2023 ANNUAL RESULTS

February 12, 2024

MICHELIN

Michelin increased segment operating income to €3.6bn in 2023 and generated a strong €3.0bn in cash, reflecting the strength of the Group's strategy

Michelin delivered a high SOI despite adverse market conditions and currencies.

Demonstrating again the quality of its business model while improving people engagement and accelerating its sustainability roadmap.

Reflecting Group's strategy to capture the full value of its differentiated solutions designed to meet increasingly demanding customer requirements.

- Sales of €28.3bn, up 2.0% at constant exchange rates, with mix and price offsetting unfavorable market conditions. Non-tire sales up 10%
  - Tire sell-in markets globally flat but with an adverse mix, with OE growing in most segments while Replacement faced massive destocking
  - Tire sales volumes down 4.7%, reflecting the Group's strategy of prioritizing markets and segments that appreciate its unique value proposition
  - Price and mix effects up 5.7%, of which 1.2% of mix pulled by both products and geographies
  - Non-tire sales up 10% or €146m at constant scope of consolidation. The integration of Flex Composite Group is well on track
  - Negative 2.9% exchange rate effect as most currencies declined against the euro
- Segment operating income reached an all-time high of €3.6bn; margin up 0.7 pts to 12.6% of sales
  - Price effect lifted by the lagged impact of 2022 adjustments
  - Substantial mix effect resulting from market and segment targeting, combined with the Group's enhanced value proposition
  - Improved operating performance offsetting cost inflation factors
- Free cash flow before acquisitions of €3.0bn reflecting improving EBITDA and sharp reduction in working capital
  - EBITDA up 4% at €5.5bn or 19.4% of sales
  - €1.0bn reduction in working capital, driven by a decline in both inventory volumes and value
  - Positive €0.2bn contribution from JVs and associates, notably the TBC distribution JV in the USA
- ROCE of 11.4%, up 0.6 pts, reflecting intrinsic performance and active portfolio management
- Net income stable at €2.0bn despite -€0.6bn industrial restructuring provisions. Dividend of €1.35 per share submitted to the AGM up 8% vs 2022, share buyback program which could be worth up to €1 billion over the period 2024-2026
- 2024 guidance: > €3.5bn in segment operating income at constant exchange rates; > €1.5bn reported FCF before acquisitions [1]

[1] Definition : see slide 64

Reinforced ability to increase cash and margin generation across business cycles

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

(1) Reported Free cash flow, excluding M&A
(2) Segment operating income

Solid overall Group performance in 2023

PEOPLE

30.6%
of managers are women
+ 1.2 PTS vs 2022

1.01
Total Case Incident Rate
- 0.06 PTS vs 2022

83.5%
Employee Engagement rate
+ 1 PT vs 2022

PROFIT

€3,572M
Segment Operating Income (1)
12.6% of sales

11.4%
Return on Capital Employed
+ 0.6 PTS vs 2022

€3,009M
Free cash flow before M&A (1)
+ €3.1BN vs 2022

PLANET

- 6% vs 2022
CO_2 emissions scopes 1&2 (2)
2.16M tons

- 10% vs 2022
Water withdrawal (2)
23.4M m3

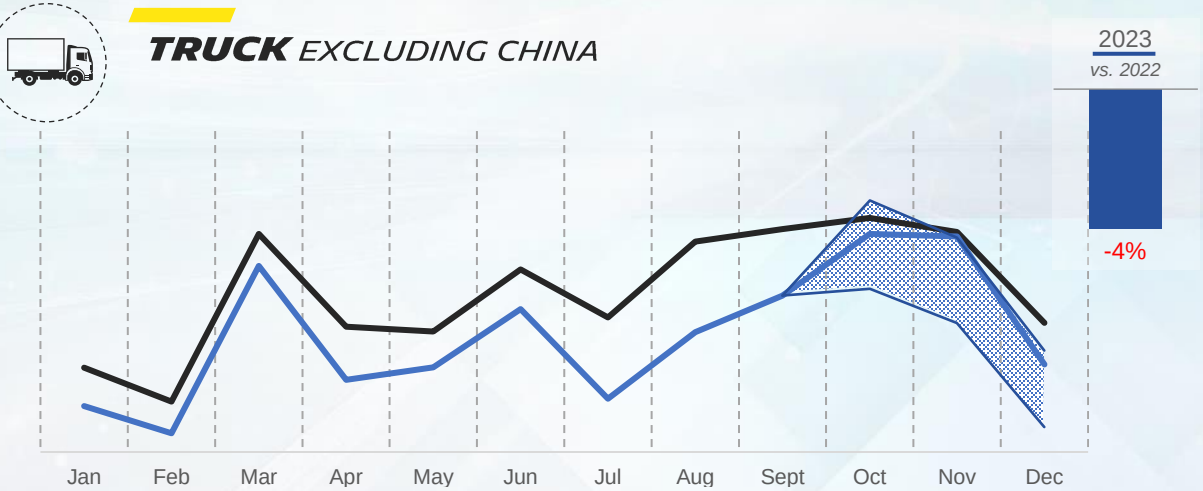
28%
Renewable and recycled materials rate
- 2 PTS vs 2022

(1) Definition: see slide 64
(2) 12-months rolling basis

Sell-in tire markets: PC markets positive pulled by OE, B2B markets penalized by destocking

PASSENGER CAR AND LIGHT TRUCK

TRUCK EXCLUDING CHINA



2023
2022
Q4 2023 projection presented during Q3 sales release

SPECIALTIES

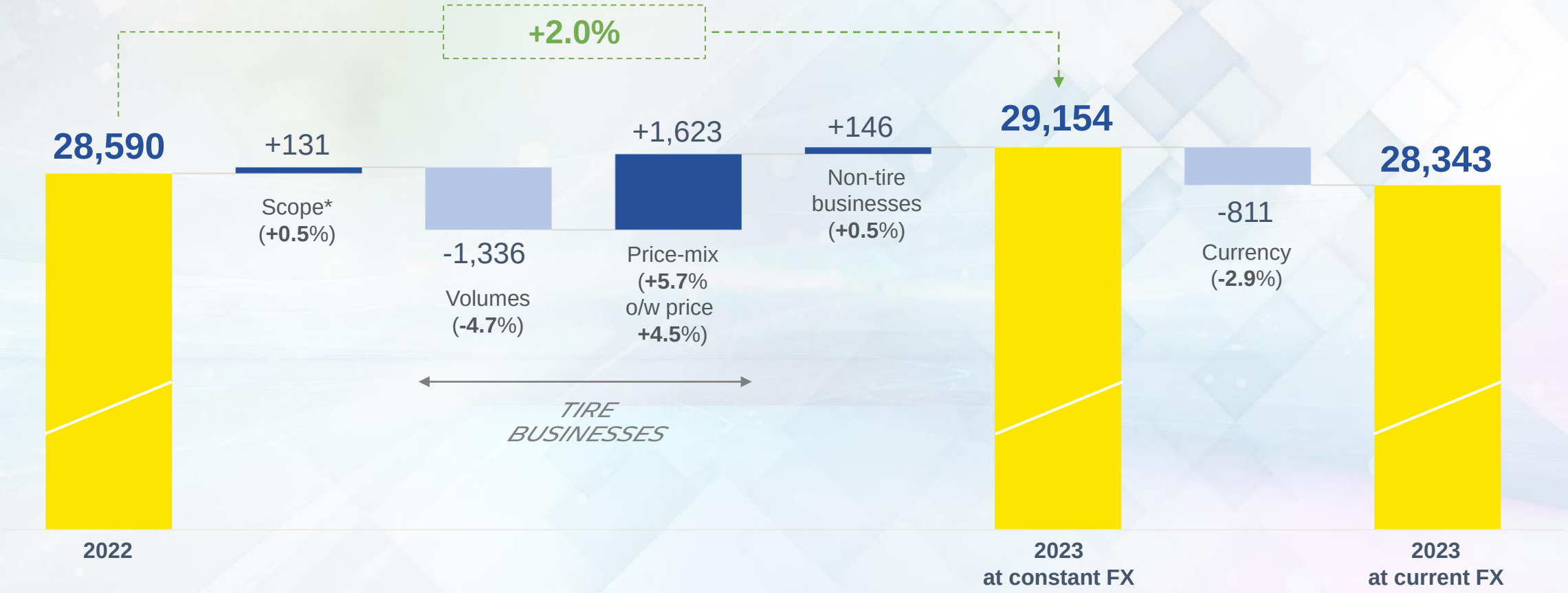
2023
vs. 2022
-0%

- Mining
- Agriculture
- Construction
- Material handling
- Aircraft
- Two-wheel

2023 Group sales up 2.0% at constant parity, price and mix offsetting soft tire volumes. Non-tire sales grew by 10%

ANALYSIS OF FY SALES

(in € millions and as a % of 2022)



** Consolidation of Conveyor Products & Solutions effective Jul. 14, 2022; EGC Enterprises effective Feb. 3, 2023; BlackSmith effective Apr. 1, 2023; Flex Composite Group effective Sep. 26th, 2023*

Segment operating income at all-time high, supported by lagged price effect from 2022, strong mix and improved operating performance offsetting inflation

ANALYSIS OF SEGMENT OPERATING INCOME (SOI)

(in € millions)

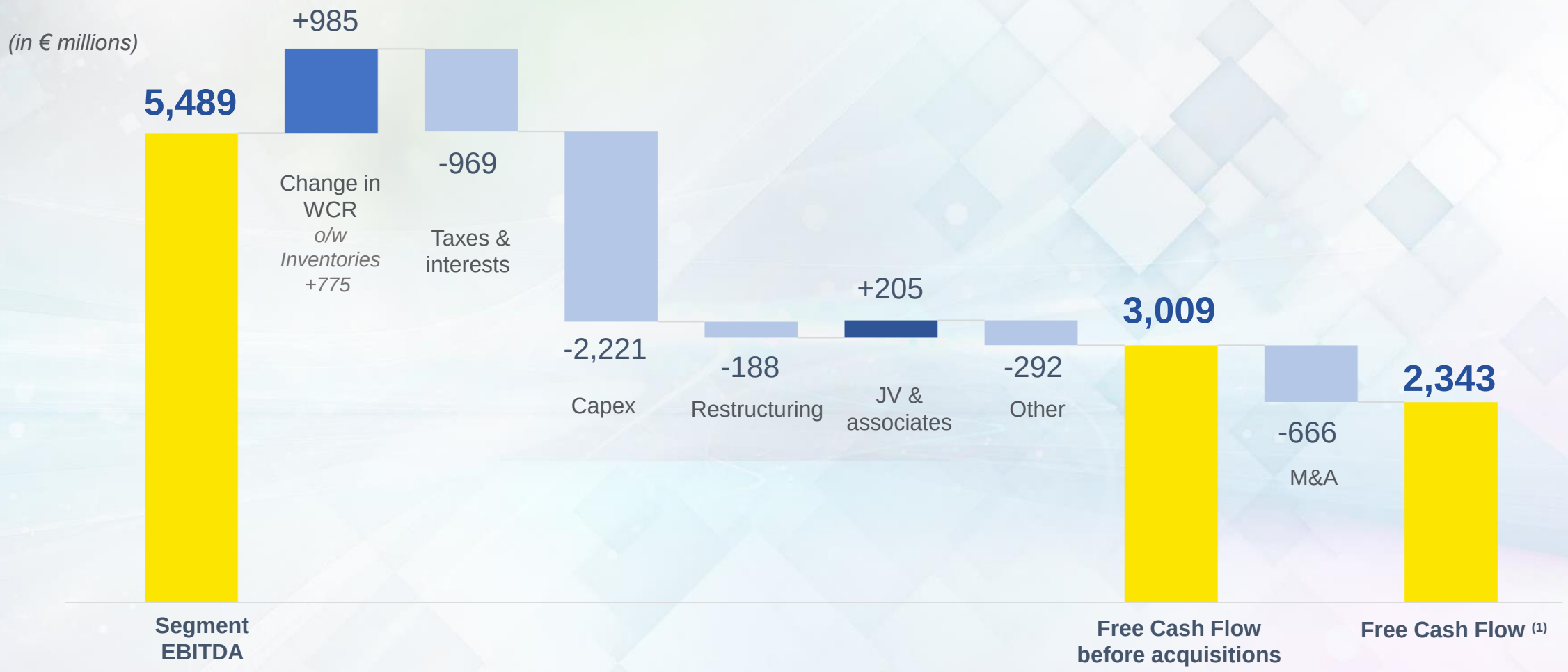
Strong SOI performance driven by RS1 outstanding progress and RS3 recovering margin

SALES AND SOI BY REPORTING SEGMENT

(in € millions)

		FY 23	FY 22	CHANGE
RS1	Sales	**14,339**	**14,138**	+1.4%
	o/w volume change	-	-	*-1.9%*
	Operating income	**1,959**	**1,711**	+14.5%
	Operating margin	13.7%	12.1%	+1.6 pts
RS2	Sales	**6,975**	**7,462**	-6.5%
	o/w volume change	-	-	*-8.5%*
	Operating income	**456**	**641**	-28.9%
	Operating margin	6.5%	8.6%	-2.1 pts
RS3	Sales	**7,029**	**6,990**	+0.6%
	o/w volume change	-	-	*-4.6%*
	Operating income	**1,157**	**1,044**	+10.8%
	Operating margin	16.5%	14.9%	+1.6 pts
GROUP	Sales	**28,343**	**28,590**	-0.9%
	o/w volume change	-	-	*-4.7%*
	Operating income	**3,572**	**3,396**	+5.2%
	Operating margin	12.6%	11.9%	+0.7 pt

