

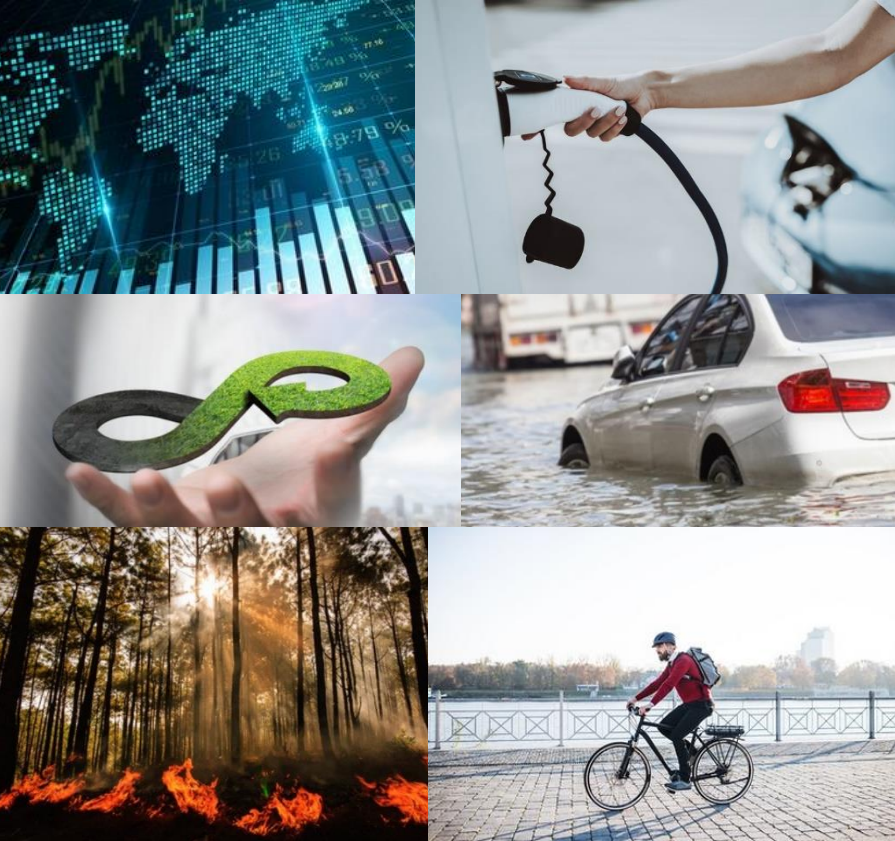


FEBRUARY 10, 2020

2019 ANNUAL RESULTS



2019: a year shaped by heightened awareness of a world in flux



/// TRADE WARS

/// MIGRATION FLOWS

/// CLIMATE EMERGENCY

/// SOCIAL UNREST

/// GEOPOLITICAL CONFLICTS

/// CIRCULAR ECONOMY

Backed by its technological leadership, Michelin is delivering breakthrough solutions to the challenges of a changing world

LLP*

The European Parliament approves worn tire testing

In 2022, long-lasting performance will be a prerequisite for every tire sold in Europe

UPTIS

Presentation of the new puncture-proof airless concept tire

FIRST CARBON-FREE PRODUCTION PLANT

All the electricity used at the Les Gravanches facility in France is generated from guaranteed renewable sources



HYDROGEN

Faster deployment of zero-emission mobility



BIOSOURCED MATERIALS



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



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

* The Long Lasting Performance approach

€3,009m in SOI*, up €179m (6.5%) at constant exchange rates; €1,615m in structural FCF**

- In a turbulent environment and shrinking markets, the Group improved its performance, led by its acquisitions and tight operations' steering
- SOI at constant exchange rates rose by €179m and segment operating margin held firm at 12.5%:
 - 1.2% decline in volumes, reflecting the Group's ability to maintain its positions in declining markets;
 - €324m in gains from the price-mix/raw materials effect, confirming the Group's disciplined price management and the still positive mix;
 - €61m in competitiveness gains, net of inflation;
- Integration of Fenner/Camso in line with expectations
- €1,615m in structural FCF, confirming the progress made in prior years
 - €112m reduction in inventories at constant scope of consolidation, reflecting tight production management in declining markets
- Recommended dividend of €3.85 per share
- Aligning the Group with the world of tomorrow:
 - Sustained transformation of the Group's manufacturing footprint;
 - Supporting sustainable mobility with innovation: Uptis, Hydrogen, biosourced materials

* Segment Operating Income ** Free Cash Flow



February 10, 2020

2019 Annual Results

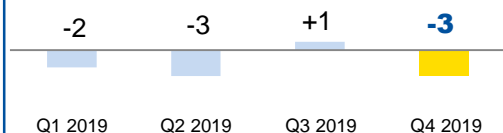
01.

***2019
performance***

Markets declined in 2019, hit by weaker OE demand in every business



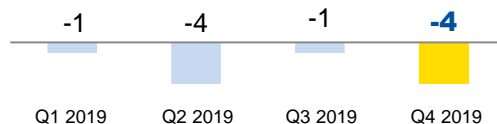
PC/LT: -2%



- OE: worldwide demand down 6% (down 6% in Q4 despite 1% growth in China)
- RT: demand trending upwards in North America, led by imports, and declining in Europe (structural inventory adjustments and a warm winter), robust growth in China, up 4%, as expected



TRUCK: -3%



- OE: falling demand in every region around the world, with a faster drop in North America in Q4
- RT: steep plunge in North American demand, mainly due to imports; European market up, lifted by imports



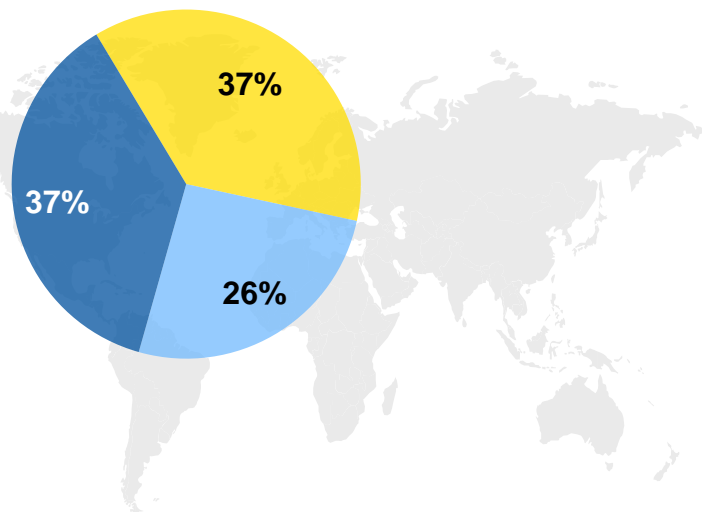
SPECIALTIES: ~ +0%

- Mining tires: demand up 3%, but momentum slowing at year-end
- Off-Road: sharp fall-off in OE demand in Construction and Agricultural tires; RT demand down slightly, mainly due to unfavorable weather conditions
- Growth in the Two-wheel commuting and Aircraft segments

Source: Michelin

A diversified, global offering to capture pockets of growth in a challenging environment

2019 sales by region

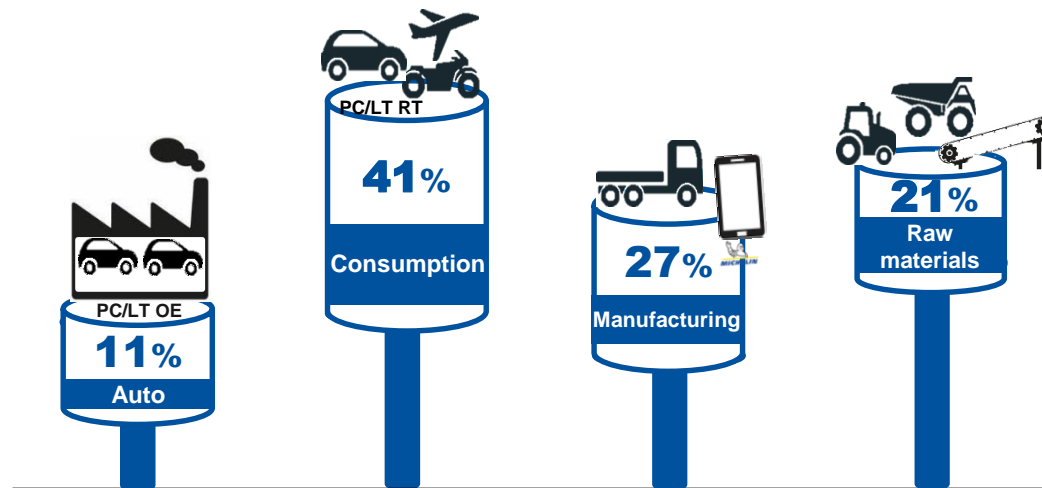


■ Europe (incl. Russia & CIS)

■ Asia and rest of the world

■ North America (incl. Mexico)

2019 sales by growth driver

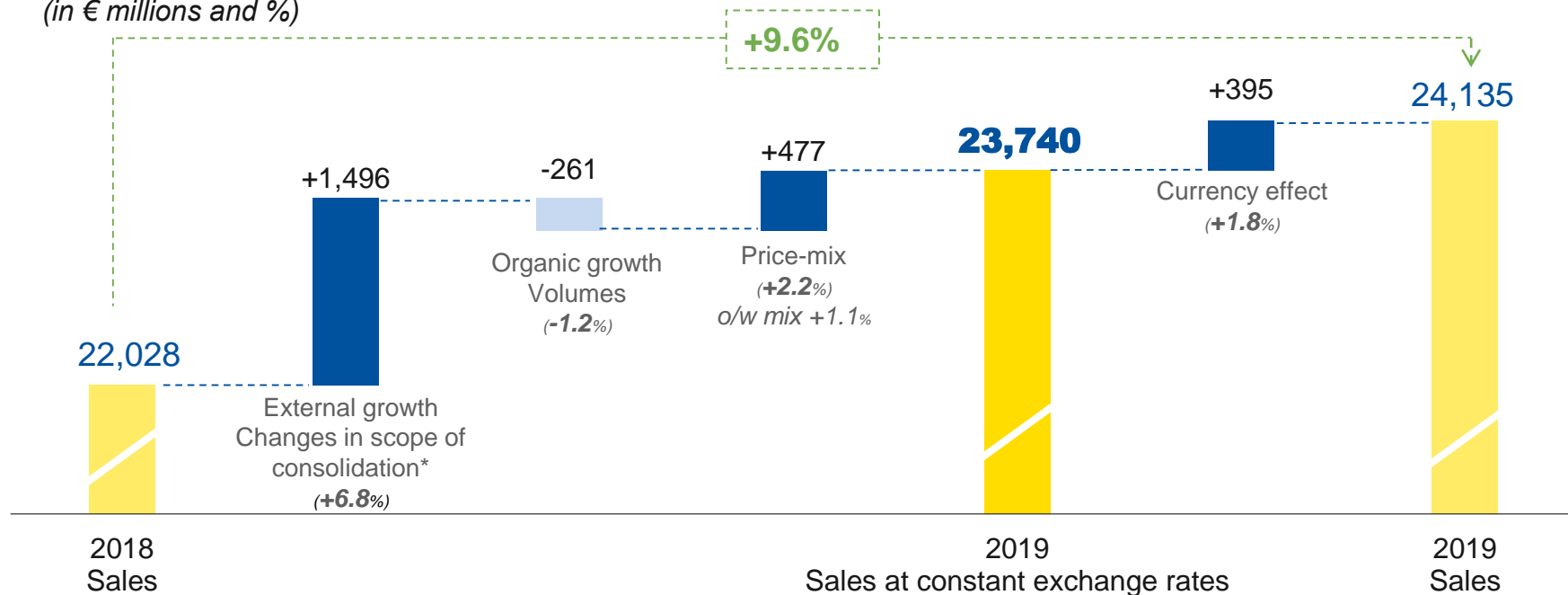


PC/LT OE/RT: Passenger Car and Light Truck tires sold as Original Equipment (TC/LT OE) or in Replacement markets (PC/LT RT)

Sales up 9.6%, led by the smooth integration of acquisitions, higher prices and steady improvement in the mix

YoY change

(in € millions and %)

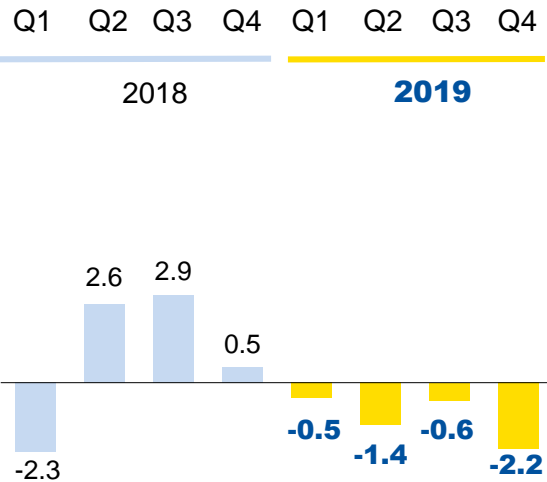


* In particular Fenner, Camso, Multistrada, Masternaut and the deconsolidation of TCi

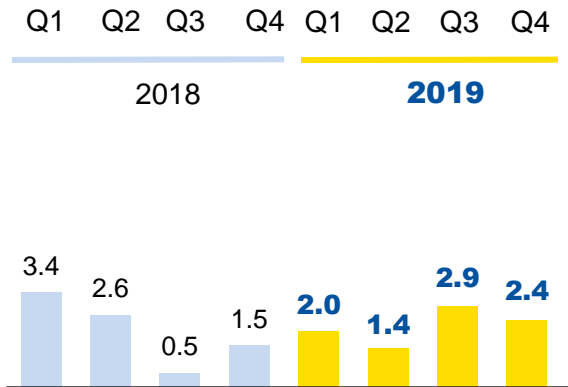
Q4: Robust price-mix, thanks to an assertive margin protection strategy and volumes in line with the markets

