



MICHELIN

A BETTER WAY FORWARD

JULY 26,
2021

**FIRST-HALF 2021
RESULTS**





MICHELIN IN MOTION: COMBINING GROWTH AND VALUE CREATION AS OF 2023



SALES GROWTH from 2023

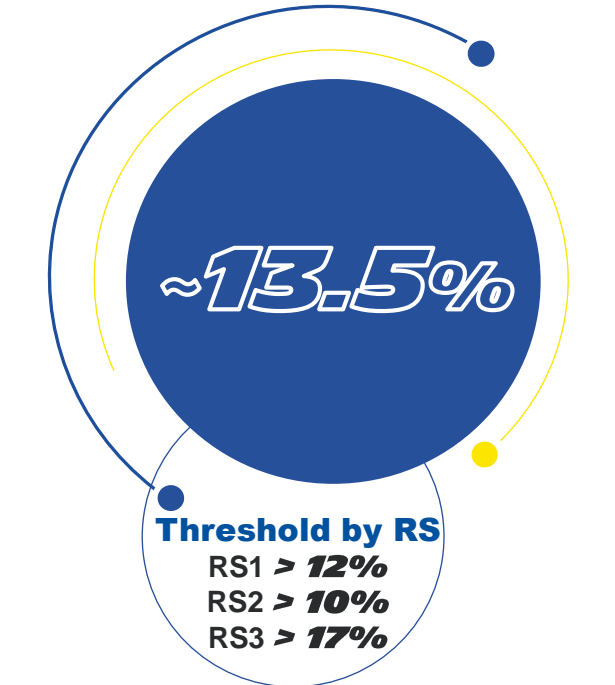


ROCE * from 2023



* Return on Capital Employed (definition on slide 57), annual target

Segment Operating Income in 2023





FIRST-HALF 2021: SALES OF €11.2BN AND SEGMENT OPERATING INCOME OF €1.4BN, OR 12.7% OF SALES. 2021 FULL-YEAR GUIDANCE RAISED ⁽¹⁾.

- In an environment shaped by an enduring health crisis, the robust market recovery was tempered by major disruptions in the global supply chain.
- In this context, Michelin teams' commitment helped deliver a 19.6% increase in sales and €1,421m in SOI ⁽²⁾ for the period, with:
 - a 22.8% increase in tire volumes, adding €1,195m to SOI and reflecting market share gains in every segment, especially 18-inch and larger tires, and a 4.6% increase in non-tire activities sales;
 - a €126m increase from positive net price-mix/raw materials effect, as a 1.4% gain from responsive pricing management and a 1.0% increase from favorable mix offsetting the rise in raw material procurement costs;
 - an unfavorable currency effect, stemming primarily from US dollar's weakness against euro, which reduced SOI by €150m.
- Free cash flow excluding M&A⁽³⁾ came to €361m, reflecting growth in SOI and still low inventory levels.
- Gearing stood at 27%, attesting the Group's financial position strength, as confirmed by rating agencies.
- 2021 full-year guidance raised ⁽¹⁾: SOI at constant exchange rates > €2,800m, structural free cash flow ⁽⁴⁾ > €1,000m.

⁽¹⁾ Barring any new systemic effect from Covid-19: deeper supply chain disruptions or tighter restrictions on freedom of movement that would result in a significant drop in the tire markets.

⁽²⁾ Segment operating income.

⁽³⁾ Free cash flow before acquisitions, which includes JV financing flows (see slide 12).

⁽⁴⁾ See slide 57 for structural free cash flow definition.



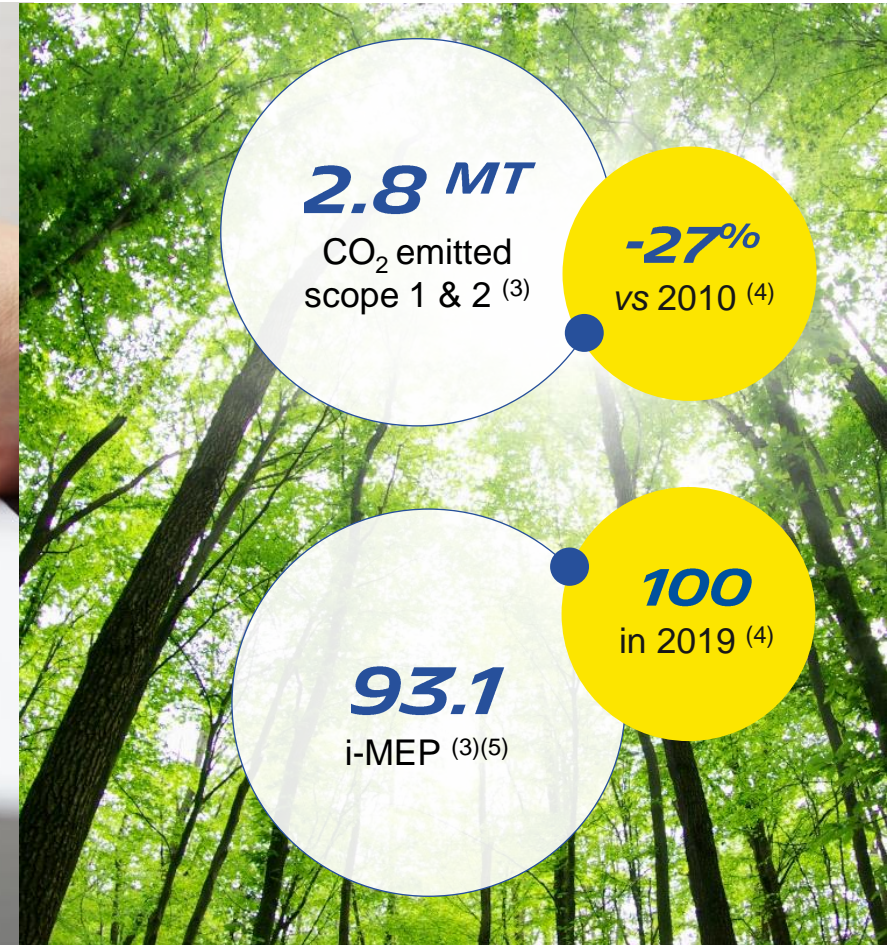
A person wearing a helmet and riding gear is riding a motorcycle on a dark asphalt road that curves through a mountainous landscape. The road is bordered by large, rectangular stone blocks. The background shows steep, rocky hills with some sparse vegetation under a clear sky. The overall scene is captured in a cinematic style with dramatic lighting.

2

***FIRST-HALF 2021
RESULTS***



H1 2021: MICHELIN DEMONSTRATED ITS ABILITY TO CONSOLIDATE ITS FINANCIAL PERFORMANCE AND TO ACHIEVE ITS AMBITIONS IN FAVOR OF PEOPLE AND THE ENVIRONMENT



(1) Total Case of Incident Rate

(2) Free cash flow before acquisitions, which includes JV financing flows (see slide 12)

(3) 12 months rolling data, may be updated until the publication of the annual result.

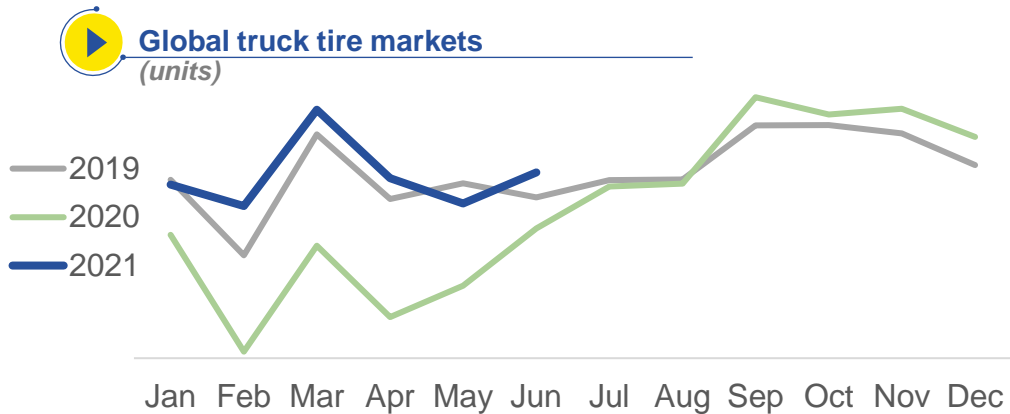
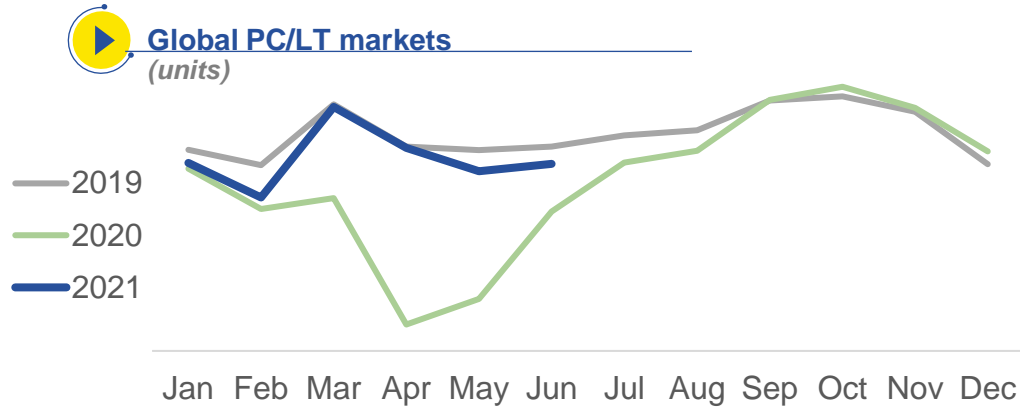
(4) See 2030 strategic scorecard, slide 37, for 2030 vision.

(5) industrial-Michelin Environmental Performance: tool for monitoring the environmental impact of the Group's industrial activities (see slide 55 and p.150 of the 2020 Universal Registration Document).



SUSTAINED DEMAND IN H1 2021, IN AN ENVIRONMENT THAT IS GOING TO REMAIN PERSISTENTLY DISRUPTED

Strong recovery in demand in H1 2021 on favorable comparatives...



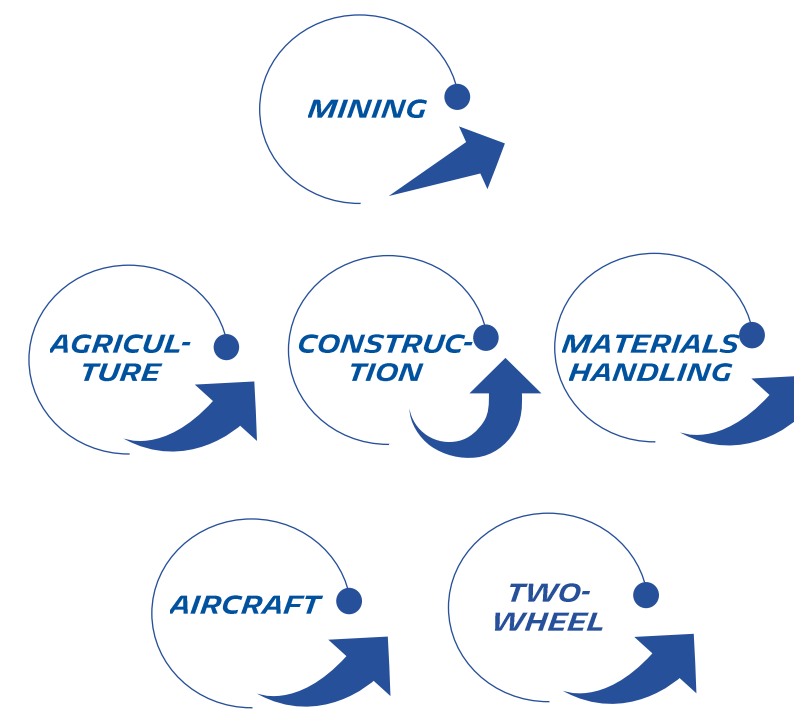
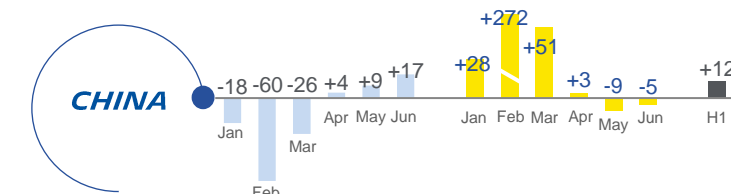
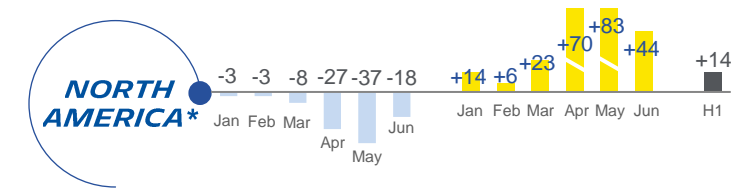
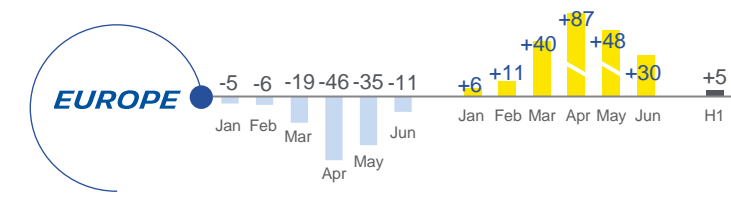
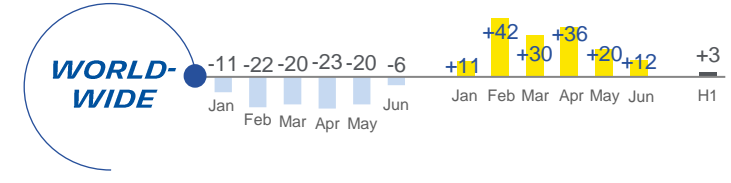
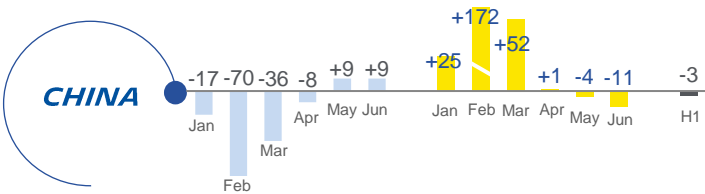
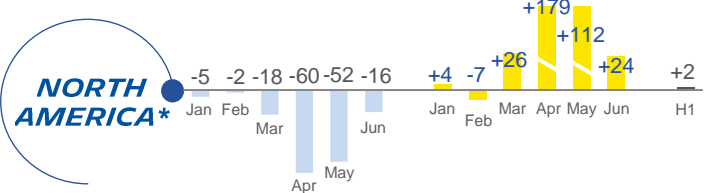
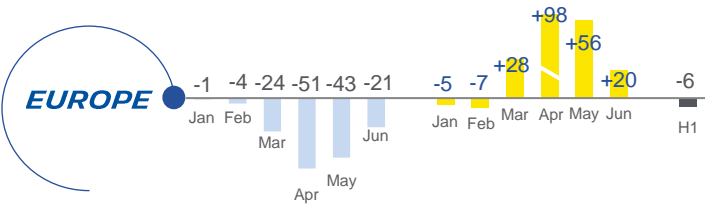
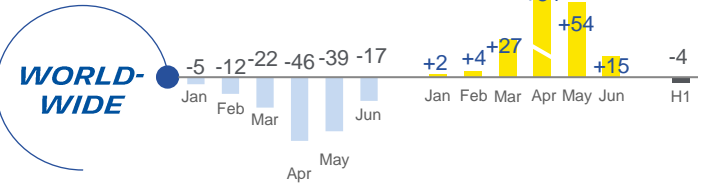
Source: Michelin. Market data are regularly adjusted and may be updated following their initial publication.

