

OCTOBER
25, 2022

9-MONTH 2022 SALES





9-MONTH SALES ROSE BY 20.5% TO €20.7BN. IN A HIGHLY INFLATIONARY ENVIRONMENT, FULL-YEAR GUIDANCE IS CONFIRMED FOR SOI AND ADJUSTED FOR STRUCTURAL FCF

- In a market environment shaped by continuing operational disruptions, widespread inflation and limited visibility as to future demand, Michelin delivered growth in sales and is steering operations to ensure adequate inventory levels.
- 9-month markets remained on an upward trend:
 - End-user (sell-out) demand held firm in most regions and markets.
 - Passenger Car & Light Truck sell-in markets grew by 1.4%, lifted by a third-quarter recovery in Original Equipment (OE) demand, mainly in North America and China; Replacement markets remained stable, with a mix temporarily impacted by rising imports from Asia.
 - Truck tire sell-in markets -excluding China- expanded by 6.0% with an acceleration in the third quarter.
 - Specialty tire markets remained robust in all segments except Agricultural and Construction in the third quarter; demand remains strong in Mining.
- Consolidated 9-month sales of €20.7bn, up 20.5% year-on-year, including 6.5% positive currency effect:
 - a 13.4% gain from price increases, reflecting the Group's policy of systematically passing on cost inflation factors and the growing impact of price indexation clauses.
 - a 0.9% increase from the mix effect reflecting growth in the Passenger Car 18-inch and larger segment and in Mining, partially offset by an adverse OE/RT mix effect in the Automotive business.
 - a 2.4% decline in volumes, mostly due to the exit from Russia and lockdowns in Chinese cities, amid persistent operational disruptions.
 - a 1.0% gain from changes in scope, mainly reflecting the consolidation of Allopneus.com.
 - Non-tire sales grew by 22% accounting for 1.1% of consolidated sales growth, demonstrating the validity of the ongoing *Michelin in Motion* Group strategy.
- 2022 full-year guidance:
 - Segment operating income at constant exchange rates : confirmed > €3.2bn
 - Structural free cash flow : adjusted to ~ €700M



SELL-IN MARKETS VOLATILE BUT WITHIN RANGE IN Q3, LIFTED IN PC/LT BY OE RECOVERY AND IMPORTS, AND IN TRUCK TIRES BY A DYNAMIC FREIGHT ACTIVITY



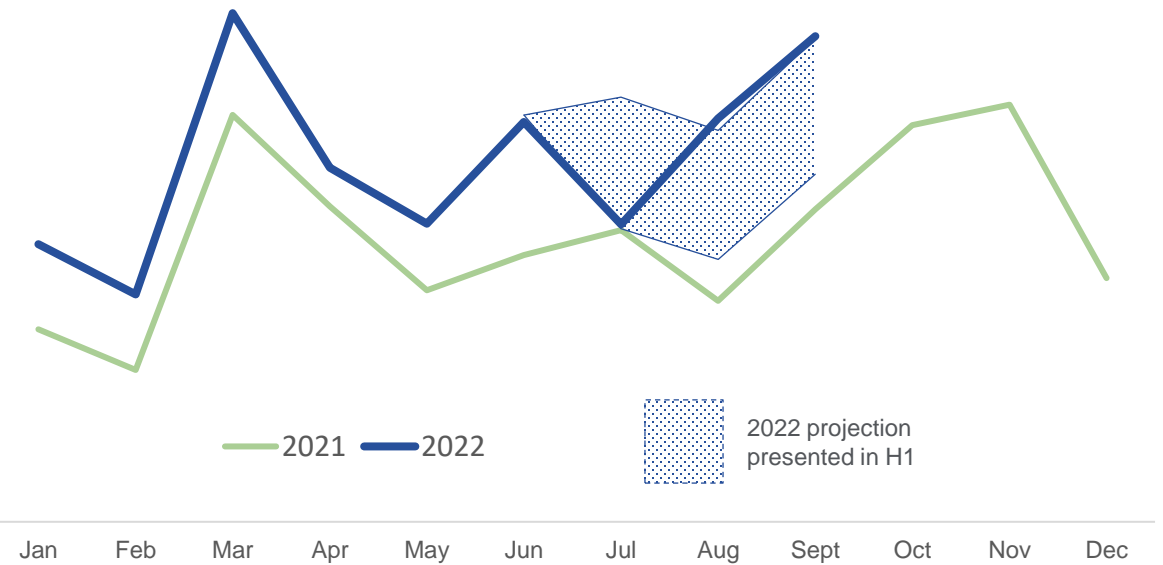
Global Passenger car/Light truck tire market

(expressed in units)



Truck tire market (excluding China)

(expressed in units)



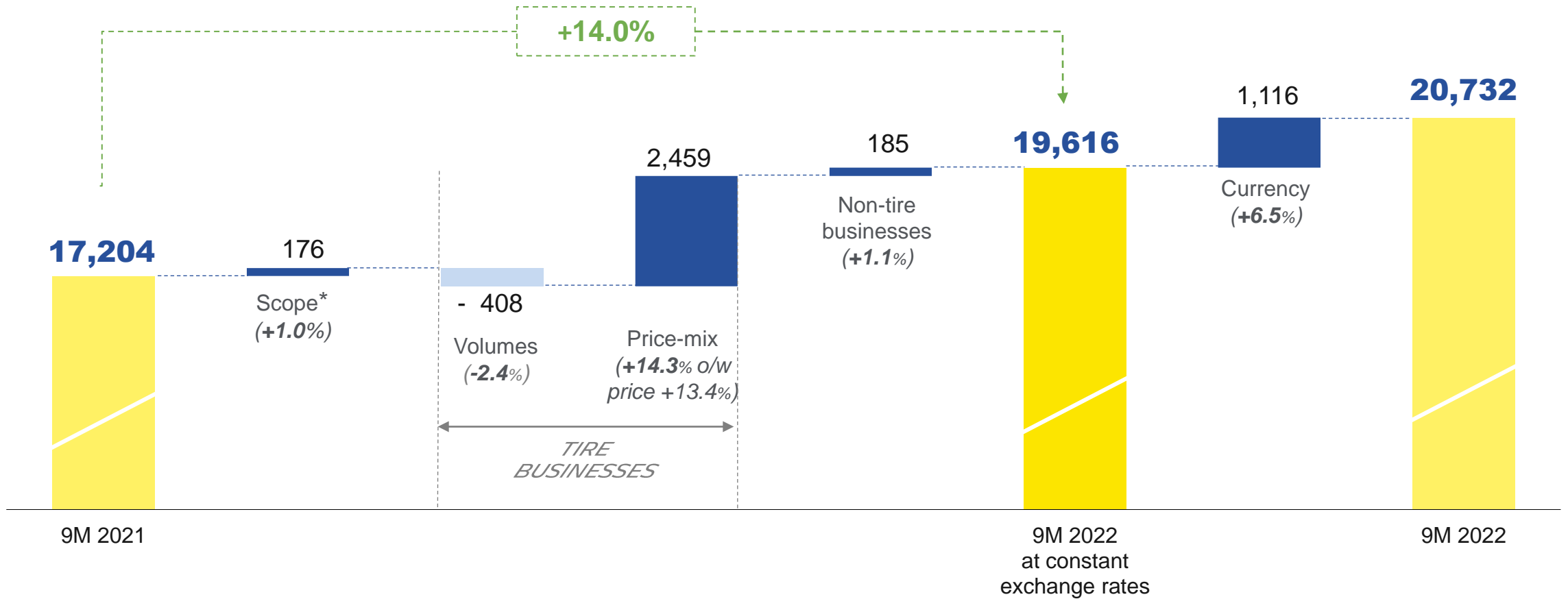
Source: Michelin. Market data are regularly adjusted and may be updated following their initial publication.



9-MONTH SALES GROWTH OF 20.5%
DYNAMIC TIRE PRICING IN A HIGHLY INFLATIONARY ENVIRONMENT
NON-TIRE SALES UP BY 22% OR +€185M AT CONSTANT EXCHANGE RATES

Analysis of 9-month sales

(in € millions and as a %)






* Deconsolidation of the printing, publishing and marketing businesses associated with Maps & Guides for France (Michelin Editions) on February 1, 2021, and of Solesis on May 28, 2021; consolidation of TechnoBalt on May 1, 2021, and Allo pneus.com on December 30, 2021.





SALES GROWTH IN EVERY SEGMENT THANKS TO DYNAMIC PRICING POLICY AND EFFICIENT INDEXATION CLAUSES, OVERCOMPENSATING SOFTER VOLUMES

<i>(in € millions)</i>		9M 2022	9M 2021	<i>Change</i>
	RS1 sales <i>Volumes</i>	10,238 -	8,603 -	+19.0% -4.0%
	RS2 sales <i>Volumes</i>	5,403 -	4,503 -	+20.0% -0.5%
	RS3 sales <i>Volumes</i>	5,091 -	4,098 -	+24.2% -1.2%

In an environment shaped by strong inflation and ongoing operational disruptions:

- **RS1:** sales lifted by price increases introduced in Replacement in H1 and the impact of indexation clauses from July 1; positive mix supported by sustained growth in 18-inch and larger tires and favorable geo mix, despite a negative OE/RT mix; volumes decrease reflects the exit from Russia and weak demand from China in Q2, as well as the impact of the high volatility of the sell-in market mix in Q3.
- **RS2:** sales growth supported by dynamic pricing management and continued expansion in fleet management solutions; volumes stable on the back of high volatility in the sell-in market mix in Q3 and a continued focus on the highest value market segments.
- **RS3:** sales rose thanks to positive price effect, reflecting the price adjustments on July 1 in application of indexation clauses, and rebound in Mining volumes in Q3 as expected; sales in Non-tire businesses grew by 22% over the first nine months at constant exchange rates.



A WELL-BALANCED SET OF BUSINESSES ACROSS REGIONS, ENSURING RESILIENCE IN MARKET TURBULENCES

▶ Products and solutions serving all mobilities ...

AUTO RT (2) & 2-WHEEL

42% (1)



- **Cyclicality** : very low
- **Main drivers** : miles driven, GDP, used cars market

Volumes and mix drivers :

- ✓ Increase to car access of the worldwide population
- ✓ Increase of vehicles weight requiring higher rim size tires
- ✓ First cycle of EV soon visible on RT

TRANSPORTATION

26% (1)



- **Cyclicality** : low
- **Main drivers** : GDP & PMI

Volumes and mix drivers :

- ✓ Demand for goods and increase of local-to-local supply chains models
- ✓ Boom of e-commerce and last mile delivery
- ✓ Urbanization of population

▶ ... while leveraging our expertise in high-tech materials ...

NEW BUSINESSES

5% (1)



- **Cyclicality** : low
- **Main drivers** : GDP, PMI, R&D & public spending

Volumes and mix drivers :

- ✓ Customer's needs for increasingly demanding applications in many types of industries (energy, medical, aerospace...)
- ✓ Emerging value chains (Fuel Cell, 3D Printing...) shaping the industry's future
- ✓ Growing appetite for sustainable materials, recycling and circular economy

AUTO OE (3)

10% (1)



- **Cyclicality** : very high
- **Main drivers** : regulation & GDP

Volumes and mix drivers :

- ✓ Increase of vehicles size requiring higher rim size tires
- ✓ Easing of supply constraints of components and semi-conductors
- ✓ EV boom: massive renewal of cars fleets

SPECIALTIES

17% (1)



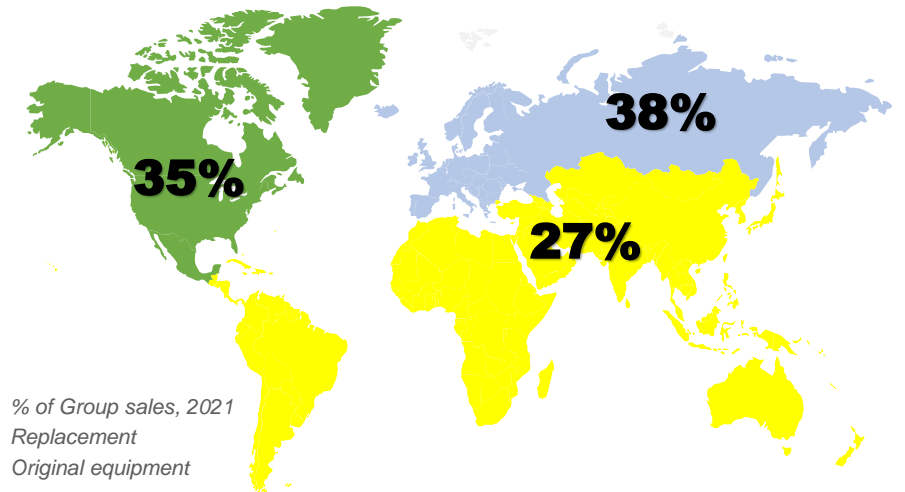
- **Cyclicality** : high
- **Main drivers** : GDP, public spending, commodity prices, housing and building construction

Volumes and mix drivers :

- ✓ Mining: increasing demand for minerals to fuel transition to renewables energies and digital transformation
- ✓ Agriculture: growing worldwide population, increase of farmers' investment capacities
- ✓ Construction: adaptation of infrastructure and building/housing to meet energy transition requirements

▶ ... with a global and balanced footprint

% of Group Sales by Region, 2021

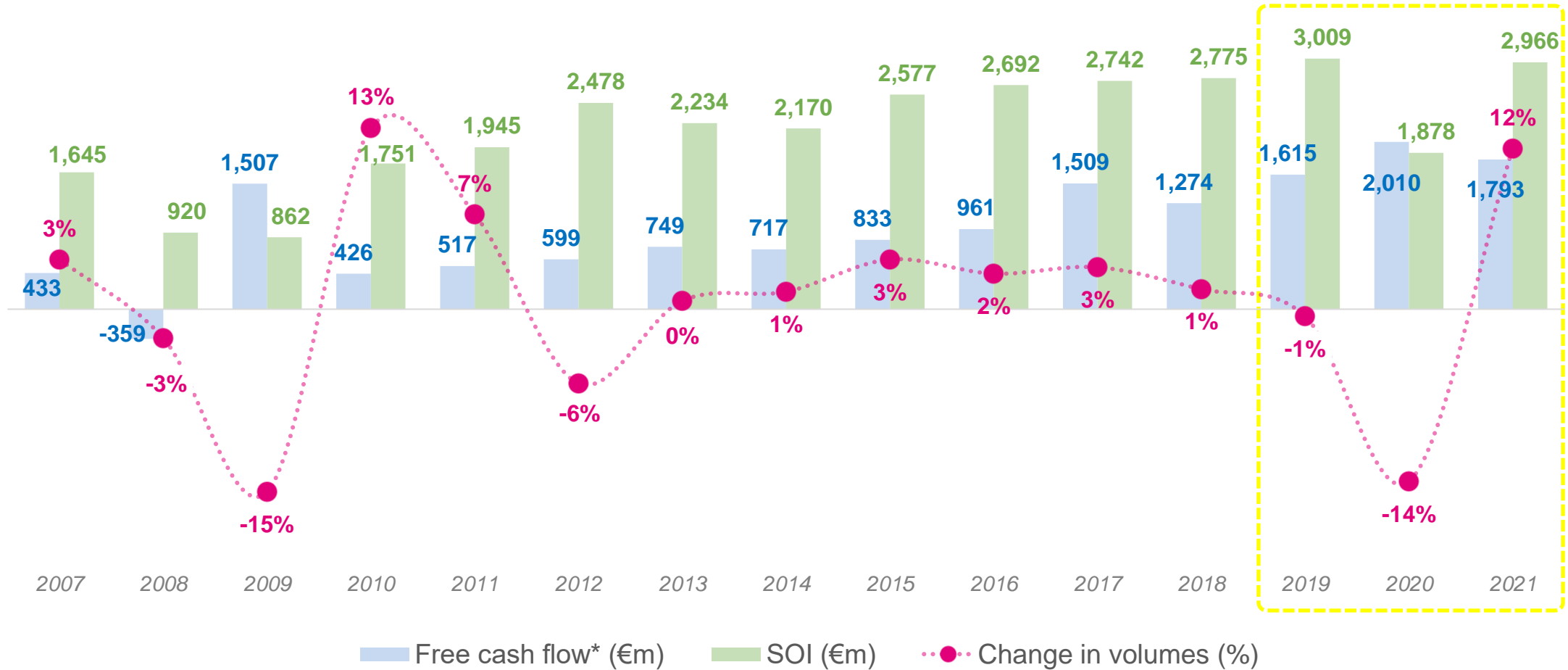


(1) % of Group sales, 2021
 (2) Replacement
 (3) Original equipment



INCREASED ABILITY TO SUSTAIN MARGIN AND CASH, EVEN IN TIMES OF CRISIS

Free cash flow* and SOI evolution vs change in volumes sold



*Free cash flow as reported from 2007 to 2010, structural free cash flow from 2011 (see slide 57 for the definition of structural free cash flow)

