



**MICHELIN**

A BETTER WAY FORWARD

**June 11,  
2021**

***SPAIN ROAD SHOW  
KEPLER CHEUVREUX***





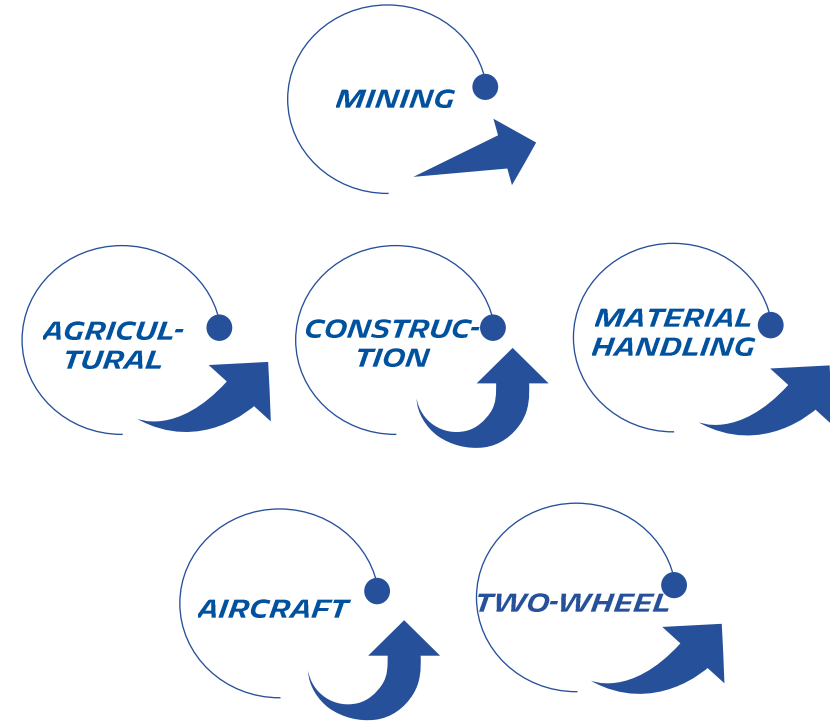
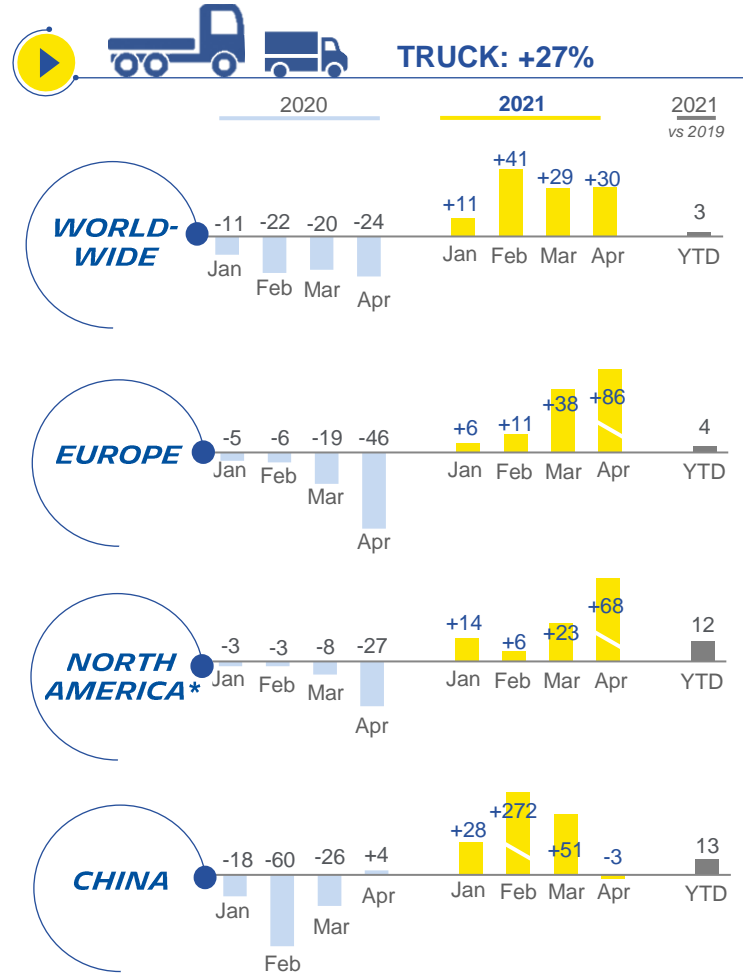
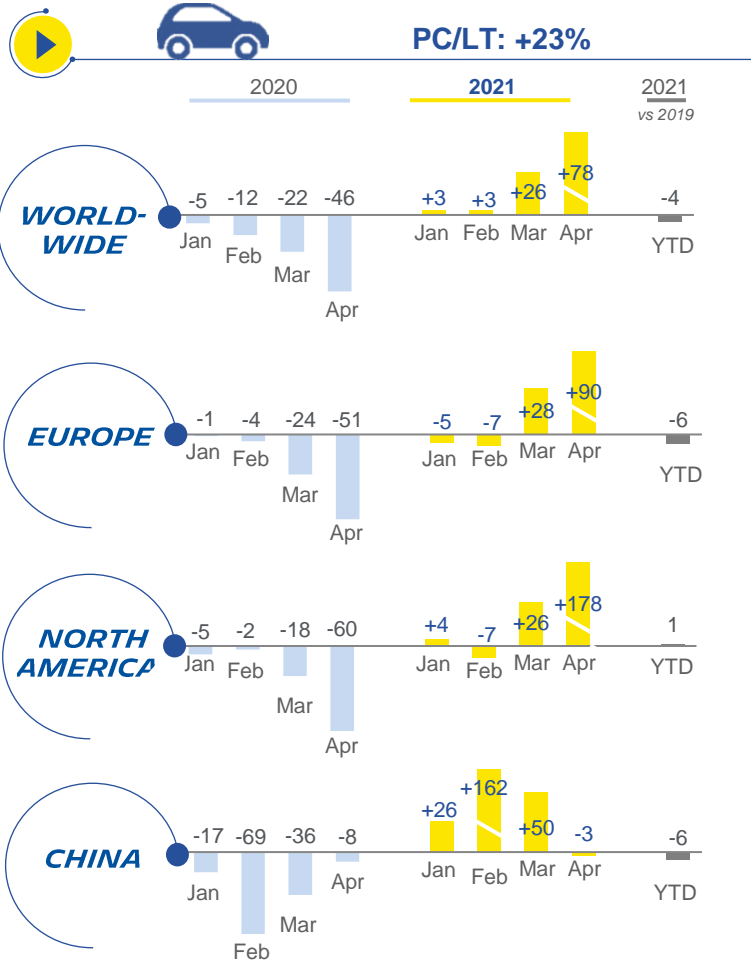
A person wearing a helmet and riding gear is riding a motorcycle on a dark asphalt road that curves through a mountainous landscape. The road is bordered by large, rectangular stone blocks. The background shows steep, rocky hills with some sparse vegetation. The lighting suggests it might be late afternoon or early morning, with long shadows cast across the road.

**1**

***Q1 2021 SALES  
& 2021 FY GUIDANCE***



# Q1 2021 MARKETS: PC/LT DOWN ON 2019, TRUCK CLOSE TO 2019. EXPECTED REBOUND IN THE SPECIALTIES OVER THE YEAR.



Source: Michelin. Tire market data are regularly adjusted and may be updated following their initial publication  
 \* Including Central America for OE

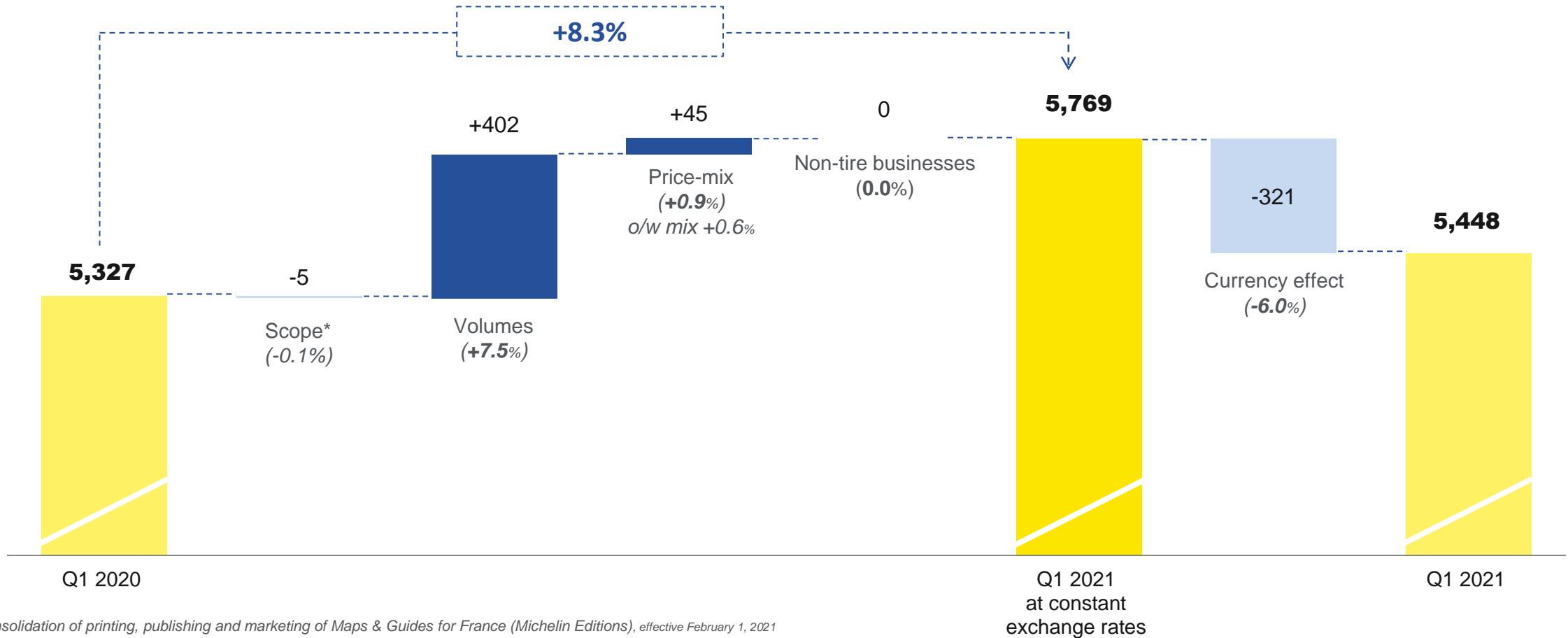


# 8.3% GROWTH IN SALES AT CONSTANT EXCHANGE RATES, LED BY THE REBOUND IN DEMAND AND A ROBUST PRICE-MIX



## Q1 2021 vs. Q1 2020 sales

(in € millions and %)



\* Deconsolidation of printing, publishing and marketing of Maps & Guides for France (Michelin Editions), effective February 1, 2021



## VOLUME GAINS ACROSS EVERY SEGMENT IN Q1 2021 WERE DAMPENED BY HIGHLY UNFAVORABLE EXCHANGE RATE MOVEMENTS

(in € millions)	Q1 2021	Q1 2020	Change
 <b>RS1 sales</b> Volumes	<b>2,694</b>	2,597	+3.7% +7.8%
 <b>RS2 sales</b> Volumes	<b>1,388</b>	1,360	+2.1% +8.1%
 <b>RS3 sales</b> Volumes	<b>1,366</b>	1,370	-0.3% +6.2%
<b>TOTAL</b> Volumes	<b>5,448</b>	5,327	+2.3% +7.5%

- RS1: despite the adverse price impact of indexation clauses, sales rose over the period, lifted by the sharp increase in volumes and the steady upmarket enhancement in the product mix.
- RS2: sales gains reflected robust volume growth in every Group market, disciplined price management and the Michelin brand-driven upmarket shift in the product mix.
- RS3: a favorable price effect and strong volume growth offset a negative business mix.





# MICHELIN AND ALTARIS\* ANNOUNCE THEIR INTENTION TO JOIN FORCES TO SPEED THE GROWTH OF SOLESIS

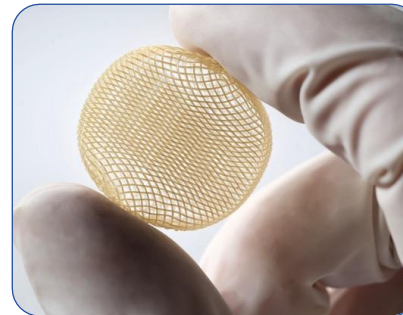
- Michelin has opened up the capital of its **subsidiary Solesis**, valued at \$475m
- **A governance system capable of supporting Solesis' rapid expansion** in very fast-growing markets
- **An R&D agreement between Solesis and Michelin** to develop biocompatible, bioresorbable polymers

## ▶ IMPACTS FOR MICHELIN

- No cash impact for the Group
- The cash contributed by Altaris will remain with Solesis to finance its growth
- Impact on 2021 net income estimated at around €130m (below SOI)

Michelin  
49%

Altaris  
51%



*\* Altaris Capital Partners, LLC is an investment firm focused exclusively on the healthcare industry. It has significant experience in the life sciences and medical technology sectors, and a track record of working successfully to grow companies alongside corporate partners. Altaris has \$5.2 billion in equity capital under active management and is headquartered in New York, NY.*



## 2021 MARKET SCENARIO: IN A HIGHLY DISRUPTED ENVIRONMENT, MARKETS ARE RECOVERING BUT NOT YET BACK TO 2019 LEVEL



**PC/LT: : +6% / +10%\***

- OE: strong recovery expected driven by inventory build up and incentives, but threatened by chips shortage
- RT: despite remaining uncertainty around pandemic impacts, rebounding demand worldwide, not yet coming back to pre crisis level



**TRUCK: +4% / +8%\***

- OE: strong rebound in H1 demand in every region which should attenuate in H2 due to tougher comps
- RT: strong rebound in demand driven by freight activity in every region



**SPECIALITIES: +8% / +12%\***

- Mining: demand recovery penalized by a slowdown in coal extraction
- Beyond road: acceleration in demand recovery boosted by upcycle trend
- Two-wheel: sustained growth
- Aircraft: growing demand on very low basis

\* vs. 2020



## 2021 SCENARIO

	2021
Volumes	<b>In line with markets</b>
Net price-mix/raw materials effect	<b>Slightly Positive</b>
Cost impact of raw materials prices and customs duties	<b>Strongly Negative</b>
Currency effect*	<b>Strongly Negative</b>

\* See slide 42





# 2021 GUIDANCE EXCLUDING ANY NEW SYSTEMIC EFFECT FROM COVID-19\*

	2021
Segment Operating Income at constant exchange rates	> €2,500m
Structural Free Cash Flow**	~ €1,000m

\* Restrictions on freedom of movement that would result in a significant drop in the tire markets, or any significant supply chain disruption.

\*\* Structural Free Cash Flow definition on slide 73

**2**

**2023 TARGETS  
& 2030 AMBITIONS**





# THE 2019 STRATEGY STATEMENT AND NEW DYNAMICS FROM THE POST COVID WORLD HAVE SERVED AS A FRAMEWORK TO SHAPE OUR 2030 STRATEGY



## SUSTAINABLE GROWTH

By 2030, Michelin generates sustainable growth, creating balanced value between People, Profit and Planet



## UNIQUE CAPABILITIES

Through our unique capabilities...

Strong Value

Brand

Technical expertise

Innovations

Customer expertise



## DIFFERENTIATED PRODUCTS & SERVICES

...we develop differentiated mobility and high-tech material-based products & services along with travel recommendations, that improve life in motion for individuals, businesses and external stakeholders



# 2030 FINANCIAL AMBITIONS – COMBINING GROWTH AND VALUE CREATION

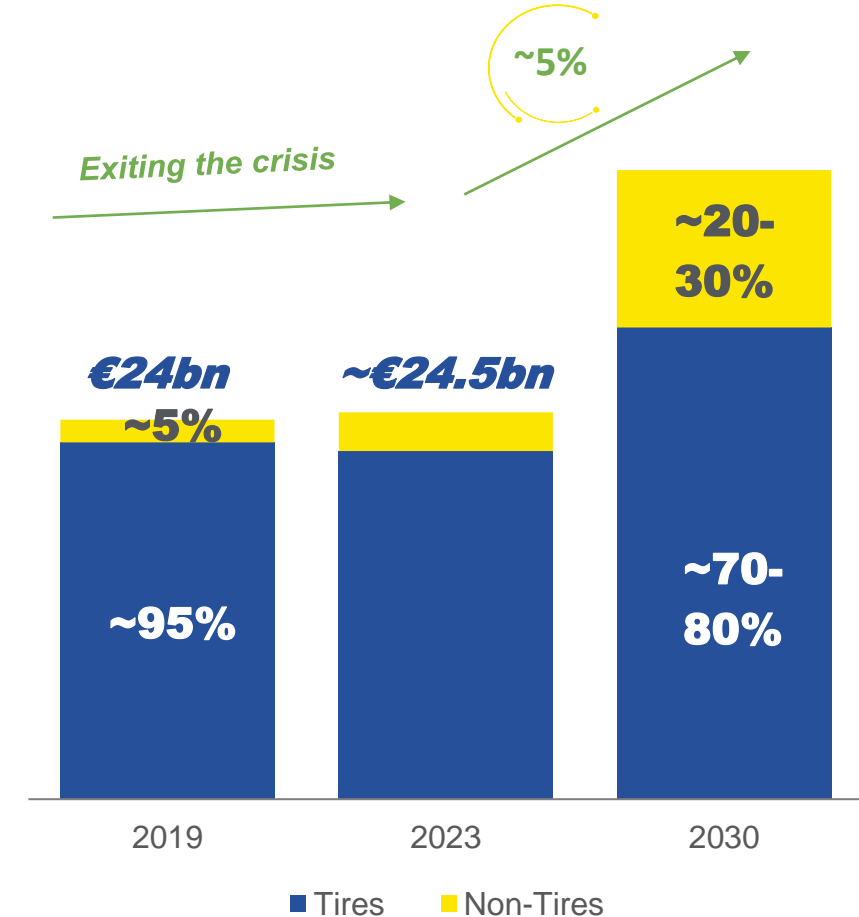


## STRATEGY

<p><b>SUBSTANTIAL GROWTH</b></p> 	<ul style="list-style-type: none"> <li>• Strong sales growth by 2030 notably driven by new growth avenues, +5% CAGR from 2023 to 2030</li> <li>• New growth avenues to account between ~20-30% of sales by 2030</li> </ul>
<p><b>FOCUS ON VALUE-ACCRETIVE MARKETS</b></p> 	<ul style="list-style-type: none"> <li>• Consistent growth in tires in line with historical performance and market forecasts</li> <li>• Reinforced development into high-growth markets in which our expertise can deliver significant synergies</li> </ul>
<p><b>INCREASING OUR RESILIENCE</b></p> 	<ul style="list-style-type: none"> <li>• Build a richer products and solutions portfolio</li> <li>• Improved mix between cyclical and stable markets</li> <li>• More balanced geographic exposures</li> </ul>
<p><b>FINANCIAL VALUE CREATION</b></p> 	<ul style="list-style-type: none"> <li>• Value creation with ROCE at &gt;+10.5% at Group level</li> <li>• Significant improvement in tire margins</li> </ul>



