

MICHELIN

Capital
Markets
Day **21**

April 8,
2021



MICHELIN

Capital
Markets
Day

21

2

**2016-2020 ACHIEVEMENTS:
SUCSESSES, CHALLENGES &
TAKEAWAYS**



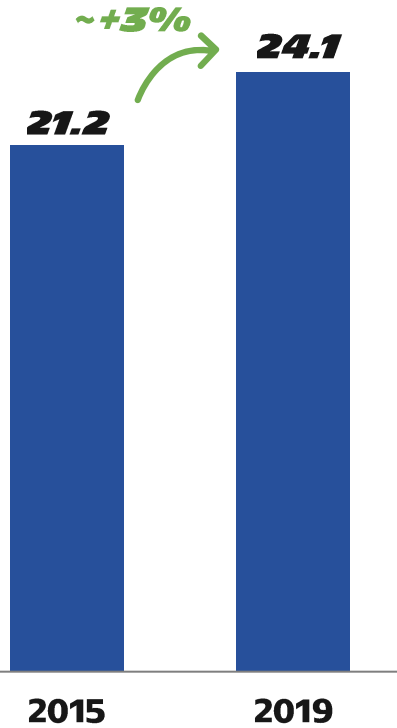
IN 2019, MICHELIN WAS FULLY ON-TRACK TO DELIVER ON ITS "2016-2020 AMBITIONS" PLAN

In € billion, unless otherwise stated



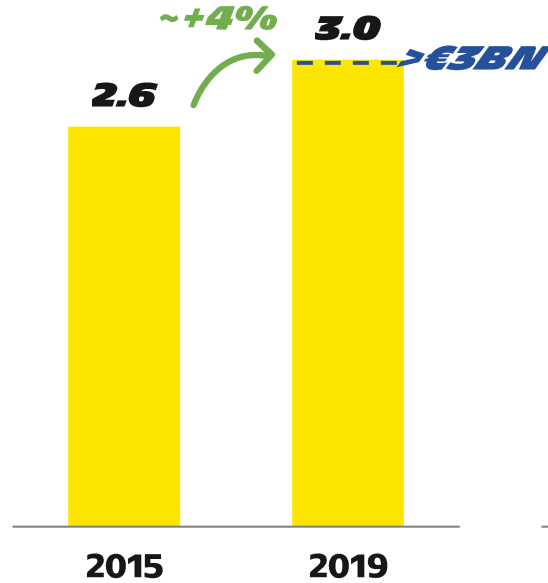
GROWTH

Sales



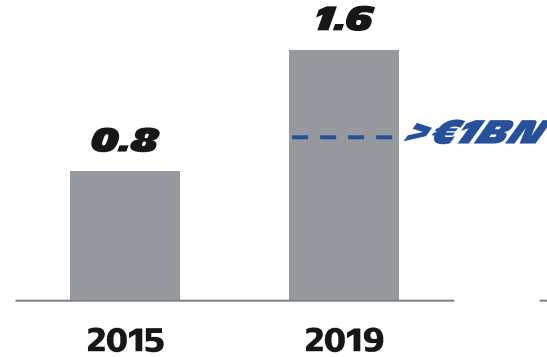
PROFITABILITY

Segment Operating Income



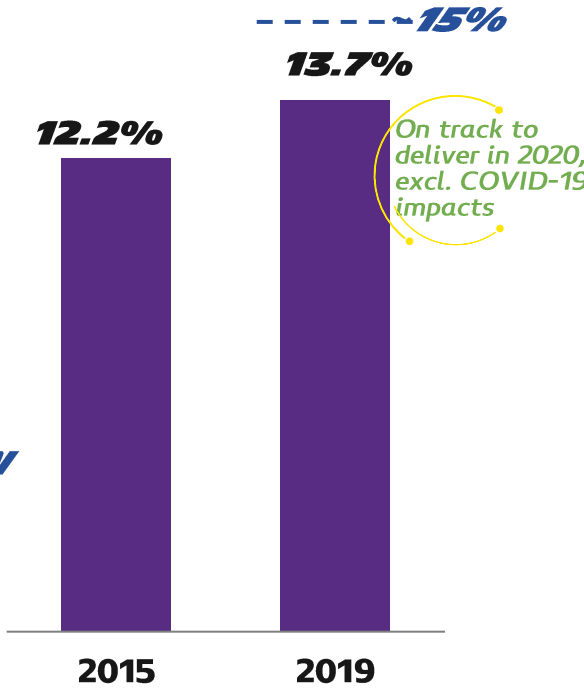
CASH GENERATION

Structural FCF



RETURN ON INVESTMENTS

After-tax ROCE* (%)