YoY change, by quarter (in %)

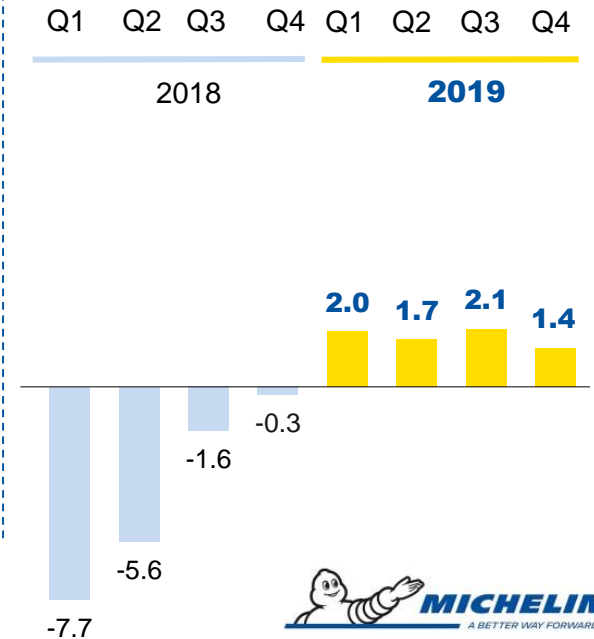
Volumes



Price-mix

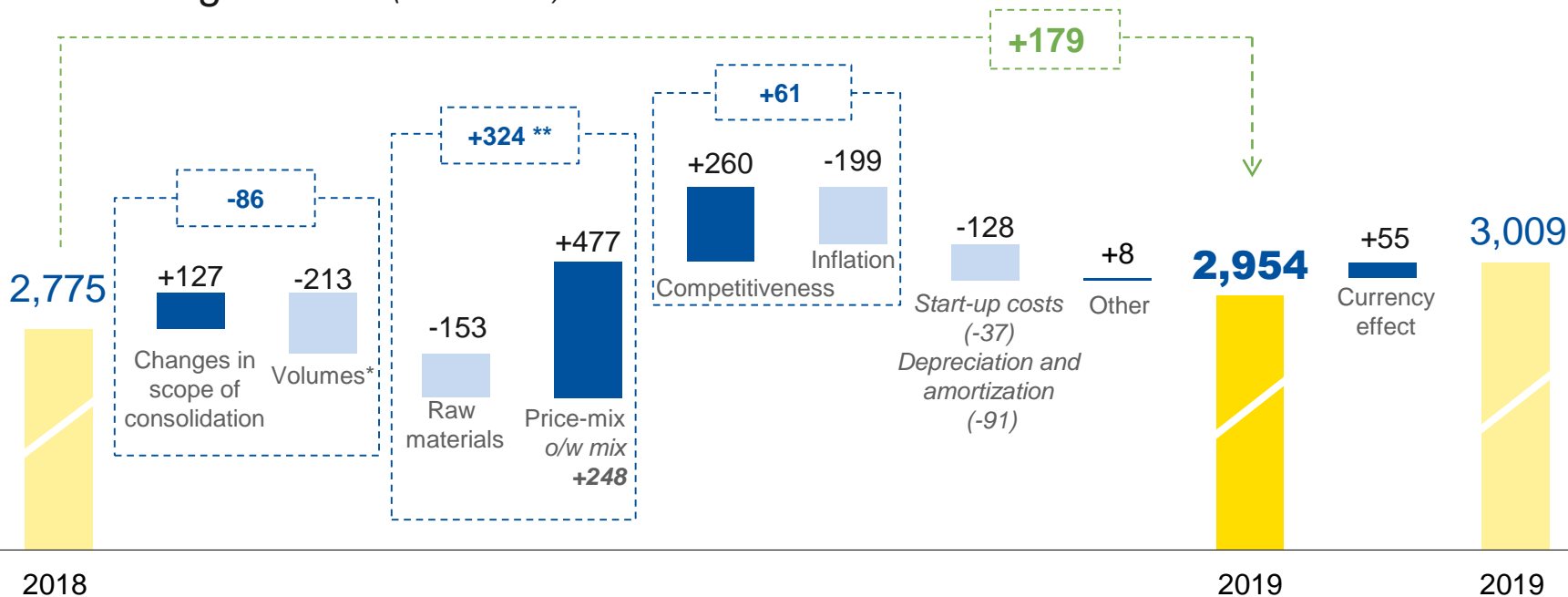


Currency effect



SOI up €179m at constant exchange rates, lifted by a tightly managed price-mix, the cost-savings plan and acquisitions

YoY change in SOI (in € millions)

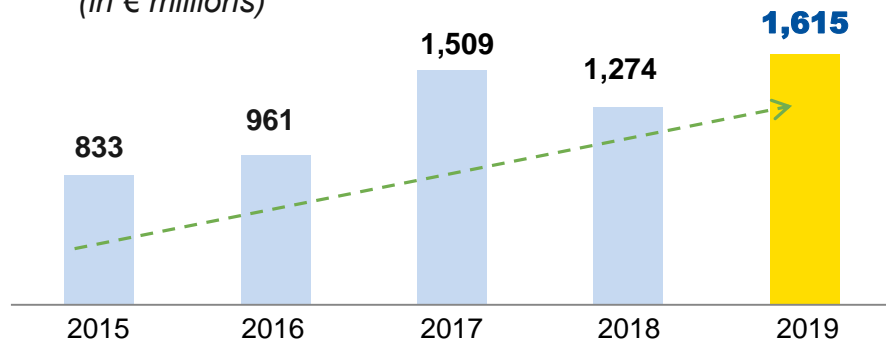


* of which fixed cost under absorption of €(108)m

** of which indexed businesses: neutral

Sustained improvement in structural free cash flow, supported in 2019 by higher EBITDA and working capital management

Structural free cash flow (in € millions)



	2018*	2019
Free cash flow⁽¹⁾	(1,985)	1,142
Acquisitions ⁽²⁾	(3,199)	(464)**
Working capital impact of raw materials costs ⁽³⁾	(60)	(9)
Structural free cash flow^{(1) - (2) - (3)}	1,274	1,615

* As part of the PPA of Camso in the 2019 opening balance sheet, free cash flow and acquisition cash out were restated in an amount of €26m in 2018

Change in structural free cash flow (in € millions)

2018 structural free cash flow	1,274
Change in EBITDA	+644
o/w IFRS 16	+223
Change in trade working capital	+52
Change in tax and interest paid	-265
o/w IFRS 16	-28
Change in capital expenditure	-98
Change in other	+8
2019 structural free cash flow	1,615

** Excluding the €58m paid to acquire non-controlling interests in Multistrada through a mandatory tender offer, recognized in equity

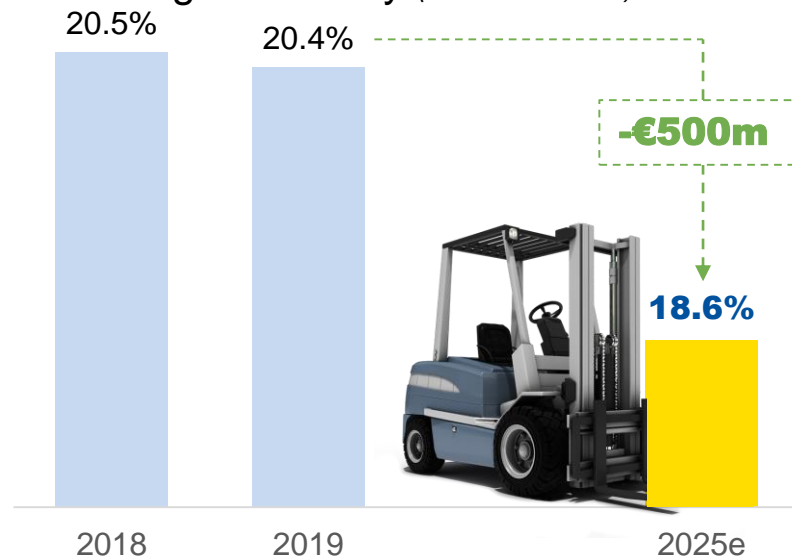
Optimizing average Michelin inventory to free up €500m in cash flow between 2019 and 2025

Clearly identified levers...




- **Local sourcing:** better service, lower inventory, reduced carbon footprint and less dependency on regulations
- **Operational excellence:** improving customer service and inventory quality, leveraging AI to optimize demand forecasts
- **Industrial flexibility:** increase factory flexibility with digitization to better meet growing markets complexity
- **Lean upstream:** semi-finished production on demand
- **Supply chain models:** improving supply chain business model (make to order, extended supply)

...to reduce average inventory between 2019 and 2025

Average inventory (as a % of sales)



A disciplined pricing policy and moving the mix upmarket helped to offset the decline in volumes in steeply falling markets

<i>(in € millions)</i>		2019	2018**	<i>Change</i>
	RS1 sales	11,851	11,332	+5%
	Operating income*	1,321	1,295	+2%
	Operating margin*	11.1%	11.4%	-0.3 pt
	RS2 sales	6,448	6,378	+1%
	Operating income*	597	612	-2%
	Operating margin*	9.3%	9.6%	-0.3 pt
	RS3 sales	5,836	4,318	+35%
	Operating income*	1,091	868	+26%
	Operating margin*	18.7%	20.1%	-1.4 pt

* For the segment

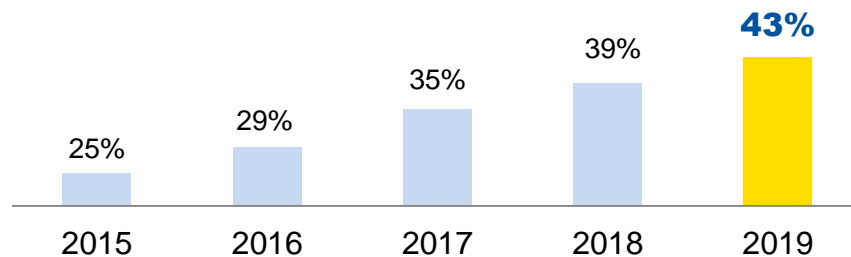
** 2018 restated

- RS1: sales up at constant perimeter; market share gains and unit margin supported by the price/mix
- RS2: an agile pricing policy and enhanced mix helped to cushion the deep fixed under absorption
- RS3: higher income despite the decline in OHT markets, lifted by Mining, integration of Fenner and Camso and a robust price-mix

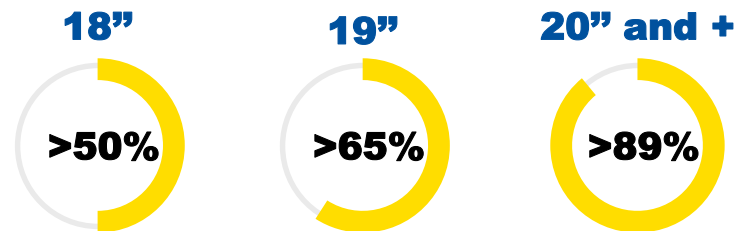
Automotive: market share gains, recognition of Michelin's technological leadership



Percentage of $\geq 18''$ tires in total MICHELIN-brand sales (in tonnes)



MICHELIN OE/RT loyalty rate in Europe*:



* 1st replacement

The new challenges facing road transportation: opportunities to showcase the value added of Michelin solutions

NEW ENVIRONMENTAL STANDARDS

- Reducing CO₂ emissions
 - Vecto UE 2020 standard for new vehicles
 - Cut CO₂ emissions by 15% by 2025
 - Cut CO₂ emissions by 30% by 2030
 - Greenhouse Gas Protocol applied to company upstream/downstream operations
- Circular economy
 - Preference for retreaded or retreadable tires in government contracts (French legislation)



BUSINESS ISSUES

- Focus on fuel efficiency
- Shortage of drivers and rising wages
- Optimizing asset use

A HIGHLY DIVERSIFIED LINE-UP

- Tires offering the lowest TCO over time
- Innovative solutions to improve the productivity and environmental footprint of trucking companies
- Products with low environmental impact to support truckers in transitioning to zero-emission operation

Michelin is expanding in markets that offer strong potential for creating value, despite a temporary slowdown

Mining tires

→ XDR250 - 57"



→ XDR3 - 63"



→ MICHELIN MEM'S Evolution 4



→ Convoyer belts



Long-term CAGR
~+2%

AN UNRIVALED MICHELIN PORTFOLIO...

