PRESS RELEASE
Clermont-Ferrand - July 27, 2020

COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN
Financial information for the six months ended June 30, 2020

Supported by its diversified offering, engaged employees and robust financial position, Michelin is demonstrating its resilience through a crisis that is as intense as unprecedented

- **The Group quickly deployed all the measures needed to safeguard employee health, ensure business continuity and conserve cash**
- **Despite collapsing markets and a 20.6% contraction in sales, segment operating income ended the first half at €310 million:**
  - **22.4% decline in volumes, leading to a deep fixed cost shortfall**
  - **0.3% gain from assertive pricing policy at a time of declining raw material prices**
  - **1.6% gain from the still buoyant mix, reflecting market share gains in the 18-inch and larger segment and resilience in the Specialty businesses**
  - **€192 million reduction in SG&A costs, excluding €77 million in exceptional outlays directly related to Covid-19**
- **A robust financial position recognized by the rating agencies to weather the crisis**
- **Strategic choices validated during the first half:**
  - **A global presence and diversified business base (resilience in the Specialty businesses, with a 14.7% operating margin)**
  - **CO_2 reduction pathways and objectives approved by the Science Based Targets initiative**
- **Expanded CSR governance within the Supervisory Board**

Florent Menegaux, Managing Chairman, said: "After these recent months of unprecedented crisis, I want to express my immense pride in the remarkable engagement of our teams, which has enabled Michelin to fulfill its commitments to its customers, its communities and its partners. With this same determination, the Group has undertaken all the measures needed to secure the sustainability of its operations and attenuate the financial impact of the economic slowdown. In this still very uncertain environment, the Group pursues its competitiveness initiatives to maintain its leadership in the tire businesses and drive deployment of its growth strategy."

- **Outlook for 2020:**

In 2020, after a first half shaped by the effects of the health crisis, notably the various restrictions on freedom of movement, global tire demand is expected to be impacted in the second half of the year by the economic recession ensuing from the pandemic. Passenger car and Light truck tire markets are expected to decline by 15% to 20% over the year and Truck tire markets by between 13% and 17%. Given the relative resilience of certain segments, the Specialty markets are expected to contract by 13% to 17%.

In this still highly uncertain market scenario, Michelin's objectives are to deliver full-year segment operating income in excess of €1.2 billion at constant exchange rates and structural free cash flow* of more than €500 million, barring any new systemic impact from Covid-19.

*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.

(IN € MILLIONS)	First half 2020	First half 2019
SALES	**9,357**	**11,781**
SEGMENT OPERATING INCOME	**310**	**1,438**
SEGMENT OPERATING MARGIN	**3.3%**	**12.2%**
AUTOMOTIVE AND RELATED DISTRIBUTION	**-0.8%**	**10.3%**
ROAD TRANSPORTATION AND RELATED DISTRIBUTION	**-1.3%**	**8.9%**
SPECIALTY BUSINESSES AND RELATED DISTRIBUTION	**14.7%**	**19.3%**
OTHER OPERATING INCOME AND EXPENSES	**(133)**	**(97)**
OPERATING INCOME	**177**	**1,341**
NET INCOME/(LOSS)	**(137)**	**844**
EARNINGS PER SHARE	**(0.75)**	**4.74**
SEGMENT EBITDA	**1,192**	**2,296**
CAPITAL EXPENDITURE	**490**	**665**
NET DEBT	**5,510**	**6,664**
GEARING	**45%**	**54%**
PROVISIONS FOR POST-EMPLOYMENT BENEFIT OBLIGATIONS	**3,858**	**3,976**
FREE CASH FLOW[1]	**(351)**	**(592)**
EMPLOYEES ON PAYROLL[2]	**124,000**	**125,400**

[1] Free cash flow: net cash from operating activities less net cash used in investing activities, adjusted for net cash flows relating to other financial assets, before distributions.

[2] At period-end.

Covid-19: impact of the health crisis on the Group's financial position at June 30, 2020

Review of the information released by the Group during the first six months of the year

- On February 10, 2020, the Group issued its guidance for 2020 excluding any impacts from a systemic crisis caused by Covid-19.