* For a definition of the 2016-2020 plan ROCE see chap. 5 of the Universal Registration Document

CAGR (%) / Delta (bps) 2015-2019

--- 2020 target as announced in "2016-2020 Ambitions" Plan

PROFIT



ACTIVE DEVELOPMENT OF OUR FOUR DOMAINS OF GROWTH

TIRES



Organic volume growth:
outperformed the market

+1.1% VS +0.9%*
market growth

External growth
and successful
integration



SERVICES



Successful M&A
strategy to build a
strong asset basis to
address B2B customers

MORE THAN 1.2M
of vehicles under
contract



MATERIALS



Acceleration in our
High-Tech Materials
development

Acquisition of



Development of



**NUMEROUS
INCUBATORS**
around
Renewable/Recycling

EXPERIENCES



Repositioning and
enrichment of our
customers experience
businesses

PREMIUMIZATION
DIGITIZATION
INTERNATIONALIZATION



* CAGR 2015 - 2019



SUCCESSFUL INTEGRATION OF STRATEGIC ACQUISITIONS



STRONG STRATEGIC RATIONALE OF...

2019

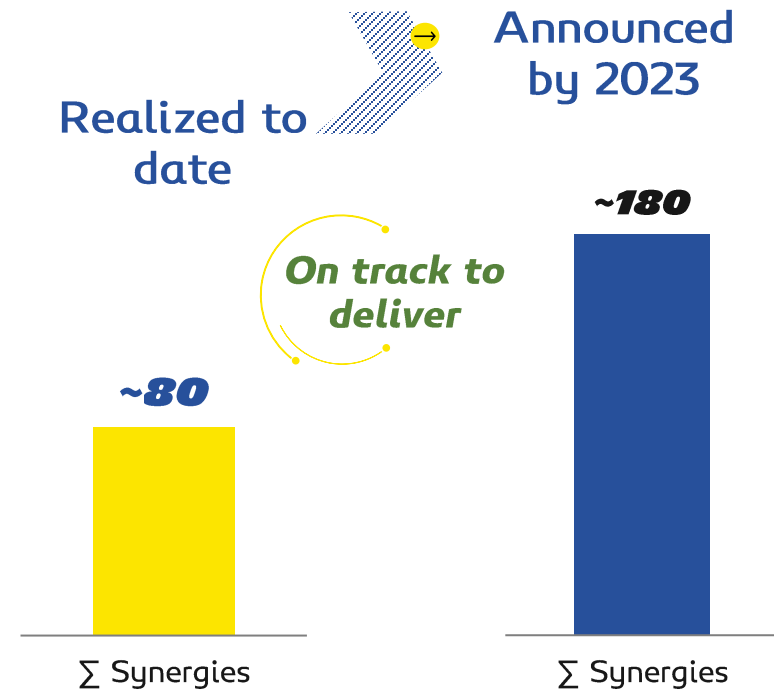
- Expanding telematics in Europe**
- Providing low-cost basis of production to expand in South East Asia**

2018

- Cornerstone of High-Tech Materials strategy**
- Comprehensive offer in beyond-road activities**



...HIGHLY ACCRETIVE ACQUISITIONS
CUMULATIVE SYNERGIES* (in € millions)



