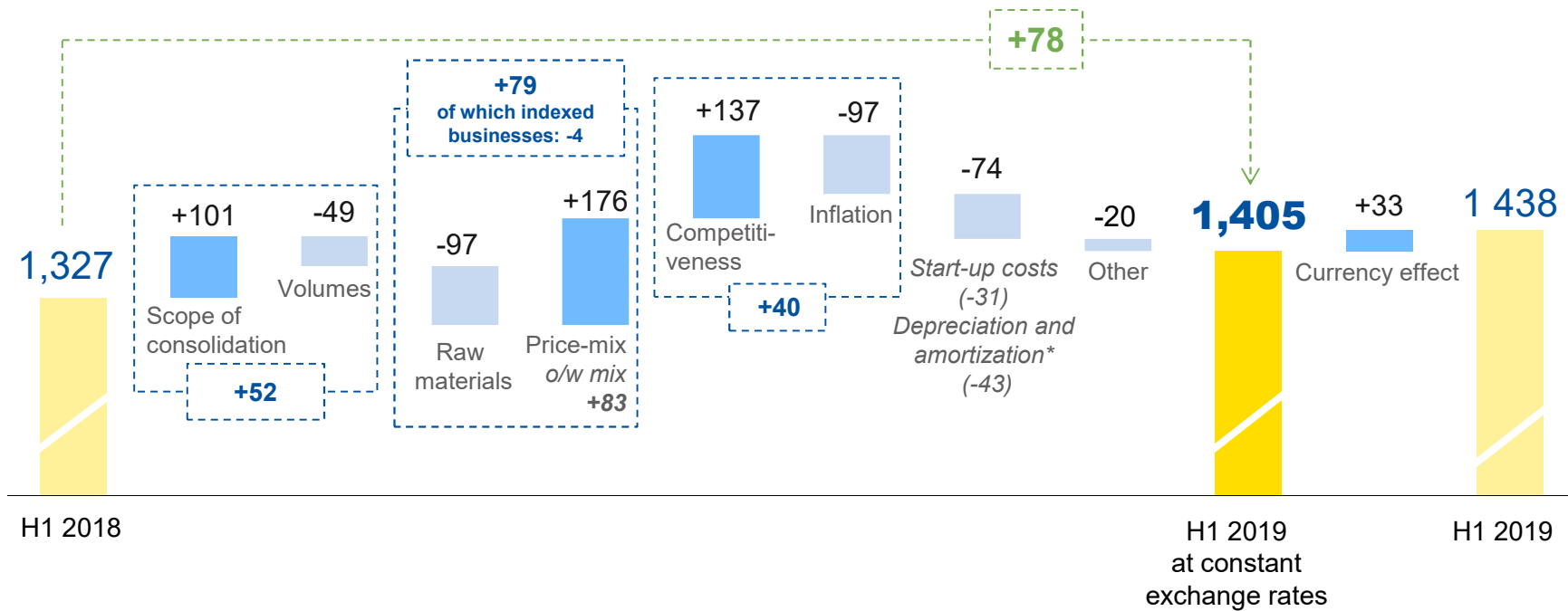
YTD (October 2019)

Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	South America
Original equipment tires	▼ -7%	▼ -8%	▲ +3%	▲ +27%
Replacement tires	▲ +2%	▲ +3%	▼ -11%	▼ -2%