Technological leadership
Comprehensive solutions for every customer need
Services & Solutions

... IN HIGH-POTENTIAL MARKETS DRIVEN BY

↓ Trade flows ↓ Urbanization ↓ Population growth



OHT



MICHELIN Zen@terra ←

MICHELIN AgroPressure ←

CAMSO tracks and tracks system ←



Long-term CAGR
~+3%

High-Tech Materials in 2019: addressing 3 main value chains for a sustainable growth

ADDITIVE MANUFACTURING



HIGH-TECH
MATERIALS

FLEXIBLE COMPOSITES

→ Rubber goods



→ Bio-based and clean materials



HYDROGEN MOBILITY



→ End of Life Tire recycling



Fenner and Camso's very smooth integration in 2019 confirms the strategic validity of their acquisition



Promising market



Synergies



Cross fertilization in R&D and process engineering



Flexible composites



High value created



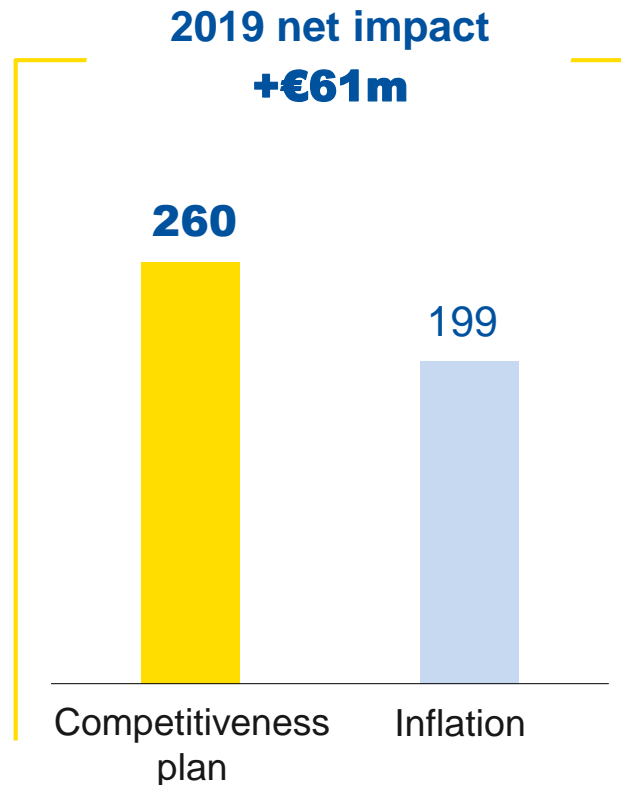
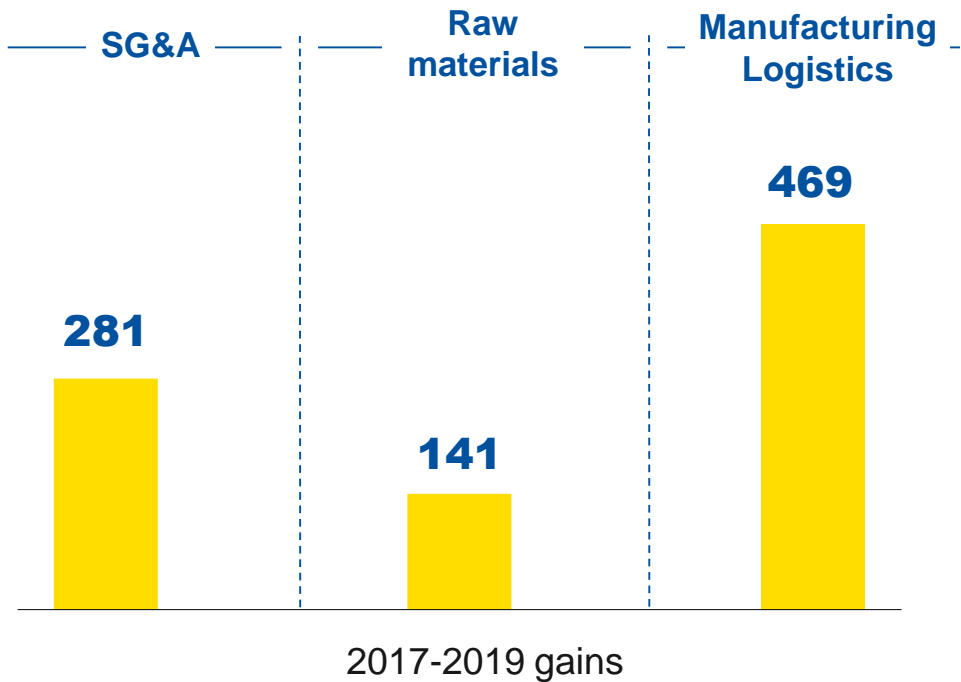
Creation of a global leader in markets based on solid fundamentals

A community of shared values



2017-2020 Competitiveness Plan: €891m in gains in three years; on track to deliver the targeted €1.2bn

- Target: €300m in average annual gains*



* Before inflation and including avoided costs

Beyond 2020: set up our manufacturing efficiency, boosting competitiveness gains

/// INDUSTRIAL FOOTPRINT

- Produce locally and increase flexibility
- Multistrada conversion from Tier 3 to Tier 2 production
- Increase the number and utilization of large plants (>100k tonnes)



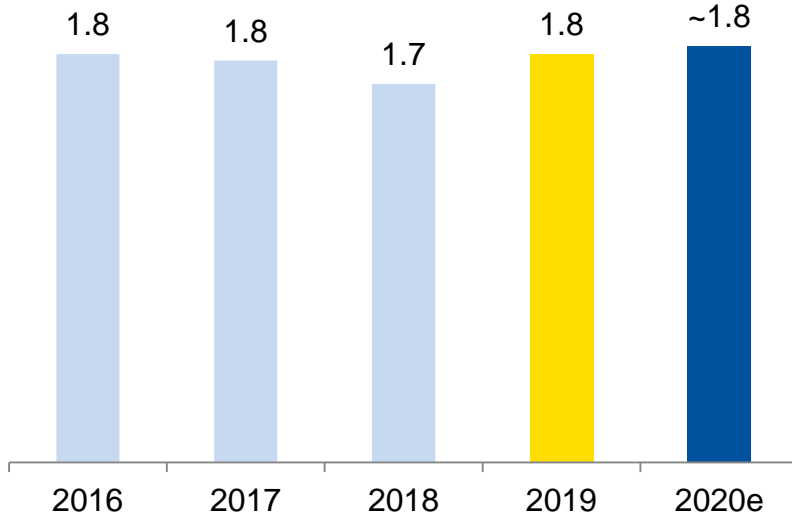
/// PRODUCTIVITY GAINS

- Process standardization
- Empowerment deployment
- Simplicity
- Digital manufacturing



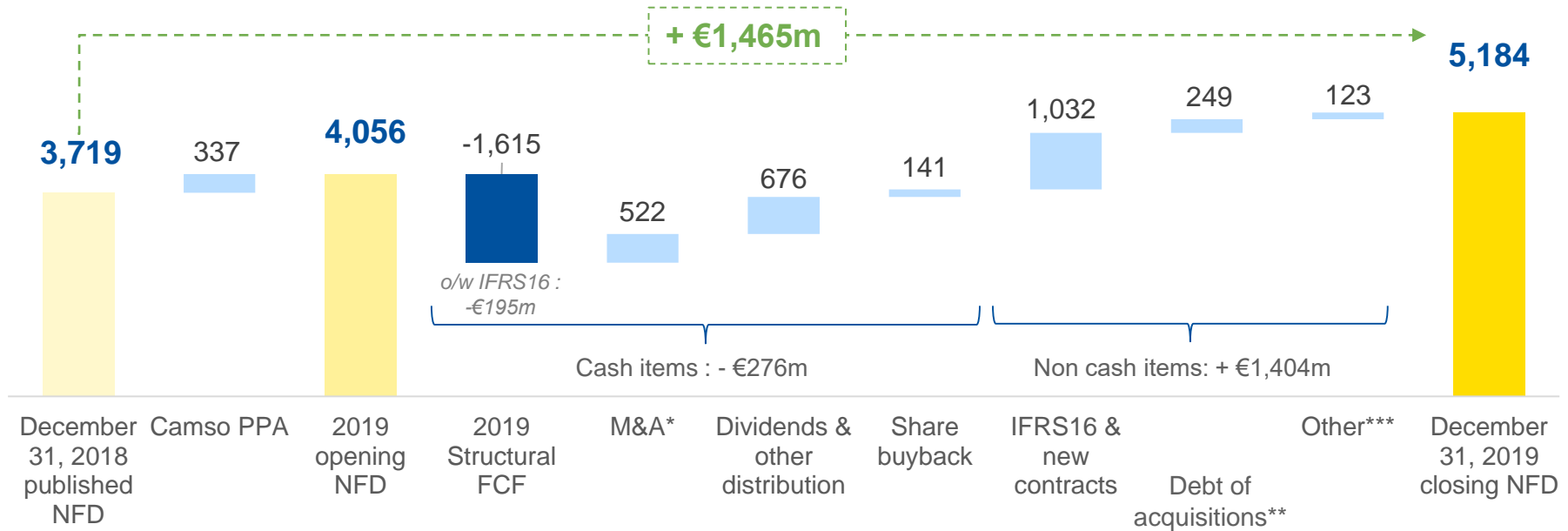
CAPEX strategy: priority given to productivity and new territories ; capacity capex to decrease

● CAPEX (in € billions)



Michelin Net Financial Debt bridge

Net Financial Debt (in € millions)



- IFRS 16 impact on net financial debt : $€1,032m - €195m = €837m$

* Including Multistrada MTO for €58m

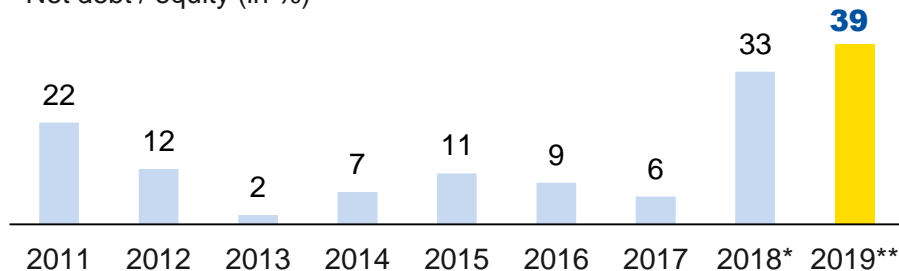
** Multistrada and Masternaut net financial debt

*** Mostly currency conversion impact

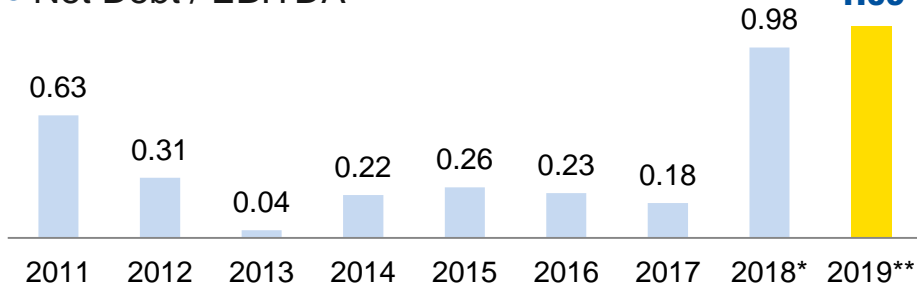
A robust balance sheet after recent acquisitions, confirmed by the rating agencies

➔ Gearing

Net debt / equity (in %)



➔ Net Debt / EBITDA



* 2018 restated for Camso PPA impact on the balance sheet

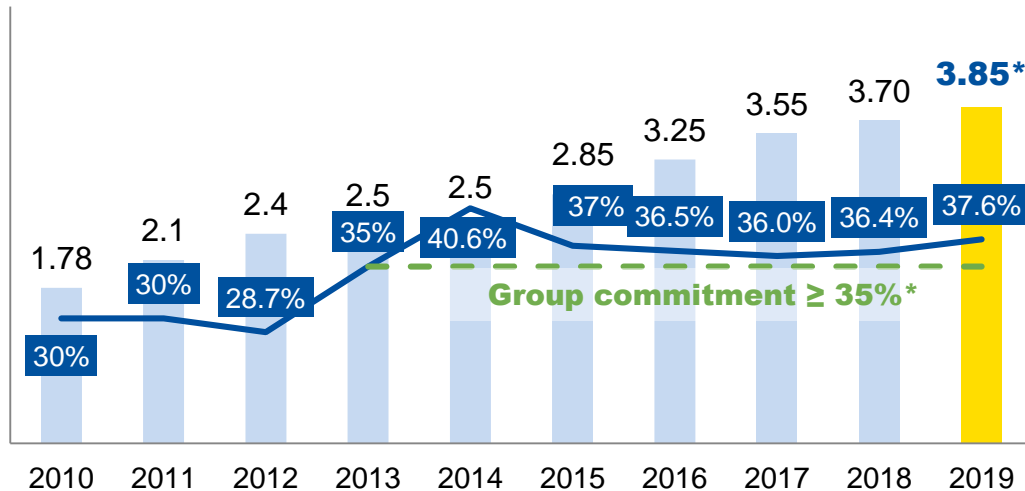
** including IFRS 16

➔ 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

Sustained shareholder return policy

- 2019 dividend of €3.85 per share*, representing a payout of 37.6%**



- 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: €141m in buybacks and 0.75% of outstanding shares canceled

* Subject to shareholder approval at the Annual Meeting on May 15, 2020 - ** Of consolidated net income before non-recurring items



February 10, 2020

2019 Annual Results

02.

2020 Guidance

2020 market scenario: lower global demand, dampened by OE markets



PC/LT: -1%/0%

- OE: Demand down by around 3% in the leading markets (China, Europe and North America)
- RT: Market stable in the mature regions and expanding in China.
- $\geq 18''$ demand up by around 10%



TRUCK: -3%/-2%

- OE: further declines in the European and North American markets; expanding demand in the emerging markets
- RT: markets up slightly, lifted by sustained growth in freight demand
- Unfavorable geo-mix



SPECIALTIES: ~ -3%

- Mining tires: while tire consumption remains stable, decline in demand due to inventory adjustment
- Off the Road: sustained steep drop in OE Agricultural and Infrastructure tire demand; RT markets up slightly
- Growth in the Two-wheel commuting and Aircraft segments



2020 scenario*



	2020
Cost impact of raw materials prices and customs duties	Slightly positive
Currency effect	Neutral based on January 2020 rates**
Net price-mix/raw materials effect	Positive Price / Raw material: neutral
Competitiveness plan gains vs. inflation	Positive

* Based on the following average prices and exchange rates for 2020: Natural rubber: \$1.471/kg; butadiene (US, Europe and Asia): \$894/t; Brent: \$60/bbl; EUR/USD: 1.12

** See slide 58



2020 guidance*



	2020
Volumes	In line with markets
Segment operating income at constant exchange rates	Slight decrease vs. 2019
Structural FCF	> €1,500M

* excluding the systemic effect of the coronavirus crisis in China



***Our purpose:
OFFERING EVERYONE
A BETTER WAY
FORWARD***

“Because we believe that mobility is essential for human development, we are innovating passionately to make it safer, more efficient and more environmentally friendly.

Our priority and firm commitment is to offer our customers uncompromising quality(...).”



February 10, 2020

2019 Annual Results

03.