* On net results

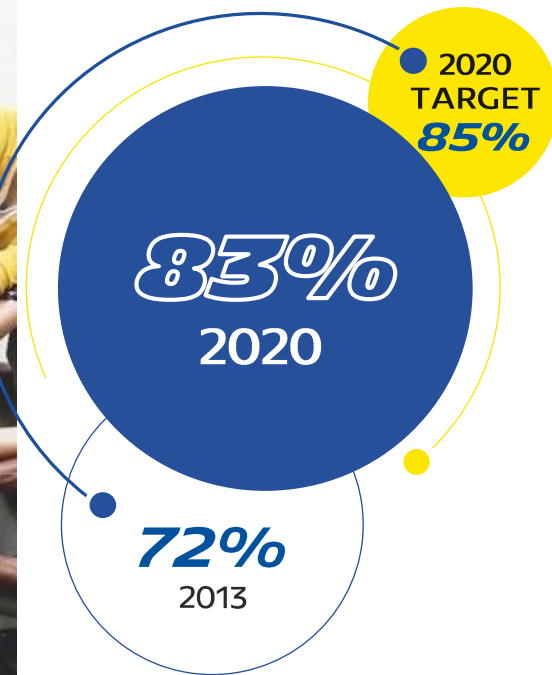


RESPONSIBLE EMPLOYER: TAKING CARE OF THE WELL-BEING AND DEVELOPMENT OF ALL EMPLOYEES

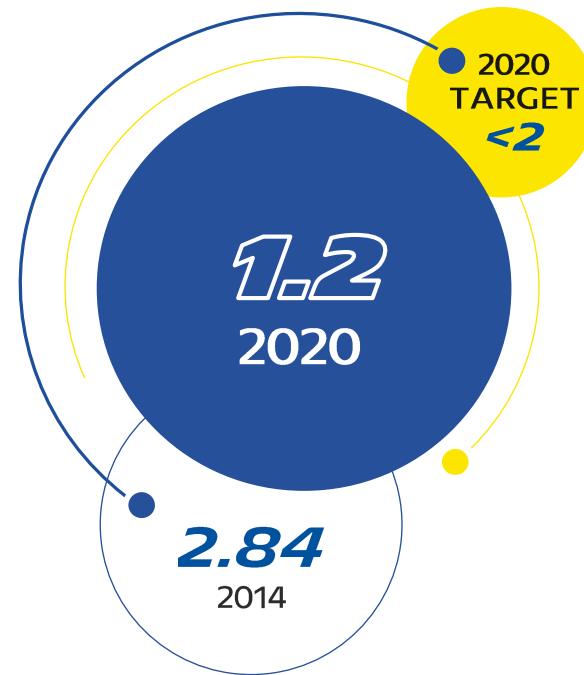


PEOPLE

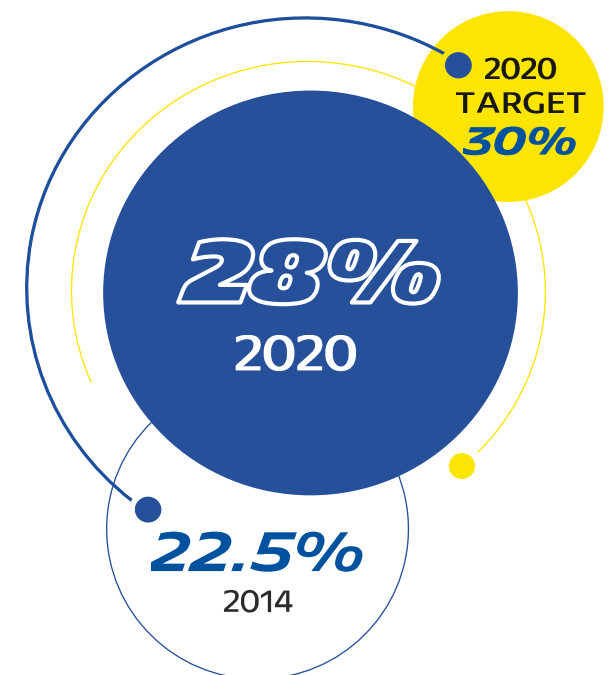
ENGAGEMENT RATE



TCIR*



FEMINIZATION**



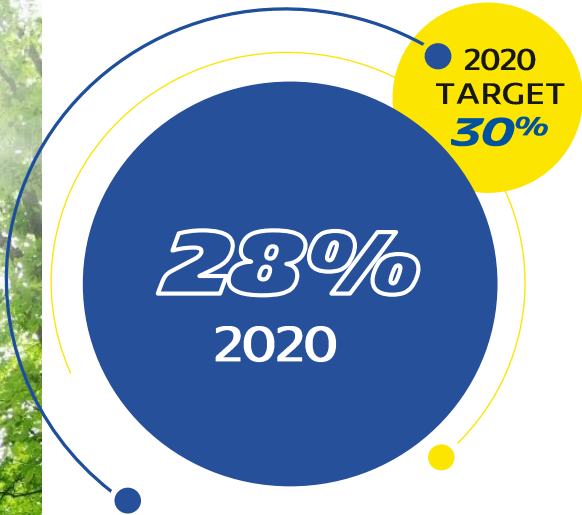
* Total Case of Incident Rate ** % of women in the Management