* Turkey included

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

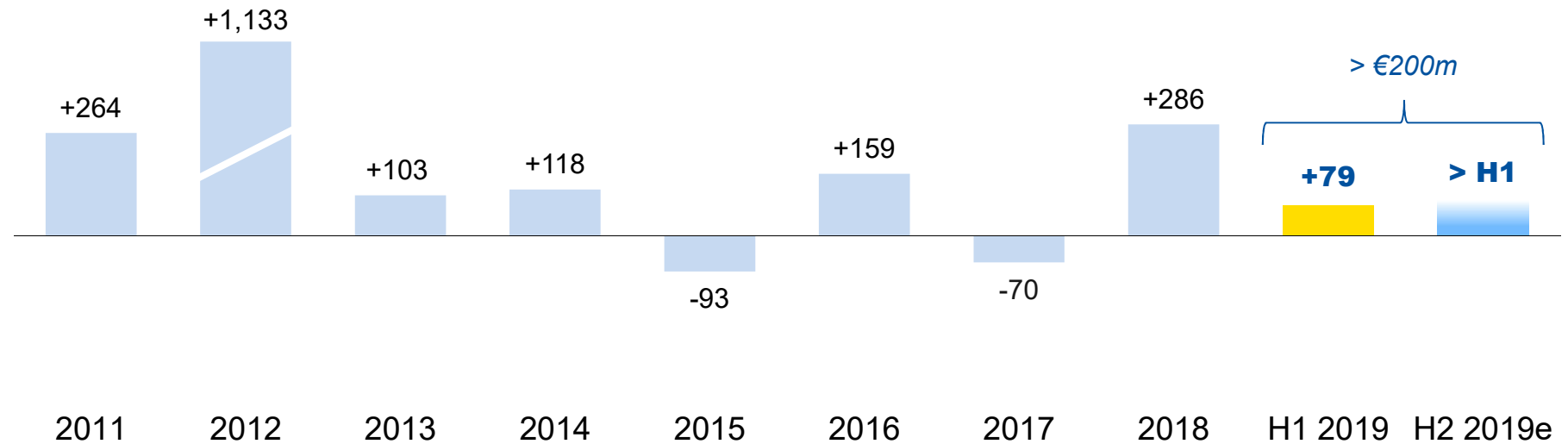
▲ YoY change in SOI (in € millions)






* Excluding IFRS 16

Michelin demonstrates a 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

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>	Balance sheet
Net assets	~ +800
Net debt	~ +800