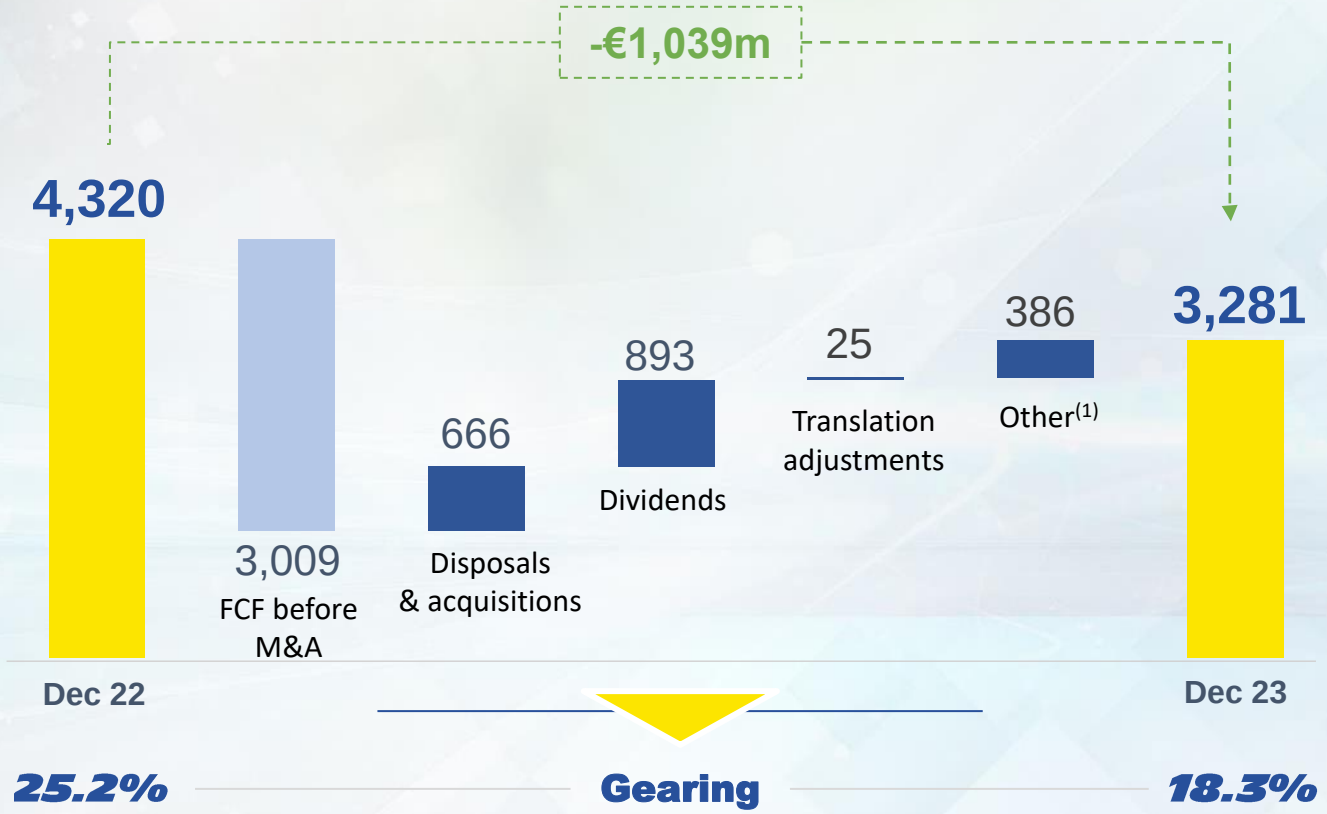
Free Cash Flow before acquisitions of €3.0bn fueled by record EBITDA of €5.5bn or 19.4% of sales, and sharp reduction in working capital



(1) Definition: see slide 64

Gearing improves to 18.3% thanks to strong cash generation

NET DEBT
(in € millions)



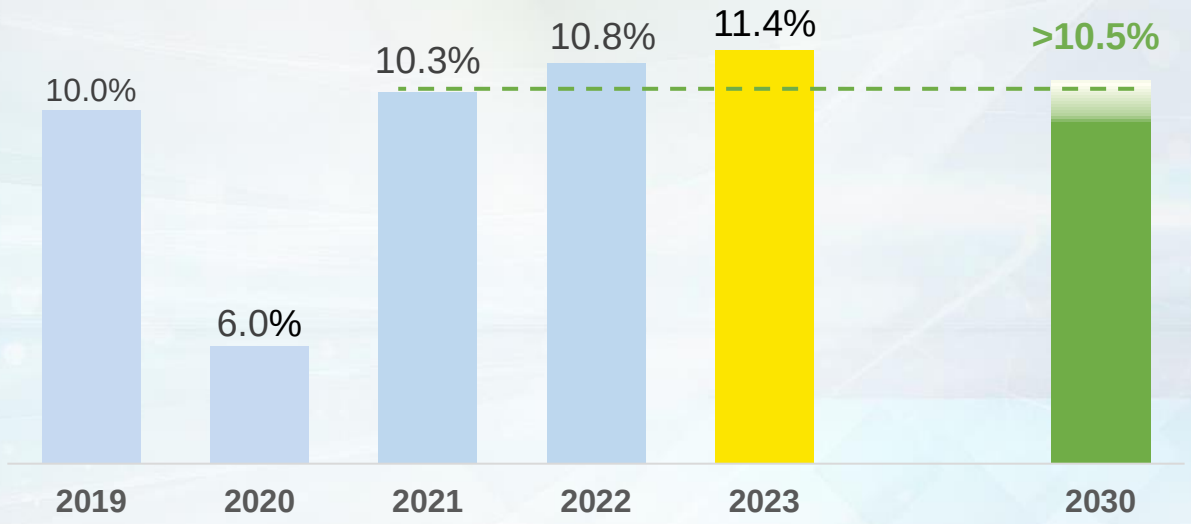
AGENCY RATINGS
Compagnie Générale des Établissements Michelin

	S&P	FITCH	MOODY'S (2)
SHORT TERM	A-2	F2	-
LONG TERM	A-	A-	A3
OUTLOOK	Stable		

(1) *Including new leases*
(2) *Moody's rating is not solicited since July 2020*

ROCE up to 11.4% lifted by SOI increase and active portfolio management

RETURN ON CAPITAL EMPLOYED – ROCE



2023 ROCE lifted by NOPAT

- NOPAT reaching 9.5% of sales in 2023, up from 8.5% in 2022
- Asset Turnover Ratio sustained above 2019 level
- Profit from equity-accounted companies fostered by active portfolio management (TBC, Symbio)

Shareholder return: further development of dividend and pay-out

PER SHARE DATA (1)
(in €)

	2019	2020	2021	2022	2023	Target @CMD21
DIVIDEND	0.50	0.58	1.13	1.25	1.35 (4)	
NET INCOME BASIC	2.42	0.88	2.58	2.81	2.77	
PAY-OUT RATIO (2)	21%	65%	44%	44%	49%	50%
RETURN (3)	1.8%	2.2%	3.1%	4.8%	4.2%	

(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 the AGM on May 17th 2024

DIVIDEND POLICY

- Gradually raise payout ratio towards 50% in 2030
- Pay-out calculated on reported net income

SHARE BUY-BACK POLICY

- Share buy-back program worth up to €1bn over the period 2024-2026

A wide diversity of destination markets ensuring Group resilience
Accelerating growth on polymer composite solutions with FCG acquisition

(% of 2023 sales)

POLYMER COMPOSITE SOLUTIONS

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

5%

SPECIALTIES TIRES

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

18%

FLEET SERVICES, DISTRIBUTION & LIFESTYLE

Main drivers: miles driven, GDP, used cars market, tourism

11%

TRANSPORTATION TIRES

Main drivers:
GDP & PMI

20%

36%

REPLACEMENT AUTO & 2-WHEEL TIRES

Main drivers: miles driven, GDP, used cars market

10%

AUTO OE (1) TIRES

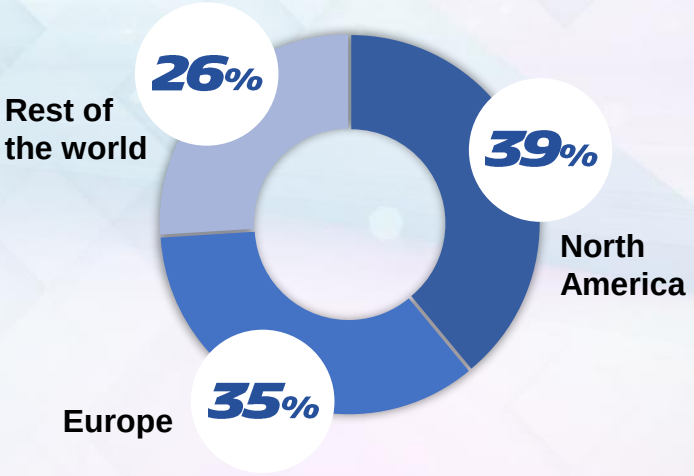
Main drivers:
regulation & GDP

Cyclicality

- Very high
- Low
- High
- Very low

(1) Original equipment

A BALANCED GEOGRAPHICAL FOOTPRINT



MICHELIN

FCG strong financial profile confirmed in 2023, on track to deliver synergies

STRONG FINANCIAL PROFILE
2023 FY DATA (1)

Dynamic growth

~€200m revenue	+9% organic revenue CAGR over 2015 – 2023

EBIT-accretive businesses

~€43m EBIT	~22% of sales

Low capital intensity

~€10m capex	~5% of sales

(1) *Consolidated from September 26, 2023*

TARGETED EBIT SYNERGIES CONFIRMED

€21m run-rate EBIT synergies confirmed by 2028

First wave implemented :

- Raw materials procurement
- Refinancing & insurance

Business line dedicated to Composite Fabrics and Films

- Grouping existing assets from FCG and Michelin
- Headed from France, worldwide reach

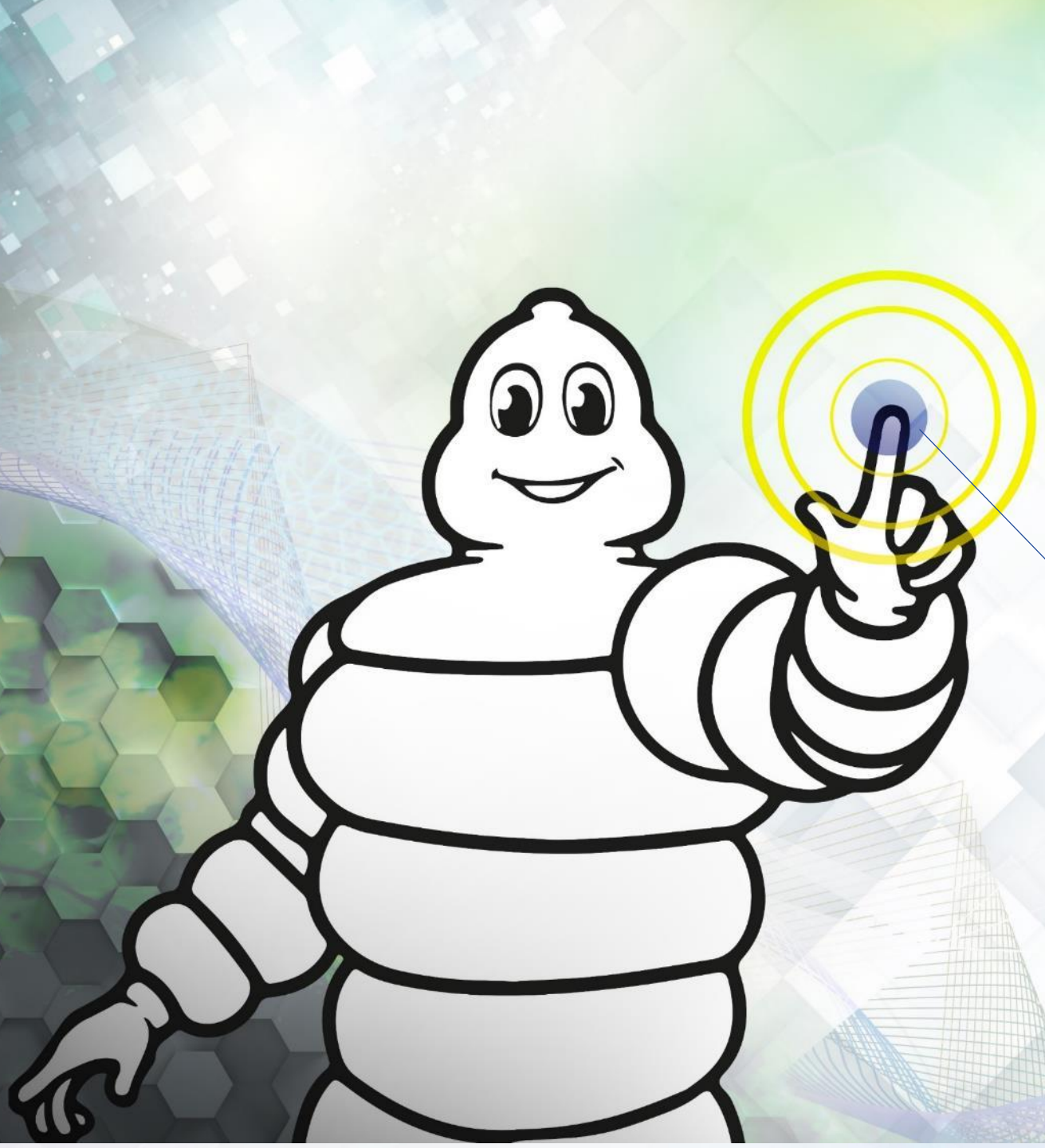
Leveraging existing R&D assets

- Connecting FCG teams with Michelin's R&D platform
- Ambition to improve product value to customers, via increased performance and higher content of recycled & renewable materials

Technical carbon fibre fabrics used for car helmets

Membrane to guarantee breathability and waterproofing

ORCA Neoprene fabrics for inflatable boats



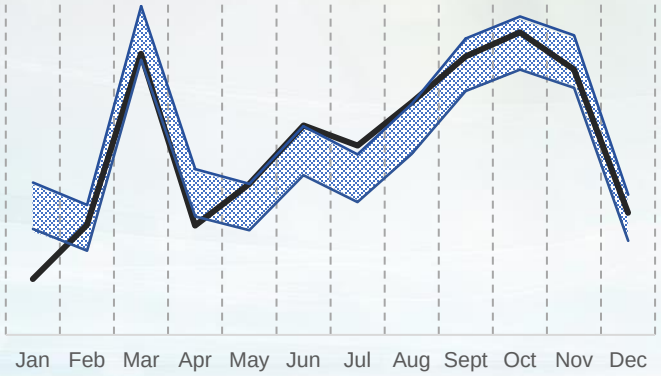
2024 GUIDANCE

MICHELIN

2024 tire markets scenario (sell-in) overall flat, with slight increase in RT and decline in OE

PASSENGER CAR / LIGHT TRUCK

-2%/+2%

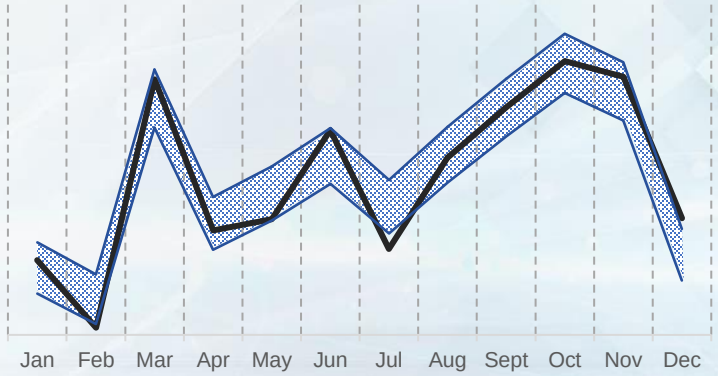


OE: decline in demand, mitigated by some restocking by OEMs in North America

RT: soft growth in demand with continuous market enrichment

TRUCK excl. China

-2%/+2%



OE: demand pulled down by new GHG regulation in North America that boosted sales in 2023, and challenged economic outlook in Europe

