



***AUTUMN CONFERENCE  
KEPLER CHEUVREUX  
SEPTEMBER 9, 2020***



## Supported by its diversified offering, engaged employees and robust financial position, Michelin demonstrates its resilience through a crisis of unprecedented intensity

- Quick deployment of all the measures needed to safeguard employees, ensure business continuity and conserve cash
- Despite collapsing markets and a 20.6% contraction in sales, SOI\* ended the first half at €310m (3.3% of net sales):
  - 22.4% decline in volumes, leading to a deep fixed cost shortfall
  - 0.3% gain from assertive pricing policy at a time of declining raw material prices
  - 1.6% gain from the still buoyant mix, reflecting market share gains in the 18"+ segment and resilience in the Specialty businesses
  - €192m reduction in SG&A costs, excluding €77m in exceptional outlays directly related to Covid-19
- A robust financial position recognized by the rating agencies, to weather the crisis
- Strategic choices validated during the first half:
  - A global presence and diversified business base (resilience in the Specialty businesses, with a 15% operating margin)
  - CO<sub>2</sub> reduction pathways and objectives approved by the Science Based Targets initiative\*\*
- Expanded CSR governance within the Supervisory Board

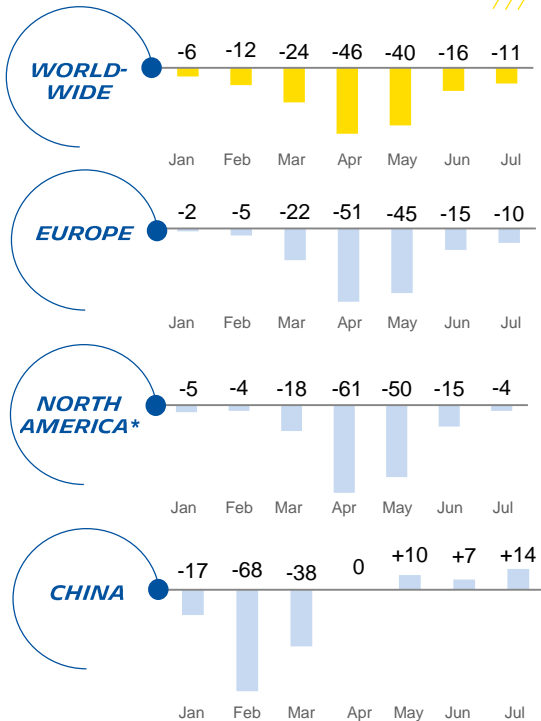
\* Segment Operating Income

\*\* Initiative launched in 2015, a few months before COP21, SBTi is a collaboration of 4 organizations that offer a voluntary approach to fight against global warming in the private sector

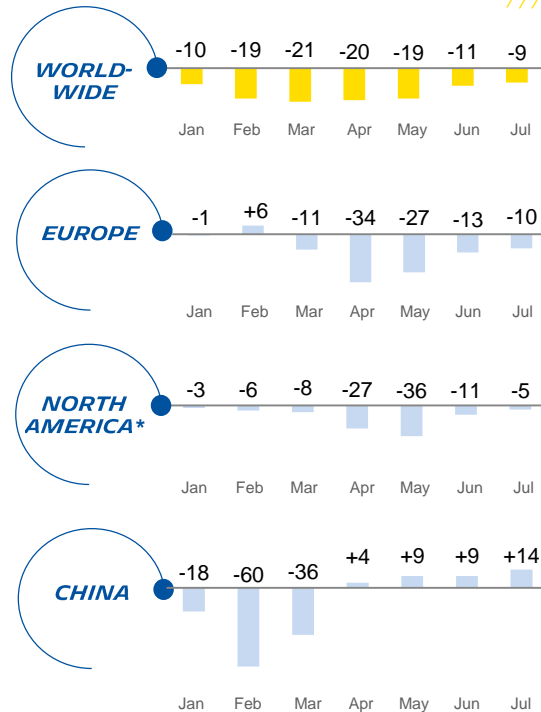
# July 2020 YTD: demand recovery in most of the markets, particularly strong in China.



PC/LT: -21%



TRUCK: -16%



SPECIALTIES