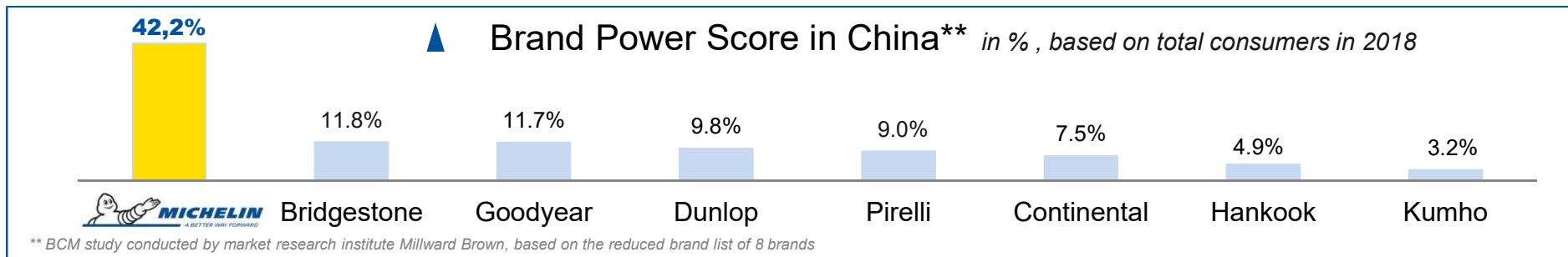
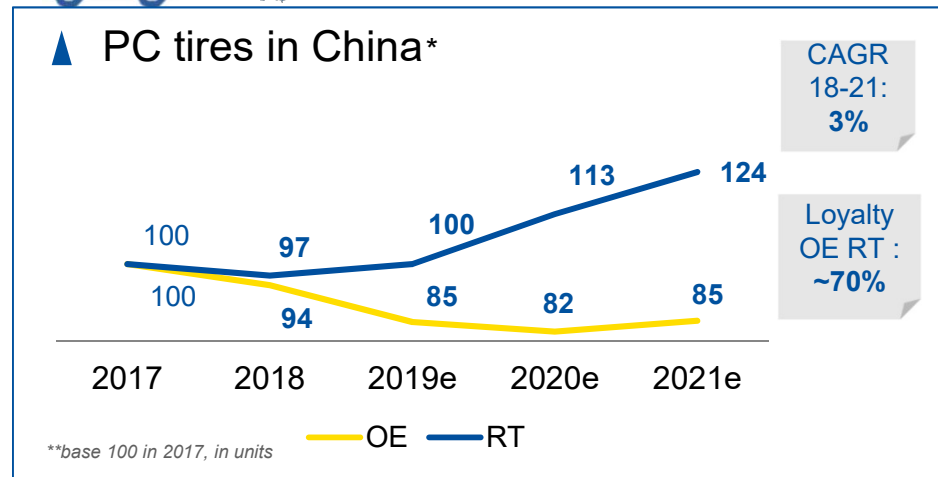
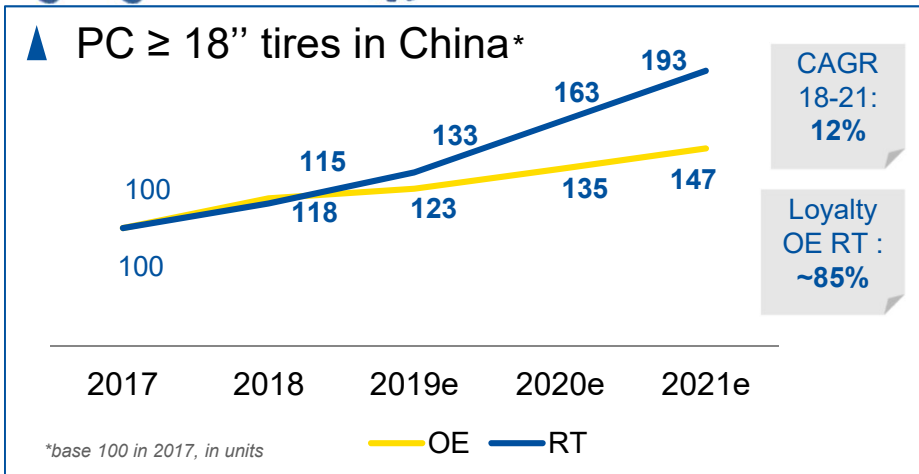
<i>(in € millions)</i>	Cash flows
EBITDA	~ +170
Net financial income	~ -20
Impact on structural cash flow	~ +150
Cash flows used in financing activities (debt repayment)	-150
Net cash impact	0