2

2022 GUIDANCE





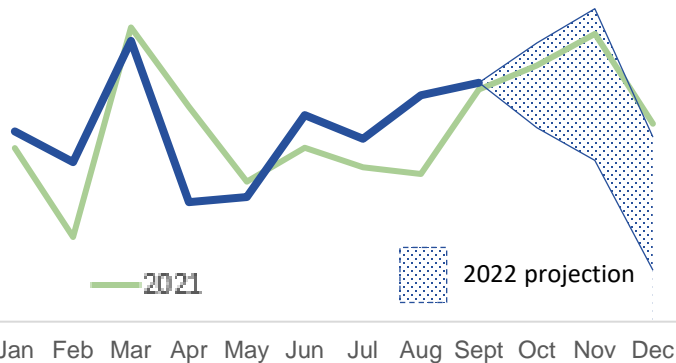
2022 MARKET SCENARIO: IN A VERY VOLATILE ENVIRONMENT, MARKETS ESTIMATES MAINTAINED IN PC AND TRUCK, SLIGHTLY REDUCED IN SPECIALTIES



PC/LT: -2%/+2%*

- **OE:** strong demand recovery since Q3, on very favorable comparison basis
- **RT:** global sell-out demand expected slightly down vs 2021, yet supported by imports release since Q3

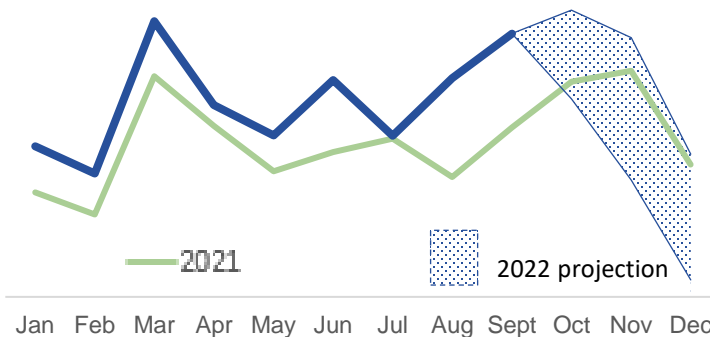
PC/LT market forecast (units)



TRUCK excl. China: +2%/+6%*

- **OE:** demand outside China expected to keep growing, with OEM order books well oriented
- **RT:** global demand still buoyed by freight demand in every region

Truck market forecast, excluding China (units)



SPECIALTIES: +3%/+7%*
(previously +4%/+8%)

- **Mining tires:** demand to remain robust, with easing of supply-chain disruptions
- **Off-the-road tires:** growing overall demand, except flat markets in Agriculture Replacement
- **Two-wheel tires:** demand softening with dealers' inventories still above normative
- **Aircraft tires:** growth in demand from still weak comparatives

*vs. 2021





2022 SCENARIO



	2022
Volumes	Below markets
Cost impact of raw materials prices, customs duties, transportation and energy	Strongly negative
Net price-mix / raw materials, manufacturing and logistics performance	Slightly positive



2022 GUIDANCE IS CONFIRMED FOR SOI AND ADJUSTED FOR STRUCTURAL FCF

	2022
Segment operating income at constant exchange rates	> €3,200m
Structural free cash flow *	~ €700m (previously > €1,200m)

* Structural free cash flow corresponds to free cash flow before acquisitions, adjusted for the impact of changes in raw material costs on trade payables, trade receivables and inventories (see definition slide 57).



FINANCE CALENDAR: UPCOMING EVENTS

- **FULL YEAR 2022: FEBRUARY 13, 2023** ⁽¹⁾
- **FIRST-QUARTER 2023 SALES: APRIL 26, 2023** ⁽¹⁾
- **“MICHELIN IN MOTION 2030” STRATEGY : PROGRESS UPDATE (CMD)** ⁽²⁾

⁽¹⁾ After close of trading

⁽²⁾ Date to be communicated at a later stage: H1 2023





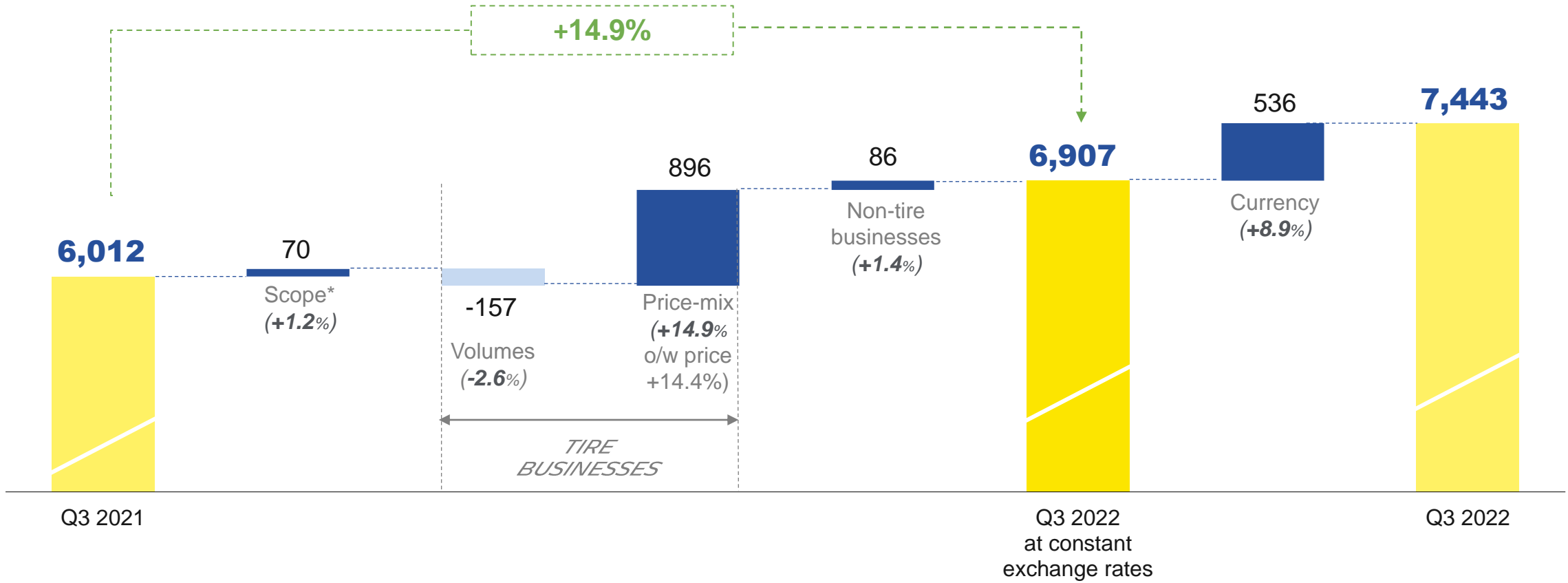
APPENDICES





Q3 SALES GROWTH OF 23.8%, WITH VERY STRONG PRICE AND CURRENCY TAILWIND

Analysis of Q3 sales (in € millions and as a %)



* Deconsolidation of the printing, publishing and marketing businesses associated with Maps & Guides for France (Michelin Editions) on February 1, 2021, and of Solesis on May 28, 2021; consolidation of TechnoBalt on May 1, 2021, and Allopnus.com on December 30, 2021.





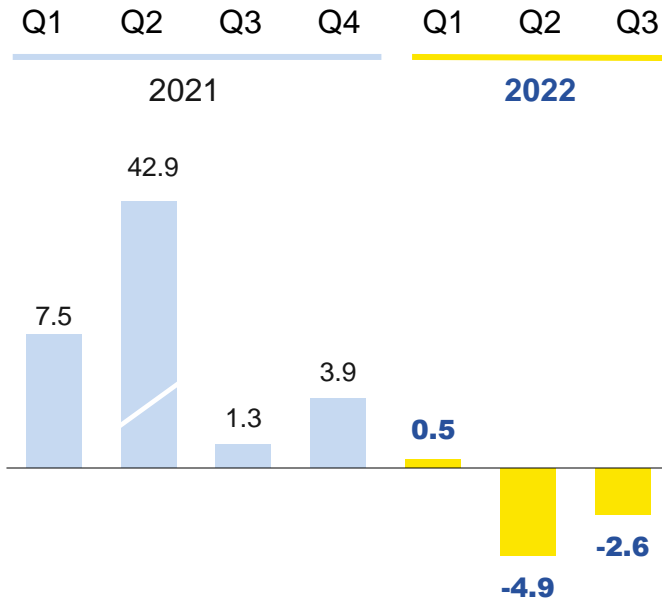
IN A CONTEXT OF HIGHLY VOLATILE SELL-IN MARKETS, SUSTAINED DYNAMIC PRICING MANAGEMENT TO OFFSET COST INFLATION FACTORS



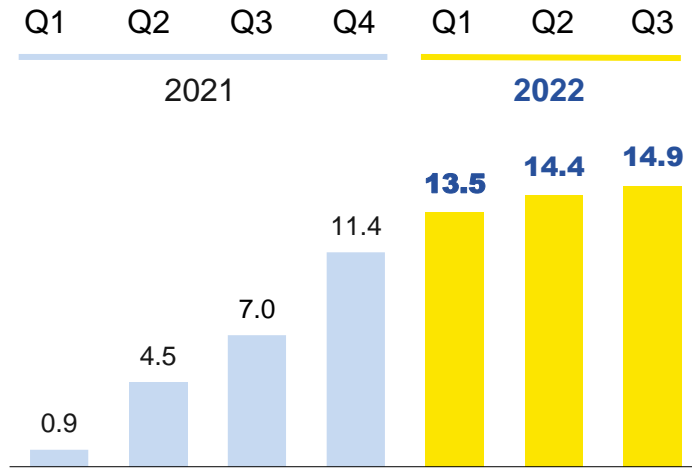
YoY quarterly change of sales

(in %)

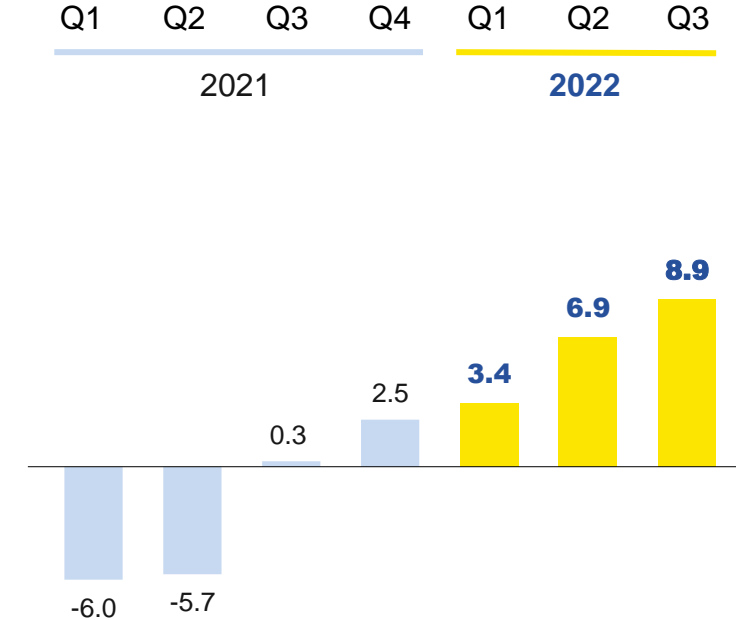
Volumes



Price-Mix



Currency





PC/LT MARKETS: GLOBAL DEMAND FLAT IN RT AND RECOVERING IN OE, WITH VERY DIVERSE REGIONAL SITUATIONS

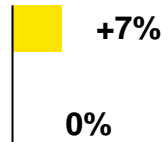


PC/LT TIRE MARKET, 9M 2022

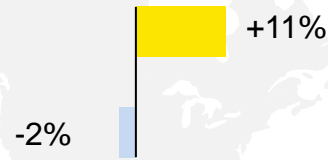
(% change YoY, in number of tires)



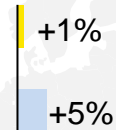
Global market



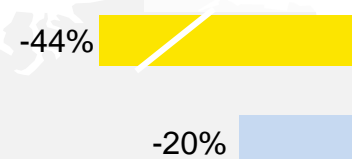
North & Central America



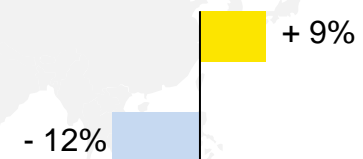
Western & Central Europe



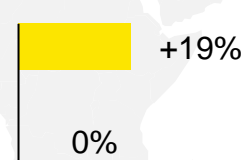
CIS



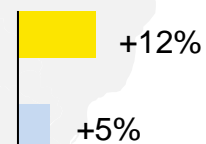
China



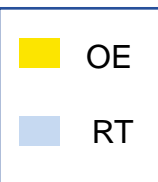
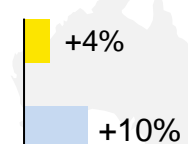
Africa, India, Middle East



South America



Asia (excl. China and India)



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





TRUCK TIRE MARKETS: EXCLUDING CHINA AND CIS, STRONG DEMAND LED BY FLEET UPGRADES AND DYNAMIC FREIGHT

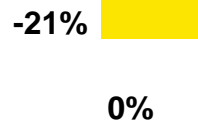


TRUCK TIRE MARKET, 9M 2022

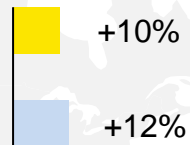
(% change YoY, in number of tires)



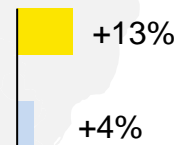
Global market



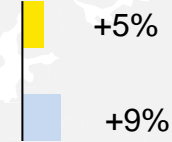
North & Central America



South America



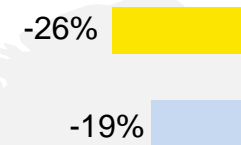
Western & Central Europe



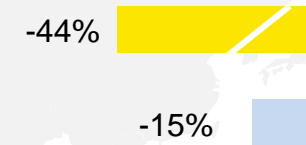
Africa, India, Middle East



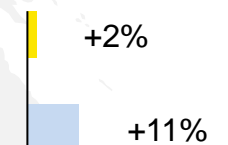
CIS



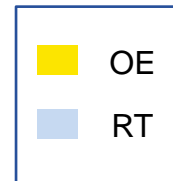
China



Asia (excl. China and India)



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





SALES BY CURRENCY AND SEGMENT OPERATING INCOME (SOI) IMPACT

% of sales End September 2022 (12-month rolling)		9M 2022 Currency change vs. €	Droptthrough* Sales → SOI
USD	37%	+ 12.3%	25% / 35%
EUR	31%	-	-
CNY	5%	+ 10.2%	25% / 30%
BRL	4%	+ 16.6%	-30% / -20%
GBP	4%	+ 2.2%	25% / 30%
CAD	3%	+ 9.6%	25% / 30%
AUD	3%	+ 4.7%	80% / 85%

% of sales End September 2022 (12-month rolling)		9M 2022 Currency change vs. €	Droptthrough* Sales → SOI
RUB	1%	+ 21.1%	25% / 30%
JPY	1%	- 4.3%	80% / 85%
MXN	1%	+ 11.5%	25% / 30%
TRY	1%	- 42.2%	80% / 85%
THB	1%	+ 2.3%	-130% / -100%
Others	8%	-	-