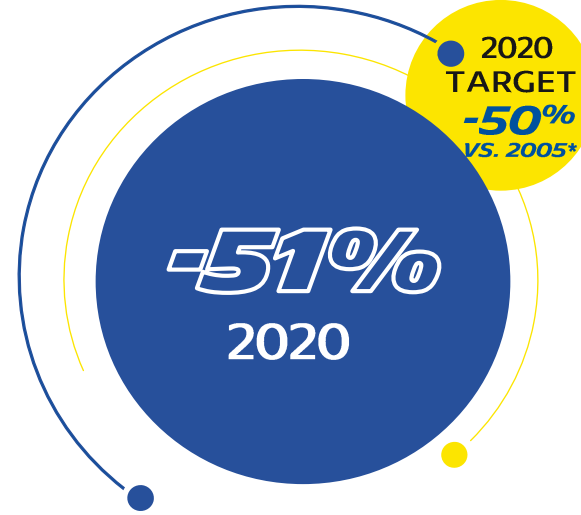
CONTINUING IMPROVEMENT OF MICHELIN ENVIRONMENTAL IMPACT



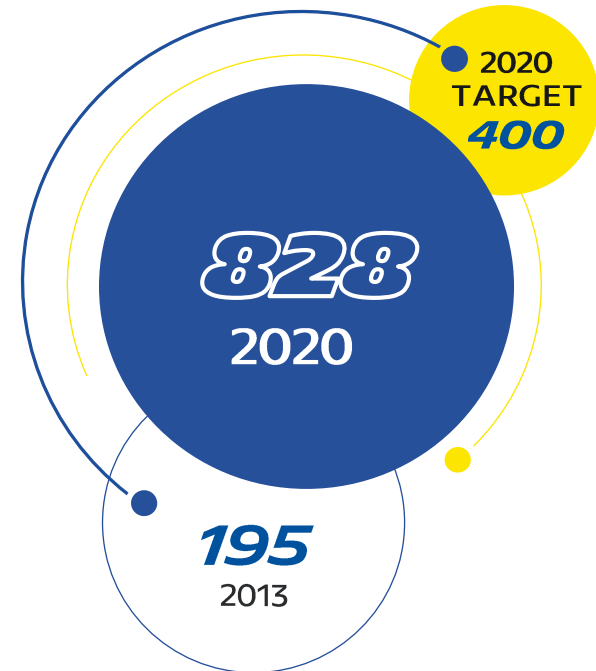
RENEWABLE MATERIAL RATE



MICHELIN ENVIRONMENTAL FOOTPRINT



RESPONSIBLE SUPPLIERS**