## SALES TARGETS\*



\* Sales excluding joint-ventures







# 2020-2023 PLAN – EXITING THE CRISIS IN A POSITION OF STRENGTH

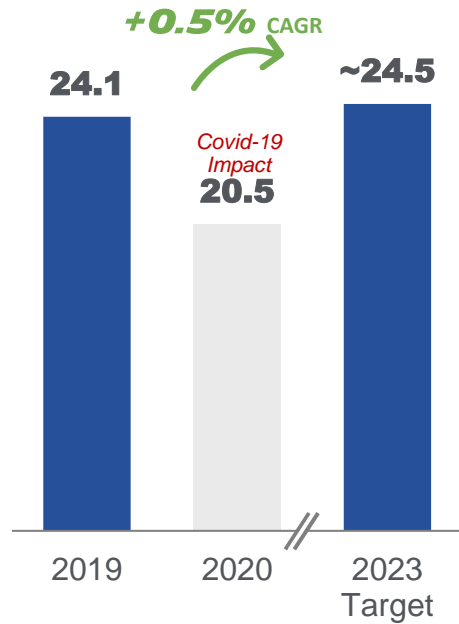
In € billion, unless otherwise stated



## GROWTH

Sales

o/w **+5%**  
CAGR 2020-2023  
on non tires segments



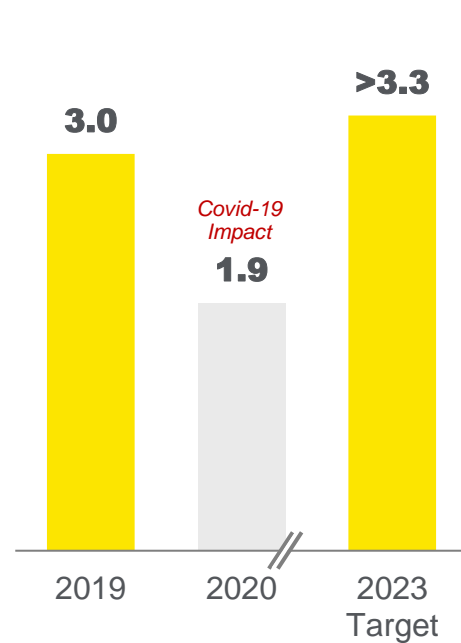
Exiting the crisis



## PROFITABILITY

Segment Operating Income\*

**% margin**  
**12.5%** ~13.5%

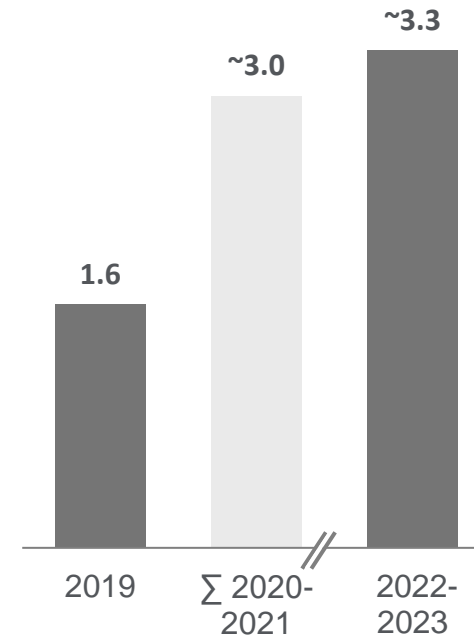


Cost competitiveness and price mix



## CASH GENERATION

Structural FCF

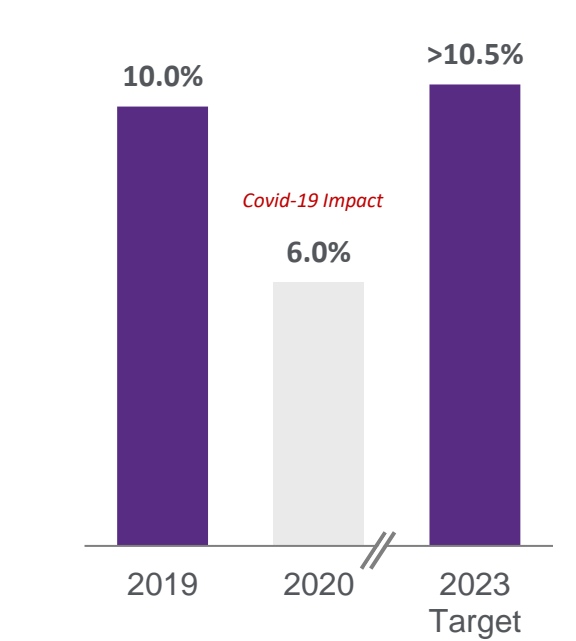


~€6.3bn cumul. structural FCF over 4 years  
€100m inventory reduction / year



## RETURN ON INVESTMENTS

Group Target ROCE including M&A (%)



Net working capital improvement and EBIT growth

\* At constant forex based on Jan 21 average forex



# 2020-2023 PLAN – CAPEX STRATEGY



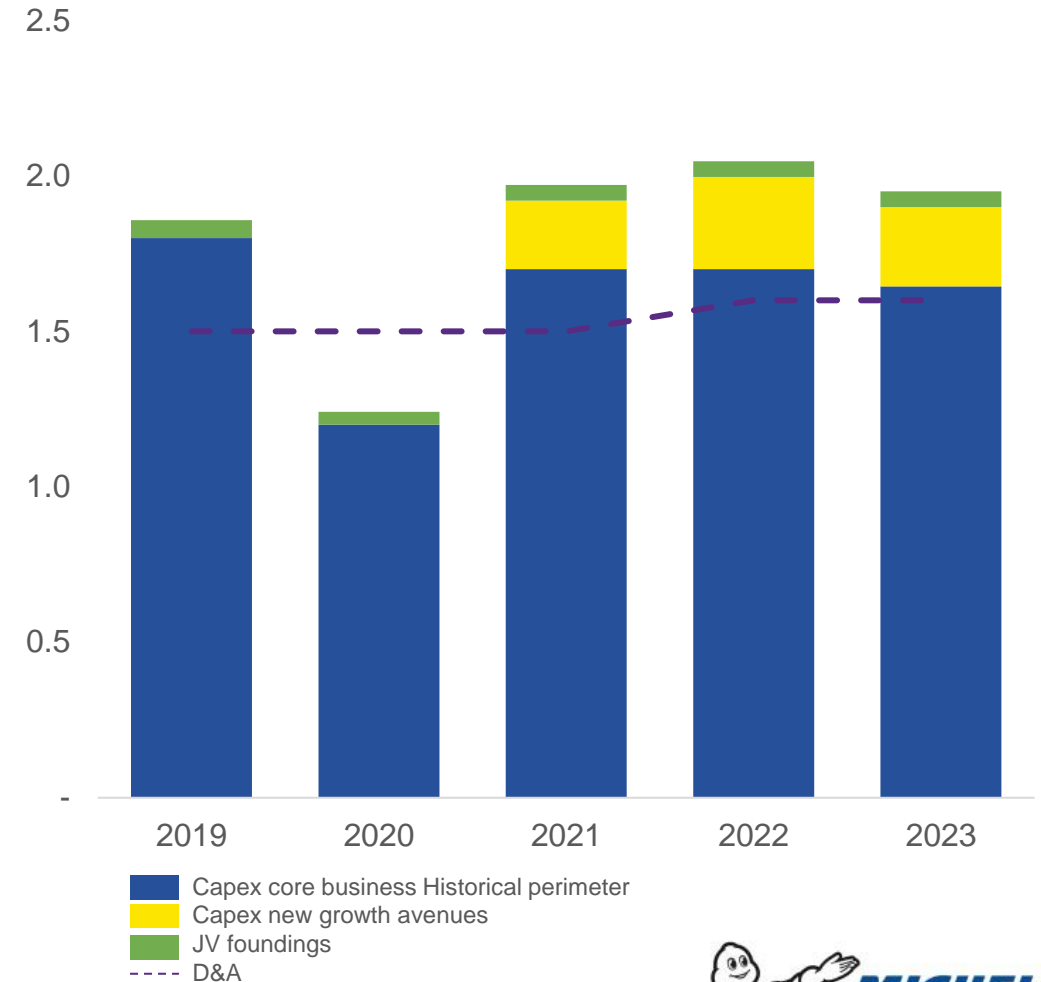
## KEY HIGHLIGHTS

- **Reducing CAPEX on core-business towards depreciation level**
  - Marginal low-cost investments first
  - MICHELIN brand focused
  - Optimized maintenance CAPEX & molds
- **Reinforcing Michelin footprint where the growth is**
  - with a CAPEX/unit back to best market practices
- **Allowing CAPEX growth in Specialties businesses**
- **Developing new growth avenues: fleet management solutions & High-Tech Materials**
- **Speeding up a comprehensive digitization plan**
- **Investing in sustainable materials rate and low-carbon operations**



## CAPEX\* AND JVs FINANCING VS. DEPRECIATION

(in € billion)



\* Excluding M&A and IFRS 16



# 2 M&A AND PARTNERSHIPS FRAMEWORK – CLEAR INVESTMENT CRITERIA



• Constantly exploring M&A opportunities in both core and new growth avenues



• Value-accretive acquisitions



• Open to partnerships to boost our venture potentials



• Delivering growth and significant synergies



• Very strong execution track record



**Financial discipline:  
2023-2030 ROCE >+10.5%**

**Strong financial position and ratings  
(A- at both Fitch and S&P)**



# RESETTING OUR SHAREHOLDER RETURN POLICY: INCREASING PAYOUT TO 50%



## HISTORICAL PAYOUT RATIO

Dividend (€ p.s.)

€2.50

€2.85

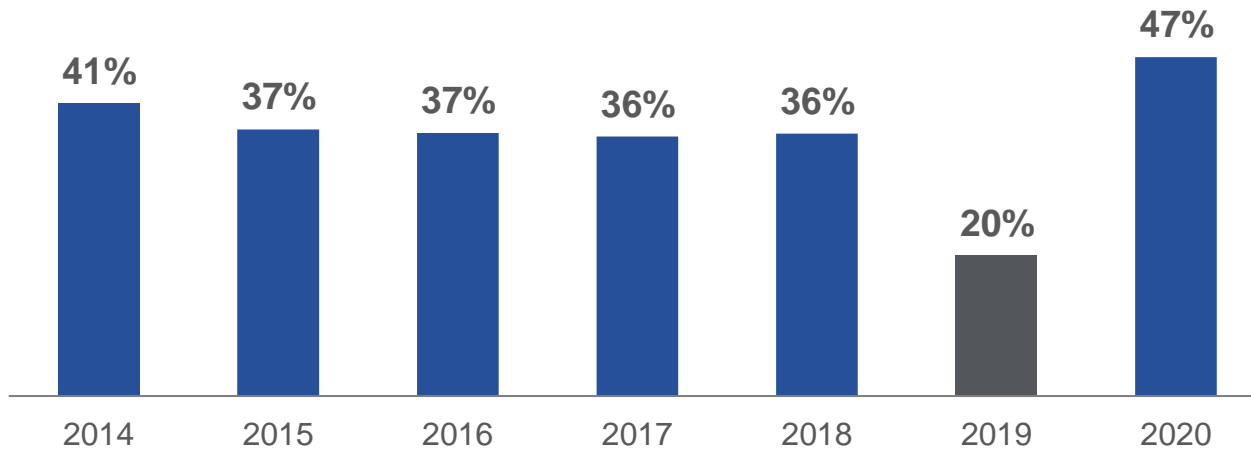
€3.25

€3.55

€3.70

€2.00

€2.30



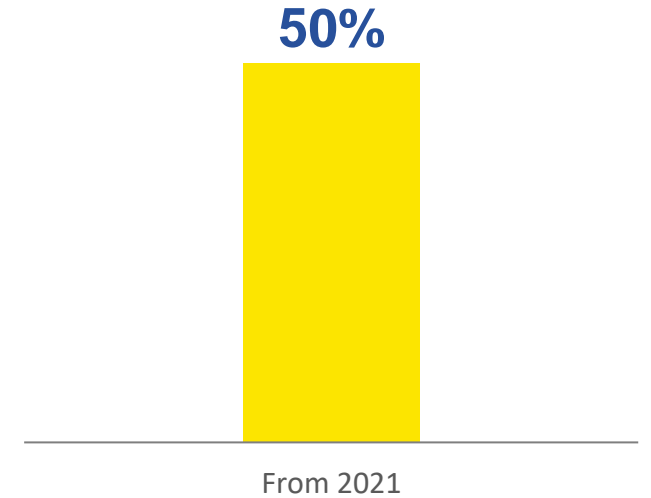
**CONSISTENTLY DELIVERED ABOVE 35%  
DIVIDEND PAYOUT**

*(except in 2020 due to the pandemic)*



## FUTURE PAYOUT RATIO

Before non-recurring items



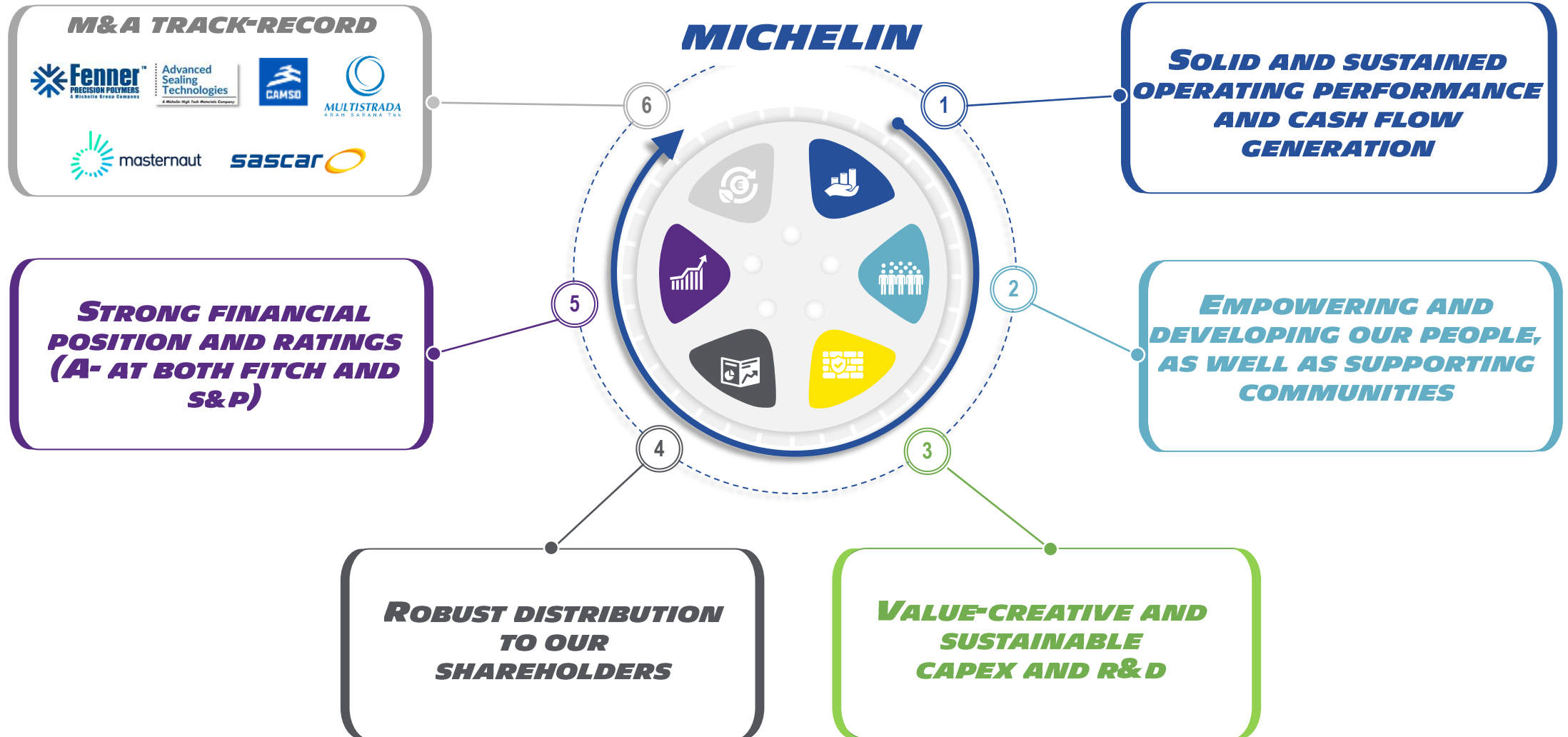
**INCREASED DIVIDEND  
PAYOUT RATIO AT  
50% P.A. FROM 2021**

**Anti-dilutive / opportunistic share buyback program**





# A VIRTUOUS BUSINESS AND FINANCIAL MODEL





# 2030E VISION – DETAILED STRATEGIC SCORECARD



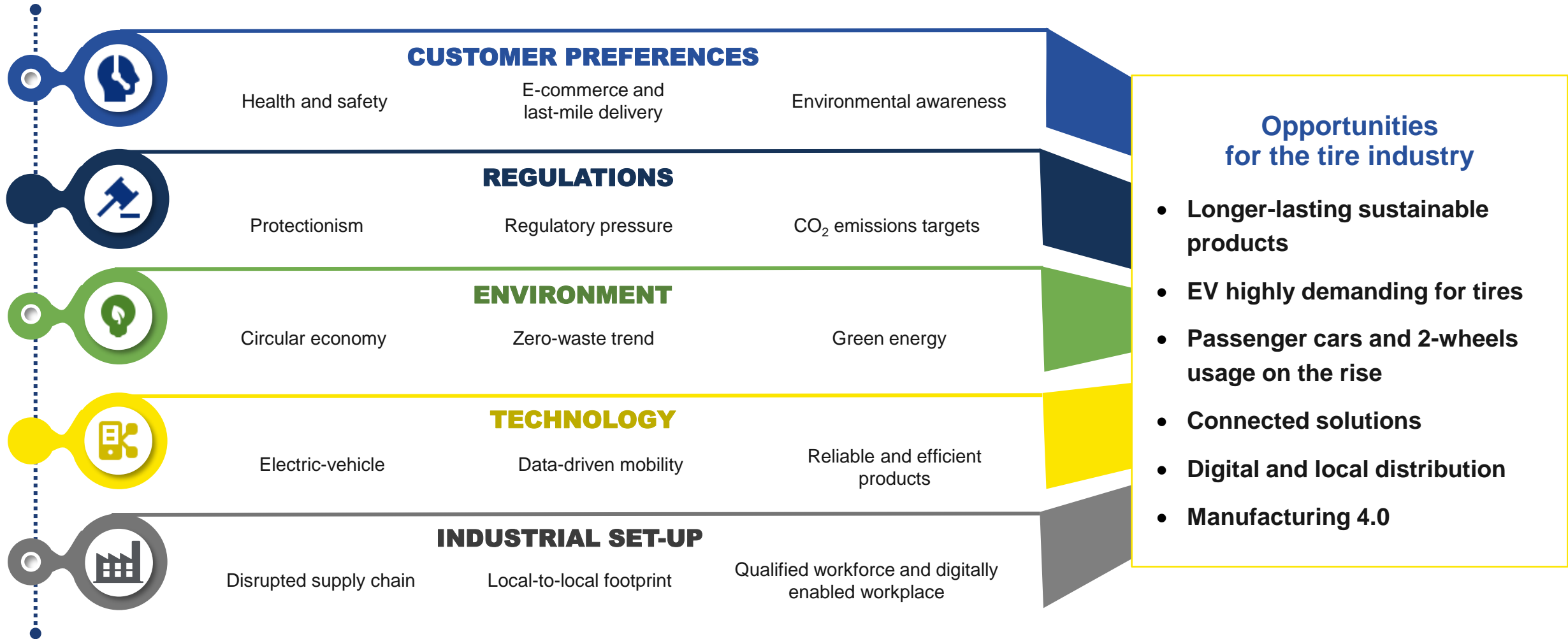
	AMBITION	METRICS	2030 SUCCESS
People	Be world-class in employee engagement	Engagement rate	>85%
	Be world-class in employee safety	TCIR	<0.5
	Be a reference in diversities and inclusion of teams	IMDI	80 points over 100
	Be best-in-class in value created for customers	NPS partners and NPS final customers	+10 and +5 pts respectively
Profit	Deliver substantial growth	Total sales	5% CAGR 23-30
	Deliver continuous financial value creation	ROCE	>10.5%
	Maintain Michelin brand power	Brand vitality quotient	+5 pts vs 2021
	Maintain best-in-class innovation pace in products and services	Offers vitality index	>30%
Planet	Reach carbon neutrality by 2050 (manuf. and energy)	CO2 emissions scopes 1&2	(50%) vs. 2010
	Contribute to reaching carbon neutrality (usage)	Products energy efficiency (scope 3)	+10% vs. 2020
	Be best-in-class in environmental footprint of industrial sites	i-MEP	-1/3 vs. 2020
	Reach full circularity of products by 2050	Sustainable Material Rate	40%

TCIR = Total Case Incident Rate ; IMDI = Inclusion and Diversities Management Index ; NPS = Net Promoter Score ; ROCE = Return on Capital Employed ; i-MEP = industrial Michelin Environmental Performance

A dark grey Renault Zoe car is shown driving on a city street. The car is in the foreground, moving towards the right. In the background, there are other cars, people walking, and buildings. The license plate area of the car says "ZOE".