- On March 18, 2020 at 6:10 pm CET, the Michelin Group issued a press release acknowledging that, due to the decline in tire demand and the growing systemic crisis in the global economy, the Group's 2020 guidance was no longer relevant, without any possibility at that time of assessing the potential impact or, by extension, the financial objectives of its 2020 plan.

- On April 1, 2020, the Group issued a press release announcing that the dividend to be submitted to shareholder approval at the Annual Shareholders Meeting, which had been postponed until June 23, 2020, would be reduced to €2.00 from the initially recommended €3.85.

- When the Group released its first-quarter sales figures on April 29, it described the initial impact of the health crisis on its business and presented the initiatives undertaken to safeguard the health of its employees and attenuate the negative impact on segment operating income and free cash flow. At the same time, the Group reaffirmed that its finances remained robust, noting that it had sufficient cash and cash equivalents to weather the crisis without having to draw down its confirmed lines of credit, even if demand were to collapse by 35% over the year. As of late April, the future direction of the health crisis remained too uncertain to issue any reliable market forecasts and a related profit scenario.

- On June 23, the Group's Annual Shareholders Meeting was held behind closed doors and broadcast live on the ag2020.michelin.com website. During the meeting, Yves Chapot, Managing Partner and Chief Financial Officer, again emphasized the strength of the Group's finances, noting in particular that the three leading credit rating agencies – Moody's, S&P and Fitch Ratings – had all confirmed the Group's ratings on May 14, 19 and 29, 2020, respectively.

Market review for the six months ended June 30, 2020

The health crisis and the lockdown policies applied by governments in most countries around the world led to an unprecedented slowdown in economic activity in the first half of the year, resulting in a steep plunge in tire demand in every geography and most of the business segments. Tire demand by business segment and region is described on page 6 below.

INITIATIVES UNDERTAKEN TO ATTENUATE THE IMPACT OF THE CRISIS ON CURRENT AND FUTURE PERFORMANCE

From the very first signs of the pandemic, Michelin defined two absolute priorities: protecting the health and safety of its employees and doing everything in its power to ensure business continuity.

Protecting the health and safety of employees and impact on costs

As early as mid-March, the Group temporarily suspended part of its manufacturing operations in most of its geographies and implemented effective health and safety protocols to protect its employees and curb the spread of the virus. By early April, some of these operations were able to reopen to meet customer demand and ensure continuity of the public services that were playing a critical role in fighting the pandemic. Beginning in mid-April, all of the European plants gradually resumed their manufacturing operations, with capacity utilization varying considerably by business. As of the end of June, all of the Group's production plants were up and running.

Supported by the outstanding commitment of its employees, the Group was also able to quickly produce surgical masks and hand sanitizer at many manufacturing facilities in Europe, thereby adding to its purchased stocks. All these protective measures resulted in additional costs during the first half, in an estimated amount of €77 million.

In the plants, the distancing rules prohibiting, for example, people from physically mingling during shift changes, had an adverse impact on productivity by slowing the pace of production. When combined with the period's very weak output, this decline in productivity increased the sensitivity of segment operating income to changes in demand (as of June 30, a one-point decline in volumes would feed through to a full-year reduction of €136 million).

While the plants were closed, the Group received financial support from governments to help fund employee furlough programs. These furlough grants totaled €140 million in the first half, of which €124 million was factored into the above-mentioned sensitivity calculations. The Group has not requested any other form of public support to get through the crisis, such as government-backed loans or longer payment deadlines.

In addition, Michelin took steps to make some of its masks more widely available by donating a total of 2.4 million of them to health authorities and emergency services in all of its host communities. Thanks to its expertise in metal and plastic 3D printing, the Group was also able to launch production of parts for ventilators, thousands of sterilizable polycarbonate face shields, and positioning cushions to make breathing easier for Covid-19 patients.

In addition, hundreds of outreach initiatives were organized by Michelin around the world, including the donation of 4,600 tires and free maintenance services for emergency vehicles, financial contributions and individual support.

