



OCTOBER 02, 2020

**5TH ANNUAL AUTO
CREDIT DAY
CRÉDIT AGRICOLE CIB**



October 02, 2020

**5th Annual Auto Credit Day
Crédit Agricole CIB**



**2020 H1 results and
August YTD market**

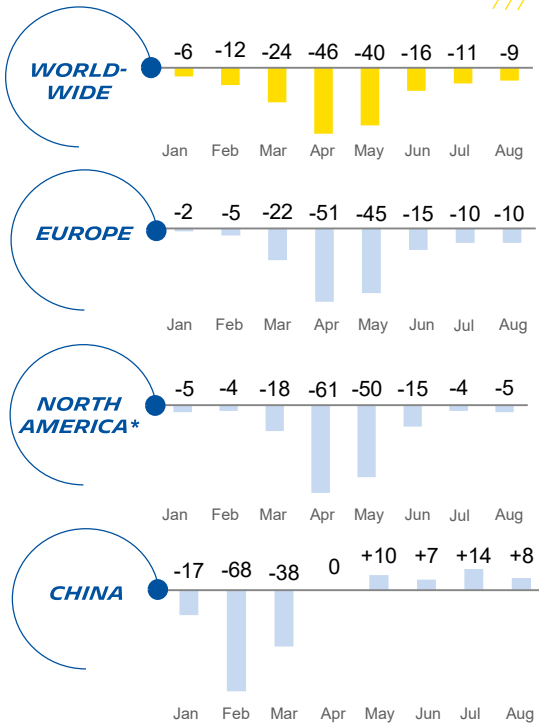




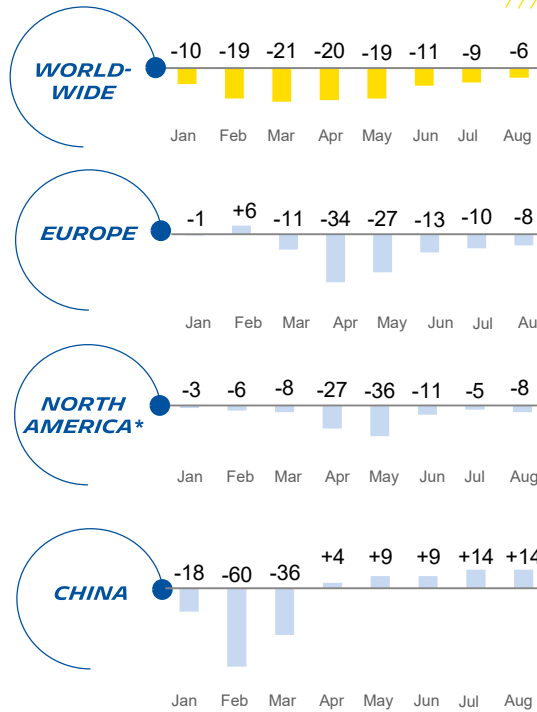
August 2020 YTD: demand recovery in most of the markets, particularly strong in China.



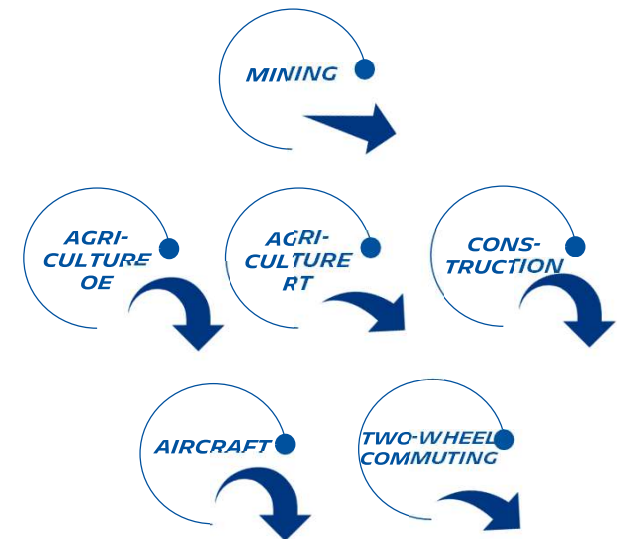
PC/LT: -20%



TRUCK: -14%



SPECIALTIES



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Source: Michelin

* Including Central America for OE





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:
 - 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)
 - CO₂ 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

In response to the health crisis, Michelin is taking action to protect its employees and support its host communities worldwide



SAFEGUARDING EMPLOYEES

Production shutdowns, home office solutions introduced



Necessary health precautions deployed to support the reopening of production lines



Production gradually being restarted



Business safely resumed



Sustained, diligent tracking to respond promptly to any resurgence of the epidemic



SUPPORTING COMMUNITIES

Masks (~2.4m), hand sanitizer (~12,000 liters) and other PPE donated



Tires (~4,600) donated and free-of-charge assistance provided for ambulances and other vehicles needed for the crisis



Masks (400k/week) and hand sanitizer being produced in certain Group plants



Financial and in-kind donations made



PRODUCING HEALTHCARE PRODUCTS

12,000 polycarbonate face shields being fast-track produced for hospitals



Ventilator components and reusable masks being 3D printed



Positioning cushions being produced to help patients breathe

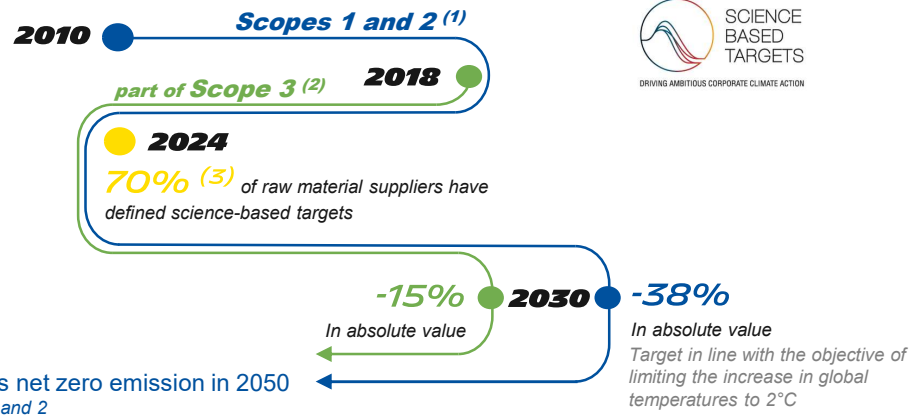


Mask production lines built with our Imeca subsidiary

Michelin sees its CO₂ emissions reduction targets validated by SBTi, and strengthens CSR Governance within the Supervisory Board

ENVIRONMENT

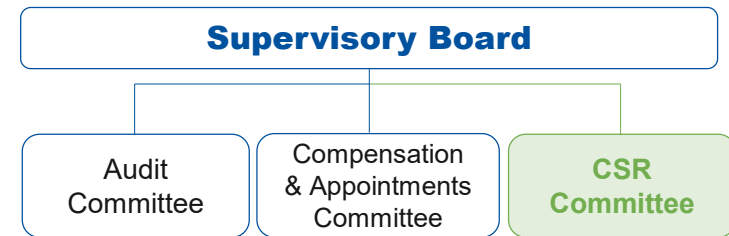
Michelin's CO₂ emissions reduction targets have been approved by the **Science Based Targets** initiative (SBTi)



- (1) **Scope 1 and 2** emissions are emissions either from sources owned or controlled by the company or from the generation of energy purchased and consumed by the company.
- (2) **Scope 3** emissions from fuel- and energy-related activities; upstream and downstream transportation and distribution; and end-of-life treatment of sold products
- (3) % in greenhouse gas emissions

GOVERNANCE

A Corporate Social Responsibility Committee (CSRC) has been created within the Supervisory Board



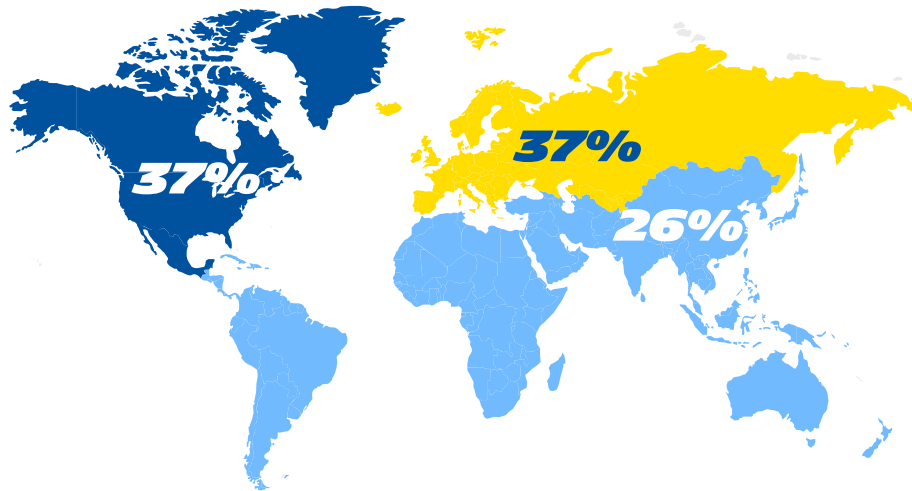
Election of two Supervisory Board members representing employees, effective December 2020, approved by shareholders at the June 23, 2020 AGM



A resilient multidimensional Group in an unprecedented systemic crisis



2019 sales by region



- North America (incl. Mexico)
- Europe (including CIS)
- Asia and Rest of the World

2019 sales by growth driver

CONSUMPTION



COMMODITIES



MANUFACTURING



AUTO*



* Auto (PC/LT OE): Passenger car and Light truck tires sold to vehicle manufacturers as Original Equipment

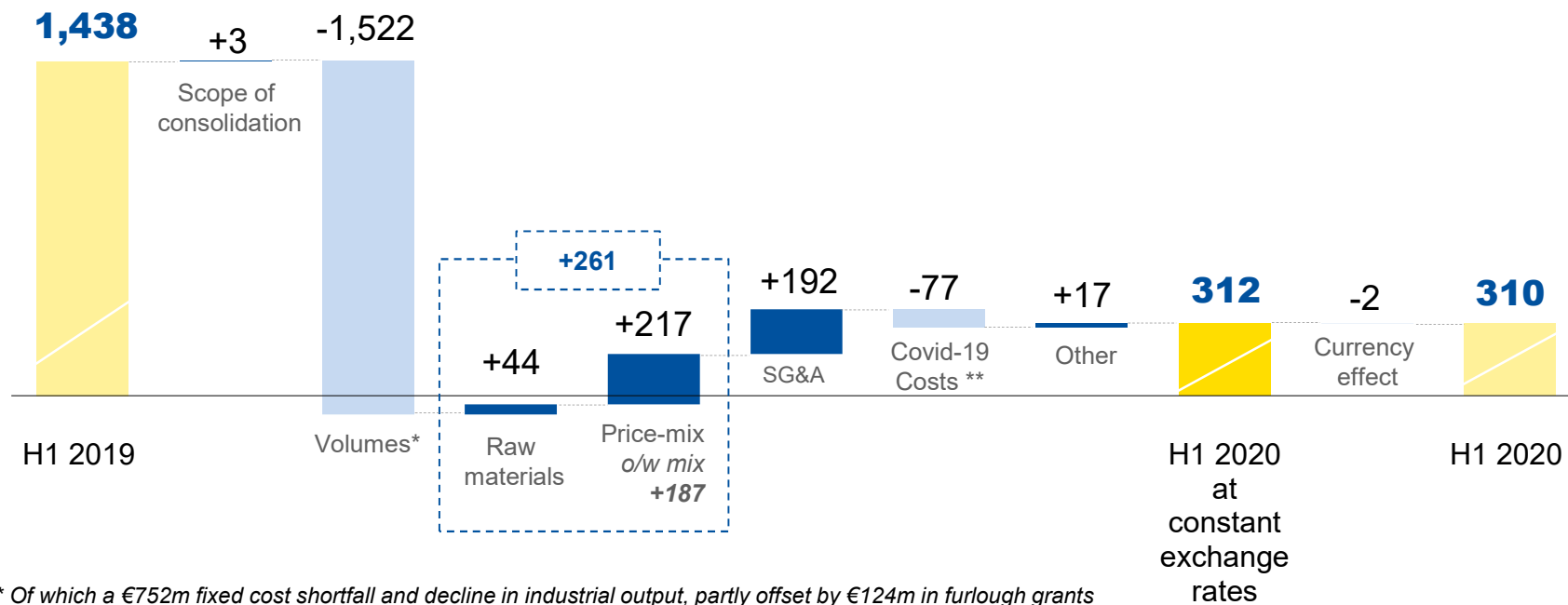




H1 2020 SOI: deep fixed cost shortfall due to the drop in volumes, partially offset by a robust price-mix and lower SG&A expenses



YoY change in SOI (in € millions)



* Of which a €752m fixed cost shortfall and decline in industrial output, partly offset by €124m in furlough grants




** supply and manufacture of masks and gels

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At a time of plunging global demand, margin was slightly negative in RS1 and RS2, but highly resilient in RS3

<i>(in € millions)</i>		H1 2020	H1 2019	<i>Change</i>
	RS1 sales	4,394	5,658	-22.3%
	Operating income*	-35	585	-106.0%
	Operating margin*	-0.8%	10.3%	-11.1 pts
	RS2 sales	2,411	3,144	-23.3%
	Operating income*	-30	279	-110.8%
	Operating margin*	-1.3%	8.9%	-10.2 pts
	RS3 sales	2,552	2,979	-14.3%
	Operating income*	375	574	-34.7%
	Operating margin*	14.7%	19.3%	-4.6 pts

* For the segment

Despite the collapse in volumes, the Group continued to enhance the mix across every reporting segment and maintained an assertive pricing policy that more than compensated for the negative impact of indexation clauses, which were applied in particular in the Automotive OE business.