... in an environment that is highly disrupted across the supply chain





H1 2021 MARKETS: PC/LT STILL DOWN ON 2019, TRUCK TIRES HIGHER. SPECIALTIES EXPECTED TO REBOUND OVER THE FULL YEAR.



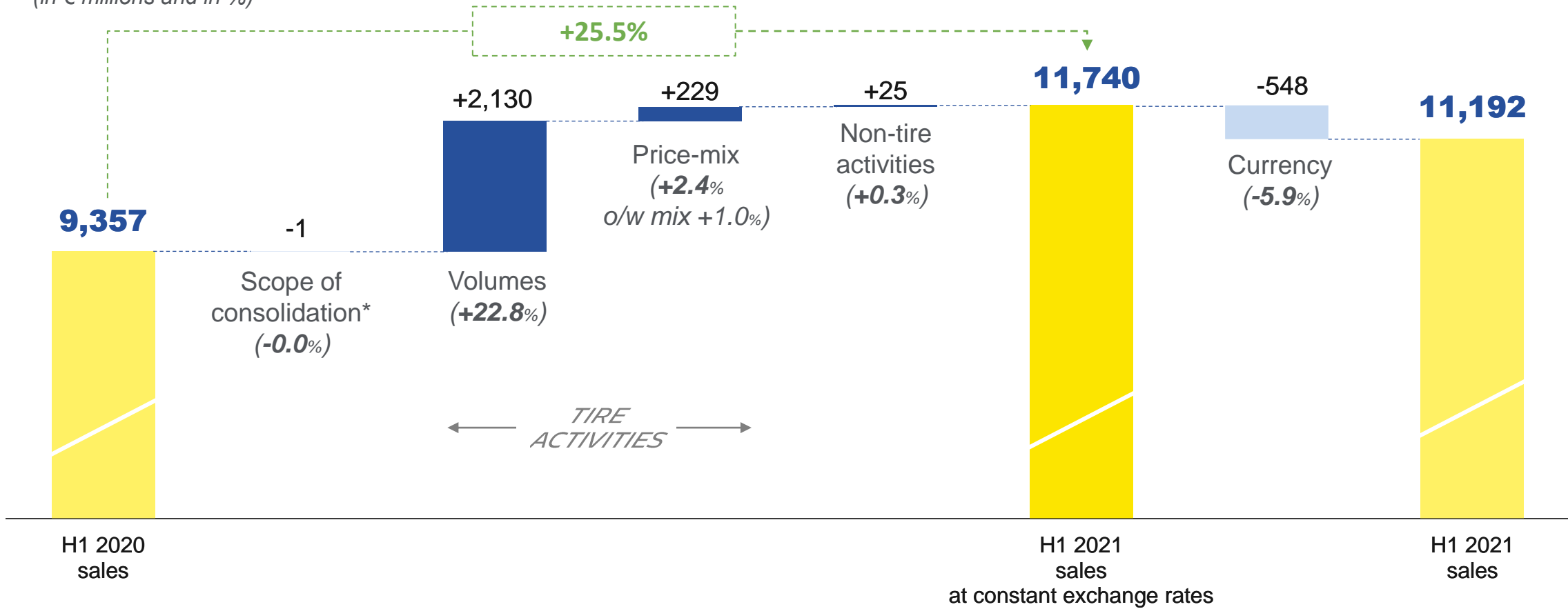
Source: Michelin. Market data are regularly adjusted and may be updated following their initial publication.

* Including Central America.



**TIRE SALES UP, LIFTED BY THE REBOUND IN DEMAND AND A ROBUST PRICE-MIX.
NON-TIRE SALES UP €25M, OR 4.6% AT CONSTANT EXCHANGE RATES.**

YoY change in sales
(in € millions and in %)



*Deconsolidation of the French Maps & Guides printing, publishing and marketing assets (Michelin Editions), as of February 1, 2021, and of Solesis on May 28, 2021; consolidation of TechnoBalt as of May 1, 2021, ConVeyBelt as of May 1, 2020, and MAV S.p.a. as of December 1, 2020.

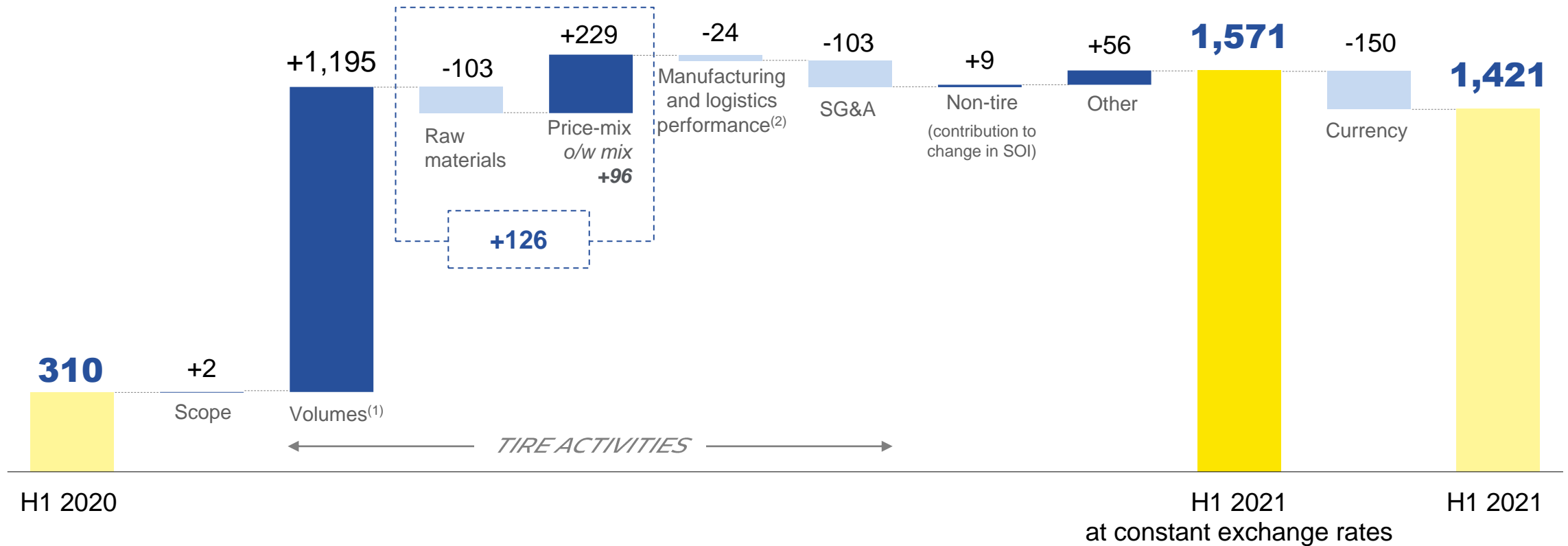


H1 2021 SOI: STRONG GROWTH IN VOLUMES SUPPORTED BY A ROBUST MIX AND RESPONSIVE PRICING MANAGEMENT AT A TIME OF RISING INPUT COSTS



YoY change in SOI

(in € millions)






⁽¹⁾ of which €12m in savings from the industrial competitiveness program.

⁽²⁾ of which €(45)m from the steep increase in maritime shipping costs, i.e. +€21m in industrial and logistics performance.





CLEAR RS1 AND RS2 UPTURN DURING THE FIRST HALF. RESPONSIVE PRICING POLICIES IN EVERY SEGMENT.

<i>(in € million)</i>		H1 2021	H1 2020	<i>Change</i>
	RS1 sales	5,562	4,394	+26.6%
	Operating income*	730	(35)	-
	Operating margin*	13.1%	-0.8%	+13.9 pts
	RS2 sales	2,897	2,411	+20.2%
	Operating income*	286	(30)	-
	Operating margin*	9.9%	-1.3%	+11.2 pts
	RS3 sales	2,733	2,552	+7.1%
	Operating income*	405	375	+8.0%
	Operating margin*	14.8%	14.7%	+0.1 pt

* of the segment

In an environment shaped by fast rebounding demand:

- **RS1:** sharp improvement in margins led by responsive pricing management, market share gains in 18-inch and larger tires and a favorable OE/RT mix, as OE sales were held back by semiconductors shortage.
- **RS2:** steep margin improvement led by the upturn in demand, particularly in Europe and North America, responsive pricing management and sustained expansion in fleet management solutions.
- **RS3:** from a less favorable base than in RS1 and RS2, first-half volumes were lifted by sales of Construction and Agricultural tires, leading to a negative business mix; rigorous price management on non-indexed activities partially offset negative impact of raw material clauses in first-half; from the second half of the year, these clauses will turn favorable.



FREE CASH FLOW ⁽¹⁾ IMPROVEMENT, REFLECTING GROWTH IN EBITDA AND STILL LOWER THAN NORMAL INVENTORY LEVEL

Change in free cash flow

(in € millions, including JV financing and acquisitions)

H1 2020 free cash flow	(351)
<i>Change in:</i>	
EBITDA	+1,085
Trade working capital	-596
Tax and interest paid	-73
Capital expenditure <i>incl. JV financing</i>	+156
M&A outlays	+26
Other items	+99
H1 2021 free cash flow	346

A solid cash position at June 30

- €3.8bn in cash and cash equivalents
- Repayment of €0.6bn worth of commercial paper during first-half 2021
- A €2.5bn confirmed, undrawn line of credit
- No significant bonds falling due before 2022

⁽¹⁾ see slide 57 for FCF definition.

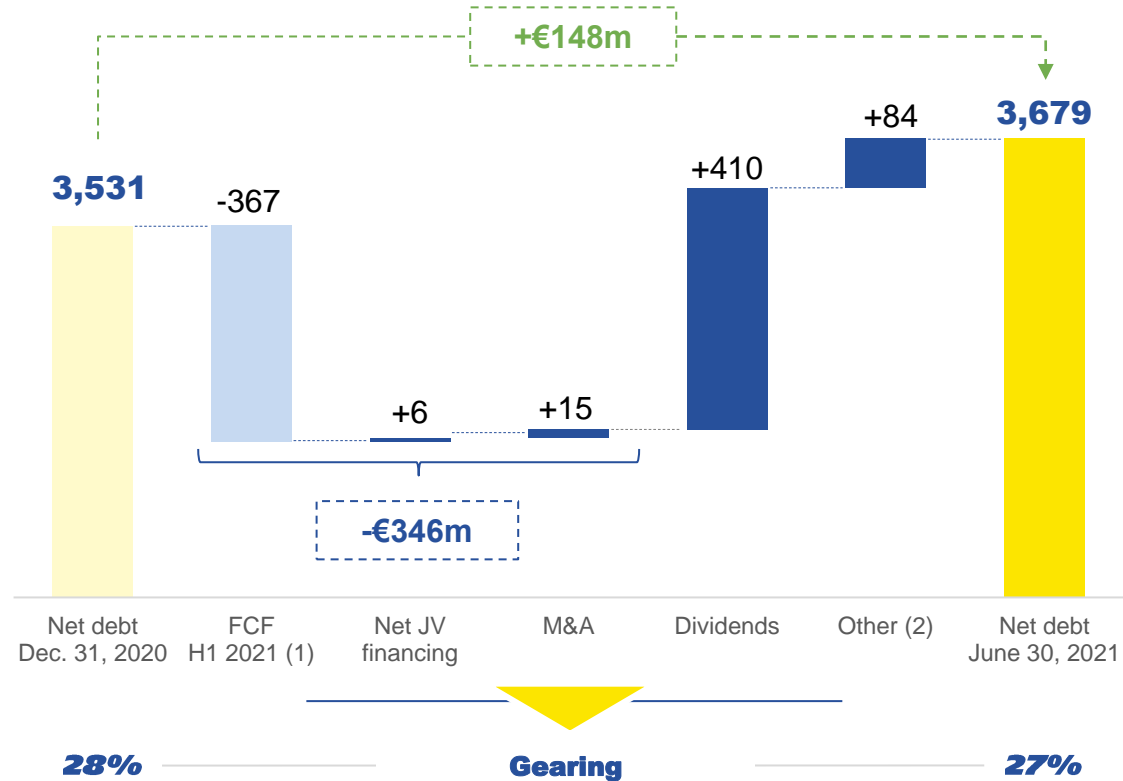


27% GEARING AT JUNE 30, 2021. ROBUST FINANCIAL POSITION CONFIRMED BY RATING AGENCIES.



Net debt

(in € millions)



(1) Free cash flow before M&A and JV financing (see slide 57 for FCF definition).

(2) Mainly the impact of new leases, translation adjustments and share buybacks.



Agency ratings at June 30, 2021

Compagnie Générale des Établissements Michelin

Short term	S&P Fitch	A-2 F-2
Long term	S&P Fitch Moody's (3)	A- A- A3
Outlook	S&P Fitch Moody's (3)	Stable Stable Stable

(3) Moody's rating is no longer solicited since July 1, 2020.