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

<i>(in € millions)</i>				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%

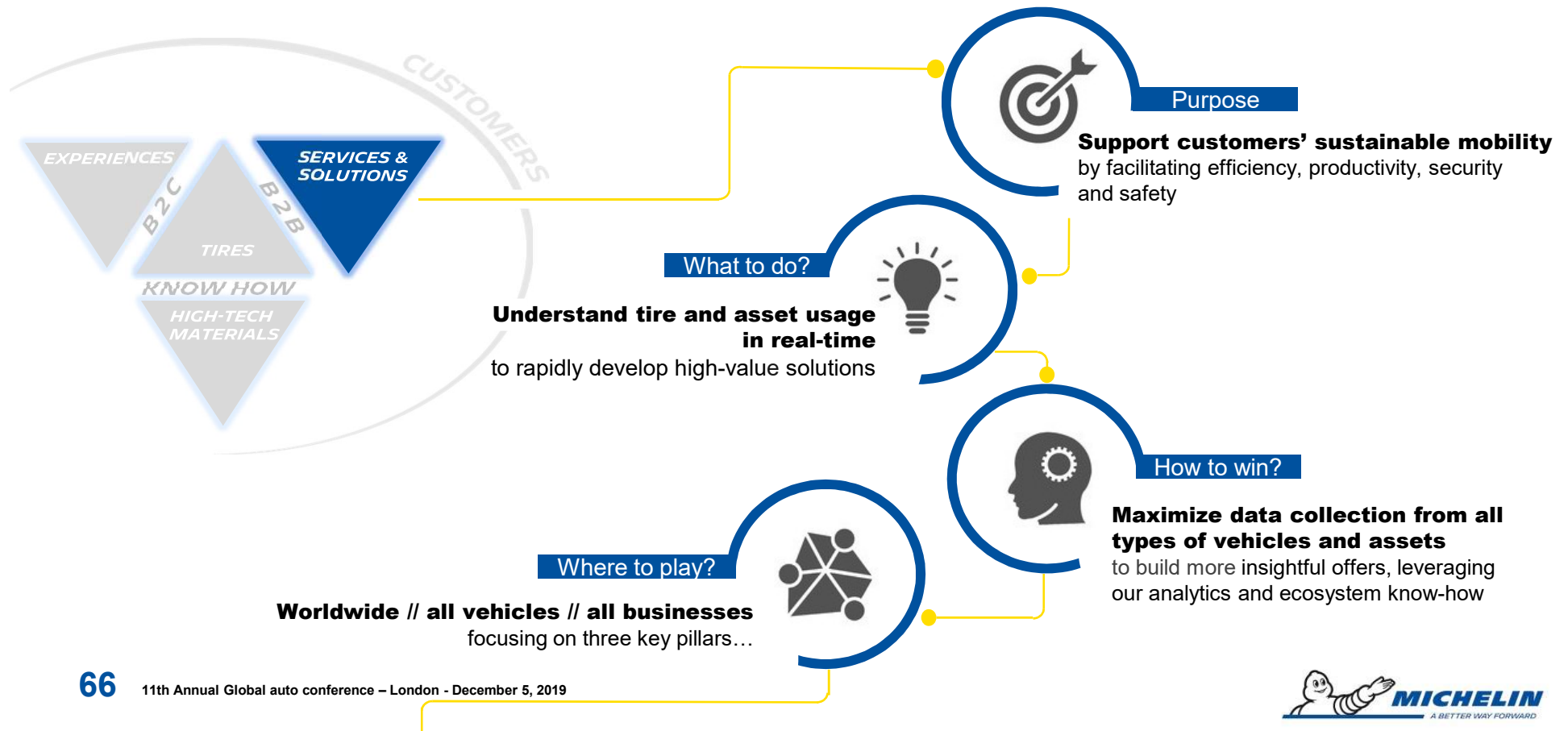
- The restatements had no impact on the competitiveness plan

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



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

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...)



