



BREAKFAST SERIES

MORGAN STANLEY

June 16, 2023



Balanced businesses with low automotive exposure, ensuring Group's resilience

(% of 2022 sales)

SPECIALTIES



Main drivers: GDP, public spending, commodity prices, construction

18%

HIGH-TECH MATERIALS



Main drivers: GDP, PMI, R&D & public spending

4%

TRANSPORTATION & FLEET SERVICES



Main drivers: GDP & PMI

26%



AUTO OE ⁽¹⁾



Main drivers: regulation & GDP

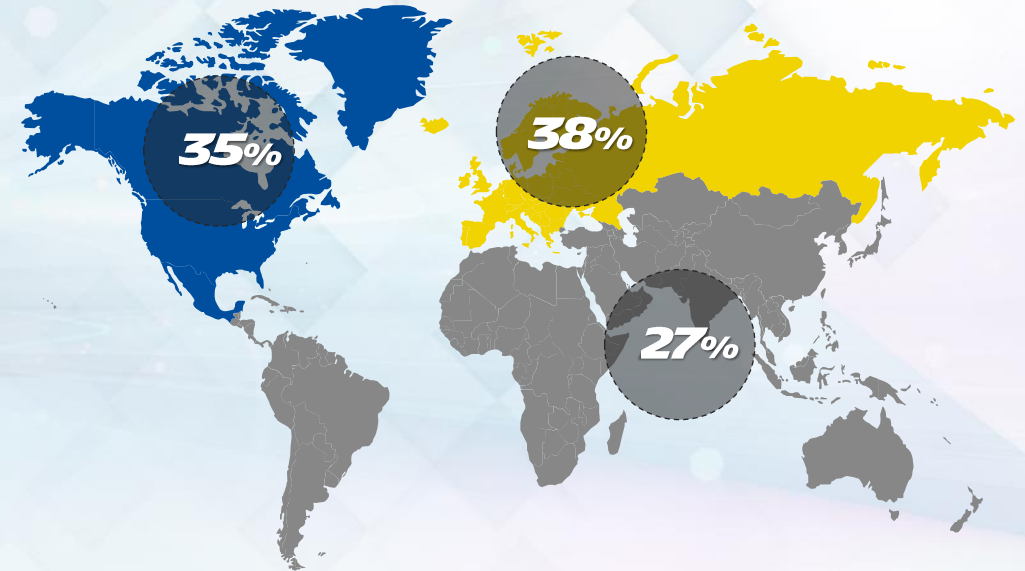
10%

42%

AUTO RT ⁽²⁾ & 2-WHEEL



Main drivers: miles driven, GDP, used cars market



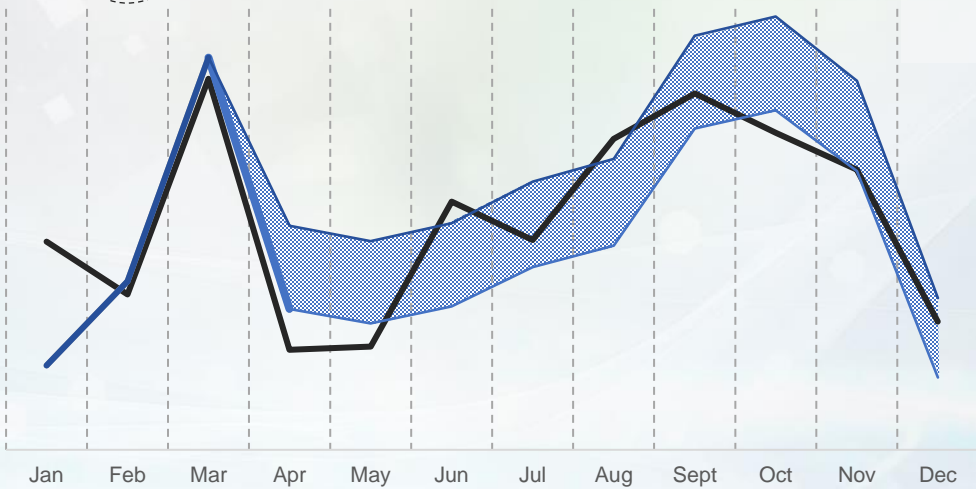
(1) Original equipment
(2) Replacement



April YTD: sell-in markets at the lower part of expected ranges in PC/LT, below range in Truck (excl. China)



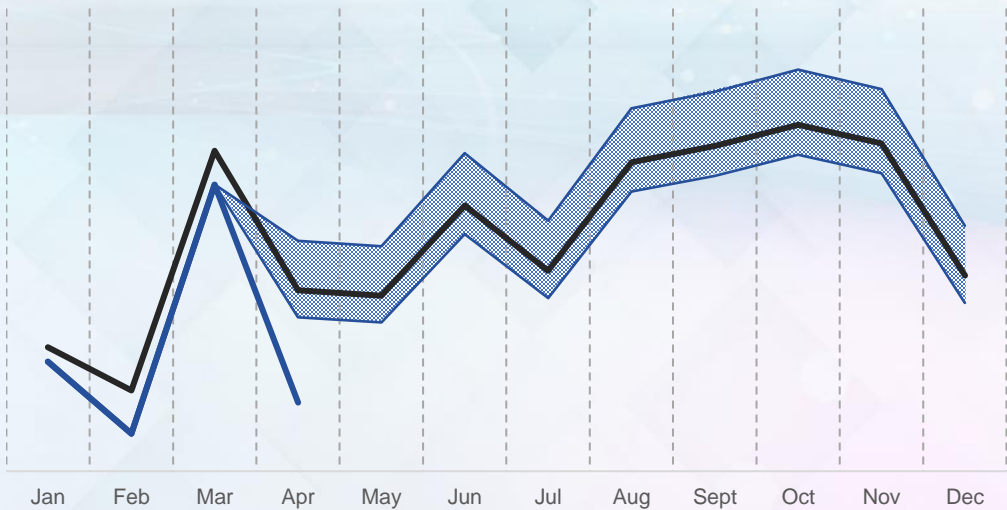
PASSENGER CAR AND LIGHT TRUCK TIRE MARKET



- 2023
- 2022
- Projection presented during the Q1 release



TRUCK TIRE MARKET EXCLUDING CHINA



M&A active portfolio management: two major steps in May 2023



May 16,
2023

STELLANTIS TO ACQUIRE 33% ASIDE MICHELIN AND FAURECIA

- **2019: JV set up** with Faurecia (50/50)
- **2023:** start of Saint Fons giga factory, France
first production line in California, USA
- **2026:** 50,000 fuel cells
assembled per year
- **2028:** 100,000 fuel cells
assembled per year

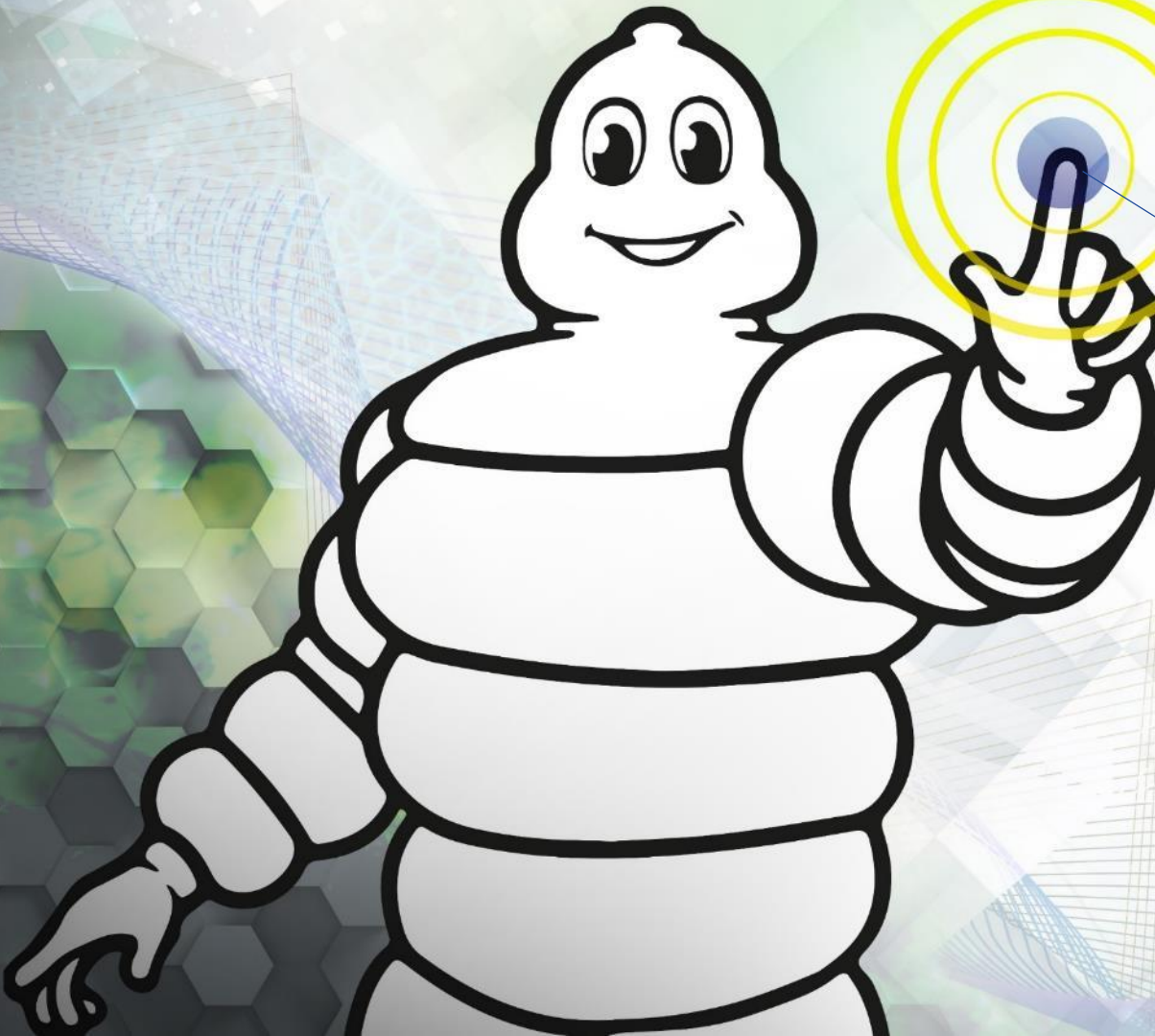
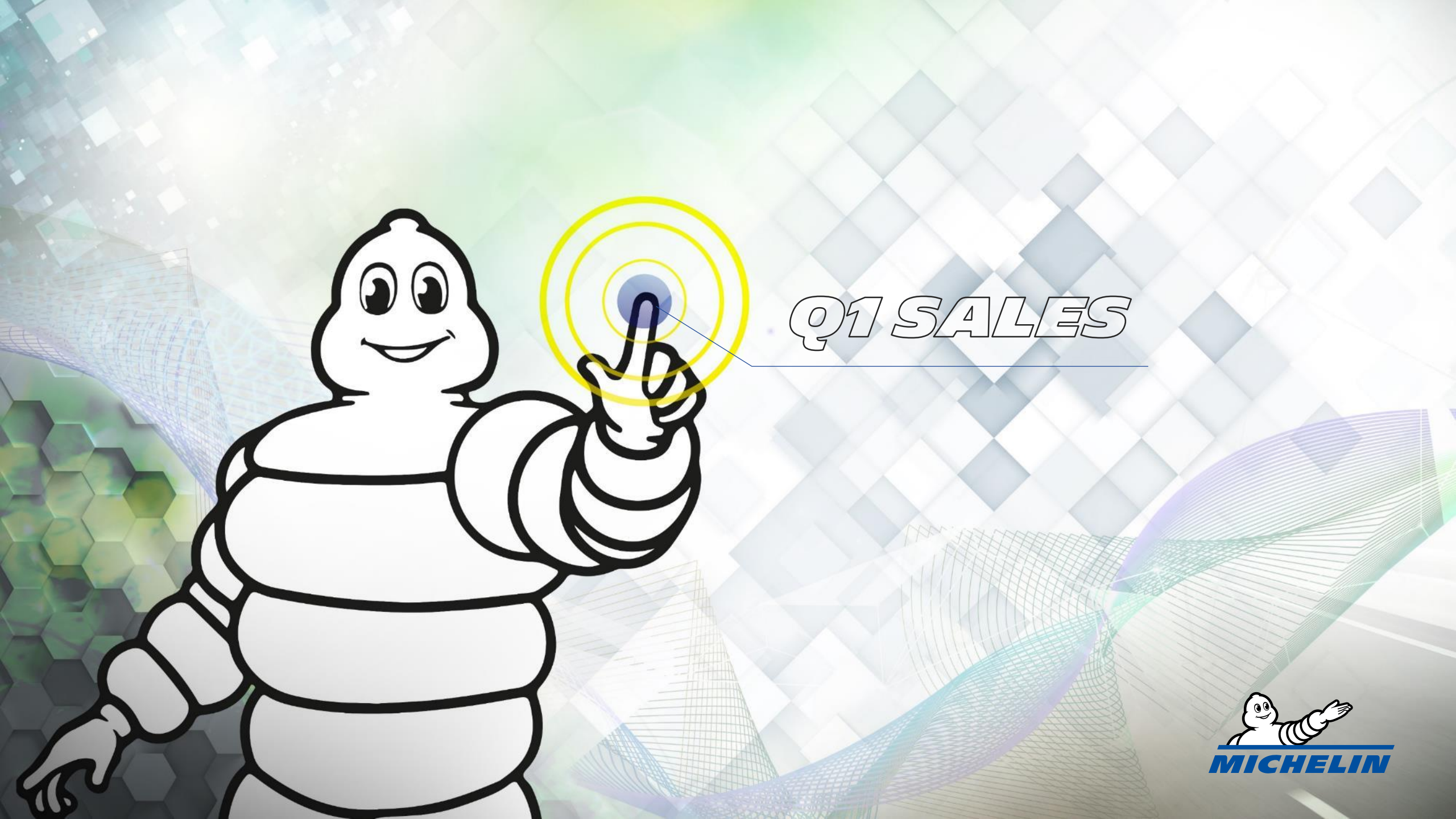


May 18,
2023

TBC TO SELL ITS RETAIL ACTIVITIES TO MAVIS

- **2018: JV set up** with Sumitomo Corp (50/50)
 - second largest wholesaler in North America
 - wholesale & retail (company-owned & franchise)
- **2018-2023:** strong cash generation
 - \$400m shareholder loans reimbursed
- **2023 :** strategic decision to **focus on wholesale and franchise**, divesting from company-owned retail :
 - increase profitability
 - deploy new « supply chain as a service » solutions