2021 GUIDANCE





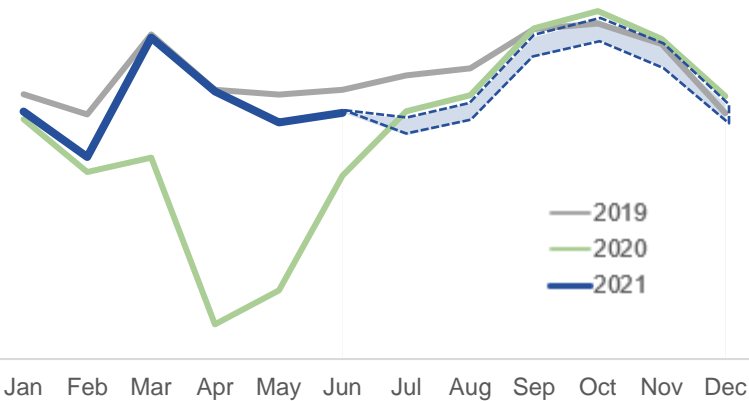
2021 MARKET SCENARIO: IN A VERY DISRUPTED ENVIRONMENT, DEMAND IS RECOVERING BUT STILL LAGS 2019



PC/LT: +8% / +10%*

- OE: recovering demand still impacted by microchip shortages
- RT: global demand rebounding but still below pre-crisis levels

PC/LT market forecast (units)

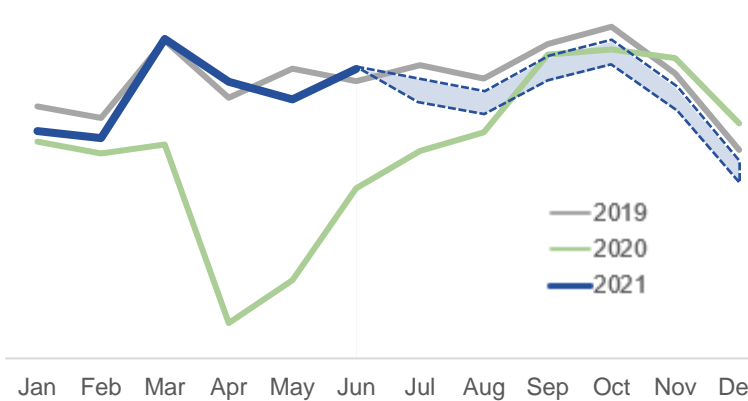


TRUCK: +6% / +8%*

Truck tires excl. China: +9% / +11%*

- OE: markets rebounding outside China, from higher comparatives in the second half
- RT: strong rebound led by rising freight demand in every region

Truck market forecast, excluding China (units)



SPECIALTIES: +10% / +12%*

- Mining tires: upturn in demand, from a more favorable base in the second half
- Off-the-road tires: fast-growing demand
- Two-wheel tires: sustained growth
- Aircraft tires: growth in demand from weak comparatives

* vs. 2020





2021 SCENARIO

	2021
Volumes	Slightly above markets
Net price-mix/raw materials effect	Positive Neutral on second-half
Cost impact of raw materials prices and customs duties	Strongly negative
Currency effect *	Strongly negative

* Voir slide 23



FULL-YEAR 2021 GUIDANCE RAISED *

	2021
Segment Operating Income at constant exchange rates	> €2,800m (vs > €2,500m previously)
Structural Free Cash Flow**	> €1,000m (vs ~€1,000m previously)

* Barring any new systemic effect from Covid-19: deeper supply chain disruptions or tighter restrictions on freedom of movement that would result in a significant drop in the tire markets.

** Structural free cash flow : see slide 57

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APPENDICES





FINANCE CALENDAR

- **Coming event:**

— **October 25, 2021 (after close of trading):** Third-quarter and 9 months 2021 sales



REPORTED H1 2021 AND H1 2020 FINANCIAL HIGHLIGHTS

(in € millions)	H1 2021	H1 2020
Sales	11,192	9,357
Segment EBITDA	2,277	1,192
Segment EBITDA margin	20.3%	12.7%
Segment operating income	1,421	310
Segment operating margin	12.7%	3.3%
Other operating income and expenses	16	(133)
Net income/(loss)	1,032	(137)
Basic earnings per share (in €)	5.74	(0.75)
Net cash used in purchases of intangible assets & PPE	654	769
Free cash flow*	346	(351)
Gearing	26.7%	45.0%

*see slide 57 for definition

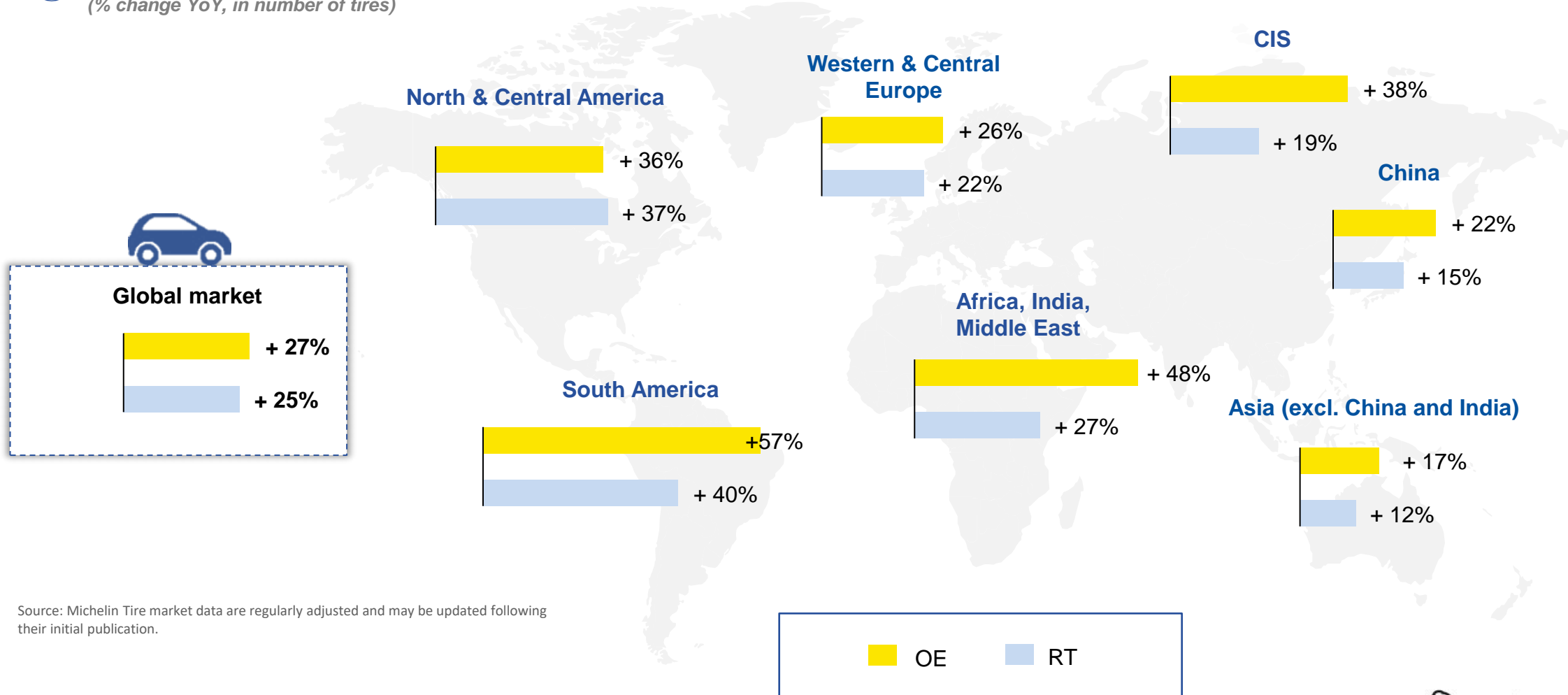


PC/LT H1 2021 MARKETS: ON FAVORABLE PRIOR-YEAR COMPARATIVES, OE HURT BY COMPONENT SHORTAGES AND RT CONTINUED TO REBOUND



PC/LT TIRE MARKET, H1 2021

(% change YoY, in number of tires)



Source: Michelin Tire market data are regularly adjusted and may be updated following their initial publication.

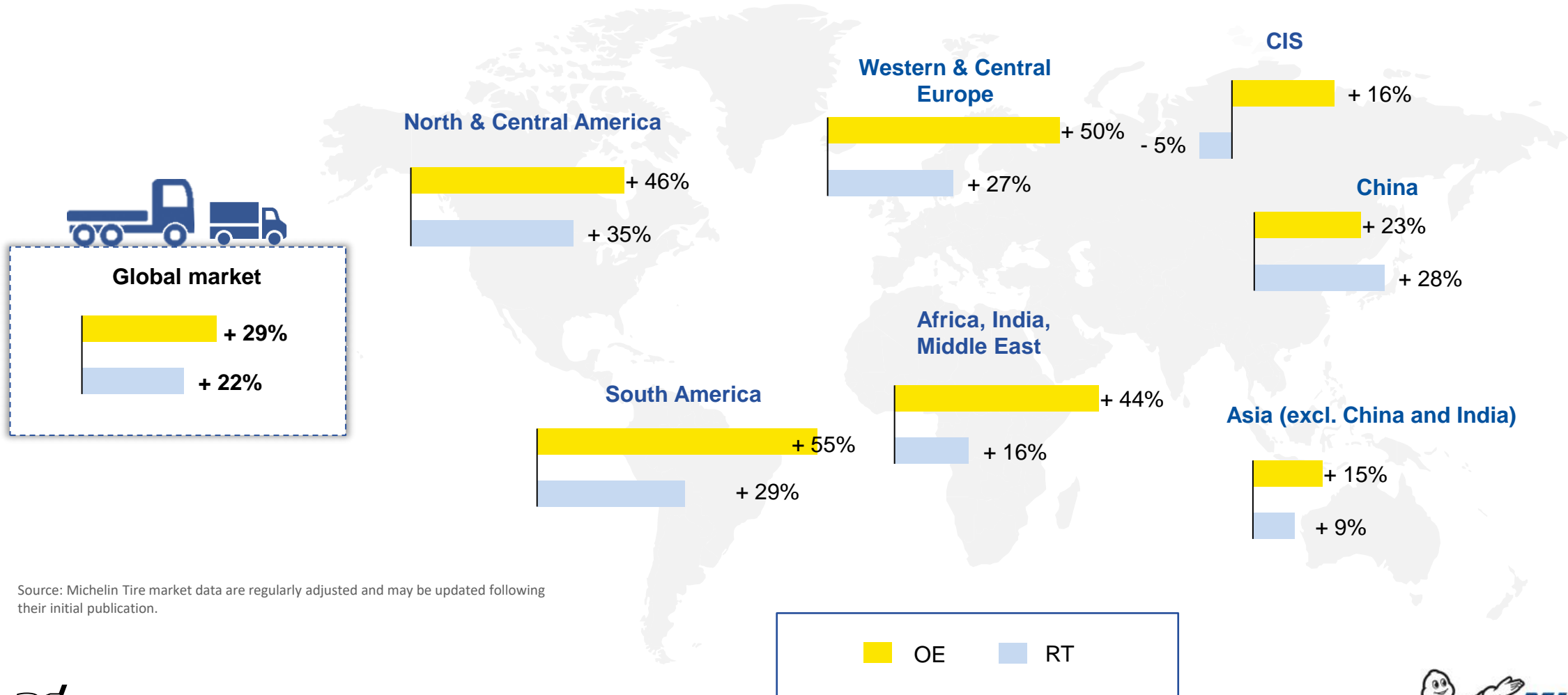


TRUCK H1 2021 MARKETS: SUSTAINED FLEET UPGRADES AND GROWTH IN FREIGHT DEMAND FROM A FAVORABLE BASE OF COMPARISON



TRUCK TIRE MARKET, H1 2021

(% change YoY, in number of tires)



Source: Michelin Tire market data are regularly adjusted and may be updated following their initial publication.



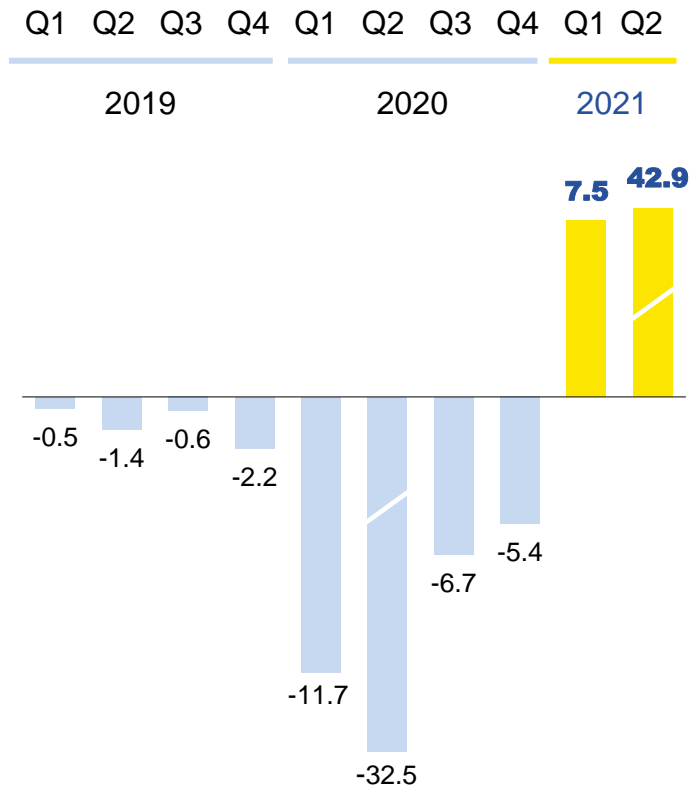
H1 2021: STRONG VOLUMES UPTURN ON FAVORABLE BASIS OF COMPARISON, WITH SOLID MIX AND REACTIVE PRICING MANAGEMENT