* droptthrough linked to the export/manufacturing/sales base

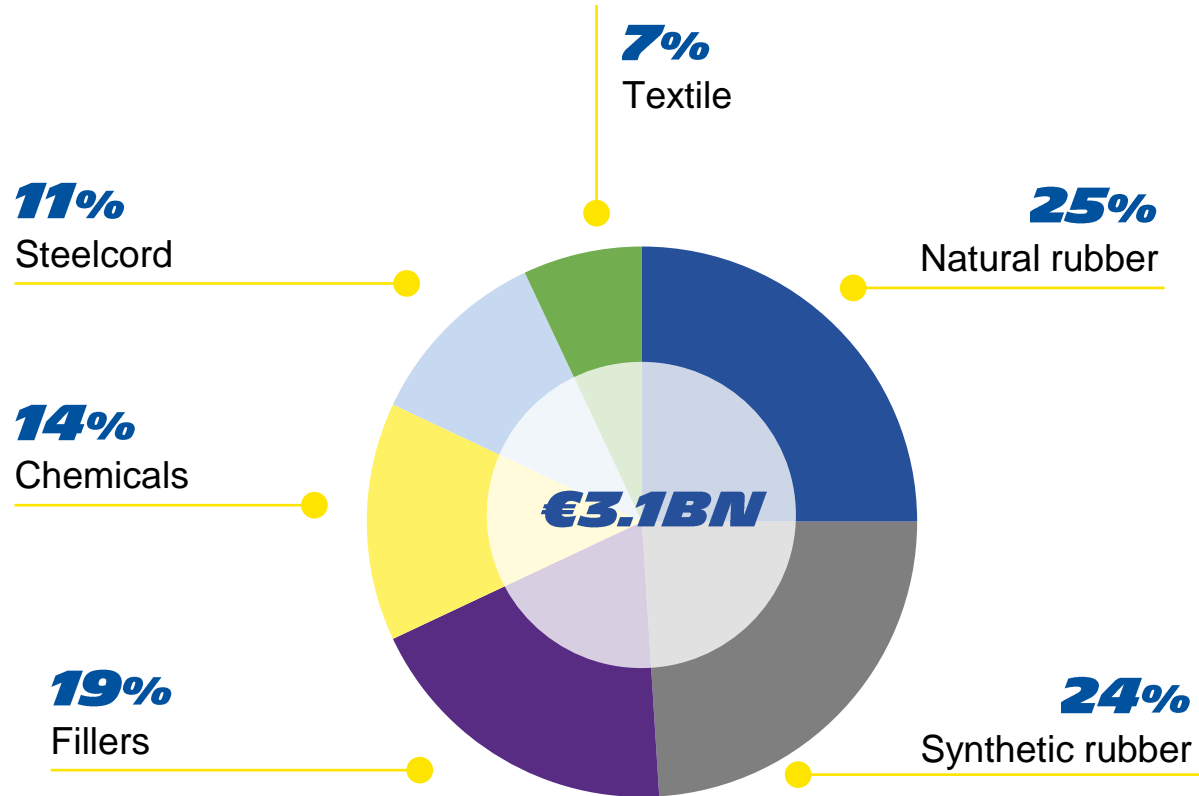
Illustration with impact of USD change on sales and SOI in €:

$$\text{Sales} \times \underbrace{37\% \times 12.3\%}_{\text{impact on sales } +4.6\%} \times \sim 30\% = \text{impact on SOI } (\sim +1.4\%)$$



RAW MATERIALS COST SPLIT

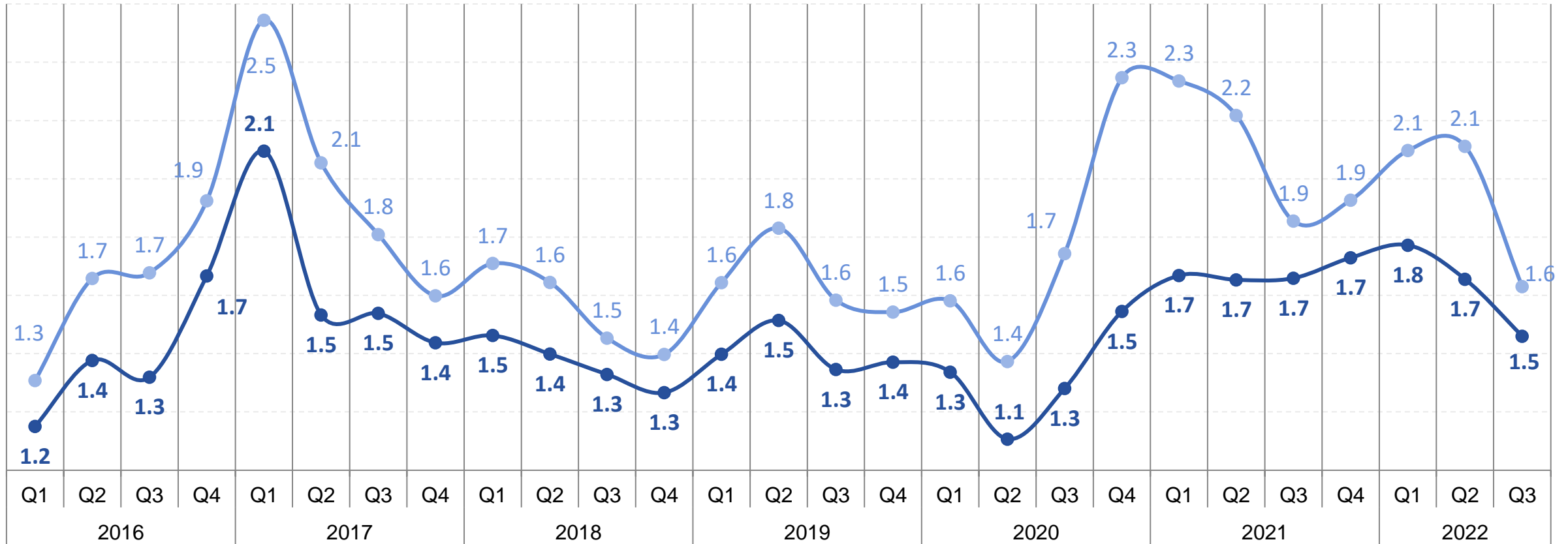
▶ **Cost share, H1 2022**
(in %)





NATURAL RUBBER PRICE TREND

▶ **TSR20 and RSS3 in \$/kg**



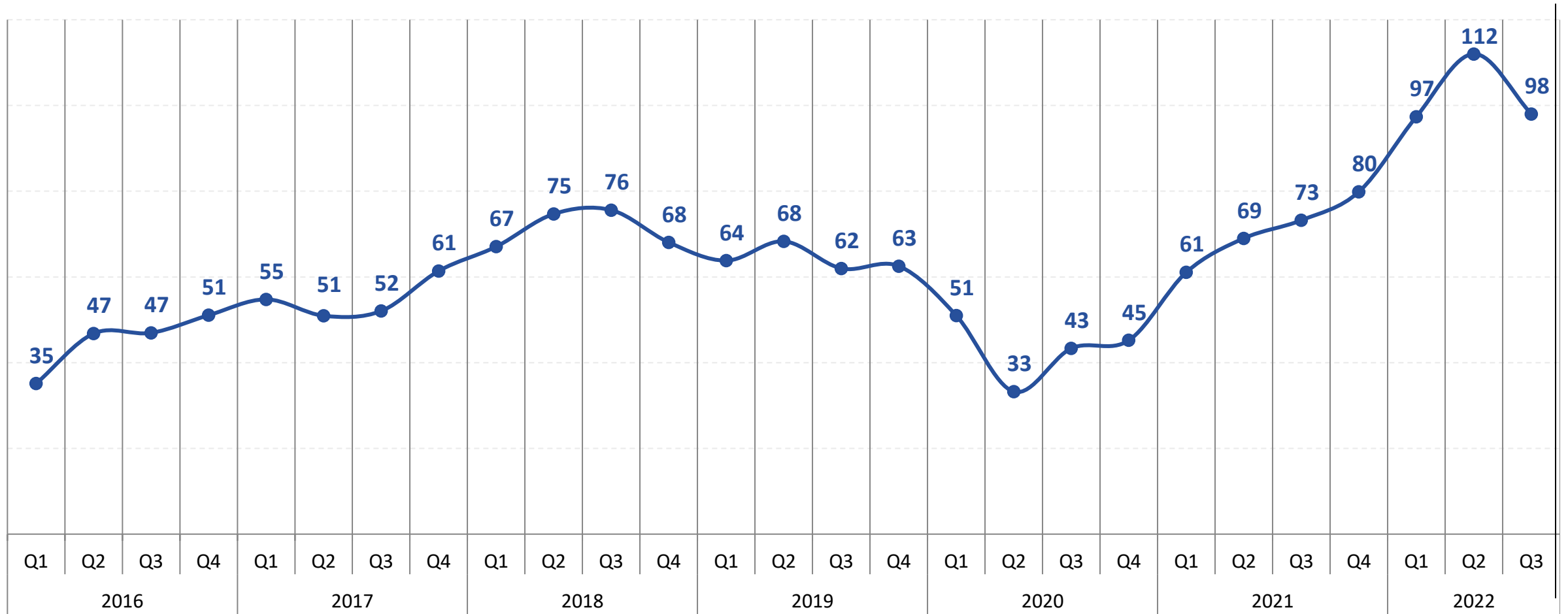
— TSR20 — RSS3



BRENT PRICE TREND



Brent in \$/bbl

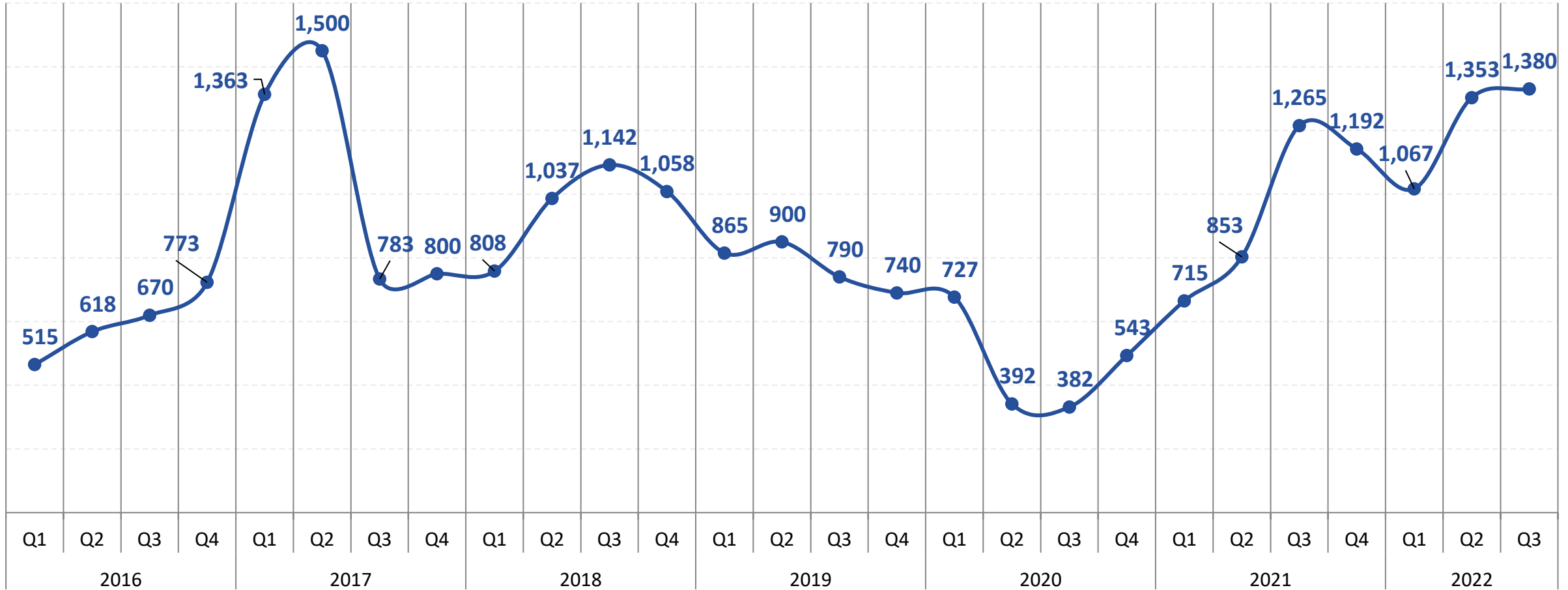




BUTADIENE PRICE TREND



Butadiene in €/t



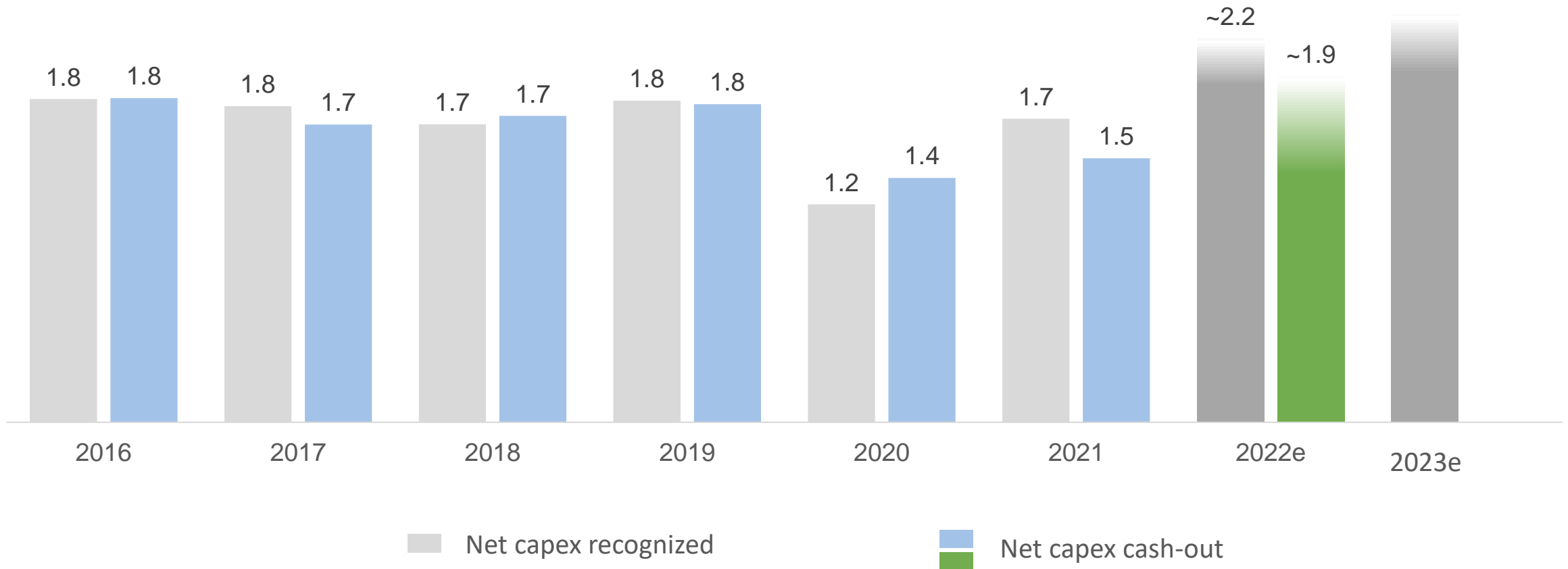


CAPEX: ANNUAL CAPEX PLAN MAINTAINED, WITH AROUND €1.9BN IN COMMITMENTS EXPECTED IN 2022



Capital expenditure

(in € billions)

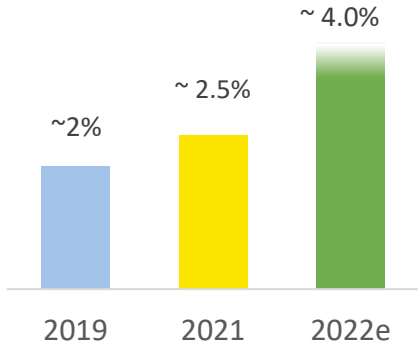




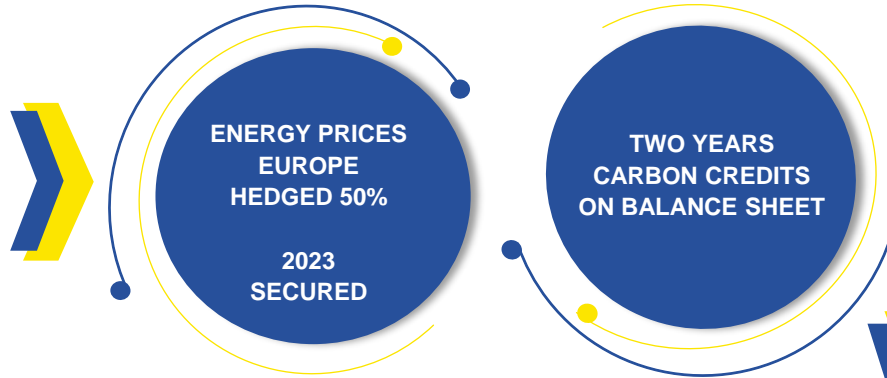
DEALING WITH ENERGY CHALLENGE IN EUROPE: SHORT TERM SECURED & MEDIUM TERM TRANSFORMED