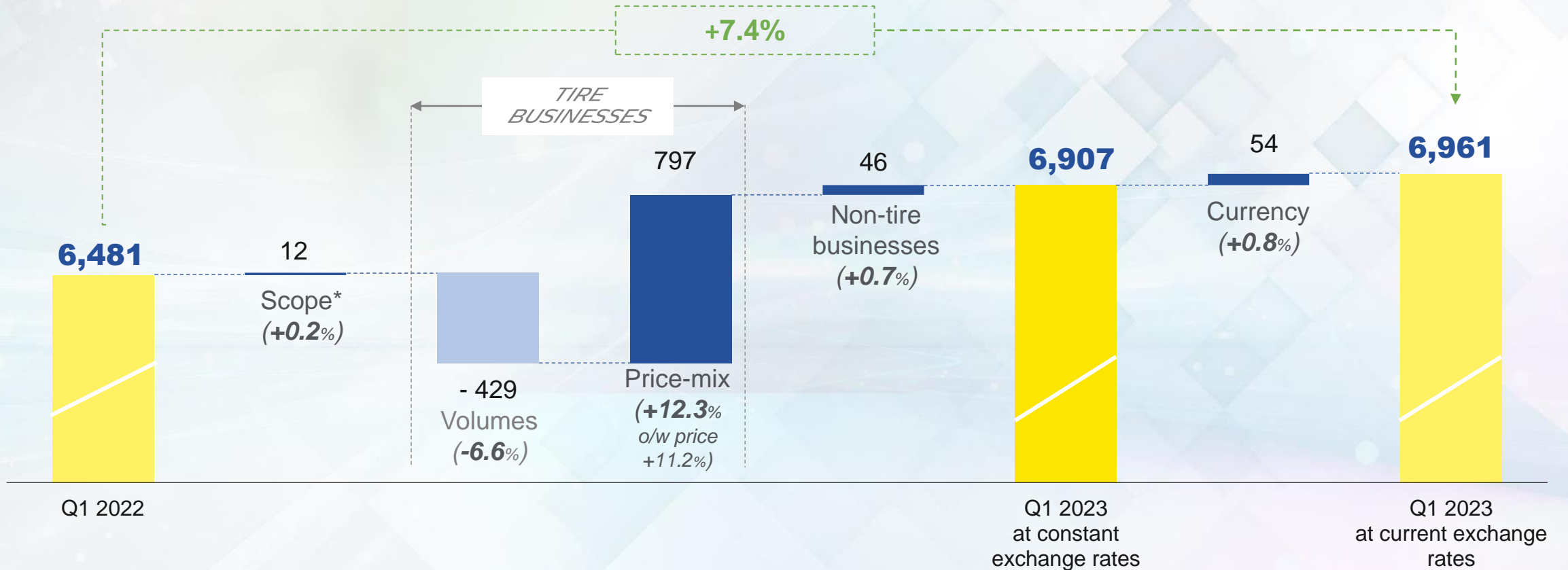
Q1 SALES



Sales growth of 7.4% pulled by premium positioning on high-value segments. Non-tire sales up by 15% or + €46m

FIRST QUARTER SALES EVOLUTION

(€ millions and as a %)



* Consolidation of the Australian company CPS (Conveyor Products & Solutions) effective July 14, 2022, and the American company EGC Enterprises (high performance polymers) effective February 3, 2023.



Sales growth in every segment despite softer volumes, strong catch-up in the Specialty businesses

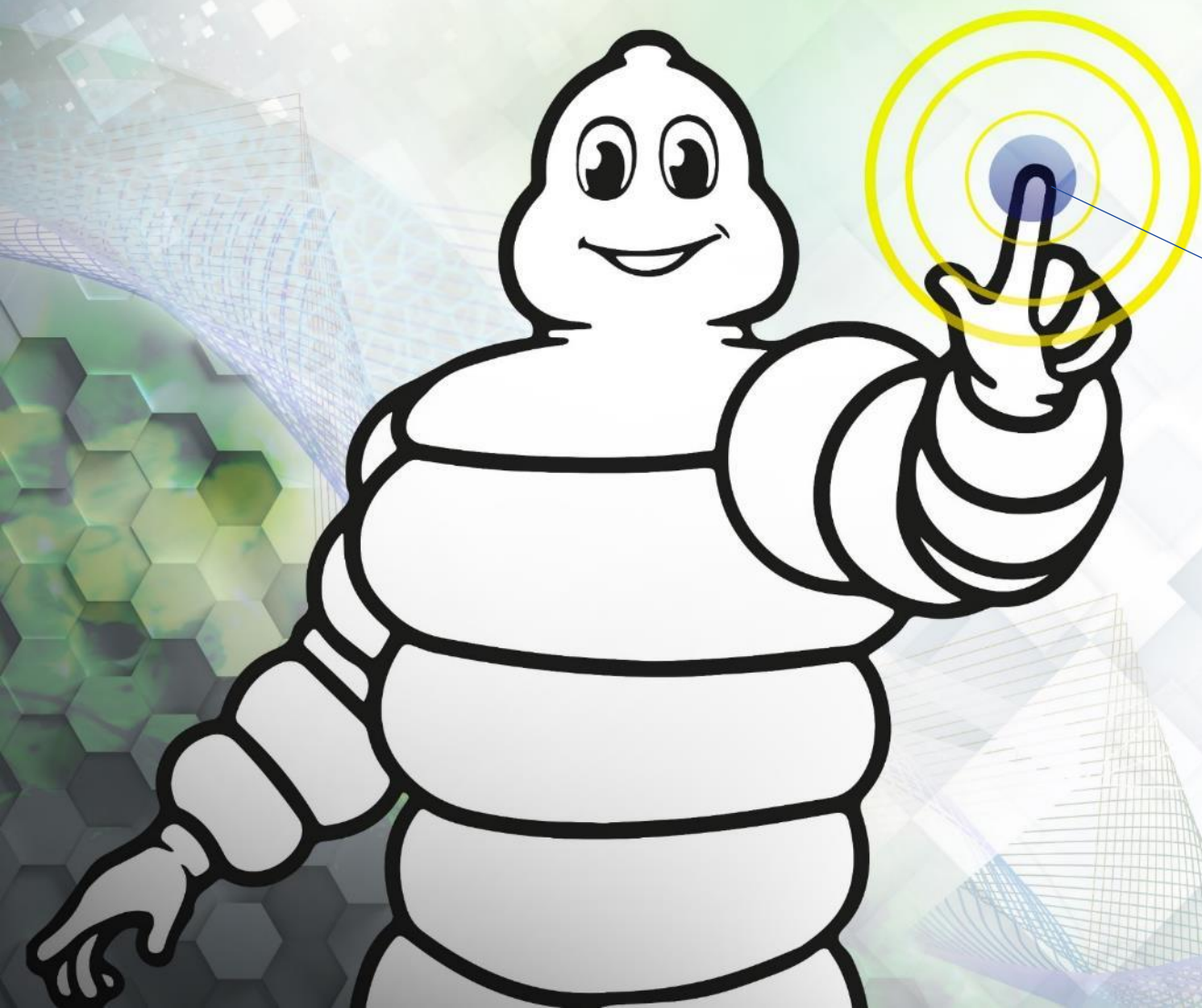
SALES BY REPORTING SEGMENT

(€ millions)

		2022	2023	CHANGE	
RS1		SALES	3,254	3,457	+6.2%
		Volumes	-	-	-6.7%
RS2	 	SALES	1,674	1,696	+1.3%
		Volumes	-	-	-8.9%
RS3	   	SALES	1,553	1,808	+16.4%
		Volumes	-	-	-3.7%

- **RS1:** growth driven by responsive pricing management over 2022 and early 2023 to offset inflation, and a sustained product mix enhancement, both in OE and RT. 18"+ tires accounted for 58% of MICHELIN-branded tire sales, up 5 points vs. Q1 2022.
- **RS2:** sales increase fueled by 2022 and early 2023 assertive pricing management to offset inflation, and a buoyant OE demand. Focus on the highest value-creative segments and expansion in fleet management solutions.
- **RS3:** strong growth led by dynamic Mining sales and the aggregate impact of 2022 prices increases.

*2023
GUIDANCE*



2023 markets scenario: on the lower side of ranges

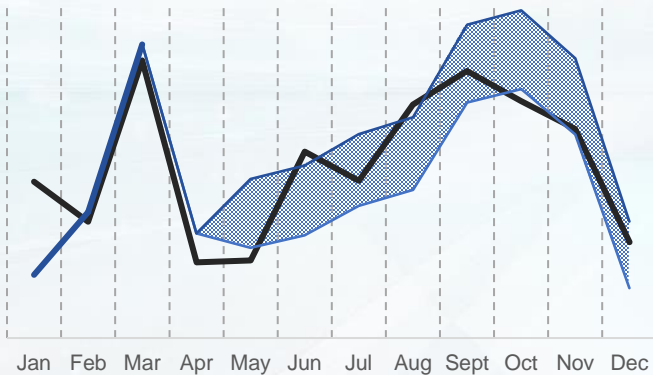


PASSENGER CAR / LIGHT TRUCK

-2%/+2%

OE: stable demand overall, slight growth in North America offsetting decrease in China, Europe stable

RT: slight reduction in global demand, driven by 17" - decrease mainly Europe and South America

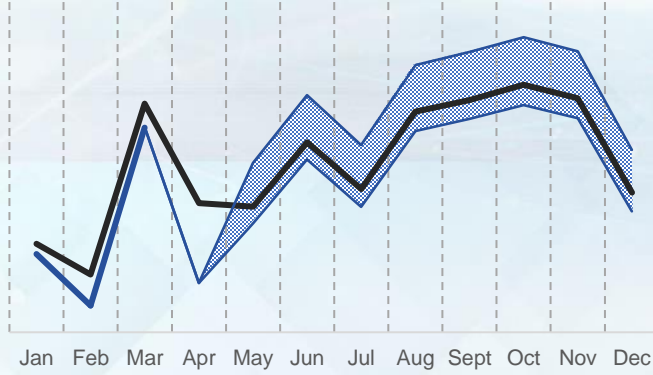


TRUCK excl. China

-2%/+2%

OE: demand remains robust, from already high comparatives

RT: *sell-in* demand to soften on high comparisons, with destocking actions foreseen at least in Q2 in a context of economic uncertainty



SPECIALTIES

-1%/+3%



Mining tires: continued growth



Beyond-road tires: slight growth in Agriculture, offset by slower demand in Construction and Materials handling



Two-wheel tires: stable demand, with some over stocks mainly in the bicycle industry



Aircraft tires: growth, with demand recovering pre-covid levels

2022 2023 projection



2023 Scenario & Guidance

2023

SCENARIO

Volumes

[-4% ; 0%]

Cost inflation

raw materials, transportation,
energy, labor

[€0.4bn ; €0.9bn]

Net price-mix vs. cost inflation
factors

Slightly positive

Cash-out capex

[€2.2bn ; €2.4bn]