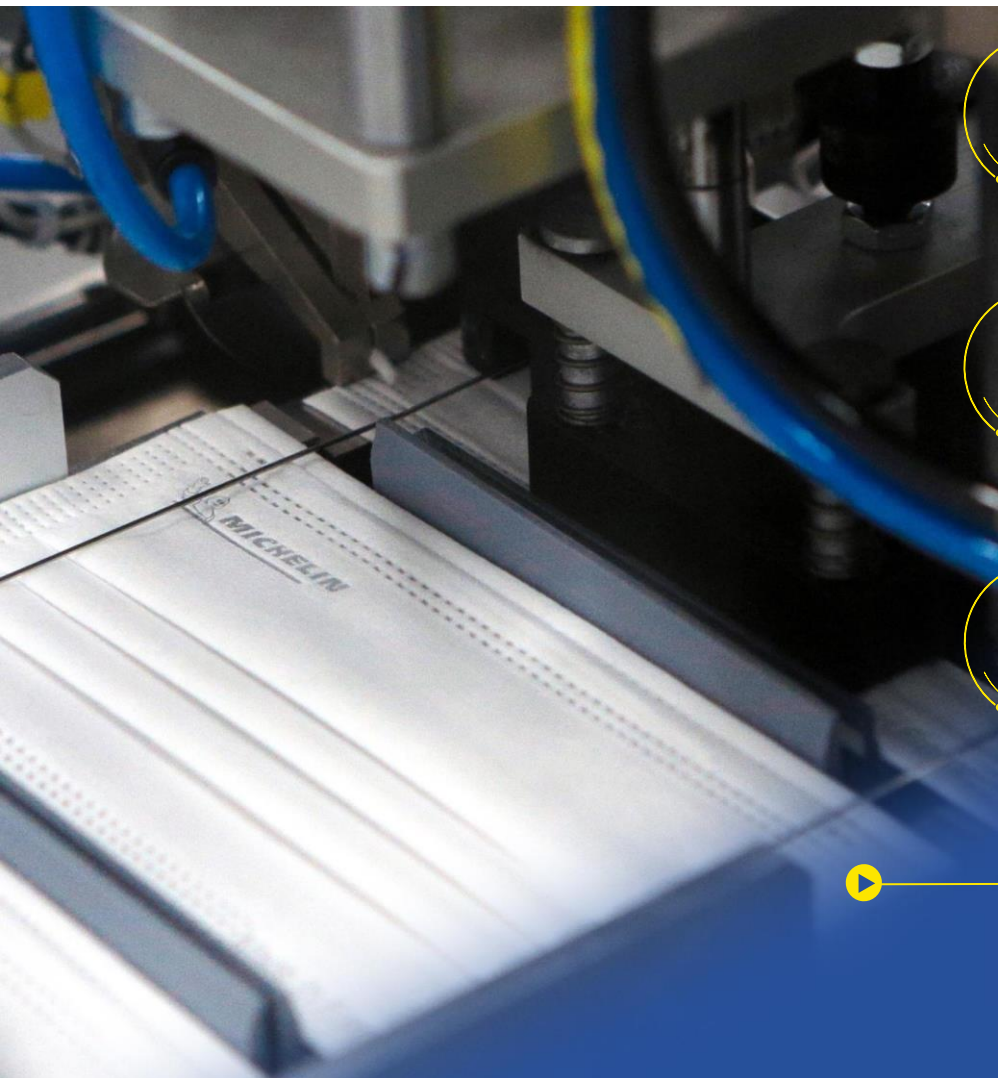


* MEF : Weighted indicator measuring water withdrawals, energy use, CO2 and VOC emissions, the amount of waste produced and amount of waste landfilled, all per tonne of tires produced.