2019: Sales by currency and SOI impact

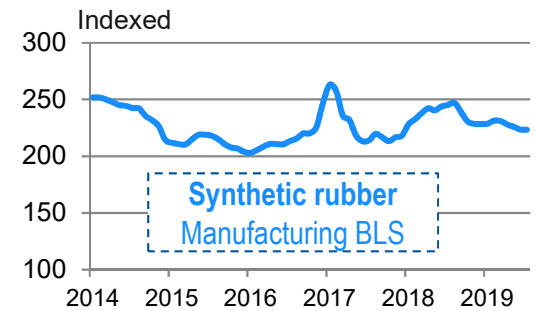
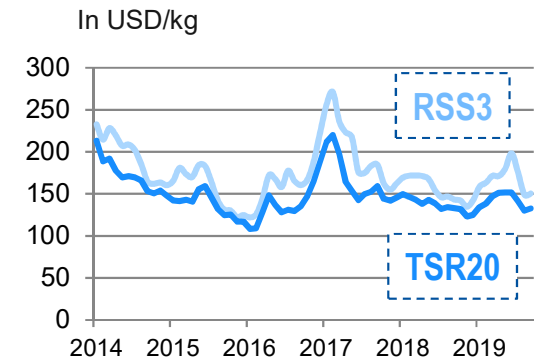
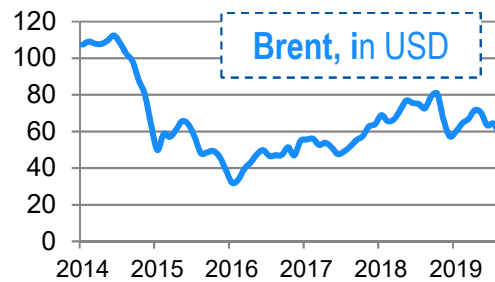
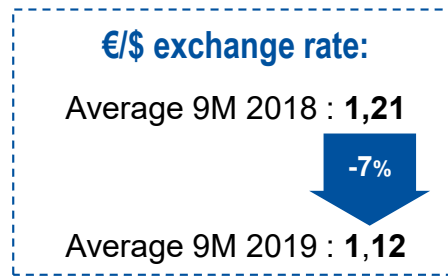
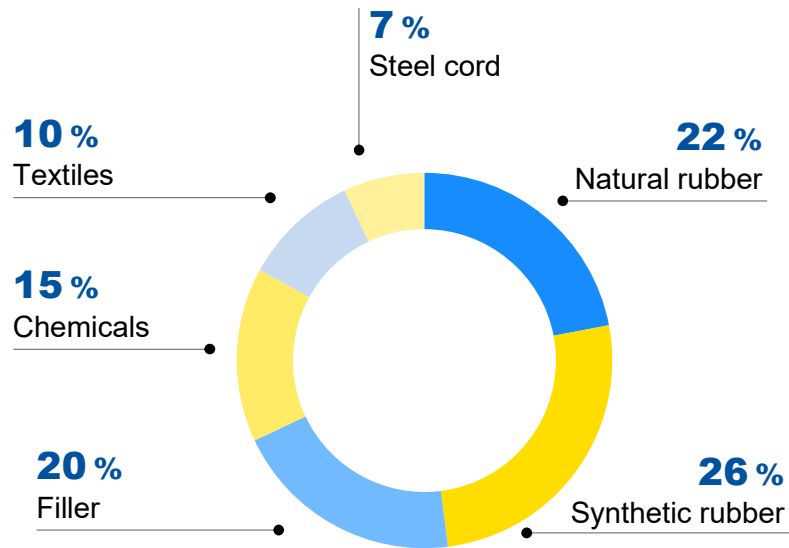
	% of sales		9M 2019 change in € vs. currency	Droptrough sales/SOI*
ARS	0.4%		74%	80% / 85%
AUD	3%		2%	80% / 85%
BRL	3%		2%	-20% / -30%
CAD	3%		-3%	25% / 30%
CHF	1%		-4%	80% / 85%
CNY	5%		-1%	25% / 30%
EUR	32%		-	-
GBP	3%		0%	25% / 30%
INR	1%		-2%	25% / 30%
JPY	1%		-6%	80% / 85%

	% of sales		9M 2019 change in € vs. currency	Droptrough sales/SOI*
MXN	1%		-5%	25% / 30%
PLN	1%		+1%	25% / 30%
RUB	1%		0%	25% / 30%
SEK	1%		+3%	80% / 85%
THB	1%		-8%	-100% / -130%
TRY	1%		+19%	80% / 85%
USD	36%		-6%	25% / 30%
ZAR	1%		+5%	80% / 85%
Other	4.6%			80% / 85%