***TIRES***  
*STRONG GROWTH OPPORTUNITIES IN  
A POST COVID WORLD*

# 3 LONG-LASTING COVID-19 REPERCUSSIONS WILL GENERATE OPPORTUNITIES





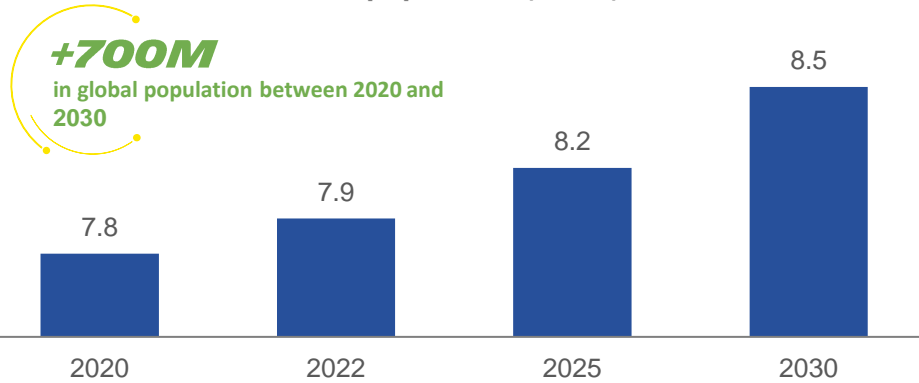


# MACRO TRENDS FUELING DEMAND FOR MOBILITY



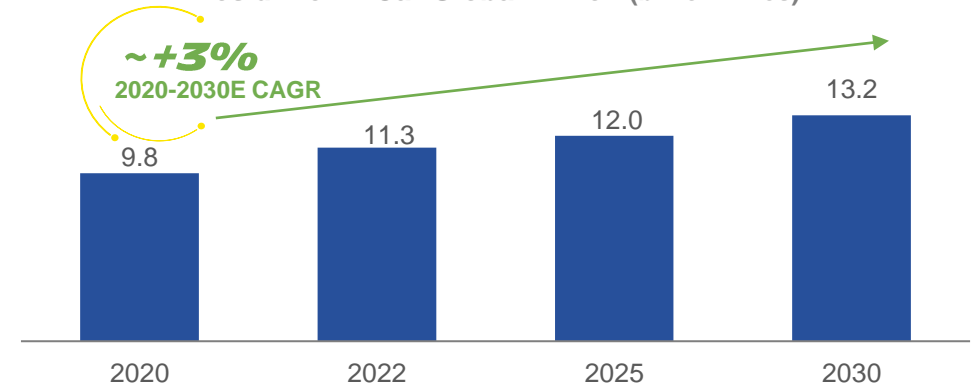
## GROWING GLOBAL POPULATION

World population (billion)

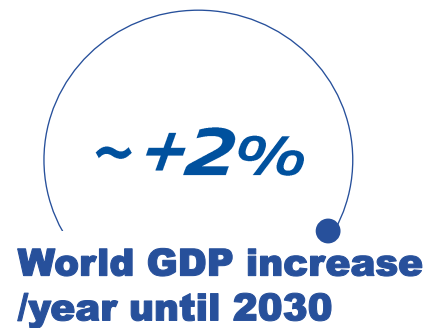
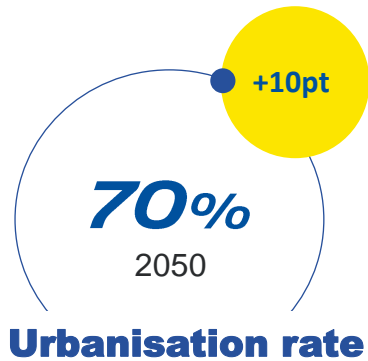


## MILES DRIVEN ON THE RISE

Miles driven – Car Global Driven (billion miles)



## INCREASING URBANIZATION AND GLOBAL WEALTH



## TIRE MARKET MID-TERM GROWTH POTENTIAL

Tire market estimated long-term growth potential:

- **+0% to +2%** per year in mature markets
- **+2% to +4%** per year in emerging markets

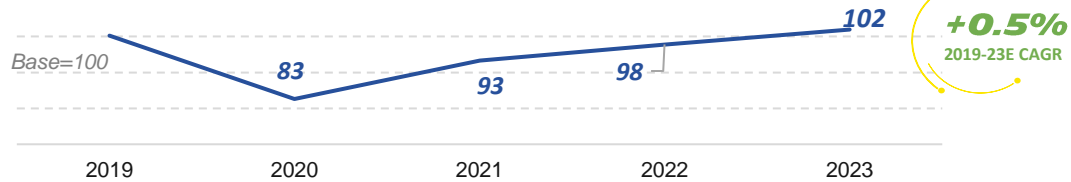


# PASSENGER CARS – STEADY GROWTH WITH STRONG MIX ENRICHMENT

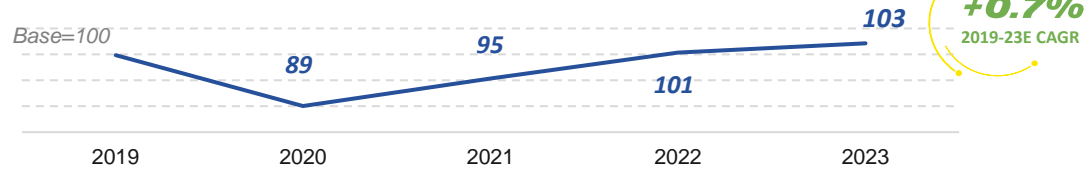


## PASSENGER CAR MARKETS TREND

Original Equipment World Market (unit)

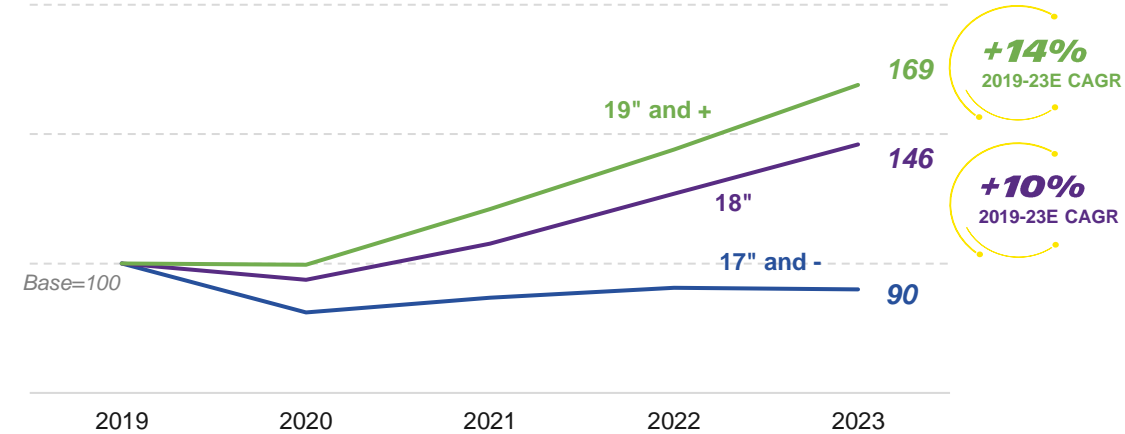


Replacement World Market (Unit)



## PASSENGER CAR MARKET BY RIM DIAMETER

Original Equipment + Replacement Market by Diameter (unit)



### GROWTH



Significant increase in 19"+ tires demand  
3x more SKUs 19" by 2025



### SIMPLEXITY



Cost optimization and simplification of Michelin's catalog  
Late differentiation in the production process



### MARGIN



Strong and sustained mix enrichment



**SEGMENT OPERATING MARGIN: >12% BY 2023**

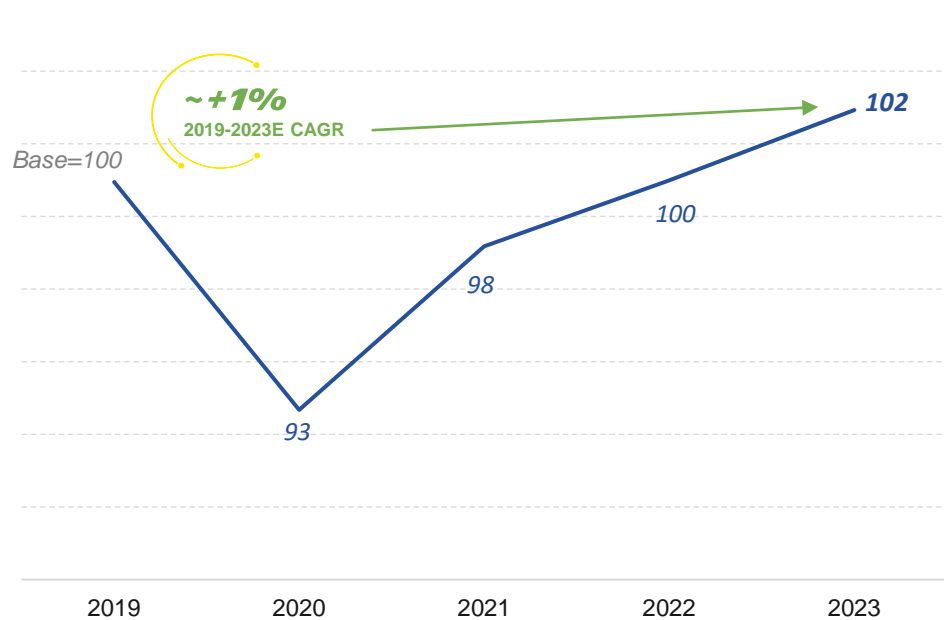


# TRUCKS – RECOVERY PERSPECTIVES DRIVING VALUE CREATION FOR MICHELIN



## TRUCK TIRE MARKET TREND

Worldwide market (units)



## New Challenges Ahead Fueling Growth Opportunities on Value Creative Markets

Fleets in search of increased efficiency



Connected solutions focused on efficiency

Sascar  
Masternaut  
Michelin Connected Mobility

Sustainable transportation acceleration



Solutions to improve environmental footprint

Rolling resistance  
Long-lasting tires  
Retreading  
Michelin Green Mobility

“Last mile delivery” acceleration



Targeted offers for “last-mile” fleets

Offer renewal  
Bespoke solutions



**SEGMENT OPERATING MARGIN:  
>10% BY 2023**



# SPECIALTIES – POSITIONED TO CAPTURE CYCLE UPSIDE THROUGH DIFFERENTIATION

## Product Differentiation

- Performance and braking
  - Wet grip, new and used
- 
- Tire resistance
  - Connected tire (e.g., MEMS or TPMS)
- 
- Increase in charges carried and driving speeds
  - Reduction of compaction of agricultural soils
- 
- Lower energy and CO<sub>2</sub> consumption
  - Mass efficiency
  - Recyclable products

MICHELIN XDR – 63”



MICHELIN CEREXBIB 2



## Service Differentiation

- On-site auditing
- 
- On-site inspections and connected preventive maintenance
- 
- Real time monitoring of mining and agricultural tires
  - Engineering (e.g., conveyors)
- 
- End-of-life products management

**SAFETY**

**OPERATIONS CONTINUITY**

**OPERATIONS PRODUCTIVITY**

**SUSTAINABILITY**

ON-SITE INSPECTION AND MAINTENANCE



RECYCLING



**SEGMENT OPERATING MARGIN: >17% BY 2023**





# 2023 TIRE SAVINGS PLAN: ~€300M OF CUMULATED NET GAINS VS. 2019, PARTLY REINVESTED IN NON-TIRE BUSINESSES EXPANSION

## MANUFACTURING

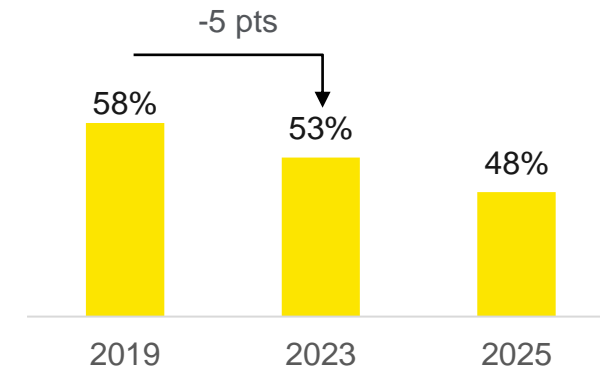
~€80 million / year

Financing mix enrichment  
Improving operating leverage

## SG&A

~€20 million / year  
in SG&A Tires

Financing non tire businesses ramp up








Group SG&A as a % of Gross Margin



***AROUND & BEYOND TIRES***  
*LEVERAGING OUR INNOVATION  
CAPABILITIES TO DELIVER NEW  
GROWTH AVENUES*



# FIVE ADJACENT ECOSYSTEMS IDENTIFIED AS GROWTH AVENUES

ECOSYSTEMS		PROMISING BUSINESSES	RATIONALE	CONTRIBUTION TO PROFITABLE GROWTH
SERVICES & TECH SOLUTIONS		 <p><i>Innovate to capture every new opportunity in IoT and emerging technologies</i></p>	<ul style="list-style-type: none"> <li>• Mobility services and digitization: key focus for all Michelin customers</li> </ul>	LEADERSHIP POSITION
HIGH-TECH MATERIALS	HIGH-TECH FLEXIBLE COMPOSITES	<p><i>Leverage our core business... ...to develop other areas in which we can play an important role</i></p> 	<ul style="list-style-type: none"> <li>• A solid basis to target attractive and synergetic markets</li> </ul>	SIGNIFICANT GROWTH
	Medical	 <p><i>Early-maker in Medical, Hydrogen, and 3D Metal Printing...</i></p>	<ul style="list-style-type: none"> <li>• Three promising ecosystems</li> </ul>	FINANCIAL VALUE CREATION
	Hydrogen	 <p><i>...with ESG focus and transition towards carbon-free operations</i></p>		
	3D Metal Printing			



# SERVICES & SOLUTIONS: DEVELOPING AND ENRICHING OUR VALUE PROPOSITION TO EXPAND OUR CUSTOMER BASE



Tire as a Service (Tire activity)    €0.4bn in 2019    →    €0.4bn in 2023  
 New growth avenues (Non tire activities)    €0.2bn in 2019    →    €0.3bn in 2023





# HIGH-TECH FLEXIBLE COMPOSITES: CAPITALIZING ON OUR UNIQUE KNOW-HOW ACROSS THE VALUE CHAIN TO DEVELOP OUR PRODUCT OFFERING

**HOLISTIC DESIGN APPROACH**  
USAGE / PRODUCT PERFORMANCE / MATERIALS PROPERTY

**TECHNICAL MASTERING OF MATERIALS**  
POLYMERS / REINFORCEMENT


**MASTERING COMPONENTS & FLEXIBLE COMPOSITES**  
MANUFACTURING PROCESS

**DIFFERENTIATED SUSTAINABLE APPROACH**

Sustainable Raw Materials

Semi Finished

Finished Product

Textile Yarn  


Steel  
Steel Wire  


Oil/Resins  
Fillers  
Monomer  
Synthetic Elastomer  
  
  


Latex  
Natural Rubber

Fabric Cords  

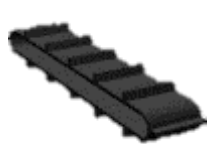

Steel Cords  


Compounds  

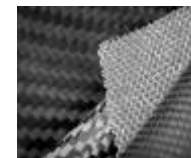

OTHER AREAS...