RT: slight growth driven by underlying transportation demand, stocks at normative level

2023 — Projection 2024

SPECIALTIES

-2%/+2%

Mining tires: strong fundamental demand holds, markets impacted by stock fluctuations

Beyond-road tires: slight growth across RT businesses, while OE turns negative

Two-wheel tires: market growth in all regions reflecting consumer demand

Aircraft tires: normalized growth with strong 2023 reference base (back to pre-Covid level)

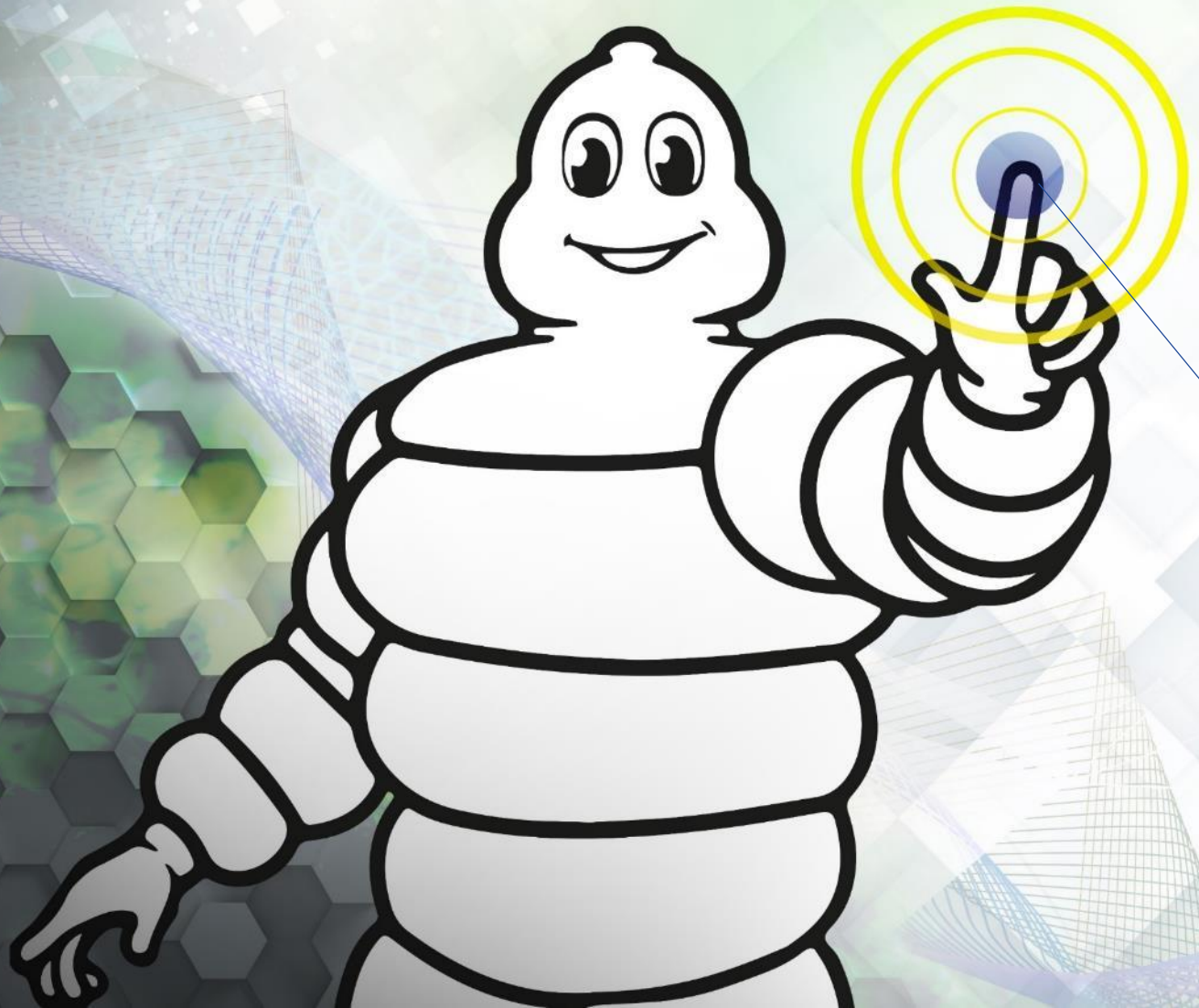
2024 Group scenario & guidance

SCENARIO	Volumes	[-2% ; 0%]
SCENARIO	Operating performance net of inflation	slightly positive
SCENARIO	Cash-out capex	[€2.2bn ; €2.4bn]
GUIDANCE	Segment operating income at constant FX vs 2023	> €3.5bn
GUIDANCE	Free cash flow before Acquisitions	> €1.5bn

2024 Financial Agenda

Q1 SALES	APR. 24, 2024 *
AGM	MAY 17, 2024
CAPITAL MARKETS DAY	MAY 28, 2024
HALF-YEAR RESULTS	JULY 24, 2024 *
Q3 SALES	OCT. 23, 2024 *

** After close of trading*



APPENDIX

Michelin's deep-innovation capabilities feed the Group's leadership on all targeted end-markets

MICHELIN'S DEEP-INNOVATION CAPABILITIES

- **Unrivaled innovation ability,** from fundamental research to solutions development
- Extensive **worldwide manufacturing expertise**
- Unique know-how in **performance simulations**
- **Clear roadmap towards 100% sustainable materials** with dedicated R&D programs

LEADERSHIP POSITION ON EVERY TARGETED END-MARKET

TIRE

SERVICES TO FLEETS

MICHELIN CONNECTED FLEET
powered by Masternaut, Sascar, NexTraq

TaaS
Tire-as-a-Service

WATEA
by Michelin

POLYMER COMPOSITE SOLUTIONS

Sealing technologies	Belting solutions	Engineered fabrics & films	Engineered polymers

Strategic Scorecard – 2023 results in line with 2030 ambitions

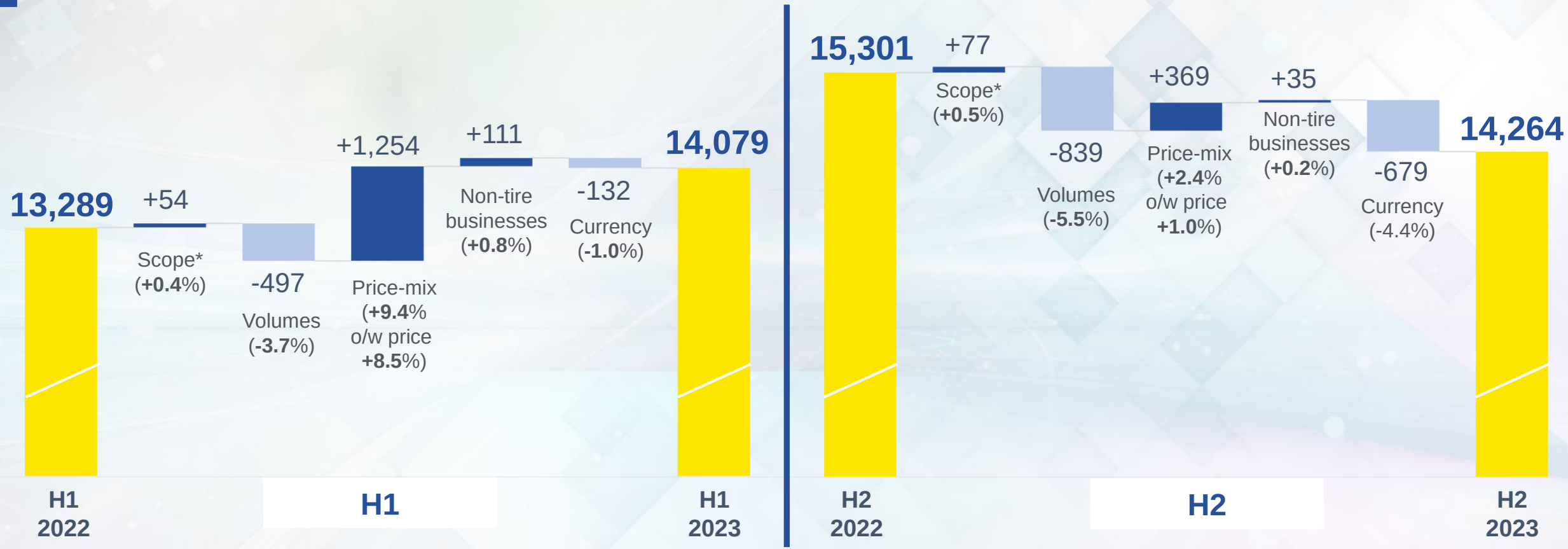
	AMBITION	METRICS	2030 SUCCESS	PROGRESS STATUS 2021	2022	2023
People	Be world-class in employee engagement	Engagement rate	>85%	79.8%	82.5%	83.5%
	Be world-class in employee safety	TCIR(1)	<0.5	1.29	1.07	1.01
	Be a reference in diversities and inclusion of teams	IMDI(1)	80 pts over 100	65	70	72
	Be best-in-class in value created for customers	NPS partners(1)	48 (+10 vs. 2020)	38.9	41.6	42.7
Profit	Deliver substantial growth	Total sales	5% CAGR 23-30	€23.8bn	€28.6bn	€28.3bn
	Deliver continuous financial value creation	ROCE(1)	>10.5%	10.3 %	10.8%	11.4%
	Maintain Michelin brand power	Brand vitality quotient	+5 pts vs. 2021	68	65	65
	Maintain best-in-class innovation pace in products and services	Offers vitality index	>30%	31%	31%	31%
Planet	Reach net zero emission by 2050 (manuf. and energy)	CO_2 emissions (scopes 1&2)	-50% vs. 2010	-29% 2764 Kt	-41% 2304 Kt	-44% 2163 Kt
	Contribute to reaching net zero emission (Scope 3)	Products energy efficiency (scope 3)	+10% vs. 2020	+0.5%	+1.8%	+2.9%
	Be best-in-class in environmental footprint of industrial sites	i-MEP(1)	-1/3 vs. 2019	-7.4%	-11.2%	-16.1%
	Reach full circularity of products by 2050	Sustainable Material Rate	40%	29%	30%	28%

(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 2022 Universal Registration Document

H1 sales lifted by lagged effect of 2022 price adjustments, H2 volumes softer but mix stronger

ANALYSIS OF SALES BY SIX-MONTH PERIOD

(in € millions and as a % of 2022)



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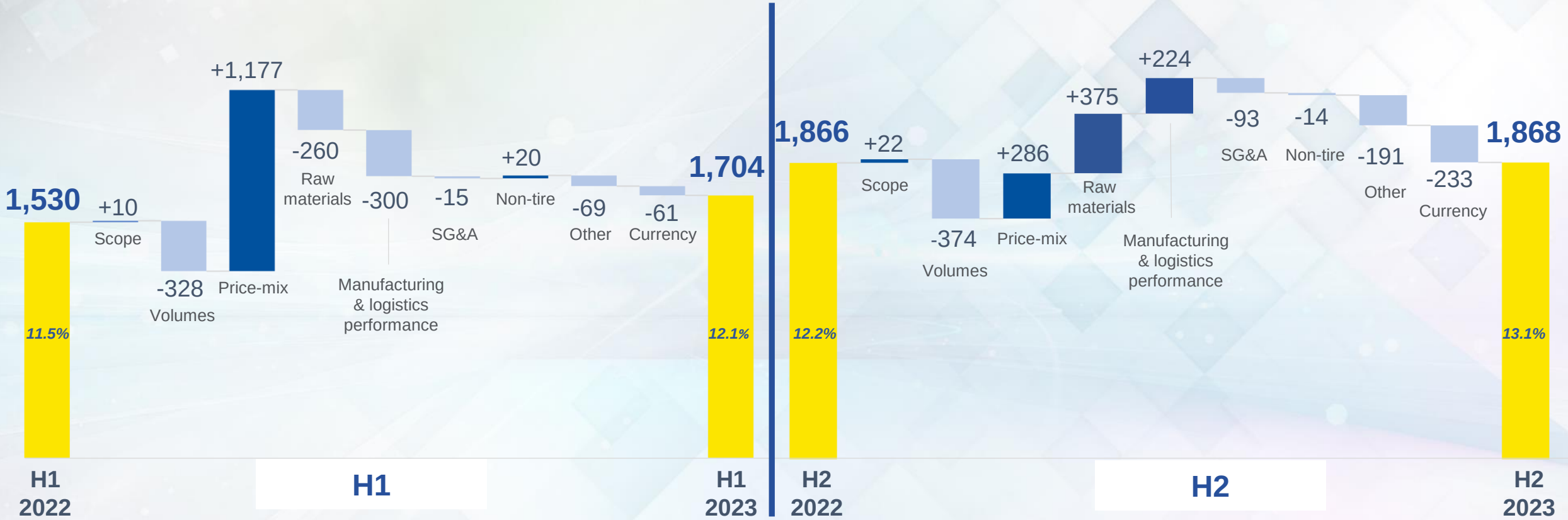
Segment operating income increase driven by strong price-mix, inputs costs turning positive in H2

ANALYSIS OF SEGMENT OPERATING INCOME (SOI)

(in € millions)



Reported 2023, 2022, and 2021 financial highlights

(in € millions)	**2023**	**2022**	**2021**
Sales	**28,343**	28,590	23,795
Segment EBITDA	**5,489**	5,262	4,700
Segment EBITDA margin	**19.4%**	18.4%	19.8%
Segment operating income	**3,572**	3,396	2,966
Segment operating margin	**12.6%**	11.9%	12.5%
Other operating income and expenses	**(920)**	(375)	(189)
Net income	**1,983**	2,009	1,845
Basic earnings per share (in €)	**2.77**	2.81	2.58
Capital expenditure outlays	**2,221**	2,008	1,441
Free cash flow before acquisitions*	**3,009**	(104)	1,464
Free cash flow*	**2,343**	(180)	1,357
ROCE	**11.4%**	10.8%	10.3%
Gearing	**18.3%**	25.2%	18.6%