Protecting business continuity by limiting the impact of the crisis on segment operating income and free cash flow

To conserve cash, the Group reduced its capital expenditure budget by around 30%, or €500 million, while maintaining its ability to support innovation and efficiency projects, and lowered the recommended 2019 dividend payout by €330 million. Tracking supply and demand on a weekly basis helped to keep inventory under control. Corporate overheads were reduced by €192 million through a variety of cost-saving measures. The Group was also careful to honor its commitments to all its partners, with a constant concern for protecting the most vulnerable. Lastly, Michelin supplied masks and safety equipment to its customers and distributors, enabling them to conduct their activities in the best possible conditions.

Liquidity risk

To meet its future cash needs, the Group had the following sources of financing in place as of June 30, 2020:

- €2.8 billion in cash and cash equivalents. Over the first half, the Group issued €1.1 billion in commercial paper and arranged a two-year, €505 million bank loan;
- a €2.5 billion commercial paper program, of which €1,386 million had been utilized at June 30, 2020;
- a $0.7 billion commercial paper program, of which $50 million had been utilized at June 30, 2020;
- a €0.5 billion factoring program, of which €15 million had been utilized at June 30, 2020;
- €1.5 billion in confirmed, undrawn lines of credit.

Moreover, the stress tests based on a deep, prolonged market downturn, whose results were published by the Group on April 29, 2020, were updated to assess the Group's ability to meet its financial commitments given its sources of financing. The worst-case scenario assumed a 20% decline in demand in the second half of 2020 followed by an upturn of only 4% in 2021. These tests demonstrated that with all the financing mechanisms described above and the measures introduced to attenuate the negative impact of the crisis

on segment operating income and free cash flow, the Group will be able to withstand any developments as the crisis unfolds, without even having to draw down its €1.5 billion in confirmed lines of credit.
However, based on the trends observed to date, the Group expects business to return to 2019 levels in the second half of 2022.

IMPACT OF THE HEALTH CRISIS ON THE RISK FACTORS SPECIFIC TO THE GROUP

To a certain extent, the current health crisis and the way it has unfolded has exacerbated a number of risks or classes of risks specific to the Group, such as business interruption or continuity of supply. On the other hand, the crisis, which is not specific to the Group, is not such that it alters the scope and classification of the specific risks identified and described in section 2 *Risk Management* of the 2019 Universal Registration Document.

The supply chain encountered disruptions during the first half, but they did not prevent the delivery of critical components, semi-finished products and finished products even as the situation evolved very quickly and required the entire chain to respond accordingly.

The current crisis has shown that the main risk that has arisen so far concerns the sudden collapse in global demand and its impact on the economy, which by nature is not specific to the Group.

As of end-June, the business continuity procedures prepared by the Group have kept its manufacturing, sales and administrative operations up and running around the world. In addition, the Group has not identified any supply continuity risks.

Market Review

- ## Passenger car and Light truck tires

First half 2020/2019 (in number of tires)	Europe including CIS*	Europe excluding CIS*	North America	Central America	South America	Asia (excluding India)	Africa/ India/ Middle East	Total
Original Equipment	-39%	-39%	-40%**		-52%	-24%	-47%	-34%
Replacement	-19%	-19%	-21%	-26%	-27%	-15%	-32%	-21%

Second quarter 2020/2019 (in number of tires)	Europe including CIS*	Europe excluding CIS*	North America	Central America	South America	Asia (excluding India)	Africa/ India/ Middle East	Total
Original Equipment	-62%	-62%	-70%**		-84%	-16%	-76%	-45%
Replacement	-30%	-29%	-33%	-48%	-52%	-11%	-48%	-30%

* Including Turkey.

** North America and Central America.

In the first six months of 2020, tire demand was severely depressed by the Covid-19 health crisis and the related lockdown measures. During the period, the global Original Equipment and Replacement **Passenger car and Light truck** tire market contracted by 24% in number of tires sold.

- **Original Equipment**

Worldwide unit sales of Original Equipment tires collapsed 34% in the first half of 2020, with a steep downturn in the last two weeks of March. This caused global tire demand to end the second quarter alone down 45%, after bottoming out at a 62% drop in April.