Calendered tissus  
Shaped compounds

...IN WHICH WE CAN PLAY AN IMPORTANT ROLE



Green Tire

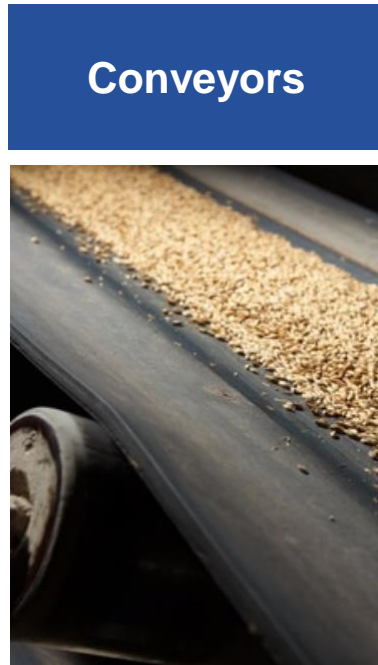




# HIGH-TECH FLEXIBLE COMPOSITES PRODUCTS : A GROWING AND PROFITABLE DOMAIN



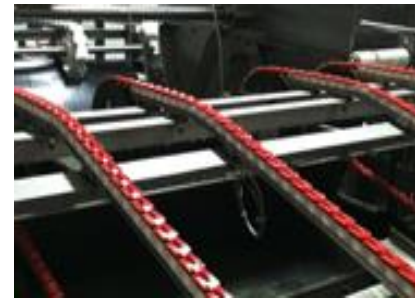
Coated Fabrics & Reinforcements



Conveyors



Belting Products & Solutions



Hoses



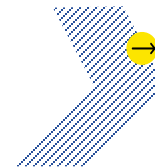
High-End Polymers



Dynamic Market with Numerous Attractive Segments  
>~5% CAGR by 2030



Sales 2019  
€0.9bn



Sales 2023  
€1.1bn



Higher cash conversion



# ACCELERATING THE DEVELOPMENT OF 3 MAIN ECOSYSTEMS THROUGH PARTNERSHIPS FOR A SUSTAINABLE GROWTH

## REGENERATIVE MEDICINE & CELLULAR THERAPY



### MARKET POTENTIAL

Cell & gene therapy	Cardio medical devices
<b>+20%</b>	<b>&gt;10%</b>
CAGR 2020-2030	CAGR 2020-2030

### AMBITIONS <sup>1</sup>

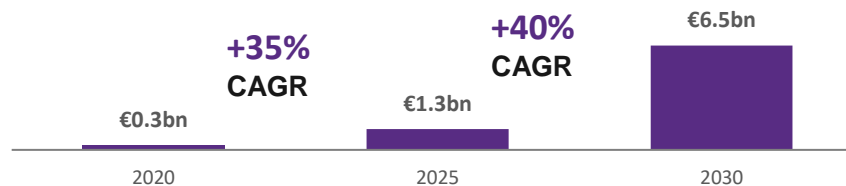
Becoming a leading innovation and manufacturing partner	Being the trusted contact manufacturing operator
<b>Cell Therapy</b>	
<b>Bioresorbables</b>	
<b>Regenerative medicine</b>	

Note 1: Michelin holds a 49% stake in Solesis (consolidation based on equity method)

## HYDROGEN MOBILITY



### MARKET POTENTIAL



### AMBITIONS <sup>2</sup>

Becoming a leader in fuell cell stack systems

<b>€0.2BN</b>	<b>€1.5BN</b>
sales in 2025	sales in 2030

Note 2: 100% of Symbio - Michelin holds a 50% stake in Symbio (consolidation based on equity method)

## 3D METAL PRINTING



### MARKET POTENTIAL

Medical & aerospace are the most industrial-scale end markets

<b>+23%</b>	<b>~\$13bn</b>
CAGR 2020-2030	in 2030

### AMBITIONS <sup>3</sup>

<b>€100M</b>	<b>&gt;€500M</b>
sales and breakeven by 2023	sales by 2030

Note 3: 100% of AddUp  
Michelin holds a 50% stake in AddUp (consolidation based on equity method)





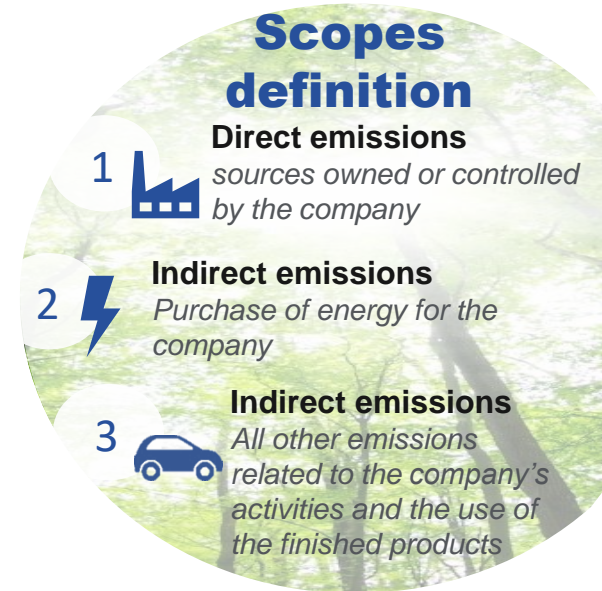
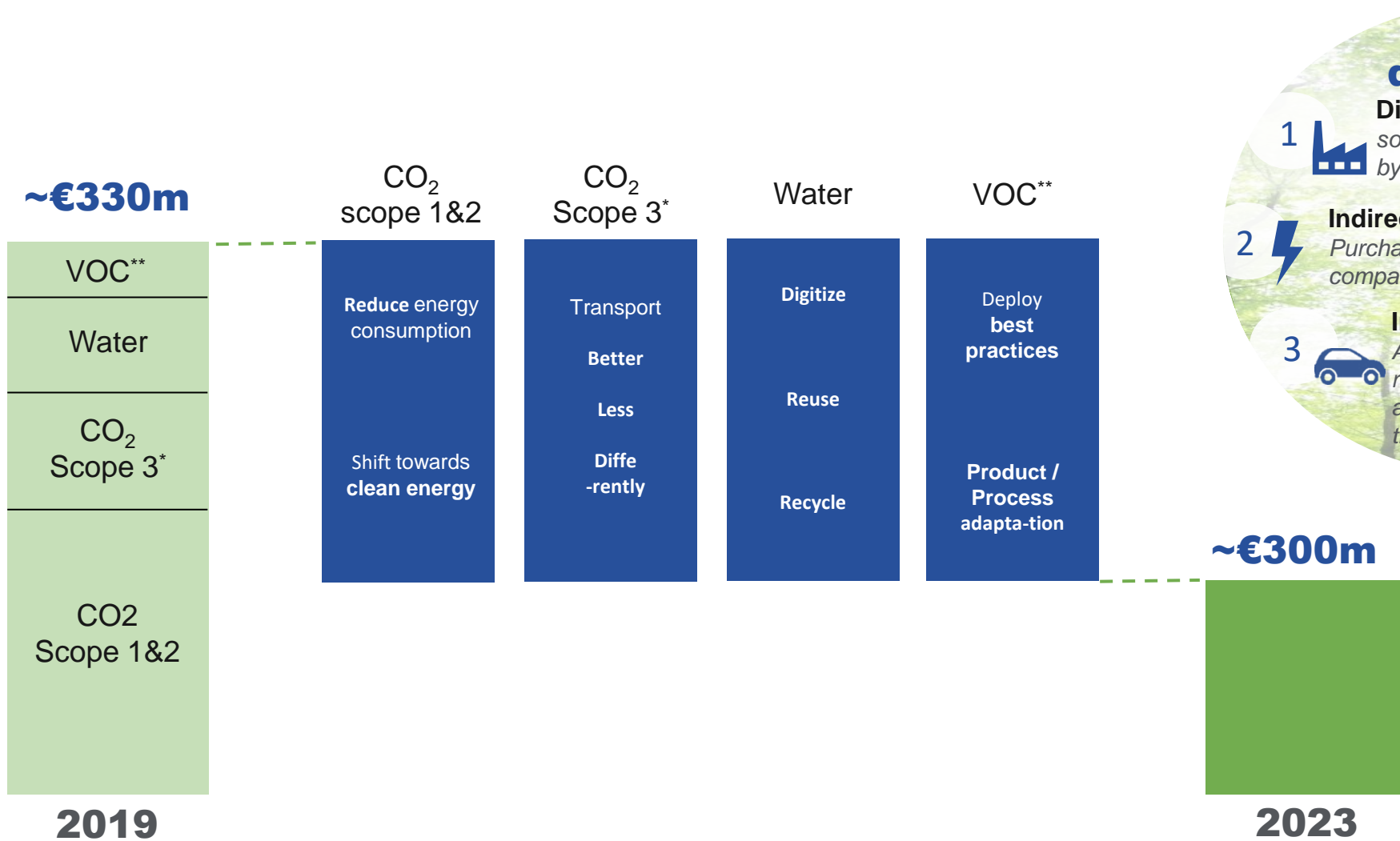
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**MICHELIN'S SUSTAINABLE  
LEADERSHIP**





# ON THE ROAD TO CARBON NEUTRALITY BY 2050, MICHELIN STARTS TO VALORIZE ITS NEGATIVE EXTERNALITIES IN 2020 AND COMMIT TO A 10% REDUCTION AS EARLY AS 2023



\* Only transport and distribution upstream and downstream of Natural Rubber, semi-finished and finished goods  
 \*\* Volatile organic components



# ENVIRONMENTAL AWARENESS ALL ALONG MICHELIN'S PRODUCT LIFECYCLE



**RAW MATERIALS**  
Sustainable natural rubber supply



**MATERIALS RECYCLING**  
Recycling systems / Circular economy



**ENERGY RECOVERY**

**END OF LIFE**

**MANUFACTURING**  
Reducing impact

**LOGISTICS**  
Reduction of carbon footprint

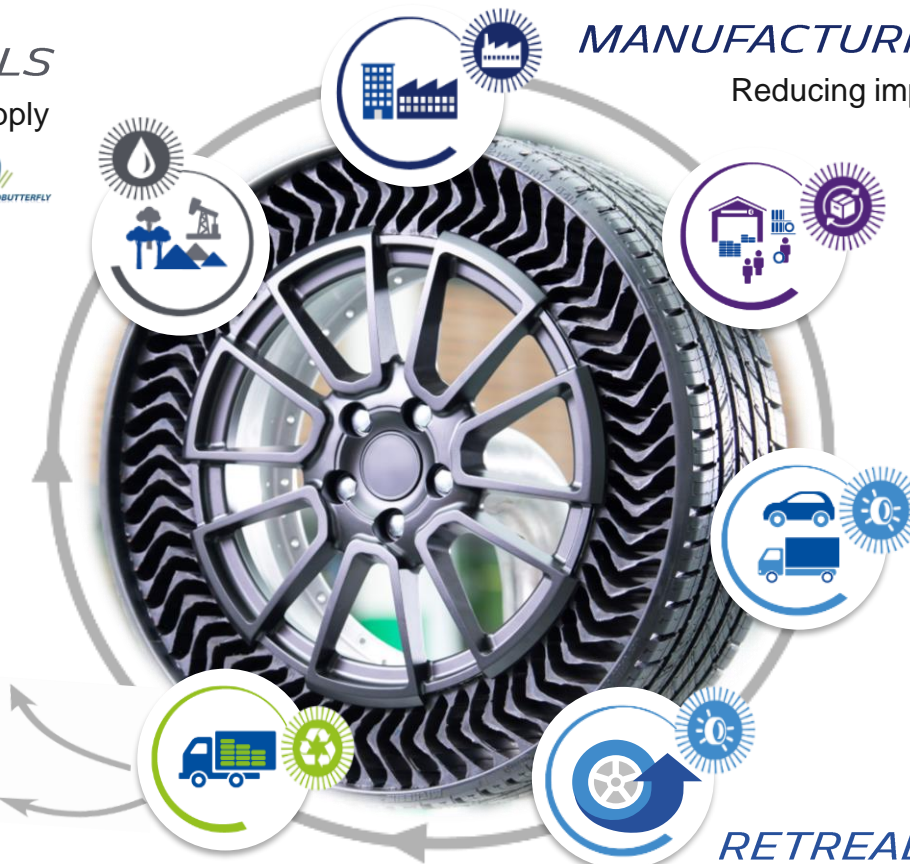
**USE OF PRODUCTS AND SERVICES**

63% to 96% of the life cycle impact

Low rolling resistance –  
reduce CO<sub>2</sub> emissions  
Safe when new, safe when worn

**RETREADING**

Substantial savings in raw materials







# ON THE PATH TO REACH FULL CIRCULARITY OF PRODUCTS WITH 40% OF SUSTAINABLE RAW MATERIALS IN 2030, 100% IN 2050



**RENEWABLE REUSE REDUCE RECYCLE**



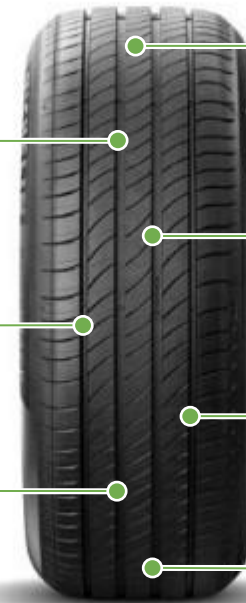
NATURAL RUBBER



PLASTIFIERS/RESINS



TEXTILES



SYNTHETIC RUBBER

CHARGES

METALS

OTHER



**In 2021, we will race with a Moto E tyre made of 40% sustainable materials**



\* European project funded by Horizon 2020, project number: 82068

\*\* With the support of ADEME (ADEME: French Environment & Energy Management Agency)



# ***APPENDICES***







# ***CAPITAL MARKETS DAY: RELIVE THE EVENT***

A dedicated page has been created for the event on the [www.michelin.com](http://www.michelin.com) website. It features a number of [replayable](#) videos that review the day's presentations and offer insight into the following themes, which are going to drive the Group's sustainable growth:

- [Michelin's Environmental Leadership](#): Focus on the Automotive segment
- [Industry 4.0](#): a key lever to improve our industrial efficiency
- [Services and Solutions](#): understanding customer needs and how our products are used enables us to develop and offer high value-added solutions
- [High-Tech Materials](#): leveraging our R&D expertise in materials, to develop new growth avenues
- [Metal 3D Printing](#): a unique offering in a very high-potential market
- [Hydrogen](#): becoming a global player in hydrogen mobility

# **MICHELIN**

Capital  
Markets  
Day **21**

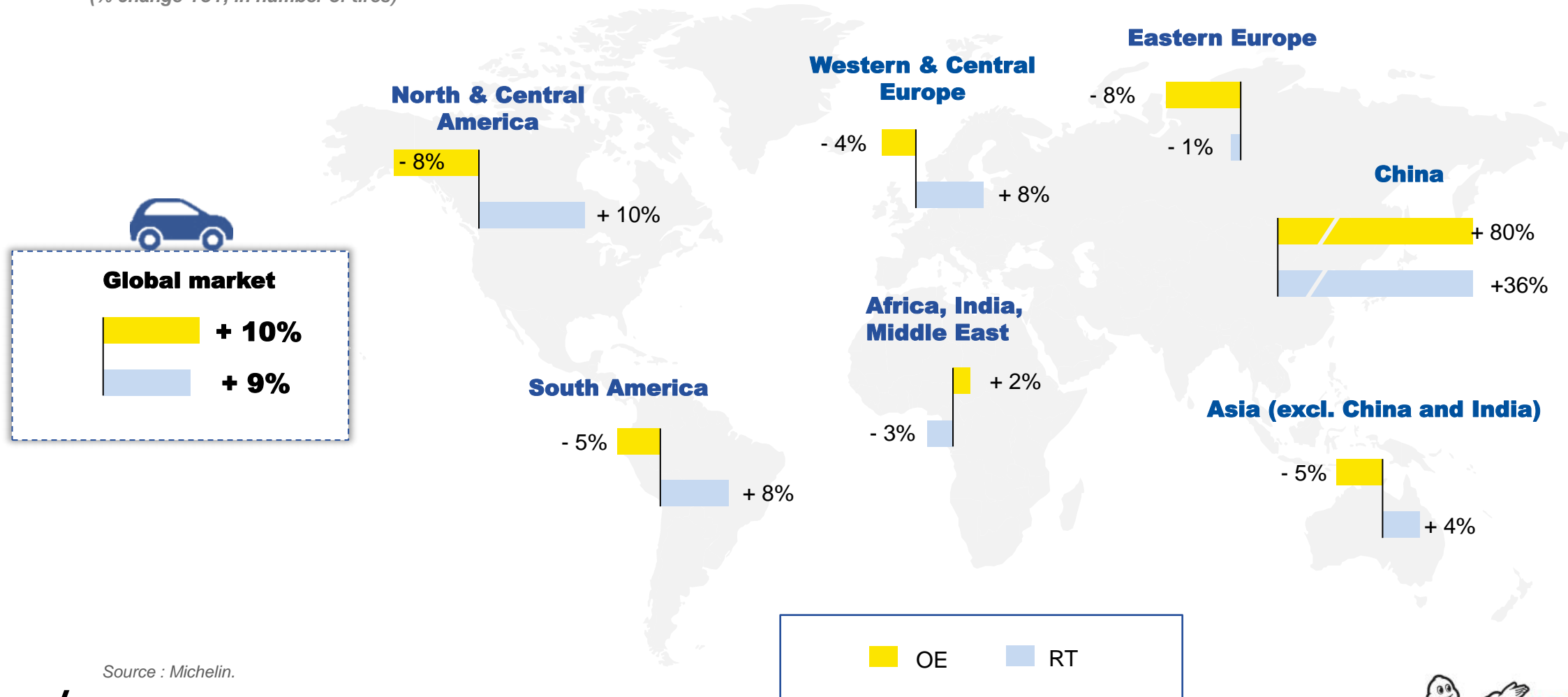


# PC/LT Q1 2021: BASED ON FAVORABLE PRIOR-YEAR COMPARATIVES, OE WAS HURT BY COMPONENT SHORTAGES AND RT CONTINUED TO REBOUND



## PASSENGER CAR TIRE MARKETS, Q1 2021

(% change YoY, in number of tires)



Source : Michelin.

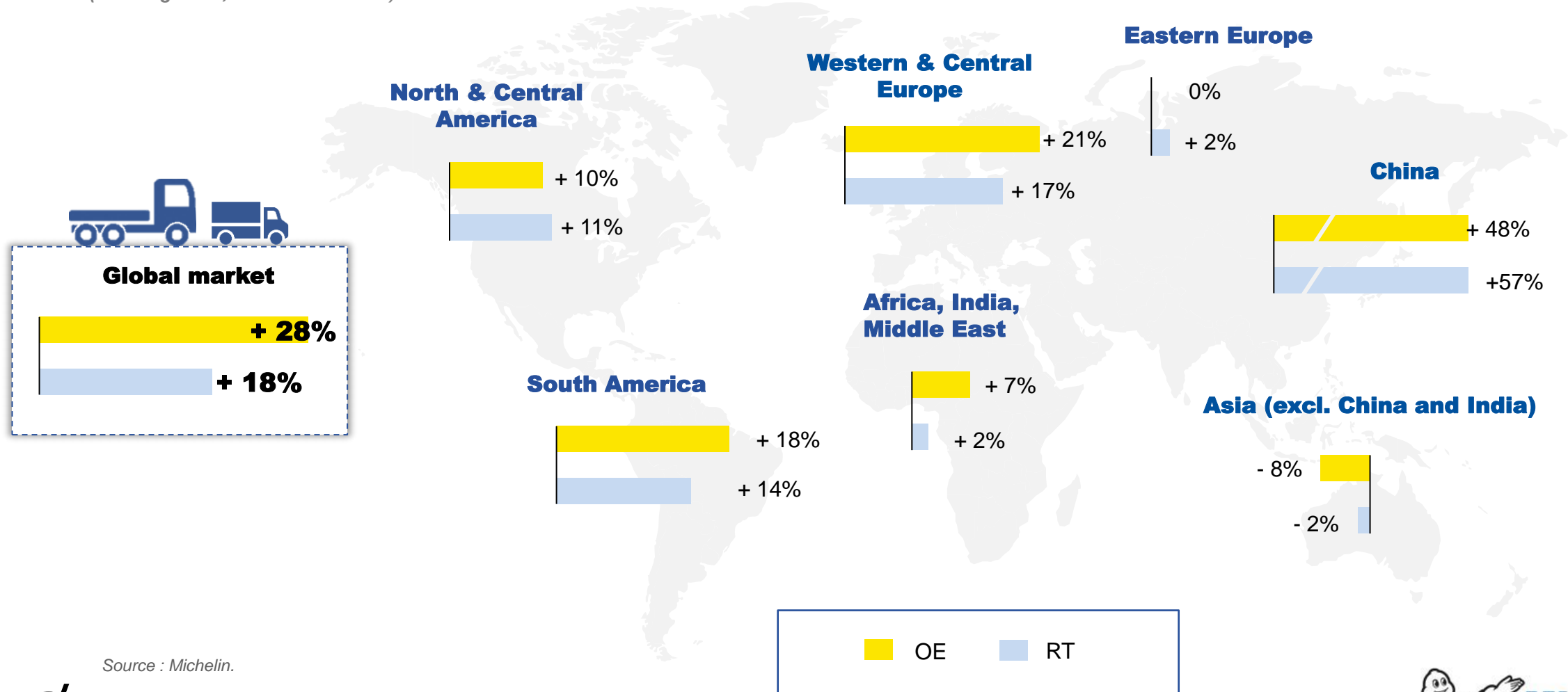


# TRUCK Q1 2021: SUSTAINED FLEET UPGRADES AND GROWTH IN FREIGHT DEMAND FROM A FAVORABLE BASE OF COMPARISON



## TRUCK TIRE MARKETS, Q1 2021

(% change YoY, in number of tires)



Source : Michelin.