Appendices



- **Coming events :**
 - **April 29, 2020 (after close of trading)** : First-quarter 2020 sales
 - **May 15, 2020** : Annual Shareholders Meeting
 - **July 27, 2020 (after close of trading)** : First-half 2020 results
 - **October 22, 2020 (after close of trading)** : Third-quarter and 9 months 2020 sales
 - **December 8, 2020**: Investor Day

- **Dividend dates:**
 - **May 19, 2020**: Ex-dividend date
 - **May 20, 2020**: Record date
 - **May 22, 2020**: Payment date

Reported 2019 and 2018 financial highlights

	2019*	2018**
Sales	24,135	22,028
Segment EBITDA	4,763	4,119
Segment EBITDA margin	19.7 %	18.7 %
Segment Operating income	3,009	2,775
Segment Operating margin	12.5 %	12.6 %
Other Operating income and expenses	-318	-225
Net income	1,730	1,660
Basic earnings per share (in €)	9.69	9.30
Capital expenditure	1,801	1,669
Free cash flow ***	1,142	- 1,985
Gearing	39 %	33 %

* Including IFRS16 impact

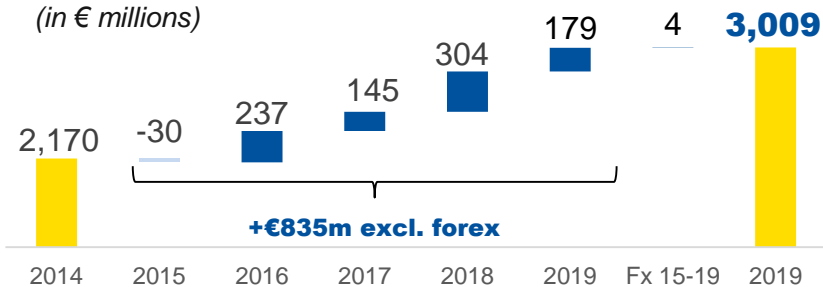
** The consolidated statement of financial position for the year ended December 31, 2018 did not include the opening balance sheet for Camso, whose acquisition price was accounted for as preliminary goodwill. Following Camso's consolidation in first-half 2019, the opening balance sheet was restated.

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

Resilient margins, underlying strengths and robust drivers support confidence in sustainable FCF growth

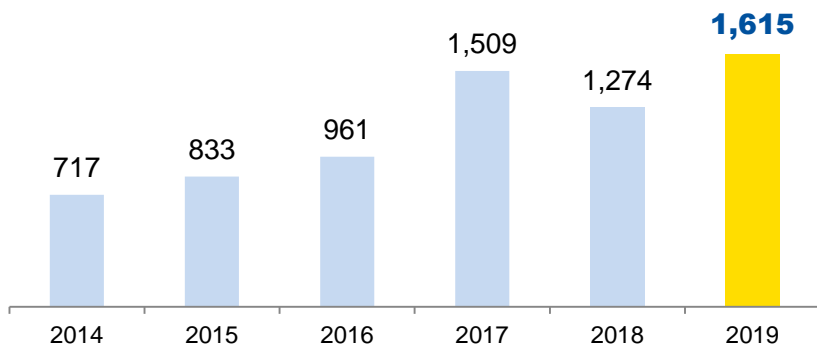
Change in segment operating income 2014 – 2019

(in € millions)



Structural free cash flow 2014 – 2019

(in € millions)



Beyond 2019: Michelin's strengths and drivers for more value creation



A powerful **brand** operating in structurally growing markets



Innovation for better performing, more environmentally friendly products



Tires becoming more **technology** rich



Business **expansion** leveraging our customer base and our unique expertise



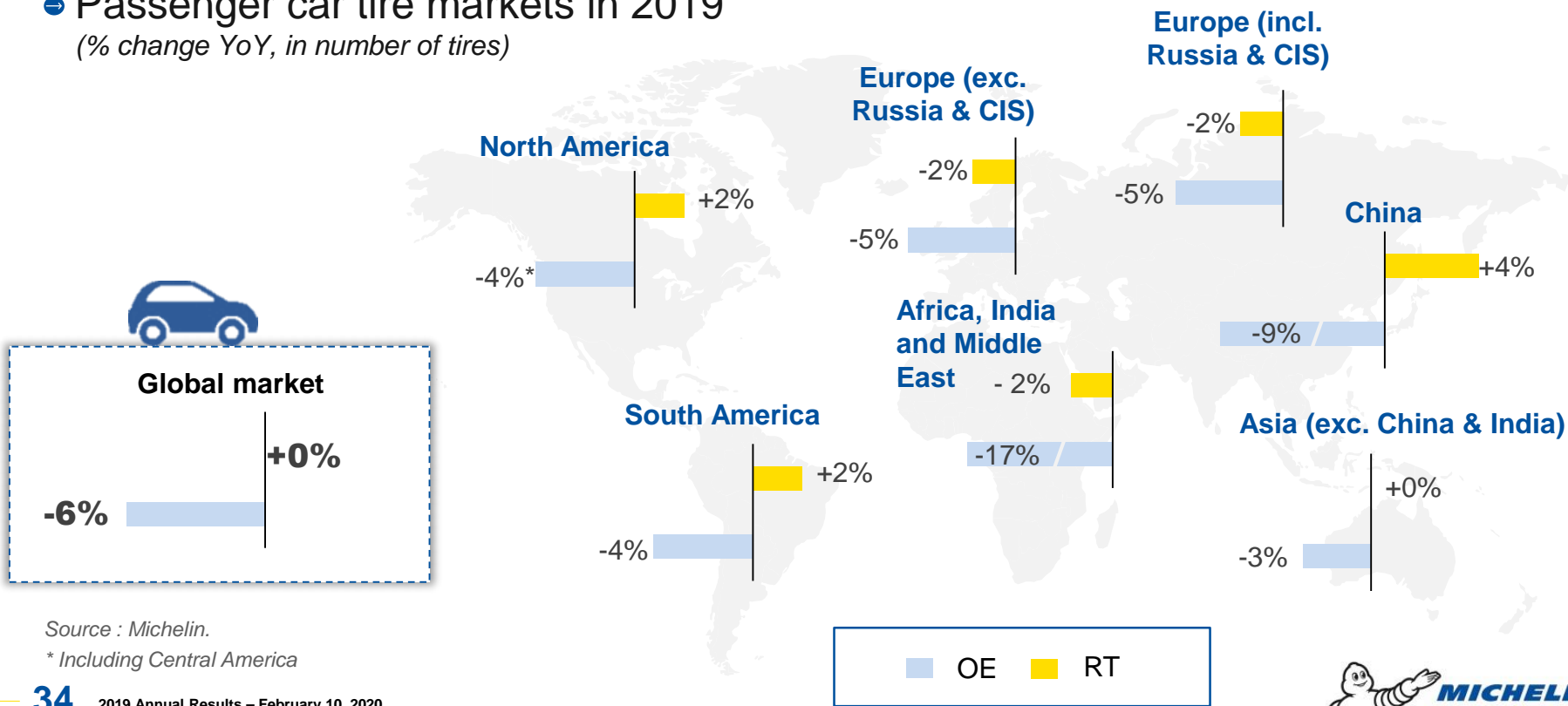
Competitiveness plan deployment



Working capital optimization

PC/LT : OE market down; RT market stable, as gains in the Americas and China were offset by declines in Europe and India

Passenger car tire markets in 2019 (% change YoY, in number of tires)

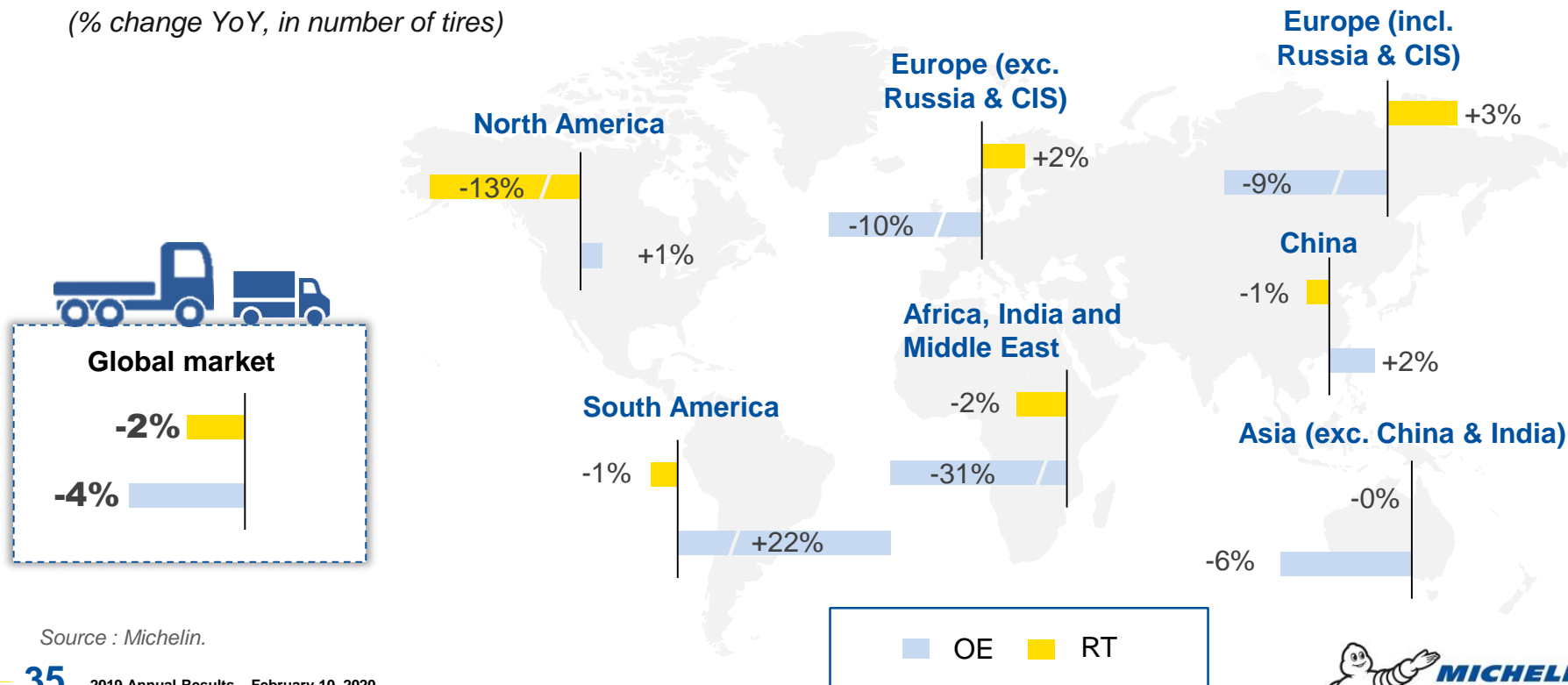


Source : Michelin.

* Including Central America

Truck : global demand down, heavily impacted by OE markets, and collapsing imports on the RT market in North America

Truck tire markets in 2019 (% change YoY, in number of tires)



Source : Michelin.

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

➔ Michelin's strengths



Michelin brand leadership
Michelin Man named "Icon of the Millennium"*



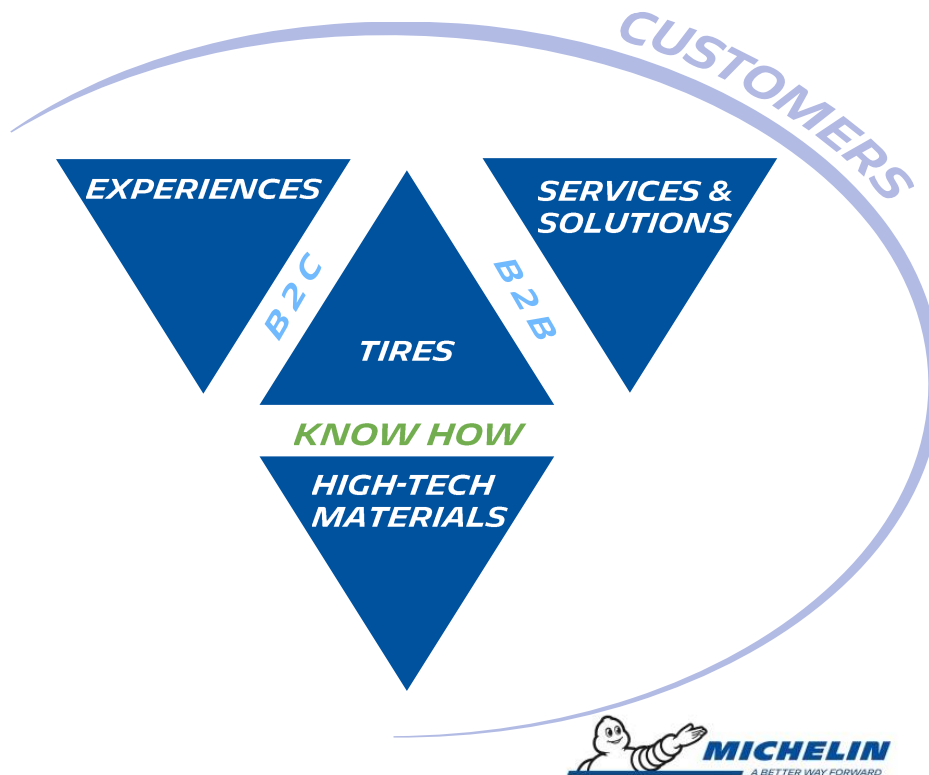
High-tech materials leadership
125 years of competencies and innovations in flexible composite materials and transformation processes



Employee engagement
In 2019, 81% of employees say they are proud and happy to work at Michelin