Optimized cash management strengthening the Group's robust financial position and enabling it to deal with the crisis calmly

- Change in free cash flow
(in € millions, including acquisitions and JV financing)

H1 2019 free cash flow	-592
Change in EBITDA	-1,104
Change in trade working capital	+285
Change in tax and interest paid	+281
Change in capital expenditure	+120
Change in M&A and financing for subsidiaries and affiliates	+400
Change in other	+259
H1 2020 free cash flow	-351

- A solid cash position at June 30, 2020

- €2.8bn in cash and cash equivalents
- €1.4bn in commercial paper issued out of a maximum €3.1bn
- €1.5bn in confirmed, undrawn lines of credit
- No significant bonds falling due before 2022

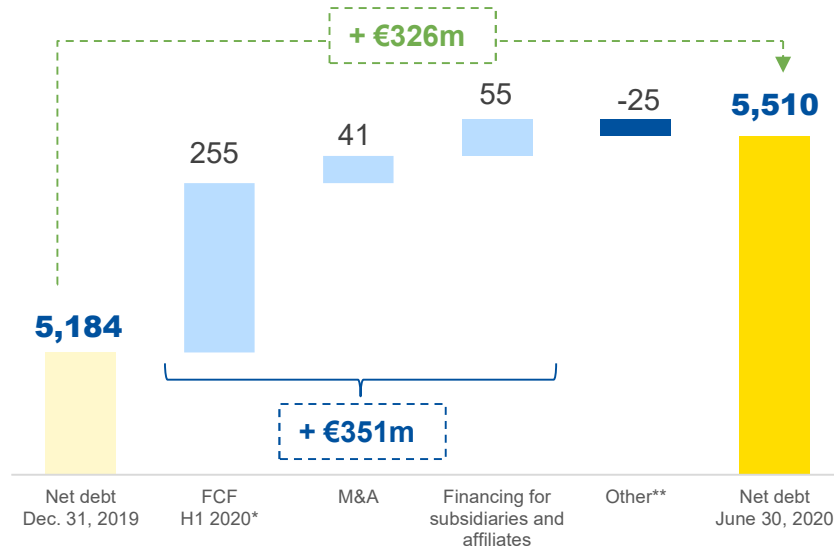
The Group's available sources of financing enabled it to easily pass the stress tests conducted for a period 18 months out



Despite the crisis, net debt remains under control, thanks to management discipline recognized by the rating agencies



Net debt (in € millions)



* Free cash flow excluding M&A and financing for subsidiaries and affiliates
 ** Mainly translation adjustments, share buyback and the impact of new leases

Credit ratings reaffirmed in first-half 2020

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

** Moody's, whose rating is no longer solicited as of July 1, 2020, affirmed the long-term credit ratings of CGEM and CFM on May 14, 2020

2020 market scenario: gradual recovery in demand for PC/LT and Truck tires, vulnerable to a high risk of a major recession



PC/LT : - 20% / -15%

- OE: trend-line improvement in H2 vs. H1, led by China's recovery and the effect of government incentives
- RT: post-lockdown upturn in demand occurring at different speeds depending on the region, in a very fragile economic environment



TRUCK: -17% / -13%

- OE: continued decline in global demand in a very uncertain environment
- RT: demand still significantly depressed in every market except China, which is returning to modest growth



SPECIALTIES : -17% / -13%

- Mining: lower demand in a global economy hurt by Covid-19
- Off-the-road: demand relatively resilient in Agricultural RT tires, but down sharply in Agricultural OE and Infrastructure tires
- Two-wheel: market lifted by its image as a safe form of transportation amid the health crisis
- Collapse in demand for Aircraft tires



2020 scenario*

	2020
Volumes	Growth in line with markets excluding the geomix effect
Cost impact of raw materials prices and customs duties	Positive
Currency effect	Slightly negative based on June 2020 rates**
Net price-mix/raw materials effect	Positive Price / Raw materials: positive

* Based on the following average prices and exchange rates for 2020: natural rubber: \$1.267/kg; butadiene (US, Europe and Asia): \$611/t; Brent: \$39.8/bbl; EUR/USD: 1.092

** See slide 54



2020 guidance excluding any new systemic effect from Covid-19

	2020
Segment Operating Income at constant exchange rates	> €1,200m
Structural FCF	> €500m



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02. Drivers for growth





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

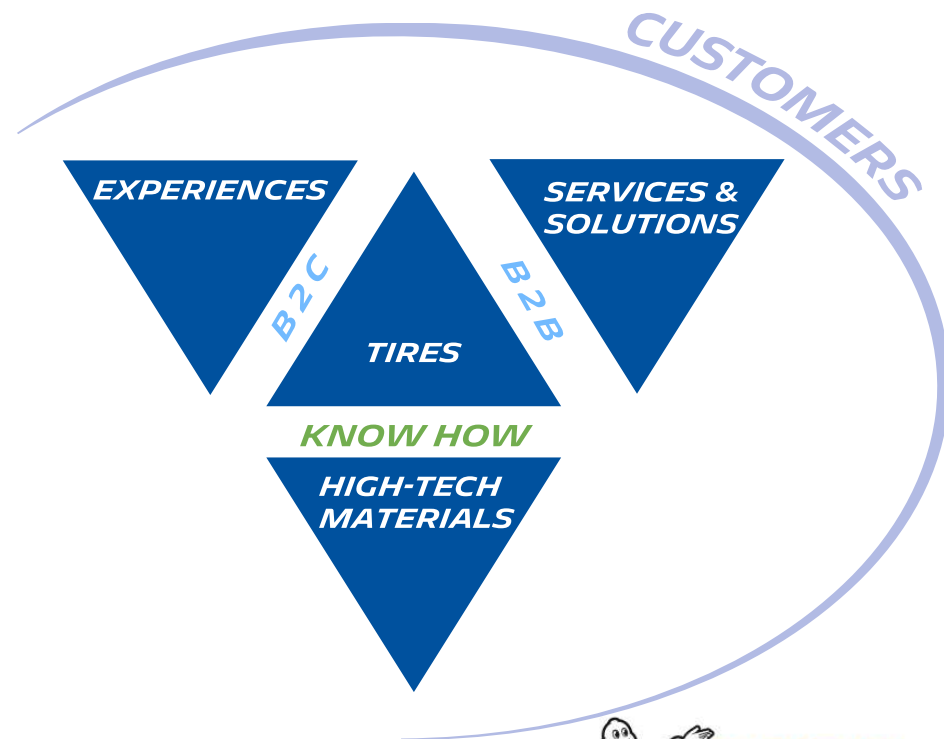


Employee engagement

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

**By Advertising week*

Four areas of growth

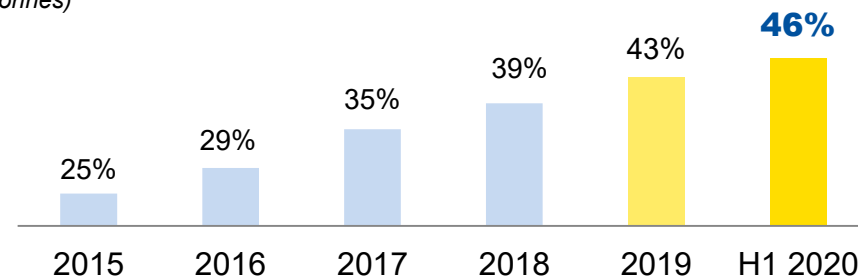


Automotive: market share gains in 18 inch and above, recognition of Michelin's technological leadership



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Percentage of ≥18" tires in total MICHELIN-brand sales (in tonnes)



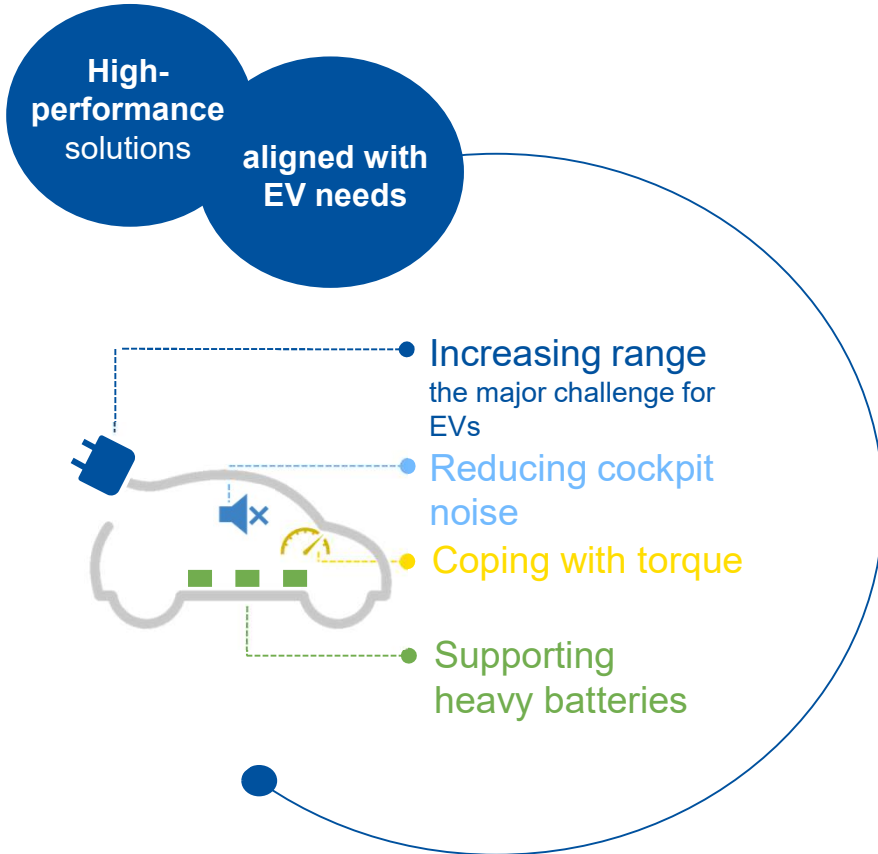
MICHELIN OE/RT loyalty rate in Europe*:



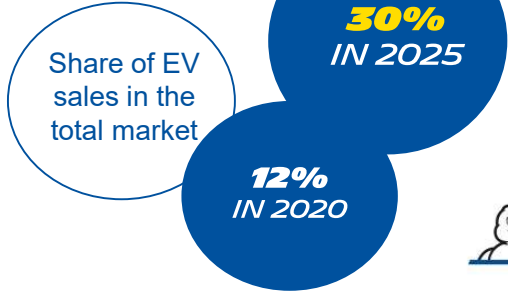
* 1st replacement



Electric vehicles: by leveraging its technological advance, Michelin is strengthening its leadership in a highly demanding, fast-growing market



MICHELIN: THE LEADER IN EV TIRES



Michelin is deploying its circular economy strategy, notably in urban and highway transportation



LOW ENVIRONMENTAL IMPACT TIRES



Launch of the **MICHELIN AGILIS 3**

For light commercial vehicles

On average **1KG LIGHTER** than the previous generation

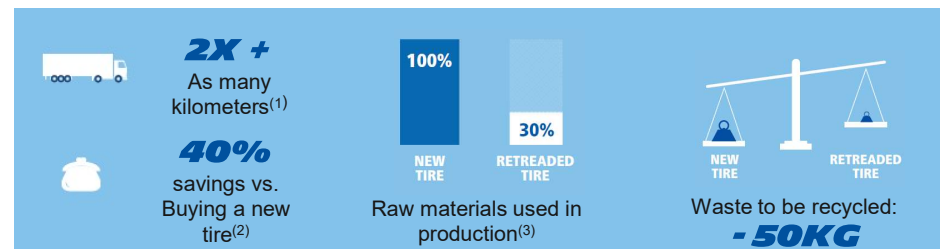
Demonstrating the **LLP* PROMISE**

* Long Lasting Performance



MICHELIN: THE LEADER IN RETREADING

/// environment // economy // safety



(1) With the same casing. In-house Michelin tests in 2013. The lifespan of a MICHELIN Retmix® tire = 97% of the lifespan of a new, same-size MICHELIN tire.
(2) European average, in-house price surveys in 2014 and internet price surveys conducted by an outside organization in 2014.
(3) MICHELIN Retmix® retreading requires only an average 20 kg of raw materials, i.e. 70% less than to make a new tire

- Growth driver for the Group's Road transportation tire business
- Supports Michelin's "All Sustainable" strategy
- Unmatched solutions, thanks to Michelin's robust tire casings
- A profitable business that is more recession-proof than new tires



Michelin strengthens its position in markets with high potential for value creation



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 →

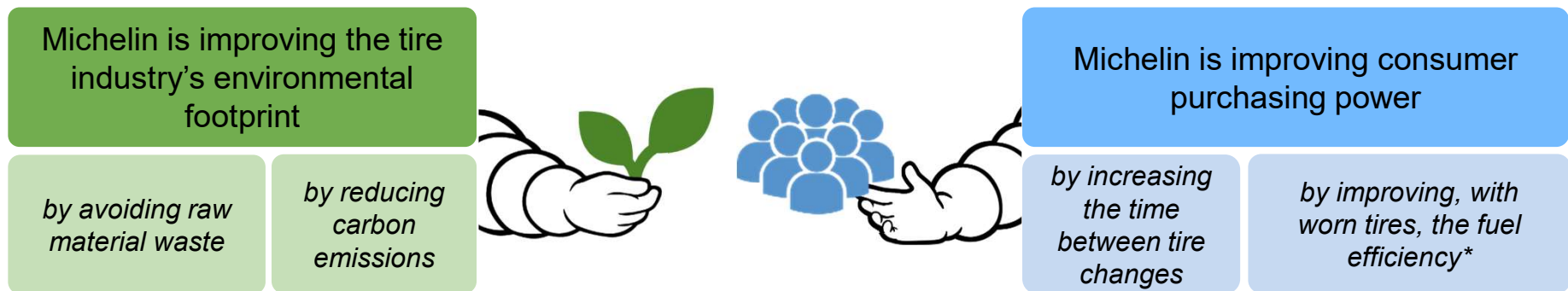


Long-term CAGR
~+3%



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's approach is supported by:
 - The automotive industry
 - The European Parliament