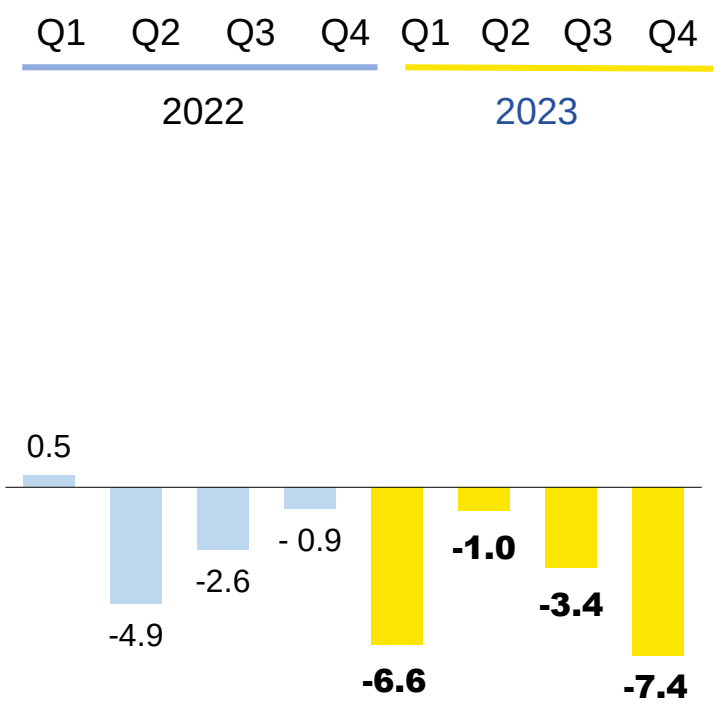
* Definition: see slide 64

Q4 volumes weaker on high reference basis, price-mix remains positive on tougher comparison and adjustments on indexed businesses

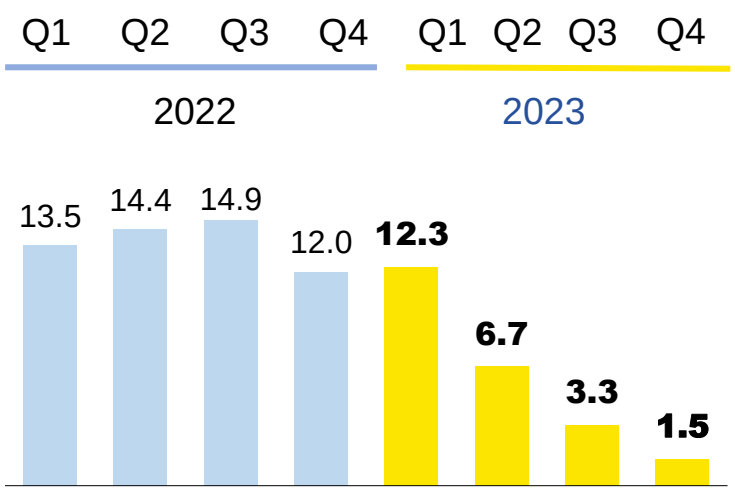
YOY QUARTERLY CHANGE

(in %)

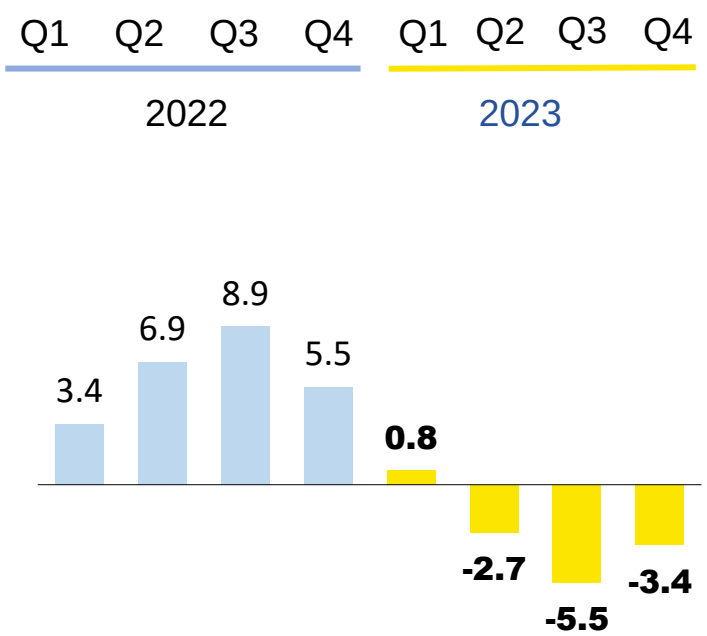
VOLUMES



PRICE-MIX



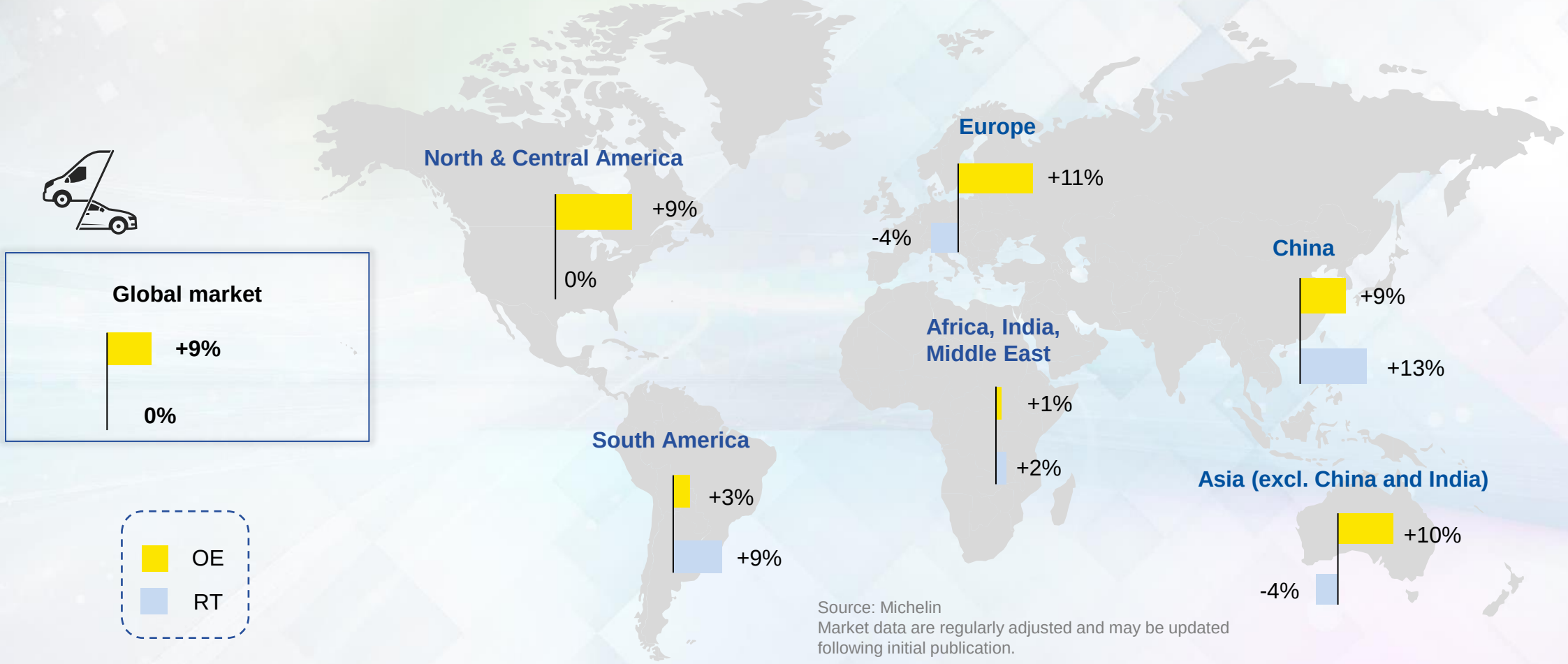
CURRENCY



PC/LT tire markets: sell-in demand grew by 2% in 2023, driven by OE and supply chains ease *vs* RT flat in a context of inventory reduction across the value chain

PC/LT TIRE MARKET, FY 2023

(% change YoY in number of tires)

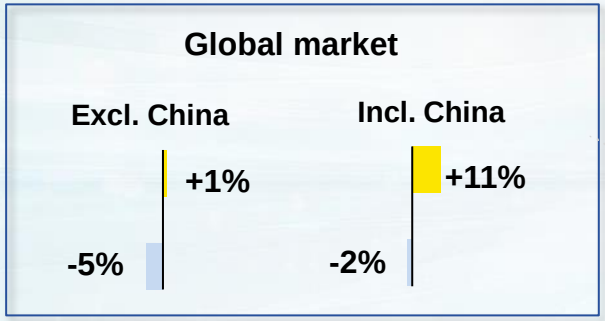


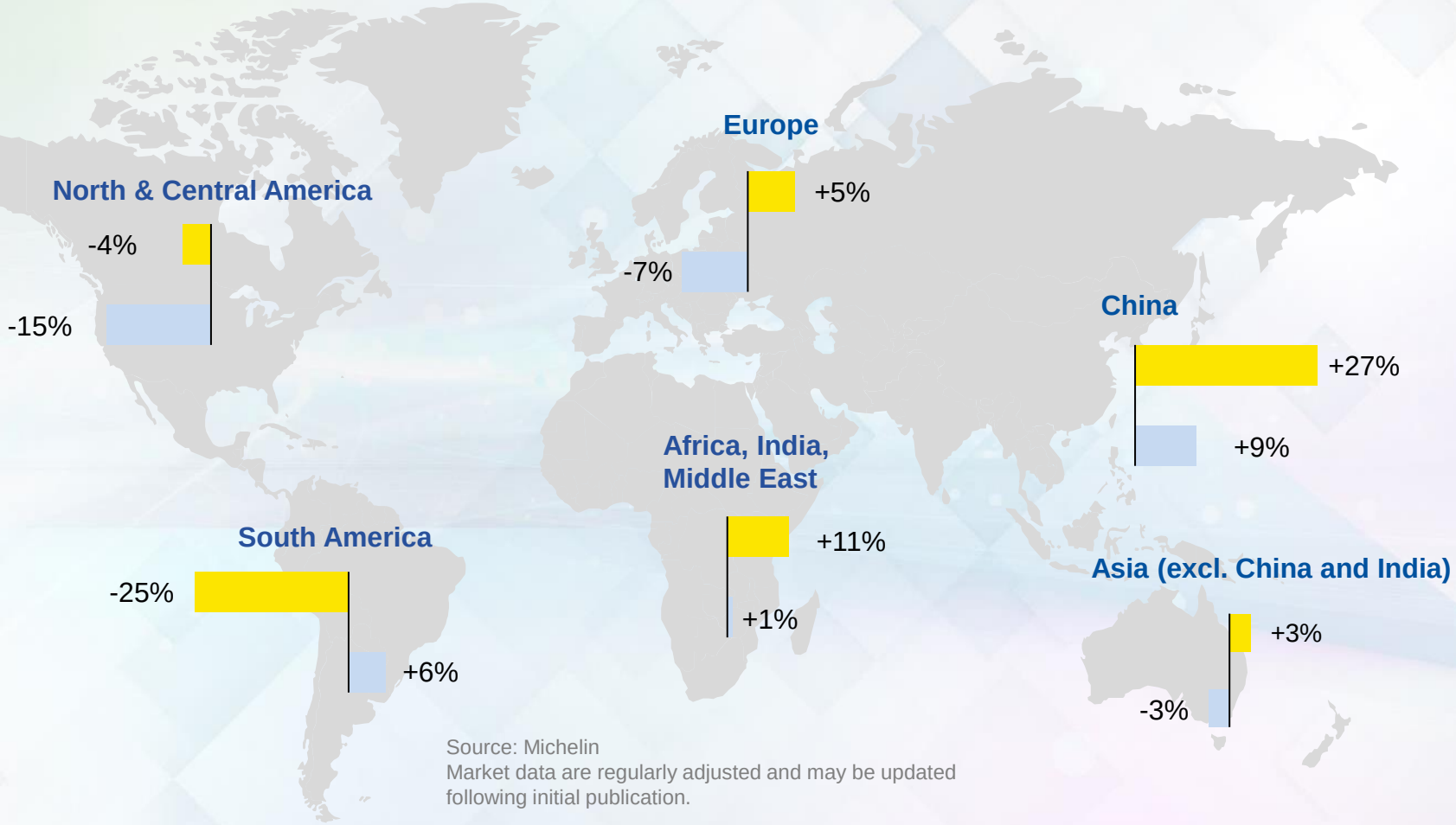
Source: Michelin
Market data are regularly adjusted and may be updated following initial publication.