Energy costs increase mitigated by hedging and pass through in prices

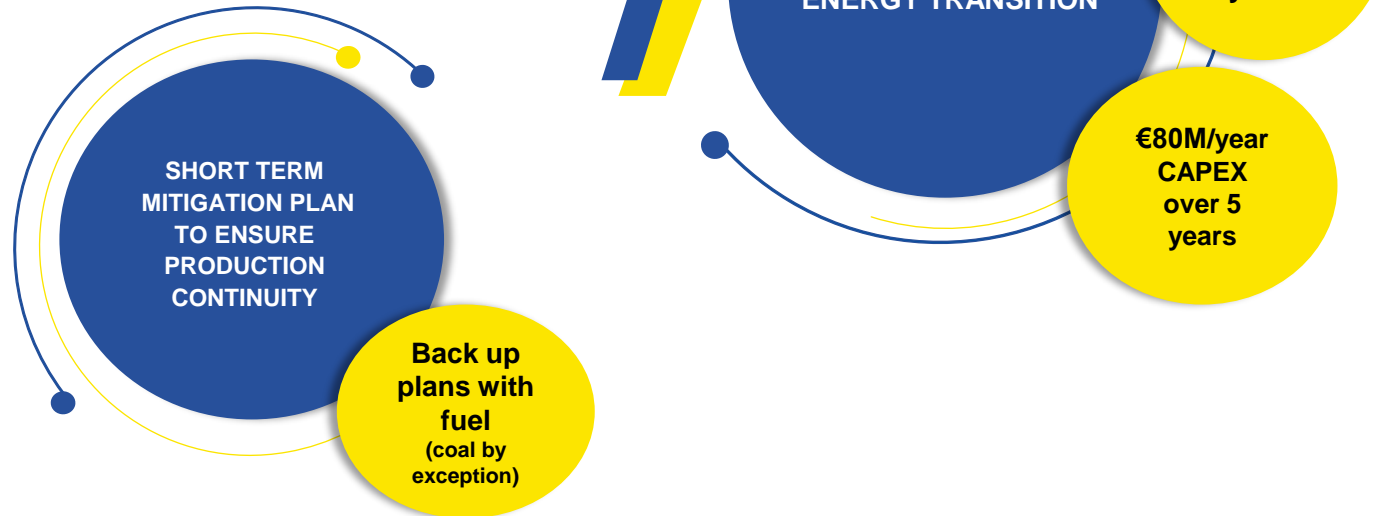
(Energy costs as a % of sales)



SHORT TERM secured

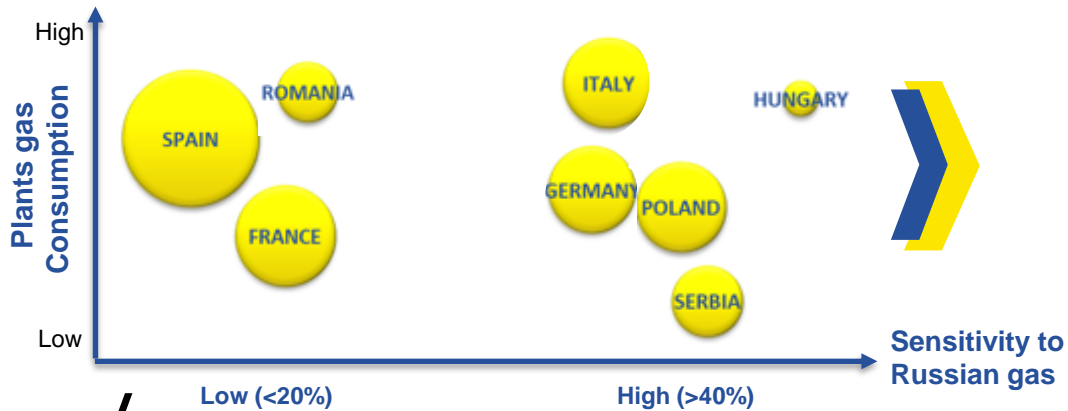


MEDIUM TERM transformed



Half of the European production is located in lower Russian gas sensitive countries

Size of bubble represents the weight of each country in the European production





OUTSTANDING BOND ISSUES (AS OF SEP 30, 2022)

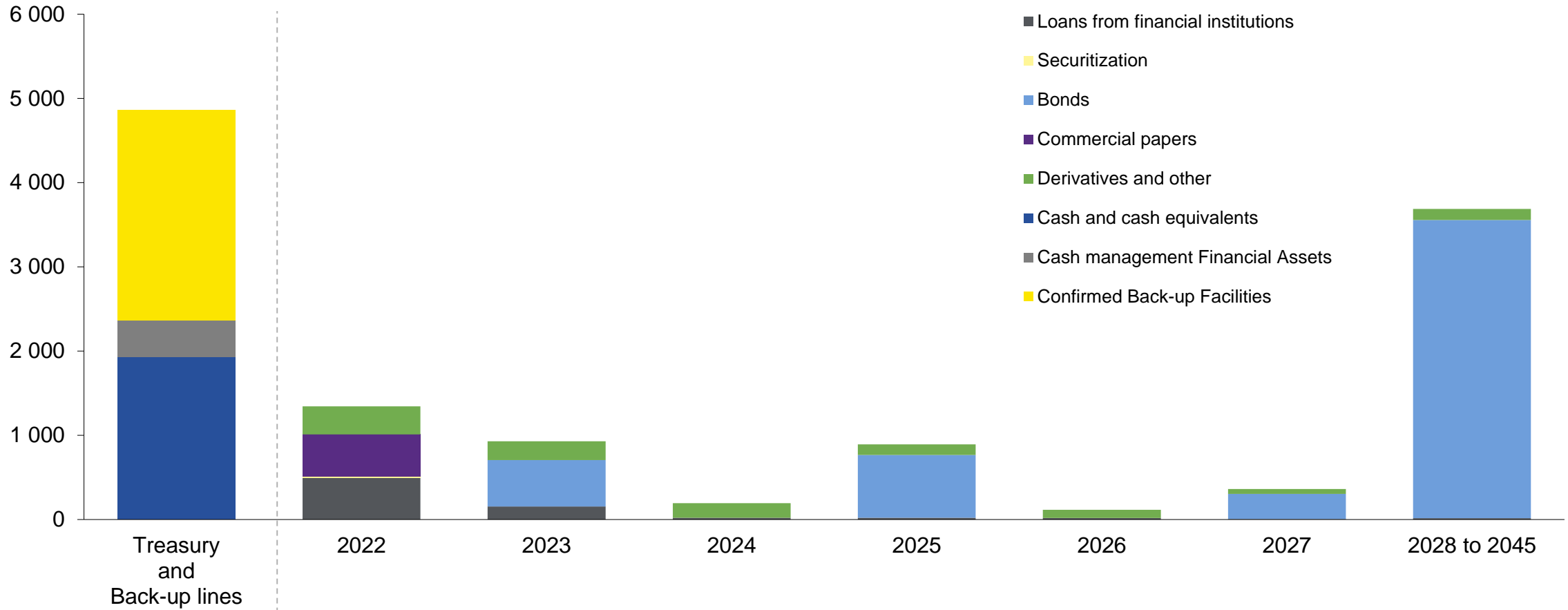


Issuer	Compagnie Générale des Établissements MICHELIN								
Issue Type	Senior Note Convertible	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond
Principal Amount	\$ 600m	€ 750m	€ 300m	€ 500m	€ 1,000m	€ 500m	€ 750m	€ 500m	€ 302m
Offering price	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)	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 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.-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-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 Sept 03	Annual May 28	Annual Nov 02	Annual Sept 03	Annual Nov 02	Annual Sept 03	Annual Nov 02	Annual Sept 30
ISIN	FR0013309184	FR0013357845	XS1233734562	FR0014000D31	FR0013357852	FR0014000D49	FR0013357860	FR0014000D56	XS1298728707
Denomination	\$ 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 WITH MATURITIES SPREAD OVER TIME

▶ Debt maturities at June 30, 2022 (carrying amount, in € millions)

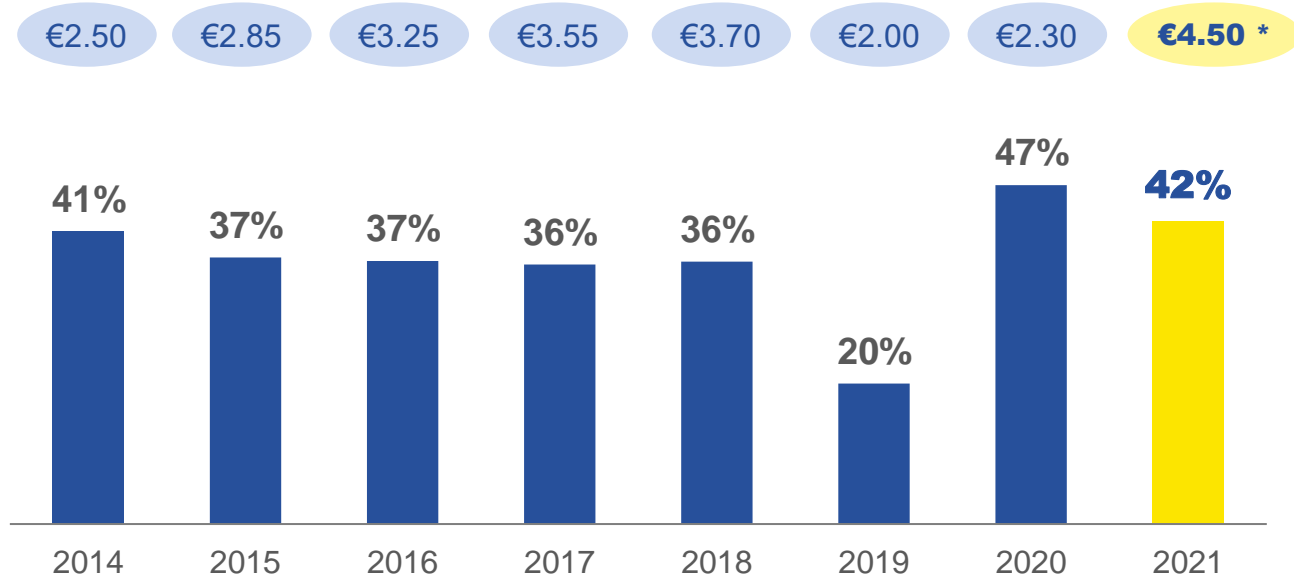




A SUSTAINED AND AMBITIOUS DIVIDEND DISTRIBUTION POLICY

Historical payout ratio

Dividend (€ p.s.)



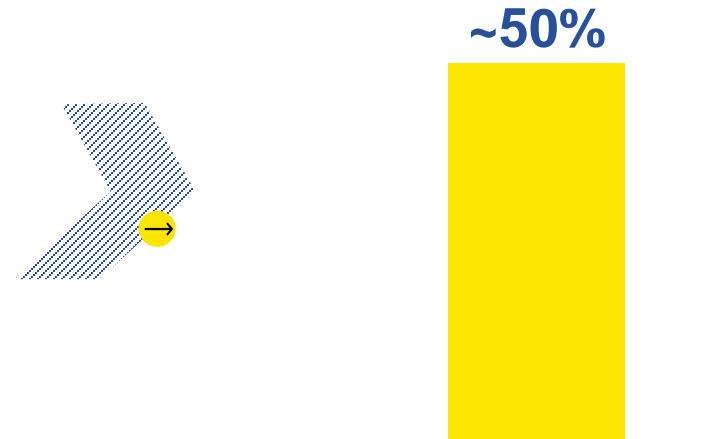
CONSISTENTLY DELIVERED ABOVE 35% DIVIDEND PAYOUT

(except the dividend voted in 2020 for 2019 due to the pandemic)

* Dividend paid-out linked to 2021 fiscal year, prior to the 4-for-1 stock split, effective June 16, 2022.

Payout ration ambition

Before non-recurring items



Anti-dilutive / opportunistic share buyback program



MICHELIN HAS BEEN LEADING ALL MAJOR INNOVATIONS IN THE TIRE INDUSTRY, CURRENTLY INVESTING €300 MILLION / YEAR IN SUSTAINABLE CAPEX*

Product ranges subject to life-cycle analysis

50% IN 2021 ► 100% IN 2025

Radial tire

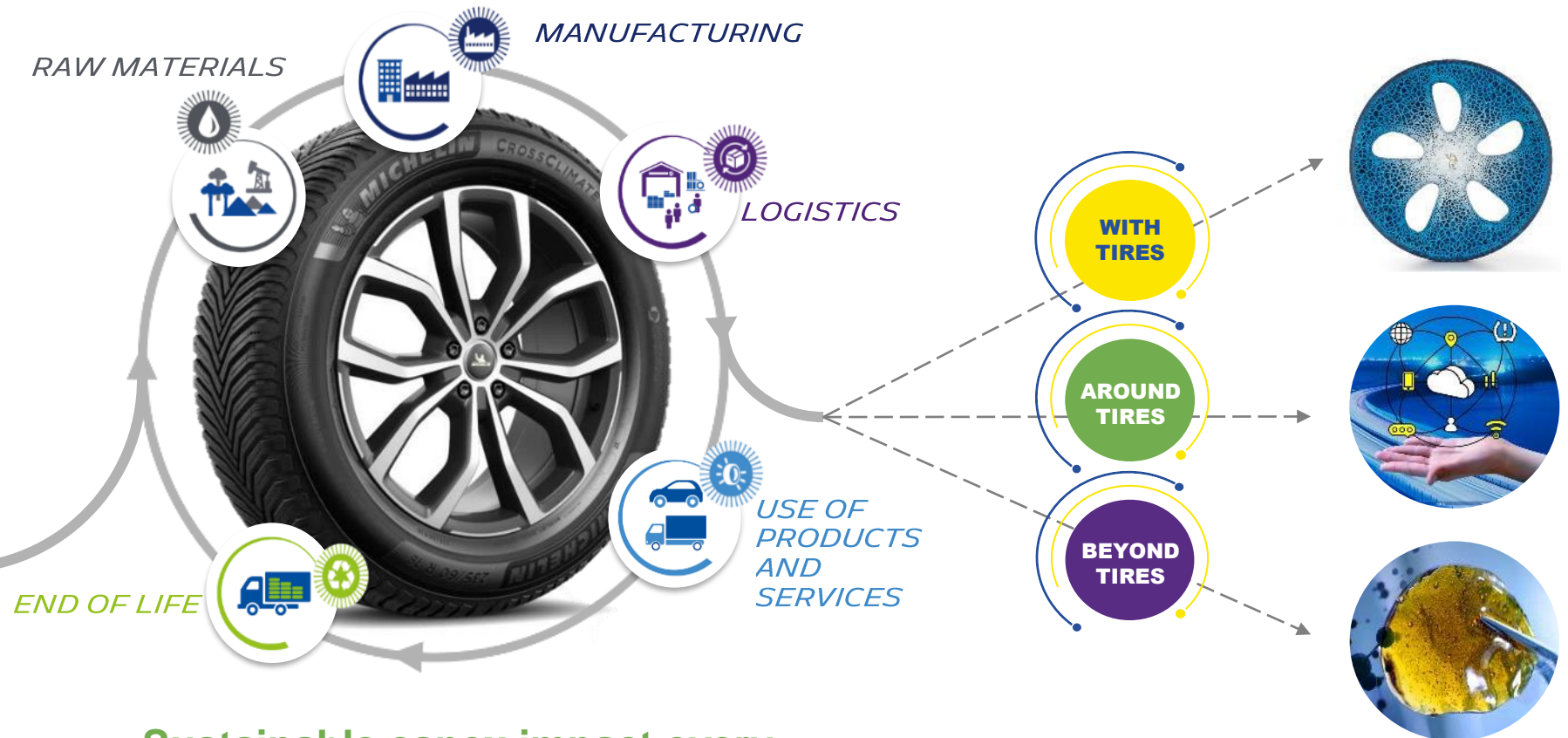
1946



1st "green tire"

(low rolling resistance)

1992



* From 2021 to 2023, source : Michelin, FY 2021

Sustainable capex impact every stage of the product lifecycle





MICHELIN DRIVES UP THE TIRE INDUSTRY STANDARDS ON PRODUCTS PERFORMANCE. IF THE WORLD WAS DRIVING ON MICHELIN PC/LT TIRES IT WOULD SAVE...