GUIDANCE

Segment operating income

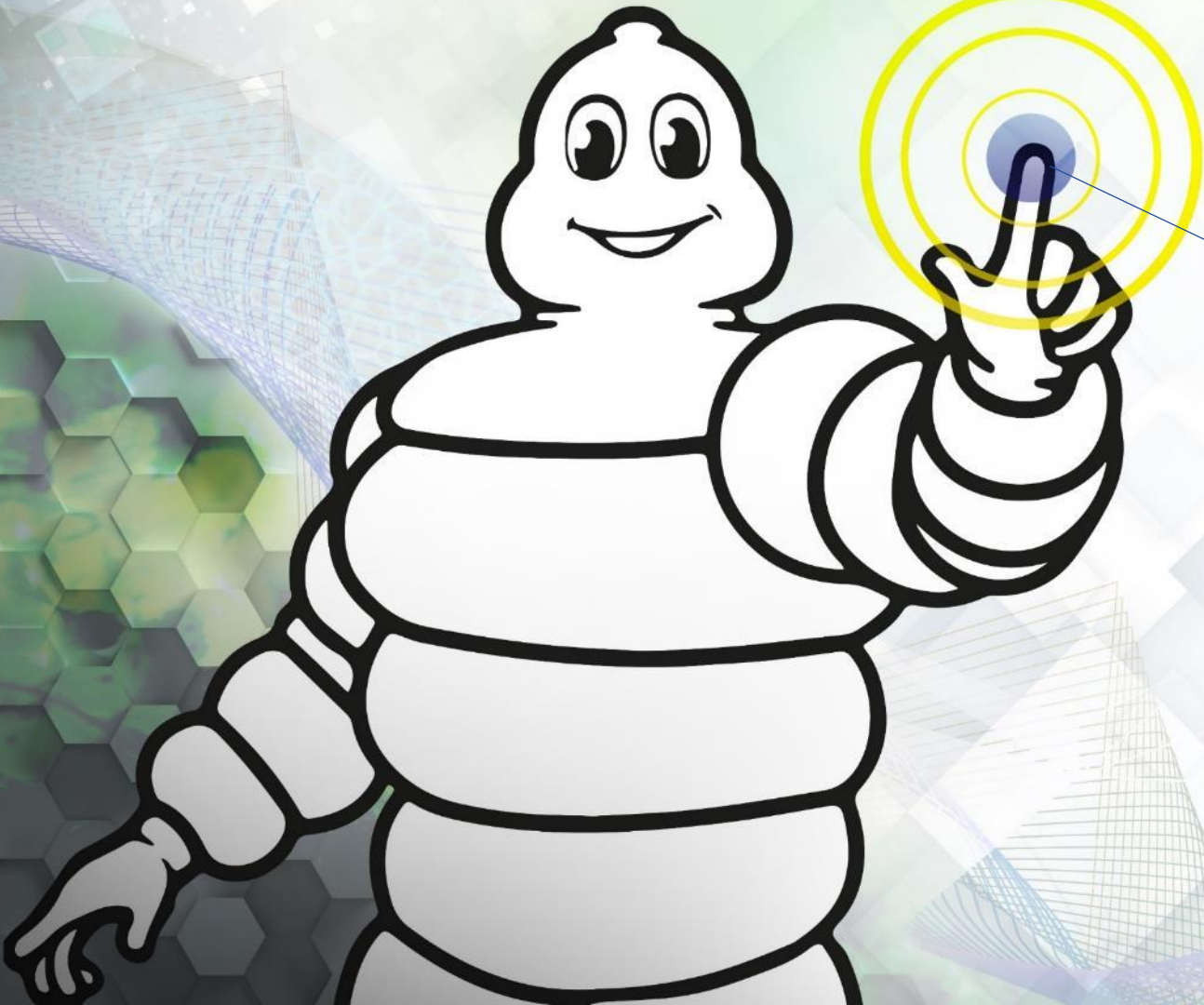
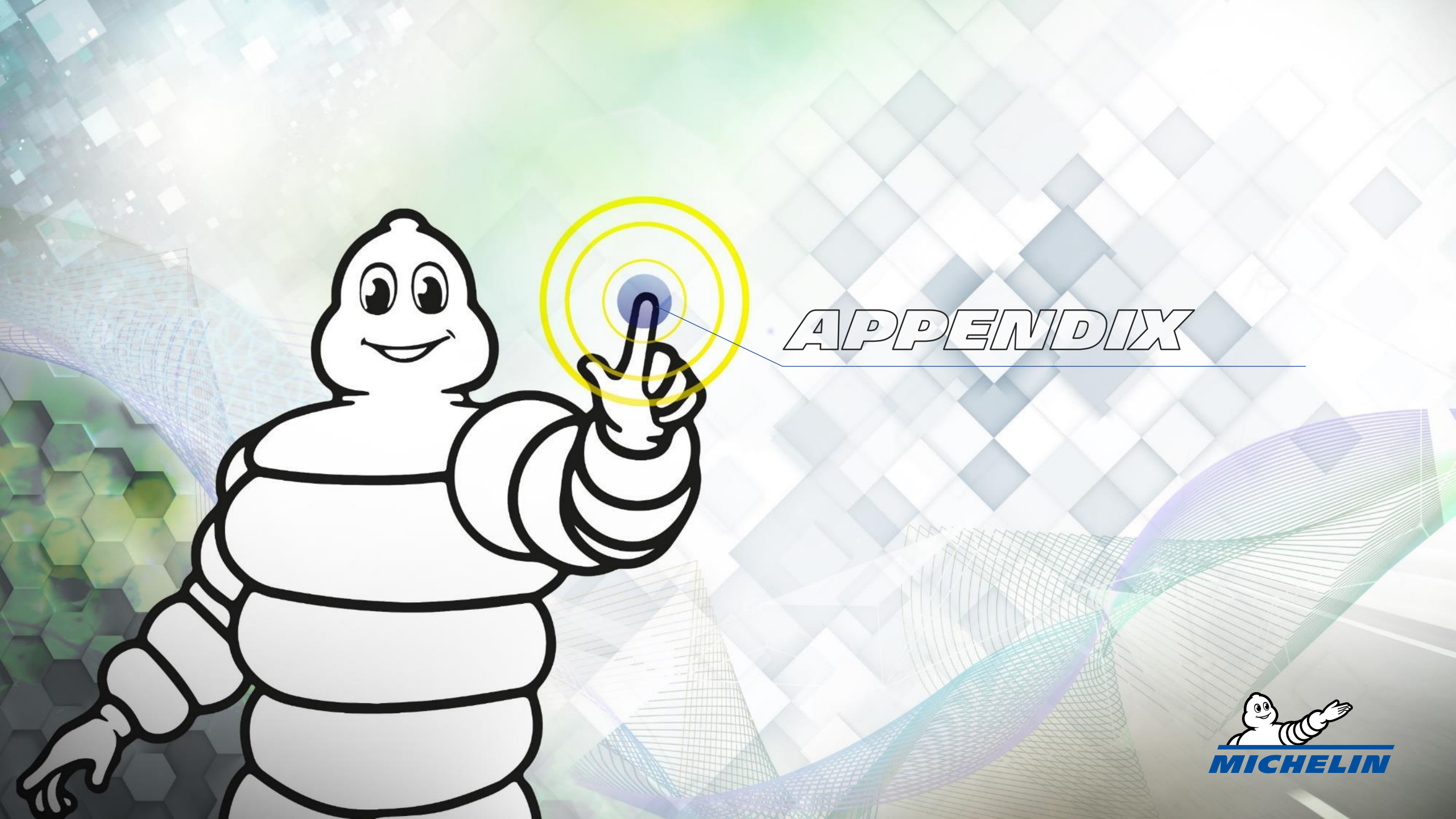
at constant FX vs. 2022

> €3.2bn

Free cash flow

excl. M&A

> €1.6bn

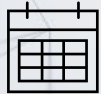


APPENDIX





2023



HALF YEAR RESULTS

JULY 26, 2023 *

Q3 SALES

OCT. 24, 2023 *

* After close of trading

Demonstrated ability to sustain margin even in times of crisis

FCF ⁽¹⁾ AND SOI ⁽²⁾ EVOLUTION vs. CHANGE IN VOLUMES SOLD



(1) Free cash flow as reported from 2007 to 2010, structural free cash flow from 2011 (see slide 54 for the definition of structural free cash flow)

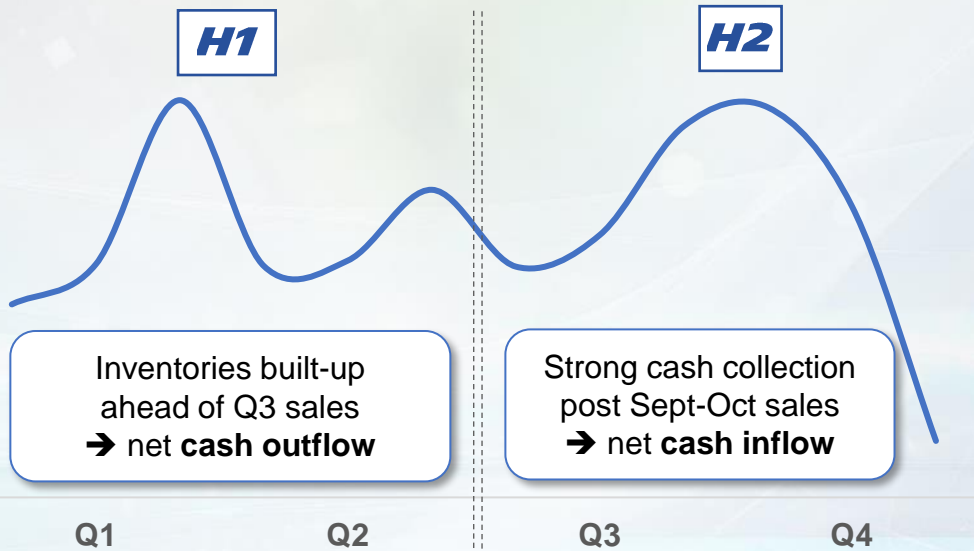
(2) Segment operating income



Seasonality of free cash-flow within the year: net consumption in H1, net collection in H2

SALES PROFILE WITHIN THE YEAR DRIVES CASH FLOWS

5-year average, from 2015 to 2019 (volumes)



+ Main additional cash outflow drivers

Employees bonus payment

Capex Cash-out

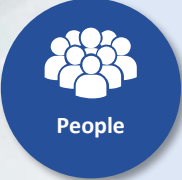














Capex Cash-out

REPORTED FCF BEFORE M&A, BY SEMESTER

5-year average, from 2015 to 2019 (€ millions)



Strategic Scorecard – 2022 results in line with 2030 ambitions

AMBITION	METRICS	2030 SUCCESS	PROGRESS STATUS		
			2020	2021	2022
 Be world-class in employee engagement Be world-class in employee safety Be a reference in diversities and inclusion of teams Be best-in-class in value created for customers	 Engagement rate	>85%	82%	80%	83%
	 TCIR ⁽¹⁾	<0.5	1.19	1.29	1.07
	 IMDI ⁽¹⁾	80 pts over 100	60	65	70
	 NPS partners ⁽¹⁾	+10 vs. 2020	40.5	38.9	41.6
 Deliver substantial growth Deliver continuous financial value creation Maintain Michelin brand power Maintain best-in-class innovation pace in products and services	 Total sales	5% CAGR 23-30	€20.5bn	€23.8bn	€28.6bn
	 ROCE ⁽¹⁾	>10.5%	6.0 %	10.3%	10.8%
	 Brand vitality quotient	+5 pts vs. 2021	58	68	65
	 Offers vitality index	>30%	33%	31%	31%
 Reach net zero emission by 2050 (manuf. and energy) Contribute to reaching net zero emission (Scope 3) Be best-in-class in environmental footprint of industrial sites Reach full circularity of products by 2050	 CO ₂ emissions (scopes 1&2)	-50% vs. 2010	-36% 2463 Kt	-29% 2764 Kt	-41% 2304 Kt
	 Products energy efficiency (scope 3)	+10% vs. 2020	-	+0.5%	+1.8%
	 i-MEP ⁽¹⁾	-1/3 vs. 2019	-	-7.4	-11.2
	 Sustainable Material Rate	40%	28%	29%	30%

(1) 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 Universal Registration Document

Shareholder return policy : pay-out gradually increasing towards 50% target

PER SHARE DATA ⁽¹⁾

(in €)

	2018	2019	2020	2021	2022	Target @CMD21 ⁽⁵⁾
DIVIDEND	0.93	0.50	0.58	1.13	1.25 ⁽⁴⁾	
NET INCOME BASIC	2.33	2.42	0.88	2.58	2.81	
PAY-OUT RATIO ⁽²⁾	40%	21%	65%	44%	44%	50%
RETURN ⁽³⁾	4.3%	1.8%	2.2%	3.1%	4.8%	

DIVIDEND POLICY

- Payout ratio gradually raised towards 50% in 2030
- Pay-out calculated on reported net income

SHARE BUY-BACK POLICY

- Annual anti-dilutive programs to offset the impact of employee share plans
- Additional programs might be considered

(1) Data prior to 2022 restated for the 4-for-1 stock split of June 2022

(2) Dividend / Net income

(3) Dividend / Share price; based on Dec 31 closing stock price

(4) Subject to approval by 2023 AGM on May 12, 2023

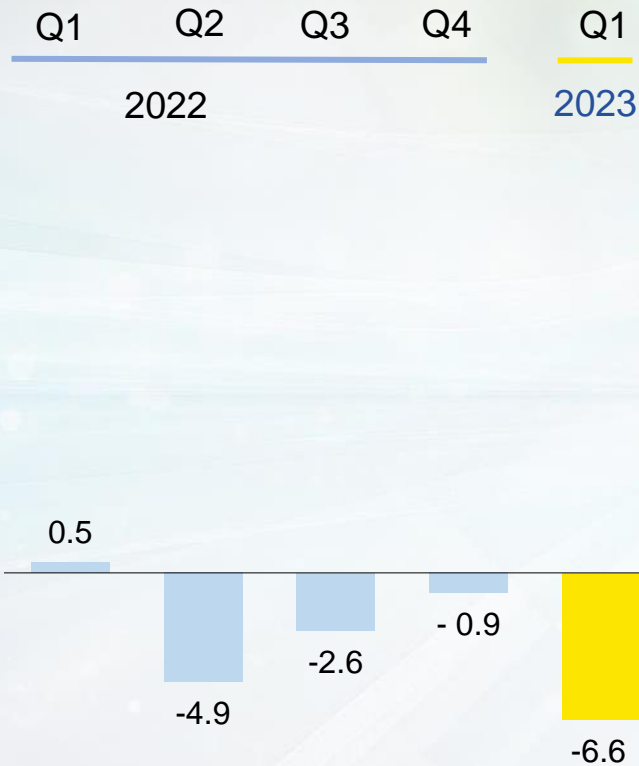
(5) Target set on net income before non-recurring items

Q1 2023 price-mix pulled by the full effect of premium positioning on high-value segments

YOY QUARTERLY CHANGE

(in %)