Truck tire markets: sell-in demand down 4% (excl. China) in a context of inventory reduction across the value chain in RT, with OE lifted by backlog resorption and impact of regulations

TRUCK TIRE MARKET, FY 2023

(% change YoY in number of tires)

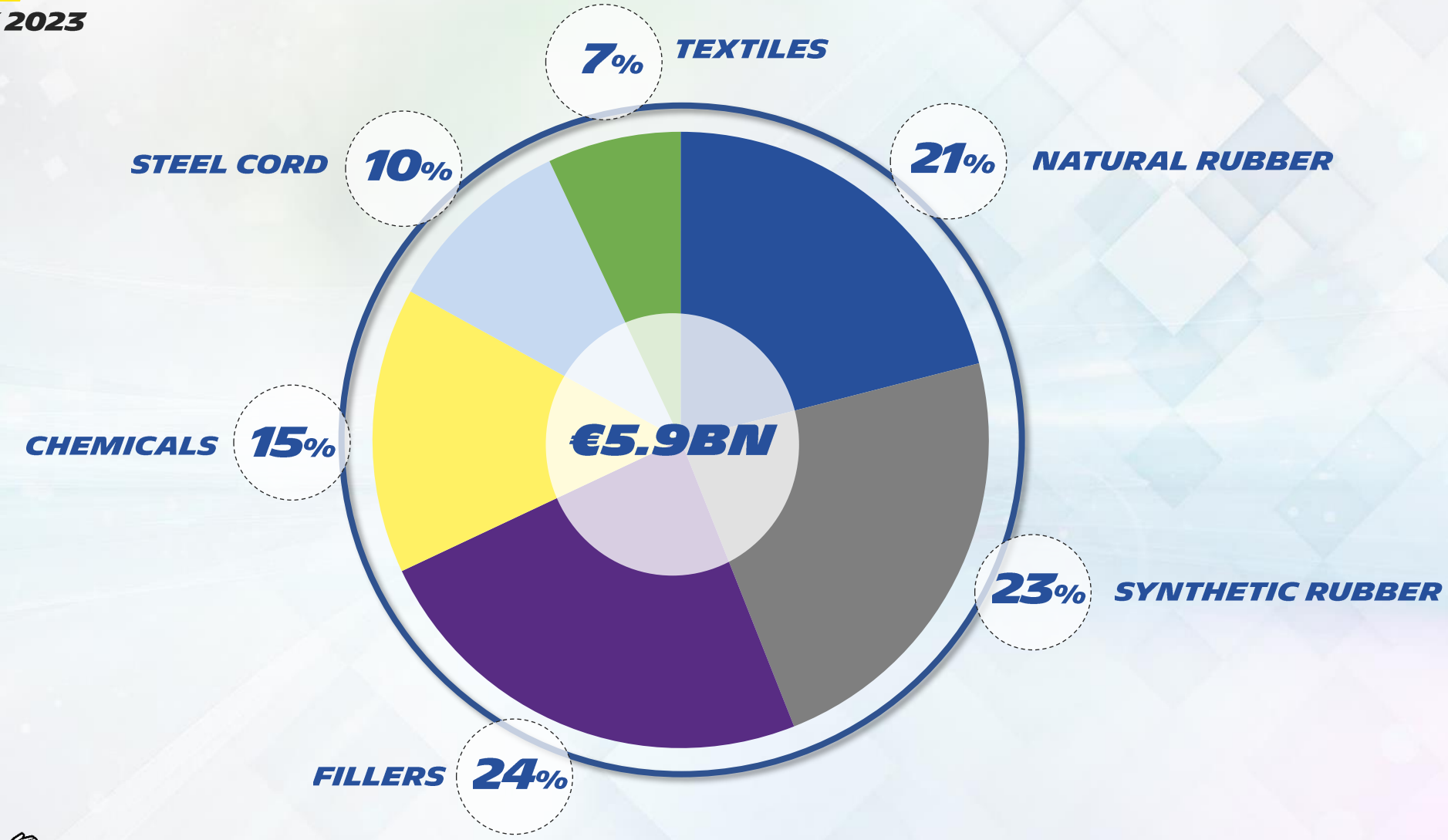




Source: Michelin
Market data are regularly adjusted and may be updated following initial publication.

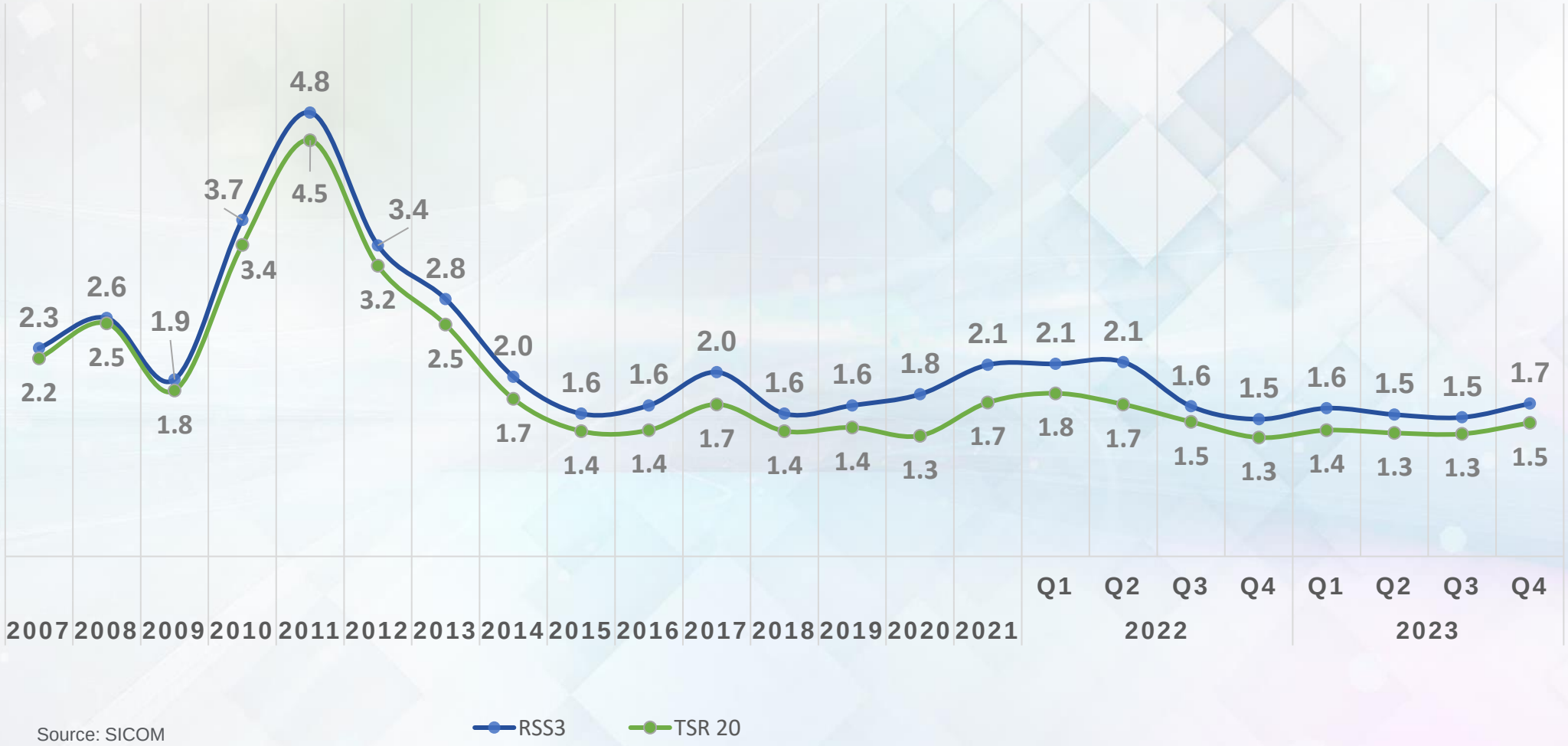
Raw materials cost breakdown

FY 2023



Natural rubber price

TSR20 AND RSS3 IN $/KG



Source: SICOM

Brent price

BRENT IN $/BBL

Butadiene price

BUTADIENE EUROPE IN €/T

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

	% OF SALES 2023	2023 currency change vs. €	DROPTHROUGH* SALES → SOI
USD	40%	-2.6%	20% / 30%
EUR	31%	-	-
CNY	6%	-8,1%	20% / 30%
BRL	4%	+0.6%	-30% / -20%
GBP	3%	-2.2%	20% / 30%
CAD	3%	-6.5%	25% / 30%

	% OF SALES 2023	2023 currency change vs. €	DROPTHROUGH* SALES → SOI
AUD	3%	-7.3%	60% / 70%
JPY	1%	-10.2%	80% / 85%
MXN	1%	+9.6%	25% / 30%
TRY	1%	-44.7%	80% / 85%
THB	1%	-2.0%	-130% / -100%
Other	6%	-	-

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

$$\text{Sales} \times \underbrace{40\% \times (-2.6\%)}_{\text{impact on sales } -1{,}0\%} \times \sim 25\% = \text{impact on SOI } (-0.3\%)$$

* *Dropthrough linked to the export/manufacturing/sales base*

Outstanding bond issues

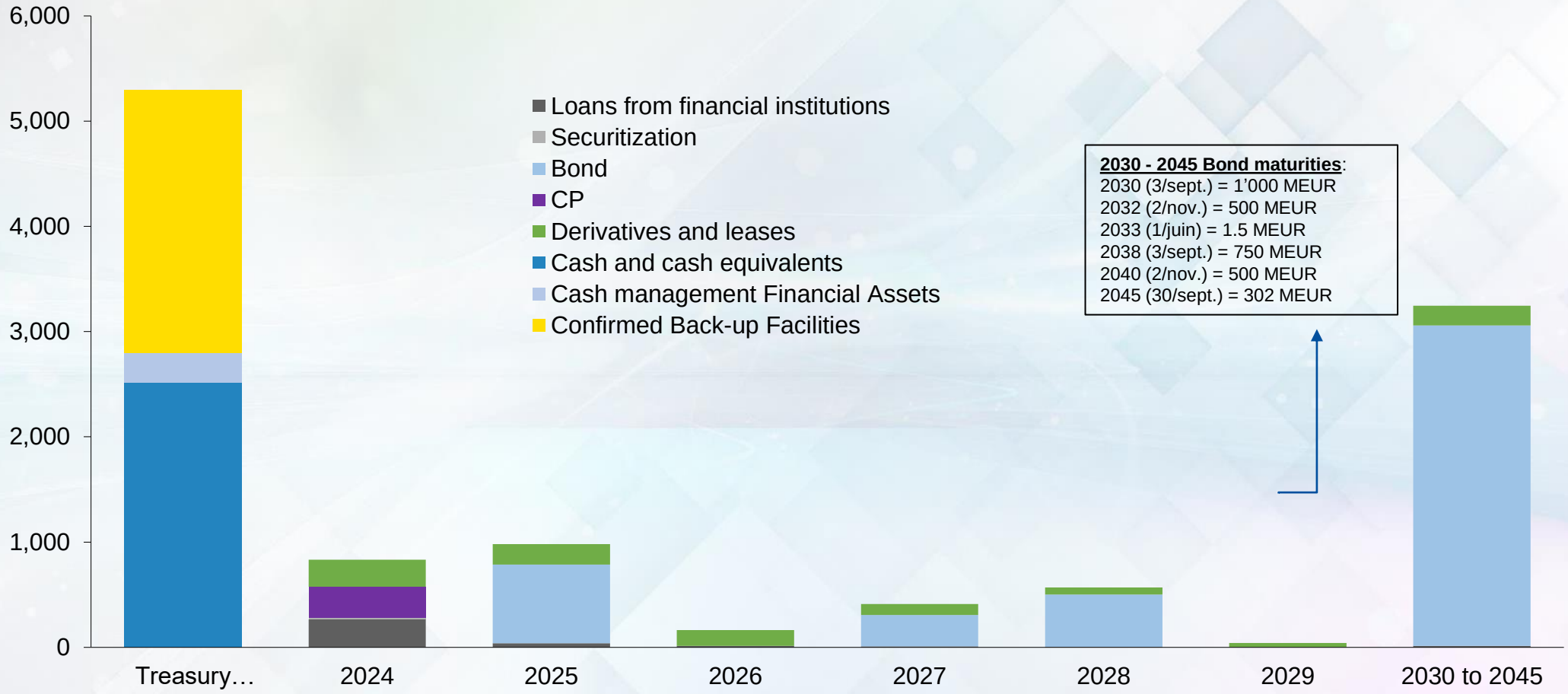
(As of December 31, 2023)

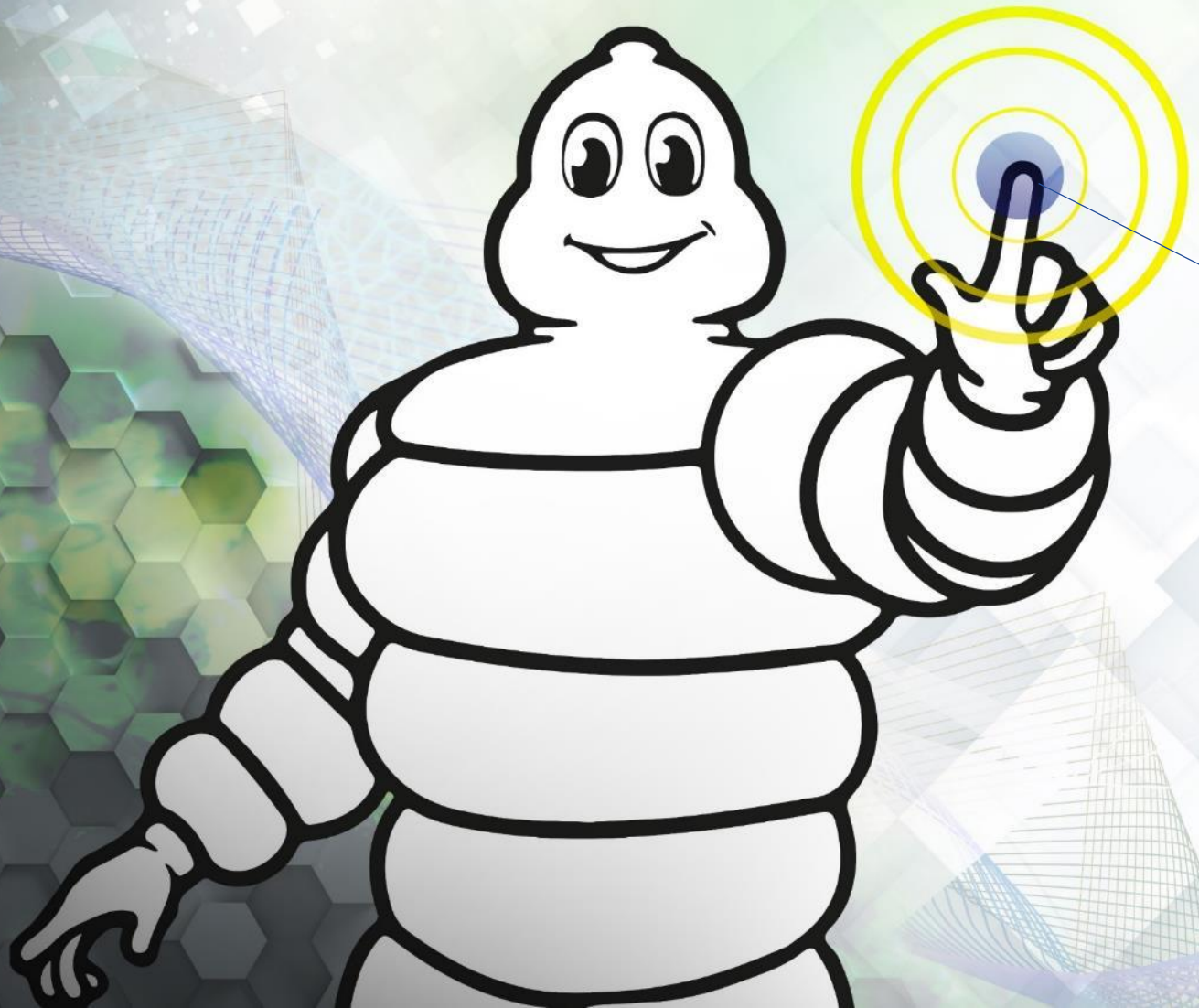
Issuer	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN
Issue	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note
Type	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond
Principal Amount	**€ 750 mn**	**€ 300 mn**	**€ 500 mn**	**€ 1'000 mn**	**€ 500 mn**	**€ 750 mn**	**€ 500 mn**	**€ 302 mn**
Offering price	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) 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	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	3-sept.-18	28-mai-15	2-nov.-20	3-sept.-18	2-nov.-20	3-sept.-18	2-nov.-20	30-sept.-15 & 30-sept.-16
Maturity	3-sept.-25	28-mai-27	2-nov.-28	3-sept.-30	2-nov.-32	3-sept.-38	2-nov.-40	30-sept.-45
Interest payment	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	FR0013357845	XS1233734562	FR0014000D31	FR0013357852	FR0014000D49	FR0013357860	FR0014000D56	XS1298728707
Denomination	€ 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