620 ⁽¹⁾

thousand tons of materials per year

thanks to a **lower abrasion**, while keeping a low rolling resistance and maintaining other performances



or **2,500 Statues of Liberty**

115 ⁽²⁾

million tons of CO₂ emissions per year (scope 3 - usage)

thanks to a **lower rolling resistance**, without sacrificing other performances such as safety and abrasion

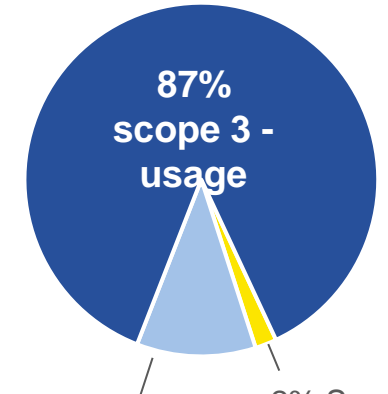


or **2 years of New York City's CO₂ emissions**



Tire industry CO₂ emissions are mostly related to scope 3

Illustration: Michelin 2021 CO₂ emissions ⁽³⁾



11% scope 3 - other value chain activities

2% Scopes 1 & 2

(1) Underlying hypothesis: 30% advantage for Michelin vs competitors in abrasion, as calculated by ADAC - Tyre wear particles in the environment, Dec. 2021.

(2) Estimated impact on scope 3 usage of the tire industry if Michelin's technology was used by all manufacturers in all geographies. Underlying hypothesis: 20% advantage for Michelin vs competitors in rolling resistance, based on data extrapolated by Michelin.

(3) See page 210 of 2021 Universal Registration Document for details.





DETAILED STRATEGIC SCORECARD: IN LINE WITH 2030 VISION

	▶ AMBITIONS	▶ METRICS	▶ 2030 SUCCESS	▶ RESULTS		
				2019	2020	2021
People	Be world-class in employee engagement	Engagement rate	>85%	80%	82% ⁽¹⁾	80%
	Be world-class in employee safety	TCIR ⁽²⁾	<0.5	1.43	1.19	1.29
	Be a reference in diversities and inclusion of teams	IMDI ⁽²⁾	80 pts over 100	-	62	67
	Be best-in-class in value created for customers	NPS ⁽²⁾ partners	+10 pts vs. 2020	38	40.5	38.9
Profit	Deliver substantial growth	Total sales (in €bn)	+5% CAGR 2023-2030	24.1	20.5	23.8
	Deliver continuous financial value creation	ROCE ⁽²⁾	>10.5%	10.0%	6.0%	10.3%
	Maintain MICHELIN brand power	Brand vitality quotient	+5 pts vs. 2021	-	58	68
	Maintain best-in-class innovation pace in products and services	Brand vitality Index	>30%	30%	29%	31%
Planet	Reach carbon neutrality by 2050 (manuf. and energy)	CO ₂ emissions scopes 1&2	(50%) vs. 2010	(24.8%) 2,919Kt	(36.5%) 2,463Kt	(29%) 2,764 Kt
	Contribute to reaching carbon neutrality (usage)	Products energy efficiency (scope 3)	+10% vs. 2020	-	100	100.5
	Be best-in-class in environmental footprint of industrial sites	i-MEP ⁽²⁾	-1/3 vs. 2019	100	-	92.6
	Reach full circularity of products by 2050	Sustainable Material Rate	40%	26%	28%	29%

(1) Based on the 2021 scope of reporting, the 2020 rate was 82%, versus 83% as reported based on the 2020 scope.

(2) 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.151 of the 2021





APPENDICES

TIRES BUSINESSES



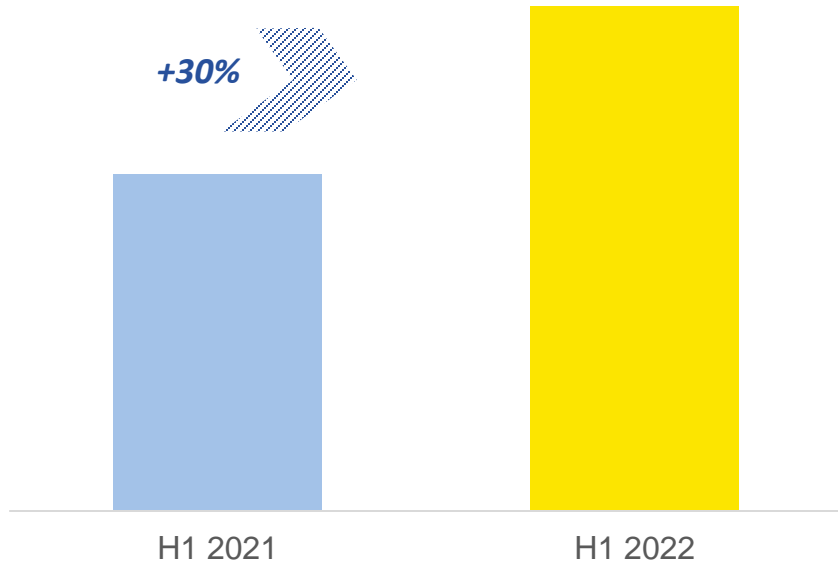


MICHELIN UNIQUELY POSITIONED TO LEVERAGE ELECTRIFICATION OF VEHICLES

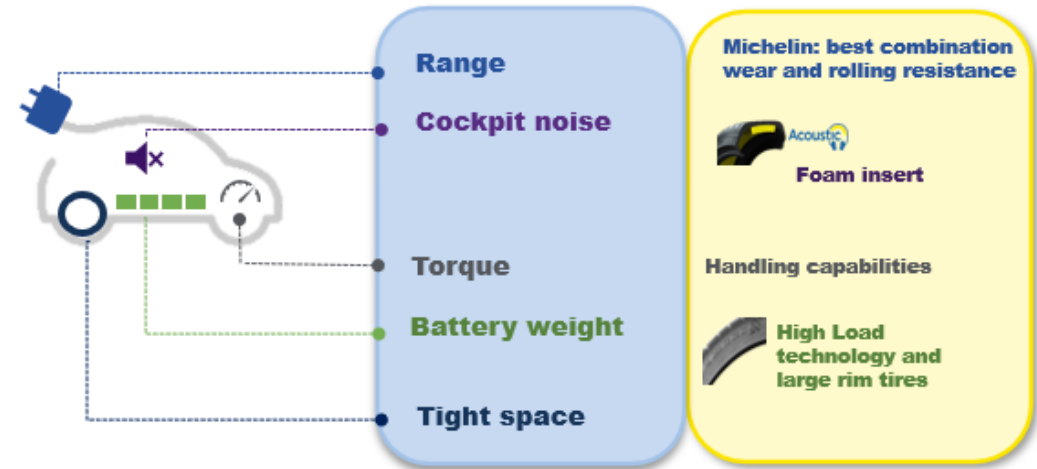


Steep increase of Group sales to electric

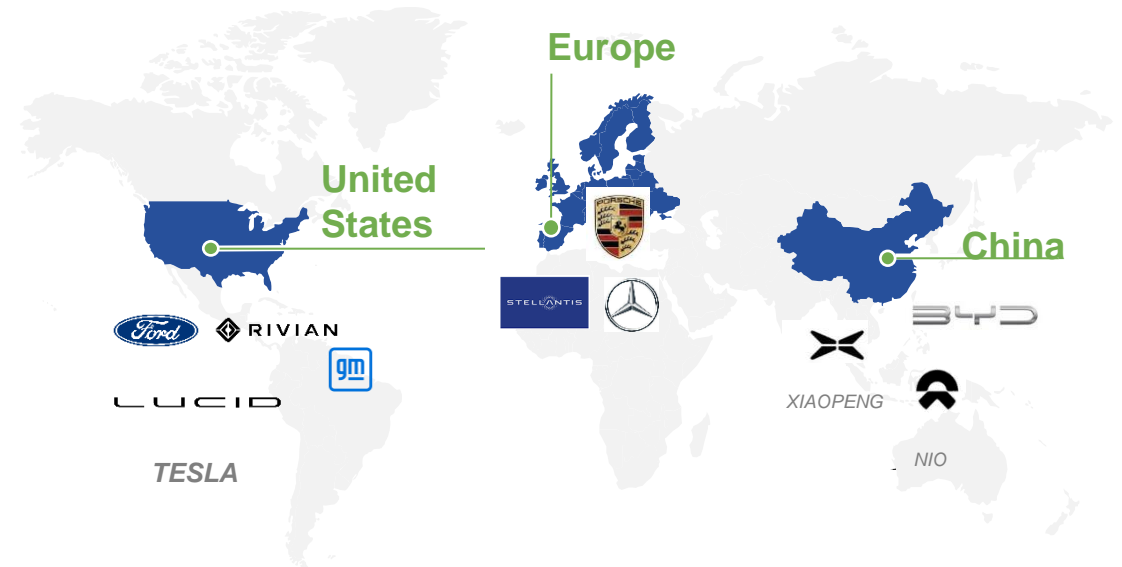
(Michelin tires sales to EVs, in % of total OE sales)



EV: Highly demanding vehicles requiring exceptional tire performance



MICHELIN preferred tire developer for leading EV OEMs



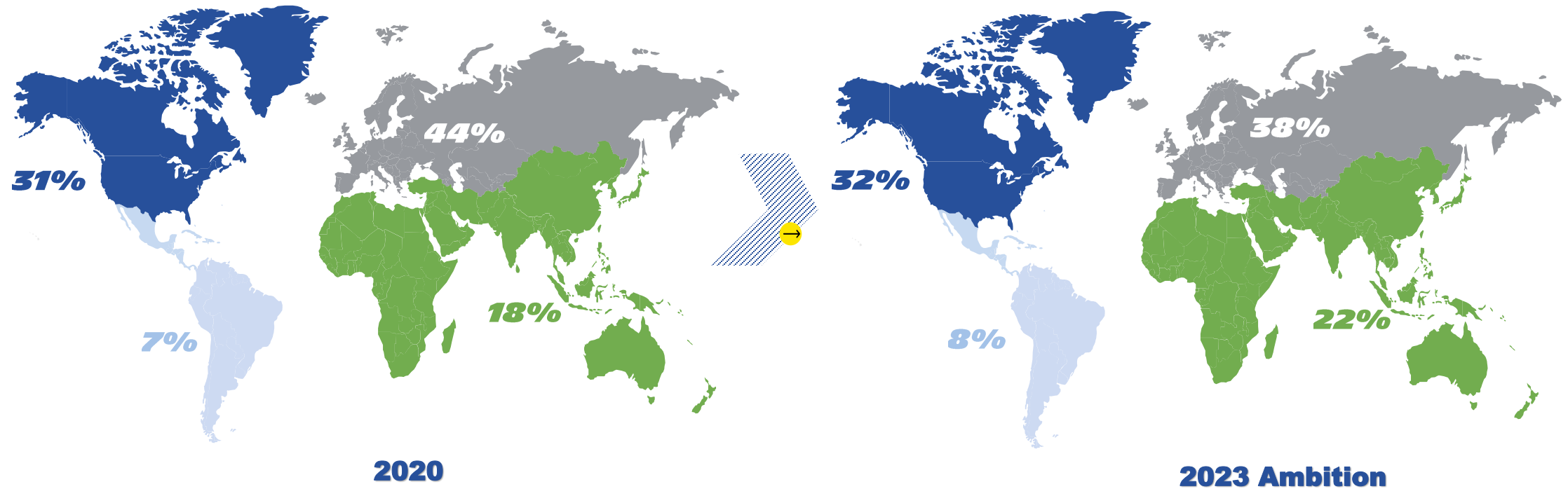


COMPETITIVENESS PLAN: REBALANCING OUR INDUSTRIAL FOOTPRINT TO BECOME MORE LOCAL-TO-LOCAL



Seizing positive momentum in emerging markets

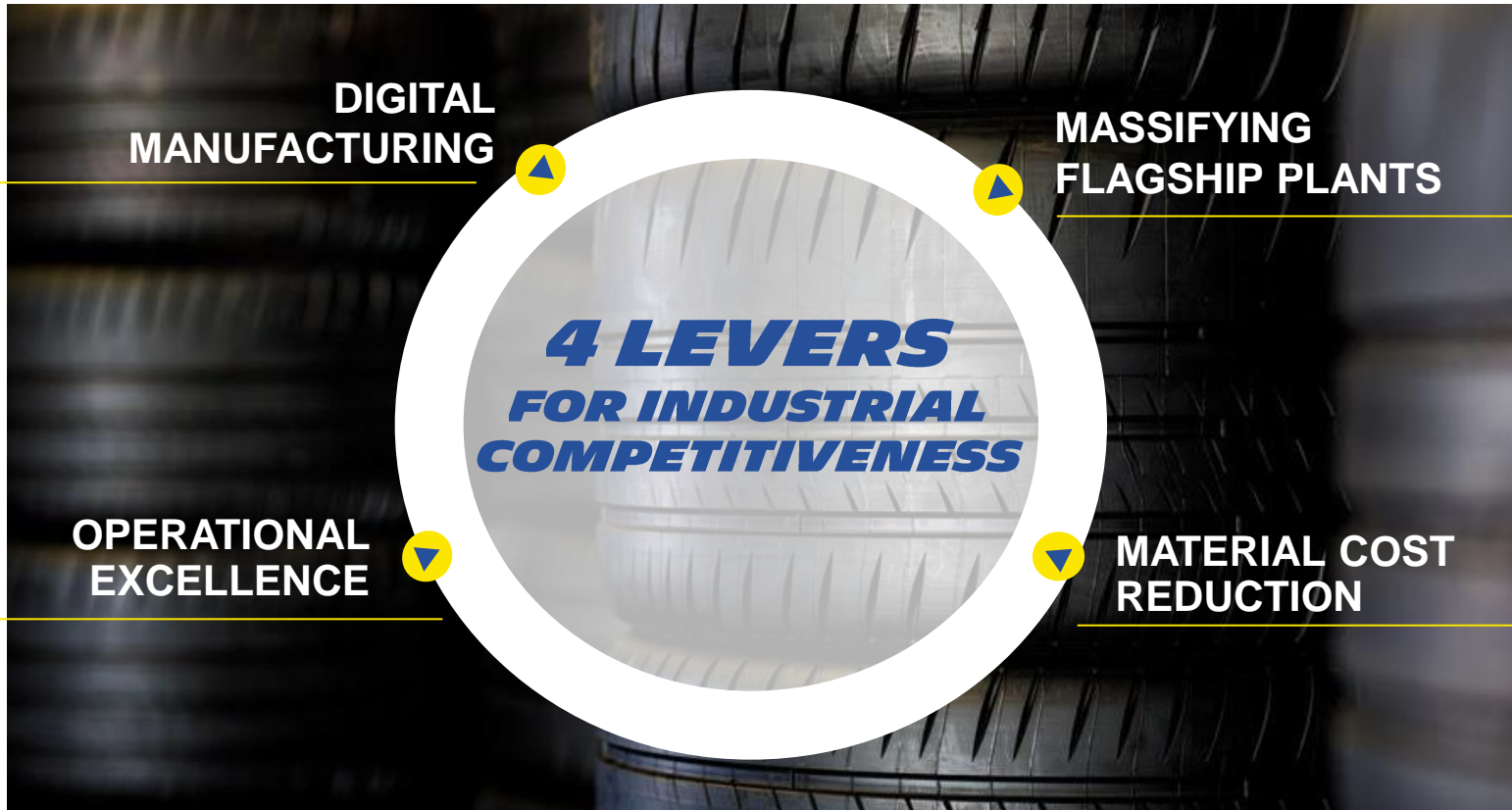
(% Manufacturing capacity)