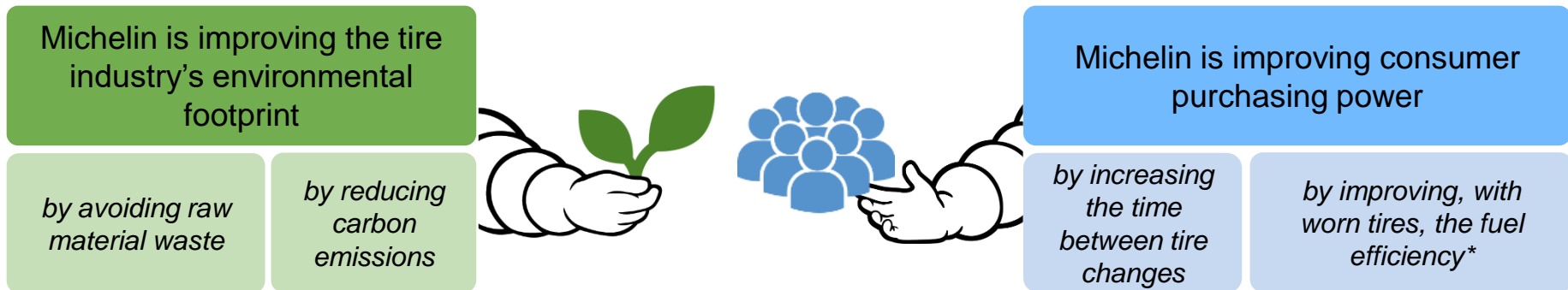
**By Advertising week*

➔ Four areas of growth



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*

Benefits for fleet owners and professionals

Productivity optimisation

Benefits for all

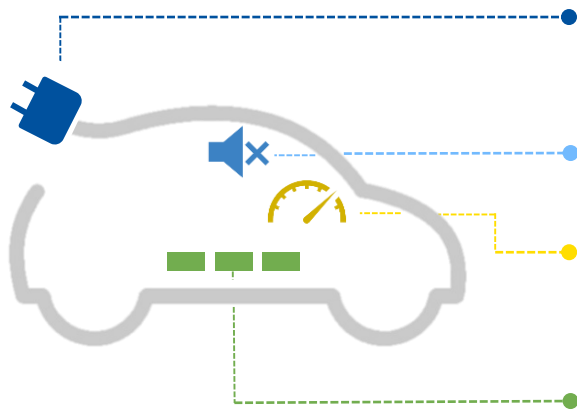
*Material savings and
waste reduction*

AIRLESS TECHNOLOGY « PUNCTURE PROOF »

**Co-developed
with General Motors**



Michelin is meeting the EV challenge



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, en position de leader – MICHELIN Pilot Sport
- Renault Kangoo Z.E. et Z.E.H2 – MICHELIN Energy Saver
- GM Bolt / Volt
- Peugeot e-2008 – MICHELIN Primacy 4
- Mercedes EQC – MICHELIN Pilot Sport 4 SUV...

Asia





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

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

Racing

- Formula E – MICHELIN Pilot Sport

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 objective of achieving

- a benchmark position in each segment & each geography
- sales growth at least in line with the market
- profitability on a par with the best auto suppliers

Partner dealership chains* that showcase the Group's products

- Michelin boasts industry-leading global coverage



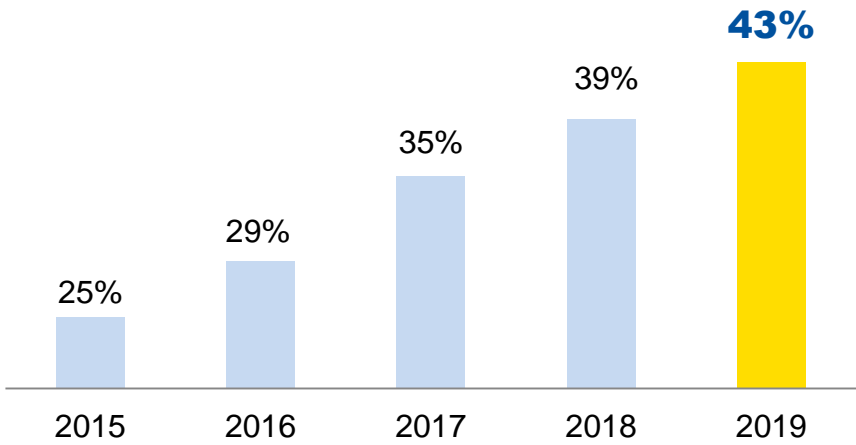
- Partner wholesalers: NTW, Ihle, Meyer Lissendorf
- A vast network of strategic retailers* as of late 2019: ~ 7,620 including Penta in Indonesia following the acquisition of Multistrada

*Proprietary or franchised dealers, plus minority stakes in partners

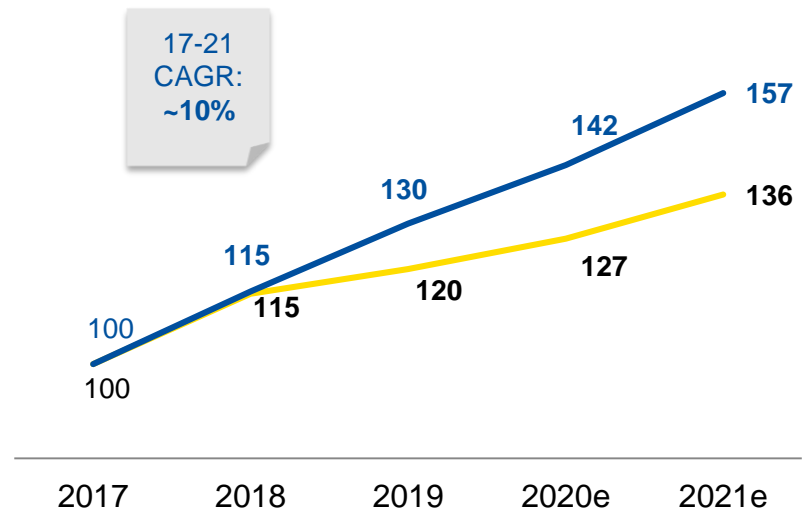
Growing exposure to the very buoyant, high-margin $\geq 18''$ PC/LT tire market

Percentage of $\geq 18''$ tires in total MICHELIN-brand sales

(in tonnes)



Growth in the $\geq 18''$ PC/LT tire market*



* Base 100 in 2017, in units

— OE — RT

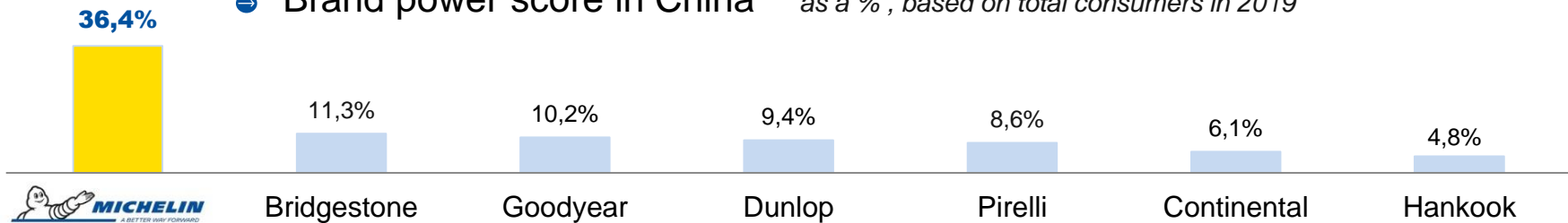
- The Group generates more than 40% of its MICHELIN-brand PC/LT sales volumes in a premium market with a 2017-2021 CAGR of 10%



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



Brand power score in China** as a % , based on total consumers in 2019



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

Mining: a successful product offering for a demanding industry focused on productivity

- The most efficient tire line-up in the marketplace
- Digital services improving efficiency
- Comprehensive offering with conveyor belts



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

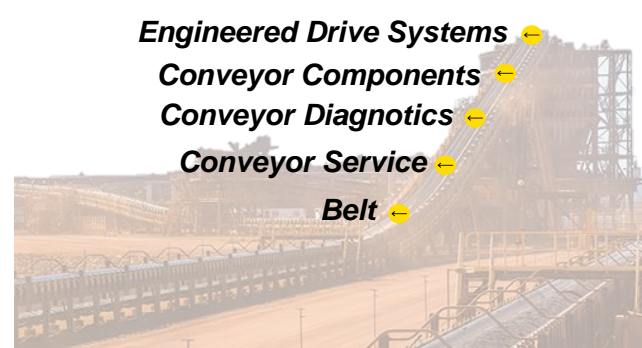


(1) Compared to BRIDGESTONE 46/90 R 57 VRDP and VRPS. Data gathered from 2012 BS databook. And compared to MICHELIN 40.00 R 57 XDR2

(2) Based on comparisons of maximum load capacity with the MICHELIN[®] XDR[®] 3 Extra Load to the MICHELIN[®] XDR[®] 3, size 53 80 R 63, as set out in the 2018 Michelin Data Book, taking the technical data of the Komatsu 930-E4 truck as a reference. Actual results may vary, and may be impacted by many factors, including road conditions, weather, environment, driving habits, tire size, equipment and maintenance.



- Engineered Drive Systems
- Conveyor Components
- Conveyor Diagnostics
- Conveyor Service
- Belt



Michelin Off-Highway Transportation: contributing to construction, and feeding and protecting people, sustainably

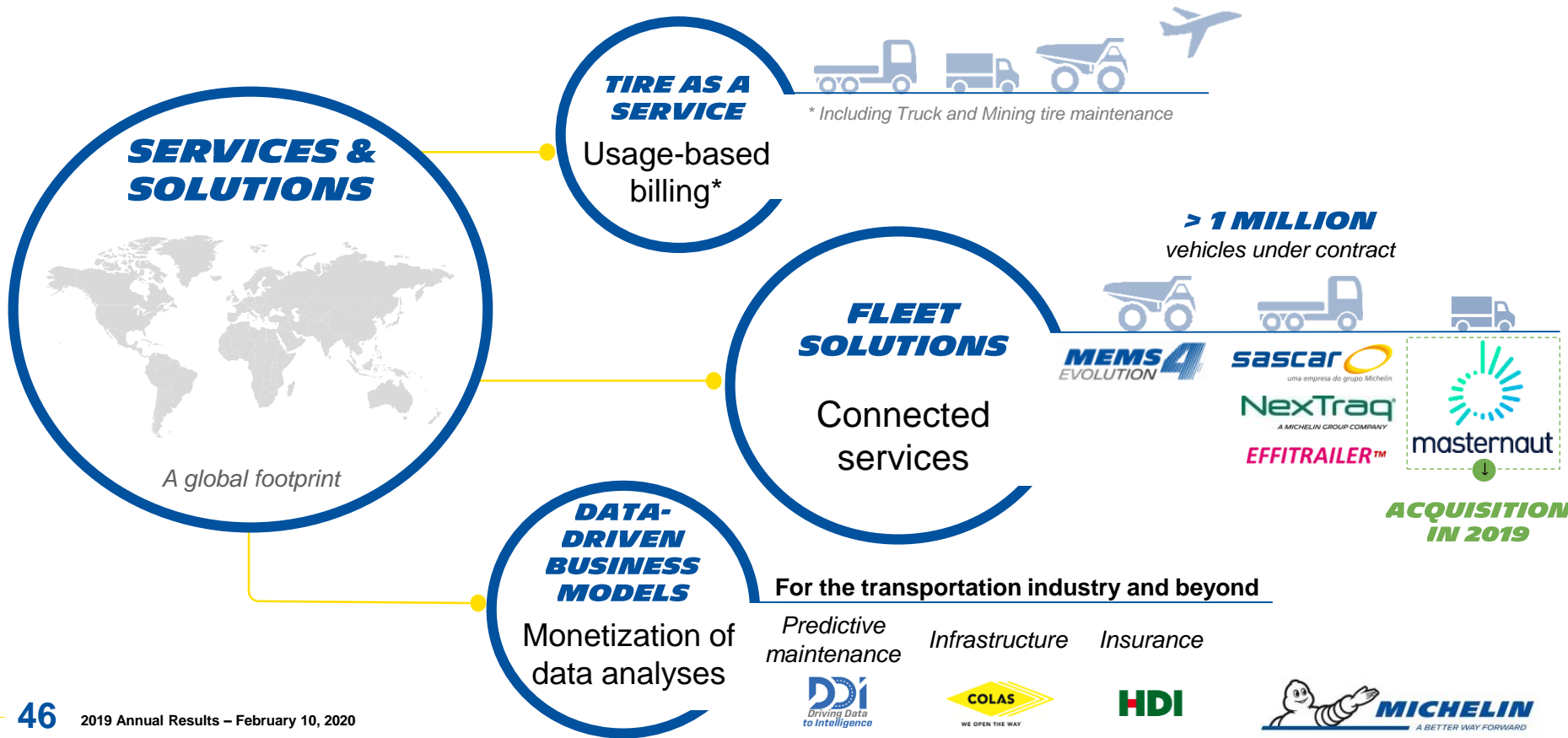
- **OHT customers** operate in
 - Agriculture
 - Construction
 - On-site logistics
 - Defense
- They face challenges in operating sustainably
 - Lack of productive land
 - Material scarcity, pollution, safety risks
- In demanding, unpredictable conditions under tight deadlines
- Benefitting from long-term fundamental growth



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

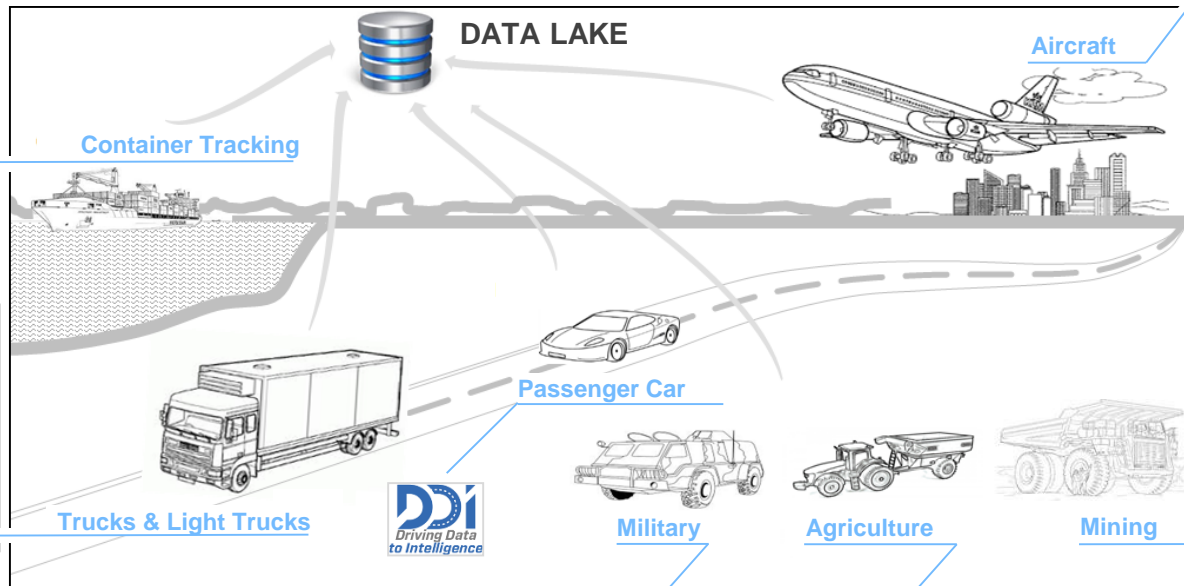


Services & Solutions: an expansive offering suited to B2B customer needs, up 10% year-on-year



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

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



PRESSENSE PROJECT
with Safran

Safecube
SAFE ROUTES. SAFE GOODS. SAFE ENVIRONMENT
- JV with Sigfox & Argon Consulting -

sascar
uma empresa do grupo Michelin

NexTraq
A MICHELIN GROUP COMPANY

EFFITRAILER™ masternaut

100% tires with RFID

DDI
Driving Data
to Intelligence

MEMS4
EVOLUTION

Téléflow
La bonne pression à tout moment!