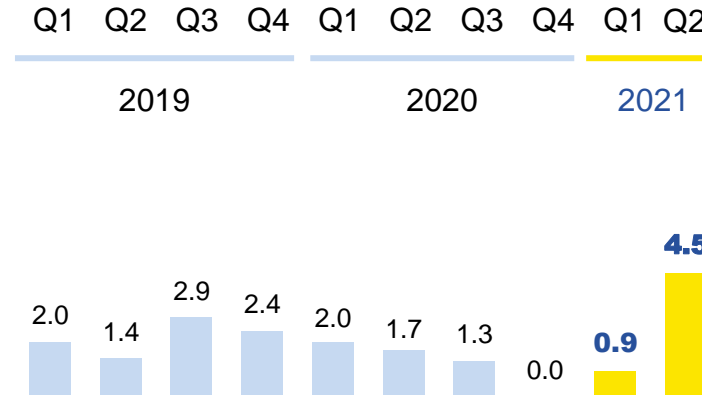
YoY QUARTERLY CHANGE

(in %)

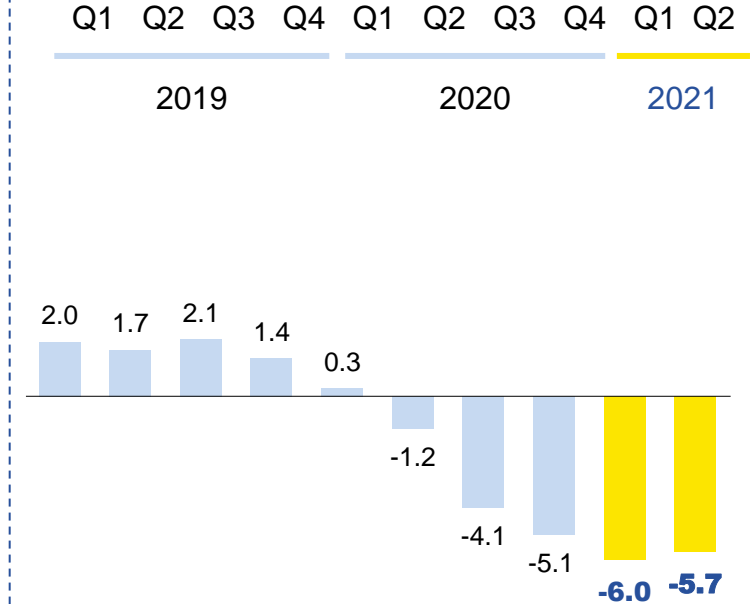
Volumes



Price-mix



Currency





SALES BY CURRENCY AND SEGMENT OPERATING INCOME (SOI) IMPACT

% of sales (2020)		H1 2021 € change vs. currency	Droptthrough* sales / SOI
USD	36%	+ 9%	35% / 45%
EUR	32%	-	-
CNY	6%	+ 1%	25% / 30%
AUD	3%	- 7%	80% / 85%
GBP	3%	- 1%	25% / 30%
BRL	3%	+ 22%	-30% / -20%
CAD	3%	- 0%	25% / 30%
RUB	1%	+ 18%	25% / 30%
JPY	1%	+ 9%	80% / 85%

% of sales (2020)		H1 2021 € change vs. currency	Droptthrough* sales / SOI
CLP	1%	- 3%	80% / 85%
MXN	1%	+ 3%	25% / 30%
THB	1%	+ 7%	-130% / -100%
TRY	1%	+ 33%	80% / 85%
SEK	0.8%	- 5%	80% / 85%
TWD	0.6%	+ 2%	80% / 85%
ZAR	0.4%	- 3%	80% / 85%
ARS	0.3%	+ 55%	80% / 85%
COP	0.2%	+ 8%	80% / 85%
Others	5.7%	-	-

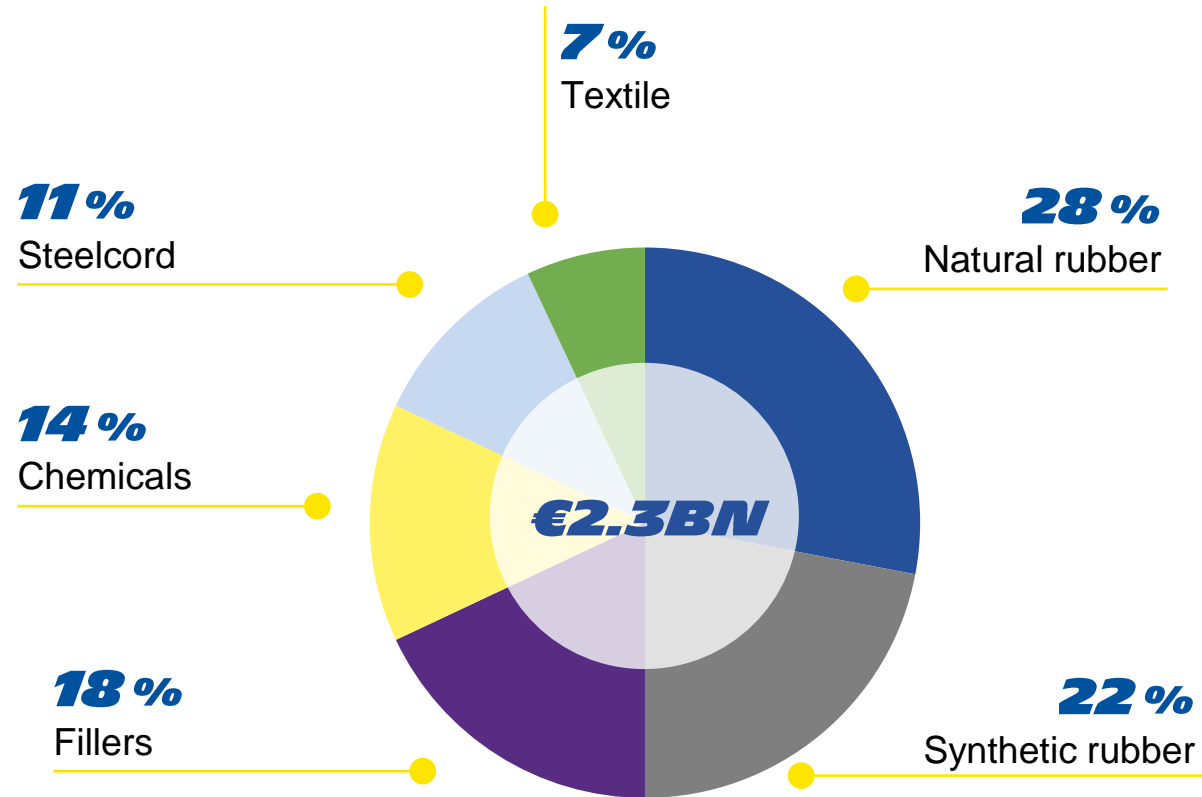
* droptthrough linked to the export/manufacturing/sales base.



RAW MATERIALS



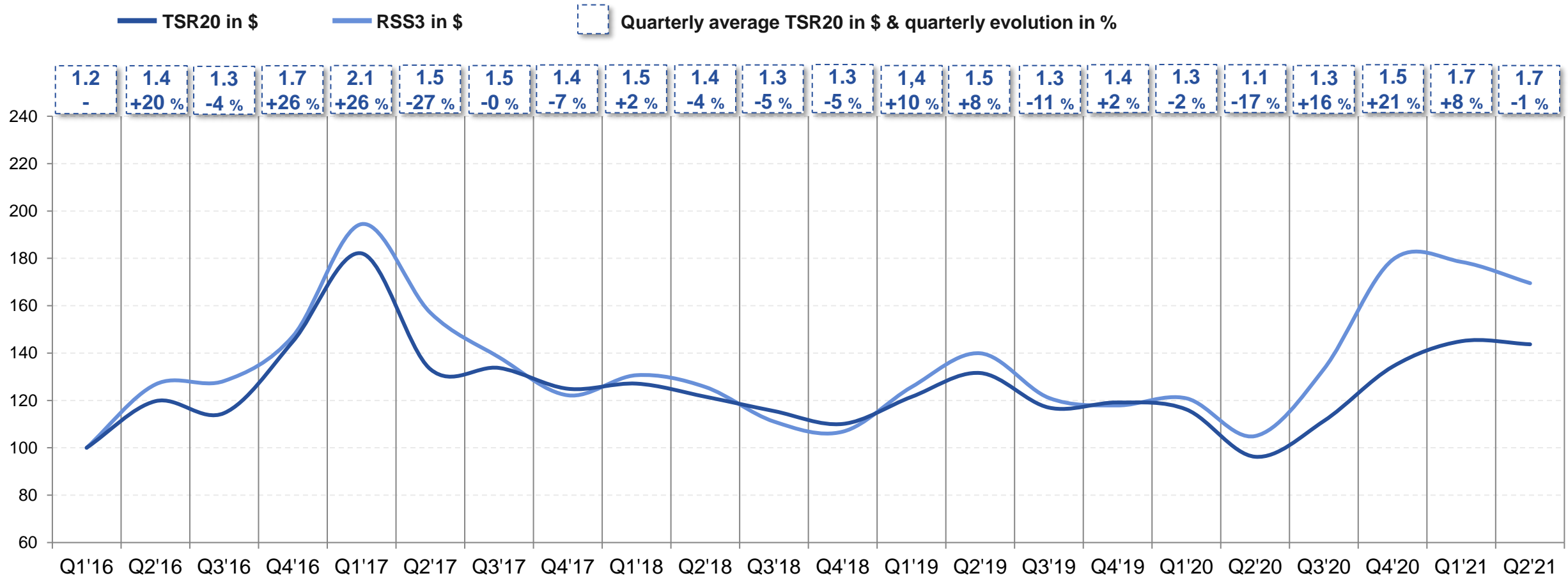
COST OF RAW MATERIAL USED IN PRODUCTION IN H1 2021





NATURAL RUBBER PRICE TREND

▶ \$/kg, base 100 in 1st 2016 quarter



Source SICOM



BRENT PRICE TREND

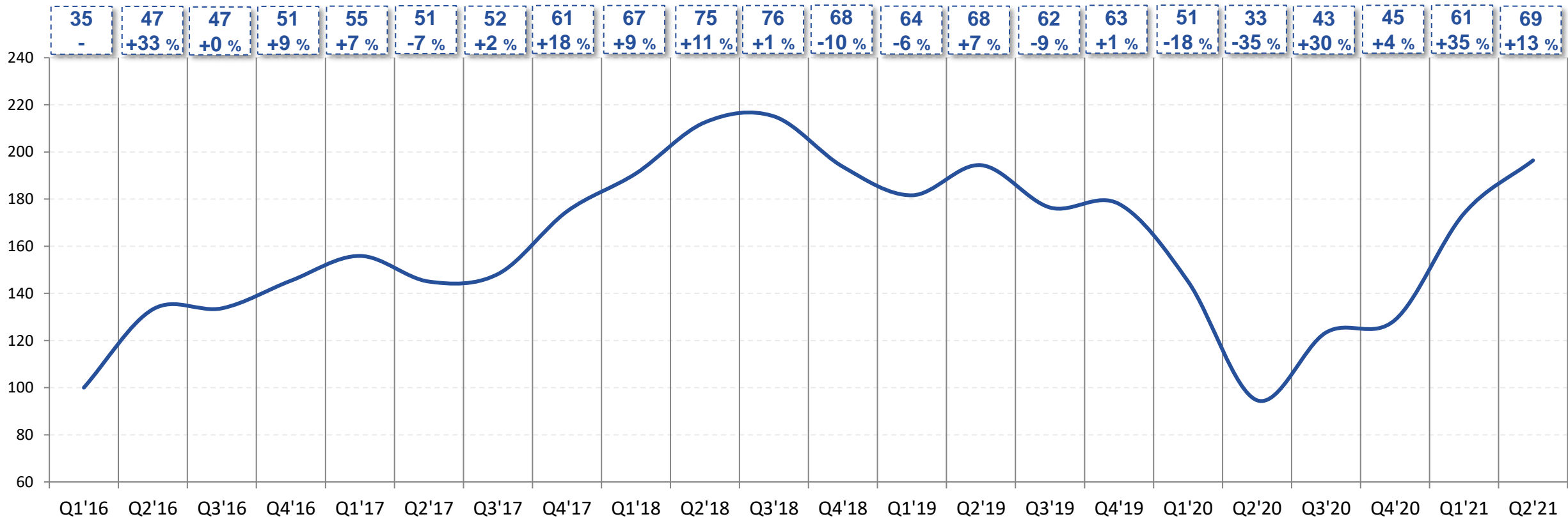


\$/bbl, base 100 in 1st 2016 quarter

— Brent in \$



Quarterly average Brent in \$ & quarterly change in %





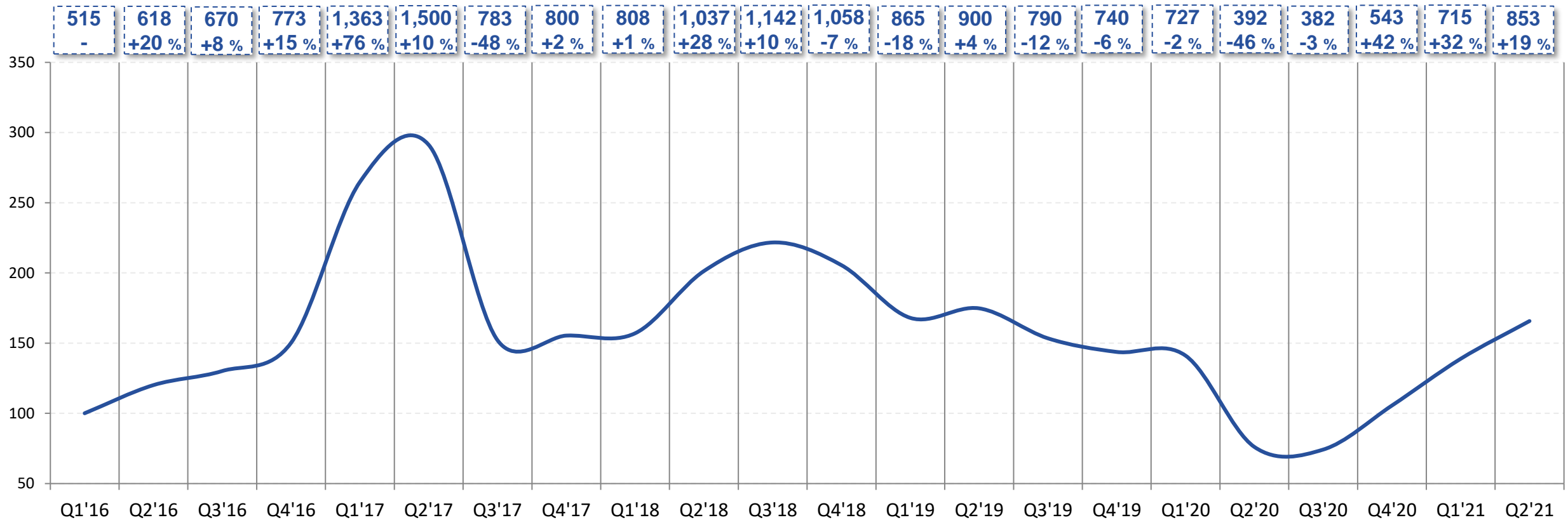
BUTADIENE PRICE TREND



€/t, base 100 in 1st 2016 quarter

— Butadiene Europe in €

□ Quarterly average Butadiene in \$ & quarterly change in %





OUTSTANDING BOND ISSUES

(AS OF JUNE 30, 2021)