Increase local-to-local ratio
Reduce 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
Simplicity
Process
standardization

Responsiveness
Cost optimum
*In 2025,
16 major sites will have
an average production
capacity of 140Kt*

Design to cost
Scrap reduction
Upstream gains



SG&A TIRE COMPETITIVENESS PLAN: SIMPLIFYING PROCESSES AND INCREASING PRODUCTIVITY



Leveraging new technologies (AI)

Digitalizing operations

Optimizing the industrial footprint

Standardizing best practices

Decision making closer to customers

Developing shared service centers

Reengineering end to end processes



WEAR PARTICLES: MICHELIN HAS A CONSIDERABLE COMPETITIVE ADVANTAGE, WITHOUT COMPROMISING SAFETY

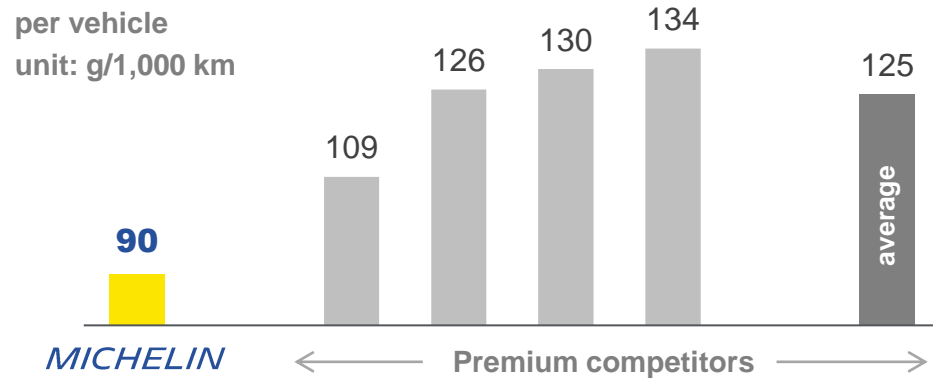
“Low tire abrasion and safe driving characteristics: Michelin shows how it [should be] done”

(ADAC, Dec. 2021(1))

Michelin is continuously improving the performance of its products thanks to its unrivaled expertise

Particulate emissions: Michelin vs. other premium tiremakers

Source: ADAC, Dec. 2021(1)



The environmental impact of tire abrasion is up to 50% higher for other manufacturers than for Michelin, whose tire technology currently gives them an enormous lead over the competition.

[Download the ADAC study](#)

Particulate emissions are being reduced with each new range(2)

MICHELIN leader



MICHELIN e.Primacy



-20%

vs MICHELIN Primacy 4

MICHELIN CrossClimate 2



-13%

vs MICHELIN CrossClimate +

MICHELIN Pilot Sport 5



-20%

vs MICHELIN Pilot Sport 4



TIRE AND ROAD WEAR PARTICLES (TRWP): DEFINITION AND STATE OF KNOWLEDGE

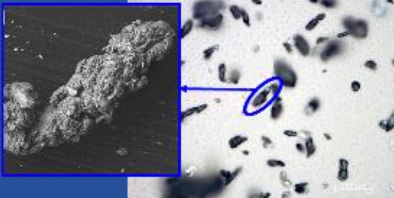
TRWP are tiny debris generated by abrasion from a tire's contact with the road surface.
This abrasion is caused by the tire's grip and keeps the tire safely on the road.

Scientific studies⁽¹⁾ have started to **measure the environmental impact of TRWP:**

AIR
Studies confirm that TRWP account for only a very small proportion (<1%) of particulate matter pollution

WATER
Studies suggest that most TRWP never reach estuaries.

TRWP



5 x 10⁻² mm

- Composition: mixture of rubber and road surface minerals
- High density: 1.8
- Diameter: ~100 μm (100 times smaller than microplastics)

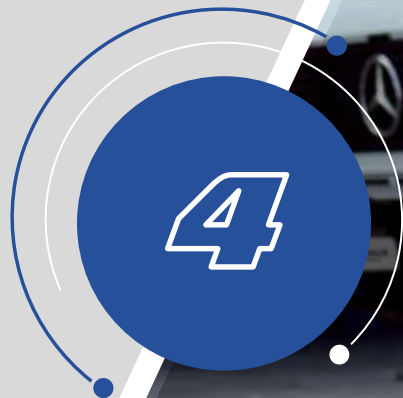
→ Michelin strongly favors a regulation that would limit the level of wear particles emissions of all tires worldwide. Michelin contributes with the ETRMA⁽²⁾ members to the definition of a standardized test method of TRWP emission rate, to eliminate the least performing tires from the market with a threshold regulation.

(1) For more information about TRWP, [see the following document](#), which cites the studies in question

(2) European Tyre & Rubber Manufacturers Association

[Download the ADAC study](#) +

Tyre wear particles in the environment (Dec. 2021)



APPENDICES

AROUND AND BEYOND TIRES BUSINESSES





SERVICES & SOLUTIONS: DRIVING GROWTH BY CAPITALIZING ON THE DEEP CUSTOMER INTIMACY ACQUIRED IN THE TIRE BUSINESS AND BY LEVERAGING OPPORTUNITIES CREATED BY DIGITALIZATION



WITH TIRES

AROUND TIRES

Tire as a Service

EFFITIRES™
MICHELIN® TIRE CARE



DIGITAL TECHNOLOGY TO EXPAND OUR PORTFOLIO OF SOLUTIONS

Fleet management



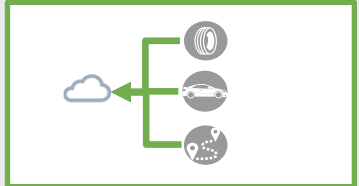
Other fleet services



Digital services platform



Data and IoT businesses



Fleet management

Make operations safer, more predictable, productive and sustainable

Help find trustworthy partners and streamline your maintenance services and business processes digitally.

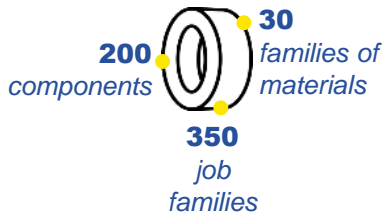
Help customers accelerate their business with smart data and better insights.



HIGH-TECH MATERIALS: EXPANDING BEYOND TIRES BY LEVERAGING OUR EXPERTISE AND OUR INNOVATIONS, FROM MATERIALS TO SOLUTIONS, FOR HIGHLY DEMANDING APPLICATIONS

R&D

- Unique expertise acquired in **tire manufacturing**:

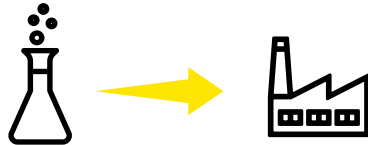


- Proficiency in **materials chemistry** and **processing**, from components to composites
- Fundamental and applied **research capabilities**
- A wide range of **partnerships to accelerate innovation**



MANUFACTURING

- Ability to **scale up** and reproduce the materials-based solutions developed in the laboratory:



- Proficiency in **industrial processes**



With the same level of quality



Around the world



GROWTH STRATEGY

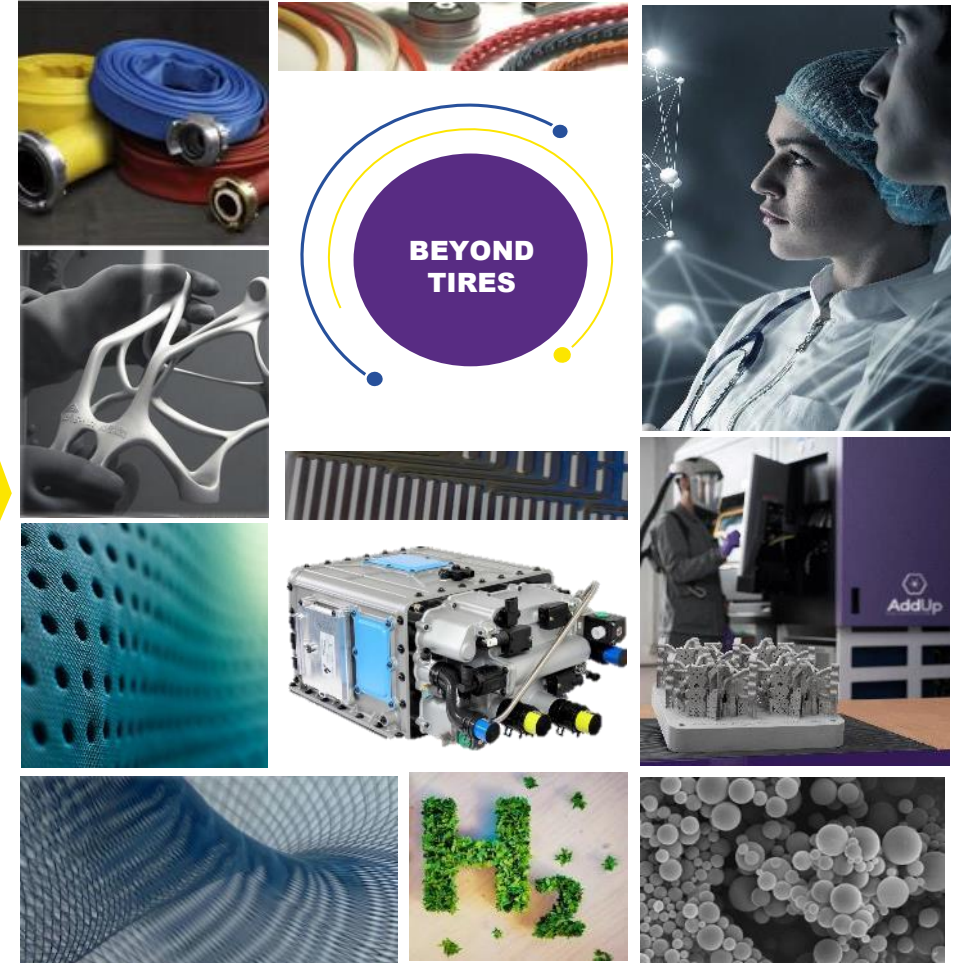
- **Organic growth**



- **M&A-driven growth**

- Features vs. tires:
- Market growth: +
 - EBIT: +
 - Capital intensity: -

- **Joint ventures**





4

APPENDICES

NON-FINANCIAL PERFORMANCES



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



Major sustainability rating

(as of June 30, 2022)



Rating

LOW RISK

AAA

A & B

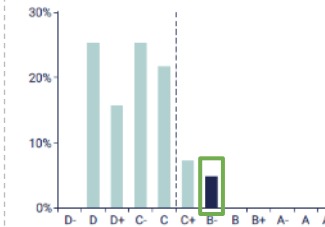
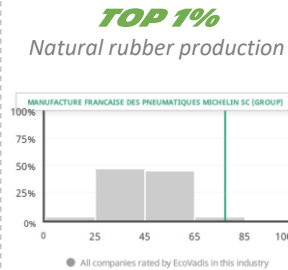
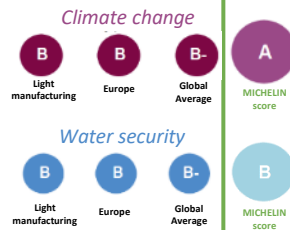
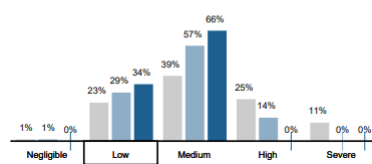
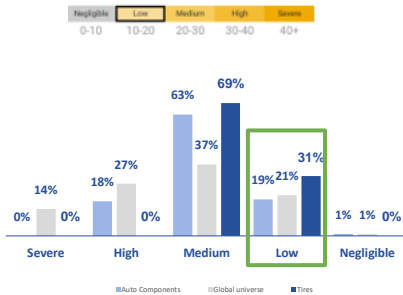
75/100

B-

73/100

Ranking Distribution of ratings

12.5 Low Risk



1ST OF 38
In the automotive sector in Europe





NATURAL RUBBER: MICHELIN IS STRENGTHENING ITS COMMITMENT TO EFFICIENT, RESPONSIBLE NATURAL RUBBER FARMING

In response to a fragmented and complex industry...

Michelin procurement

KEY FIGURES

- ~90% of purchased volumes come from smallholders
- >140 direct suppliers
- UP TO 7 middlemen between direct suppliers and smallholders
- ~2M smallholders serve Michelin
- ~2 HA. average farm size



...Michelin is strengthening its commitment to a sustainable supply chain



2025 objective: step up sustainability across the industry

- Land rights: more than 95% of identified at-risk supplies apply the principle of free, prior and informed consent.
- Deforestation: more than 95% of identified at-risk supplies apply the zero-deforestation principle.
- Social and environmental risks: more than 70% of procurement volumes are assessed.



Extend assessments of supplier practices across the value chain...

- Direct suppliers via EcoVadis: 94% of volumes assessed at end-2021, of which 79% confirmed as compliant.
- Indirect suppliers via RubberWay: 64% of volumes mapped at end-2021, with a target of 80% in 2022.
- Since 2020, a stronger partnership with WWF for more in-depth analysis of deforestation risks.



...to undertake impactful, real-world projects

- Brazil** – partnership with WWF: increasing the rubber harvest to have a positive economic impact on 3,800 families in the State of Amazonas, while preserving the forest (6.8 million hectares under management).
- Indonesia** – partnership with Porsche: improving the skills of 1,000 smallholders identified with the RubberWay™ app.
- Thailand** – as part of the GPSNR: helping small farmers diversify their sources of income with agroforestry opportunities.
- Africa** – through SIPH: offering nearly 100,000 farmers a year training in best agricultural practices, workplace health and safety, and environmental issues.
-





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





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



NATURAL RUBBER

PLASTIFIERS/RESINS

TEXTILES

SYNTHETIC RUBBER

FILLERS

METALS

OTHER



(1) European project funded by Horizon 2020, project number: 82068
(2) With the support of ADEME (ADEME: French Environment & Energy Management Agency)



FURTHER DEMONSTRATING TECHNOLOGICAL LEADERSHIP IN MATERIALS: MICHELIN FIRST MANUFACTURER ABLE TO DESIGN A TIRE INTEGRATING UP TO 58% SUSTAINABLE MATERIALS AND APPROVED FOR ROAD USE



On the way to our “100% sustainable tire by 2050” goal: during its October Media Day in Cuneo, Michelin unveiled two new tires with breakthrough technologies

CAR TIRE* 45% SUSTAINABLE MATERIALS

- Natural rubber
- Carbon black recycled from end-of-life tires
- Bio-based oils and resins
- Sustainable textile fibers
- Bio sourced silica from rice husks
- Steel incorporating recycled scrap metal

* Size: 235/55R19 105W

BUS TIRE 58% SUSTAINABLE MATERIALS**

- Natural rubber
- Carbon black recycled from end-of-life tires
- Bio sourced silica from rice husks
- Steel incorporating recycled scrap metal