An adequate cash position with maturities well spread over time

DEBT MATURITIES AT DECEMBER 31, 2023

(carrying amount in € millions)





APPENDIX

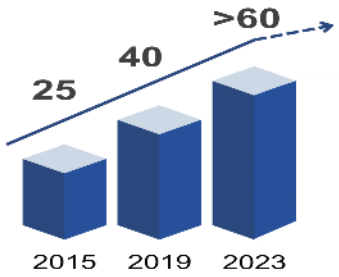
Tire businesses

Strengthening leadership in high-value and increasingly demanding market segments

ACCELERATION OF >18'' SEGMENT FOSTERED BY ELECTRIFICATION, DRIVING SUBSTANTIAL MIX ENHANCEMENT

+12%
CAGR*
19'' > 18'' by 2025

Market trend in > 18'' tires



>18'' segment, share of MICHELIN brand sales (%)

>100m€

Sustainable mix impact on EBIT, per year

SPECIALITIES: WINNING WHERE IT MATTERS

2023

Launch of the 1ST **RADIAL TIRE** for the ***world's largest loader***

FOCUSING OUR WHERE-TO-PLAY ON MOST DEMANDING CUSTOMERS

Americas | Europe | South East Asia

Priority to MICHELIN brand in the most profitable regions

Premium quality | Tech oriented | Green conscious

3 premium segments = 50% of market value

AG TRACKS

10%
CAGR*

Michelin strong market share

HIGH POWER TRACTORS

CAGR* + 1 pt vs average AG

50% OF AG MARKET
IN VALUE

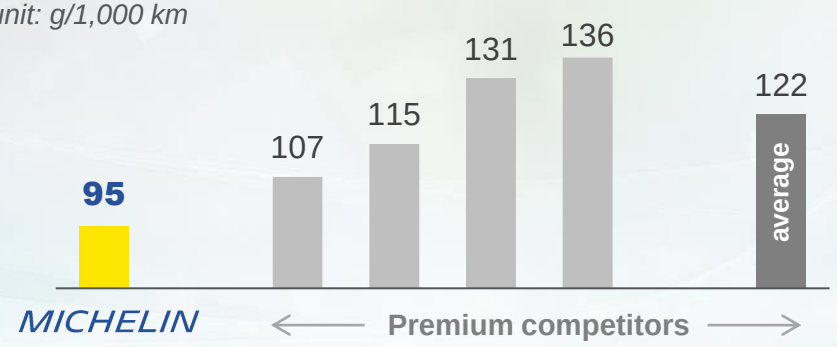
* 2023 - 2028

MICHELIN

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



> 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

PARTICLE EMISSIONS GET REDUCED WITH EACH NEW RANGE (2)

(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) :

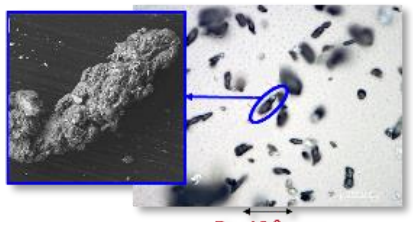
AIR

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.

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)

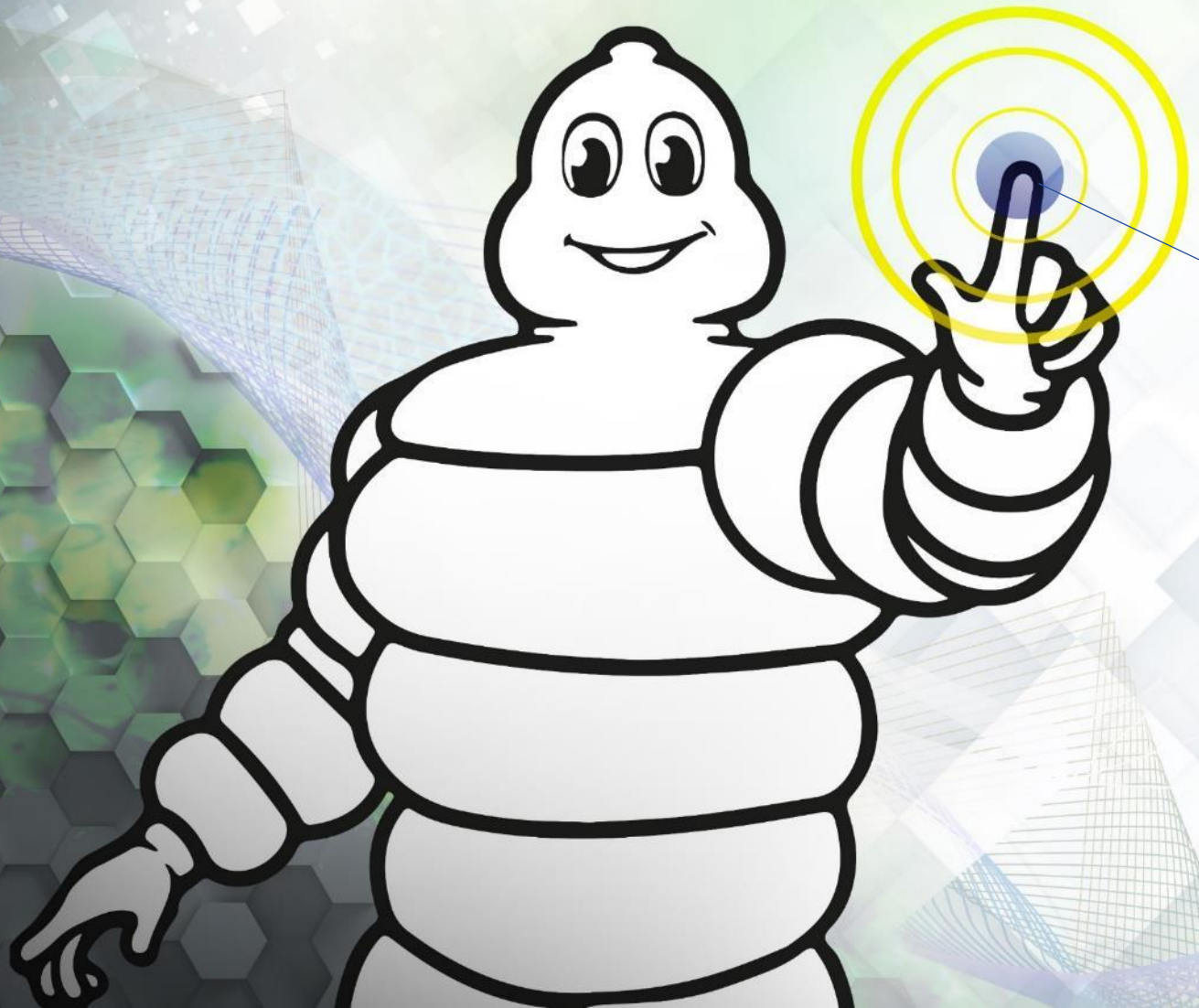
Michelin is strongly in favor of a regulation that would limit the level of wear particle emissions of all tires worldwide ➔ work in progress with ETRMA(2) members in order to :

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

Download the ADAC study *Tyre wear particles in the environment* (March 2022)

(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



APPENDIX

Services & Solutions

MICHELIN

Services to fleets: a suite of innovative solutions that empower mobility players to race towards zero-accident, zero-downtime, zero-emission

Unique customer intimacy and usage expertise

CONNECTED MOBILITY SOLUTIONS

Actionable insight provider for fleets leading towards zero-accident, zero-downtime, zero-emission

MICHELIN CONNECTED FLEET
Connected fleet management services

Tire-as-a-Service
High-value tire outsourcing offer

MICHELIN ONCALL
24/7 road emergency service

WATEA by Michelin
LCV fleets decarbonation solution

MICHELIN MEMS 4
Monitoring tool for Mining tyre and usage conditions

MICHELIN MOBILITY INTELLIGENCE

Decision levers provider for public and private sector to make mobility safer, better and smarter.

SAFER ROADS
Save lives

BETTER ROADS
Optimize road maintenance

MICHELIN MOBILITY DATA
Monetize Michelin's high value mobility data outside

TRUCKFLY by Michelin
First and unique European truck driver's community

Powered by Michelin connected technologies

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

STAKES OF TRANSITION TO E-LCV

LCVs ~ 3-4% of global CO2 emissions

Switch to EV
➔ - 60% emissions

Mandatory to operate in cities

FLEETS PAIN POINTS

How to **transition ?**

How to **operate?**

How to **finance ?**

WATÈA by Michelin

VALUE PROPOSITION

Tailored solution
EV, charging solution, maintenance

Digital services
productivity increase and service continuity

A unique value proposal through an **all-inclusive subscription** (Opex)

LEVERAGING MULTIPLE GROUP ASSETS

Tire

Connected Mobility Solutions

High-Tech Materials

MICHELIN AGILIS CROSSCLIMATE

EUROMASTER

MICHELIN CONNECTED FLEET Powered by MASTERNAUT

SYMBIO

PARTNERING WITH CA FOR VEHICLE FINANCING

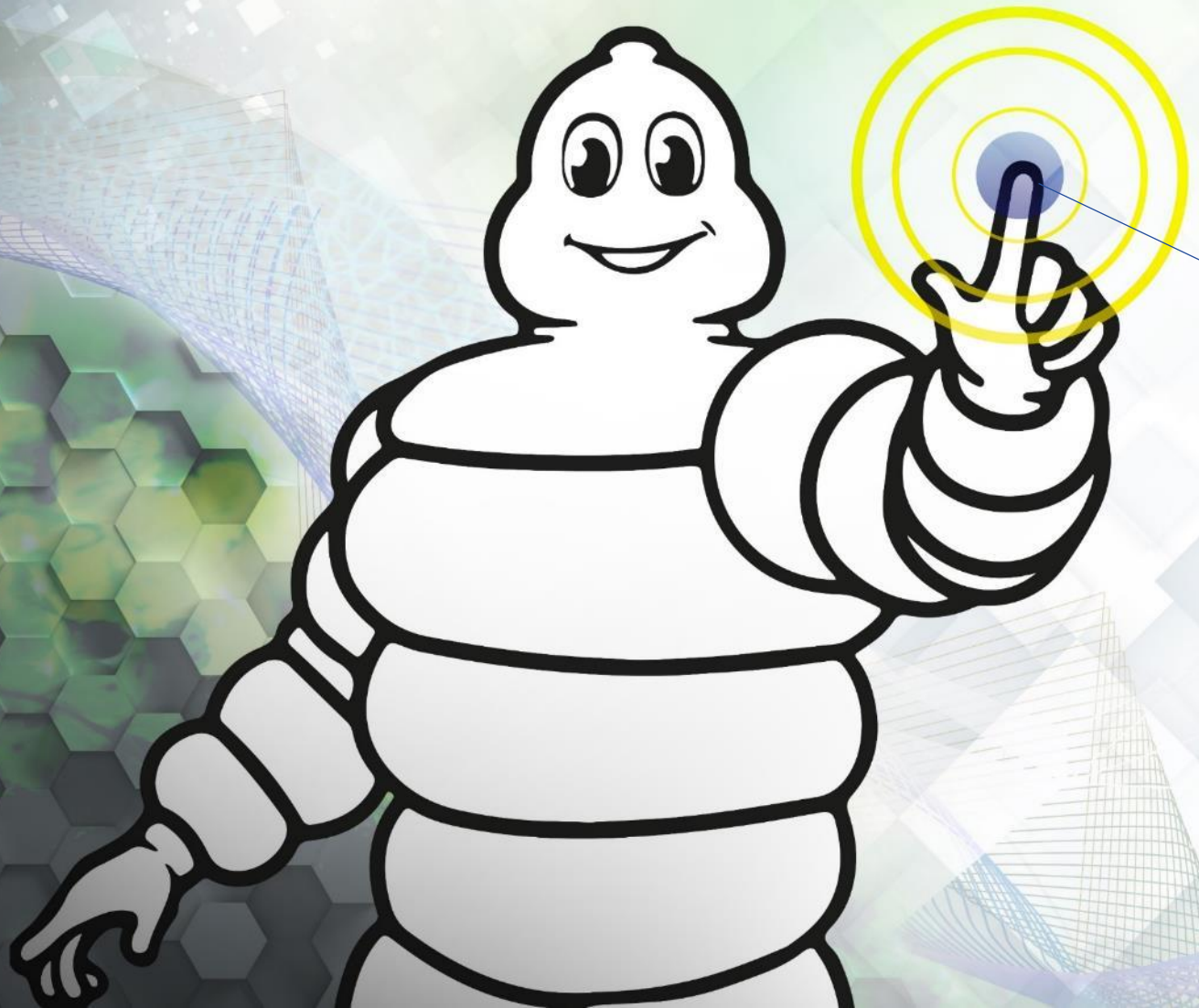
April 2023: 30% stake in Watèa capital finalized by Credit Agricole Leasing & Factoring

WATÈA by Michelin + CA

- 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

MICHELIN



APPENDIX

High Tech Materials

MICHELIN

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 design & manufacturing**:

200 components
30 *families of materials*
350 *job families*

- 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**

AraNea Composite
ResiCare
AIRCAPTIF

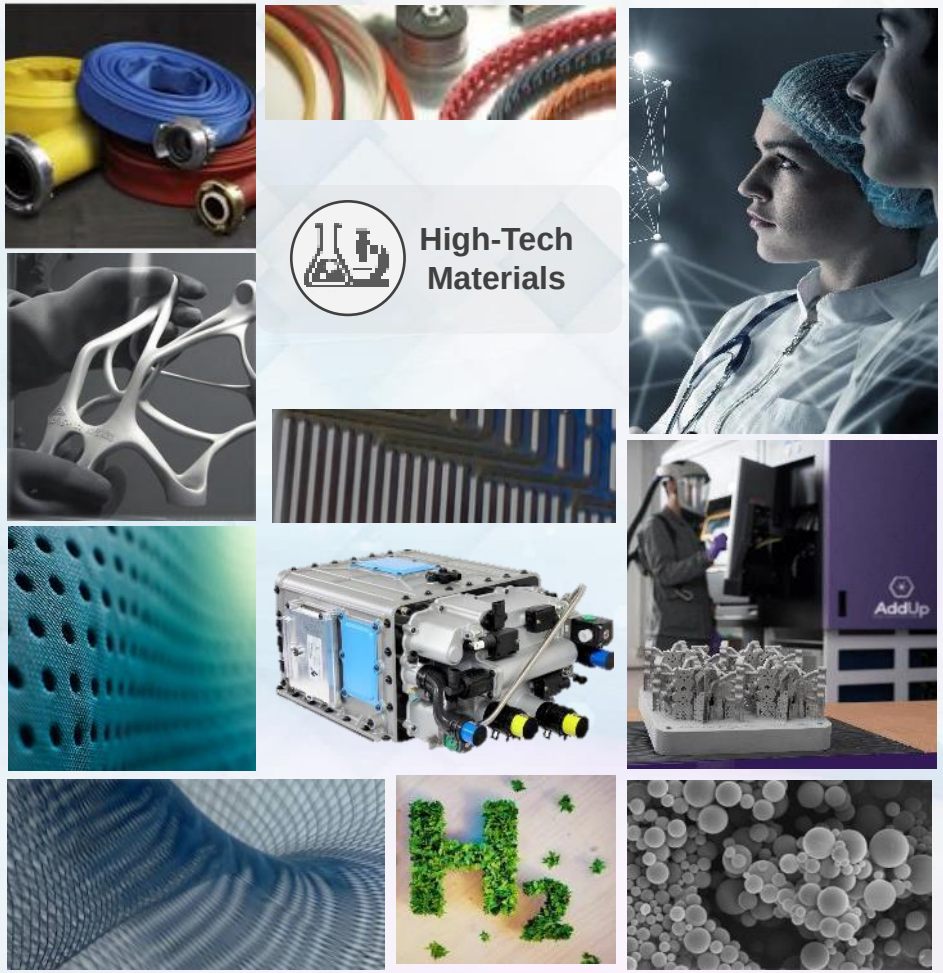
- **M&A-driven growth**

Features vs. tires:
– Higher **growth** and **EBIT %**
– Lower capital intensity

FCG

- **Joint ventures**

AddUp
SYMBIO
SOLESIS



M&A active portfolio management with three major steps in 2023, reflecting *Michelin in Motion 2030* strategy

2023 MAIN DEALS

Tire recycling

- Enviro
- ANTIN
- MICHELIN

- FCG
- Canopy Simulations
- TRK

- SYMBIO
- TBC CORPORATION
- Russian activities
- WATEA by Michelin

Tire | Connected Mobility Solutions | High-Tech Materials

ZOOM ON 3 MAJORS STEPS

TBC CORPORATION

TBC sold its retail activities to increase profitability

- **2018: 50/50 JV set up with Sumitomo Corp**
- **2018-23: strong cash generation**, with $400m shareholder loans reimbursed
- **2023: divesting from company-owned retail** to focus on wholesale and franchise

SYMBIO

A FAURECIA MICHELIN HYDROGEN COMPANY

Stellantis acquired 33% aside Michelin and Faurecia

- **2019: 50/50 JV set up with Faurecia**
- **2023: building up new assembling capacities**
  - Giga factory in France (Saint-Fons)
  - 1st production line in the US (California)
  - Saint-Fons capacity: 2026: 50,000 / year 2028: 100,000 / year

FCG

FLEX COMPOSITE GROUP

Michelin acquired FCG to create a leader in Engineered fabrics & films

- **20% increase of High-tech materials revenues to €1.3bn** (FY22 pro-forma)
- **Improved Michelin growth profile, margin accretive,** positive cash generation and favorable impact on EPS
- Positioning the **Group** as a **key player in polymer composite solutions**

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

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

2014

MICHELIN

Fuel cell development leveraging expertise in materials and industrial processes

Symbio FCell

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

2019

MICHELIN
faurecia inspiring mobility
SYMBIO A FAURECIA MICHELIN HYDROGEN COMPANY

2020 2022

New headquarters and facility in Venissieux, France

2022

SYMBIO A FAURECIA MICHELIN HYDROGEN COMPANY
SCHAEFFLER

creation of **Innoplate** 50/50 JV

2023

STELLANTIS

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

Start of Saint-Fons giga factory, France

1st production line in California, USA

Fuel cell assembling capacity increase

2026

50,000 per year

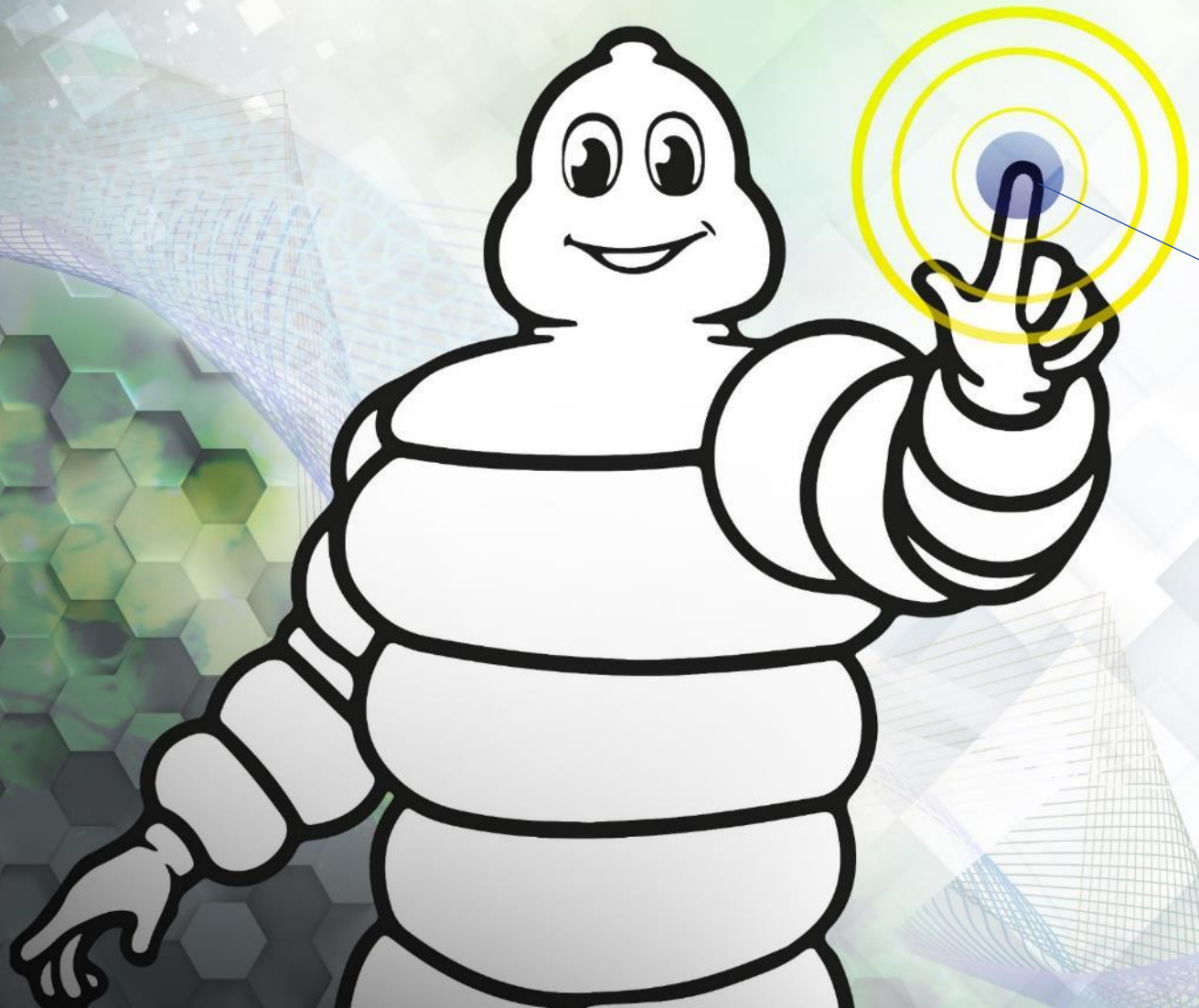
2028

100,000 per year

2030

* *Important Projects of Common European Interest*

MICHELIN



APPENDIX

Non-financial performance

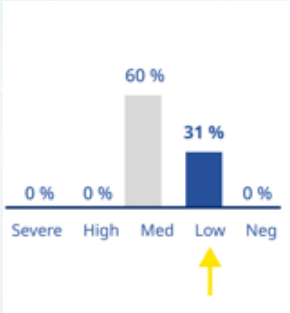
Recognized leadership in non-financial performance

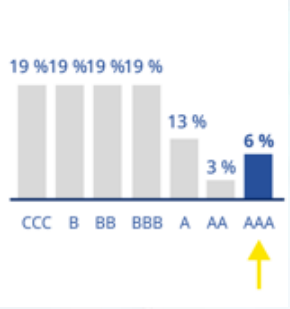
MAJOR RATINGS
(as of December 31, 2023)

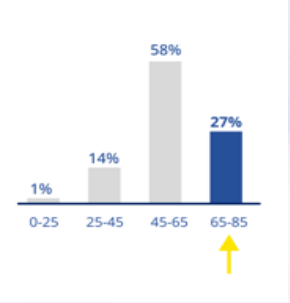
MICHELIN RATINGS 2023

SUSTAINALYTICS	MSCI ESG RESEARCH LLC	CDP DISCLOSURE INSIGHT ACTION	MOODY'S ESG Solutions	ISS-oekom	ecovadis
Low Risk 11,52	AAA	A - CLIMATE CHANGE « LEADERSHIP » / B WATER SECURITY « MANAGEMENT »	71 / 100	B- *Prime*	78 / 100 *Platinum*

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…

-620 (1)

thousand tons
of
materials

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

-115 (2)

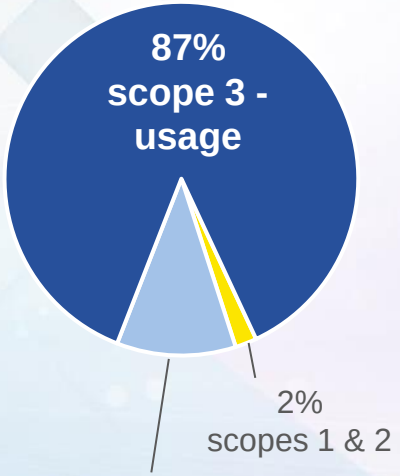
million tons
of
CO_2 emissions

(scope 3 - usage)

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, up to 100% by 2050

4R CIRCULAR ECONOMY

- RENEW
- REUSE
- REDUCE
- RECYCLE

NATURAL RUBBER

RUBBERWAY

SYNTHETIC RUBBER

BIOBUTTERFLY (2)

PYROWAVE

PLASTIFIERS/RESINS

BIOIMPULSE

ResiCare (2)

BLACK CYCLE (1)

FILLERS

BLACK CYCLE (1)

Enviro

LTLehigh TECHNOLOGIES

METALS

MICHELIN

TEXTILES

CARBIOS

OTHER

...

MICHELIN

(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

(1) Size: 275/70 R22.5 152/149
(2) Size: 235/55R19 105W

Strong commitment to reduce impact of operations on biodiversity and ecosystems

2023 RESULTS, 2030 COMMITMENTS

RESEARCH & DEVELOPMENT	2023	2025	2030
Life Cycle Analysis incl. biodiversity criteria from best methods	**100%** of new products	products: **100%** services: **Pilot**	**100%** of new ranges marketed

RAW MATERIALS	2023	2025	2030
Natural rubber used by the Group assessed "deforestation-free" [1] Direct operations and suppliers *N.B. Under validation by act4nature international*	**9%** [2]	**50%** of the volume used	**100%** of the volume use
Reducing pesticide use in rubber cultivation [3] Direct operations and joint ventures *N.B. Under validation by act4nature international*	**-58%**	**-50%**	**-70%** vs. 2019
Evaluation of raw material supplier policies & practices [4]	Approach under definition	**Pilot**	**80%** of suppliers

MANUFACTURING AND RESEARCH FACILITIES	2023	2025	2030
Biodiversity plan adapted to local issues	**16 sites**	at least **15 sites**	**100%** of sites
No phytosanitary products to maintain outdoor spaces	**22 sites**	at least **30 sites**	**100%** of sites

act4nature international

To know more

(1) Criteria in accordance with the European Union Deforestation-free Regulation
(2) Calculated on the basis of 2023 volumes by supplier
(3) Per hectare
(4) Other than natural rubber ; Impacts of raw materials identified through Life Cycle Analyses (LCA)

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 (including joint-ventures):

- 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**: 97% of expenditures assessed, 94% "ESG mature"
- **Indirect suppliers : RubberWayTM app**. deployed at 83% of suppliers (in volume) in 2023

IMPLEMENTING IMPACTFUL PROJECTS

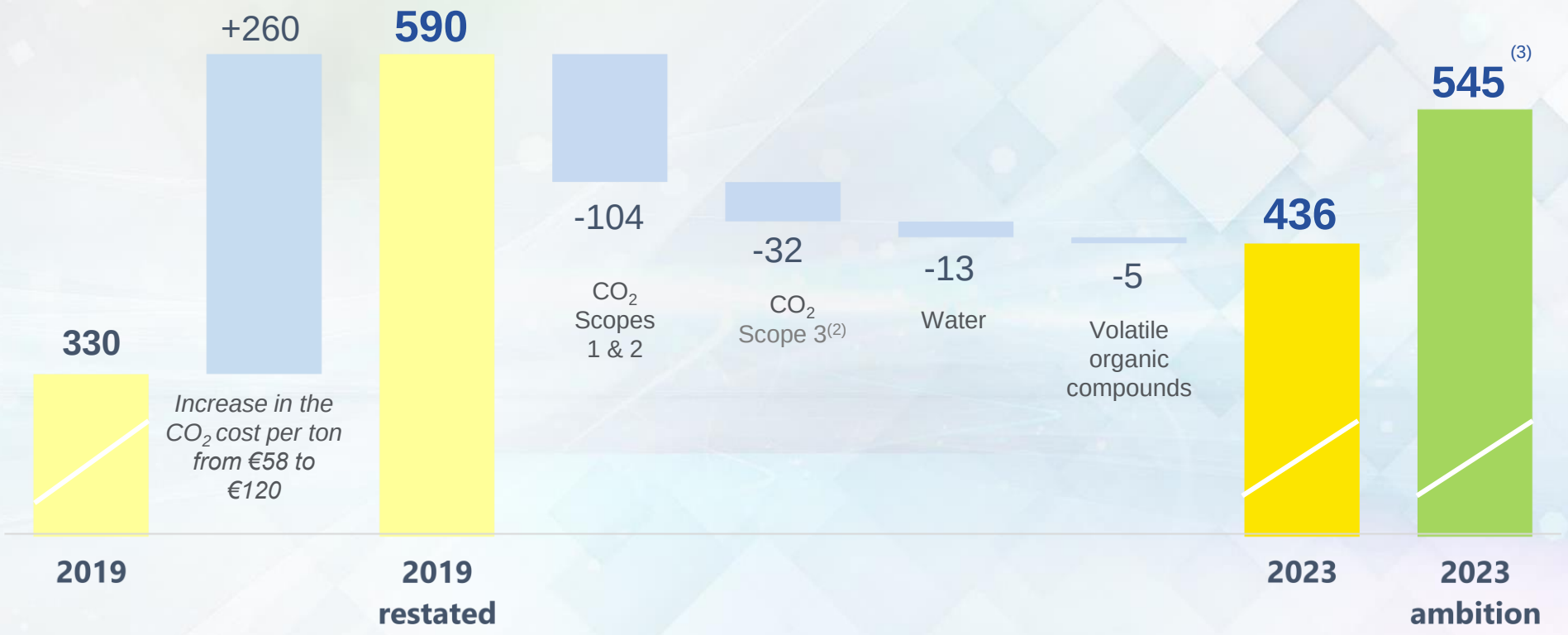
- **Brazil**
  - Increase harvest while preserving the forest (767,600 hectares)* - 1,000 families in Amazonas
- **Indonesia**
  - improve skills of 1,000 smallholders using RubberWayTM app. by 2024 – (with Porsche)
  - East Kalimantan : train 2,000 farmers by 2024
- **Sri Lanka**
  - improve skills & 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 (with joint-venture)**
  - ~90,000 farmers trained per year

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

Reduction of CO_2 emissions, VOC[1] emissions and water withdrawals: 2023 achievements exceeded 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 CO_2 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

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).