*Droptrough depending on the export/manufacturing/sale base

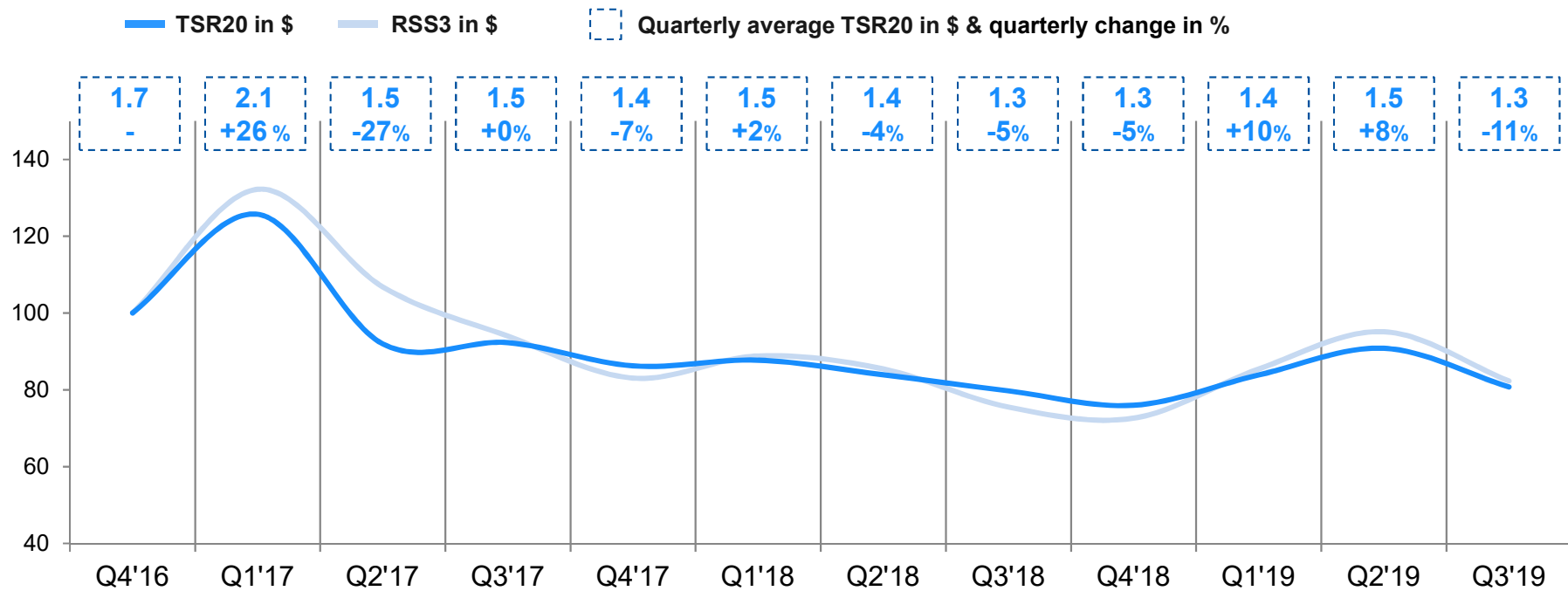
Raw materials

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



Natural rubber price trend

▲ At September 30, 2019 (per kg, base 100 in Q4'16)