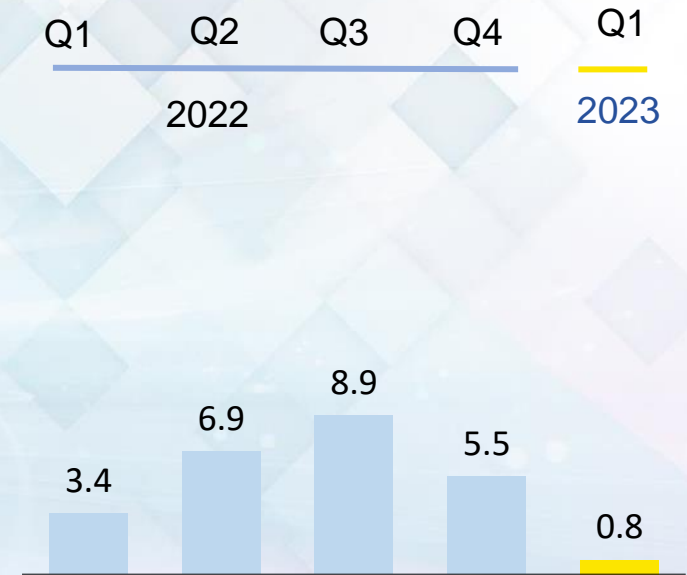
VOLUMES



PRICE-MIX



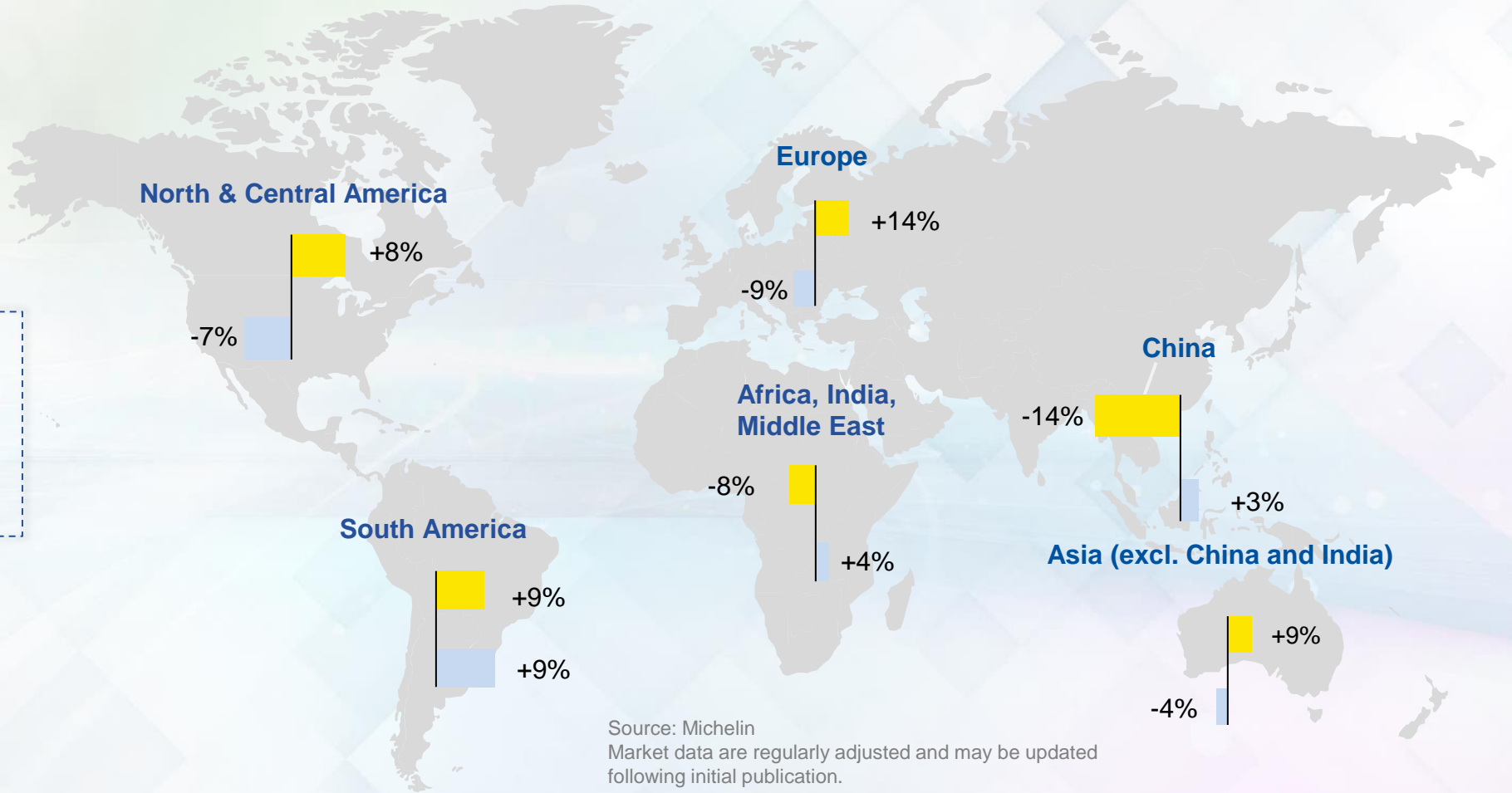
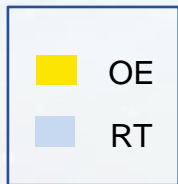
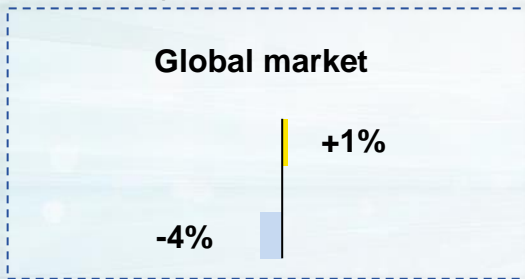
CURRENCY



PC/LT markets: OE slightly up driven by supply chains ease, but RT down on unfavorable basis of comparison and destocking actions in Q1 2023

PC/LT TIRE MARKET, Q1 2023

(% change YoY in number of tires)



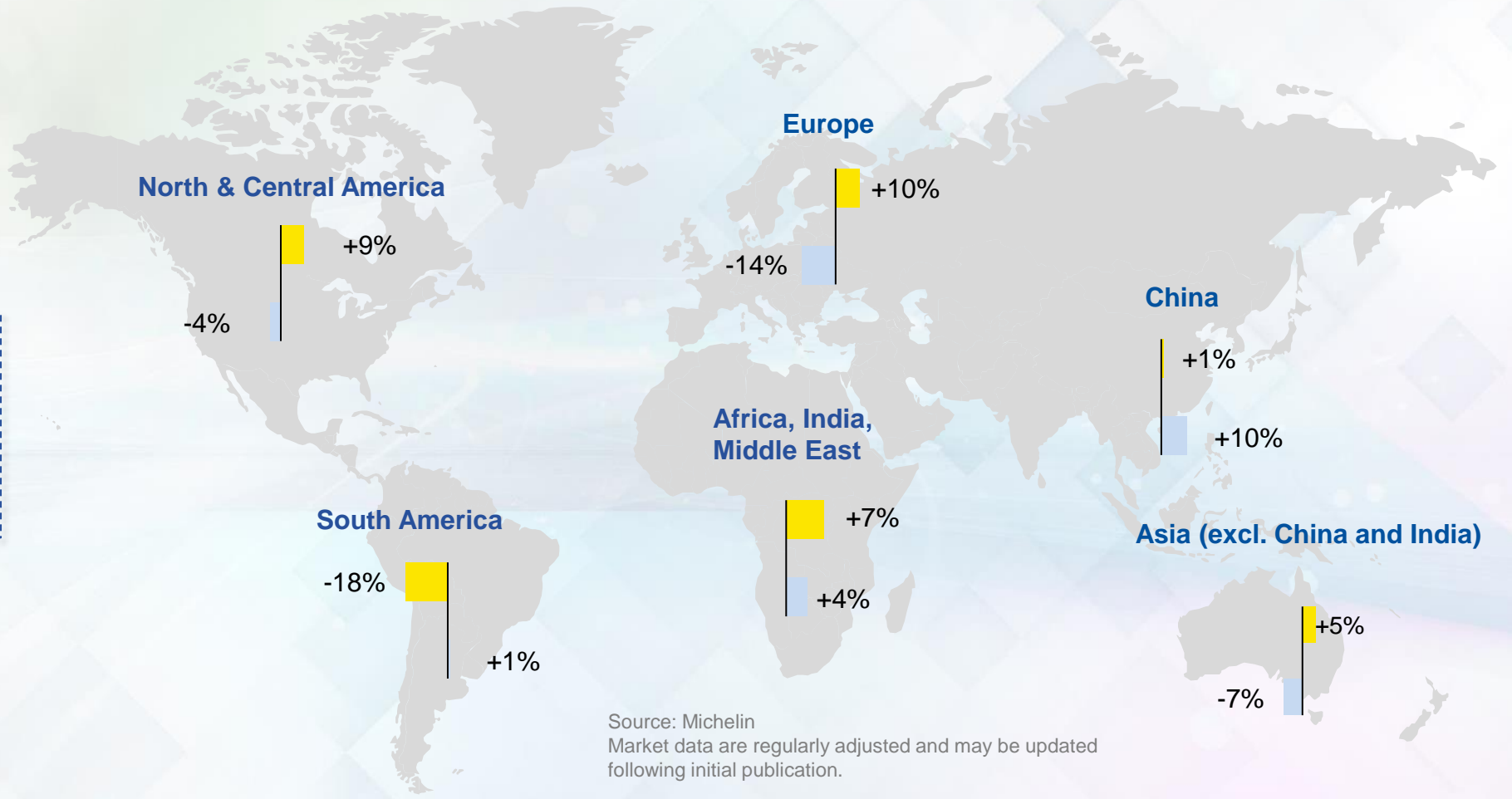
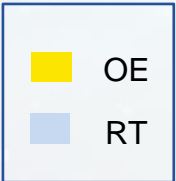
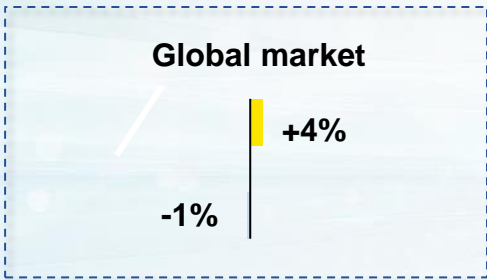
Source: Michelin
Market data are regularly adjusted and may be updated following initial publication.



Truck tire markets: dynamic OE with orders books still full, but RT decrease (excl. China) driven by supply chains normalization and destocking actions from distribution

TRUCK TIRE MARKET, Q1 2023

(% change YoY in number of tires)



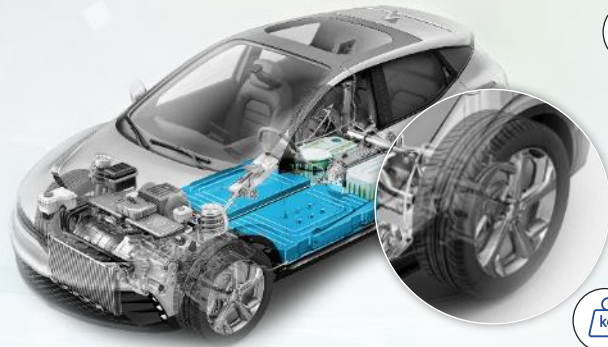
Source: Michelin
Market data are regularly adjusted and may be updated following initial publication.





Michelin uniquely positioned to leverage vehicle electrification

BEV: HIGHLY DEMANDING VEHICLES PERFECTLY FIT WITH MICHELIN'S UNIQUE KNOW-HOW

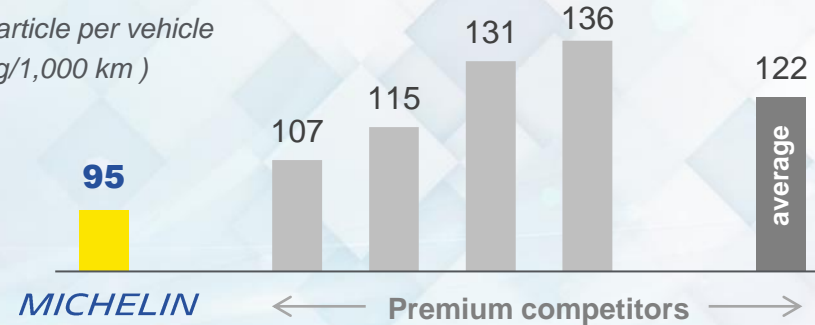
KEY REQUIREMENTS FOR TIRES



-  Low rolling resistance
-  Silent architecture
-  Low abrasion rate
-  High rim capacity
-  High load capacity

MICHELIN: BEST COMBINATION OF PERFORMANCES

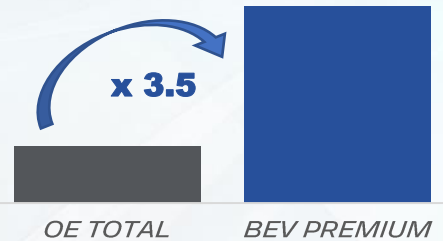
Particle per vehicle (g/1,000 km)



* source: ADAC, March 2022 - Download the ADAC study

OVER-INDEXED IN PREMIUM * BEV

Michelin OE market share



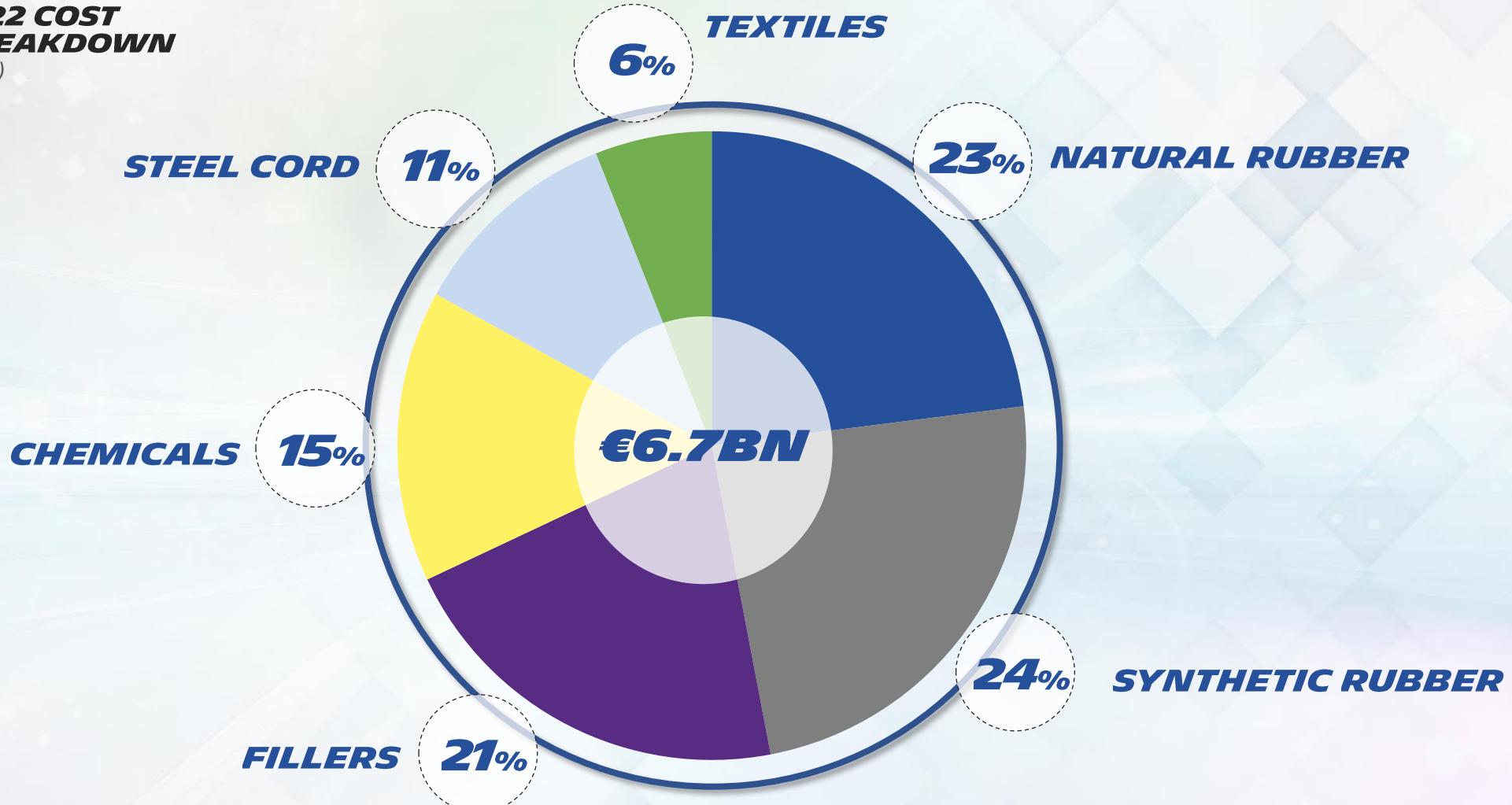
*Premium: Luxury-Premium and Sport-Passion segments