MICHELIN
A BETTER WAY FORWARD

Maintaining our brand leadership and strengthening our B2C connection

NURTURING OUR STATUS AS A PREMIUM BRAND



8th most reputable company worldwide
Ranked **no.1** in the automotive sector

BY 2019 GLOBAL REPTRACK@100*



* Reputation Institute



DEVELOPING CURATION ACTIVITIES

that enable our customers to enjoy a unique mobility experience and make Michelin a trusted partner



Tablet®



Robert Parker
WINE ADVOCATE

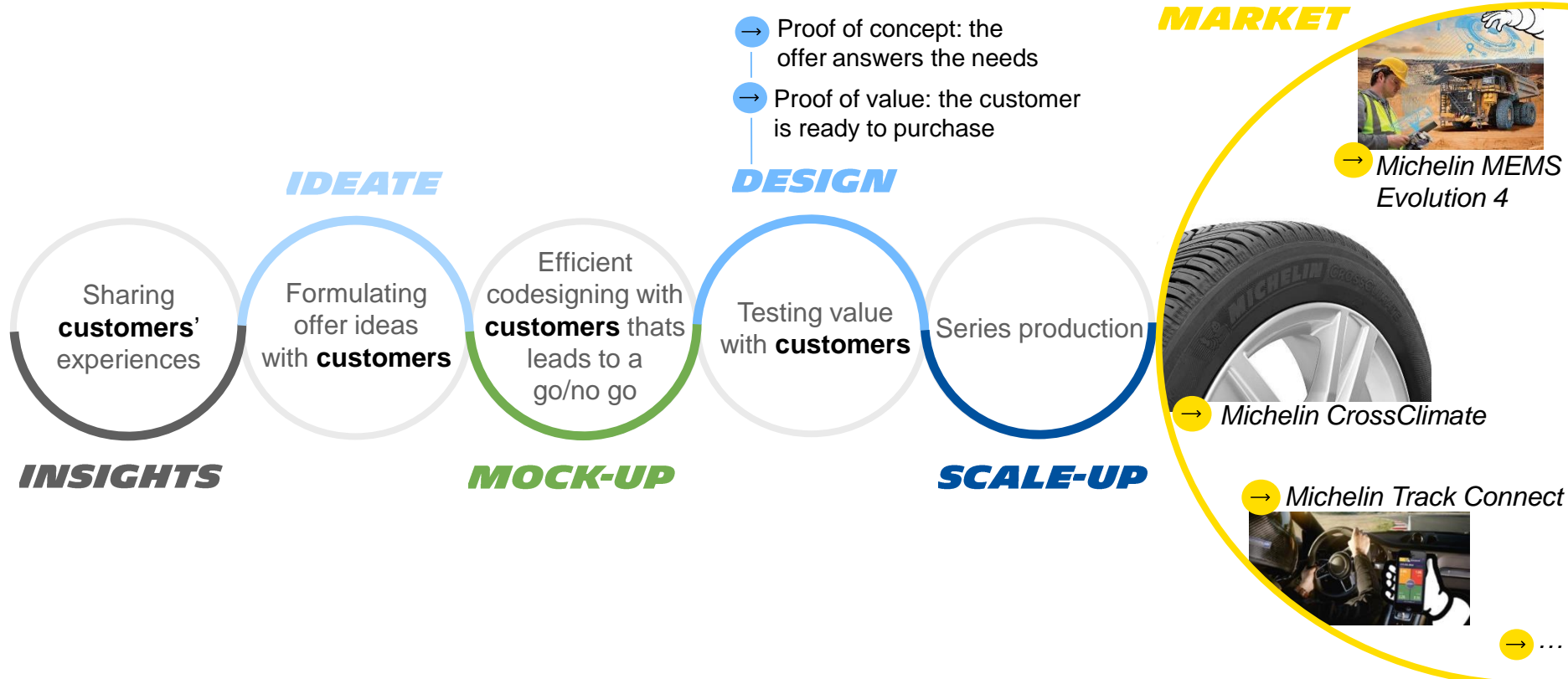
"BY MICHELIN"

In 2019, a strategic international partnership agreement was signed with the aim of combining:

- The gastronomic selection expertise of the **Michelin Guide**
- The power of **TripAdvisor's** global customer audience
- **TheFork's** leading online restaurant booking platform



Rooted in customer needs, Michelin's successful new solution strategy includes customers in development and testing processes



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



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 (1)*



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(2), INRA(3), INSA(4) and Leaf, a business unit of Lesaffre.

With support from ADEME (1)

**FROM AMBITION
TO ACTION**



(1) ADEME: French Environment & Energy Management Agency

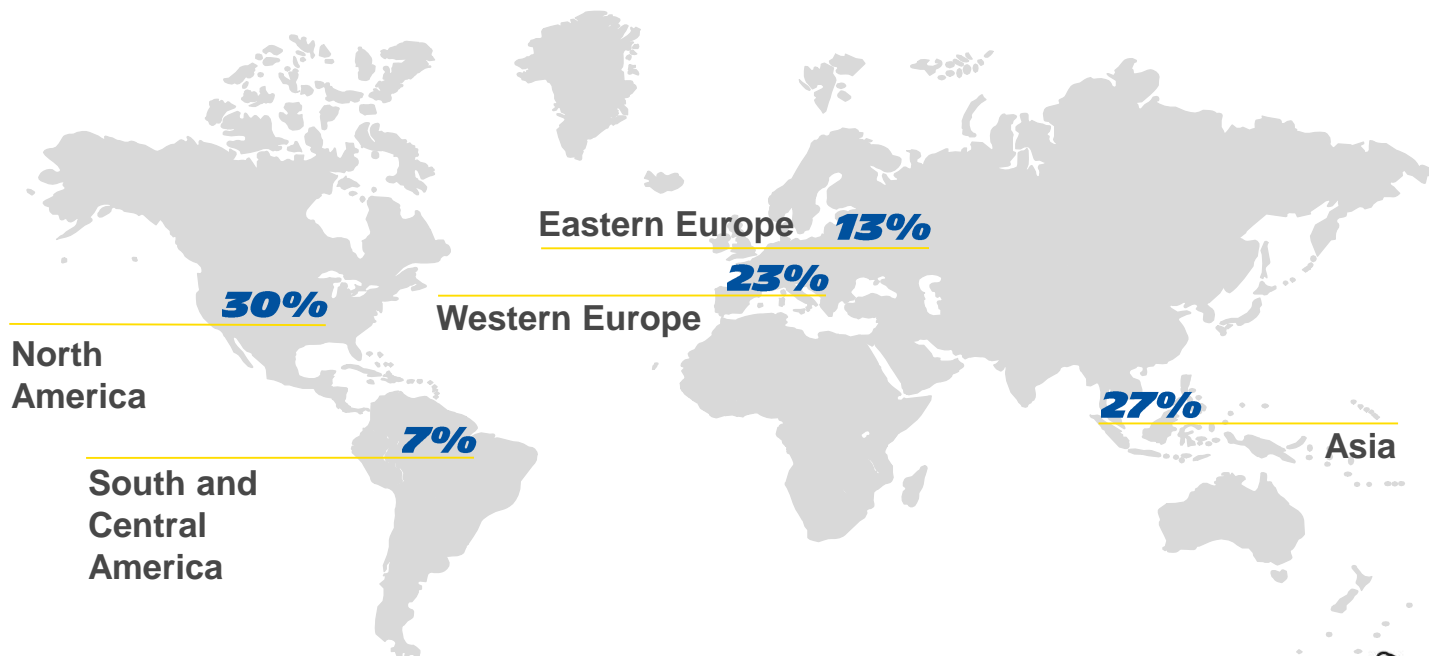
(2) FCBA: France's Institute of Technology for Forest-based and Furniture Sectors ; (3) INRA : National Institute for Agricultural Research

(4) INSA: National Institute of Applied Sciences

Continuing to rightsize Michelin's manufacturing footprint

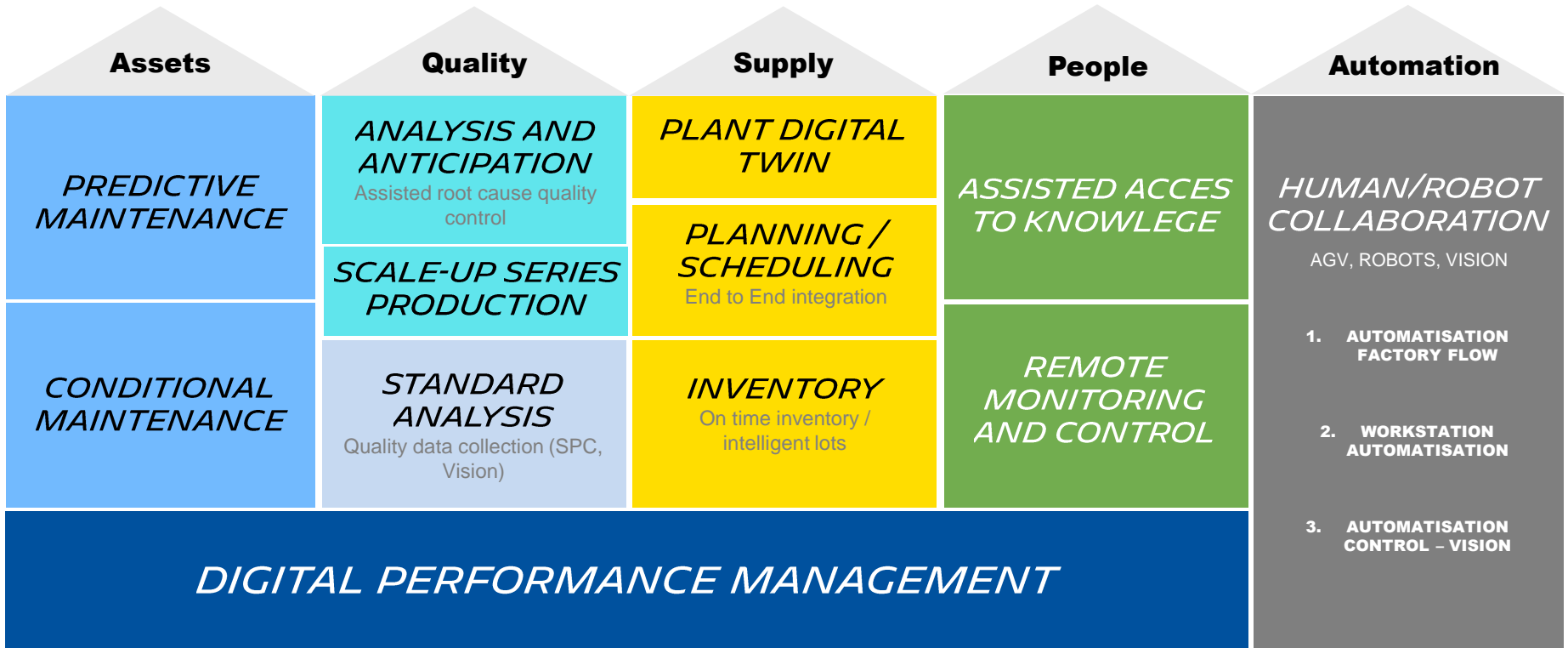
2023 production capacity by region (in kt)