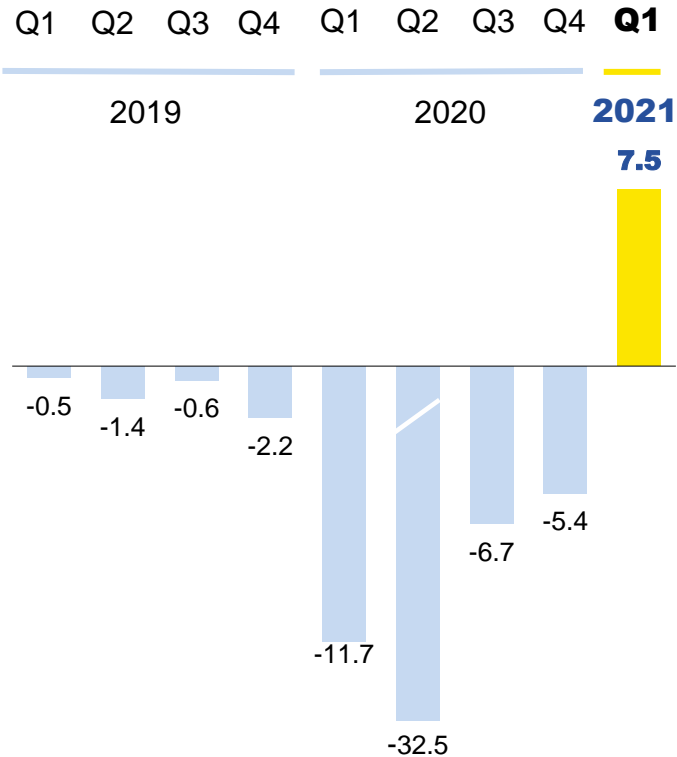
# Q1 2021: SHARP UPTURN IN BUSINESS, WITH SUSTAINED PRICE DISCIPLINE AND MIX ENHANCEMENT



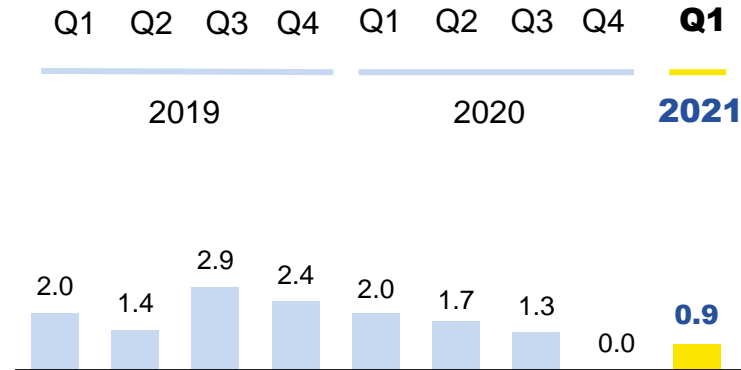
## YoY CHANGE, BY QUARTER

(in %)

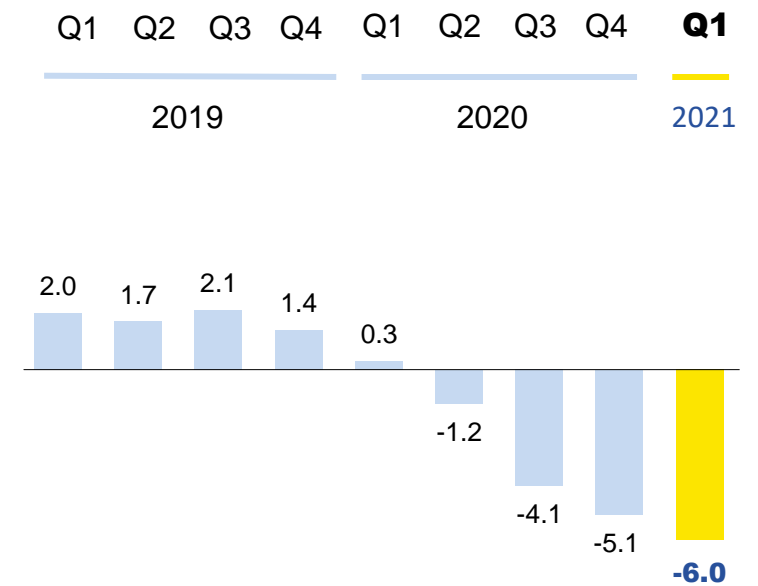
### Volumes



### Price-Mix



### Currency effect

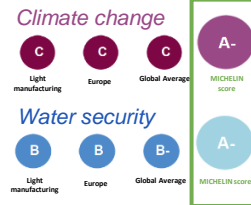
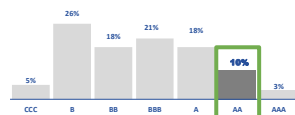
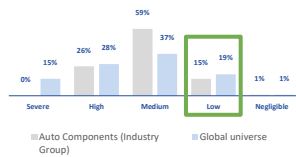


# MICHELIN'S NON-FINANCIAL RATINGS: A LEADING, AND RECOGNIZED PLAYER IN SUSTAINABLE MOBILITY

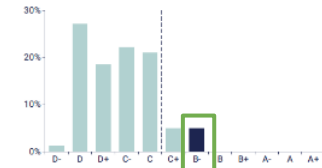
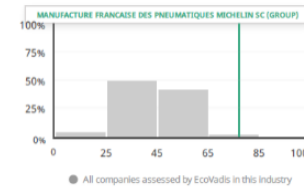
## MAJOR SUSTAINABILITY RATINGS (as of April 26, 2021)

	SUSTAINALYTICS <i>(risk rating) 2020</i>	MSCI 2020	CDP 2020	ECOVADIS 2019	ISS-OEKOM 2020	VIGEO EIRIS Moody's 2020
Status	<b>LOW RISK</b>	<b>AA</b>	<b>LEADERSHIP</b>	<b>GOLD</b>	<b>PRIME</b>	<b>A1+*</b>
						
Rating	<b>15.2</b>	<b>8.4/10</b>	<b>A-</b>	<b>78/100</b>	<b>B-</b>	<b>68/100</b>

### Ranking / Distribution of ratings



Top 1% (natural rubber)



2<sup>nd</sup> of 40 in the sector

\* corporate rating 2018





# SALES BY CURRENCY AND SEGMENT OPERATING INCOME (SOI) IMPACT

	% of sales (2020)		Q1 2021 € change vs. currency	Droptthrough sales / SOI*
	USD	36%	+9%	35% / 45%
	EUR	32%	-	-
	CNY	6%	+2%	25%/30%
	AUD	3%	-7%	80%/85%
	GBP	3%	+2%	25%/30%
	BRL	3%	+35%	-30%/-20%
	CAD	3%	+3%	25%/30%
	RUB	1%	+23%	25%/30%
	JPY	1%	+6%	80%/85%

	% of sales (2020)		Q1 2021 € change vs. currency	Droptthrough sales / SOI*
	CLP	1%	-1%	80%/85%
	MXN	1%	+12%	25%/30%
	THB	1%	+6%	-130%/-100%
	TRY	1%	+32%	80%/85%
	SEK	0.8%	-5%	80%/85%
	TWD	0.6%	+2%	80%/85%
	ZAR	0.4%	+7%	80%/85%
	ARS	0.3%	+57%	80%/85%
	COP	0.2%	+11%	80%/85%
	Autres	5.7%	-	-

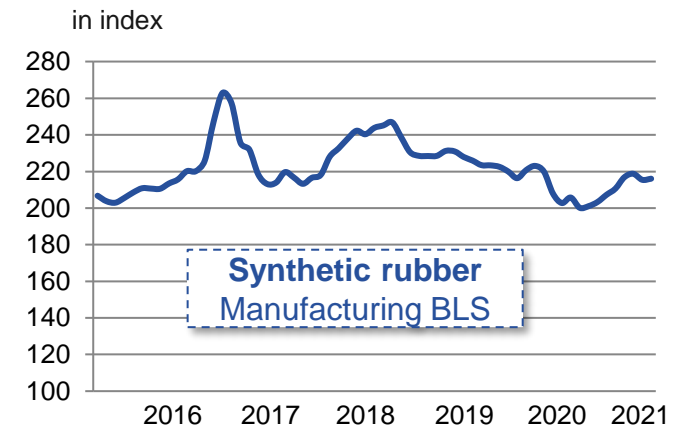
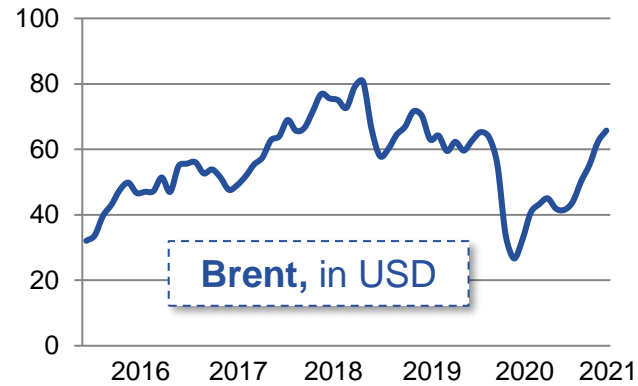
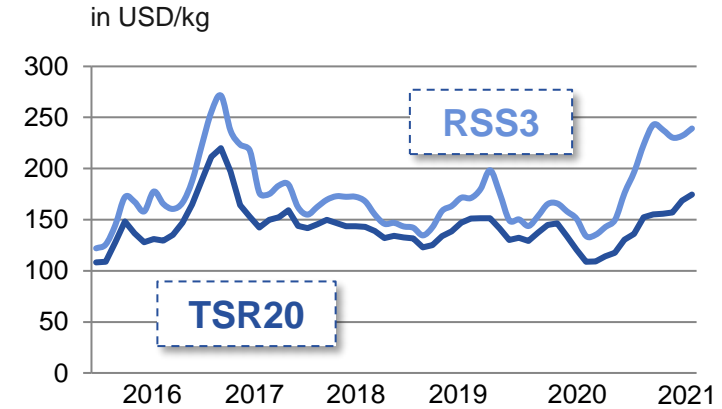
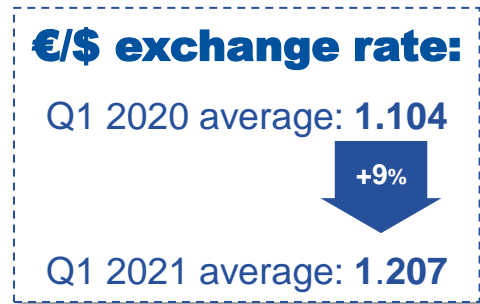
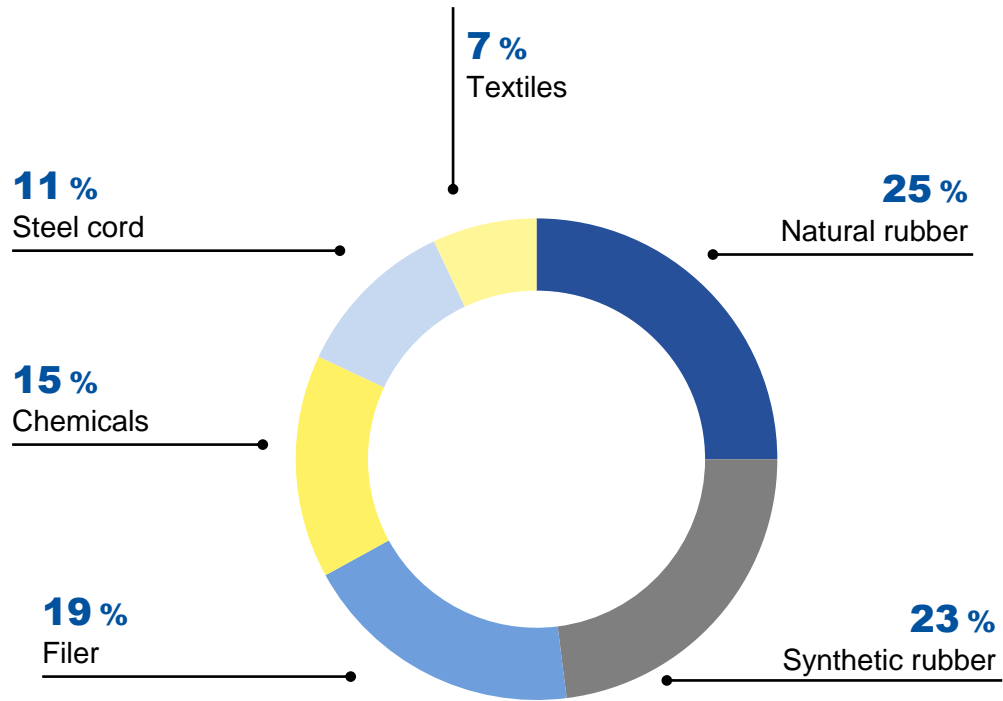
\* Droptthrough depends on export base/production/sales



# RAW MATERIALS



## RAW MATERIAL PURCHASES IN 2020 (€3.8bn)



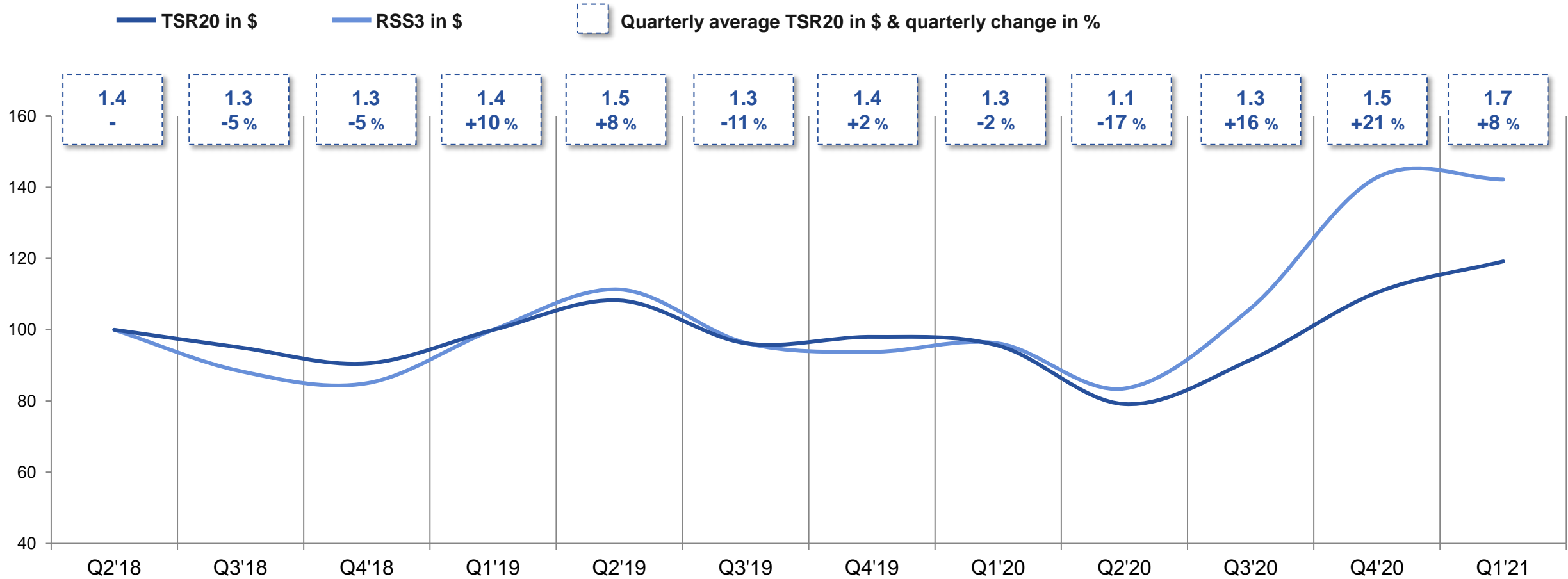


# NATURAL RUBBER PRICE TREND



## AT END OF MARCH 2021

(per kg, base 100 in Q2 2018)



Source: SICOM



# BRENT PRICE TREND

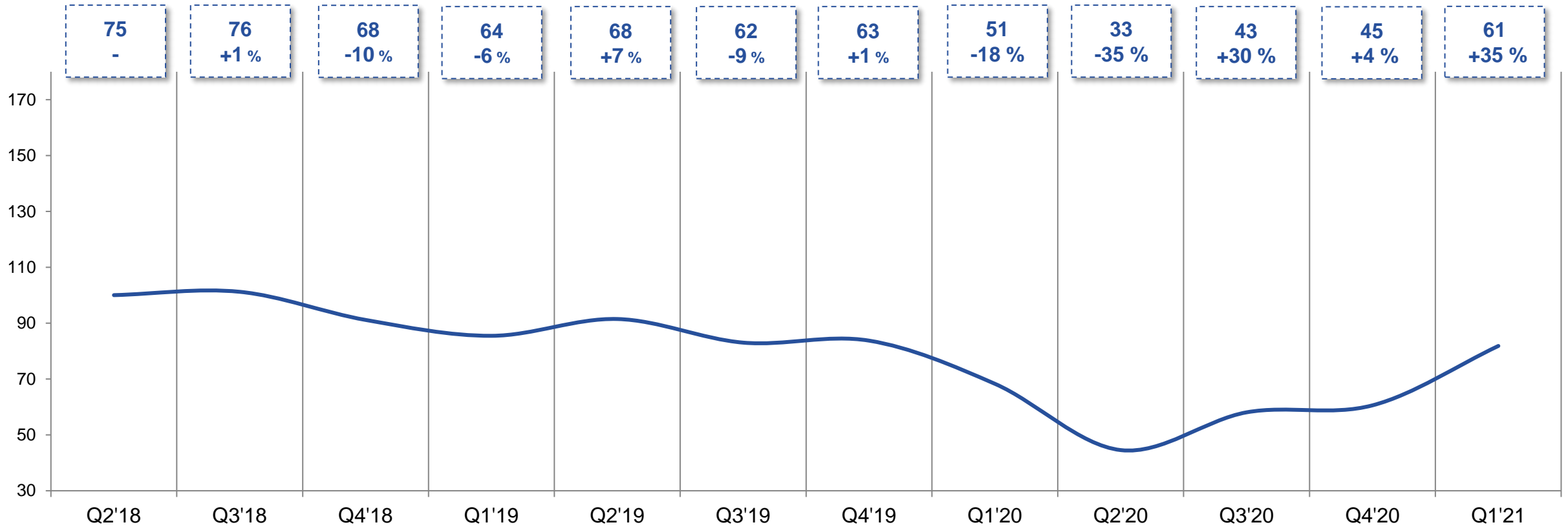


AT END OF MARCH 2021

(per kg, base 100 in Q2 2018)