MICHELIN PREFERRED TIREMAKER FOR LEADING EV OEMS



Raw materials cost breakdown

**2022 COST
BREAKDOWN**
(in %)



Natural rubber price

TSR20 AND RSS3 IN \$/KG



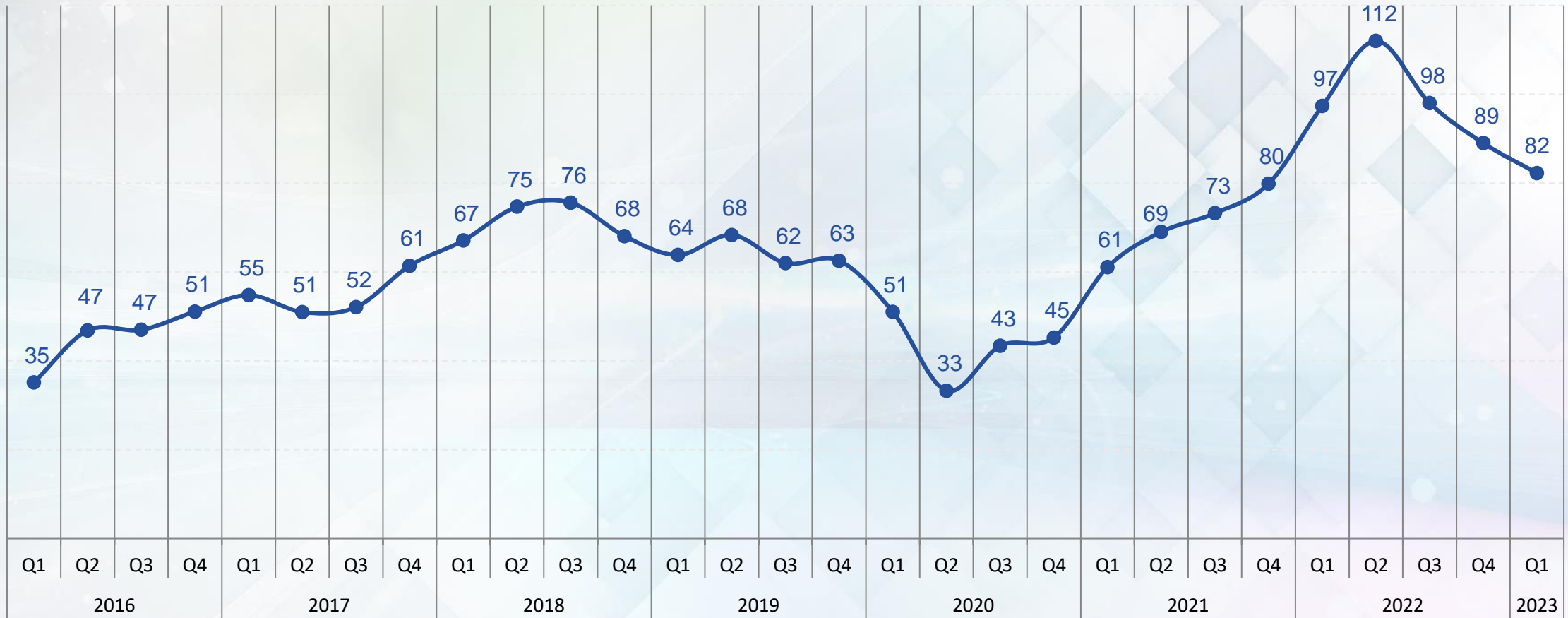
— TSR20 — RSS3

Source: SICOM



Brent price

BRENT IN \$/BBL



Butadiene price

BUTADIENE IN €/T



Sales by currency & impact on segment operating income (SOI)

% of sales Q1 2023 12 month rolling		2023 Currency change vs. €	Droptthrough* Sales → SOI	% of sales Q1 2023 12 month rolling		2023 Currency change vs. €	Droptthrough* Sales → SOI
USD	39%	+4.6%	25% / 35%	AUD	3%	-1.0%	80% / 85%
EUR	31%	-	-	JPY	1%	-8.2%	80% / 85%
CNY	5%	-3.0%	25% / 30%	MXN	1%	+14.9%	25% / 30%
BRL	4%	+5.5%	-30% / -20%	TRY	1%	-22.8%	80% / 85%
GBP	3%	-5.4%	25% / 30%	THB	1%	+1.9%	-130% / -100%
CAD	3%	-2.0%	25% / 30%	Other	8%	-	-

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

$$\text{Sales} \times \underbrace{39\% \times 4.6\%}_{\text{impact on sales } +1.8\%} \times \sim 30\% = \text{impact on SOI } (\sim +0.6\%)$$

* Droptthrough linked to the export/manufacturing/sales base



Capex increase in 2022-2023 to catch up 2020-2021 postponements

COMMITTED AND PLANNED CAPITAL EXPENDITURE⁽¹⁾

(€ billions)



⁽¹⁾ Purchases of intangible assets and PP&E

KEY POINTS

- Capex catch-up to continue in 2023
- **WITH TIRES**
 - Investing in growth segments
 - Optimizing routine capex
 - Digital manufacturing and competitiveness
 - Decarbonation of our operations
- **AROUND TIRES**
 - Services and Solutions
- **BEYOND TIRES**
 - Flexible composites
 - Engineered polymers



Outstanding bond issues

(As of Dec.31, 2022)

Senior Note Bond	Senior Note Bond
€500m	€300m
0.40% p.a.	0.825% p.a.
2-nov.-20	30-sept.-15 & 30-sept.-16
2-nov.-23	30-sept.-15
Annual Nov. 02	Annual Sept. 30
FR0014000D90	XS1298728707
min. tradable amount: €100,000	min. tradable amount: €1,000

Compagnie Générale des Établissements MICHELIN

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%
Corporate rating 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 corporate 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

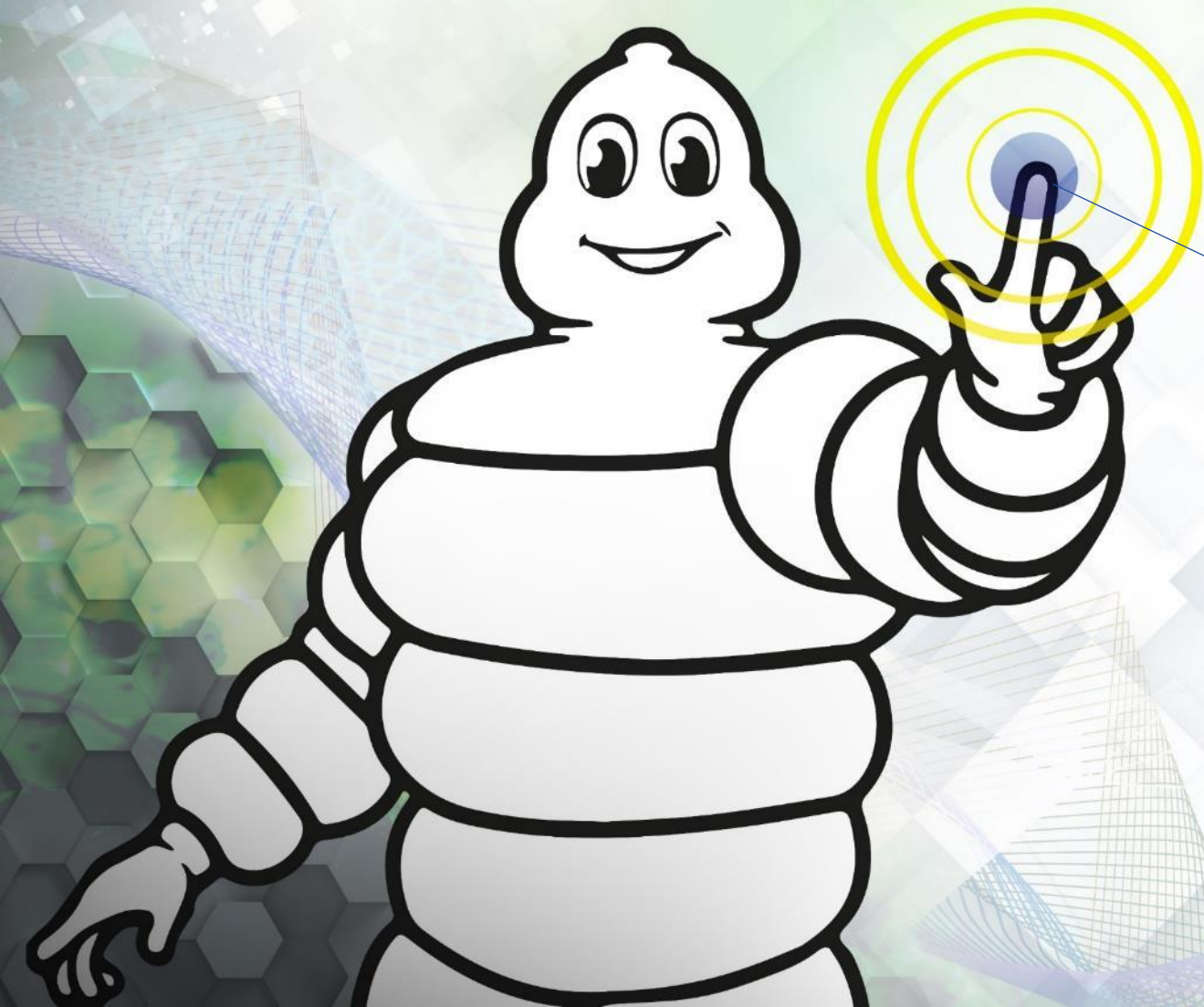


A comfortable cash position with maturities well spread over time

DEBT MATURITIES AT DEC. 31, 2022

(carrying amount in € millions)





APPENDIX

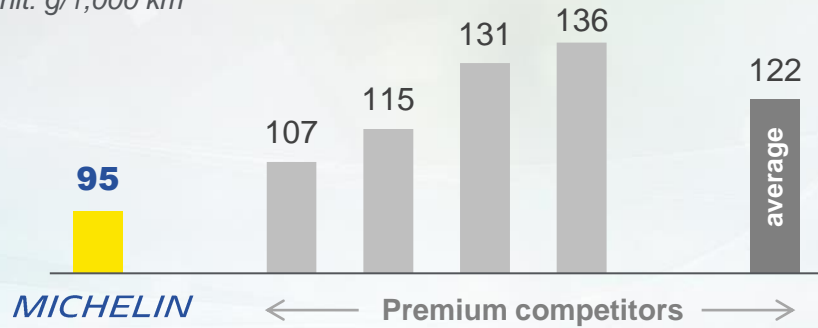
Tire businesses



Wear particles : considerable competitive advantage, without any compromise on safety

PARTICLE EMISSIONS: MICHELIN VS. OTHER PREMIUM TIREMAKERS (1)

Particle per vehicle
unit: g/1,000 km



PARTICLE EMISSIONS GET REDUCED WITH EACH NEW RANGE (2)

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

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](#)

(1) Tyre wear particles in the environment, ADAC, March 2022 – 100 sizes tested

(2) DEKRA studies in 2020 (MARK20B, MARK20E) and 2021 (MARK21E)



Tire and road wear particles (TRWP) : definition and state of knowledge

SCIENTIFIC STUDIES HAVE STARTED TO MEASURE THE ENVIRONMENTAL IMPACT OF TRWP ⁽¹⁾ :



AIR

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



WATER

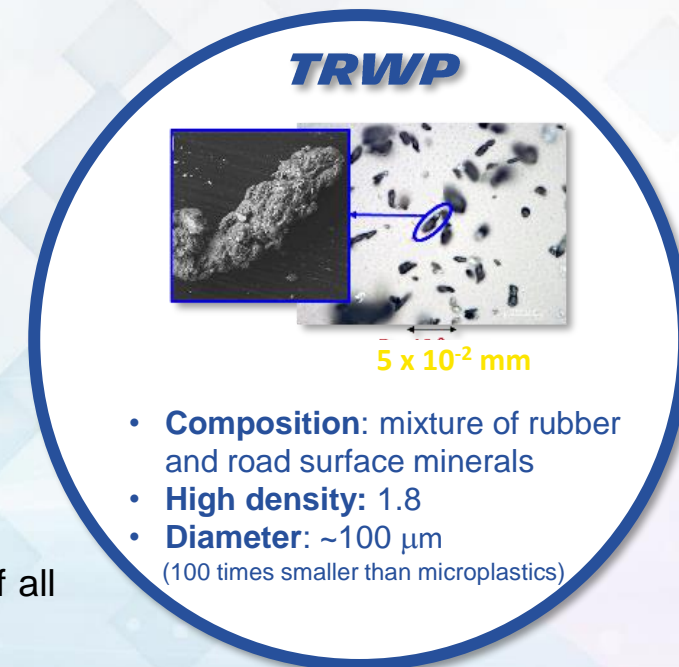
Studies suggest that most TRWP never reach estuaries.

Michelin is strongly in favor of a regulation that would limit the level of wear particle emissions of all tires worldwide → work in progress with ETRMA⁽²⁾ members in order to :

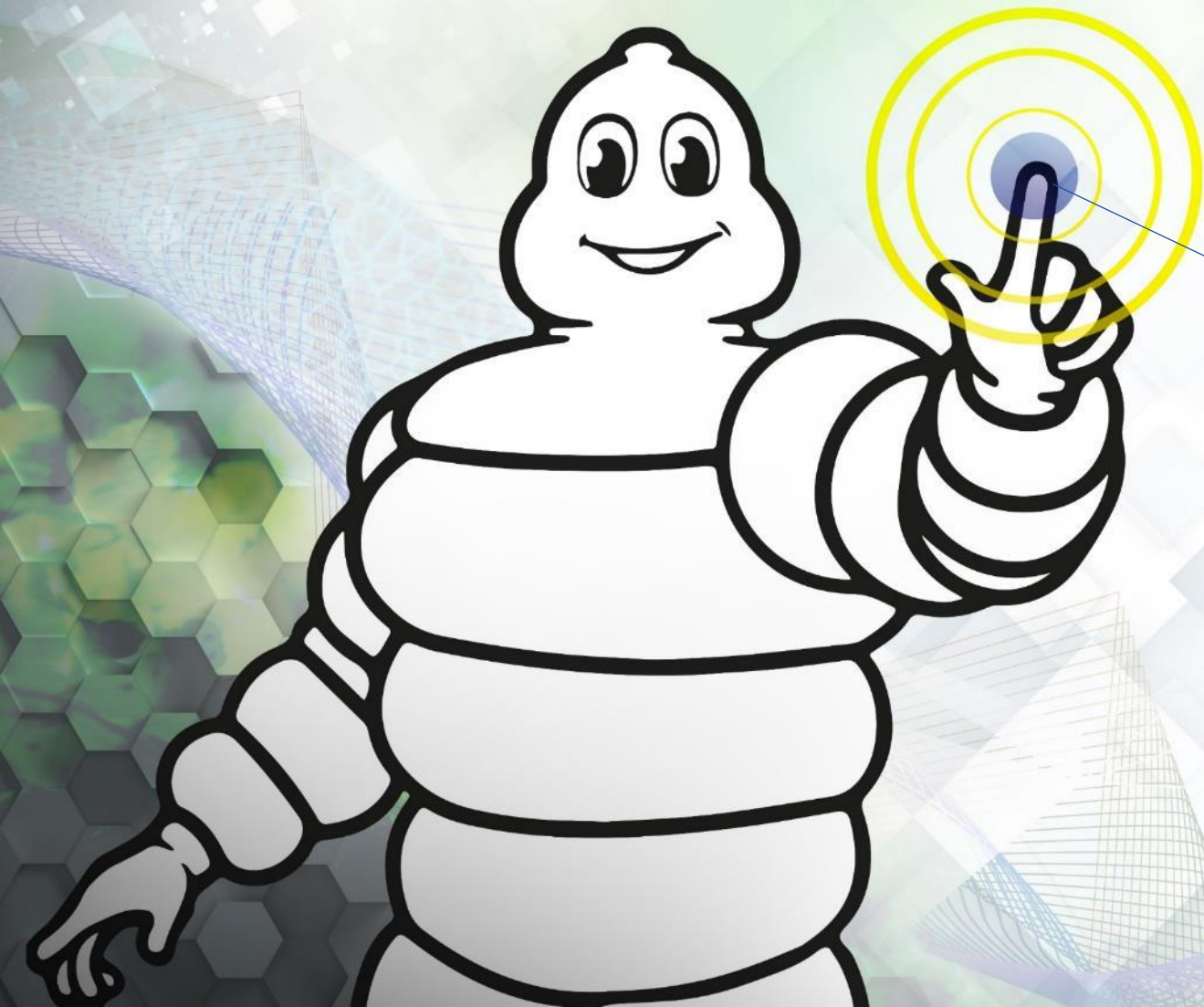
- define a standardized TRWP emission rate test method
- promote a threshold regulation and eliminate the less performing tires from the market.