2019

The European Parliament approves worn tire testing

2024-2026

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)*

AIRLESS TECHNOLOGY « PUNCTURE PROOF »

Benefits for car owner

*More serenity during
the journeys*

**Co-developed
with General Motors**

Benefits for fleet owners and professionals

Productivity optimisation

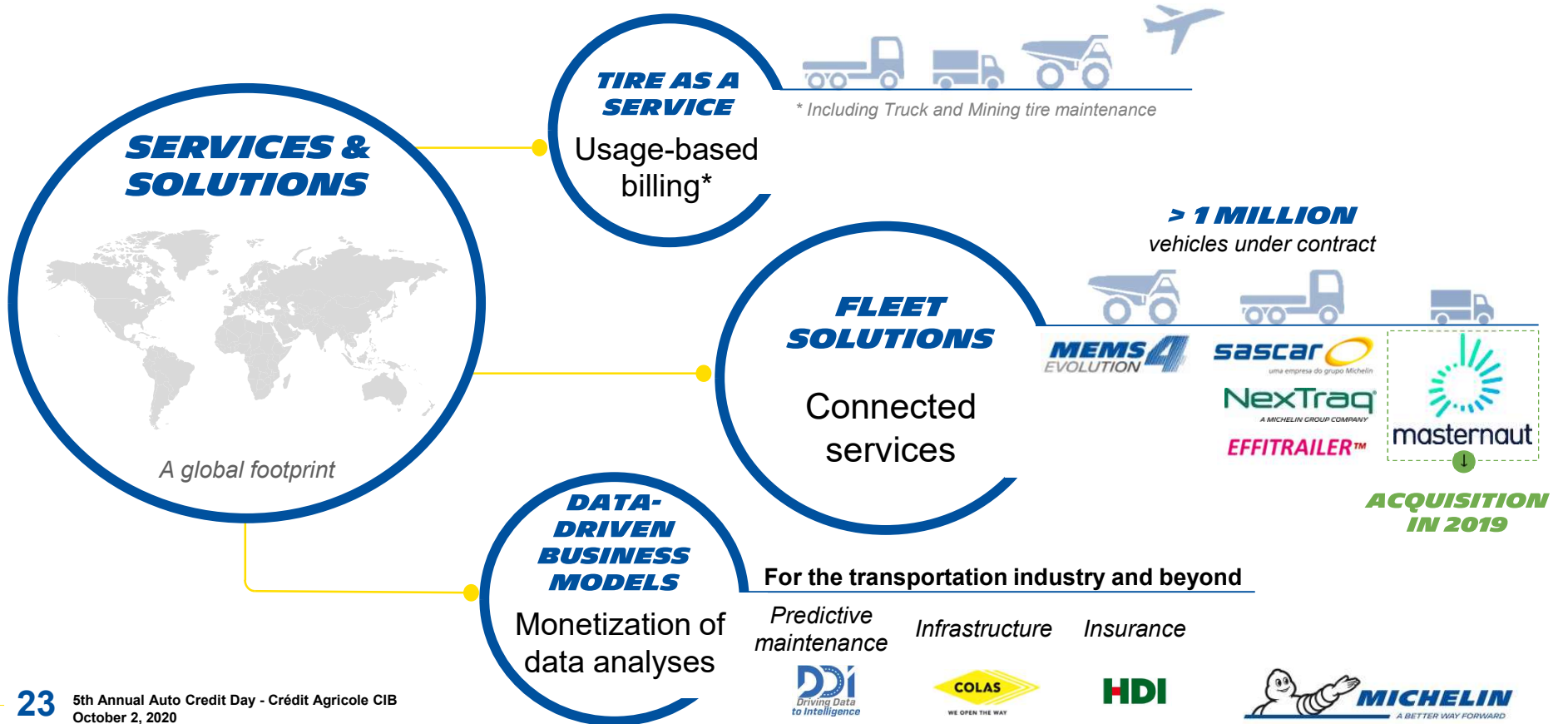
Benefits for all
*Material savings and
waste reduction*



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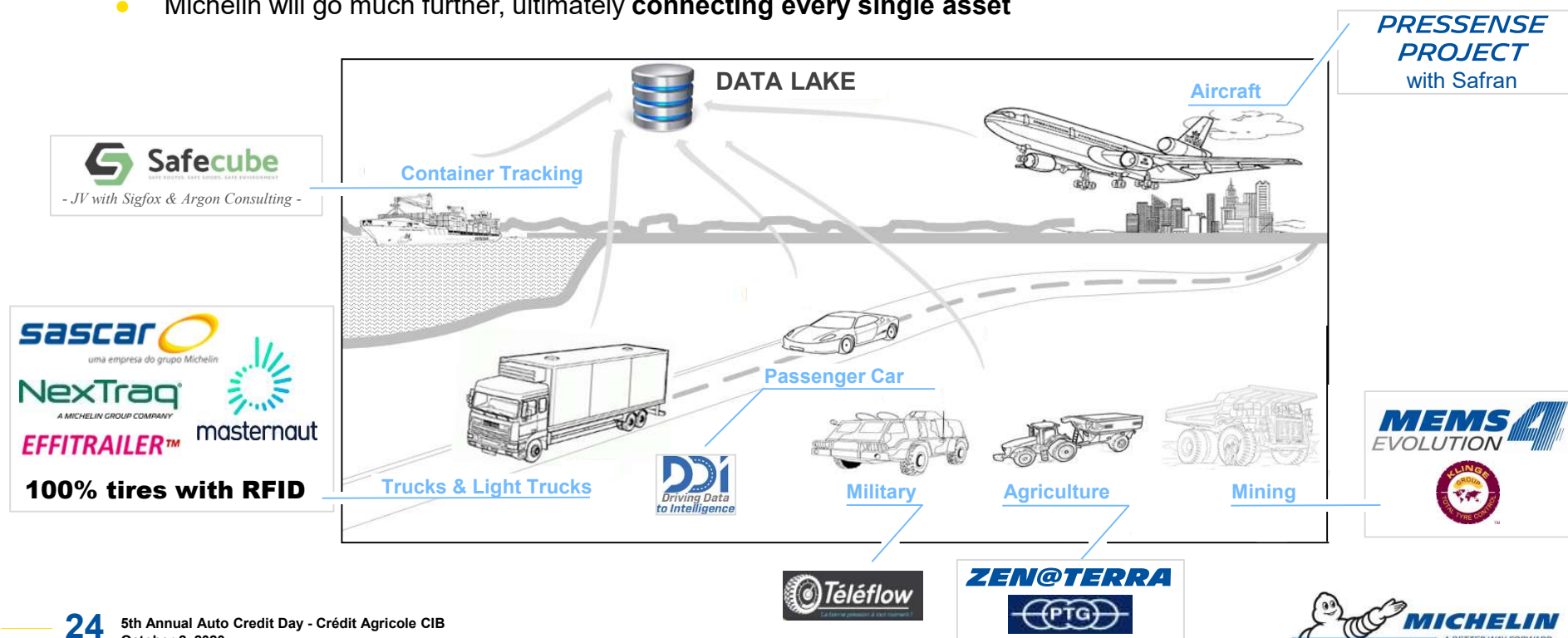


Services & Solutions: an expansive offering suited to B2B customer needs



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**

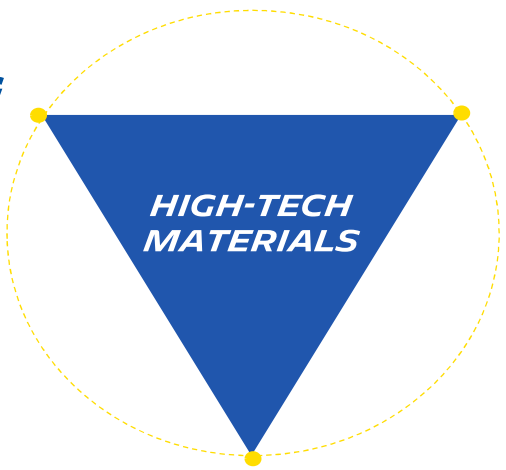




High-Tech Materials strategy: addressing 3 main value chains for a sustainable growth



ADDITIVE MANUFACTURING



FLEXIBLE COMPOSITES

→ Rubber goods



→ Bio-based and clean materials



HYDROGEN MOBILITY



→ End of Life Tire recycling



Michelin aims to become a world leader in hydrogen systems

WITH its expertise in the hydrogen fuel cell technology, notably in the coated membranes technology, **Michelin** is accelerating the deployment of zero-emission mobility:

by partnering with Faurecia to create a leading hydrogen fuel cell system



Photo Renault



by participating in the Zero Emission Valley project (Hympulsion) in France, involving public-private partners

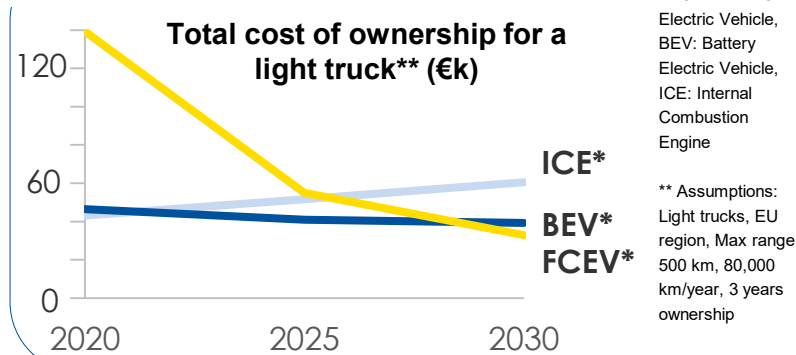
by being the major player in hydrogen competition, a solution accelerator, with Mission H24 partnership

by being a key stakeholder and a trusted third party in hydrogen mobility (Hydrogen Europe, Hydrogen Council, MOVIN'ON...)

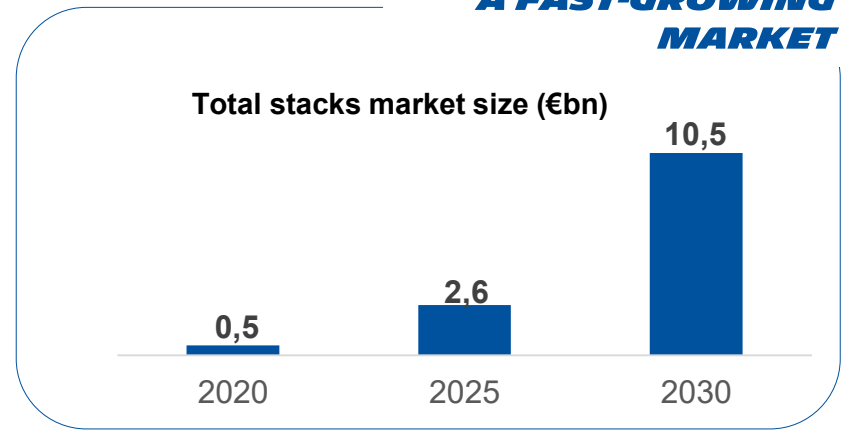


Symbio strong ambitions on a growing and high value creative market

FCEV TCO ON PAR WITH BEV FROM 2027



A FAST-GROWING MARKET



SYMBIO
A FAURECIA MICHELIN HYDROGEN COMPANY

250
employees in 2020

€140M
will be committed by Michelin and Faurecia

3
Production facilities eventually: Europe, Asia and USA

÷ 10
the price of a fuel cell stack + components in the future, (due to growing demand)

2030 outlook

12%
market share

~€1,5BN
in sales





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



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



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03 •

**Drivers for
competitiveness**





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)



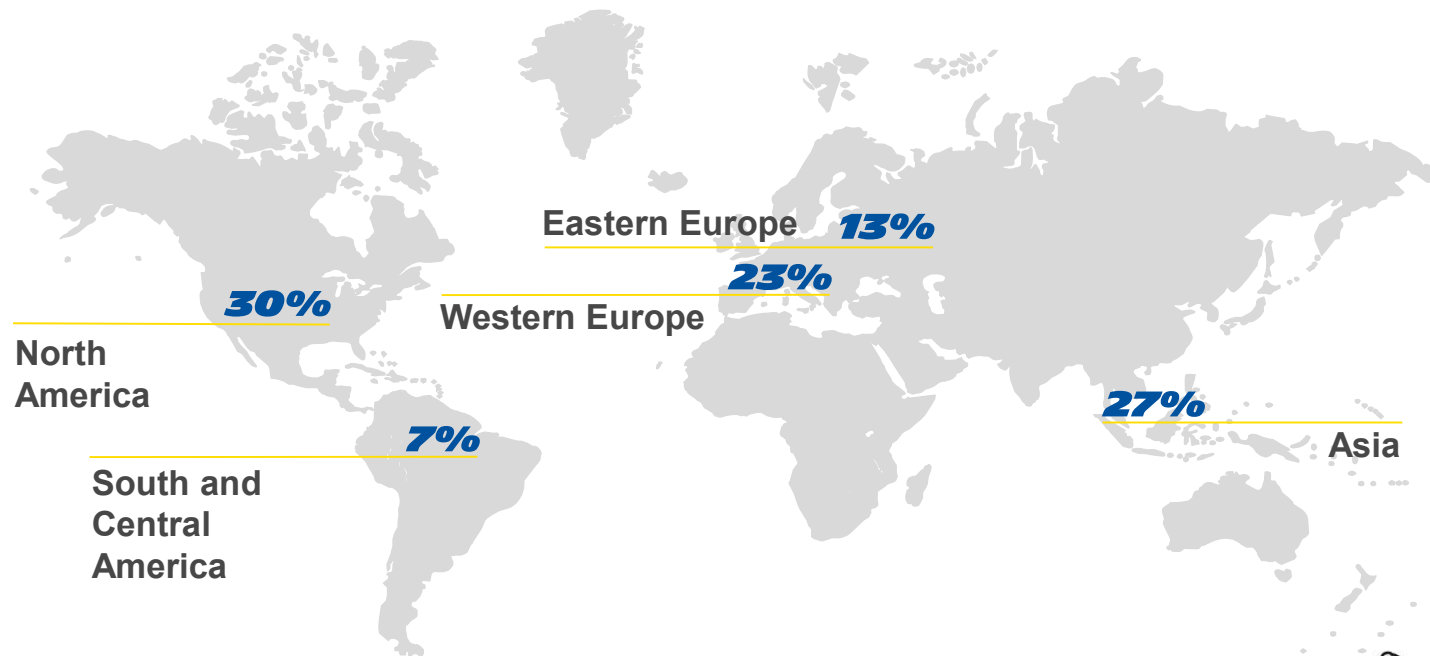
/// PRODUCTIVITY GAINS

- Process standardization
- Empowerment deployment
- Simplicity
- Digital manufacturing