— Brent in \$

Quarterly average Brent in \$ & quarterly change in %





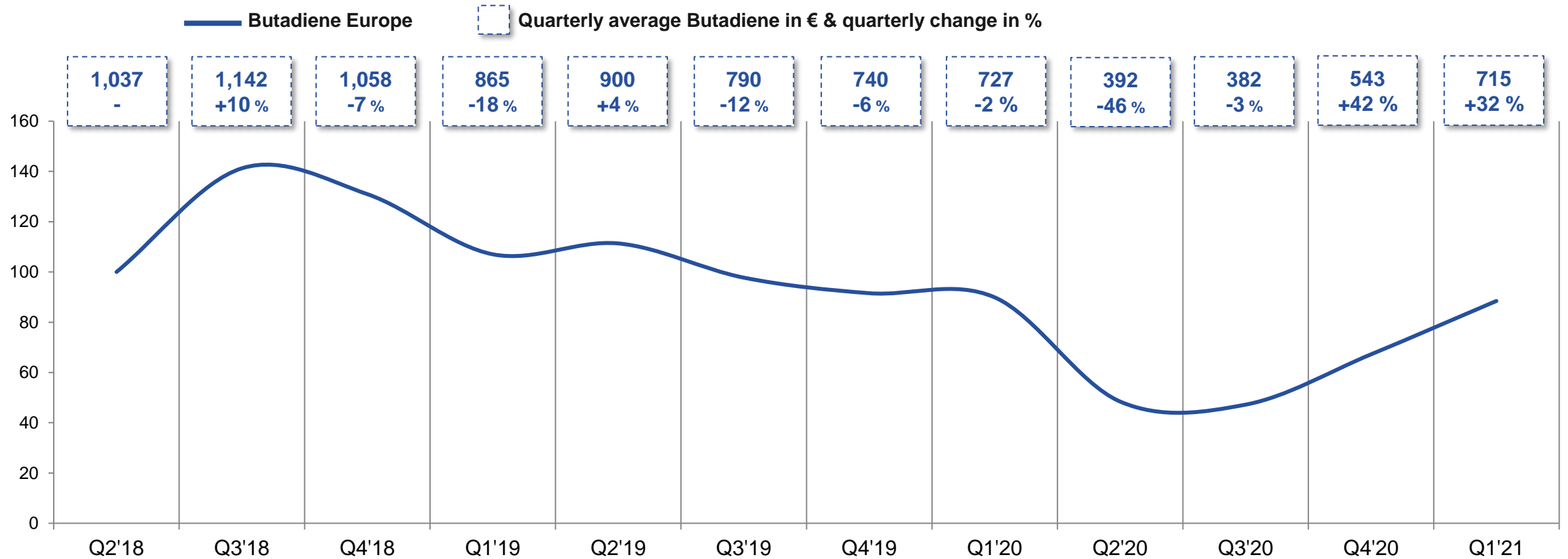


# BUTADIENE RUBBER PRICE TREND



**AT END OF MARCH 2021**

(per kg, base 100 in Q2 2018)





# OUTSTANDING BOND ISSUES (AS OF MARCH 31, 2021)

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	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	Compagnie Générale des Etablissements MICHELIN
<b>Issue Type</b>	Senior Note Convertible	Senior Note Bond	Senior Note Convertible	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond
<b>Principal amount</b>	\$500 mn + TAP \$100 mn	€300 mn	\$600 mn	€750 mn	€300 mn	€500 mn	€ 1'000 mn	€500 mn	€750 mn	€500 mn	€302 mn
<b>Offering price</b>	100% & 103.85%	99.97%	95.500%	99.10%	99.081%	99.89%	99.262%	99.54%	99.363%	99.46%	98.926%
<b>Corporate rating at issuance date</b>	A- (S&P) A3 (Moody's)	BBB+ (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	BBB+ (S&P) A3 (Moody's)	A- (S&P) A- (Fitch)	A- (S&P) A3 (Moody's)	A- (S&P) A- (Fitch)	A- (S&P) A3 (Moody's)	A- (S&P) A- (Fitch)	A- (S&P) A3 (Moody's)
<b>Current corporate rating</b>	A- (S& P); A3 (Moody's); A- (Fitch)										
<b>Coupon</b>	ZERO Conv premium 128%	1.125% p.a	ZERO Conv premium 130%	0.875% p.a	1.750% p.a	0.000% p.a	1.750% p.a	0.250% p.a	2.500% p.a	0.625% p.a	3.250% p.a
<b>Issue date</b>	Jan.10, 2017 & May 5, 2017	May 28, 2015	Jan. 10, 2018	Sept. 3, 2018	May 28, 2015	Nov.2, 2020	Sept. 3, 2018	Nov.2, 2020	Sept.3, 2018	Nov. 2, 2020	Sept. 30, 2015 & Sept. 30,2016
<b>Maturity</b>	Jan. 10, 2022	May 28, 2022	Nov. 10, 2023	Sept. 3, 2025	May 28, 2027	Nov.2, 2028	Sept.3, 2030	Nov. 2, 2032	Sept.3, 2038	Nov. 2, 2040	Sept.30, 2045
<b>Interest payment</b>	N/A	Annual May 28	N/A	Annual Sept. 3	Annual May 28	Annual Nov. 2	Annual Sept. 3	Annual Nov. 2	Annual Sept. 3	Annual Nov. 2	Annual Sept. 30
<b>ISIN</b>	FR0013230745	XS1233732194	FR0013309184	FR0013357845	XS1233734562	FR0014000D31	FR0013357852	FR0014000D49	FR0013357860	FR0014000D56	XS1298728707
<b>Denomination</b>	\$ 200,000 with min. tradable amount \$ 200,000	€ 1,000 with min. tradable amount € 1,000	\$ 200,000 with min. tradable amount \$ 200,000	€ 100,000 with min. tradable amount € 100,000	€ 1,000 with min. tradable amount € 1,000	€ 100,000 with min. tradable amount € 100,000	€ 100,000 with min. tradable amount € 100,000	€ 100,000 with min. tradable amount € 100,000	€ 100,000 with min. tradable amount € 100,000	€ 100,000 with min. tradable amount € 100,000	€ 1,000 with min. tradable amount € 1,000



# A COMFORTABLE CASH POSITION



## DEBT MATURITIES AT DECEMBER 31, 2020

(carrying amount, in € millions)



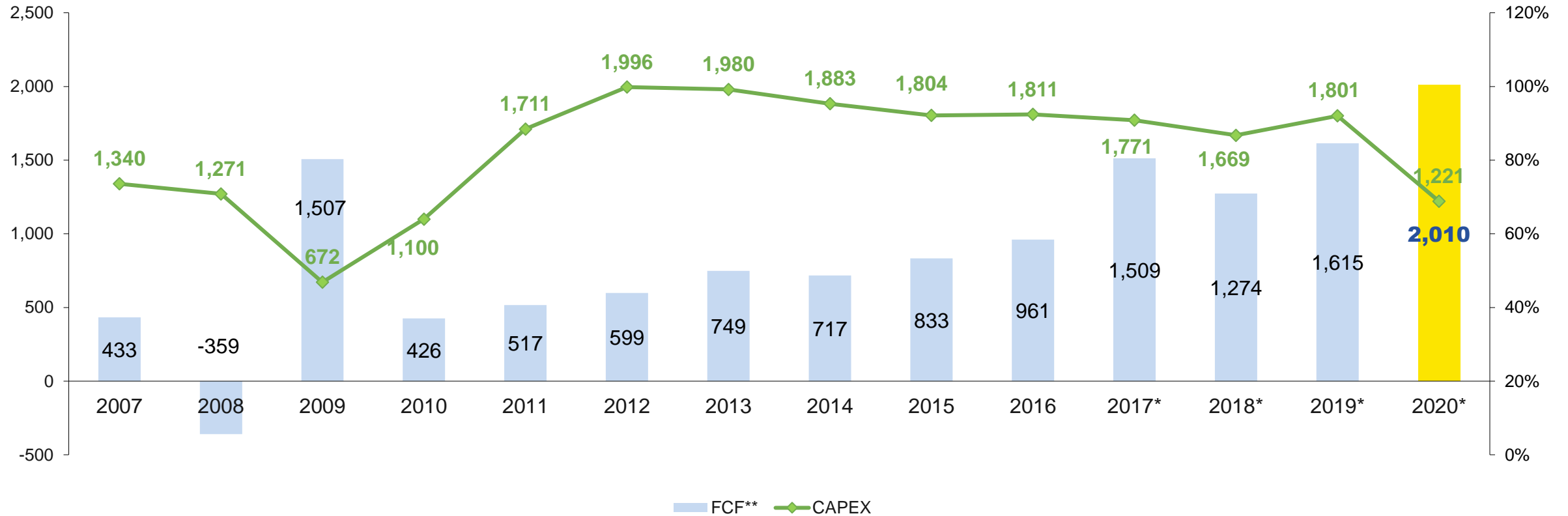


# 2007 – 2020 : GROUP CAPACITY TO PROTECT AND IMPROVE ITS FREE CASH FLOW GENERATION



## Free cash flow\* and CAPEX 2007 - 2020

(in € millions)



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





# MICHELIN, A GROUP BUILT ON A STRONG IDENTITY



## THE MICHELIN BRAND, a legacy of trust

The first removable tire



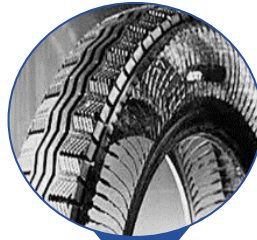
1891

Éclair, the first car with pneumatic tires



1895

The radial tire



1946

The "green tire"

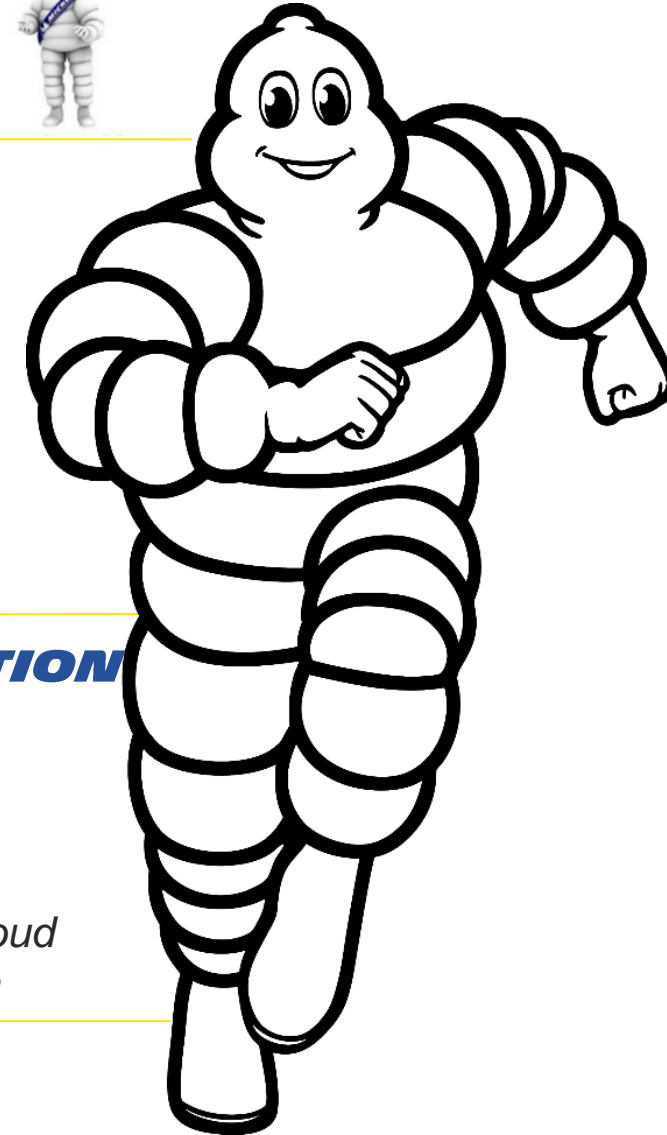


1992

Uptis



2019



## Serving customers and respecting the environment **WITH THE POWER OF INNOVATION**



**83%\***

of employees say they are proud and happy to work at Michelin

## EMPLOYEE ENGAGEMENT

\* In 2020, up 2 points compared with 2019



# A STRONG IDENTITY EMBRACED BY ALL OUR STAKEHOLDERS

## THE POWER OF INNOVATION

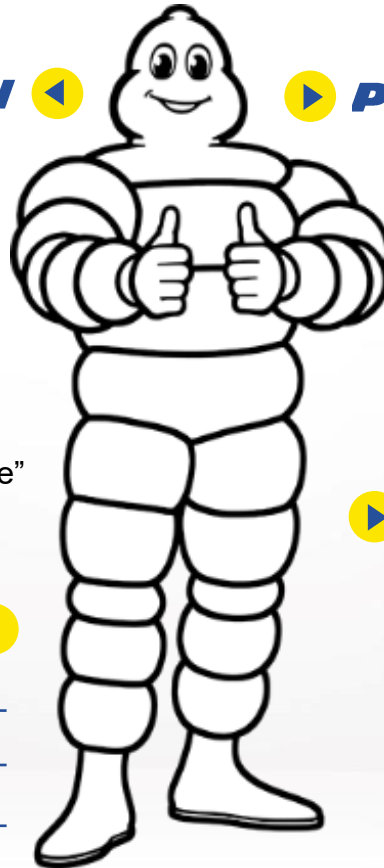
- **Digital:** Winner in the Transformation of Customer Relations category at the 2020 Digital Acceleration Awards (*BFM Business*)
- **Connected tires:** Winner of the Tire Manufacture Producers award at the J2A2020\* Awards (*European Rubber Journal*\*)
- **MICHELIN e.Primacy:** Green innovation awards "Best tire of the year" and 'Jury's favorite' of the 2020 automobile Awards (Motul)



\* Journey to Automation 2020 Award

## FINANCIAL STRENGTH AND OPPORTUNITY

17 sell-side analysts			S&P	Fitch
Buy	11	Long term	A-	A-
Hold	6	Outlook	Stable	Stable



## PRODUCT PERFORMANCE

Since 1989, Michelin has been awarded **97\*** awards out of the 119 given for OE customer satisfaction

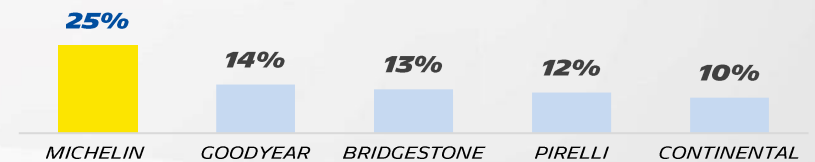
**4 TIMES MORE THAN ALL COMPETITORS COMBINED!**



\* Source: 2021 J.D. Power U.S. OE Tire Customer Satisfaction Study

## BRAND REPUTATION

### Global Brand Power Score\*



\* Top 5, as a % of the total number of consumers in 2020. BCM study conducted by market research institute Millward Brown, based on the reduced brand list of 8 brands

## ESG PERFORMANCE

SUSTAINALYTICS 2020 (risk rating)	Low risk	ECOVADIS 2019	GOLD
MSCI 2020	AA	ISS-OEKOM 2020	PRIME
CDP 2020	LEADERSHIP	VIGEO EIRIS 2018	A1+





# MICHELIN, THE GLOBAL LEADER IN THE TIRE INDUSTRY AND A MOBILITY AND MATERIAL-FOCUSED TECHNOLOGY EXPERTISE



Sales contribution of each segment\*



**Automotive :**  
**38%** Replacement  
**11%** Original equipment  
**Road Transportation : 27%**  
**Specialties : 24%**



\* 2019 sales

**MICHELIN** is present in **171 COUNTRIES**

**52** Spain Roadshow - June 11, 2021





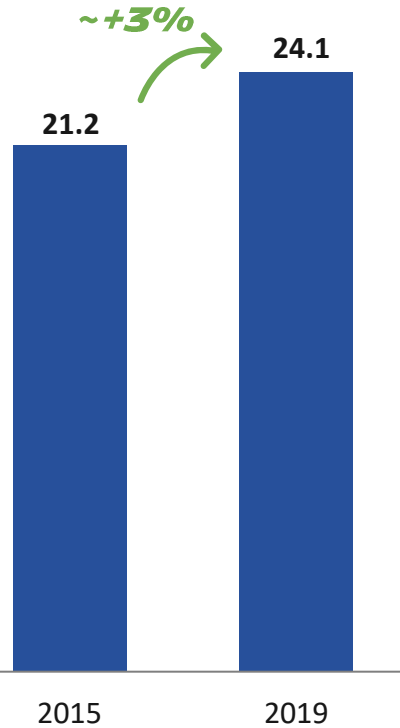
# IN 2019, MICHELIN WAS FULLY ON-TRACK TO DELIVER ON ITS "2016-2020 AMBITIONS" PLAN