** Number of suppliers evaluated by ECOVADIS



COVID-19 CRISIS: MICHELIN PROVED HIGHLY REACTIVE AND RESILIENT



PROTECTING EMPLOYEES

Production stoppages, telecommuting arrangements

- Health measures implemented
- Gradual resumption of operations



ENSURING BUSINESS CONTINUITY

Accompanying suppliers and customers through the crisis

- Price discipline
- Agile savings plan



SUPPORTING COMMUNITIES

Production and donations of masks and hand sanitizer

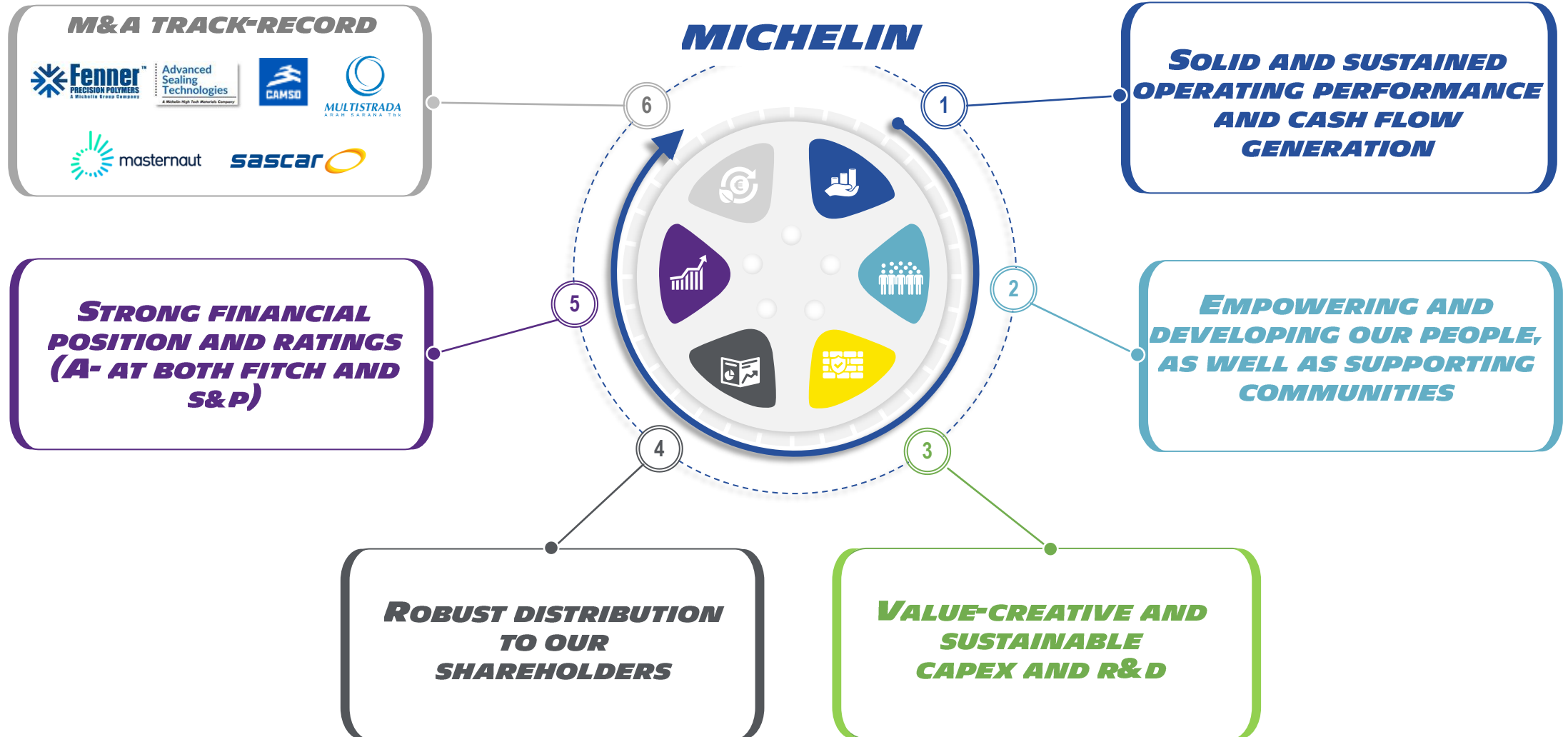
- Donations of tires and free vehicle assistance
- Financial support and other contributions in kind

RESISTING THE CRISIS

- 9.2% SO Margin (-3.3pts vs. 2019) despite a 14% decline in volumes
- Tight cash management resulting in a €2bn structural FCF
- Confirmation of ratings from the relevant agencies



A VIRTUOUS BUSINESS AND FINANCIAL MODEL





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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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IoT

Internet of Things

Structural free cash flow

It corresponds to free cash flow before acquisitions, adjusted for the impact of changes in raw material costs on trade payables, trade receivables and inventories

ROCE

In the 2016-2020 Plan, ROCE was calculated as

- Net operating profit after tax (NOPAT), calculated at a standard tax rate of 25% in 2020 and 26% in 2019, corresponding to the Group's average effective tax rate;
- Divided by the average economic assets employed during the year (excluding equity-accounted companies), i.e., all of the Group's intangible assets (excluding acquired intangible assets), property, plant and equipment, loans and deposits, and net working capital.

As from 2021, ROCE will be measured by the Group by adding back

- Amortization of acquired intangible assets and profit from equity-accounted companies to the numerator and
- Goodwill, acquired intangible assets and investments in equity-accounted companies to economic assets in the denominator.

Tire Sales

Correspond to sales related to the core activity of Michelin including Tire as a Service (TaaS) and Distribution

Non Tire sales

Correspond to Services and Solutions sales (excl. TaaS and Distribution), and High-Tech Materials activities sales excluding JVs