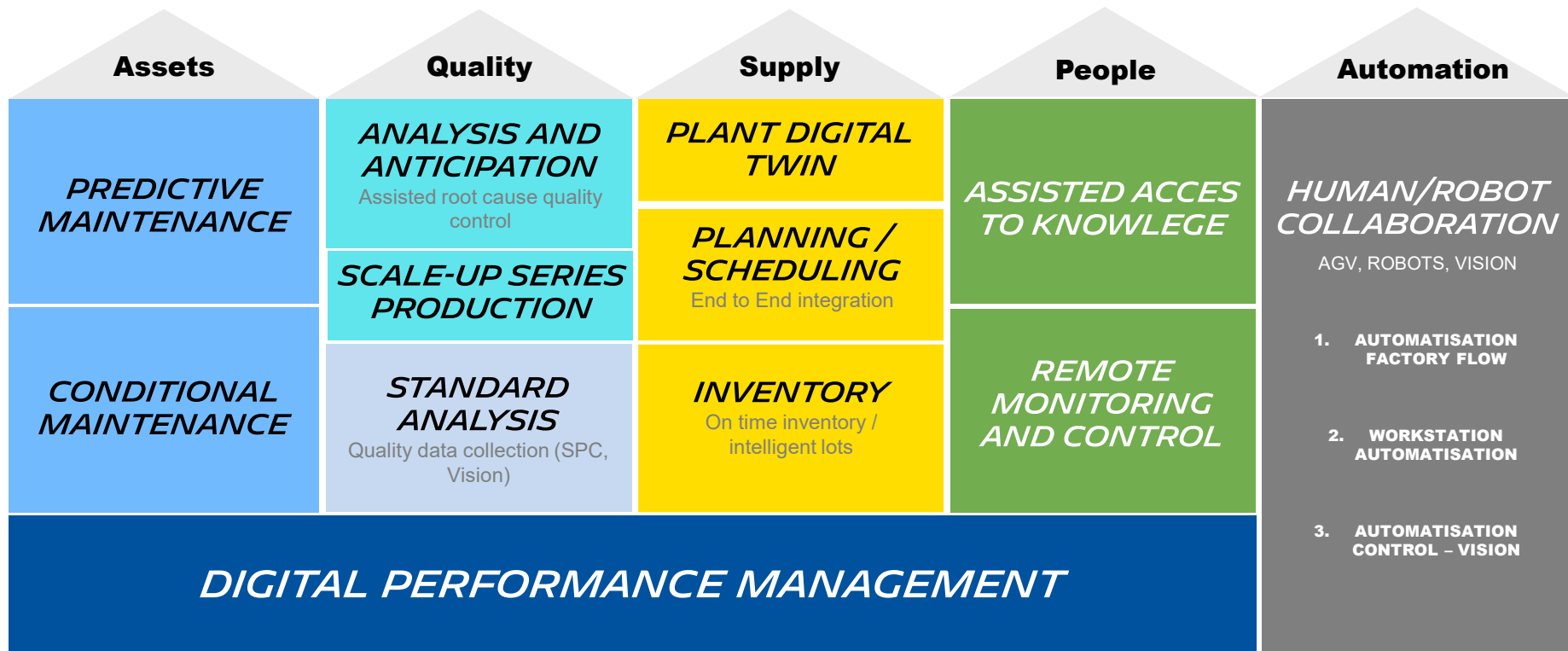
Continuing to rightsize Michelin's manufacturing footprint

- 2023 production capacity by region (in kt)
Including Camso and Multistrada





Digital manufacturing: 50 demonstrators launched

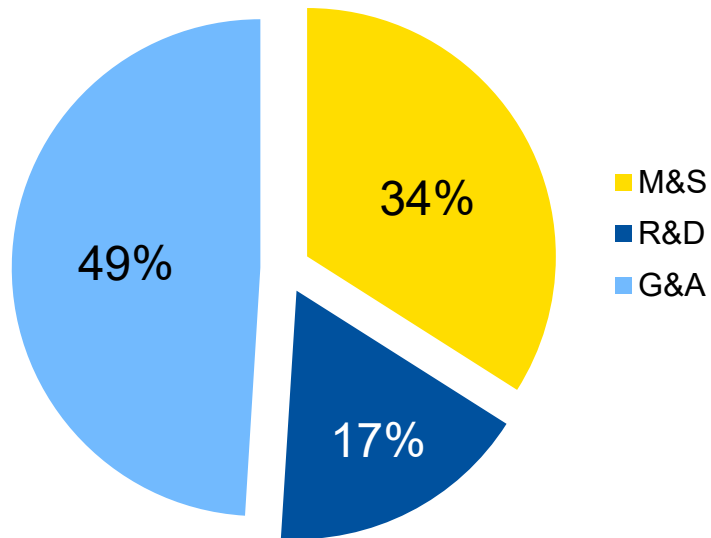




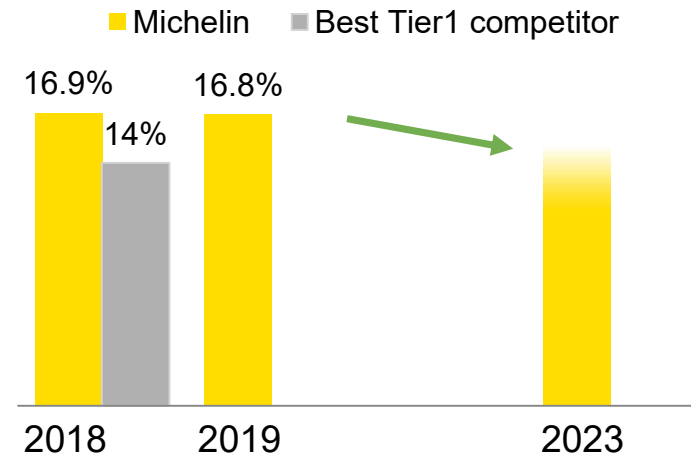
Beyond 2020: continue to target SG&A benchmark levels



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



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04

Financial profile



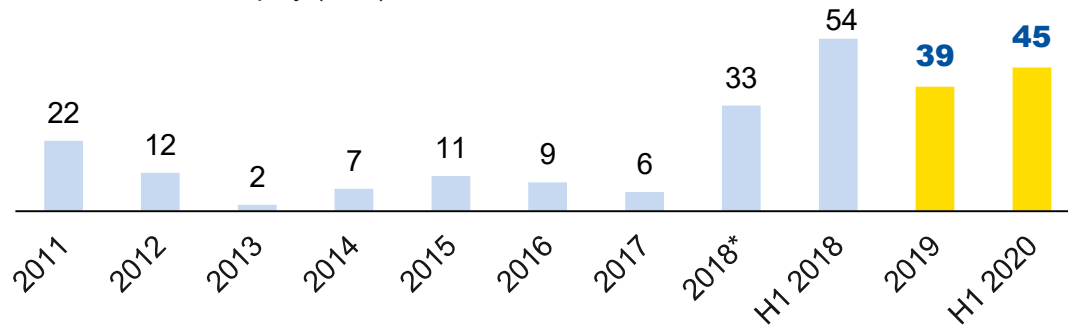


A robust balance sheet after recent acquisitions, confirmed by the rating agencies

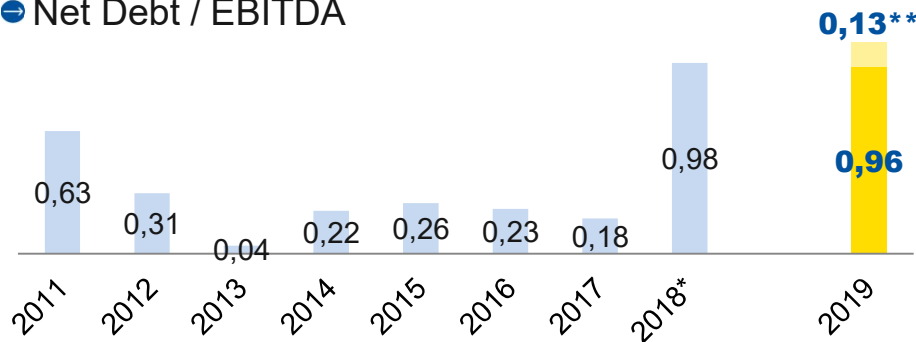


Gearing

Net debt / equity (in %)



Net Debt / EBITDA



* 2018 restated for Camso PPA impact on the balance sheet

**IFRS 16 impact

Credit ratings reaffirmed in first-half 2020

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

Last rating actions:

- May 18, 2020 : Moody's, whose ratings is no longer solicited as of July 1, 2020
- May 19, 2020 : S&P
- May 29, 2020: Fitch

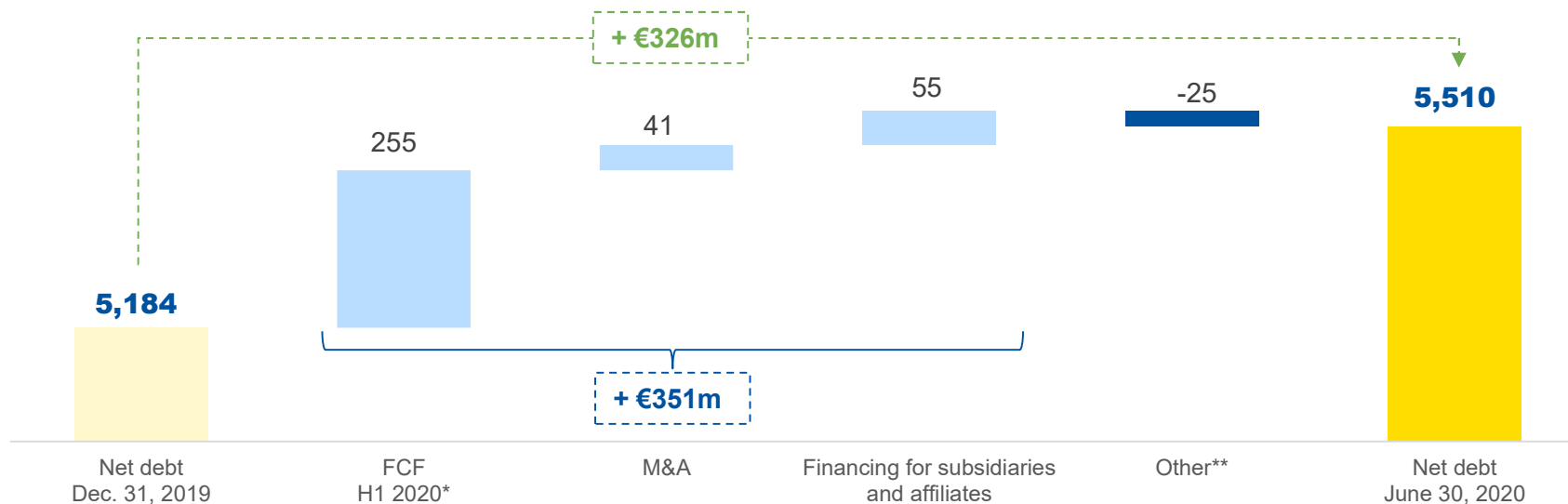




Despite the crisis, net debt remains under control, thanks to management discipline recognized by the rating agencies



Net debt (in € millions)