In € billion, unless otherwise stated



## GROWTH

Sales

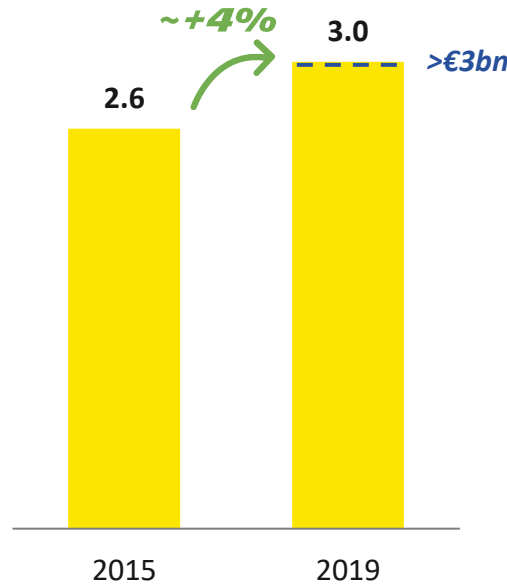


## PROFITABILITY

Segment Operating Income



**% margin**  
 12.2%    12.5%

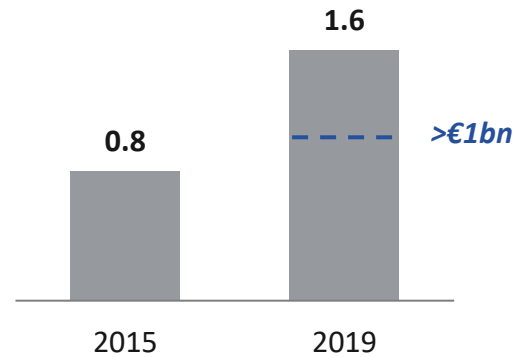


## CASH GENERATION

Structural FCF

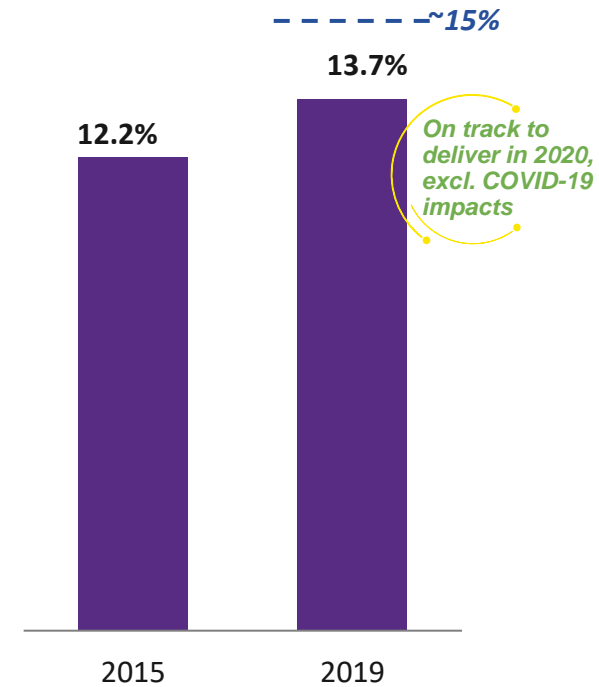


**% of EBITDA**  
 21%    34%



## 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*

Partnership

\* CAGR 2015 - 2019

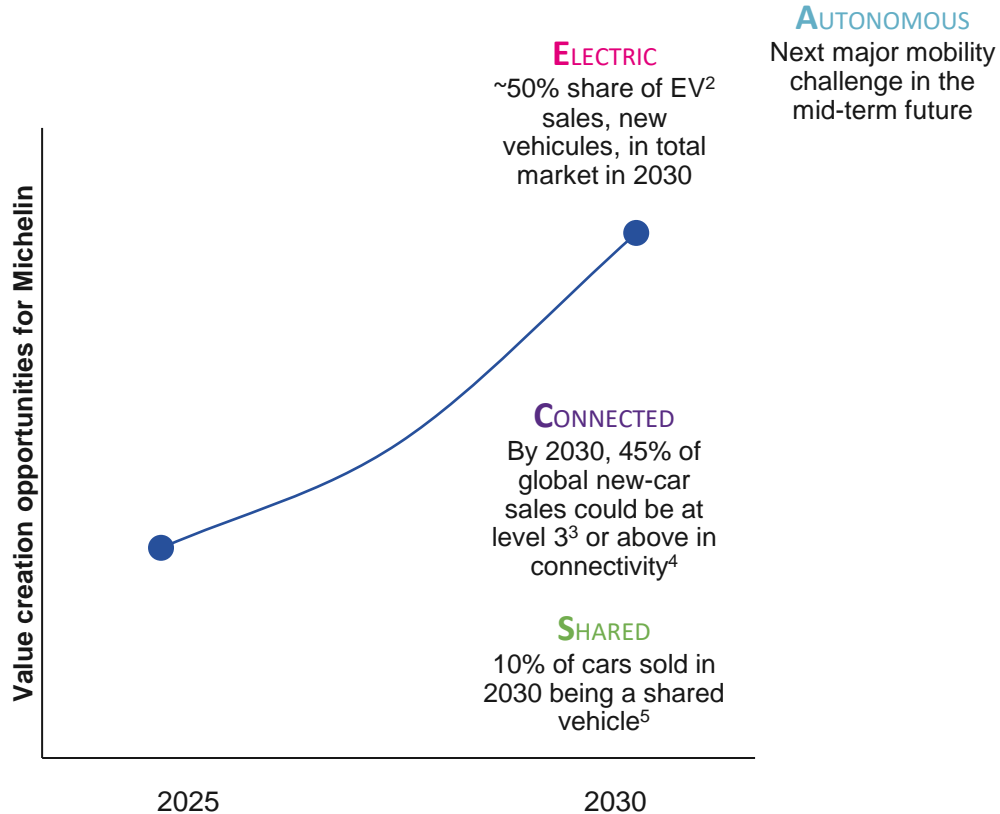




# THE FUTURE OF MOBILITY ENABLES US TO FURTHER STRENGTHEN OUR TECHNOLOGICAL LEADERSHIP



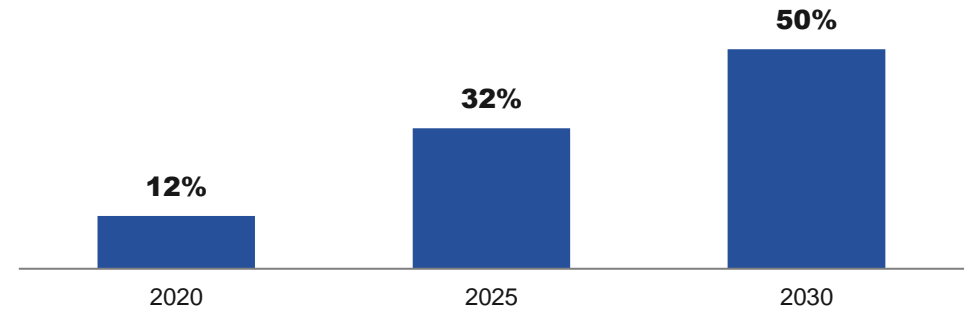
## C.A.S.E<sup>1</sup> MOBILITY TRENDS



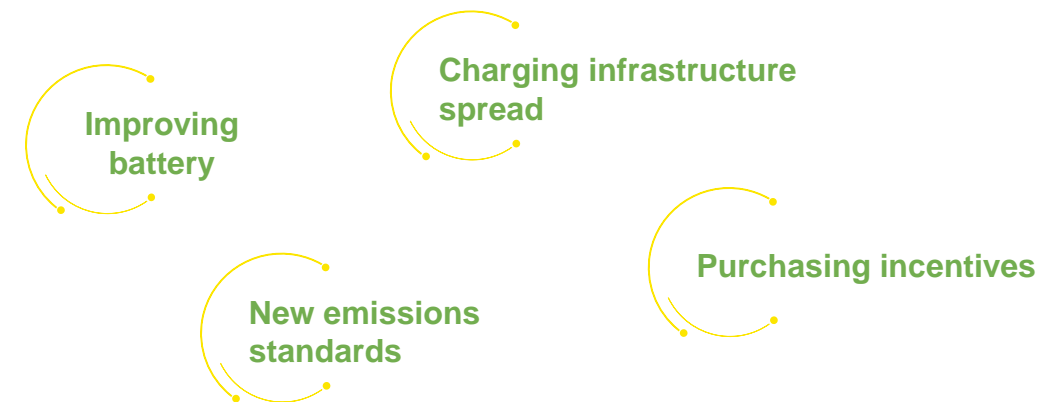
Notes: 1 C.A.S.E: Connected, Autonomous, Shared, Electric  
 2 EV: Electric Vehicle (hybrid, battery-powered and fuel cell-powered)  
 3 All occupants enjoy personalized controls, their own infotainment content and targeted contextual advertising  
 4 Source: McKinsey, The future of mobility is at our doorstep  
 5 Source: McKinsey, Automotive revolution - perspective towards 2030



## STRONG GROWTH IN ELECTRIC-VEHICLES MARKET SHARE IN THE GLOBAL NEW VEHICLE MARKET



## ELECTRIC MOBILITY IS THE MAJOR TREND DRIVING PASSENGER CARS MARKET GROWTH

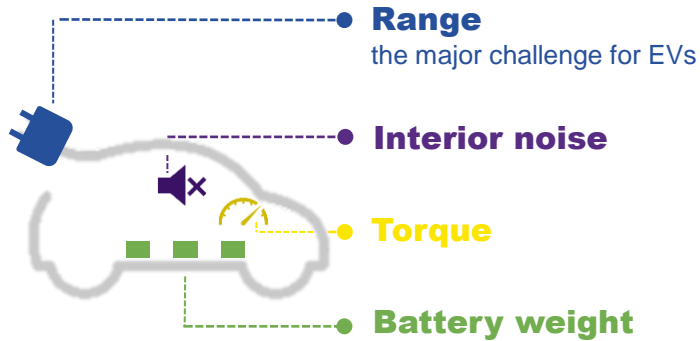




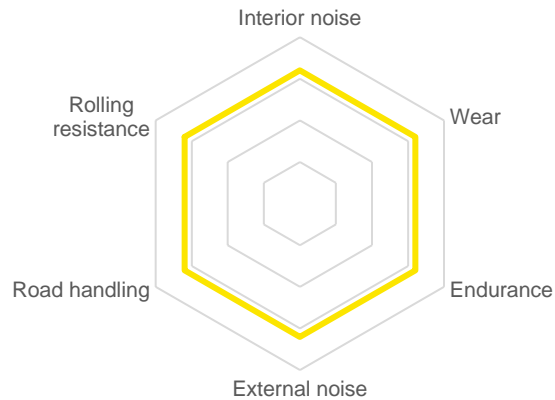
# EV<sup>1</sup> MARKET: A STRONG OPPORTUNITY FOR MICHELIN TO DEMONSTRATE ITS TECHNOLOGICAL LEADERSHIP



## VEHICLE ELECTRIFICATION CHALLENGES



## TIRES FOR EV: INCREASE DEMAND FOR PERFORMANCE



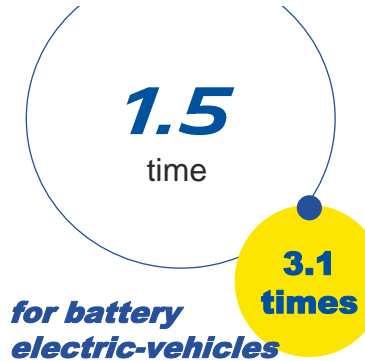
**High-performance solutions**

**aligned with EV needs**



## OFFER FULLY ALIGNED WITH OPPORTUNITY

Michelin EV Original Equipment share / Total ORIGINAL EQUIPMENT share

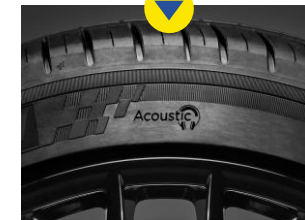


● **EV Original Equipment/Replacement loyalty rate**

**HL TIRES (High Load)**



**ACOUSTIC TECHNOLOGY**



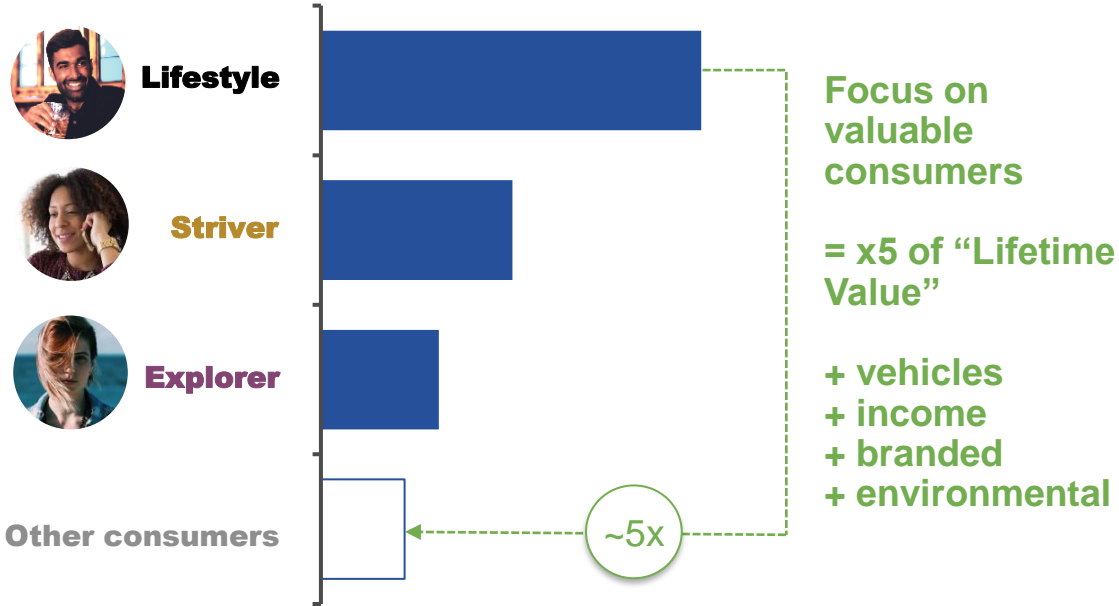
Notes: 1 EV: Electric Vehicle (hybrid, battery-powered and fuel cell-powered)  
2 ICE: Internal Combustion Engine



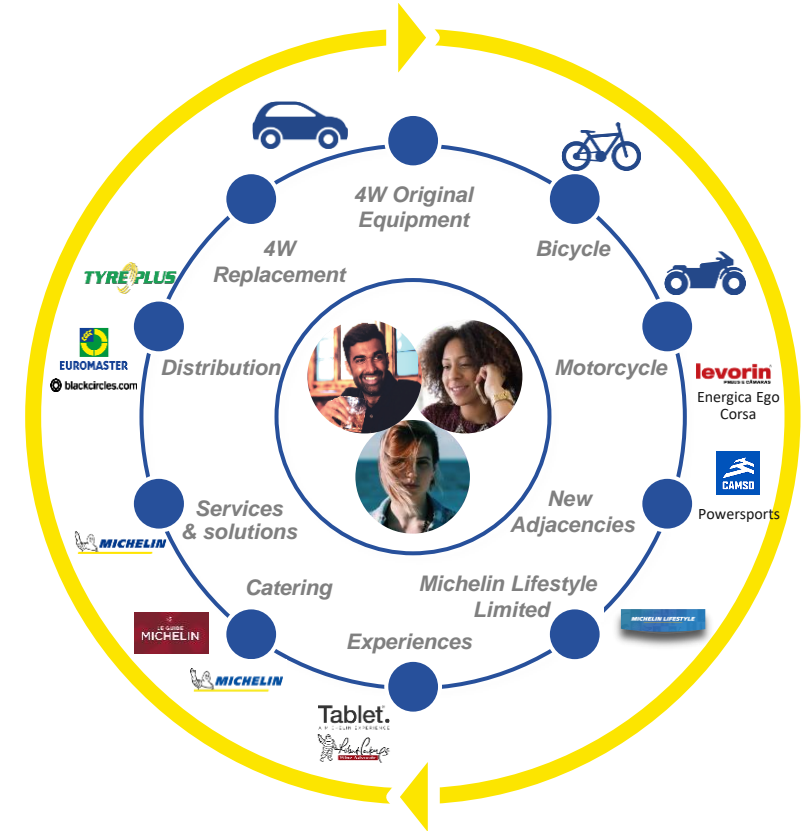
# PASSENGER CARS – TARGETING MOST VALUABLE AND LOYAL CONSUMERS



## A VALUE ORIENTED CUSTOMER SEGMENTATION



## LEVERAGE ALL THE GROUP'S B2C ASSETS



Activate all group assets to increase customers retention and lifetime value

Develop the potential of "Data-Driven Marketing": Leverage segmentation attributes and statistical analysis to "profile" and better target consumers



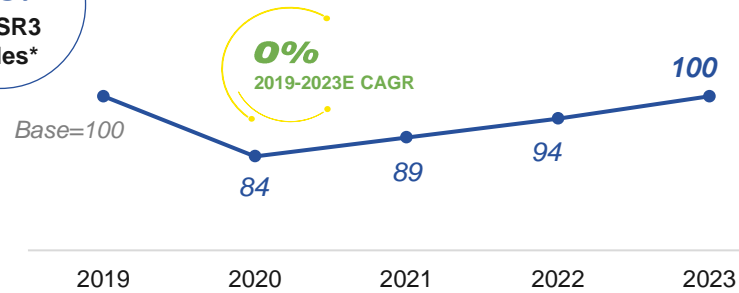
# MINING AND 2-WHEELS – STRUCTURALLY GROWING MARKETS UNDER INCREASING ENVIRONMENTAL INFLUENCE



## MINING MARKETS

Worldwide market/underground mining (tonnes)

~35% of SR3 sales\*



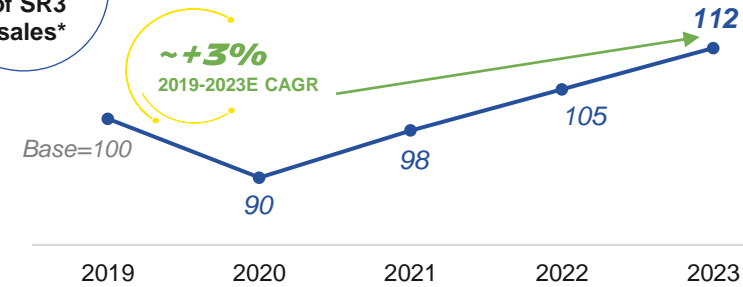
2019-2030 CAGR: C. +3%



## MOTO LEISURE & COMMUTING MARKETS

Worldwide market (units)

~7% of SR3 sales\*



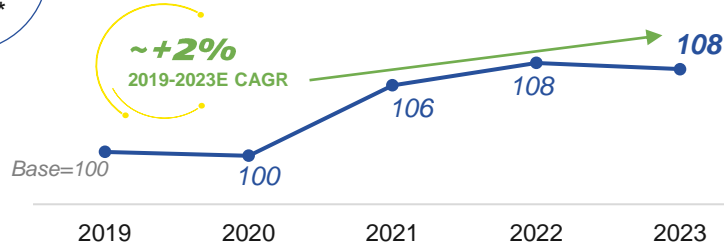
Volume and value growth: use of bicycles and scooters to increase up to 10% by 2030



## AGRICULTURE MARKETS

Worldwide\* market (units tires & tracks)

~12% of SR3 sales\*\*



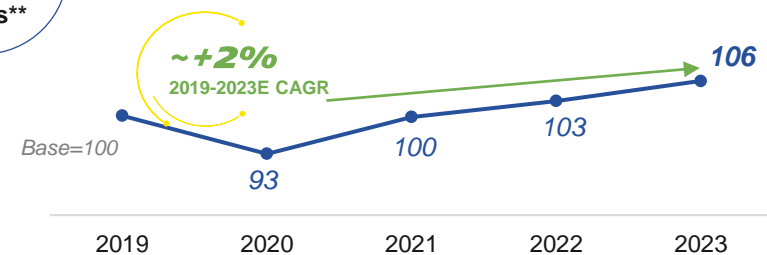
Long-term CAGR: C. +3%



## CONSTRUCTION MARKETS

Worldwide market(units)