(1) 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. For more information about TRWP, [see the following document](#)

(2) European Tyre & Rubber Manufacturers Association



+ [Download the ADAC study](#)
Tyre wear particles in the environment (March 2022)



APPENDIX

Around & Beyond Tires



Services & Solutions: a suite of digital solutions that empower mobility players to race towards zero emission, zero accident, zero downtime

CONNECTED FLEET SOLUTIONS

Enable operations to be safer, more predictable, productive, and sustainable.



TaaS
Tire-as-a-Service



ONCall



WATÈA
by Michelin



MEMS4
EVOLUTION

MOBILITY INTELLIGENCE

Help road managers with unique insights that make mobility smarter, greener and safer

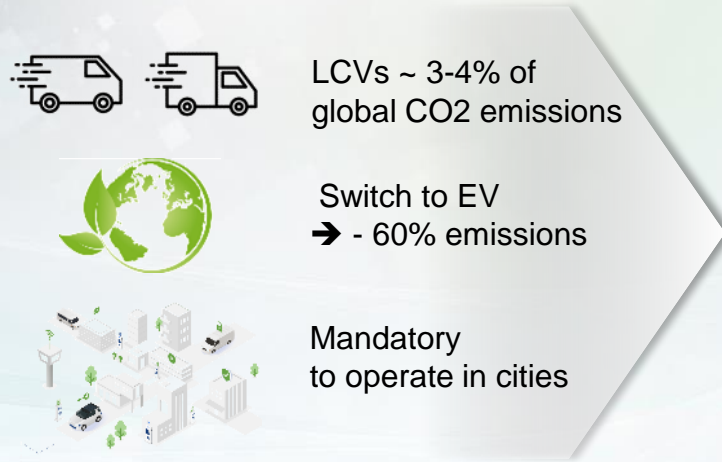


POWERED BY A STRONG CUSTOMER INTIMACY & MICHELIN CONNECTED TECHNOLOGIES



Watèa by Michelin: a unique solution to decarbonize urban LCV fleets

STAKES OF TRANSITION TO E-LCV



FLEETS PAIN POINTS



VALUE PROPOSITION



LEVERAGING MULTIPLE GROUP ASSETS



PARTNERING WITH CA FOR VEHICLE FINANCING


April 2023: 30% stake in Watèa capital finalized by Credit Agricole Leasing & Factoring



- Vehicles deconsolidation from balance sheet
- Leveraging CA mobility's commercial platform and expertise in small fleets
- Acceleration in automotive leasing in Europe
- Shared commitment to a decarbonized mobility



Symbio: fast expansion towards worldwide leadership in light and heavy commercial vehicles

 **Major grants** awarded in Europe (IPCEI *) and in the USA (California)



Fuel cell development leveraging expertise in materials and industrial processes

Symbio FCell

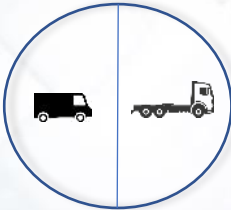


2014

Michelin stake:
- 47% in 2014
- 100% in 2019



to join Michelin and Faurecia as SYMBIO's 3rd shareholder



2030



faurecia
inspiring mobility

2019



2020
2022



New headquarters and facility in Venissieux, France

2022



creation of Innoplate 50/50 JV

2023



Start of Saint-Fons giga factory, France

1st production line in California, USA

2026

Fuel cell assembling capacity increase

50,000 per year

100,000 per year



2028

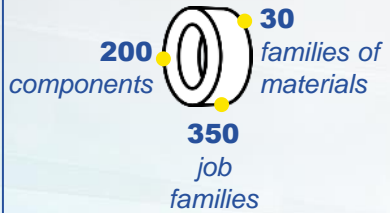
* Important Projects of Common European Interest



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 and **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

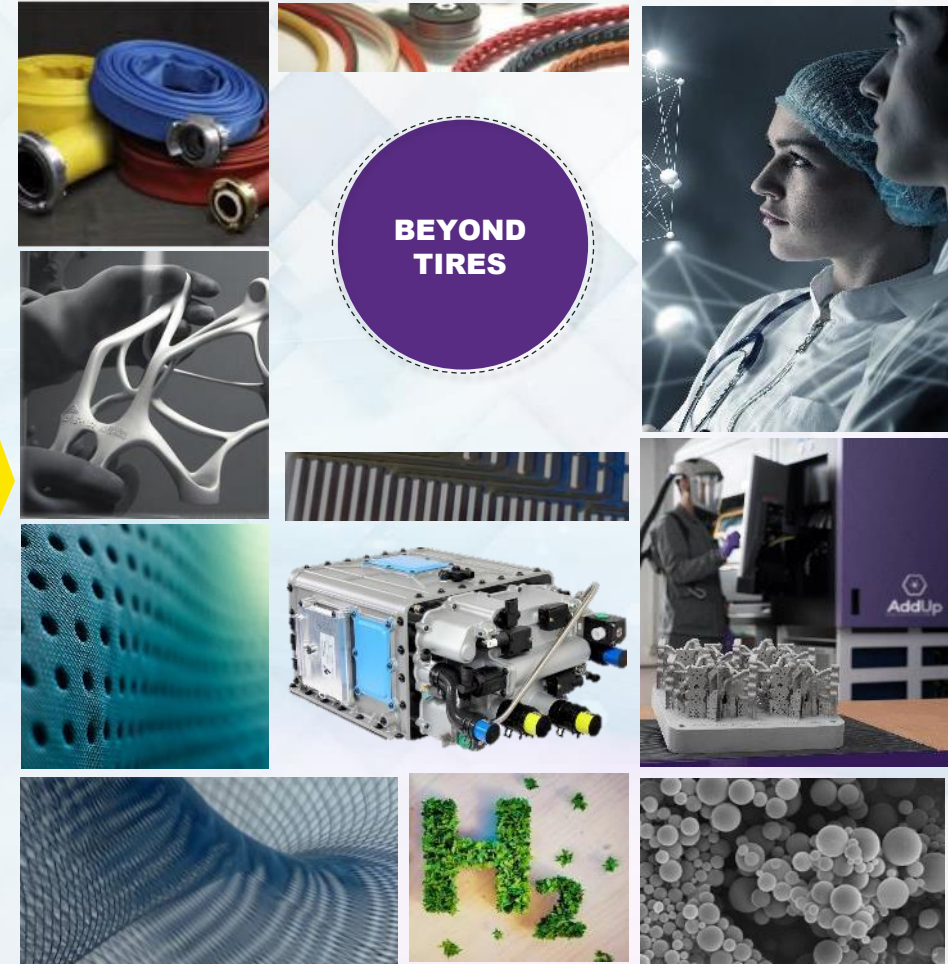


- M&A-driven growth

Features vs. tires:

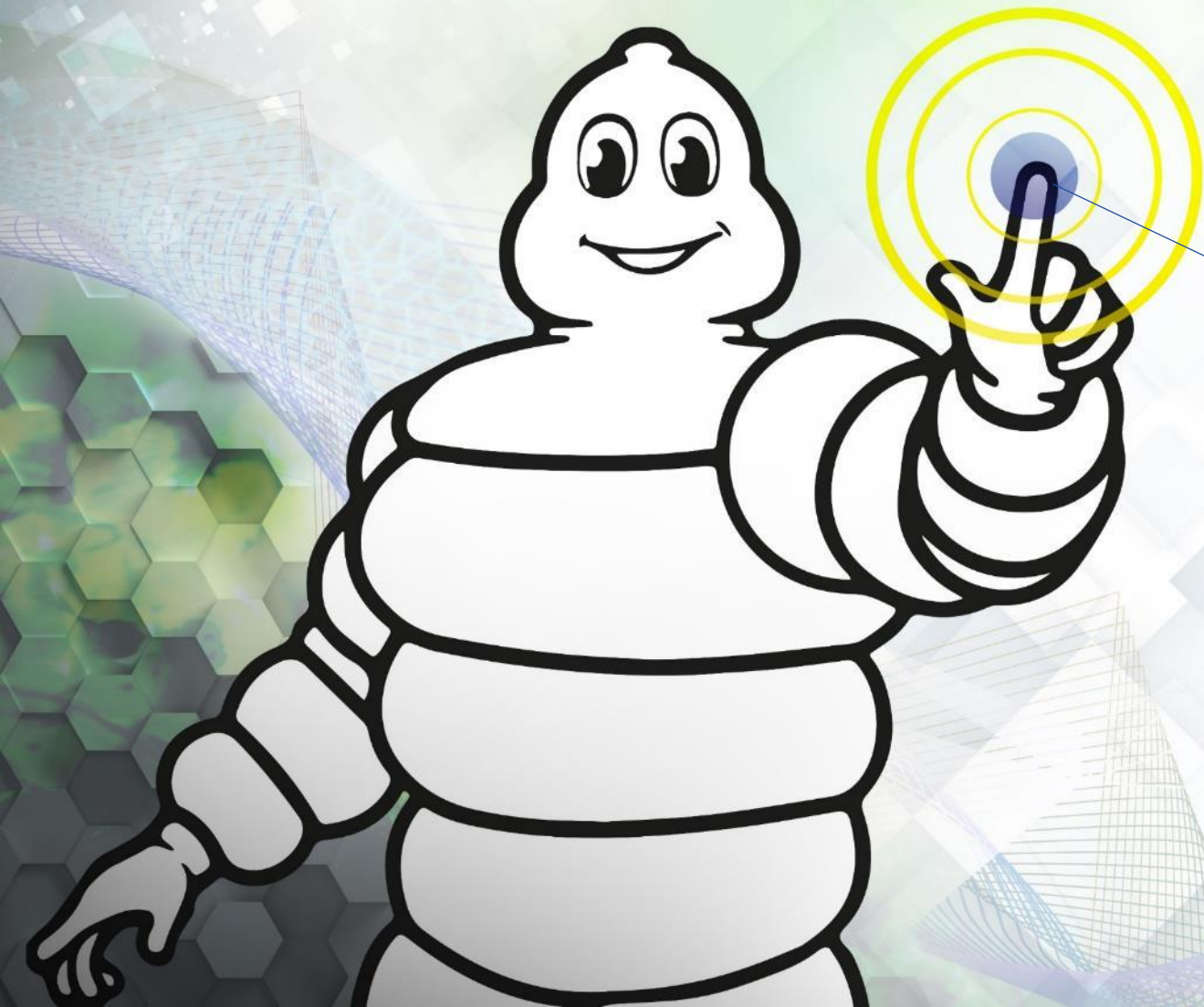
- Market growth: +
- EBIT: +
- Capital intensity: -

- Joint ventures



BEYOND TIRES





APPENDIX

Non-financial performance



Recognized leadership in non-financial performance

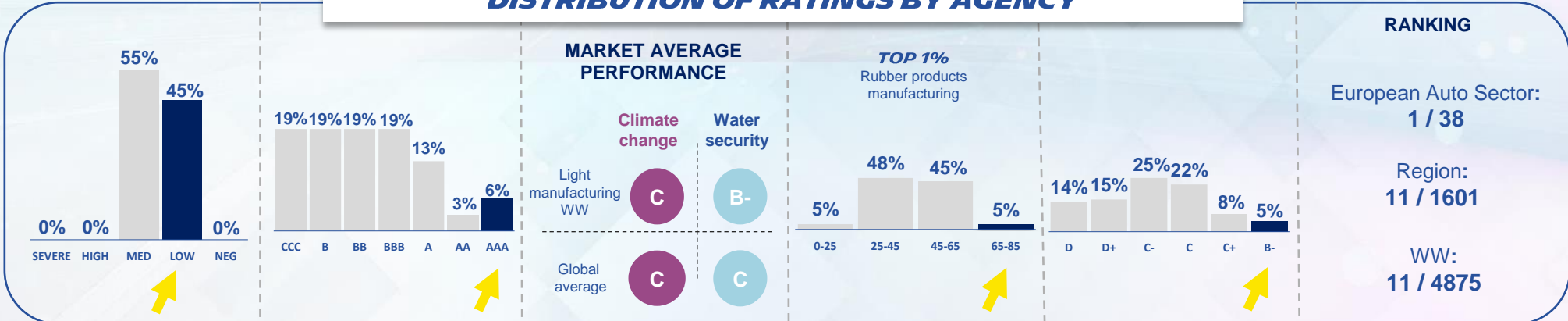
MAJOR RATINGS

(as of April 13, 2023)

MICHELIN RATINGS 2023



DISTRIBUTION OF RATINGS BY AGENCY



Natural resources and Decarbonation : driving up industry standards on product performance

IF THE WORLD WAS DRIVING ON MICHELIN PC/LT TIRES, PER YEAR IT WOULD SAVE...