GOUVERNANCE

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.

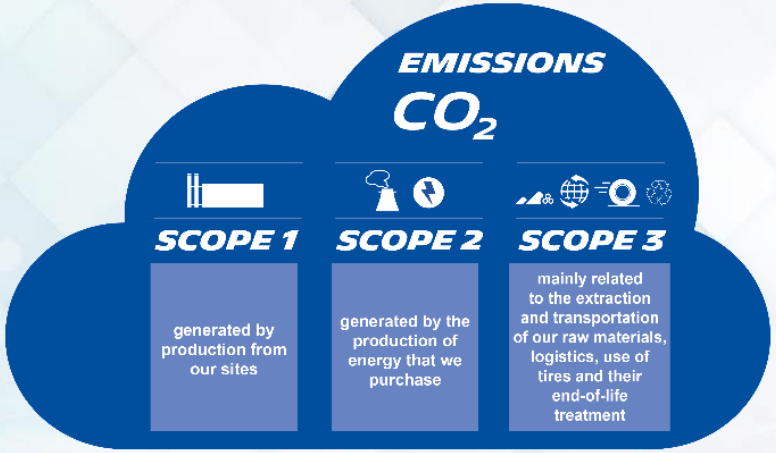
METRICS AND TARGETS

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, by committing to reach net zero emissions by 2050.

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

STRUCTURED AROUND 2 AXES:

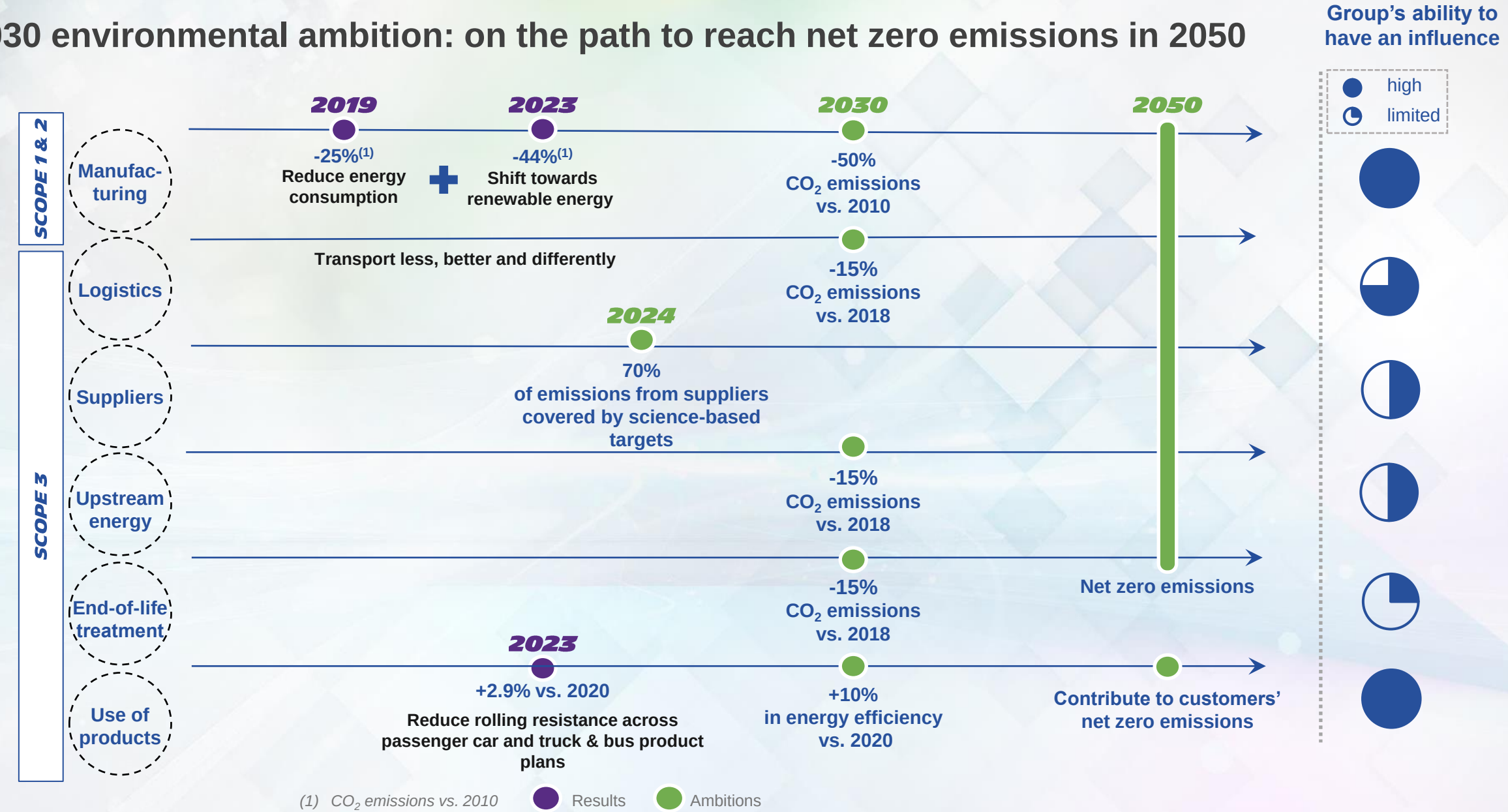
- **A TRANSITION plan** including initiatives to decarbonize direct and indirect activities in the value chain (Scopes 1, 2 & 3) and a strategic plan to support a low-carbon economy
- **An ADAPTATION plan** responding to physical impacts of climate change



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



(1) CO_2 emissions vs. 2010 — Results — Ambitions

Sharp reduction in the environmental footprint of our operations, on track to reach 2030 target

REDUCTION OF THE ENVIRONMENTAL FOOTPRINT OF OUR SITES

ISO14001- certified

i-MEP

- Water withdrawal x water stress
- Generated waste
- Organic solvent use
- Energy use
- CO_2 emissions

(1) MEF: Michelin Environmental Footprint;
(2) 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

MICHELIN ONE CARE PROGRAM

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 gender balance and acceptance of diversity, 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

SUPERVISORY BOARD

Barbara Dalibard
Chair of the Board

Exercises permanent oversight of the Company's management, assesses its quality and reports thereon to the shareholders

GENERAL PARTNERS

With unlimited joint and personal liability for the Company's debts

MANAGERS

Administer and manage the Company

Florent Menegaux
General Partner
Managing Chairman

Yves Chapot
General Manager

SAGES
Non-Managing General Partner

Initiates the Managers' succession and compensation process

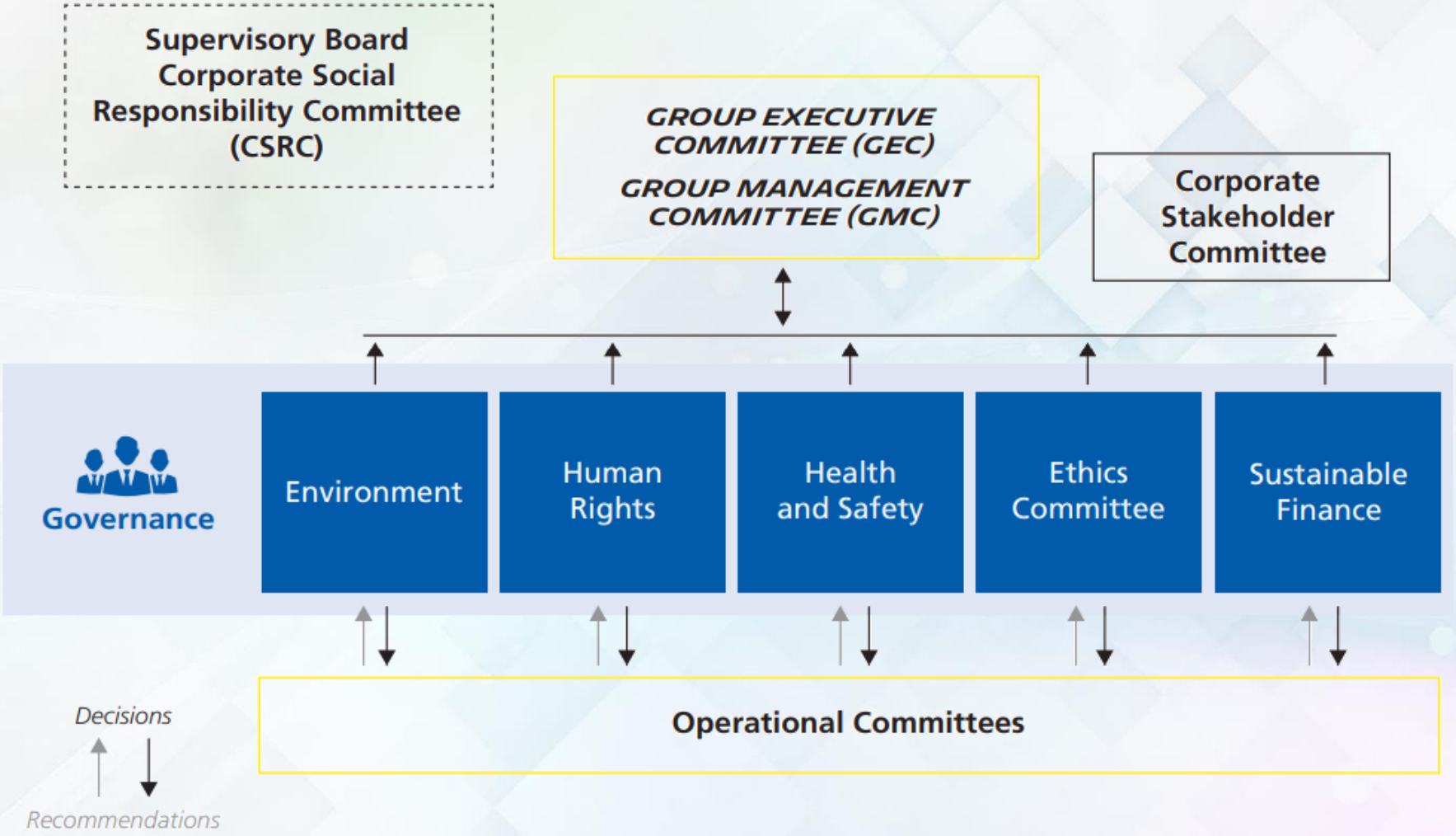
Vincent Montagne
Chairman

Statutory Auditors
Deloitte & PwC

Collaborate on Manager succession planning and compensation make recommendations

SHAREHOLDERS (LIMITED PARTNERS)

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

FLORENT MENEGAUX

Fixed compensation

€1,100,000

Benefit in kind (car)
€10,000

Annual variable compensation

Capped at 150% of fixed compensation

*Deducted in full from the General Partners' 2022 Profit Share***

Consolidated net income

4% of Profit Shares

Overall weighting up to 80% of fixed compensation

Quantitative criteria:

- Growth in **SOI** *(25%)*
- Growth in **structural free cash flow** before acquisitions *(25%)*

Quantifiable qualitative criteria:

- Deployment of the Group's **transformations** *(10%)*
- Employee safety – **TCIR** *(5%)*
- Percentage of **Women in management positions** *(5%)*
- Level of **CO_2 emissions** *(10%)*

Performance share grants

Subject to performance conditions over 3 years

✓ Allocation limited to 0.05% of Company's share capital
✓ Capped at 140% of annual fixed compensation

1. **Market performance: Michelin's share price** vs. change in the Stoxx Europe 600 index (annual average)
Weighting: 30%

2. **CSR performance**
- i-MEP, Industrial – Michelin Environmental Performance
- Employee engagement
Weighting: 40%

3. **Operating performance: Sales growth** excluding tires and distribution **and ROCE**
Weighting: 30%

ESG incentives

The following are applied to each criterion:
➔a trigger point, below which no compensation would be due
➔a target, if the target is met, 100% of the compensation for the criterion would be payable
➔an outperformance tranche, between 100% and 150% of the objective
➔an intermediate tranche between the different points (compensation prorated to the achievement rate for the objective)

- Requirement to hold 40% of the vested shares for as long as the Managers remain in office
- Shares may only be delivered if the Profit Share has been distributed in respect of the year preceding the one in which the shares are issued

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.

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

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 Michelin.com 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

Flavien HUET

Benjamin MARCUS

BUSINESS CENTER PARIS TROCADERO
112 avenue Kléber
75116 Paris – France

23 place des Carmes Dechaux
63040 Clermont-Ferrand – France

investor-relations@michelin.com