~12% of SR3 sales\*\*



Recovery following adverse cycle in construction

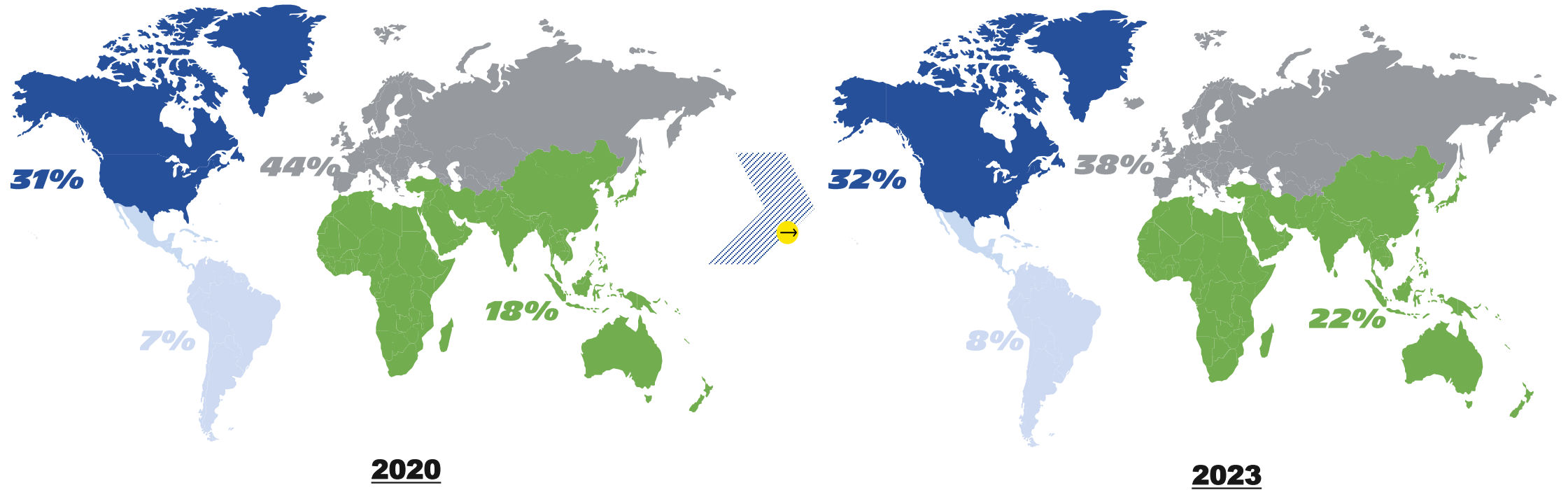


# COMPETITIVENESS PLAN – REBALANCING OUR INDUSTRIAL FOOTPRINT TO BECOME MORE LOCAL-TO-LOCAL



SEIZING EMERGING MARKETS POSITIVE MOMENTUM

(% of Industrial Capacities)



Increase local-to-local ratio  
 Reducing stock and CO<sub>2</sub> emissions  
 Best-in-class supply chain





# MANUFACTURING COMPETITIVENESS PLAN: 4.0 PLANTS TO MAKE OUR INDUSTRY MORE PRODUCTIVE AND FLEXIBLE

Automation  
Artificial  
Intelligence

DIGITAL  
MANUFACTURING

MASSIFYING  
FLAGSHIP  
PLANTS

**€80M**  
productivity  
gains /year  
net of  
inflation  
2020-2023

OPERATIONAL  
EXCELLENCE

MATERIAL COST  
REDUCTION

Flexibility  
Simplexity  
Process  
Standardization

Reactivity  
Cost optimum  
*In 2025, 16 sites will  
have a production  
capacity above 100Kt  
with average capacity of  
140Kt*

Design to cost  
Scrap reduction  
Upstream gains



# **SG&A TIRE COMPETITIVENESS PLAN: €125M GAINS NET OF INFLATION OVER 2020-2025, €65M BY 2023**



**INCREASING  
PRODUCTIVITY**

Leveraging new technologies (AI)

Digitalizing activities

Optimizing footprint

**€65M  
SG&A tire  
gains by  
2023  
net of  
inflation**

**SIMPLIFYING  
PROCESSES**

Standardizing best practices

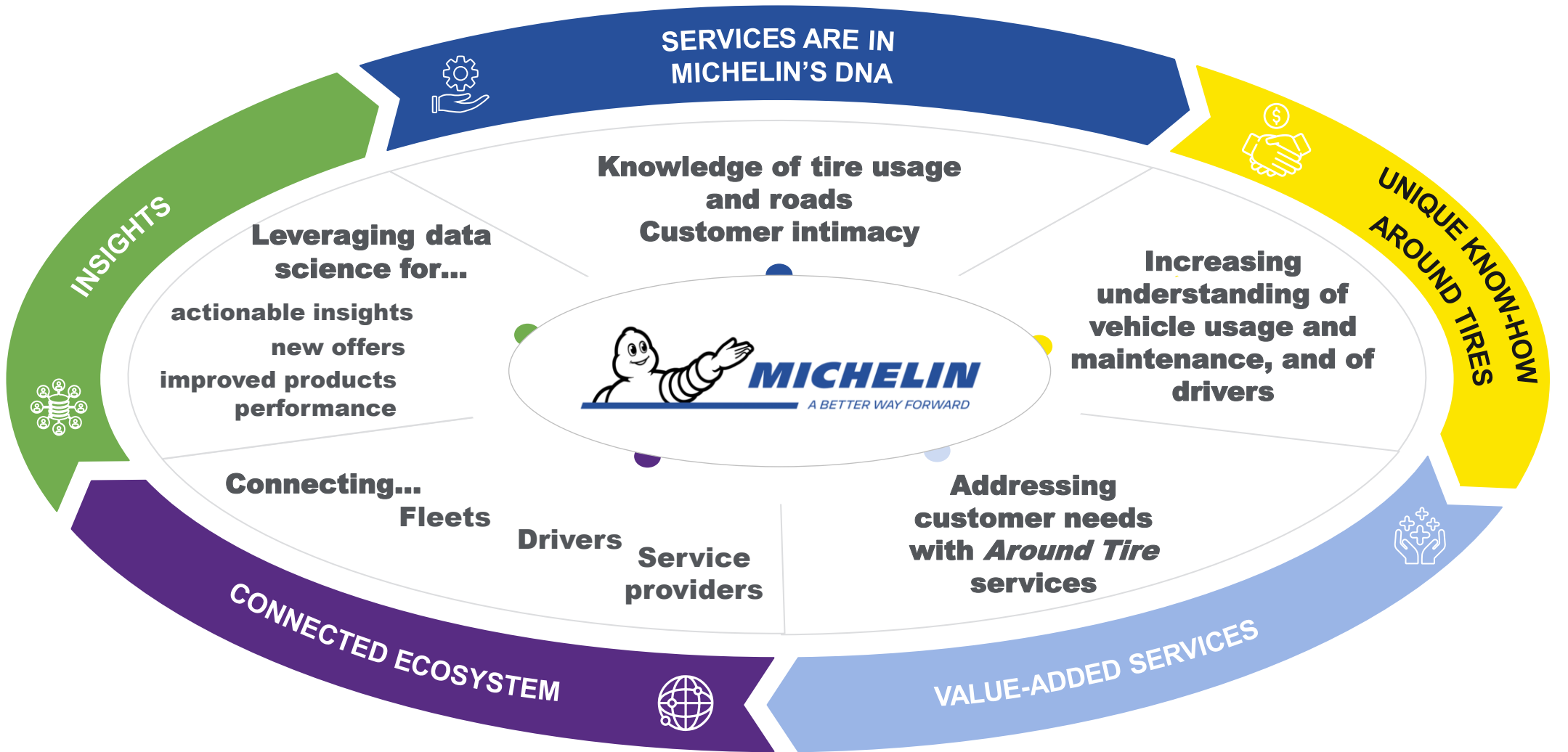
Decision making closer to customer

Developing shared service centers

Reengineering end to end processes



# OUR UNDERSTANDING OF CLIENTS' USAGE PATTERNS AND NEEDS ENABLES US TO OFFER HIGH VALUE-ADDED SOLUTIONS





# MAKING OUR CLIENTS LIFE EASIER WHILE CREATING NEW BUSINESS OPPORTUNITIES

## MICHELIN

### FLEET SERVICE ORCHESTRATOR 'ONE-STOP-SHOP'

Unique and differentiated experience for all type of fleets



### SPECIALIST IN MOBILITY AND USAGE DATA

Mobility operators, infrastructure managers, OEMs, insurers...  
Customized solutions to transform data into insights

CUSTOMERS

OFFERS & SERVICES

Digital Service Platform

IOT & Data Businesses

Fleet Services

Fleet Mgt | TaaS | Other service

Tires & Parts

Maintenance (incl. predictive)

New service providers

Road Diagnosis

Drivers and mobility advice

Lead generation

...

CONTRIBUTORS ILLUSTRATIVE

			auto-suppliers		Insurers
			oil & gas company		Hydrogen mobility providers
				Car repairs, accessories and parts	Electric mobility providers

Insights for offer design



IOT = Internet Of Things





# KEY LEVERS TO REACH OUR AMBITIONS



**FLEET SERVICES**



*DATA CAPTURE  
ANALYTICS  
SMART INTERFACES  
OPERATIONS SERVICE  
& SUPPORT*



Number of vehicles under contract: **+15% CAGR** by 2030



**DIGITAL SERVICES PLATFORM**



*SCALABLE &  
ADAPTABLE PLATFORM  
LARGE & DIVERSE  
NETWORK OF  
PARTNERS*



**>5M** transactions per year  
**+10K** service providers



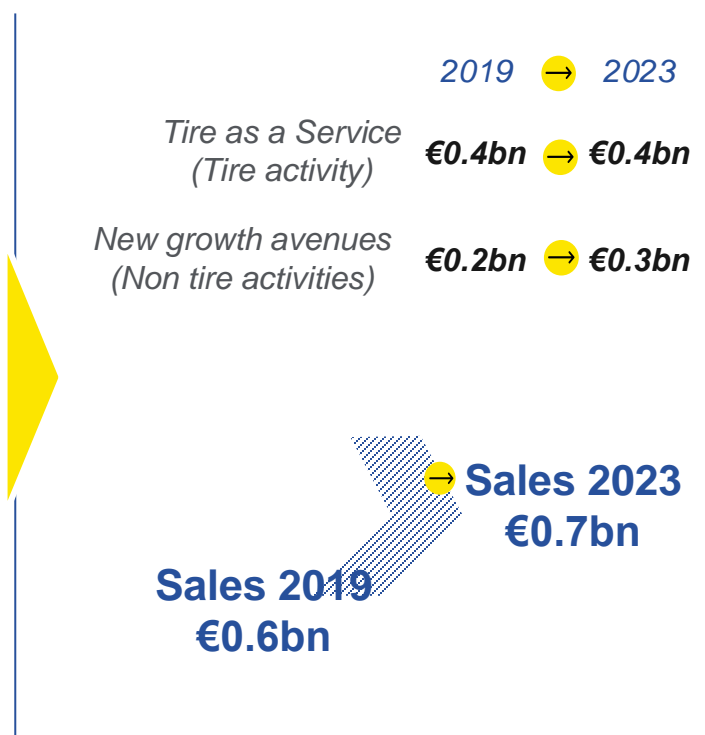
**IOT & Data businesses**



*EXPONENTIAL  
NUMBER OF  
CONNECTED OBJECTS  
DATA SCIENCE*



**C.50** offers launched per year







# REINFORCING OUR POSITIONS ALONG THE VALUE CHAIN



## CURRENT ACTIVITIES

Recovered materials

**Lehigh TECHNOLOGIES**

**enviro**  
SCANDINAVIAN ENVIRO SYSTEMS

Sustainable monomers and polymers

**BIOBUTTERFLY**

**PYROWAVE**  
CLOSING THE LOOP



## TARGET POSITIONING

Accelerator of differentiating technologies for tires and 'rubber goods', in the field of bio-sourced materials and recycling

Special Adhesives

**ResiCare**

Compounding



Reference actor in the field of special adhesives and tailor-made polymers

Coated fabrics & Reinforcements

Belting products & solutions

High-End Polymers

**Fenner**  
PRECISION POLYMERS  
A Michelin Group Company

Advanced Sealing Technologies

**FENNER & DUNLOP**  
ENGINEERED CONVEYOR SOLUTIONS



Global leading player with significant position (in top 3) on targeted segments, requiring high level of technicity and demanding balance of performance



Incubation of new businesses

Partnerships & acquisition of start-ups

Synergetic M&A to accelerate growth in high value-added markets



# REGENERATIVE MEDICINE & CELL THERAPY



## CURRENT EXPERTISE



25 years+ of expertise as a manufacturer and distributor catering to the blood, biotech, and regenerative medicine industries



Designs, develops and manufactures next-generation, high-performance material solutions for clients in the life sciences and various industrial industries



Provides contract manufacturing and medical device processing services. Capabilities include finishing and assembly, packaging and labeling, and sterilization management



## MARKET POTENTIAL

### CELL & GENE THERAPY

**+20%**  
CAGR 2020-2030

### CARDIO MEDICAL DEVICES

**>10%**  
CAGR 2020-2030



## AMBITIONS

### BECOMING A LEADING INNOVATION AND MANUFACTURING PARTNER

#### Cell Therapy



#### Bioresorbables



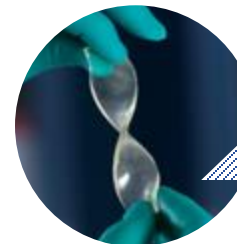
#### Regenerative medicine



### BEING THE TRUSTED CONTRACT MANUFACTURING OPERATOR



## DEVELOPING NEW BUSINESSES



- Bio-materials innovation with Michelin R&D
- Partnerships with customers to co-develop
- Manufacturing quality



# HYDROGEN STRATEGY – BEING A MAJOR PLAYER OF CLEAN MOBILITY WITH OUR JOINT VENTURE SYMBIO



## CURRENT EXPERTISE

20 YEARS OF ADVANCED R&D ON STACKS AND FC SYSTEMS



- Full range of stack powers
- System integrations capabilities

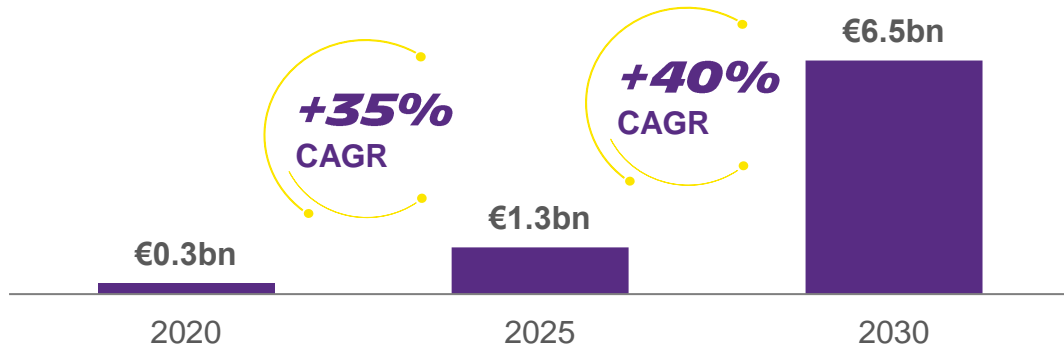


## AMBITIONS<sup>1</sup>

BECOME A LEADER IN FUEL CELL STACK SYSTEMS



## MARKET POTENTIAL



## KEY LEVERS



- Strong complementarities with Faurecia
- Strong leverage of Michelin R&D
- Customer intimacy and innovative business model

Note: Symbio is present in Fuel Cell Stack system (bipolar plates, MEA, endplate, etc.) and Auxiliaries (Interfaces, Electric & Electronics, supply unit, etc.)  
 1: 100% of Symbio  
 Michelin holds a 50% stake in Symbio (consolidation based on equity method)



# 3D METAL PRINTING: BEING WITH OUR JOINT VENTURE ADDUP A LEADER IN A HIGHLY PROMISING MARKET



## CURRENT EXPERTISE



- Complete offer of consulting, parts design and production and machines in 3D metal printing

- Ability to address diverse customer needs and to provide tailor-made solutions to accelerate technology adoption
- Health and safety solutions

A COMPREHENSIVE OFFER



## AMBITIONS <sup>1</sup>

**€100M**

sales and breakeven by 2023



**>€500M**

sales by 2030



## MARKET POTENTIAL

MEDICAL & AEROSPACE ARE THE MOST INDUSTRIAL-SCALE END-MARKETS

**+23%**  
CAGR 2020-2030

**~\$13BN**  
in 2030



## KEY LEVERS



- Strong complementarities with Fives
- Leverage digital
- Customer centric

Note: Michelin holds a 50% stake in AddUp (consolidation based on equity method)  
1: 100% of AddUp



# 2030 ENVIRONMENTAL AMBITION: ON THE PATH TO REACH CARBON NEUTRALITY



planet

Scope 1 & 2

Shifting towards clean energy



Reduction in energy consumption

2030

-50% CO<sub>2</sub> emissions vs 2010

2050

Carbon Neutrality

Scope 3 logistic

Less, better and differently

2030

-15% CO<sub>2</sub> emissions vs 2018

2050

Carbon Neutrality

Scope 3 supply chain

2024

70% of suppliers having science-based targets

2050

Carbon Neutrality

Suppliers setting ambitious reduction targets



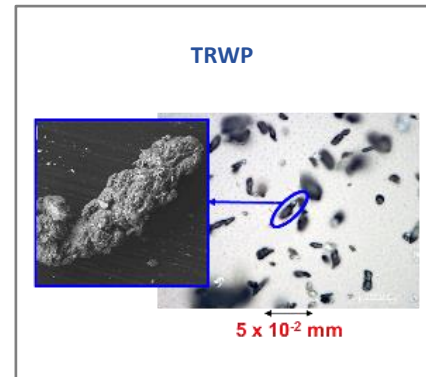


# WHAT ARE TIRE AND ROAD WEAR PARTICLES (TRWPS)?

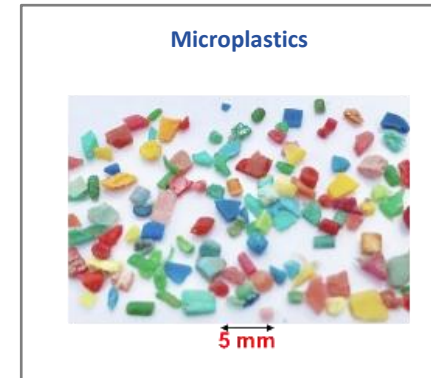
- TRWPs are tiny debris produced by the friction between tires and the road; **this friction is what ensures grip and safety on the road**

- TRWP:

- Characteristics: mixture of rubber and road surface minerals
- High density: 1,8
- Diameter : ~100  $\mu\text{m}$
- Degradability rate: **High**  
**50% of TRWP disappeared in 16 months**



≠



- Microplastics :

- Characteristics: bits of plastics floating / suspended in water
- Diameter: ~ 5mm
- Degradability rate: **very low**

- Scientific studies conducted to date by the TIP\*, the ETRMA\*\* and l'EAA\*\*\* suggest that:
  - 2% to 5% of TRWPs reach estuaries
  - TRWPs represent only a minor fraction of airborne particule matter (PM10 and PM2.5)

\* TIP - Tire Industry Project

\*\* ETRMA – European Tyre & Rubber Manufacturers Association

\*\*\* Agence Européenne de l'Environnement EEA report 10/2019

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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