Issuer	Compagnie Générale des Établissements MICHELIN										
Issue Type	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
Principal Amount	\$ 500m + TAP \$100m	€ 300m	\$ 600m	€ 750m	€ 300m	€ 500m	€ 1'000m	€ 500m	€ 750m	€ 500m	€ 302m
Offering price	100% & 103,85%	99,97%	95,50%	99,10%	99,081%	99,89%	99,262%	99,54%	99,363%	99,46%	98,926%
Rating corporation at Issuance date	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)
Current corporation rating	A- (S&P) ; A3 (Moody's) ; A- (Fitch)										
Coupon	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
Issue Date	10-jan.-17 & 05-may-17	28-may-15	10-jan.-18	3-sept.-18	28-may-15	2-nov.-20	3-sept.-18	2-nov.-20	3-sept.-18	2-nov.-20	30-sept.-15 & 30-sept.-16
Maturity	10-jan.-22	28-may-22	10-nov.-23	3-sept.-25	28-may-27	2-nov.-28	3-sept.-30	2-nov.-32	3-sept.-38	2-nov.-40	30-sept.-45
Interest payment	N/A	Annual May 28	N/A	Annual Sept 03	Annual May 28	Annual Nov 02	Annual Sept 03	Annual Nov 02	Annual Sept 03	Annual Nov 02	Annual Sept 30
ISIN	FR0013230745	XS1233732194	FR0013309184	FR0013357845	XS1233734562	FR0014000D31	FR0013357852	FR0014000D49	FR0013357860	FR0014000D56	XS1298728707
Denomination	\$ 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

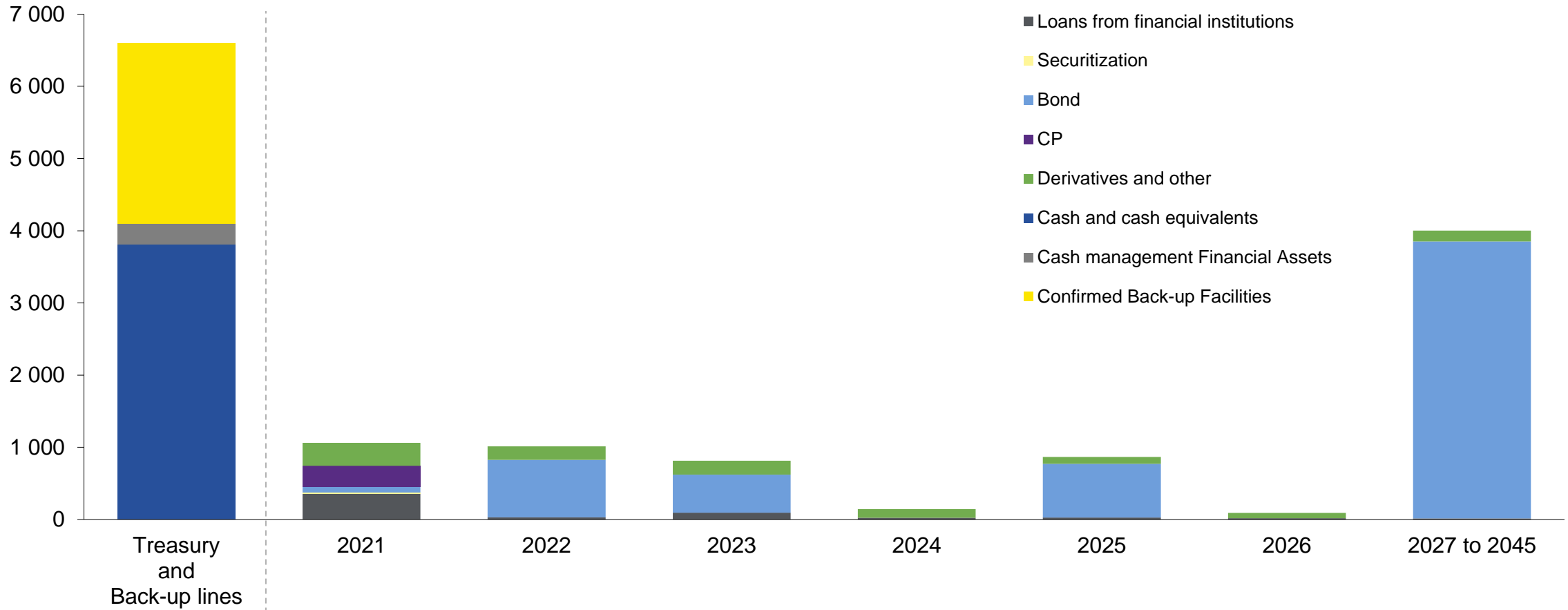


A COMFORTABLE CASH POSITION



Debt maturities at June 30, 2021

(carrying amount, in € millions)



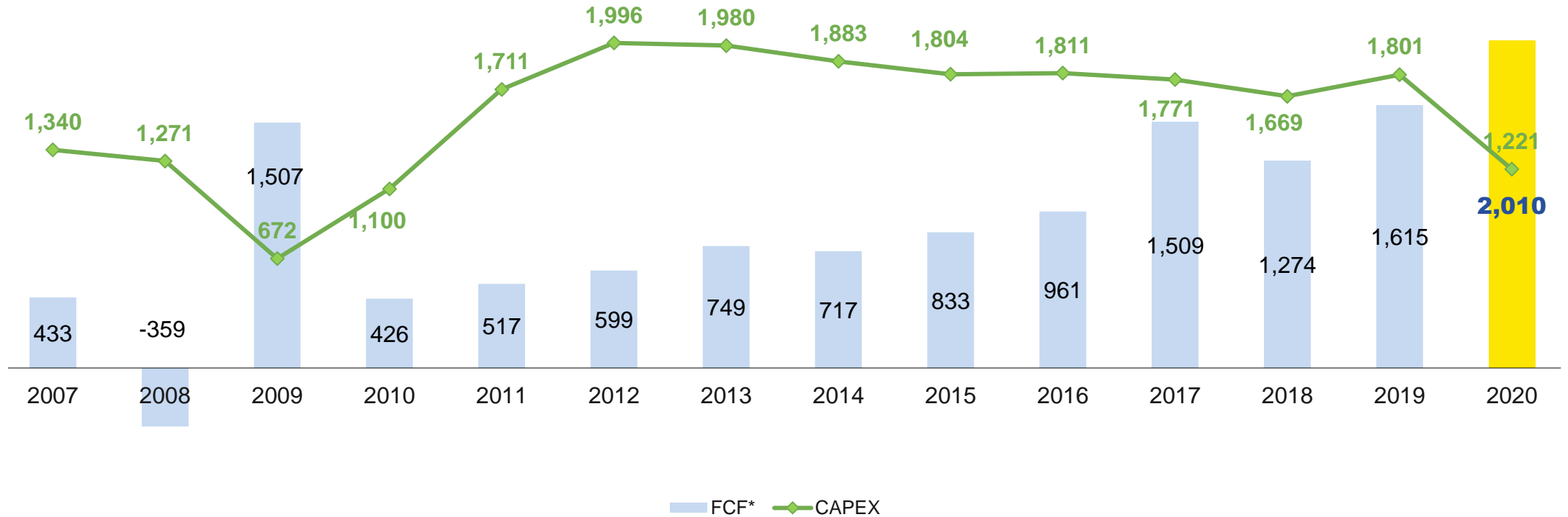


2007 – 2020: GROUP CAPACITY TO PROTECT AND IMPROVE ITS FREE CASH FLOW GENERATION



Free cash flow* and CAPEX 2007 - 2020

(in € millions)



* Reported FCF from 2007 to 2010, Structural FCF from 2011 onwards (see slide 57 for Structural FCF definition)

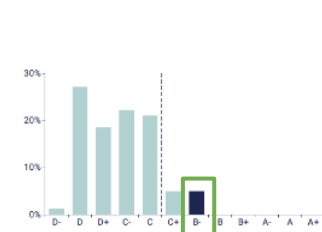
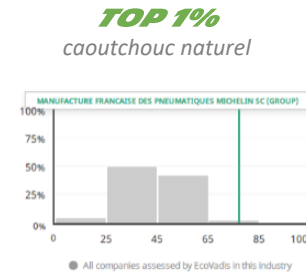
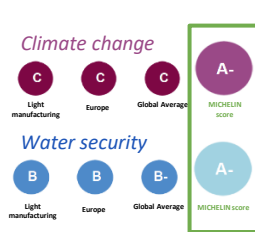
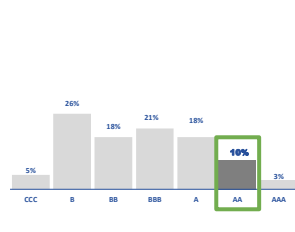
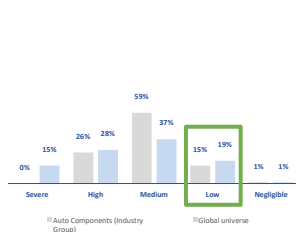


NON-FINANCIAL PERFORMANCE: MICHELIN, A LEADING AND RECOGNIZED PLAYER IN SUSTAINABLE MOBILITY

Major sustainability rating (as of June 30, 2021)

	SUSTAINALYTICS <i>(risk rating) 2020</i>	MSCI 2020	CDP 2020	ECOVADIS 2019	ISS-OEKOM 2020	VIGEO EIRIS Moody's 2021
Status	LOW RISK	AA	LEADERSHIP	GOLD	PRIME	A1+
Rating	15.2	8.4/10	A-	78/100	B-	73/100

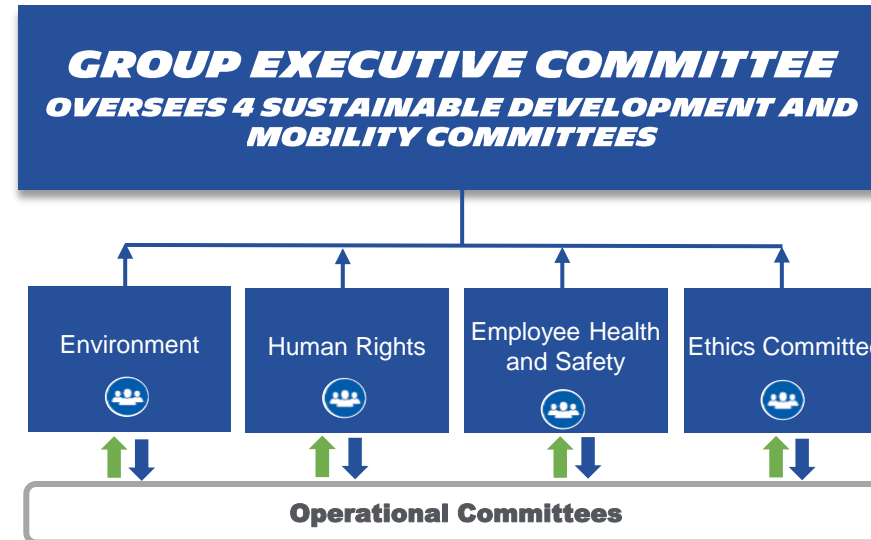
Ranking / Distribution of ratings



1^{ER} OF 39
in the sector



ESG AWARENESS AND OVERSIGHT ARE FULLY EMBODIED IN MICHELIN'S GOVERNANCE STRUCTURE



SUPERVISORY BOARD - CSR COMMITTEE



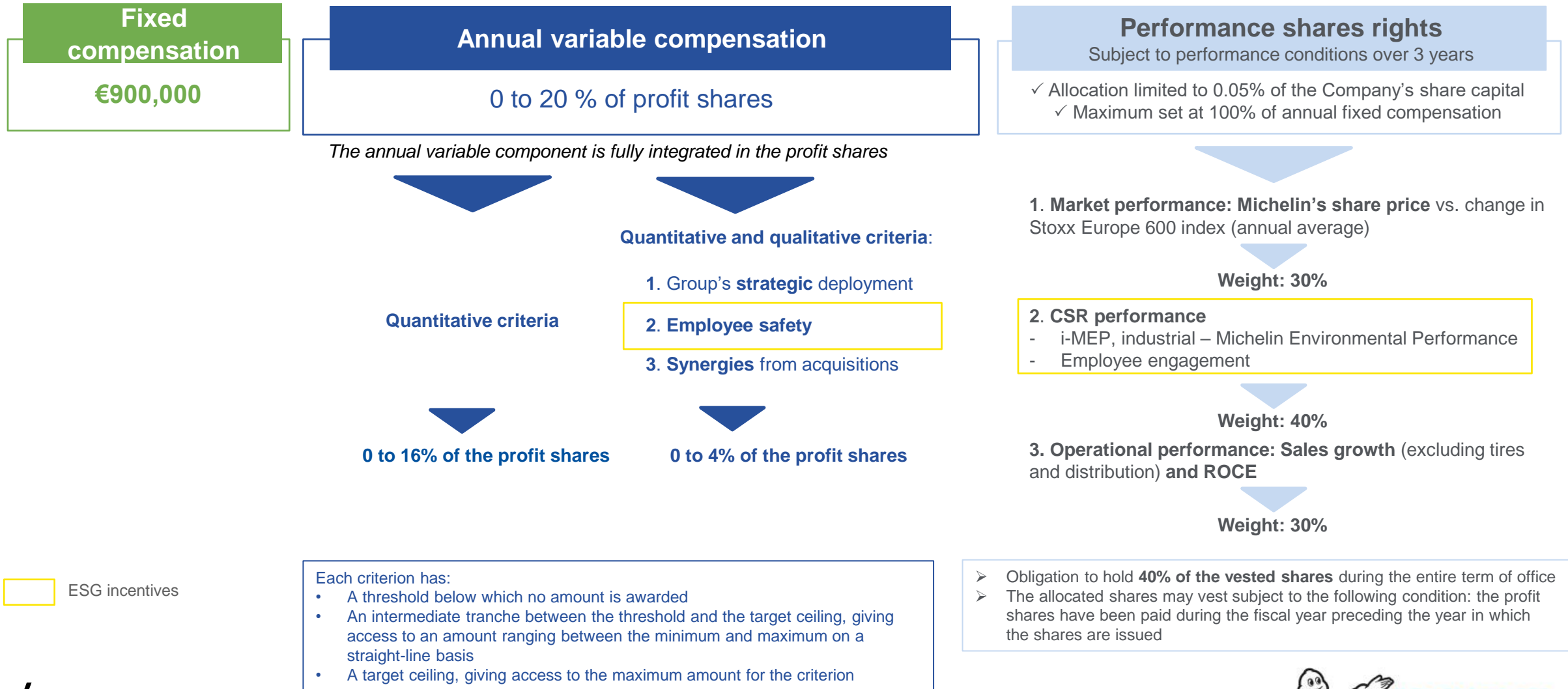
STAKEHOLDERS COMMITTEE

At the corporate executive level, a Stakeholders Committee set up in 2016 brings together 12 people representative of the Group's leading stakeholders, including suppliers, investors, unions, customers and NGOs. Four continents are represented on the Committee, which meets with the Executive Committee for a full day at least once per year.