Source : SICOM

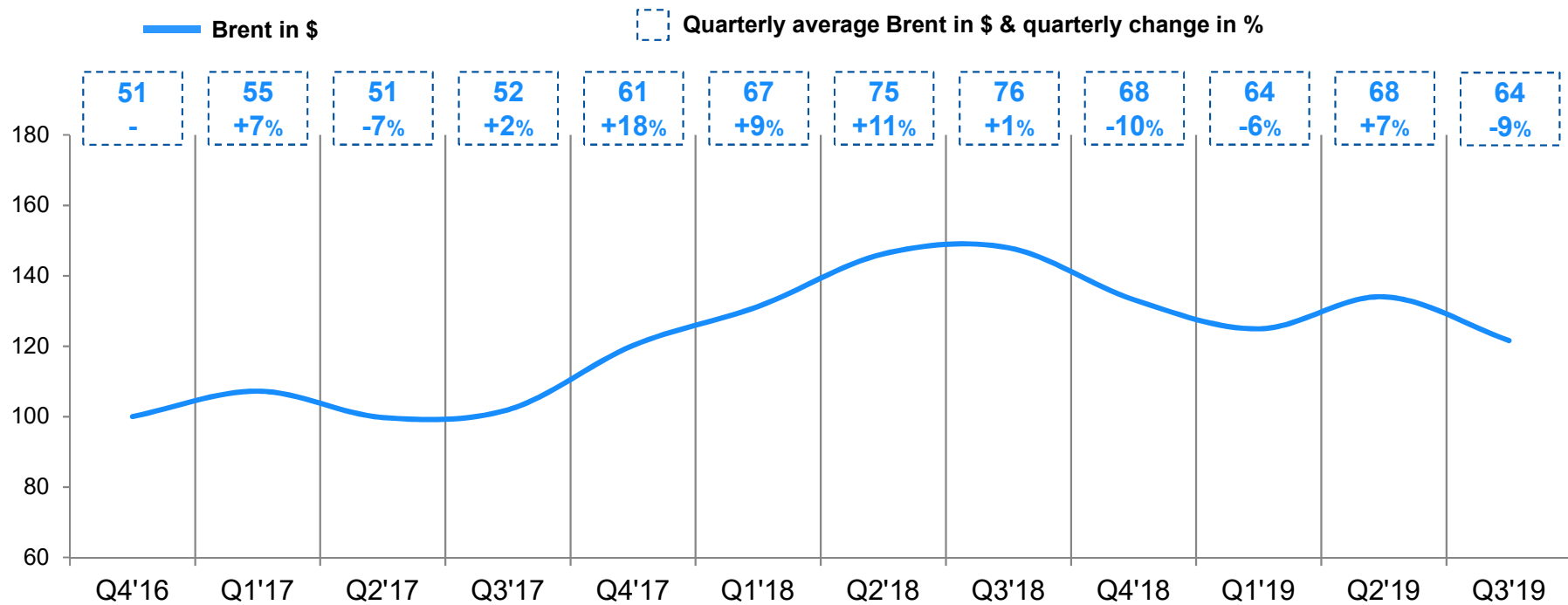
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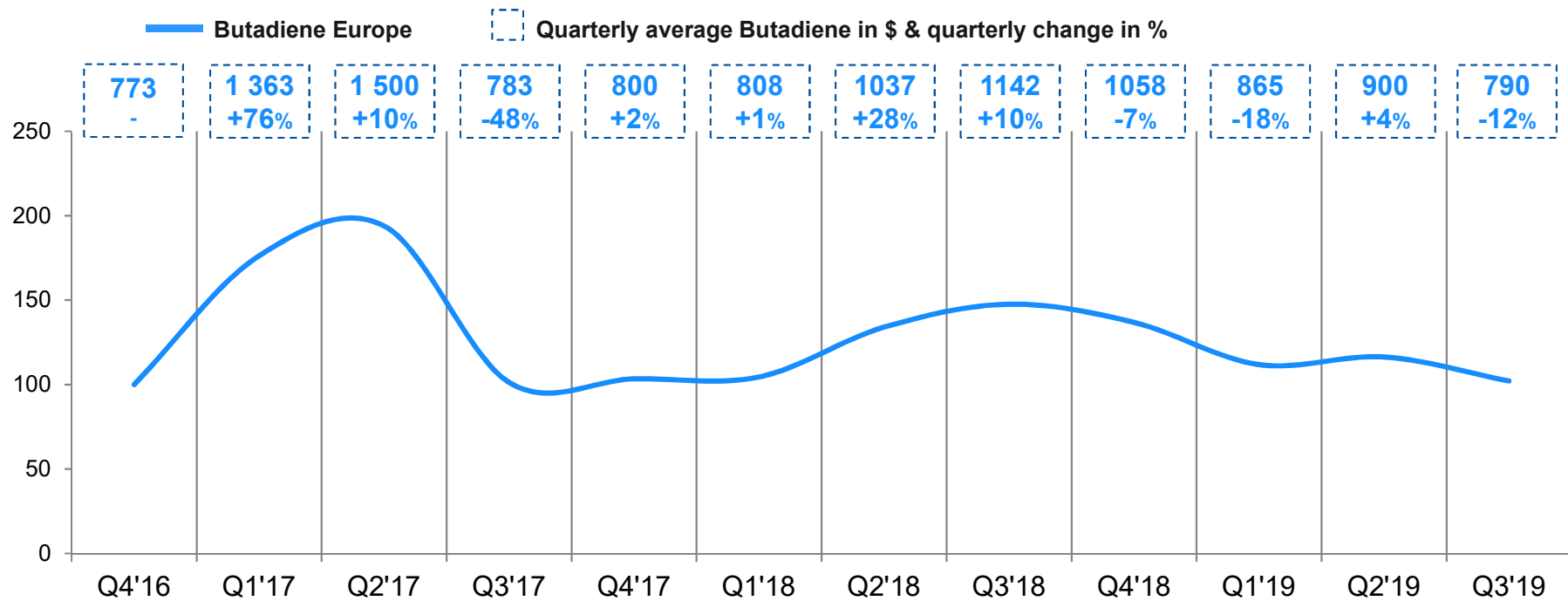
Brent price trend