Including Camso and Multistrada



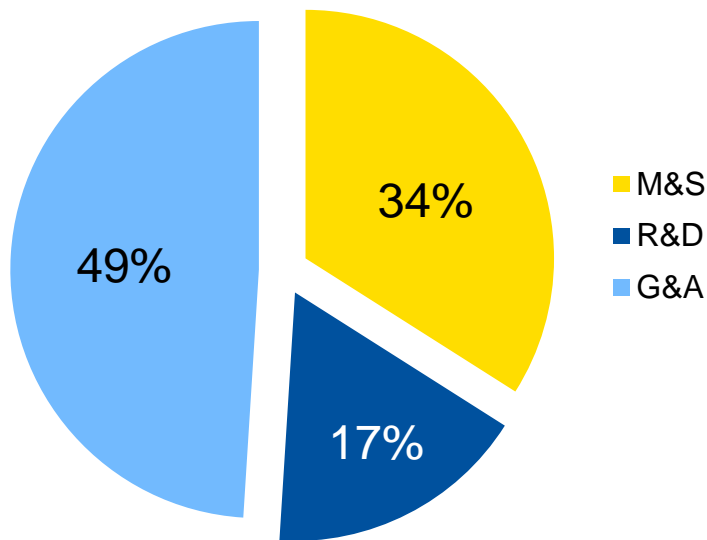


Digital manufacturing: 50 demonstrators launched

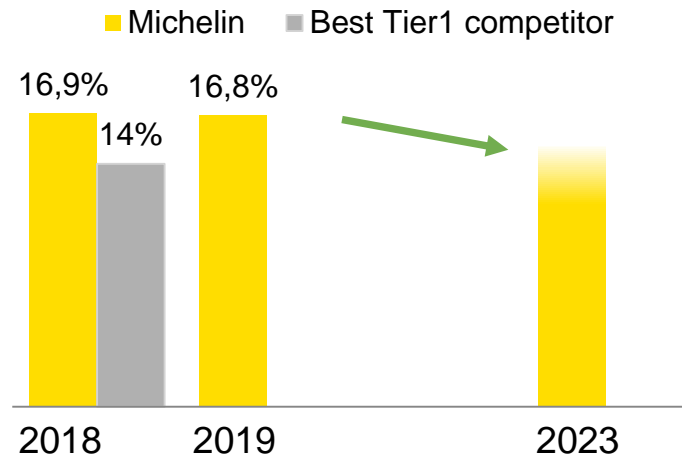


Beyond 2020: continue to target SG&A benchmark levels

2019 SG&A split (in € millions)



Zoom SG&A (in % of sales)



Closing the Gap Vs. Best Tier 1 competitor

Levers to improve our SG&A structure



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



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 FOR LARGE CROSS-FUNCTIONAL PROCESSES



DIGITIZATION OF HR AND CRM PROCESSES





Michelin's non-financial ratings: a leading, and recognized player in sustainable mobility

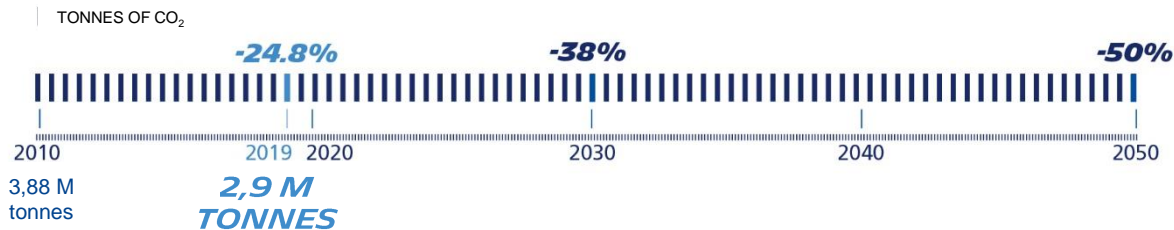
Major sustainability rating (As of December 2019)

	CDP 2019	ECOVADIS 2019	ISS-OEKOM 2019	MSCI 2019	VIGEO EIRIS 2018	SUSTAINALYTICS 2018
Status	LEADERSHIP CDP LEADERSHIP	GOLD 	PRIME 	AA 	A1+ 	OUTPERFORMER
Rating	A-	78/100	B-	7.3/10	68/100	77/100
Ranking / Distribution of ratings	<i>Climate change</i> <i>Water security</i> 	<i>Top 1%(natural rubber)</i> 			<i>1^{er} of 31 in the sector</i> 	<i>7^{ème} of 54 in the sector</i>

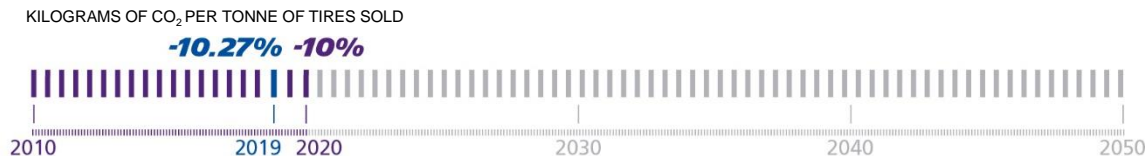
Decarbonization: Michelin's strong commitment to reducing its carbon footprint

MICHELIN'S AMBITIONS AND RESULTS IN CO₂ EMISSIONS REDUCTION

- Manufacturing: *ambition is to achieve a 50% reduction by 2050. In response to the urgent need, the Group has introduced an intermediate and ambitious target: a 38% reduction by 2030*



- Logistics: *ambition is to achieve a 10% reduction by 2020*



NB : 'Use of products' CO₂ emissions in 2019 will be published in the 2019 universal registration document

LES GRAVANCHES, CLERMONT-FERRAND FRANCE

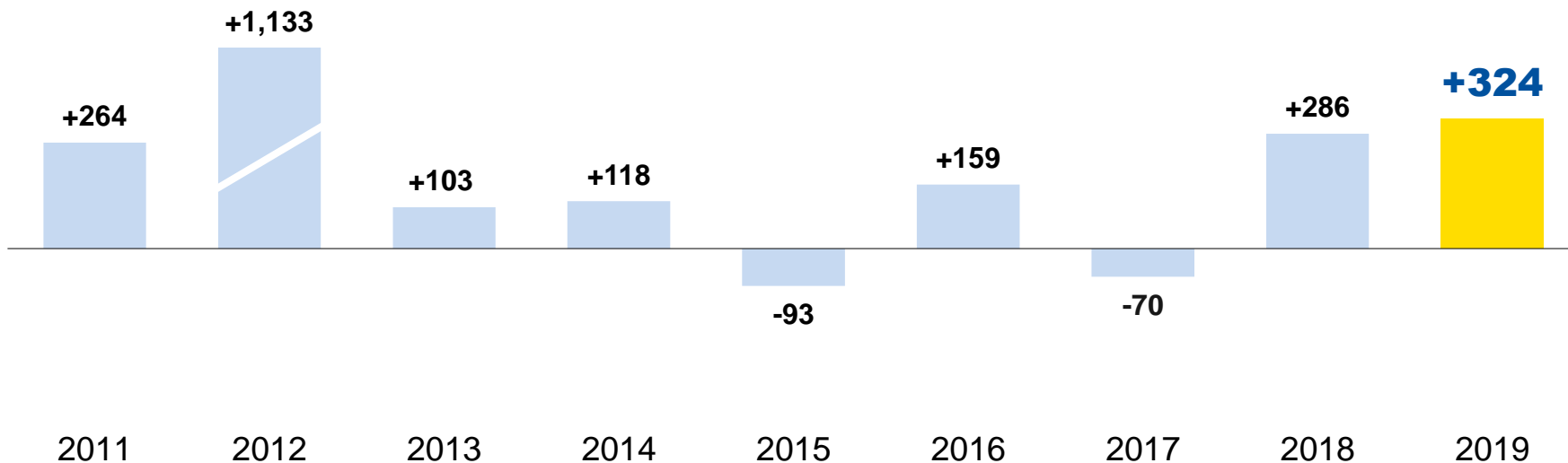


- First zero CO₂ emissions Michelin plant, 100% powered by Renewable Energy
- First zero emission valley site: First hydrogen refueling station in Auvergne-Rhône-Alpes, France



Proven ability to improve unit margin in a highly competitive market environment

- Net impact of changes in the price-mix and raw materials prices
(in € millions)



2019 net sales by currency and SOI impact

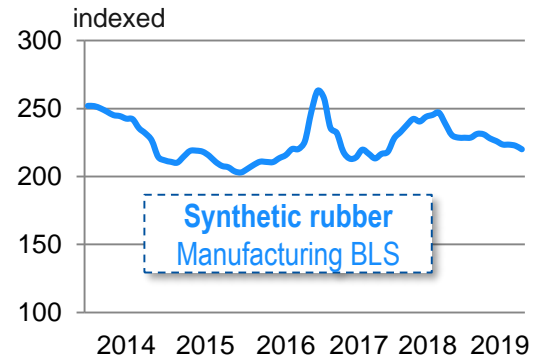
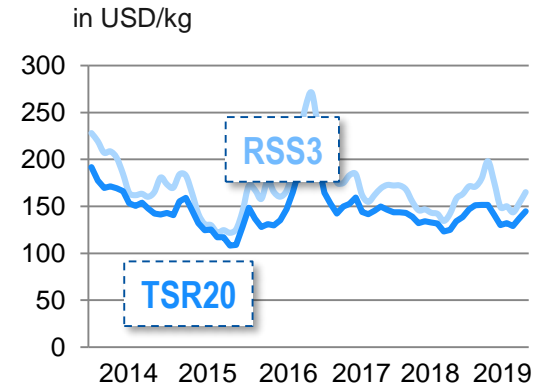
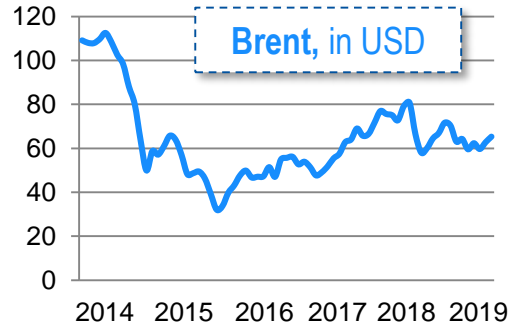
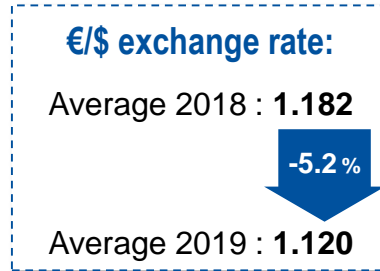
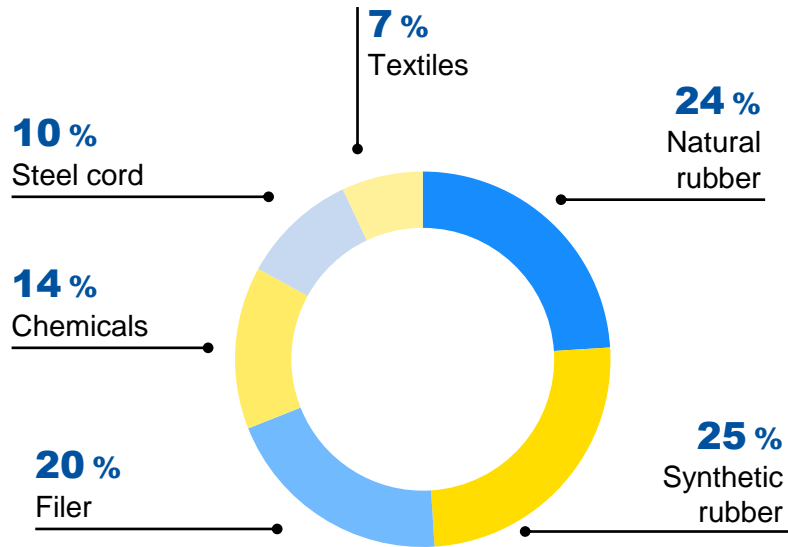
	% of sales		2019 FY € change vs. currency	Droptthrough sales/SOI*
ARS	0.4%		+70%	80% - 85%
AUD	3%		+2%	80% - 85%
BRL	3%		+3%	-20% / - 30%
CAD	3%		-3%	25% - 30%
CNY	5%		-1%	25% - 30%
EUR	31%		NA	-
GBP	3%		-1%	25% - 30%
INR	1%		-2%	25% - 30%
JPY	1%		-7%	80% - 85%

	% of sales		2019 FY € change vs. currency	Droptthrough sales/SOI*
MXN	1%		-5%	25% - 30%
PLN	0.4%		+1%	25% - 30%
RUB	1%		-2%	25% - 30%
SEK	1%		+3%	80% - 85%
THB	1%		-9%	-100% / -130%
TRY	1%		+15%	80% - 85%
USD	38%		-5%	25% - 30%
ZAR	0.5%		+4%	80% - 85%
Other	4.9%			80% - 85%

*actual droptthrough linked to the export/manufacturing/sales base

Raw materials in 2019

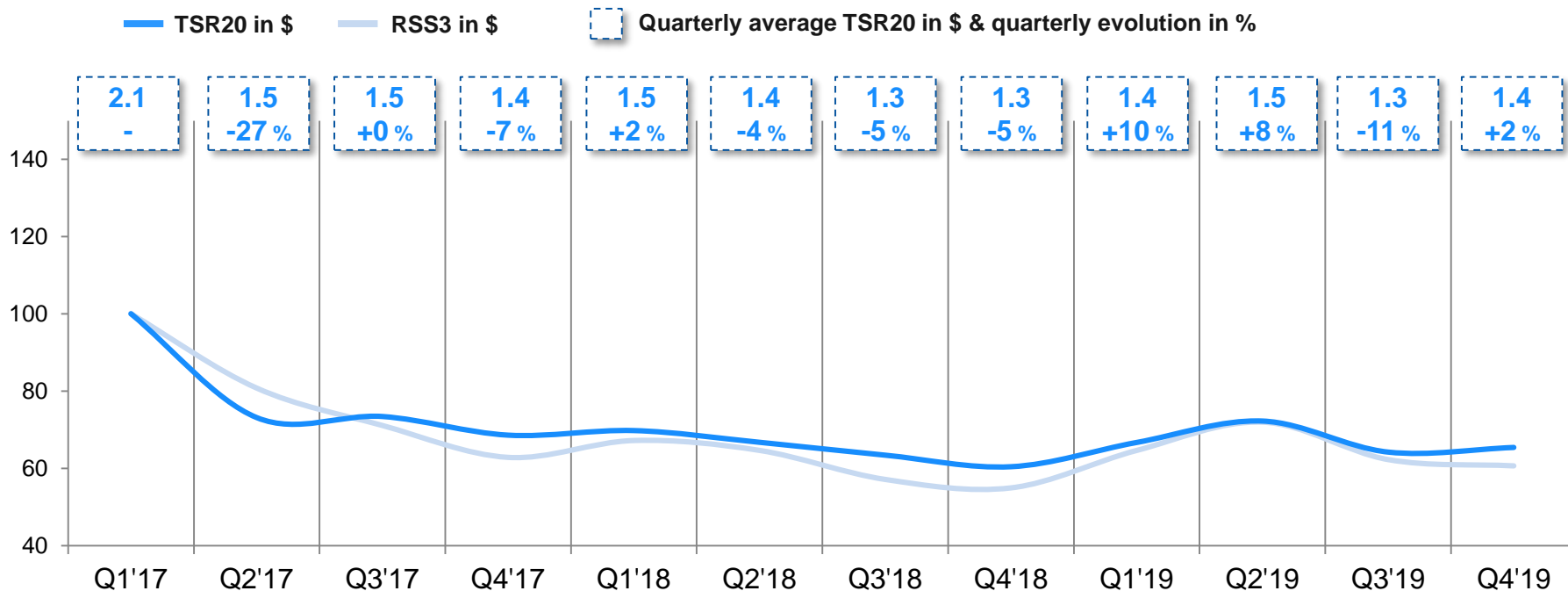
Raw material purchases in 2019 (€5.1bn)