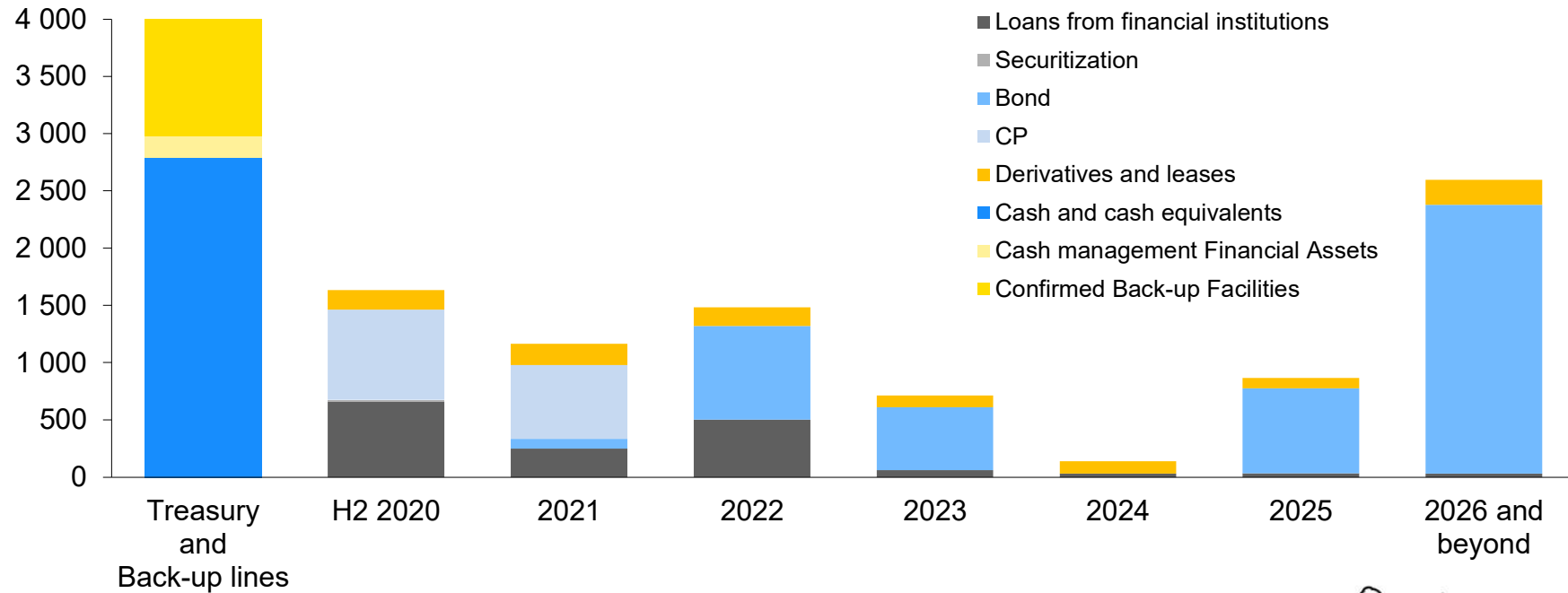
* Free cash flow excluding M&A and financing for subsidiaries and affiliates

** Mainly translation adjustments, share buyback and the impact of new leases



A comfortable cash position

Debt maturities at June 30, 2020 *(carrying amount, in € millions)*





Outstanding bond issues (as of June 30, 2020)



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	€ 209 mn + TAP € 93 mn	€ 300 mn	€ 300 mn
Offering price	99,099%	99,262%	99,363%	95,50%	100% & 103,85%	98.926% & 118.66 %	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)	at issuance : BBB+ (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) --- as of 01/July/2020, S&P and Fitch are sollicitated agencies							
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-May-15	19-May-15
Maturity	3-Sept.-25	3-Sept.-30	3-Sept.-38	10-Nov.-23	10-Jan.-22	30-Sept.-45	28-May-22	28-May-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



- Total cash @ 2'990 Millions € : 2'810 M€ of cash& cash equivalent + 180 M€ of financial assets – treasury management at June 30, 2020
- 1'500 M€ of an undrawn committed syndicated credit facility refinanced in December/2014 with 17 banks until December/2021 (in course of being refinanced for 3+1+1 years with, most probably, a significantly higher amount up to 2'000 – 2'500 Millions €) :
 - Back-up facility
 - EUR and/or USD
 - No financial covenants
- Main short-term debt programs :
 - French Commercial Papers (NEUCP) : maximum @ 2.500 M€ (since May/2019)
 - US Commercial Papers (USCP) : 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 program

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

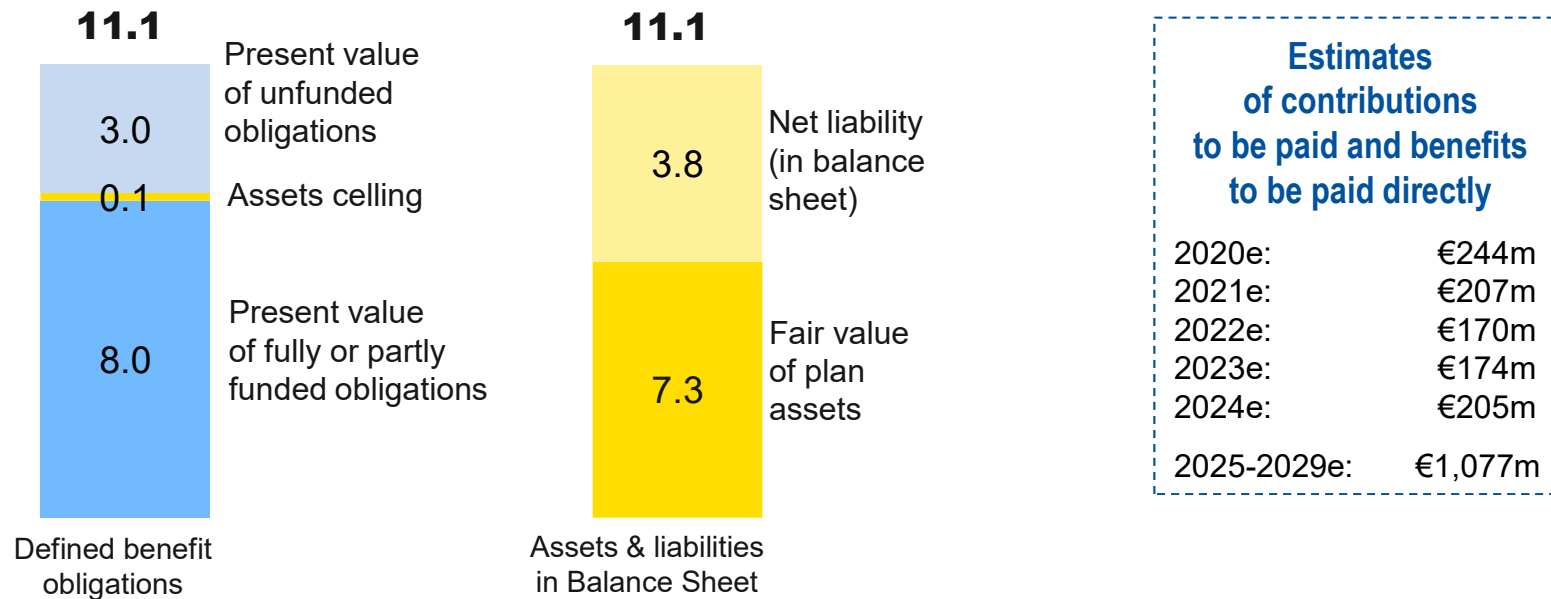
- **Liquidity risk:**
 - Secured financing : RCF, undrawn committed syndicated credit facility of 1'500 M€ (in course of being refinanced and increased up to 2'000-2'500 M€)
 - Diversified financing sources
 - Conservative approach with available short- term instruments much above our needs
 - Non-risky 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, 2019



➔ (in € billions)





Reported 2019 financial highlights: P&L

<i>(in € millions)</i>	2019	<i>(as a % of net sales)</i>
Net sales	24,135	
Cost of sales	(17,053)	70.7%
Gross income	7,082	29.3%
Sales and marketing expenses	(1,380)	5.7%
Research and development expenses	(687)	2.8%
General and administrative expenses	(1,987)	8.2%
Other operating income and expenses	(19)	0.1%
Operating income from recurring activities	3,009	12.5%
Operating income/(loss) from non-recurring activities	(318)	1.3%
Operating income	2,691	11.1%
Cost of net debt	(330)	1.4%
Other financial income and expenses	(5)	0.0%
Net interest on employee benefit obligations	(98)	0.4%
Share of profits and losses from associates	(22)	0.1%
Income before taxes	2,236	9.3%
Income tax	(506)	2.1%
Net income	1,730	7.2%



Reported 2019 financial highlights: Balance Sheet

ASSETS (in € millions)	December 31, 2019
Goodwill	2,388
Intangible assets	2,280
Property, plant and equipment	13,169
Non-current financial assets and other assets	796
Investments in associates	1,087
Deferred tax assets	814
Non-current assets	20,534
Inventories	4,694
Trade receivables	3,532
Current financial assets	396
Other current assets	1,055
Cash and cash equivalents	1,466
Current assets	11,143
TOTAL ASSETS	31,677

EQUITY AND LIABILITIES (in € millions)	December 31, 2019
Share capital	357
Share premiums	2,789
Reserves	10,080
Non-controlling interests	3
Equity	13,229
Non-current financial liabilities	5,923
Employee benefit obligations	3,873
Provisions and other non-current liabilities	1,104
Deferred tax liabilities	455
Non-current liabilities	11,355
Current financial liabilities	1,158
Trade payables	2,627
Reverse factoring contracts	470
Other current liabilities	2,838
Current liabilities	7,093
TOTAL EQUITY AND LIABILITIES	31,677

October 02, 2020

**5th Annual Auto Credit Day
Crédit Agricole CIB**



04

Conclusion



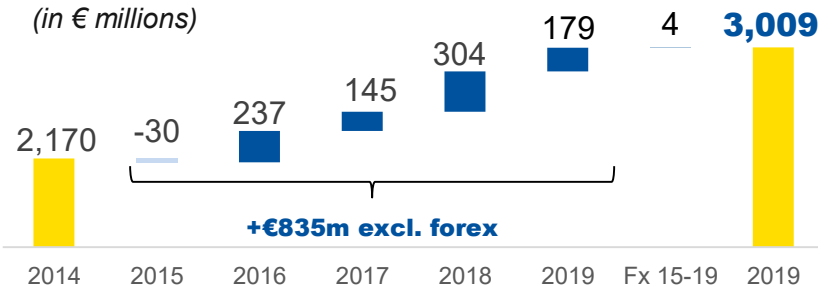


Resilient margins, underlying strengths and robust drivers support confidence in sustainable FCF growth



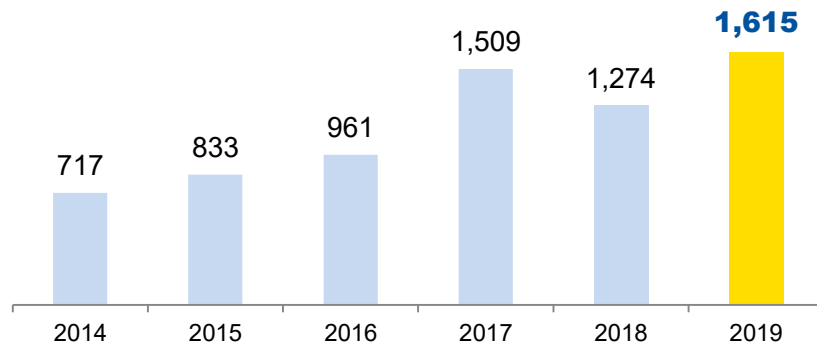
Change in segment operating income 2014 – 2019

(in € millions)



Structural free cash flow 2014 – 2019

(in € millions)



46

5th Annual Auto Credit Day - Crédit Agricole CIB
October 2, 2020

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

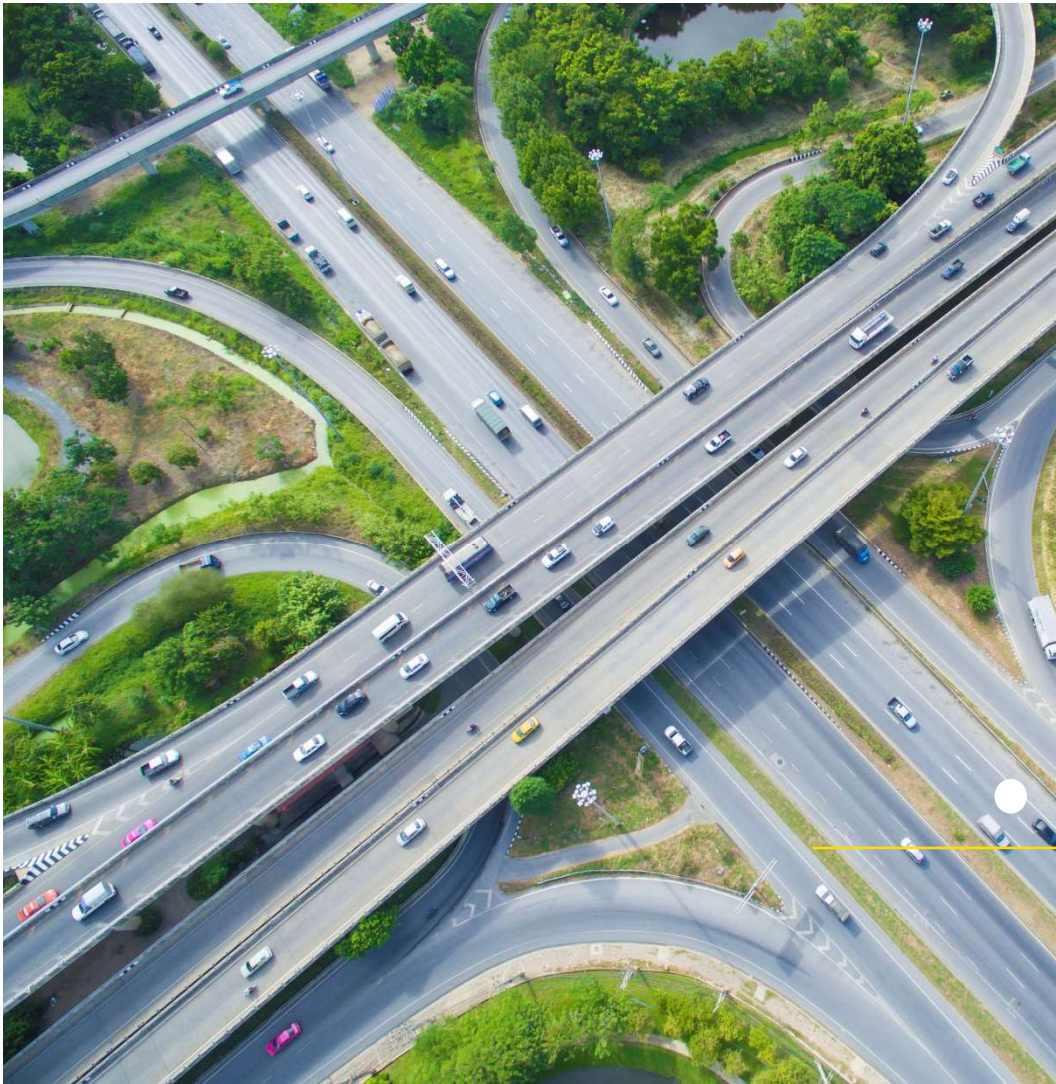




Michelin's non-financial ratings: a leading, and recognized player in sustainable mobility