** Size: 275/70 R22.5 152/149J



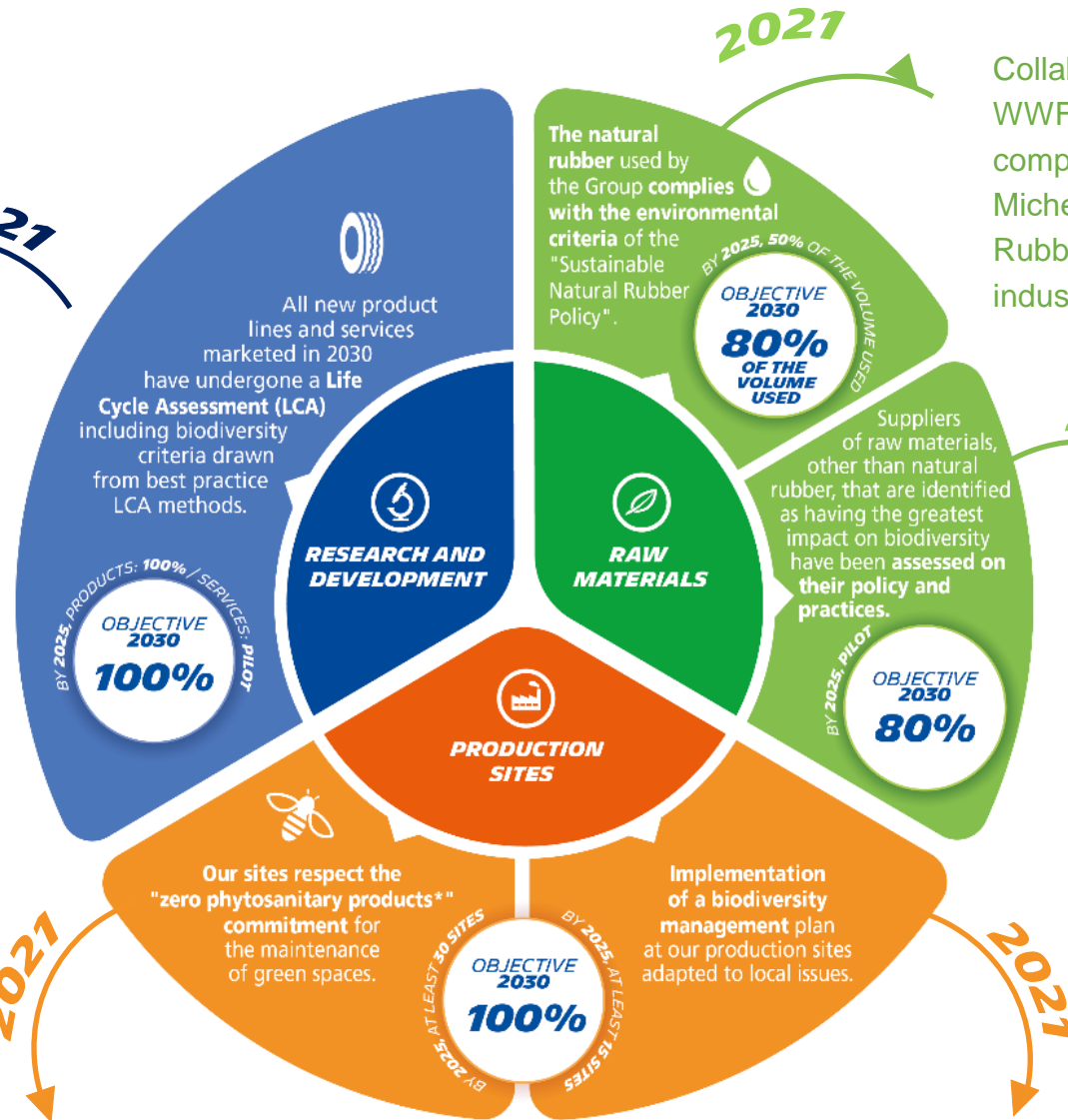
ENVIRONMENT PROTECTION: MICHELIN IS A LEADER IN ACTING FOR BIODIVERSITY PROTECTION

act4nature international

Life Cycle Analyses carried out on:

- 50 % of new passenger car and light truck product projects
- 30 % of new truck product projects
- 65% of new specialty products projects

2021



Collaboration initiated with WWF France to review the compliance framework of Michelin's Sustainable Natural Rubber Policy for supplies from industrial plantations

2021

Preparing the pilot project for 2025

2021

2021

12 sites in France without using phytosanitary treatments

8 sites at pollution risk with an action plan



AMBITIONS FOR 2030

BIODIVERSITY

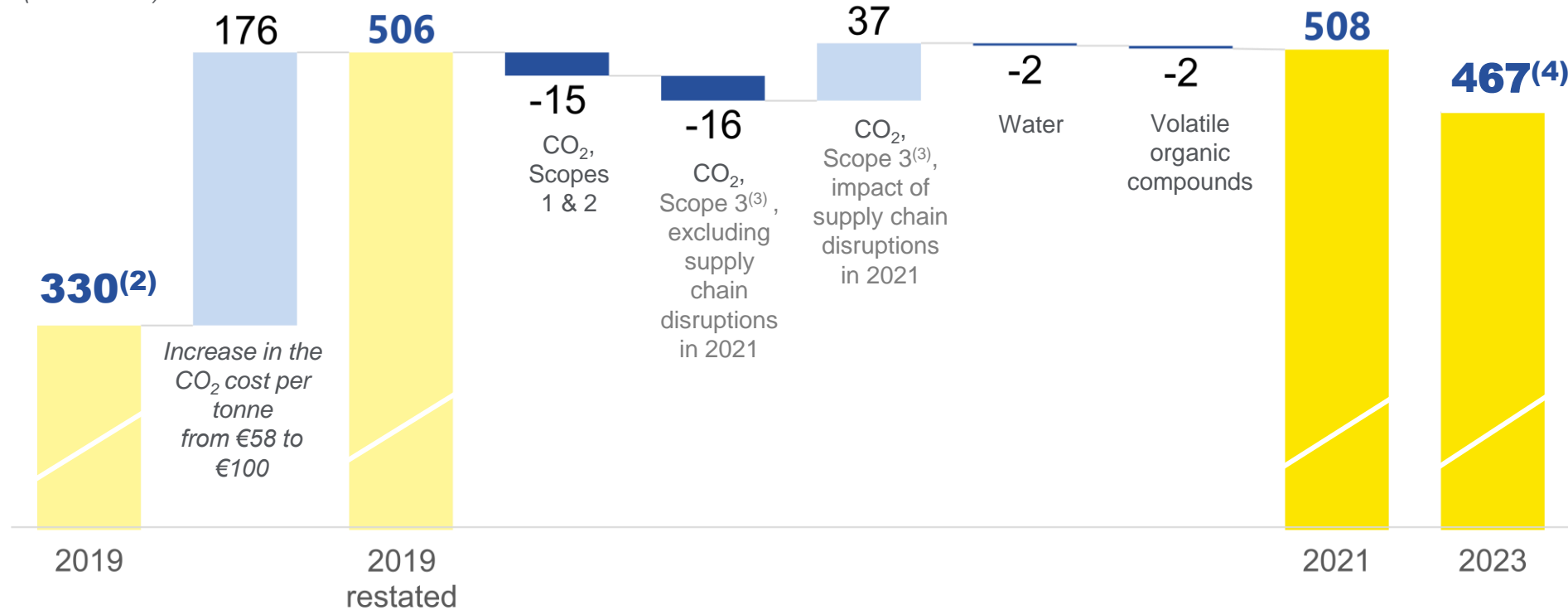
* Replacement of pesticides and fertilizers by mechanical methods combined with other alternative solutions



MICHELIN IS PURSUING PROGRAMS TO REDUCE ITS CO2 EMISSIONS, VOC (1) EMISSIONS AND WATER WITHDRAWALS

In response to supply chain disruptions, the Group occasionally had to resort to more costly workarounds on an as-needed basis, which penalized CO₂ emissions in 2021.

Analysis of externality costs (in € millions)



Definition Scope

- 1 Direct emissions**
sources owned or controlled by the company
- 2 Indirect emissions**
energy purchased by the company
- 3 Indirect emissions**
all other emissions related to the company's business activities and the use of finished products

(1) Volatil Organic Compounds

(2) Including €3m from adjustments in the method of calculating transportation-related CO₂ emissions

(3) Covers only the inbound and outbound transportation and distribution of natural rubber, semi-finished products and finished product

(4) Corresponds to the 2023 target of approximately €300m announced at the CMD on April 8, 2021, adjusted for the ton of CO₂ valued at €100/t and the change in method mentioned in (2)





MICHELIN APPLIES THE RECOMMENDATIONS OF THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



Detailed information concerning the application of TCFD recommendations may be found in the public answers to the CDP Climate Change 2021 questionnaire (see <https://www.cdp.net/en/responses>).



Michelin's answer

See p. 222 of 2021 Universal Registration Document for more details

GOVERNANCE

As part of the Supervisory Board's role of exercising permanent oversight of the Group's management, the CSR Committee began to review the climate strategy and issue recommendations.

STRATEGY

Four climate scenarios comprising narrative descriptions and quantitative socio-economic and physical assumptions were updated, deepened and deployed

for use at two levels:

- by the business lines, regional organizations, operating units, corporate departments and other units as part of strategic thinking and ideation exercises,
- by the Group Executive Committee, to compare them to Group strategy and analyze their resilience about climate change and other indirect risks arising from the environmental transition.

RISK MANAGEMENT

In 2021, an initial internal audit of systemic physical risks was performed and the first pilot study of the vulnerability of certain Group operations was completed

METRICS AND TARGETS

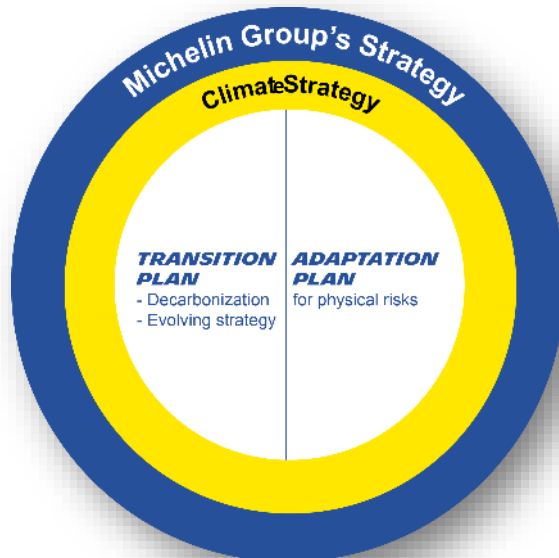
Joining the "Race to Zero" campaign, answering the call to action led by the Science Based Targets initiative (SBTi), the United Nations Global Compact and We Mean Business and committing to reach net zero emissions by 2050.



CLIMATE STRATEGY IS STRUCTURED AROUND TRANSITION AND ADAPTATION PLANS TO ACHIEVE NET ZERO EMISSIONS BY 2050

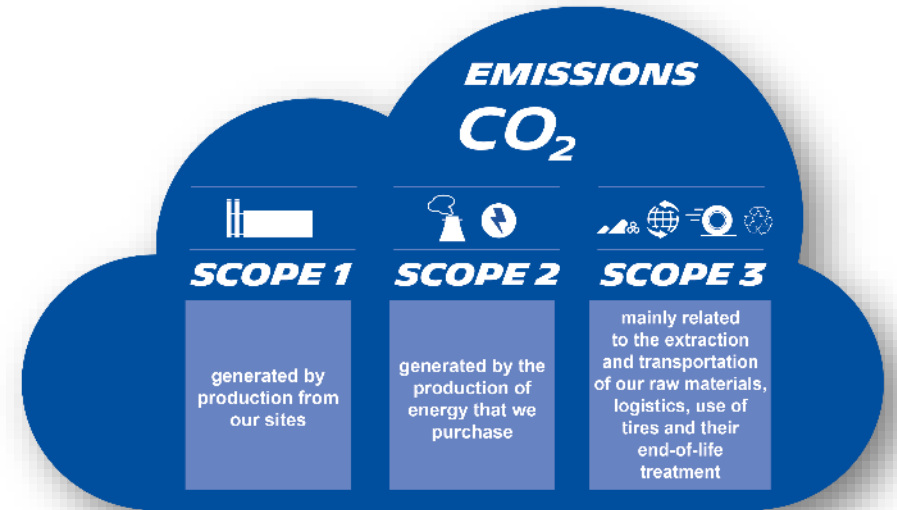
It is structured around 2 axes:

- A **TRANSITION plan** including initiatives to decarbonize direct and indirect activities in the value chain (Scopes 1, 2 & 3) and a strategic plan to support a low-carbon economy,
- An **ADAPTATION plan** to physical impacts of climate change.



It is based on 3 principles:

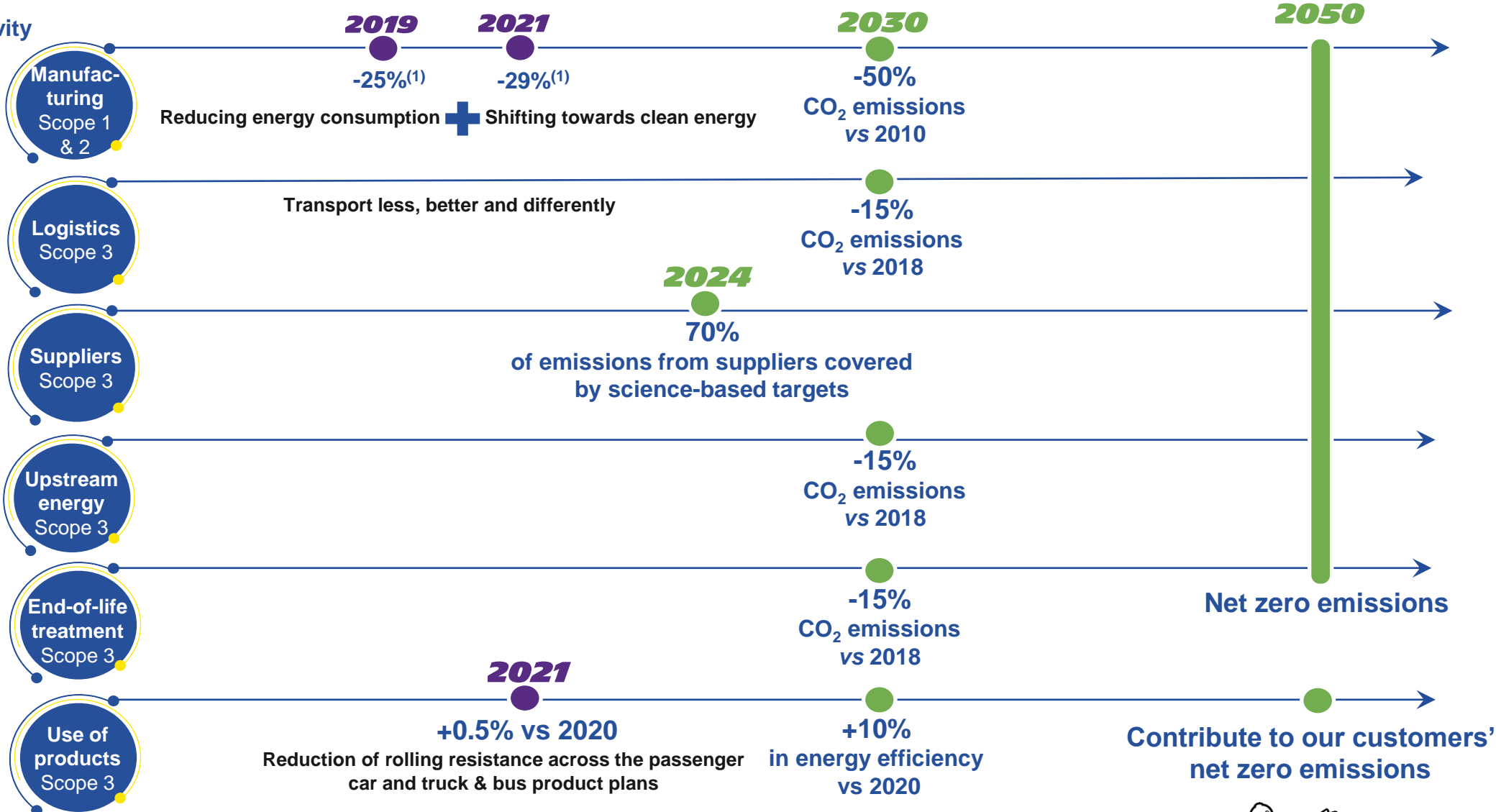
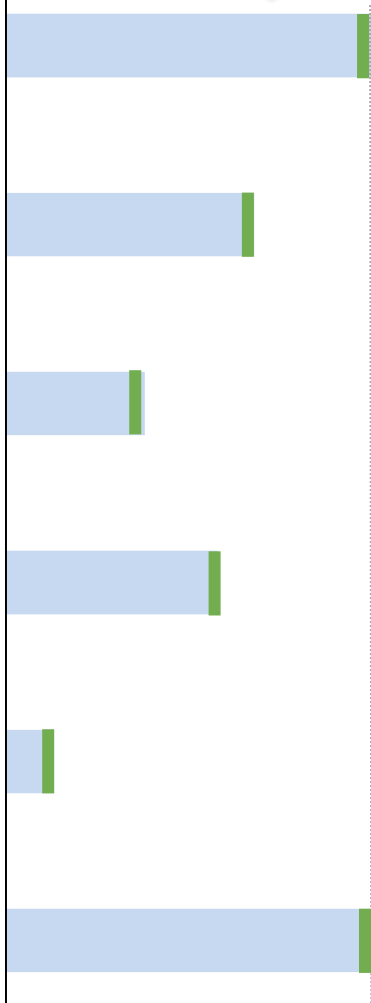
- **Achieve net-zero emissions by 2050** by fulfilling our external emission reduction commitments by 2030,
- **Identify risks and opportunities** based on climate change scenarios,
- **Transparently disclose information** to our external stakeholders.