ESG IS MANAGED AT HIGHEST LEVEL BY AN INCENTIVIZED TEAM

Florent Menegaux, Managing Chairman, compensation for 2021



ESG incentives

TRWPs are tiny debris produced by the friction between tires and the road.
This friction is what ensures grip and safety on the road



Scientific studies conducted to date by the TIP⁽¹⁾, the ETRMA⁽²⁾ and l'EAA⁽³⁾ suggest that:

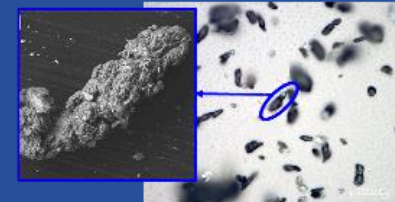
- 2% to 5% of TRWPs reach estuaries ;
- TRWPs represent only a minor fraction of airborne particule matter (PM10 and PM2.5).

(1) TIP - Tire Industry Project

(2) ETRMA – European Tyre & Rubber Manufacturers Association

(3) Agence Européenne de l'Environnement EEA report 10/2019

TRWP



$5 \times 10^{-2} \text{ mm}$

- Characteristics: mixture of rubber and road surface minerals
- High density: 1,8
- Diameter : ~100 μm
- Degradability rate: **High 50% of TRWP disappeared in 16 months**

MICROPLASTICS



5 mm

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

≠

5

CAPITAL MARKETS DAY
KEY MESSAGES



CAPITAL MARKETS DAY: RELIVE THE EVENT

A dedicated page has been created for the event on the 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



The **digital version of the 2020 Annual Report** is available on the Group's corporate site at the following address:
<https://www.michelin.com/en/annual-report/>



2030 VISION: DETAILED STRATEGIC SCORECARD

	▶ AMBITIONS	▶ METRICS	▶ 2030 SUCCESS
<p>People</p>	<p>Be world-class in employee engagement</p>	<p>Engagement rate</p>	>85%
	<p>Be world-class in employee safety</p>	<p>TCIR*</p>	<0.5
	<p>Be a reference in diversities and inclusion of teams</p>	<p>IMDI*</p>	80 points over 100
	<p>Be best-in-class in value created for customers</p>	<p>NPS* partners and NPS final customers</p>	+10 and +5 pts respectively
<p>Profit</p>	<p>Deliver substantial growth</p>	<p>Total sales</p>	5% CAGR 23-30
	<p>Deliver continuous financial value creation</p>	<p>ROCE*</p>	>10.5%
	<p>Maintain MICHELIN brand power</p>	<p>Brand vitality quotient</p>	+5 pts vs 2021
	<p>Maintain best-in-class innovation pace in products and services</p>	<p>Offers vitality index</p>	>30%
<p>Planet</p>	<p>Reach carbon neutrality by 2050 (manuf. and energy)</p>	<p>CO2 emissions scopes 1&2</p>	(50%) vs. 2010
	<p>Contribute to reaching carbon neutrality (usage)</p>	<p>Products energy efficiency (scope 3)</p>	+10% vs. 2020
	<p>Be best-in-class in environmental footprint of industrial sites</p>	<p>i-MEP*</p>	-1/3 vs. 2019
	<p>Reach full circularity of products by 2050</p>	<p>Sustainable Material Rate</p>	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, see p.150 of the 2020 Universal Registration Document



2023 TARGET: EXITING THE CRISIS IN A POSITION OF STRENGTH

2020 → 2023

€300M

Cumulated net gain, tire activity

~ €80M / YEAR

Manufacturing

Partly reinvested to finance mix enrichment and improve operating leverage

~ €20M / YEAR

SG&A

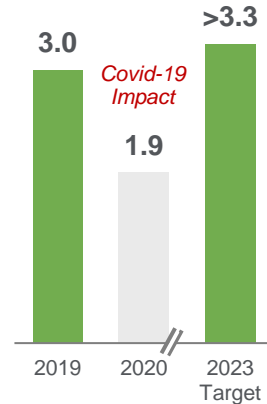
Partly reinvested to finance non-tire businesses expansion, around and beyond tire

2023 Group target

PROFITABILITY

Segment Operating Income

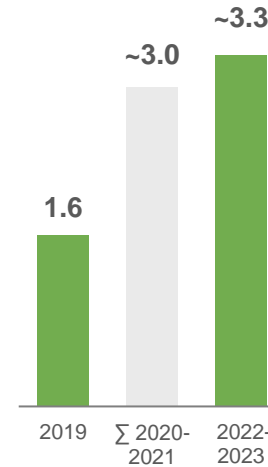
% margin
12.5% ~13.5%



Cost competitiveness and price mix

CASH GENERATION

Structural FCF



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



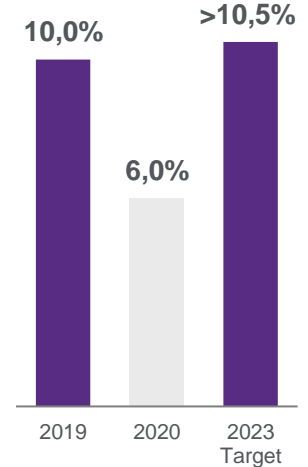
Segment operating margin thresholds:

- RS1 > 12%
- RS2 > 10%
- RS3 > 17%

From 2023 and beyond

RETURN ON CAPITAL EMPLOYED

Including M&A (%)



ROCE > 10.5% from 2023, ensuring **3 points of economic added value*** every year

* See section 5.1.6 of 2020 Universal registration document

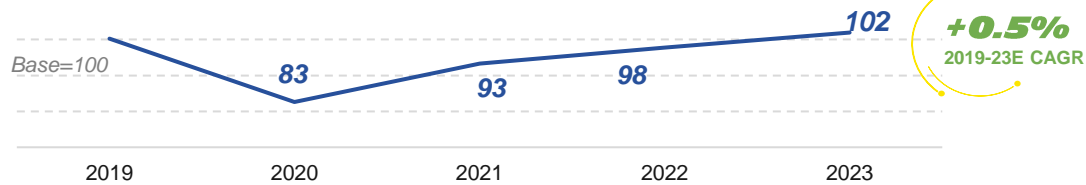


PASSENGER CAR: STEADY GROWTH WITH STRONG MIX ENRICHMENT

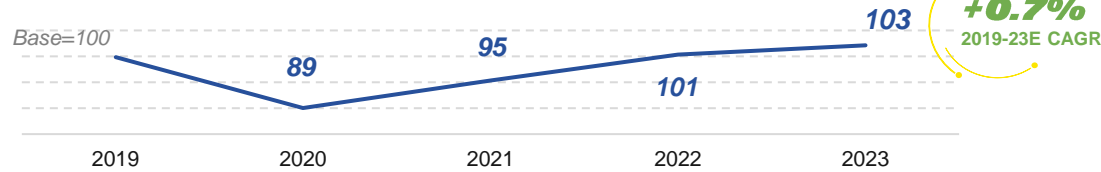


PASSENGER CAR MARKETS TREND

Original equipment world market (unit)

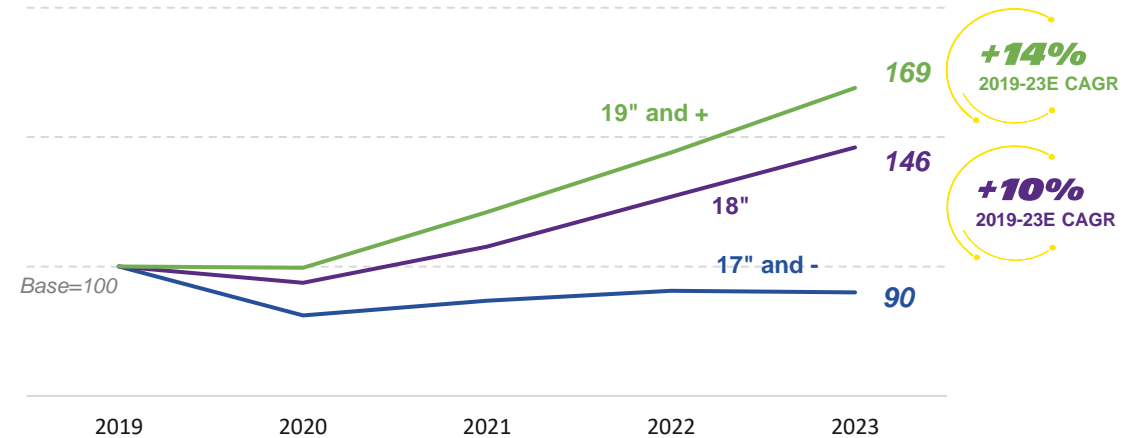


Replacement world market (Unit)



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



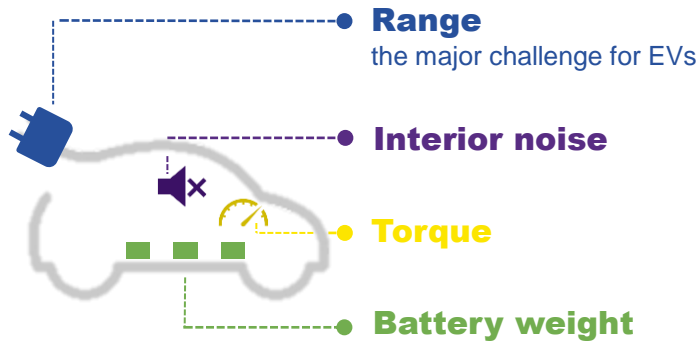
Strong and sustained mix enrichment



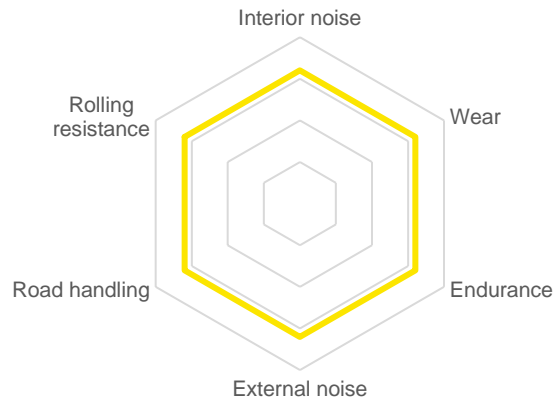
EV⁽¹⁾ MARKET: A GREAT OPPORTUNITY FOR MICHELIN TO DEMONSTRATE ITS TECHNOLOGICAL LEADERSHIP



VEHICLE ELECTRIFICATION CHALLENGES



TIRES FOR EV: INCREASE DEMAND FOR PERFORMANCE



High-performance solutions

aligned with EV needs



AN OFFERING FULLY ALIGNED WITH OPPORTUNITY

EV OE share / Total OE share

1.5
time

for battery electric-vehicles

3.1
times

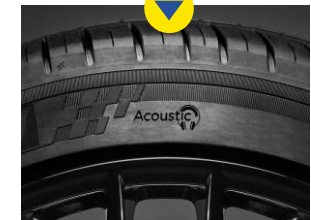
EV >
ICE⁽²⁾

OE/RT
loyalty rate

HL TIRES
(High Load)