After a first quarter in which global demand fell by 22%, dragged down by the 46% drop in China due to the impact of the pandemic, the second quarter (down 45%) was shaped by the spread of the pandemic and the corresponding closure of carmaker plants across the European and US markets. In all, demand fell by 62% in Europe (with a low point of a 94% decline in April), by 70% in North America (with a low point of 99% in April), and by 84% in South America (with a low point of 100% decline in April). Over the same period, demand in China continued to recover, with a gain of 8%.

The other regions (Africa-India-Middle East and Asia excluding China) were also hard hit by the lockdown policies enforced in response to the pandemic.

- **REPLACEMENT**

The global Replacement tire market ended the first half down a historic 21%. While demand declined by just 11% in the first quarter, given that the health crisis was only impacting China and certain neighboring countries, it dropped by 30% in the second quarter, buffeted by the lockdowns ordered in Europe and North America to deal with the pandemic.

In Europe, the initial effects of the health crisis were felt in March, with demand falling 18%, and the full impact of lockdown measures took its toll on the second quarter, causing a 30% collapse in demand. The fall-off was more pronounced in France, Spain and Italy, where tight lockdowns were implemented. There was a clear improvement in June, with the decline easing to 12%.

In North America, the collapse in demand was particularly steep in April and May, for a total 33% drop in the second quarter. In a difficult economy, consumers shifted to more entry-level tires.

After passing South American markets by in the first quarter, which saw just a 1% decline in demand, the pandemic hit hard in the second three months, causing demand to plummet by 52%. There were no signs of recovery in June.

After losing 31% in the first quarter due to the health crisis, the Chinese market returned to growth in the second quarter, with a 3% gain. The market is still being lifted as strong growth in the OE market in recent years steadily feeds through to Replacement demand.

In Africa-India-Middle East, Replacement demand suffered both from the health crisis and the collapse in oil prices, which is increasing economic instability in the region.

After showing some resilience to the pandemic in the first quarter (down 8%), demand in Southeast Asia was more adversely impacted in the second, losing 25%.

- TRUCK TIRES (radial and bias)

First half 2020/2019 **(in number of tires)**	**EUROPE INCLUDING CIS***	**EUROPE EXCLUDING CIS***	**NORTH AMERICA**	**CENTRAL AMERICA**	**SOUTH AMERICA**	**ASIA (EXCLUDING INDIA)**	**AFRICA/ INDIA/ MIDDLE EAST**	**TOTAL**
Original Equipment	**-32%**	**-34%**	**-41%****		**-35%**	**+6%**	**-53%**	**-15%**
Replacement	**-9%**	**-16%**	**-5%**	**-17%**	**-21%**	**-23%**	**-26%**	**-19%**

Second quarter 2020/2019 **(in number of tires)**	**EUROPE INCLUDING RUSSIA & CIS***	**EUROPE EXCLUDING RUSSIA & CIS***	**NORTH AMERICA**	**CENTRAL AMERICA**	**SOUTH AMERICA**	**ASIA (EXCLUDING INDIA)**	**AFRICA/ INDIA/ MIDDLE EAST**	**TOTAL**
Original Equipment	**-45%**	**-48%**	**-60%****		**-59%**	**+31%**	**-59%**	**-7%**
Replacement	**-19%**	**-25%**	**-11%**	**-34%**	**-35%**	**-16%**	**-27%**	**-20%**

* Including Turkey.

** North America and Central America.

The number of new **Truck** tires sold worldwide declined by 18% in the period ended June 30, 2020, hit by the collapse in freight demand at a time of deep economic distress. The second-quarter performance was in line with first-quarter trends.

- **Original Equipment**

The global Original Equipment Truck tire market, as measured by the number of new tires sold, contracted by 15% in the first half of 2020.

The cyclical downturn that began in late 2019 in Europe and North America continued apace in the first quarter of 2020, leading to a 22% decline in demand, while the health crisis caused the Chinese market to plunge 18% over the period.