2030 ENVIRONMENTAL AMBITION: ON THE PATH TO REACH NET ZERO EMISSION IN 2050

Level of influence on the activity
Low → High



(1) CO₂ emissions vs. 2010

● Results

● Ambitions



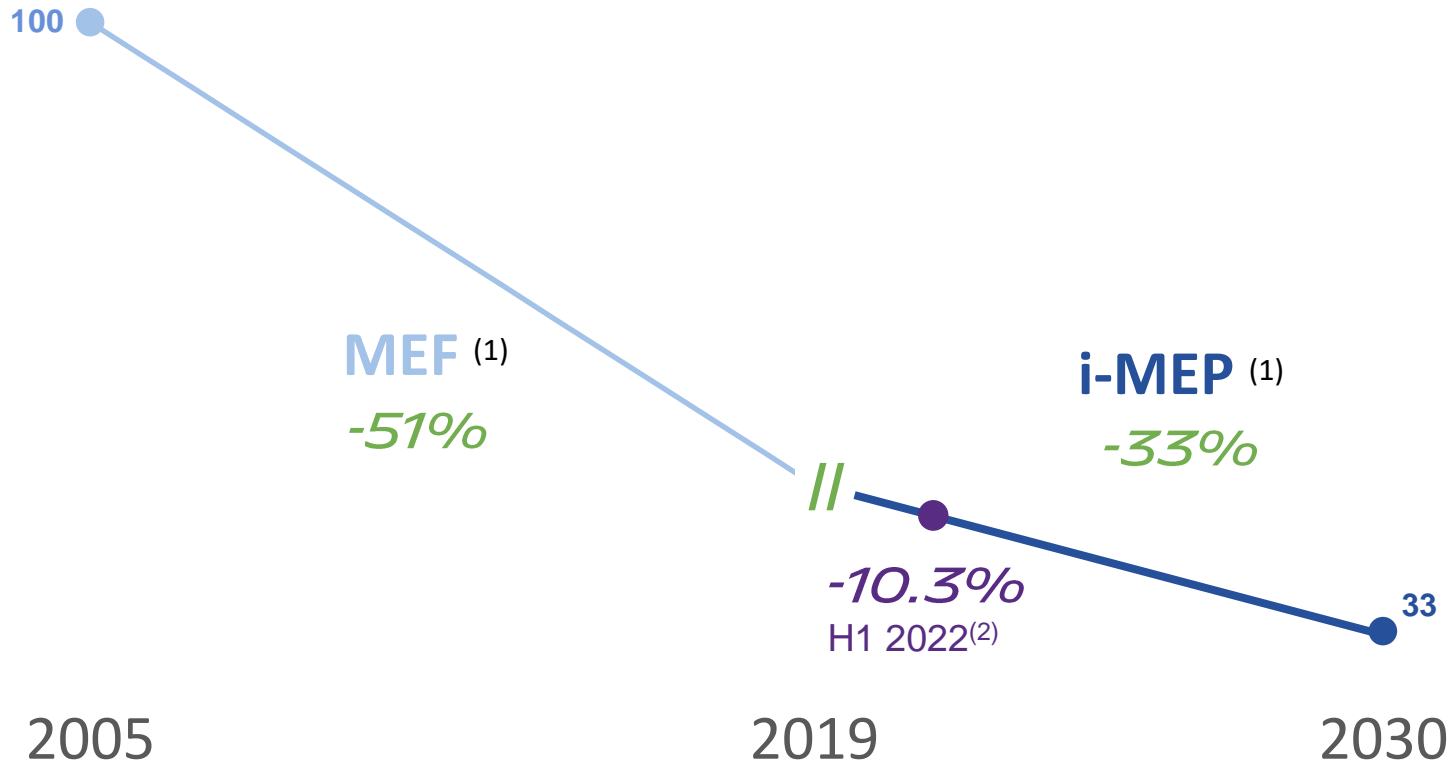


STRONG ACHIEVEMENTS, REINFORCED BY STRONG OBJECTIVES TOWARDS 2030, BASED ON A COMPREHENSIVE MANAGEMENT SYSTEM

ENVIRONMENTAL PERFORMANCE OF OUR PLANTS

Reduction of the environmental footprint of our sites

Environmental management system, ISO14001- certified



Water withdrawal
x water stress



Generated wastes



Organic solvent use



Energy use



CO₂ emissions

(1) MEF: Michelin Environmental Footprint ; i-MEP: industrial-Michelin Environmental Performance ; see detailed definition p.151 of the 2021 Universal Registration Document

(2) On a rolling 12-month basis, may be subject to updates until the publication of the annual result



DIVERSITY AND INCLUSION: PROGRESS ON ALL INDICATORS IN 2021, DEMONSTRATING THE GROUP'S COMMITMENT

EQUAL OPPORTUNITY

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

DISABILITY

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

IMDI ⁽¹⁾

GENDER BALANCE

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

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.

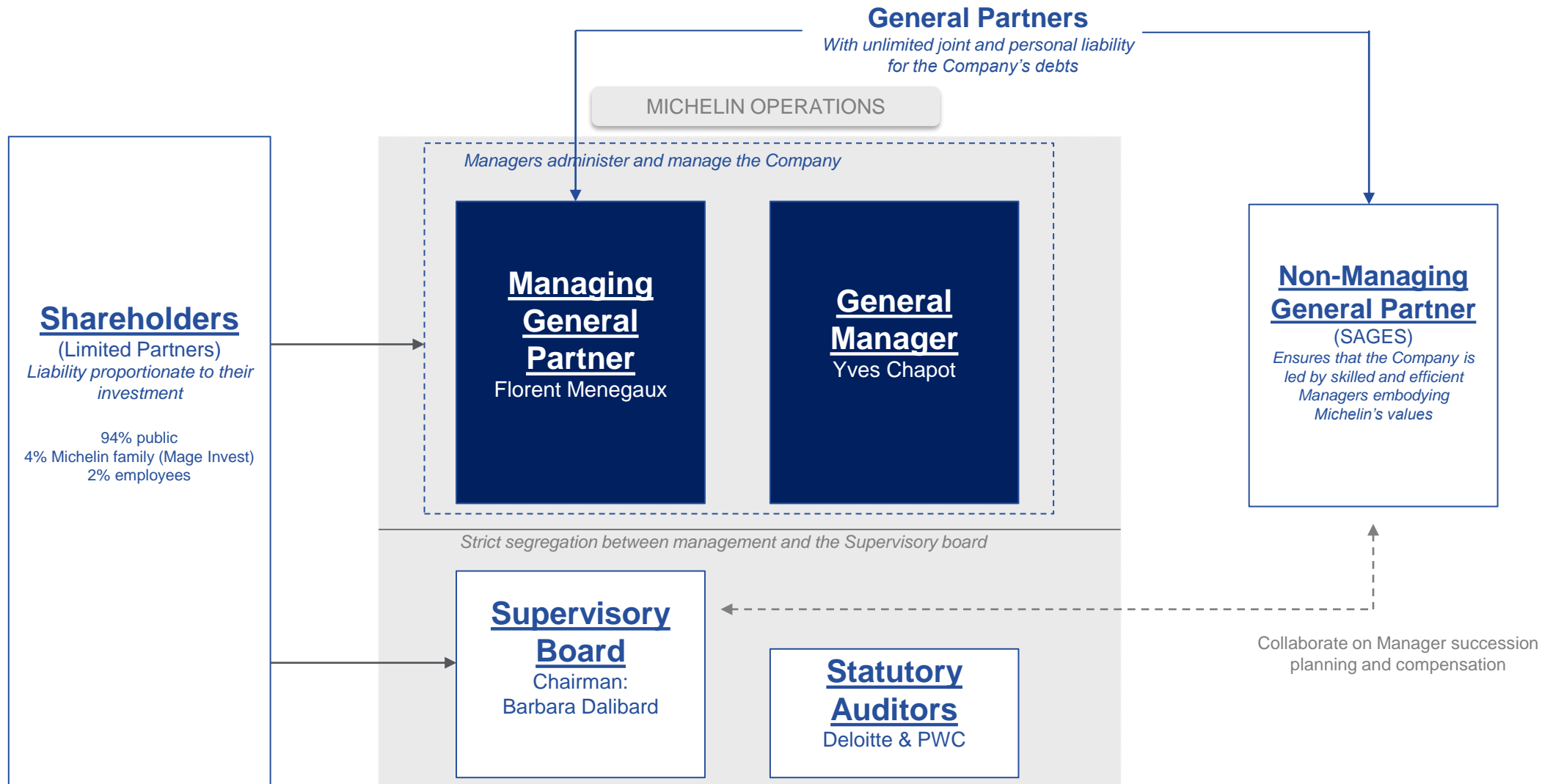
* Diversity & Inclusion

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.

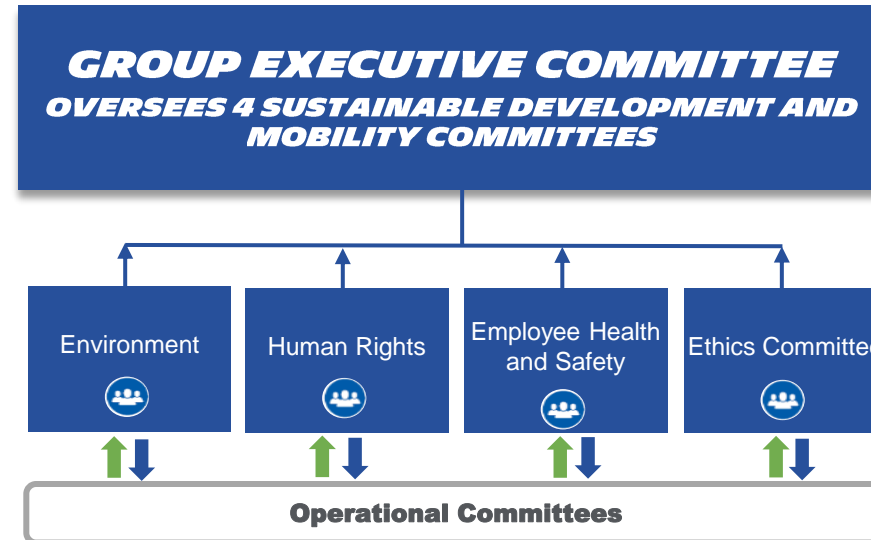


MICHELIN GOUVERNANCE PILLARS: CLEAR SEGREGATION OF DUTIES, DOUBLE CHECK AND BALANCE OVERSIGHT





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



Governance bodies Decisions Recommendations

SUPERVISORY BOARD - CSR COMMITTEE

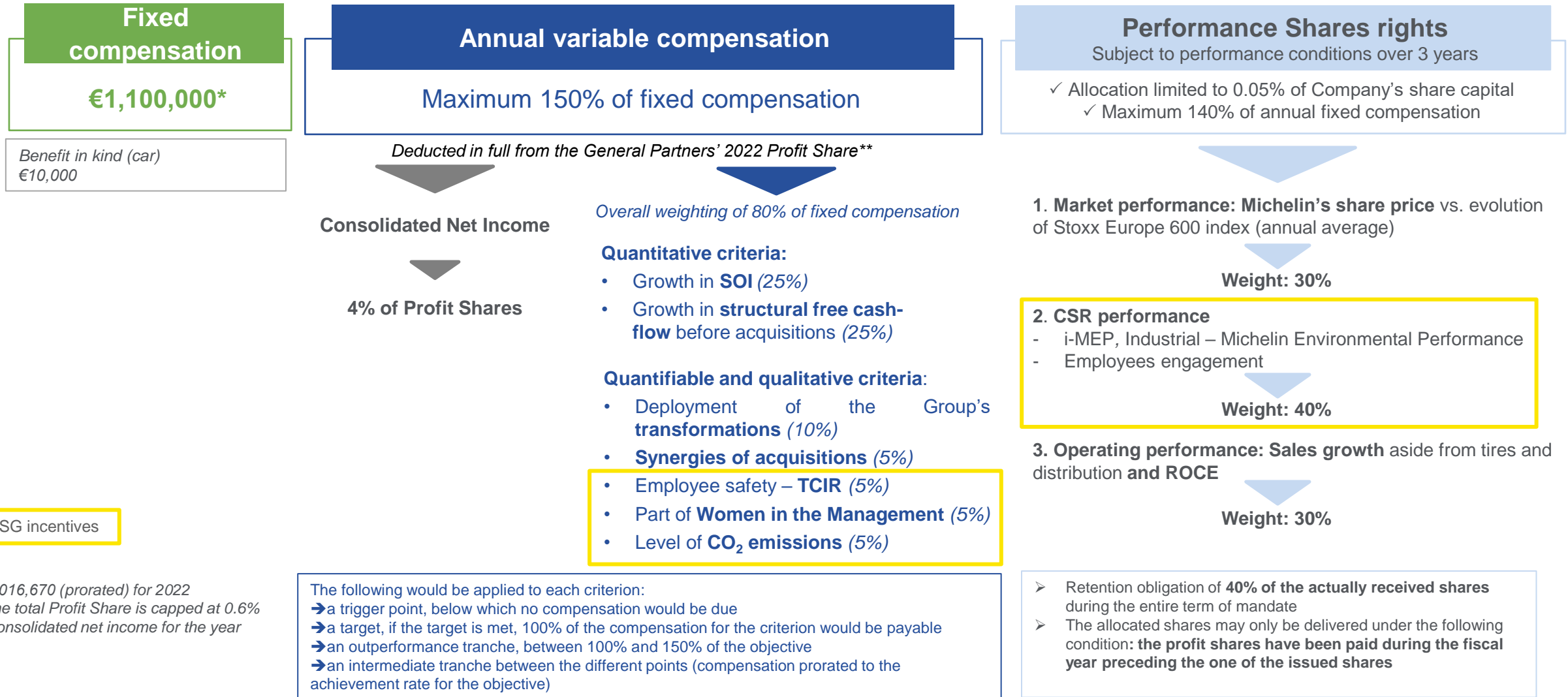


STAKEHOLDERS COMMITTEE

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 CRITERION ARE INCLUDED IN EXECUTIVES' COMPENSATION AND SHARED WITH ALL EMPLOYEES REGARDING PERFORMANCE SHARES PLANS
 2022 COMPENSATION POLICY FOR FLORENT MENEGAUX, MANAGING CHAIRMAN



*€1,016,670 (prorated) for 2022

**The total Profit Share is capped at 0.6% of consolidated net income for the year





GLOSSARY

Free cash flow (FCF)

Free cash flow, which is stated before dividend payments and financing transactions, 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

Corresponds to free cash flow before acquisitions, adjusted for the impact of changes in raw materials costs on trade payables, trade receivables and inventories. The structural free cash flow is calculated on full year basis only.

ROCE

Return on capital employed is measured as follows:

- net operating profit after tax (NOPAT)⁽¹⁾, calculated at a standard tax rate of 25%, corresponding to the Group's average effective tax rate;
- divided by average economic assets employed during the year ⁽²⁾, i.e., all of the Group's intangible assets, property, plant and equipment, loans and deposits, investments in equity-accounted companies, and net working capital requirement.

Tires sales

Correspond to sales from Michelin's core business, including the Tire as a Service (TaaS) business and Distribution operations.

Non-tire sales

Correspond to sales from the Services and Solutions (excluding TaaS and Distribution), Conveyor Belts and High-Tech Materials businesses, excluding joint ventures.

(1) NOPAT = Segment operating income + amortization of acquired intangible assets + the Group's share of profit from equity-accounted companies.

(2) Average between the opening and closing balance sheets for the year.

Free Cash Flow (FCF)

+ M&A

= **Free Cash Flow before M&A**

+/- *Adjusted for the impact of changes in raw materials costs*

= **Structural Free Cash Flow**



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/en/> 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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