1ST TIRES
in the coming weeks

ACOUSTIC
TECHNOLOGY



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

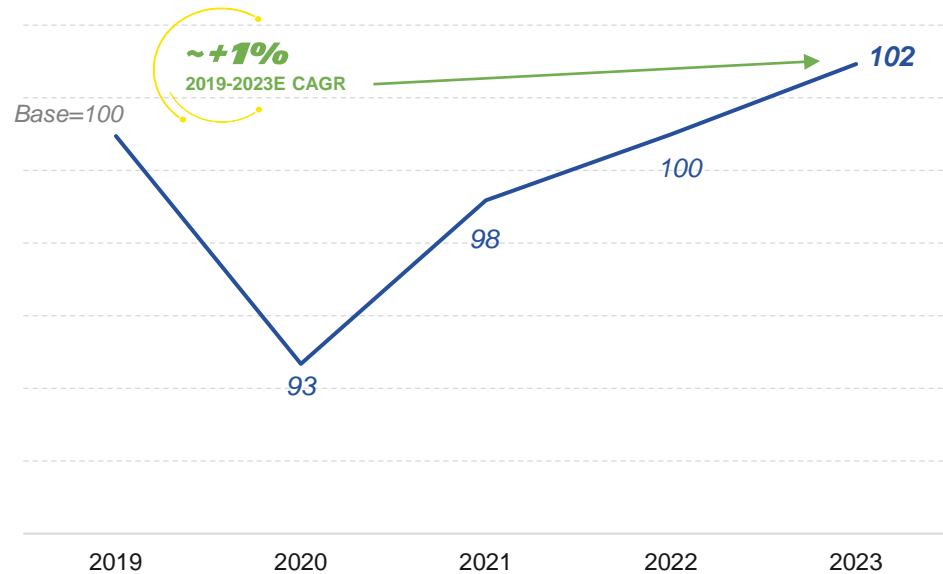


TRUCKS: RECOVERY PROSPECTS DRIVING VALUE CREATION FOR MICHELIN

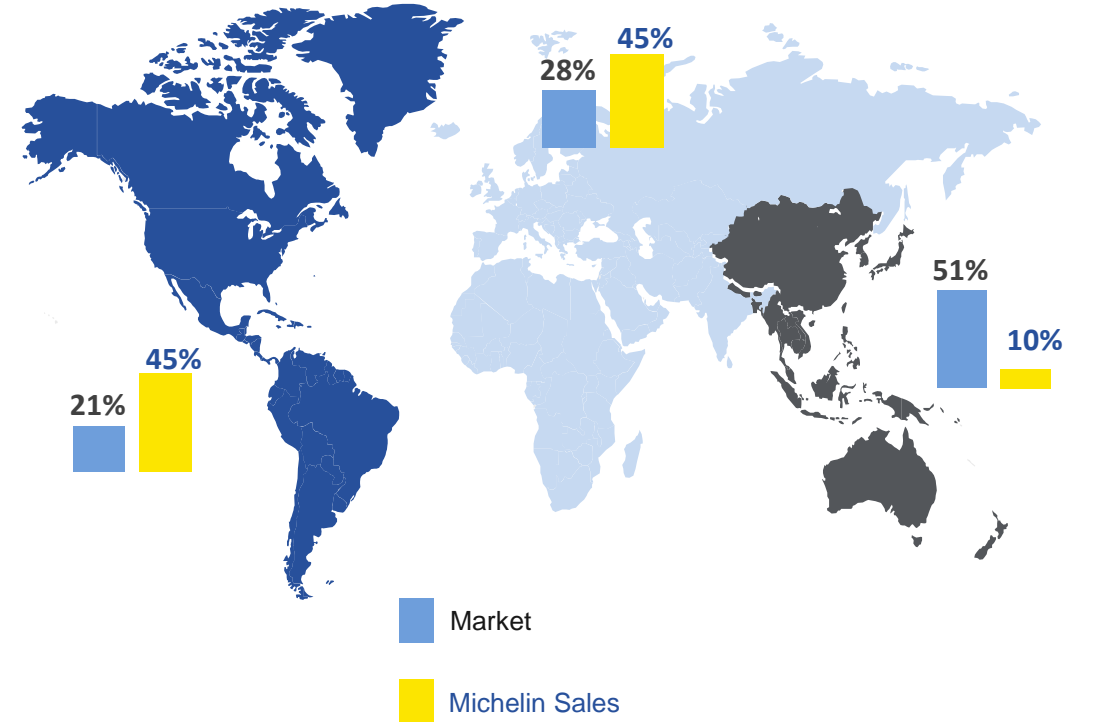


TRUCK TIRE MARKET TREND

Worldwide market (units)



2020 TRUCK TIRE MARKET AND SALES GEOGRAPHICAL DISTRIBUTION



Innovating in new Solutions & Services in Americas and EMEA

Capturing pockets of value creation in Asia



TRUCKS: NEW CHALLENGES AHEAD FUELING GROWTH OPPORTUNITIES ON VALUE CREATIVE MARKETS

Fleets in search of increased efficiency

Additional projects with connected vehicles



Acceleration in sustainable transportation

Original Equipment with the new VECTO standards



Acceleration in "Last mile delivery"

E-commerce: +36% of professional vehicles in the city center by 2025*



Connected solutions focused on efficiency

- Uptime optimization
- Reduction of maintenance costs
- Tracking, routing, etc.

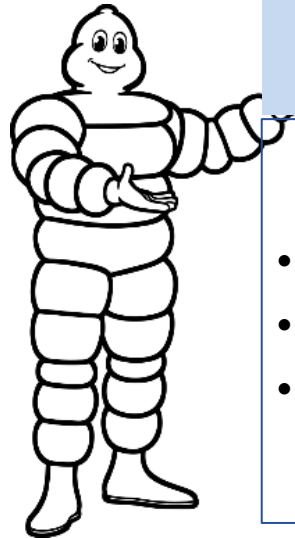
Solutions to improve environmental footprint

- **New optimized products:**
 - Rolling resistance
 - Sustainable material rate
 - Long-lasting performance
- **Strengthening of the retreading business**
- **Michelin Green Mobility / Watea**

Targeted offers for "last mile" fleets

- **Renewal of the offering**
- **Bespoke solutions for "last mile" fleets:**
 - Tire delegation
 - Fleet management

* Source: Accenture Research





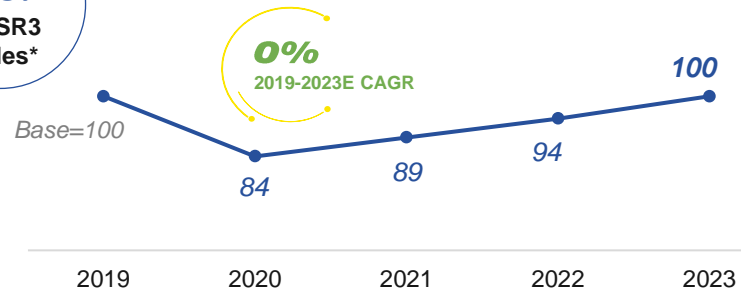
MINING, OFF THE ROAD AND 2-WHEELS TIRES: STRUCTURALLY GROWING MARKETS, INCREASINGLY INFLUENCED BY ENVIRONMENTAL CONCERNS



MINING MARKETS

Worldwide market / underground mining (tons)

~35% of SR3 sales*



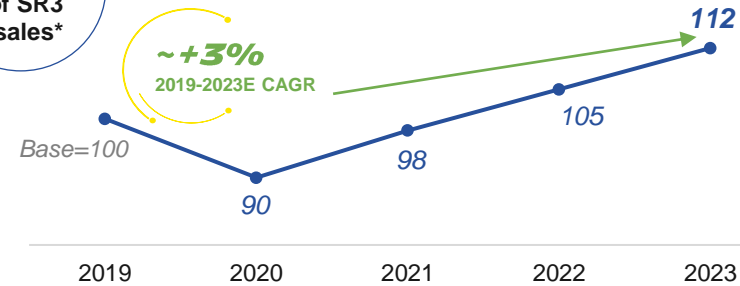
2019-2030 CAGR: ~+3%



MOTO LEISURE & COMMUTING MARKETS

Worldwide market (units)

~7% of SR3 sales*



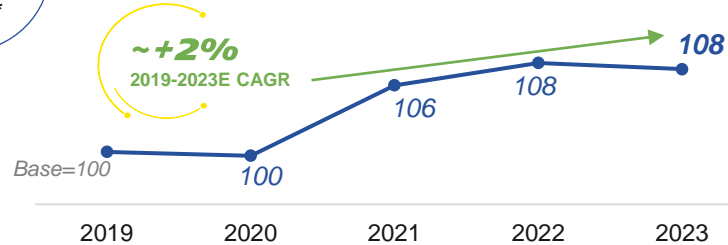
Volume and value growth: use of bicycles and scooters to increase up to 10% by 2030



AGRICULTURE MARKETS

Worldwide* market (units tires & tracks)

~12% of SR3 sales*



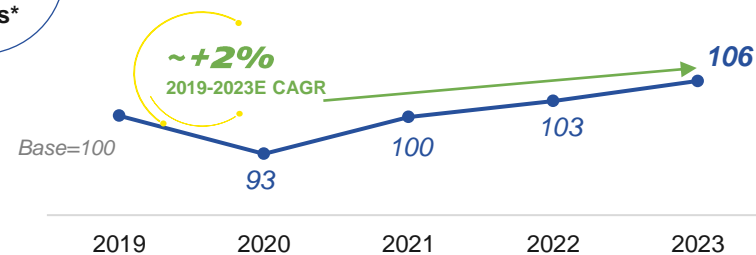
Long-term CAGR: ~+3%



CONSTRUCTION MARKETS

Worldwide market (units)

~12% of SR3 sales*



Recovery following adverse cycle in construction

* 2019 Sales



SPECIALTIES: POSITIONED TO CAPTURE CYCLE UPSIDE THROUGH DIFFERENTIATION

Product Differentiation

- Performance and braking
 - Wet grip, for new and used tires
-
- Tire resistance
 - Connected tire (e.g., MEMS or TPMS)
-
- Increase in loads carried and driving speeds
 - Reduced of compaction of agricultural soils
-
- Lower energy consumption and CO₂ emissions
 - Mass efficiency
 - Recyclable products

MICHELIN XDR – 63”



MICHELIN CEREXBIB 2



SAFETY

OPERATIONS CONTINUITY

OPERATIONS PRODUCTIVITY

SUSTAINABILITY

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 product management

ON-SITE INSPECTION AND MAINTENANCE



RECYCLING



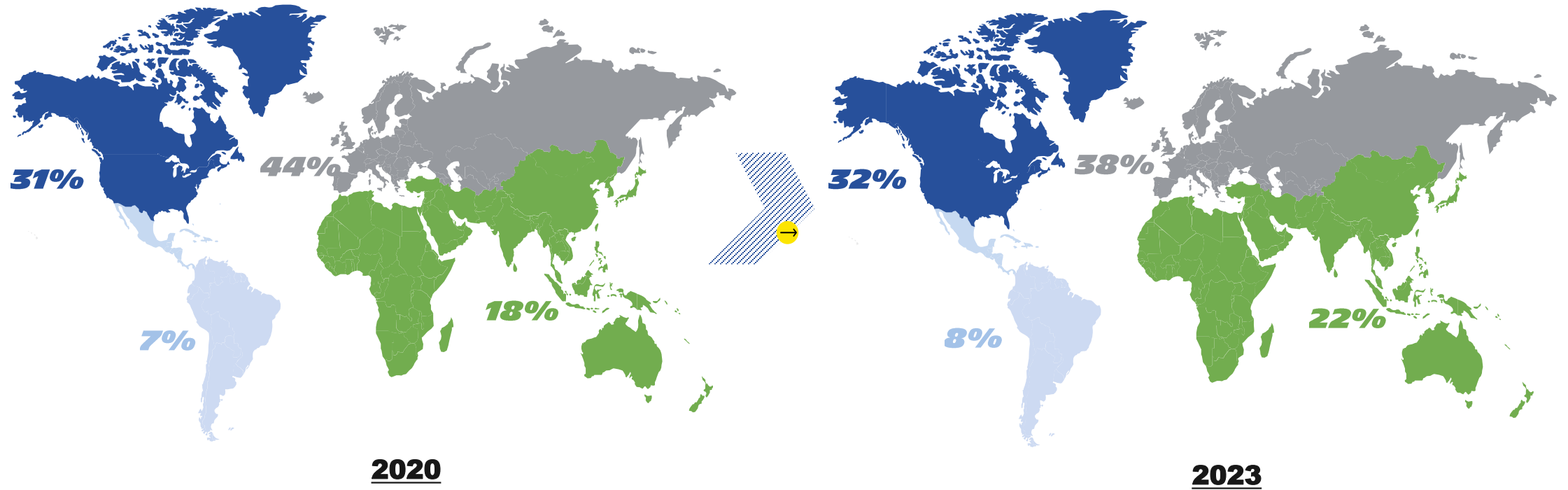


COMPETITIVENESS PLAN: REBALANCING OUR INDUSTRIAL FOOTPRINT TO BECOME MORE LOCAL-TO-LOCAL



SEIZING POSITIVE MOMENTUM IN EMERGING MARKETS

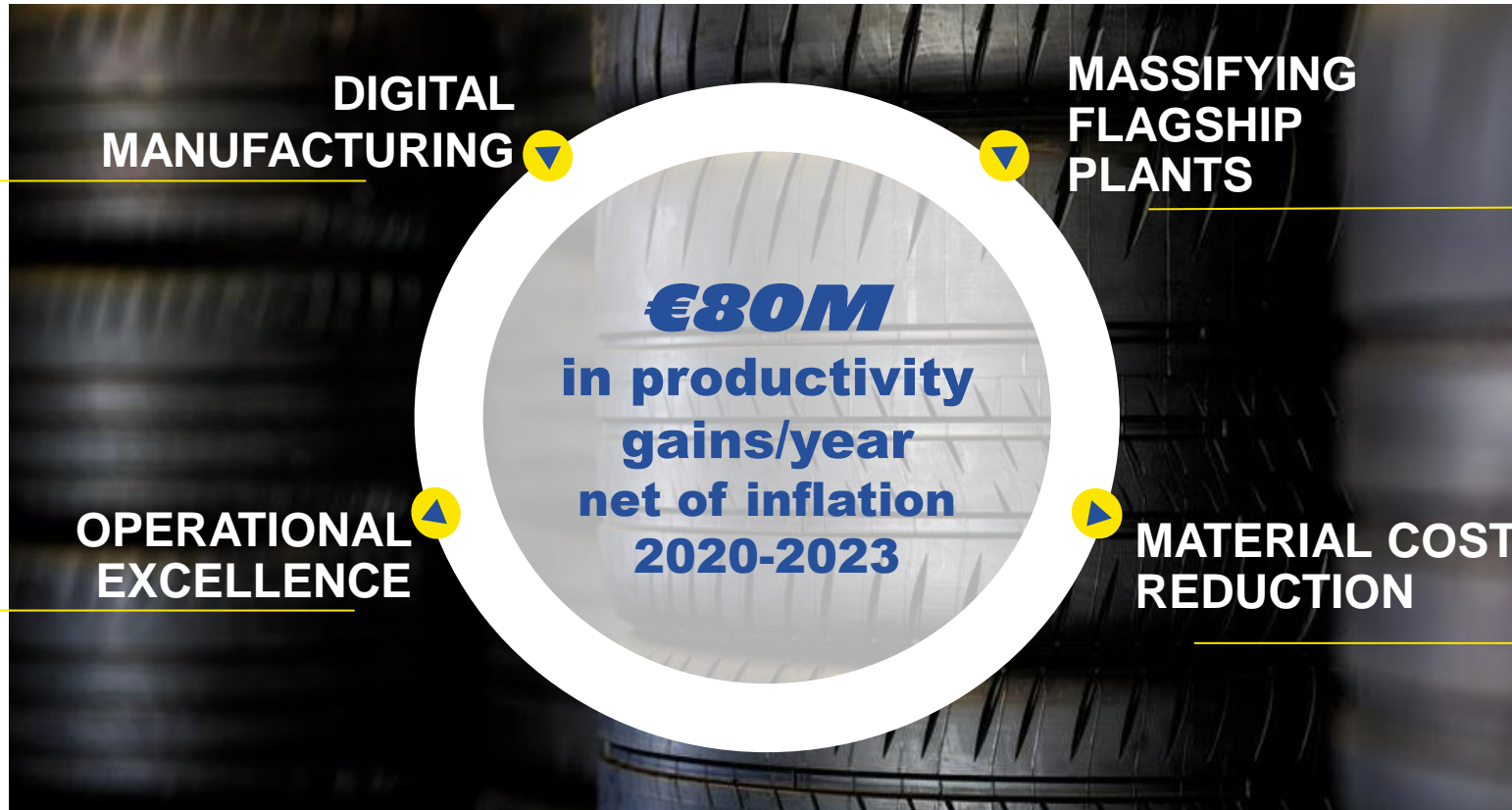
(% Manufacturing capacity)