Major sustainability rating (As of June 30, 2020)

	CDP 2019	ECOVADIS 2019	ISS-OEKOM 2019	MSCI 2019	VIGEO EIRIS 2018	SUSTAINALYTICS 2018
Status	LEADERSHIP 	GOLD 	PRIME 	AA 	A1+ 	OUTPERFORMER
Rating	A-	78/100	B-	7.4/10	68/100	77/100
Ranking / Distribution of ratings	<p><i>Climate change</i></p> <p><i>Water security</i></p>	<p><i>Top 1%(natural rubber)</i></p>		<p><i>1^{er} of 31 in the sector</i></p>	<p><i>7^{ème} of 54 in the sector</i></p>	



October 02, 2020

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Appendices





Investor Calendar

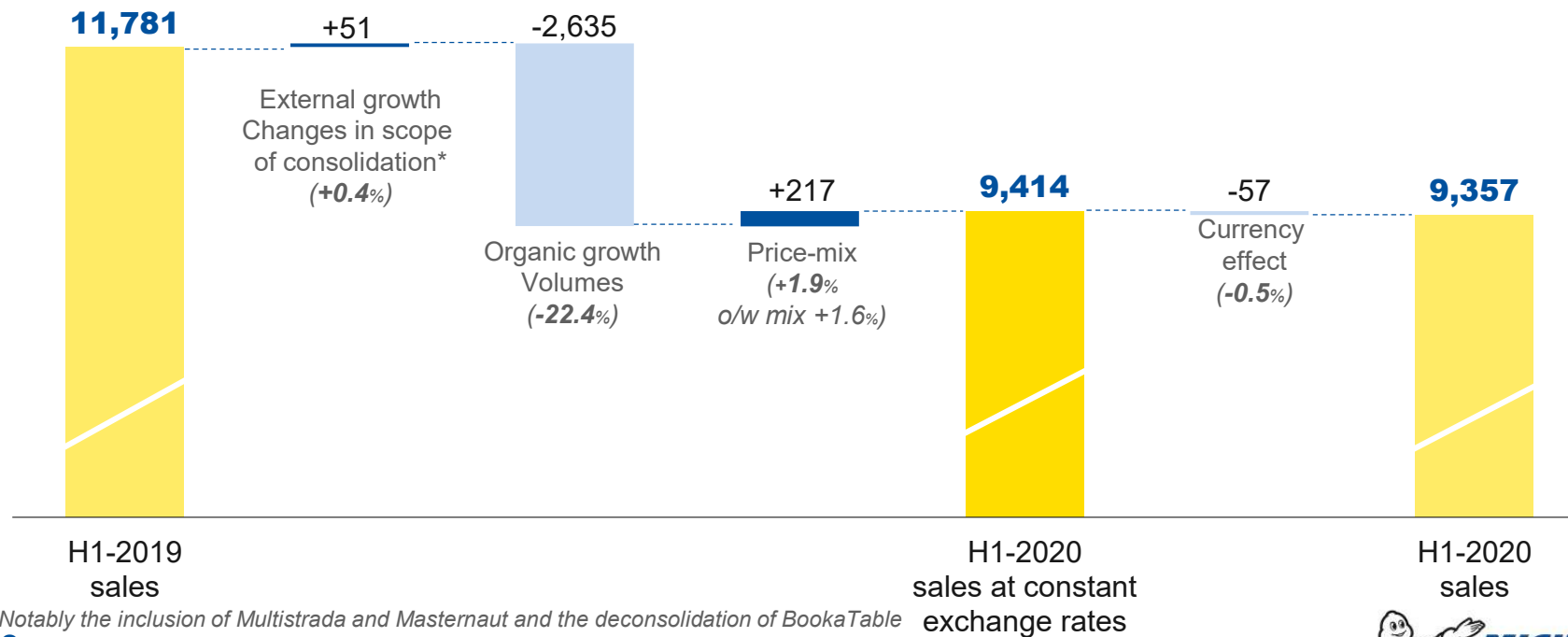
- **Coming events:**

- **October 22, 2020** (after close of trading) : Third-quarter and 9 months 2020 sales
- **February 15, 2021** (after close of trading) : 2020 Annual Results
- **April 8, 2021**: Investor Day



H1 2020 sales: as global tire demand collapsed, sales declined by 20.6%

YoY change (in € millions and %)



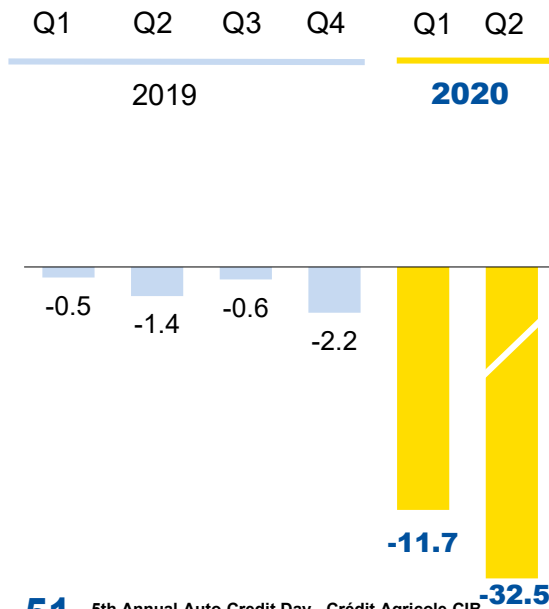
* Notably the inclusion of Multistrada and Masternaut and the deconsolidation of BookaTable



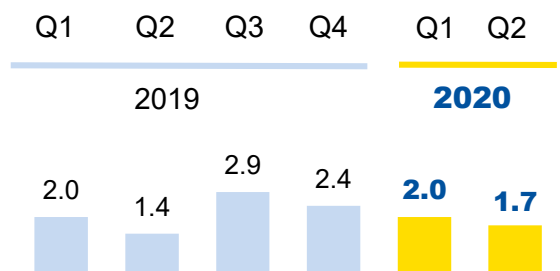
Q2 2020: despite the fall in volumes caused by the health crisis, the Group held prices firm and enhanced the mix

- YoY change, by quarter
(in %)

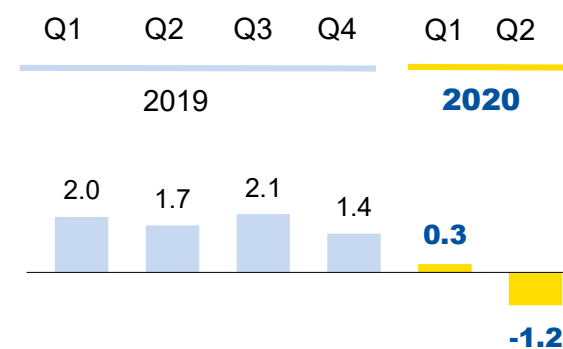
Volumes



Price-mix



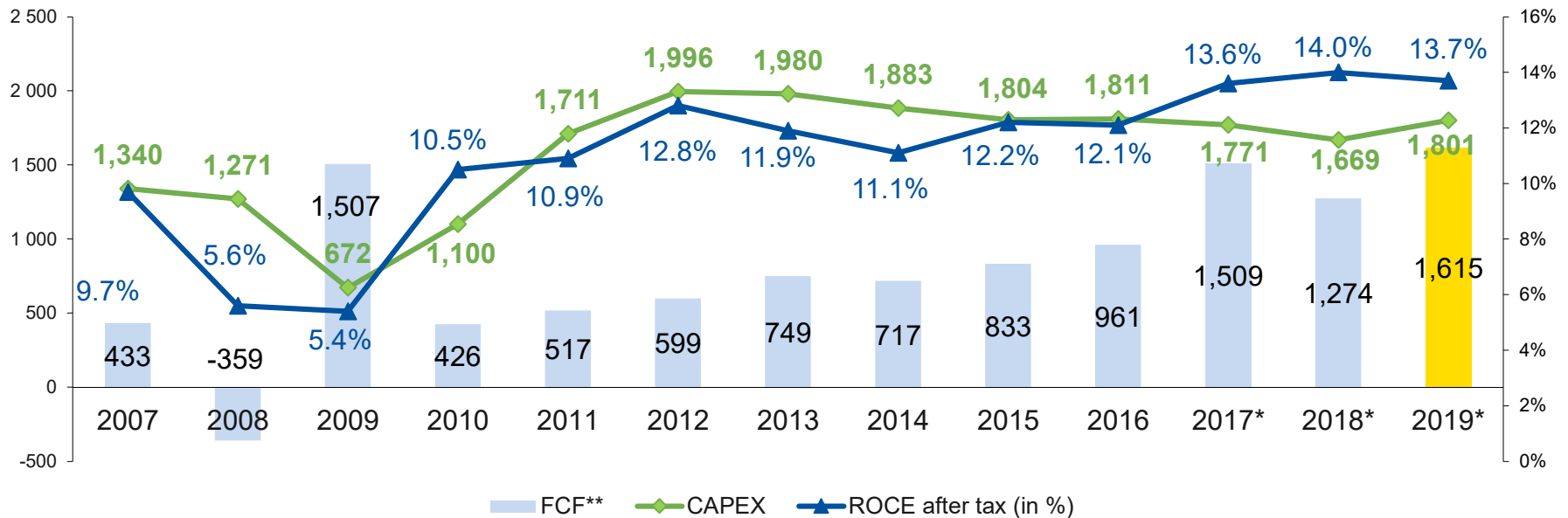
Currency effect





2007 – 2019 : Group capacity to protect and improve its Free Cash Flow generation

2007 - 2019 Free Cash Flow, CAPEX & 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

** Reported FCF from 2007 to 2010, Structural FCF from 2011 onwards.



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 €
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

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



Resilient Specialty businesses amid a severe recession in the global economy



- The Specialty segment's business performance helped to offset the steep drop in the Automotive and Road transportation segments, with :
 - Only a **14%** decline in sales
 - A **15%** operating margin

FENNER CONVEYOR BELTS



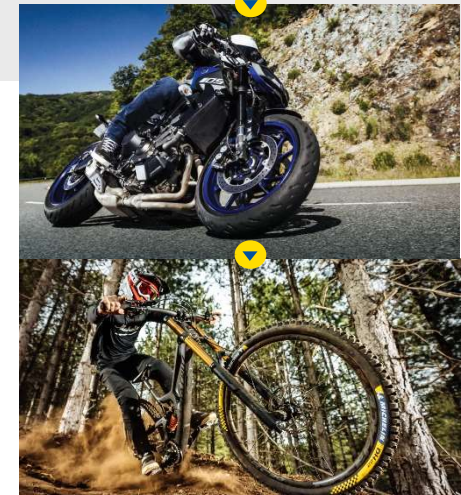
AGRICULTURAL **RT**



MINING



TWO-WHEEL





Partner dealership chains* that showcase the Group's products

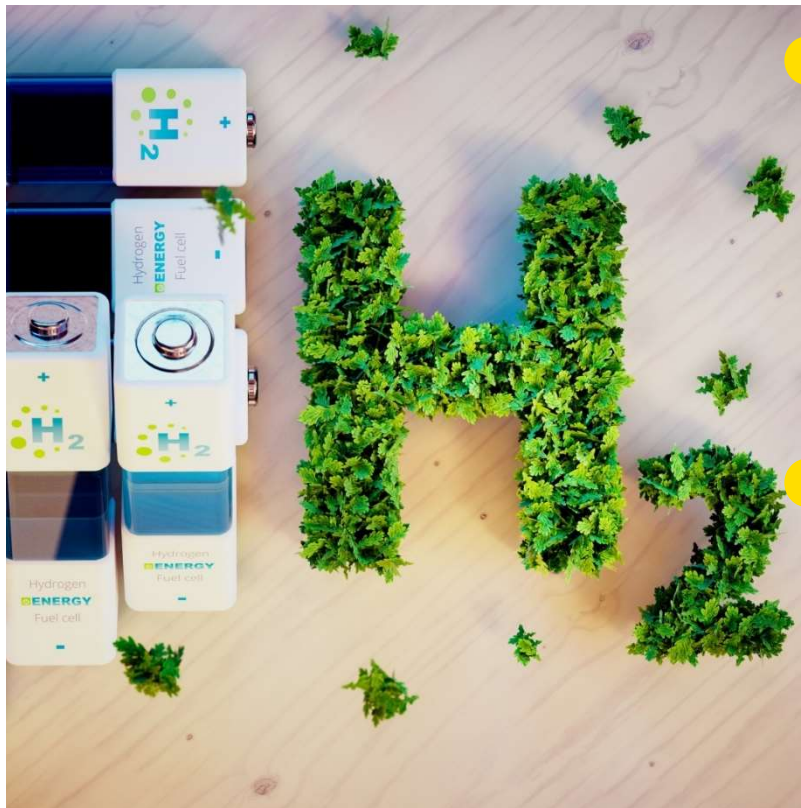
- Michelin boasts industry-leading global coverage