Natural Rubber price trend

➔ At end of December 2019 (per kg, base 100 in Q1'17)

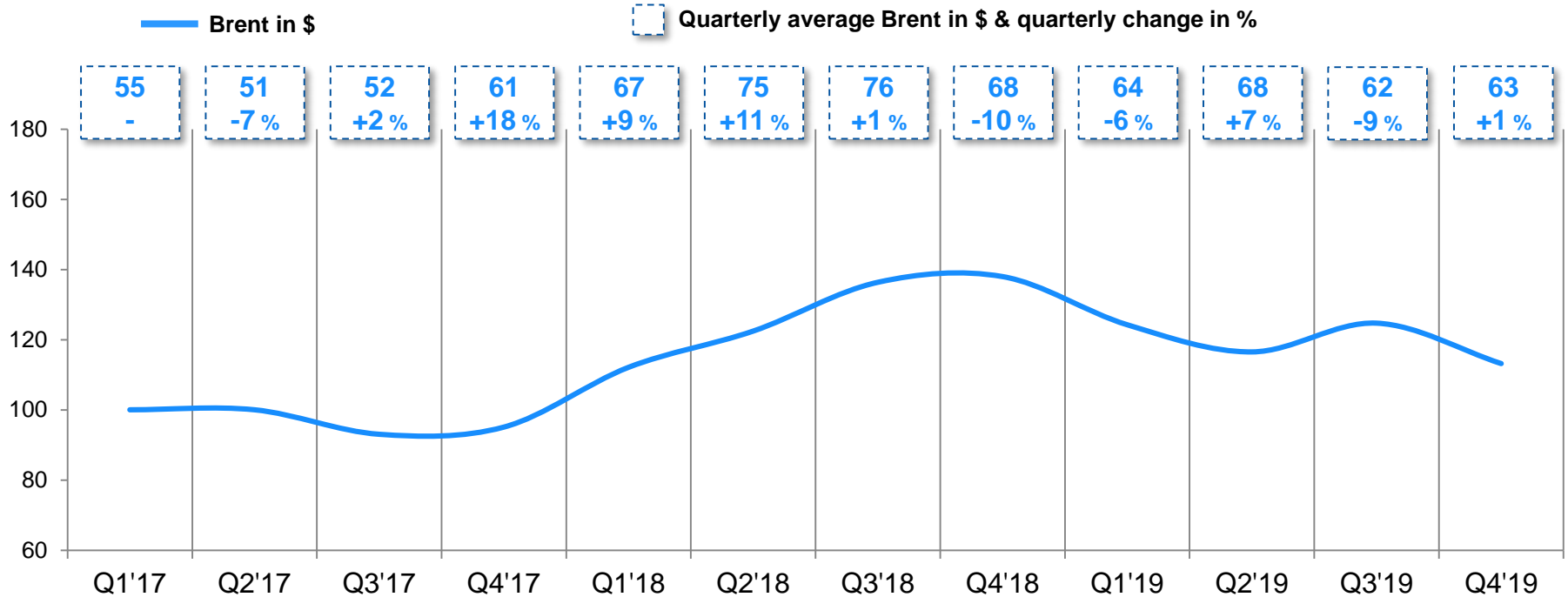


Source : SICOM.



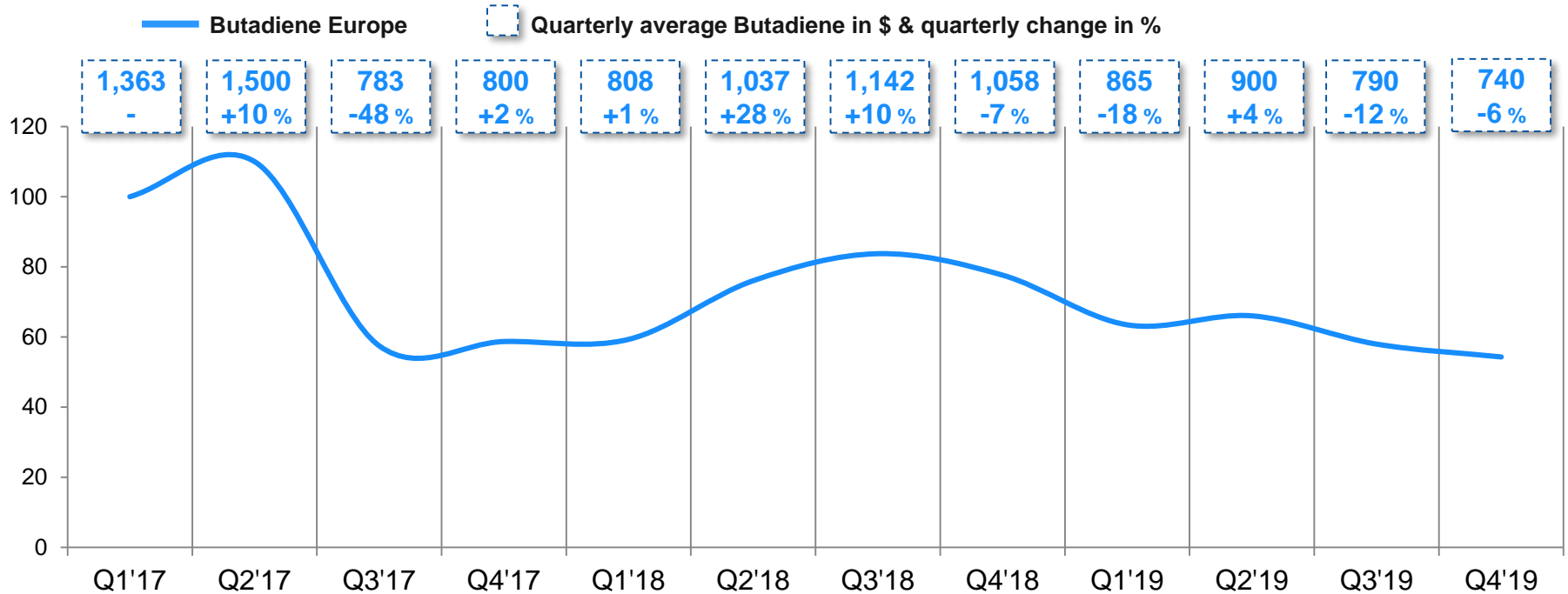
Brent price trend

At end of December 2019 (per barrel, base 100 au Q1'17)



Butadiene price trend

At end of December 2019 (per ton, base 100 in Q1'17)

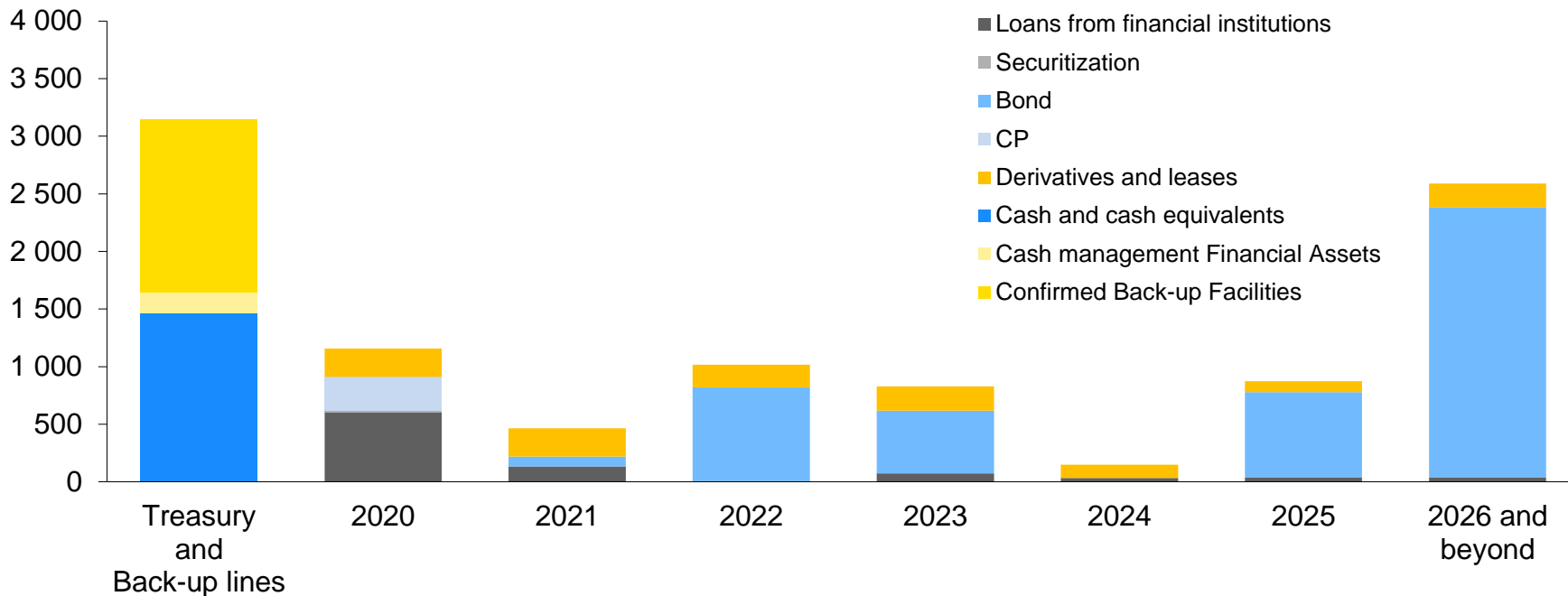




A comfortable cash position



Debt maturities at Dec. 31, 2019 *(carrying amount, in € millions)*

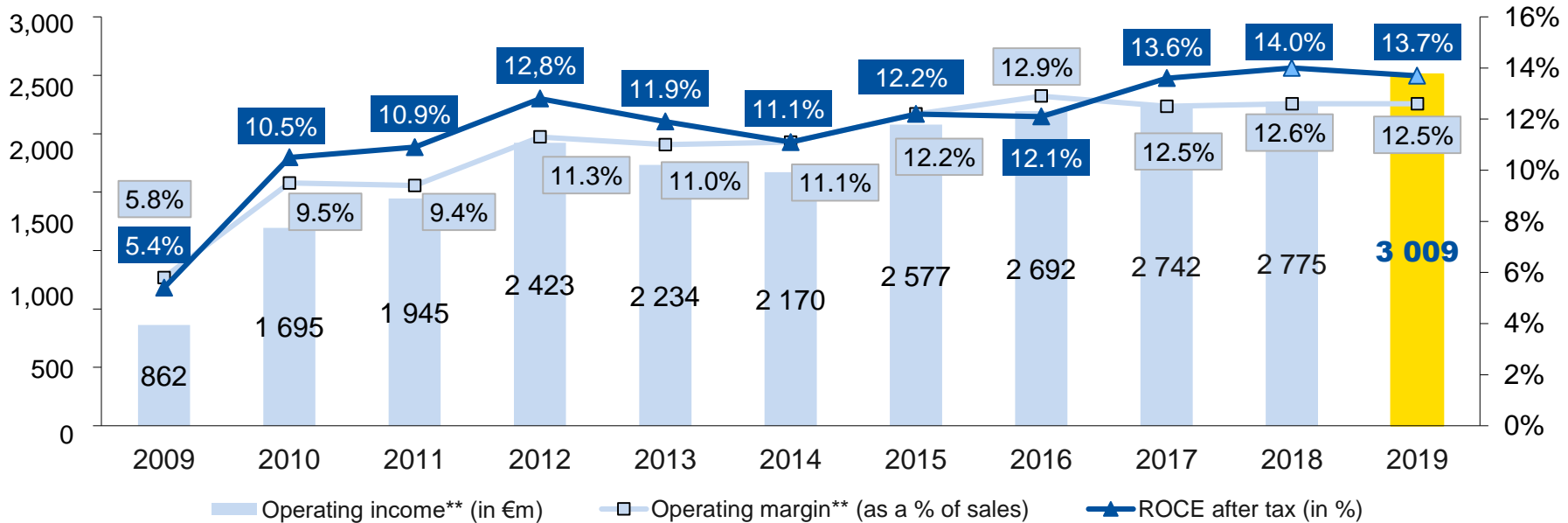


Outstanding bond issues (as of December 31, 2019)

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)	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

Resilient margin in an adverse environment

Group segment operating income and margin & ROCE*



* With standard tax rate at 28% for 2017 and 26% for 2018 & 2019 and excluding goodwill, acquired intangibles, associates and joint ventures for 2017, 2018 & 2019

** Segment operating income / margin

"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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