▲ At September 30, 2019 (per barrel, base 100 in Q4'16)



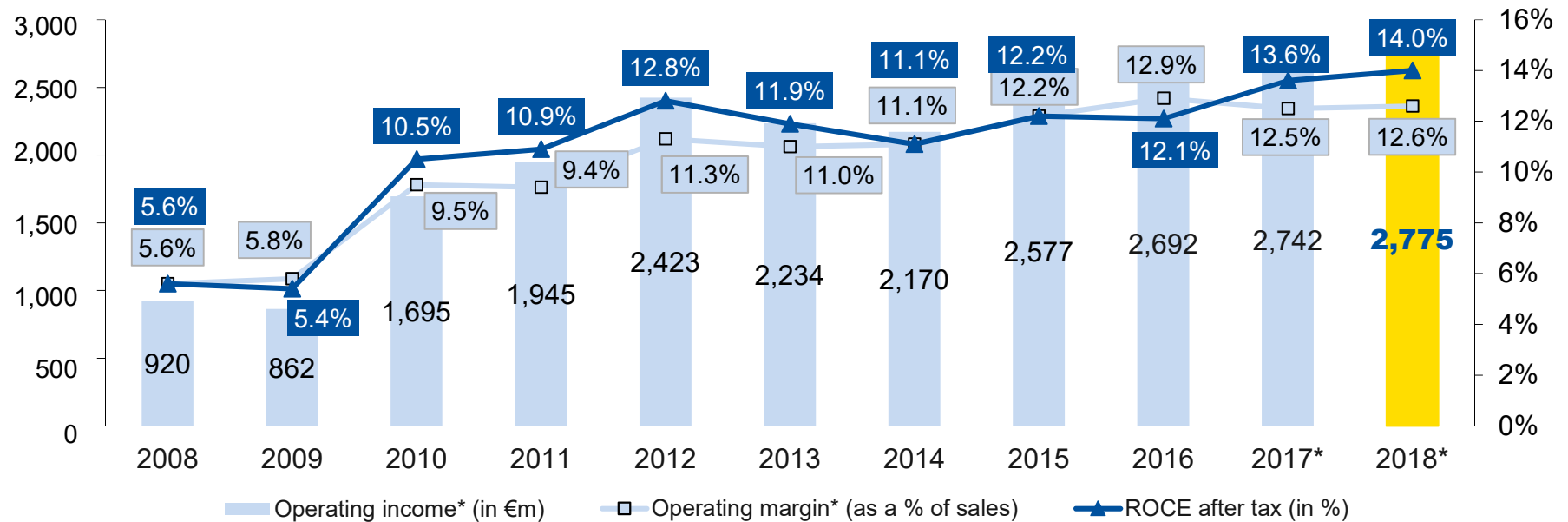
Butadiene price trend

▲ At September 30, 2019 (per ton, base 100 au Q4'16)



2008 – 2018 : robust SOI improvement

▲ 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

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Contacts

Edouard de PEUFEILHOUX
Humbert de FEYDEAU
Pierre HASSAÏRI

+33 (0)4 15 39 84 68

27, cours de l'île Seguin
92100 Boulogne-Billancourt – France

23, place des Carmes Dechaux
63040 Clermont-Ferrand Cedex 9

investor-relations@michelin.com