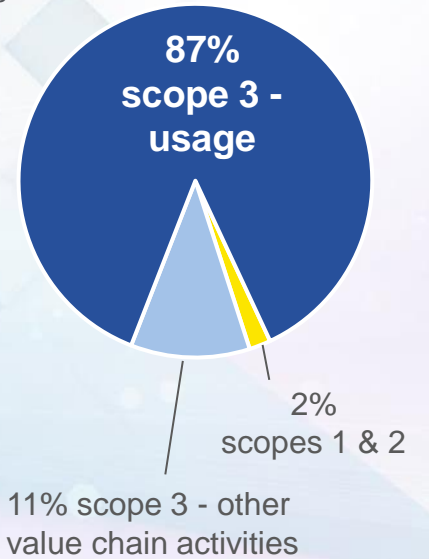
thanks to **lower abrasion**, while maintaining low rolling resistance and other performance features.



thanks to **lower rolling resistance**, without sacrificing other performance features such as safety and low abrasion.



TIRE INDUSTRY CO₂ EMISSIONS ARE MOSTLY RELATED TO SCOPE 3⁽³⁾
Illustration: Michelin 2022 CO₂ emissions



(1) Underlying hypothesis: 30% advantage for Michelin vs. competitors in abrasion, as calculated by ADAC - *Tyre wear particles in the environment*, March 2022.
 (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 166 of the 2022 Universal Registration Document for details.



Michelin has been leading all major innovations in the tire industry

PRODUCT RANGES SUBJECT TO LIFE-CYCLE ANALYSIS

50% IN 2021 ► 100% IN 2025



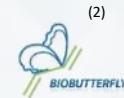
On the path to full product circularity with 40% sustainable raw materials by 2030, and up to 100% by 2050



NATURAL RUBBER



SYNTHETIC RUBBER



PLASTIFIERS/RESINS



TEXTILES



FILLERS



METALS



OTHER



(1) European project sponsored by Horizon 2020; project number: 82068
(2) Carried out with the support of ADEME.



Michelin 1st manufacturer to design a road-homologated tire with 58% sustainable materials

**ON THE WAY TO OUR "100% SUSTAINABLE TIRES BY 2050" GOAL:
NEW TIRES WITH BREAKTHROUGH TECHNOLOGIES**

BUS TIRE⁽¹⁾
58%
SUSTAINABLE MATERIALS

Carbon black recycled from end-of-life tires

Natural rubber

Bio-based silica from rice husks

Steel incorporating recycled scrap metal

PASSENGER CAR TIRE⁽²⁾
45%
SUSTAINABLE MATERIALS

Steel incorporating recycled scrap metal

Carbon black recycled from end-of-life tires

Natural rubber

Sustainable textile fibers

Bio-based oils and resins

Bio-based silica from rice husks

(1) Size: 275/70 R22.5 152/149

(2) Size: 235/55R19 105W



Strong commitment to reduce impact of operations on biodiversity and ecosystems

2022 RESULTS, 2030 COMMITMENTS

	2022	2030
RESEARCH & DEVELOPMENT Life Cycle Analysis incl. biodiversity criteria from best methods	At least 75% of new projects	100% of new ranges marketed
RAW MATERIALS Compliance with the Responsible Natural Rubber Policy environmental criteria	Assessment carried out on all subsidiaries and JVs*	80% of the volume used
Evaluation of raw material supplier policies & practices **	Study carried out to identify the raw materials with the greatest impacts ***	80% of suppliers
PRODUCTION SITES Biodiversity plan adapted to local issues	8 sites	100% of industrial sites
No phytosanitary products to maintain green spaces	12 sites	100% of industrial sites



[+ To know more](#)

* Accounts for ~4.5% of the Group's supply

** Other than natural rubber

*** Based on the results of the Science Based Targets for Nature (SBTN) method and the life cycle analyses of raw materials

Sustainable natural rubber by Michelin : driving progress across a fragmented value chain

ID CARD

~90% of Group's supply come from ~2 M farmers with an average farm size of 3 Ha.

Up to 7 middlemen between direct suppliers and smallholders in Asia

~150 direct suppliers

Global presence in Brazil, Indonesia, Thailand & West Africa :

- 85,000 ha. of plantations
- 15 rubber processing plants
- 500,000 tons/year production

GPSNR Founding member
(Global Platform for Sustainable Natural Rubber)



ACCELERATING SUSTAINABILITY ACROSS THE INDUSTRY BY 2025

- **Dedicated roadmap** tracking commitments on zero deforestation, human rights, and farmer empowerment



EXTENDING ASSESSMENTS OF PRACTICES ACROSS THE VALUE CHAIN : 2022 ACHIEVEMENTS

- **Direct suppliers via EcoVadis:** 92% of expenditures assessed, 90% "ESG mature"
- **Indirect suppliers : RubberWay™ app.** deployed at 80% of suppliers (in volume) in 2022



IMPLEMENTING IMPACTFUL PROJECTS

Brazil

- increase harvest while preserving the forest (6.8 million hectares)* - 3,800 families in Amazonas

Indonesia

- improve skills of 1,000 smallholders using RubberWay™ app. by 2024 – (with Porsche)
- East Kalimantan : train 2,000 farmers by 2024

Sri Lanka

- improve skills & sustainability performance of 6,000 smallholders by 2025, impacting ~30,000 people

Thailand

- helping 1,000 farmers diversify their income with agroforestry by 2025**

West Africa

- ~90,000 farmers trained per year

* With WWF

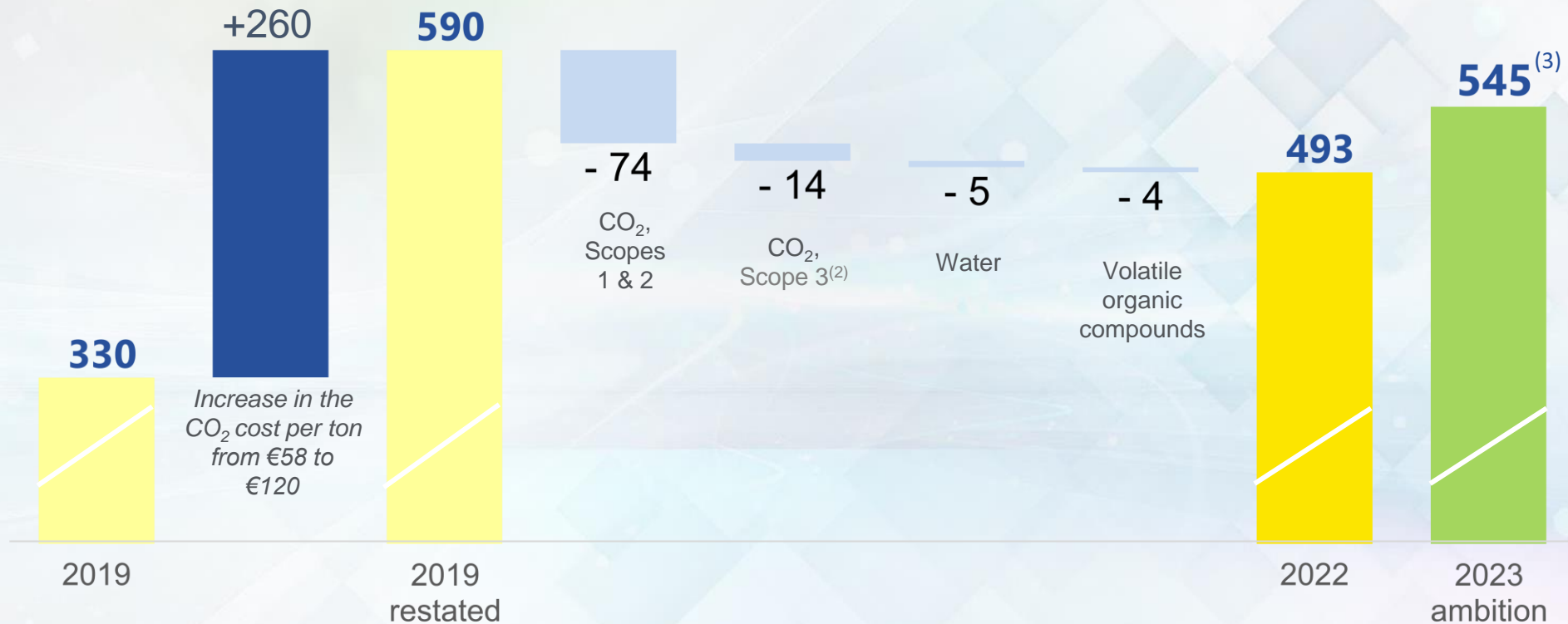
** As part of the Global Platform for Sustainable Natural Rubber (GPSNR)



Reduction of CO₂ emissions, VOC⁽¹⁾ emissions and water withdrawals: 2022 achievements exceeded 2023 ambitions

EXTERNALITY COSTS EVOLUTION

(€ millions)



(1) Volatil Organic Compounds

(2) Inbound and outbound transportation and distribution of natural rubber, semi-finished products and finished product

(3) Corresponds to 2023 target of approximately €300m announced at the CMD on April 8, 2021, adjusted for the ton of CO₂ valued at €120/t



Michelin applies the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

MICHELIN'S ANSWER

See p. 175 of 2022 Universal Registration Document for more details

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.



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.

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.



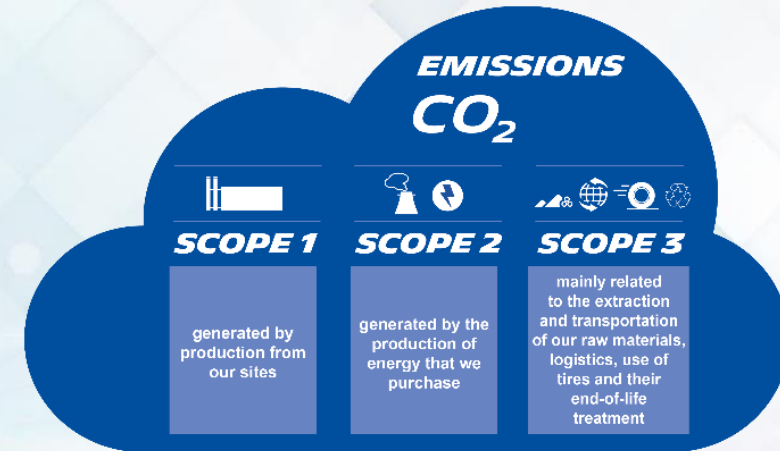
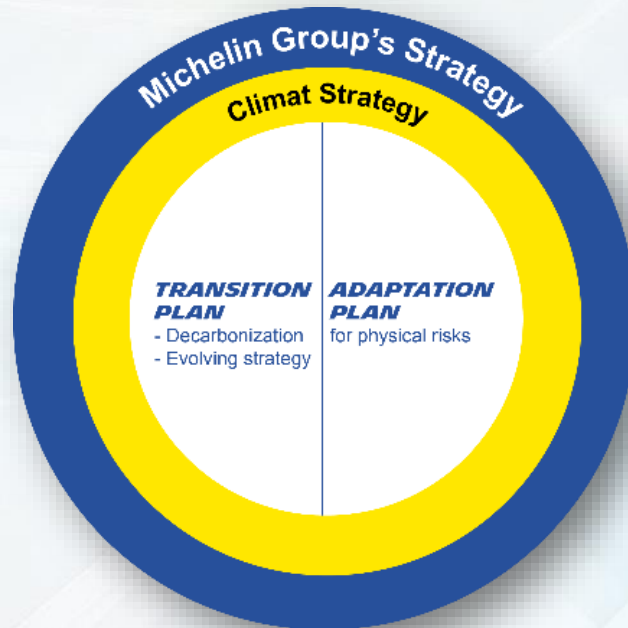
Joining the "Race to Zero" campaign, answering the call to action led by the Science Based Targets initiative (SBTi), the United Nations Global Compact and We Mean Business, by committing to reach net zero emissions by 2050.

Detailed information concerning the application of TCFD recommendations may be found in the public answers to the CDP Climate Change 2022 questionnaire (see <https://www.cdp.net/en/responses>).

Climate strategy structured around transition and adaptation plans, towards Net-Zero emissions by 2050

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** responding to physical impacts of climate change



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 emissions in 2050

Group's ability to have an influence



Sharp reduction in the environmental footprint of our operations

REDUCTION OF THE ENVIRONMENTAL FOOTPRINT OF OUR SITES

ISO14001- certified



Water withdrawal x water stress



Generated waste



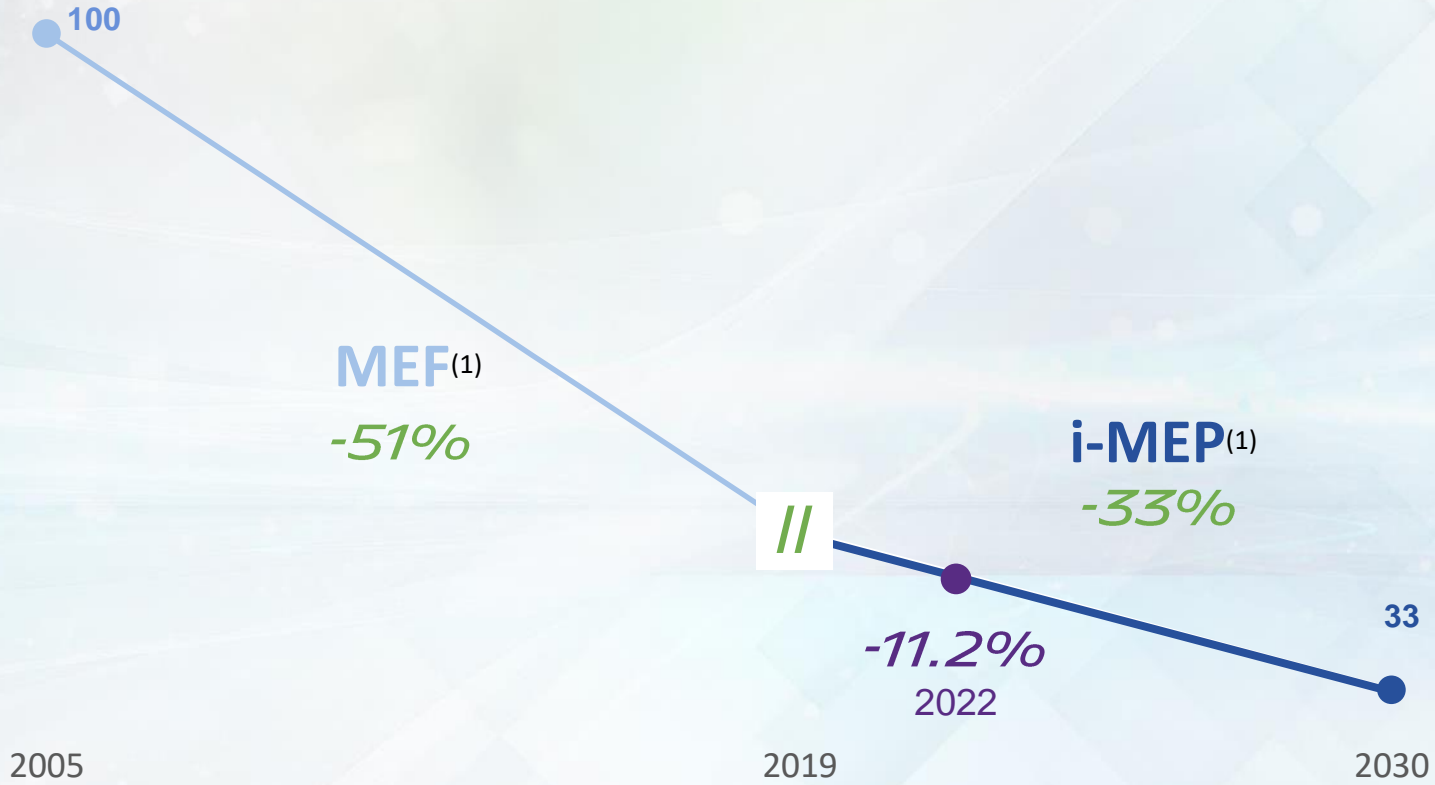
Organic solvent use



Energy use



CO₂ emissions



(1) MEF: Michelin Environmental Footprint; i-MEP: industrial-Michelin Environmental Performance; see detailed definition p.152 of the 2022 Universal Registration Document



Universal social protection: since March 2022, deployment of the Michelin One Care Program

ESSENTIAL GUARANTEES IN THREE AREAS

GIVE EMPLOYEES TIME TO WELCOME A NEW CHILD

Compensated at 100%

- **Maternity and adoption leave:**
14 weeks minimum
- **Paternity leave:**
4 weeks minimum



PROTECT THE FAMILY IN CASE OF AN EMPLOYEE'S DEATH

- Payment of a death benefit (for employees with at least one year of base salary)

ENSURE ALL EMPLOYEES AND THEIR FAMILIES CAN ACCESS A HEALTH PROGRAM

- Including at least:
 - ✓ in-patient hospitalization
 - ✓ maternity care
 - ✓ out-patient and routine care
 - ✓ emergency care

AMBITION: 100% of employees covered by the **Michelin One Care Program** by January 1, 2025.