Increase local-to-local ratio
Reducing inventories and CO₂ emissions
Best-in-class supply chain



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



Automation
Artificial Intelligence

Flexibility
Simplexity
Process
Standardization

Responsiveness
Cost optimum

In 2025, 16 sites will have an average production capacity of 140Kt

Design to cost
Scrap reduction
Upstream gains



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



Leveraging new technologies (AI)

Digitalizing operations

Optimizing the industrial footprint

INCREASING PRODUCTIVITY



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



SIMPLIFYING PROCESSES

Standardizing best practices

Decision making closer to customers

Developing shared service centers

Reengineering end to end processes



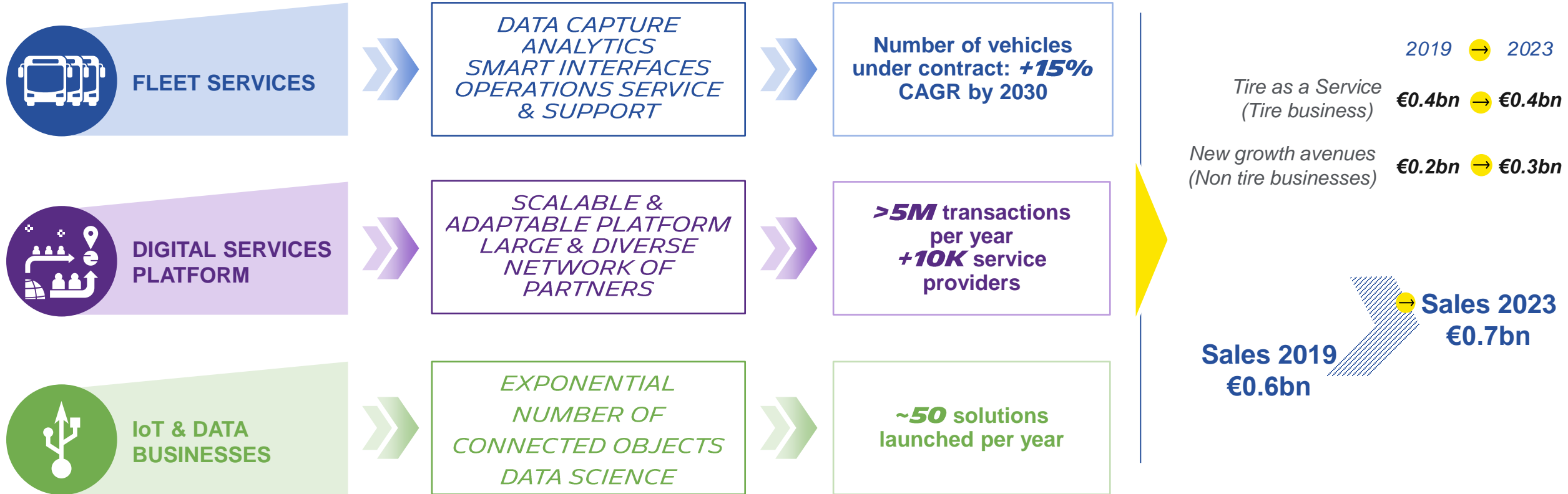
SERVICES AND SOLUTIONS: DEVELOPING AND ENRICHING OUR VALUE PROPOSITION FOR FLEETS AND MOBILITY



Expanding our customer base
Reaching new territories



SERVICES AND SOLUTIONS: KEY LEVERS TO REACH OUR AMBITIONS



5 HIGH-TECH MATERIALS: STRENGTHENING 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

Special adhesives
ResiCare

Compounding

Coated fabrics & Reinforcements
 Belting products & solutions

High-end polymers
Fenner PRECISION POLYMERS
FENNER & DUNLOP ENGINEERED CONVEYOR SOLUTIONS

Conveyors
 Advanced Sealing Technologies
A Michelin High Tech Materials Company

TARGET POSITIONING

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

Leading player in the field of special adhesives and tailor-made polymers

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





HIGH-TECH MATERIALS: ACCELERATING THE DEVELOPMENT OF 3 MAIN ECOSYSTEMS THROUGH PARTNERSHIPS FOR SUSTAINABLE GROWTH

REGENERATIVE MEDICINE & CELLULAR THERAPY



MARKET POTENTIAL

Cell & gene therapy	Cardio medical devices
+20% CAGR 2020-2030	>10% CAGR 2020-2030

AMBITIONS ¹

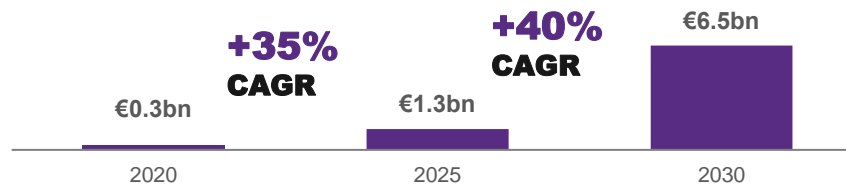
Becoming a leading innovation and manufacturing partner	Being the manufacturing operator customers' trust
Cell therapy Bioresorbables Regenerative medicine	

Note 1: Michelin holds a 49% stake in Solesis (equity-accounted company)

HYDROGEN MOBILITY



MARKET POTENTIAL



AMBITIONS ²

Becoming a leader in fuel cell stack systems

€0.2bn sales in 2025	€1.5bn sales in 2030
--------------------------------	--------------------------------

Note 2: 100% of Symbio - Michelin holds a 50% stake in Symbio (equity-accounted company)

3D METAL PRINTING



MARKET POTENTIAL

Medical & aerospace are the most industrial-scale end markets

+23% CAGR 2020-2030	~\$13bn in 2030
-------------------------------	---------------------------

AMBITIONS ³

€100m sales and breakeven by 2023	>€500m sales by 2030
--	-----------------------------------

Note 3: 100% of AddUp
Michelin holds a 50% stake in AddUp (equity-accounted company)





ENVIRONMENTAL AWARENESS, THROUGHOUT THE LIFECYCLE OF MICHELIN'S PRODUCT, STARTING FROM R&D DESIGN

RAW MATERIALS
Sustainable natural rubber supply



MANUFACTURING
Reducing impact



LOGISTICS
Reducing the carbon footprint



MATERIALS RECYCLING
Recycling systems / Circular economy



USE OF PRODUCTS AND SERVICES

63% to 96% of the life cycle impact

Low rolling resistance – reduce CO₂ emissions
Safe when new, safe when worn



ENERGY RECOVERY

END OF LIFE

RETREADING

Substantial savings in raw materials

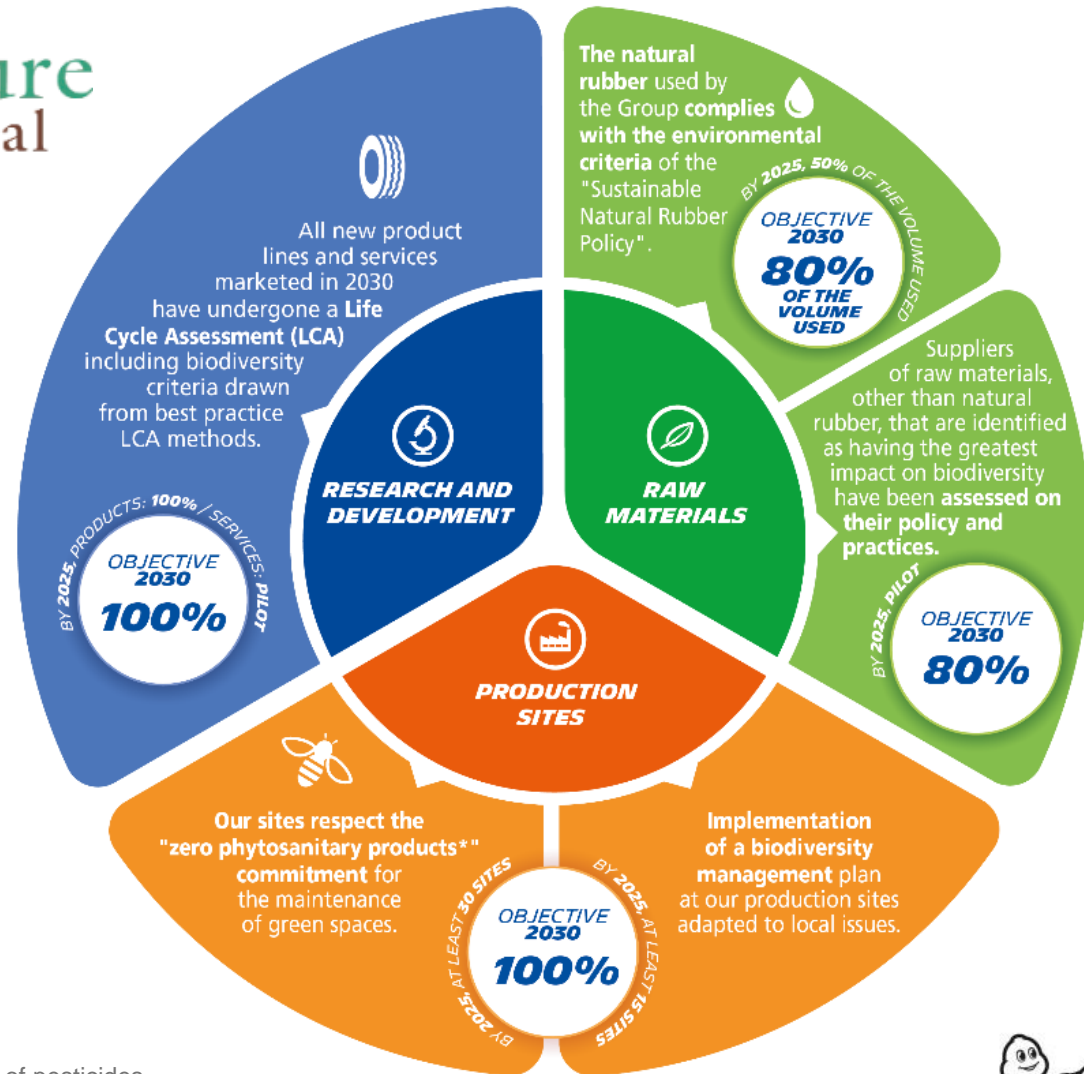




ENVIRONMENT PROTECTION: MICHELIN IS A LEADER IN ACTING FOR BIODIVERSITY PROTECTION



act4nature international



* Replacement of pesticides and fertilizers by mechanical methods combined with other alternative solutions



AMBITIONS FOR 2030

▶ BIODIVERSITY



2030 ENVIRONMENTAL AMBITION: ON THE PATH TO REACH CARBON NEUTRALITY IN 2050



Scope 1 & 2

Shifting towards clean energy



Reducing in energy consumption

2030

-50%
CO₂ emissions
vs 2010

2050

Carbon
Neutrality

**Scope 3
logistic**

Less, better and differently

2030

-15%
CO₂ emissions
vs 2018

2050

Carbon
Neutrality

**Scope 3
supply chain**

2024

70%
of suppliers have
science-based targets

2050

Carbon
Neutrality

Suppliers setting ambitious reduction targets



CONTINUOUSLY IMPROVING THE ENVIRONMENTAL PERFORMANCE OF OUR PRODUCTION SITES



2030 OBJECTIVES

REDUCTION OF THE INDUSTRIAL ENVIRONMENTAL IMPACT BY 1/3 ⁽¹⁾ THROUGH 5 PROGRAMS



WATER WITHDRAWALS



-33% ⁽¹⁾

(m³/t weighted by water stress index)



GENERATED WASTE



-25% ⁽¹⁾
(kg/t)



ORGANIC SOLVENT CONSUMPTION



-50% ⁽¹⁾
(kg/t)



ENERGY CONSUMPTION



-37% ⁽²⁾
(GJ/t)



CO₂ EMISSION



-50% ⁽²⁾
(t)

(1) vs 2019, see p.150 of the 2020 Universal Registration Document

(2) vs 2010

/t = ratio basis on semi-finished or finished products volumes



SETTING THE STANDARD FOR EMPLOYEE DIVERSITY AND INCLUSION

EQUAL OPPORTUNITY

Every employee can develop his/her talents within the company. Michelin pays particular attention to the internal promotion of manufacturing operators.

GENDER BALANCE

Achieve parity among Group executives and, by 2030, set the gender balance benchmark in our industry.

DISABILITY

Michelin offers career paths to people of all abilities according to its talent development policy.



IDENTITY

(All D&I* aspects, e.g., age, sexual orientation, ethnicity, religion, etc.)
Enable every person to be who they really are and to bring their authentic selves to work.

* Diversity & Inclusion

MULTI-NATIONAL MANAGEMENT

All our host country nationalities and cultures are represented in all corporate functions in the operating regions and at headquarters, in line with the geographical footprint of each business.

Free cash flow

FCF is stated before dividend payments and financing transactions. It corresponds to net cash from operating activities less net cash used in investing activities, adjusted for net cash flows relating to cash management financial assets and borrowing collaterals.

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 sales of following activities: Services and Solutions (excl. TaaS and Distribution), Conveyor Belts and High-Tech Materials excluding JVs



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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