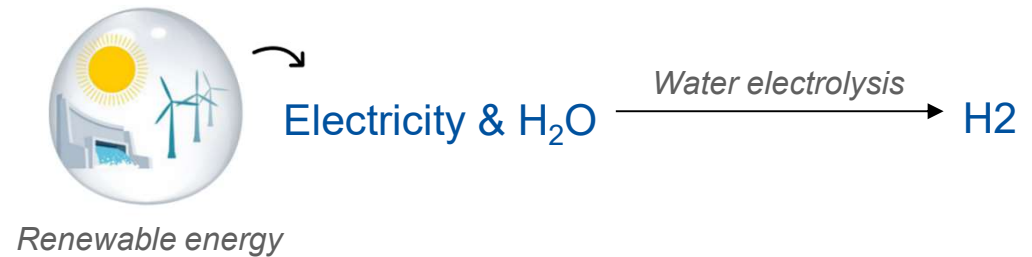
- Partner wholesalers: NTW, Ihle, Meyer Lissendorf
- A vast network of strategic retailers* as of late 2019: ~ 7,500 including Penta in Indonesia following the acquisition of Multistrada

*Proprietary or franchised dealers, plus minority stakes in partners

Hydrogen mobility is the unique solution to meet the three challenges simultaneously : pollution, greenhouse gases and energy transition



▶ **GREEN H2 PRODUCTION** (zero CO₂ emission)

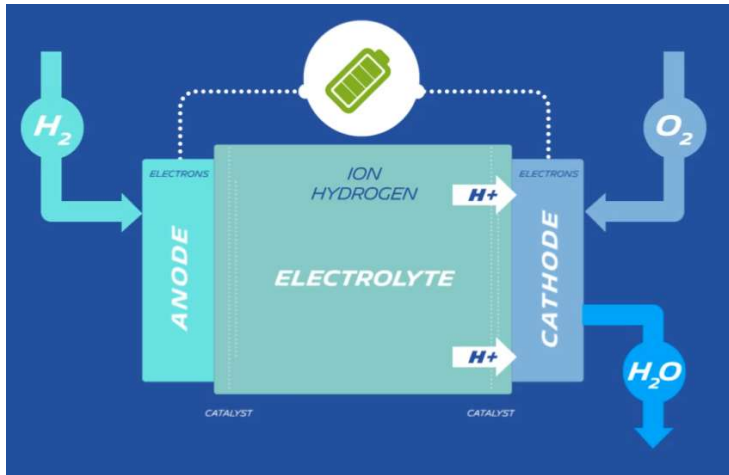


▶ **MAIN USES OF H2**

- storing intermittent energies (wind, solar...) electricity production surplus, through electrolysis
- helping decarbonize transportation. Hydrogen vehicles only reject water

3 questions about fuel cells

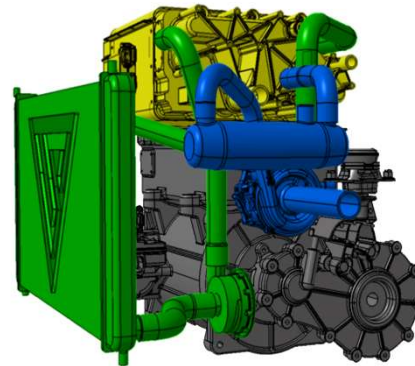
HOW DOES A FUEL CELL WORK?



WHAT IS A FUEL CELL ELECTRIC VEHICLE?



WHAT IS A FUEL CELL SYSTEM?



- Electric transmission
- Stack
- Air system
- Cooling system
- + transformer and controller



The hydrogen mobility, which growth perspectives are significant, is a solution particularly adapted to the professional needs

- A fuel cell car will be able to cover longer distances and offer constant availability for a lighter, smaller system

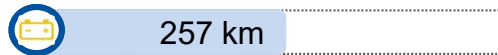


Hydrogen fill-up



Range

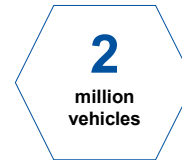
FOR THE SAME SIZE TANK (170 DM3)



FOR THE SAME AMOUNT OF ENERGY + SAME STORAGE (125KG)

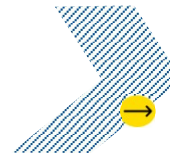


- 2030 market *



* Michelin estimate

- 80% light vehicles (passenger cars and light trucks)
- 20% trucks and buses



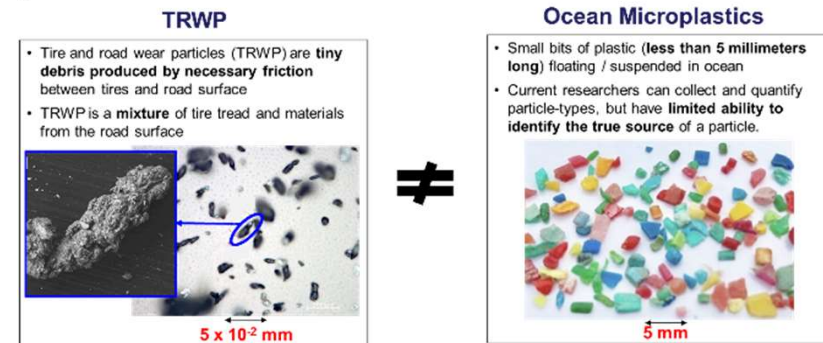
Before approaching passenger car market, **Michelin** has decided to target first **professional markets** as hydrogen is the most appropriate energy for **heavy and long distance transportation**





What are Tire and Road Wear Particles (TRWPs) ?

- TRWPs are tiny debris produced by the friction between tires and the road; this friction is what ensures grip and safety on the road
- The particles are a mixture of rubber and road surface minerals
- They have specific characteristics and behaviors
 - High density: 1.8
 - Big diameter: average size 100 μm
 - High degradability rate



- Scientific studies conducted to date at the request of TIP and ETRMA have shown that 2% to 5% of TRWPs reach estuaries and that around 1% of PM10 and PM2.5 present in the air would be from TRWPs



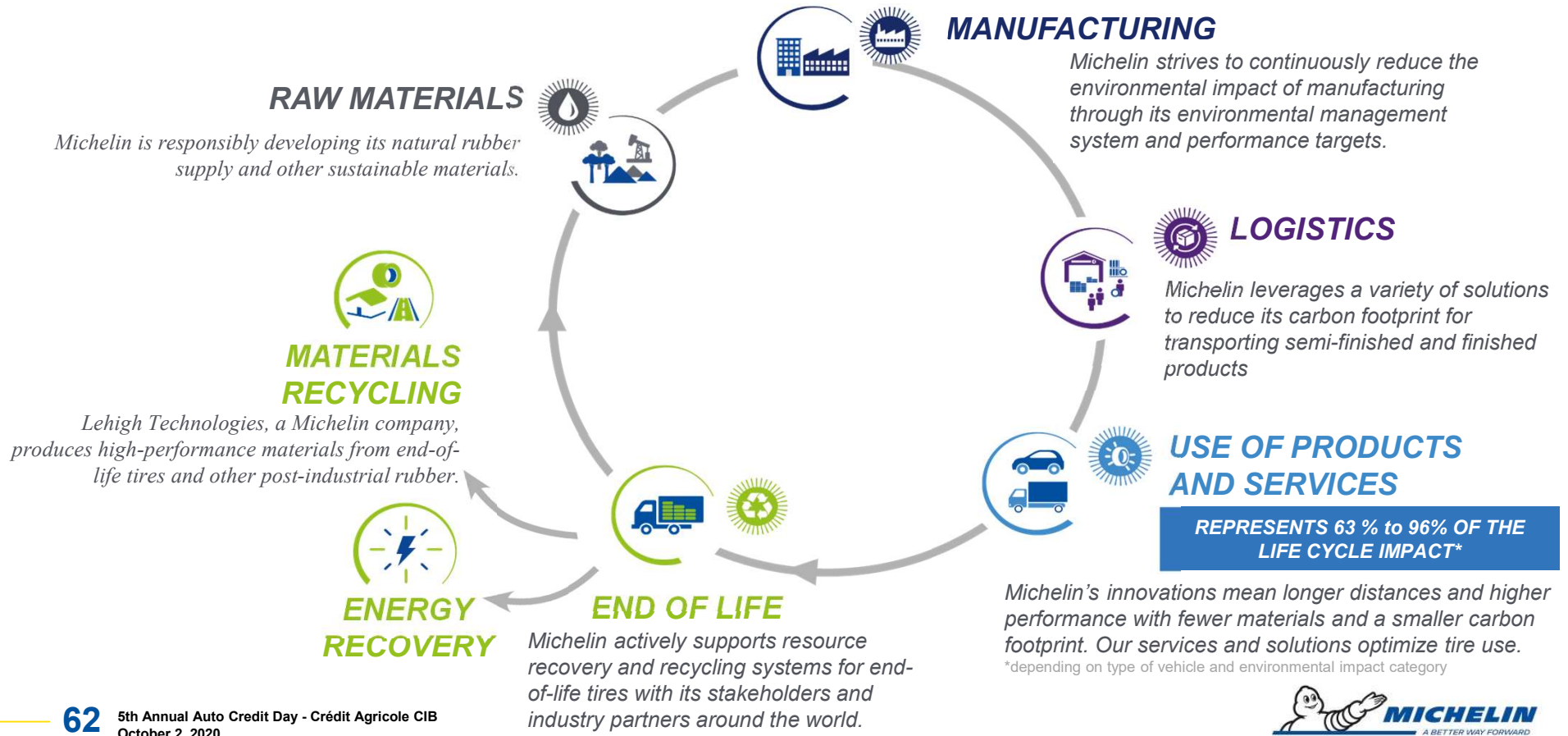
The Group is strongly engaged on the topic of TRWP

The Michelin Group has a dual commitment to reducing abrasion:

- **Individually**, by reducing the abrasion of its own products by leveraging its materials expertise and a design culture/strategy focused on optimizing the use of raw materials and reducing their quantities (less wear, less raw materials)
- **Collectively**, by collaborating with industry and public authority stakeholders to help introduce maximum abrasion limits and support deeper scientific understanding of TRWPs.



Life cycle impact: taking action throughout the life cycle of our products





Focus on circular economy



REDUCE

- Tire performances
- Services & Solutions
- Hydrogen fuel cell development
- Uptis & Vision projects
- Coal exit strategy
- Renewable energy purchasing ramp-up
- Global engagement & partnership (SBTi, Movin'On...)
- Biodiversity commitments
- Less transport, better transport and transport in a different way



REUSE

- Repair, regroove and retread tires
- Vision project



RECYCLE

- Recycle energy
- Collective approach: collect and recover tires
 - TIP
 - Regional associations
 - ELT companies
- Individual approach :
 - Recycle tires: Lehigh Technologies
 - Use tires into tires: Enviro, Lehigh Technologies
- Vision project



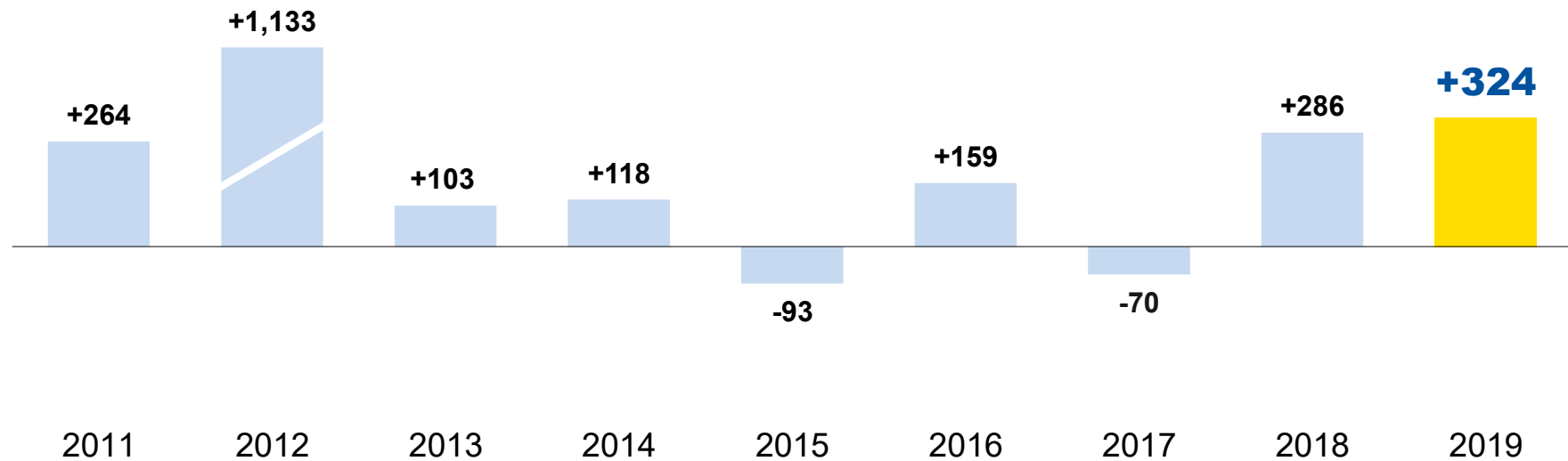
RENEW

- Biodiversity commitments
- Renewable materials projects
 - BioButterfly
 - BioImpulse
 - Natural rubber
- Vision project



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

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





Sales by currency and SOI impact

	% of sales (June 30th LTM)		2020 H1 € change vs. currency	Droptrough sales / ROS*
	USD	37%	-2%	40% / 50%
	EUR	31%	-	-
	CNY	6%	1%	25% / 30%
	AUD	3%	5%	80% / 85%
	GBP	3%	0%	25% / 30%
	BRL	3%	23%	-30% / -20%
	CAD	3%	0%	25% / 30%
	RUB	2%	3%	25% / 30%
	JPY	1%	-4%	80% / 85%