Diversity and inclusion: Progress in every dimension in 2022, 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.

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.



GENDER BALANCE

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

IDENTITY

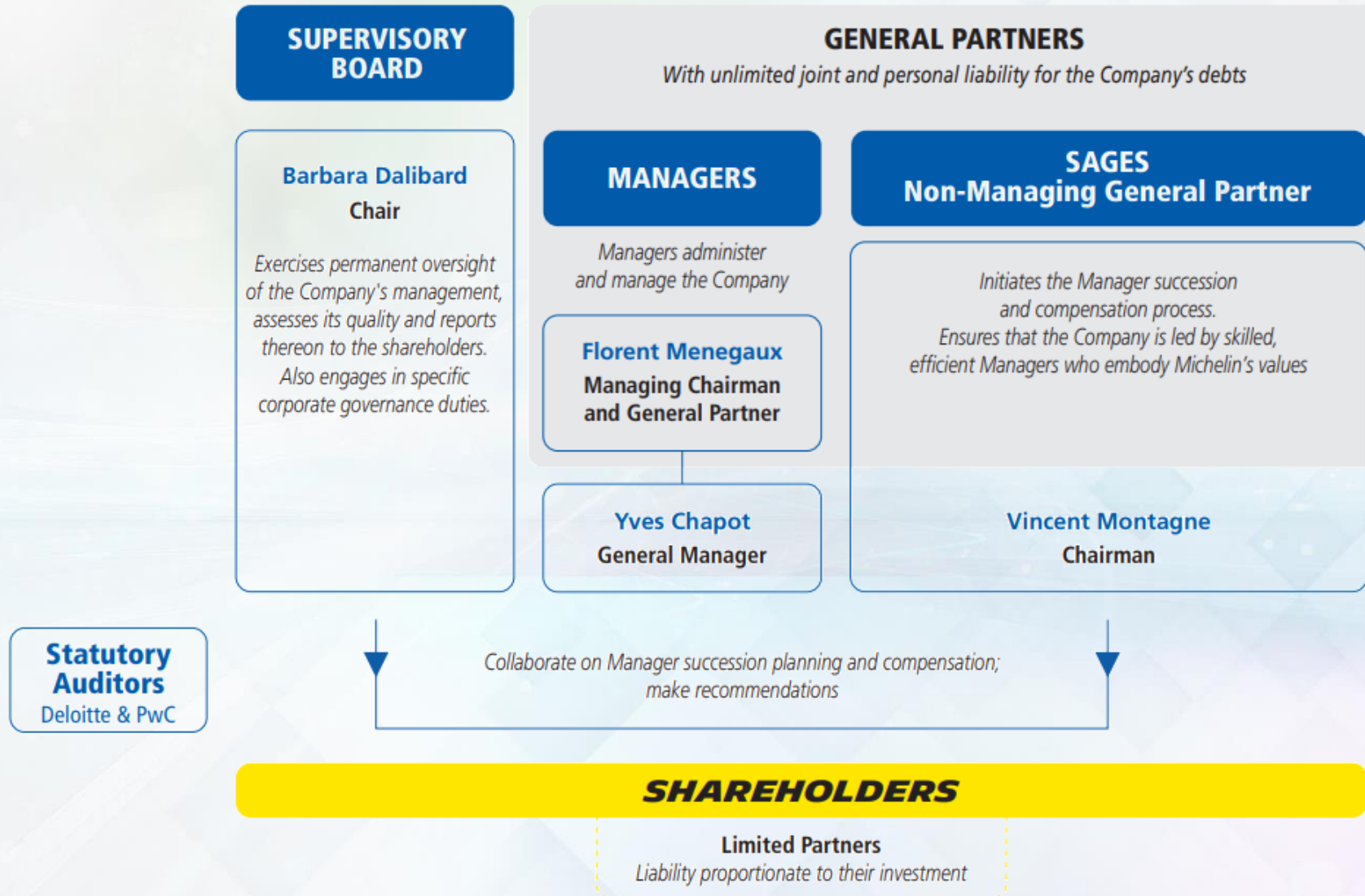
All D&I⁽²⁾ aspects, (e.g., age, sexual orientation, ethnicity, religion, etc.) Enable every person to be who they really are and to bring their authentic selves to work.

(1) IMDI Management Index: see definition on p. 215 of the 2022 Universal Registration Document

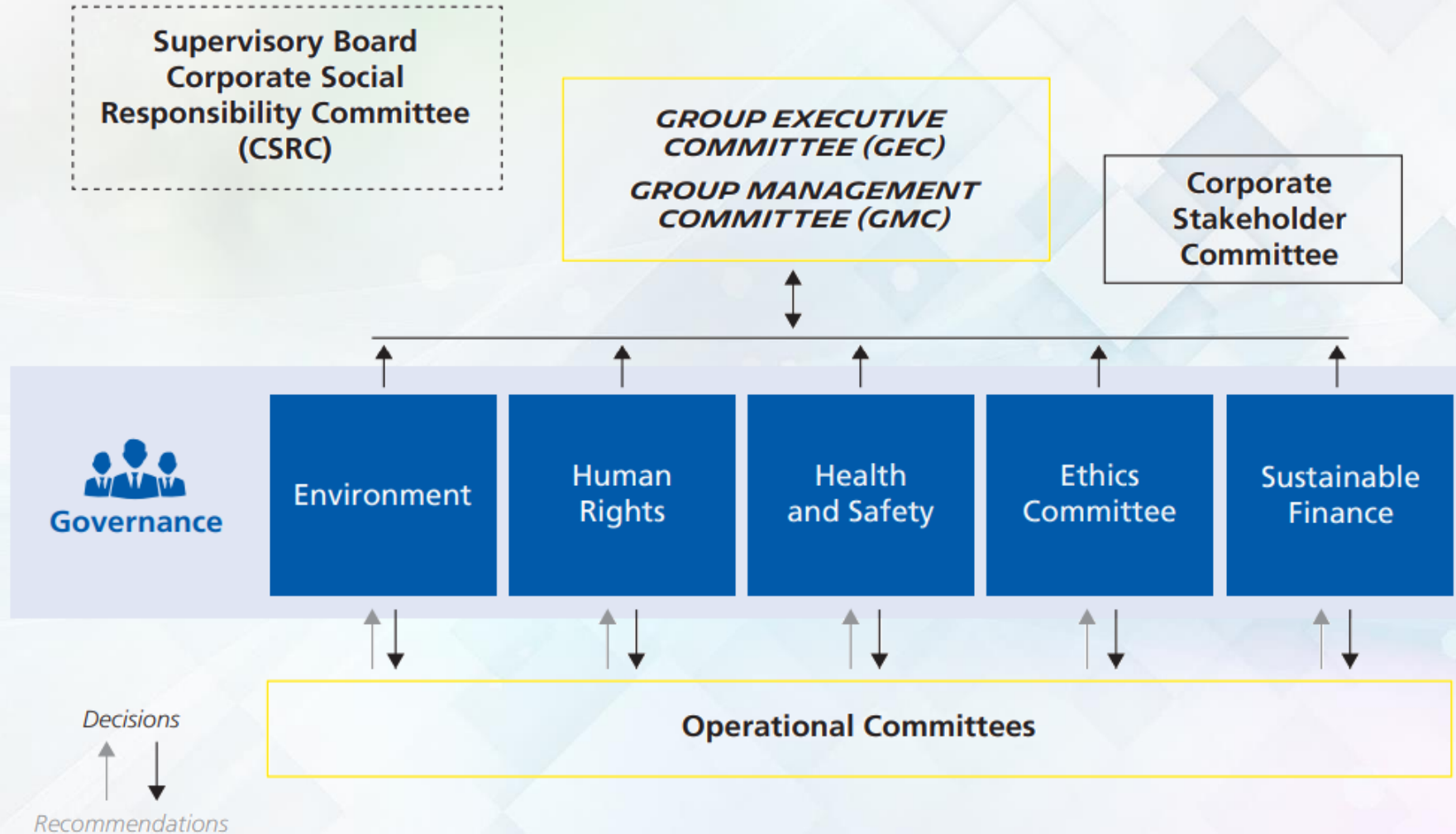
(2) Diversity and Inclusion



Michelin governance pillars: clear segregation of management and supervisory powers

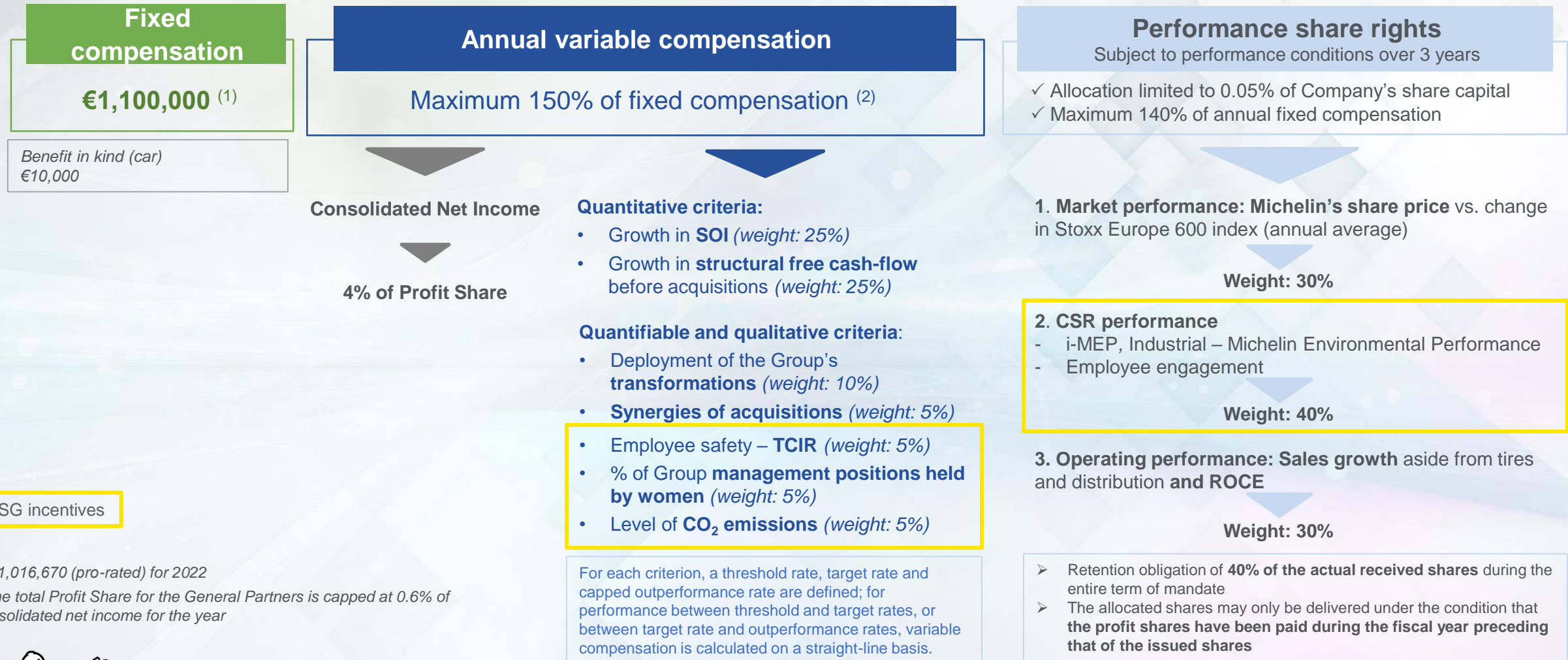


ESG awareness and oversight are fully embodied in Michelin's governance structure



ESG criteria are included in the Managers' compensation and shared with all employees via performance share plans

2022 COMPENSATION POLICY FOR FLORENT MENEGAUX, MANAGING CHAIRMAN



⁽¹⁾ €1,016,670 (pro-rated) for 2022

⁽²⁾ the total Profit Share for the General Partners is capped at 0.6% of consolidated net income for the year

Glossary

FREE CASH FLOW (FCF)

- Free cash-flow excluding M&A : 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, including JV financing, adjusted for net cash-flows relating to cash management financial assets and borrowing collaterals. M&A-related cash-flows and repayment of IFRS 16 debt are not included.
- Structural free cash-flow : corresponds to free cash-flow excluding M&A, adjusted for the impact of changes in raw materials costs on trade payables, trade receivables and inventories.

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.



"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."

GUILLAUME JULLIENNE

PIERRE HASSAÏRI

FLAVIEN HUET

Business Center Paris Trocadero
112 avenue Kléber
75116 Paris – France

23 place des Carmes Dechaux
63040 Clermont-Ferrand - France

investor-relations@michelin.com