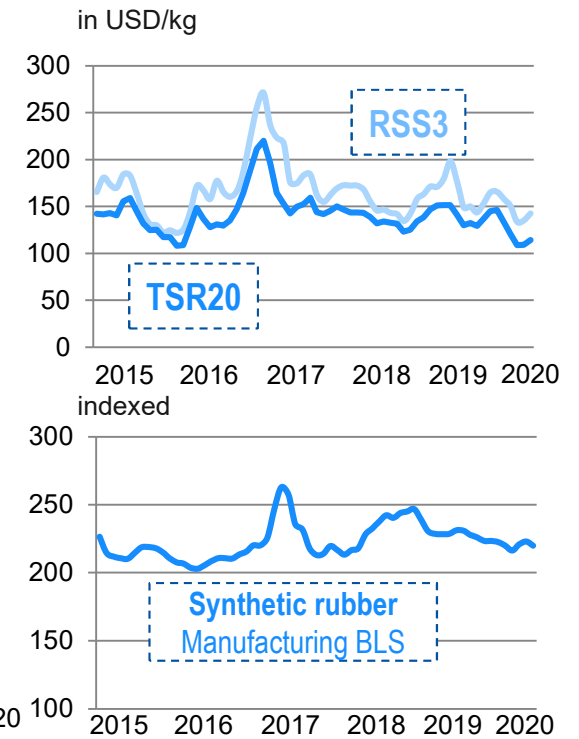
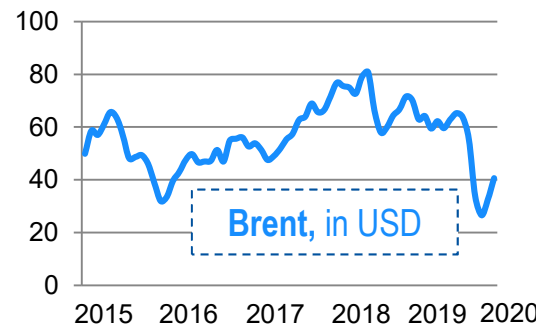
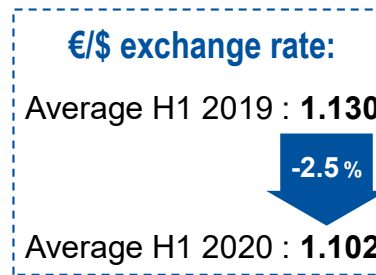
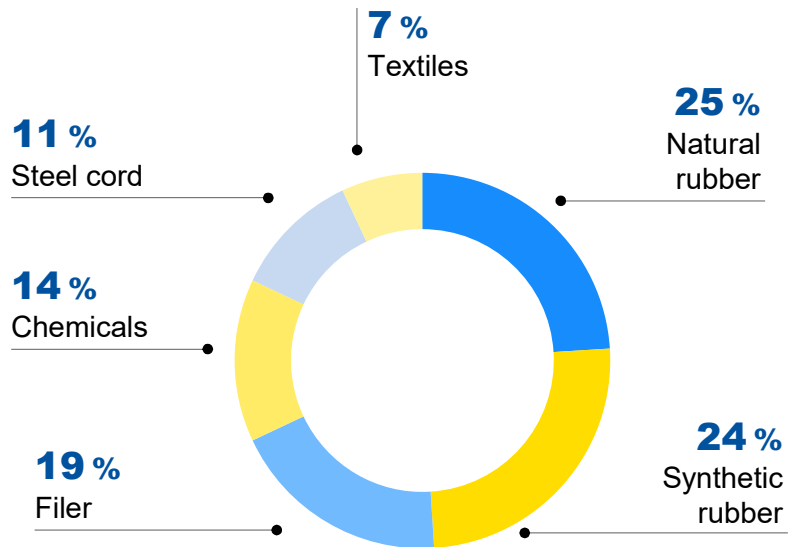
	% of sales (June 30th LTM)		2020 H1 € change vs. currency	Droptrough sales / ROS*
	CLP	1%	17%	80% / 85%
	MXN	1%	9%	25% / 30%
	THB	1%	-3%	-130% / -100%
	TRY	1%	12%	80% / 85%
	SEK	1%	1%	80% / 85%
	TWD	0.6%	-6%	80% / 85%
	ZAR	0.4%	13%	80% / 85%
	ARS	0.4%	52%	80% / 85%
	COP	0.2%	12%	80% / 85%
	Others	4.4%	-	-

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



Raw materials

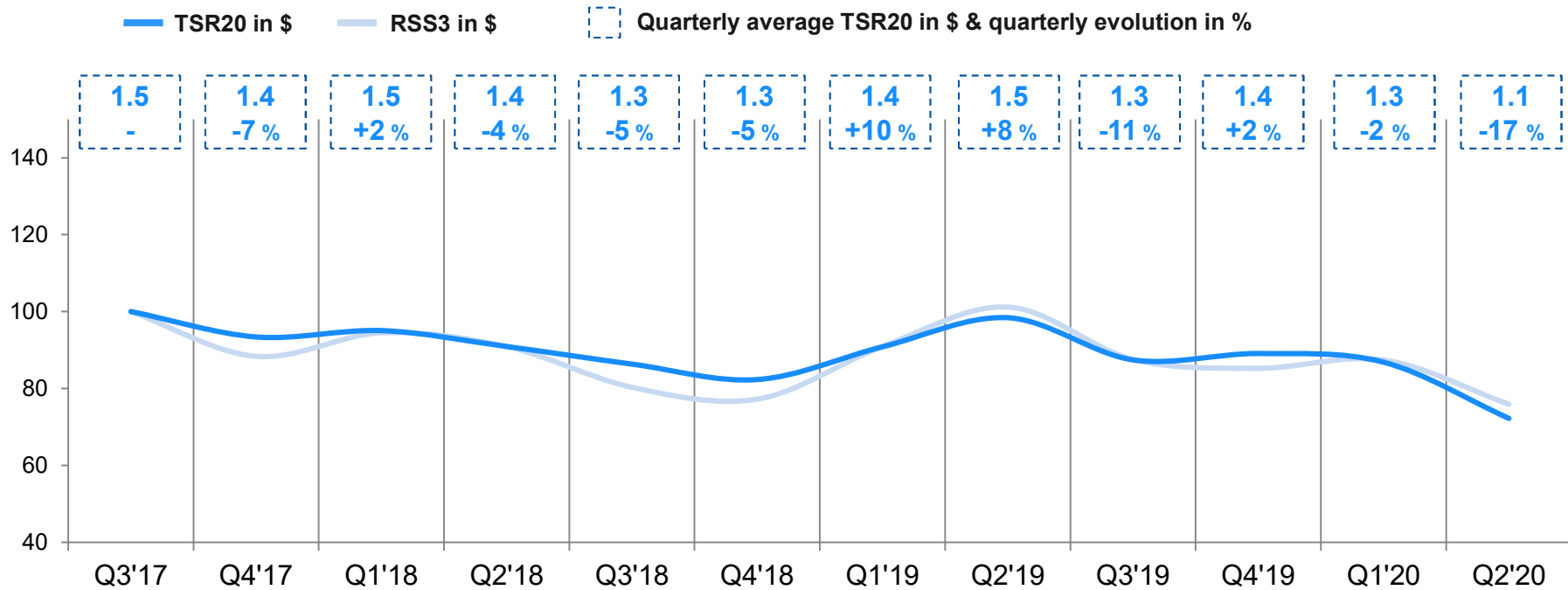
Raw material purchases in H1 2020 (€1.8bn)





Natural Rubber price trend

At end of June 2020 (per kg, base 100 in Q3'17)

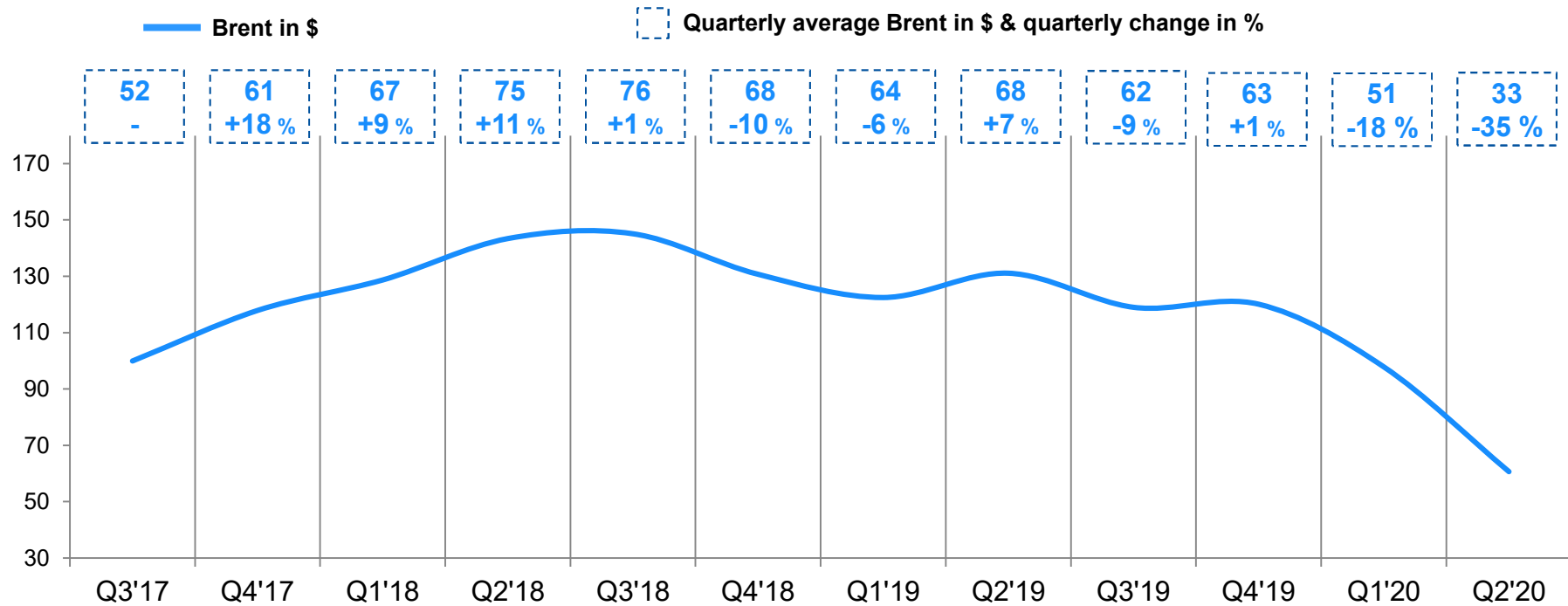


Source : SICOM.



Brent price trend

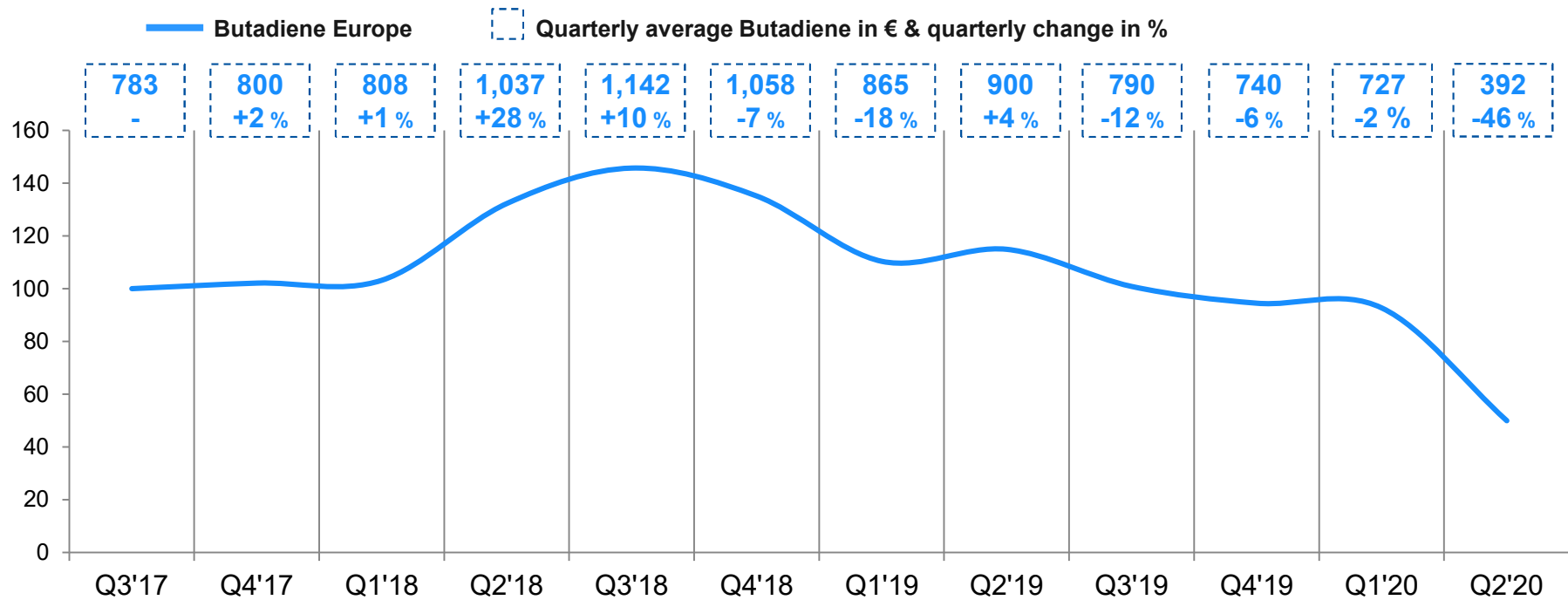
At end of June 2020 (per barrel, base 100 au Q3'17)





Butadiene price trend

At end of June 2020 (per ton, base 100 in Q3'17)





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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