The second quarter (down 7%) saw a very strong 45% rebound in OE demand in China, but markets in the other regions sank under the weight of the health crisis and its economic impact. In June, markets were nevertheless relatively less depressed in Europe (down 18%) and, to a lesser extent, North and Central America (down 35%).

Demand in the other regions is also being dragged steeply down by the health crisis and the ensuing economic impact, aggravated in the Africa-India-Middle East region by the collapse in oil prices.

- **Replacement**

In the midst of an unprecedented health crisis, the global Replacement market fell by 19% in the first half of 2020, with the first quarter down 18% and the second down 20%.

In Europe, after emerging relatively unscathed from the crisis in the first quarter, Replacement demand plunged 19% in the second quarter of the year. The impact of the crisis was somewhat cushioned by the return of Asian tires made in countries other than China (following customs duties introduced in May 2018 on Chinese tires).

In North America, after a stable first quarter (up 1%), the impact of the health crisis was partially offset in the second quarter (down 11%) by favorable prior-year comparatives, reflecting deep drawdowns of dealer inventory in 2019 after the massive buildup in late 2018 ahead of new import duties.

In South America, Replacement demand was relatively unaffected by the health crisis in the first quarter (down 6%) but plummeted 35% in the second three months of the year.

In Africa-India-Middle East, Replacement markets fell steadily over the half, to end the six-month period down 26% overall.

Demand in Southeast Asia contracted by 18%. After shedding 11% in the first quarter, the market downturn gained momentum in the second quarter (down 26%) as the pandemic spread throughout the region.

Specialty tires

- **Mining tires:** The mining tire market remained relatively resilient over the first half, although the Quarry and Underground Mining tire segments contracted in line with prevailing economic conditions.

- **Agricultural and Construction tires:** The weakness in Agricultural tire markets over the period masked recent rebounds in farm machinery output and demand in Europe. The Construction segments, which are more sensitive to the economic slowdown, fell sharply.

- **Two-wheel tires:** The Covid-19 crisis and ensuing lockdowns hindered mobility in both the Recreational and Commuting segments, particularly in Europe and Brazil. As people gradually return to the road, the two-wheel tire market is rebounding, lifted by its image as a safer alternative to public transportation.

- **Aircraft tires:** The commercial aircraft tire market collapsed in the first half amid the health crisis and government-enforced lockdowns. At their low point in April, the number of worldwide landings in the Commercial and Regional segments were down by 75%. The Military and General Aviation segments are holding up well.

- **Conveyor belts:** Trends in the mining conveyor belt market varied by region and the length of their lockdowns, which have prevented certain mines from operating at full capacity. Mining operations remain strong in Australia, while in North America, some coal mines have closed and the economic slowdown is hurting industrial customers.

- **SPECIALTY POLYMERS:** As a whole, these markets demonstrated greater resilience (particularly in the medical applications segments), with the exception of energy seals.

First-half 2020 sales and results

• SALES

Sales for the first six months of 2020 totaled €9,357 million, a decline of 20.6% from the year-earlier period that was attributable to the net impact of the following factors:

- the steep 22.4% decrease in volumes caused by the worldwide collapse in tire demand in the wake of the health crisis and resulting lockdowns;
- the still positive 1.9% price-mix effect (2.0% in the first quarter and 1.7% in the second). The €30 million positive price effect resulted from the Group's firm price discipline in the more competitive business environment created by plunging markets. The €187 million positive mix effect reflected (i) the sustained success of the MICHELIN brand's premium strategy, notably in the 18-inch and larger segment; (ii) the resilience of the specialty businesses, such as mining tires and replacement agricultural tires; and (iii) the favorable impact of the relative performances of OE and Replacement tire sales;
- the 0.5% negative currency effect;
- the 0.4% positive impact from changes in the scope of consolidation following the acquisitions of Masternaut and Multistrada in 2019 and the disposal of Bookatable.

• RESULTS

Segment operating income amounted to €310 million or 3.3% of sales, versus €1,438 million and 12.2% in first-half 2019.

The change in segment operating income primarily reflects:
- a €3 million increase from changes in the scope of consolidation, following the inclusion of Masternaut and Multistrada and the removal of Bookatable;
- a €1,522 million decrease from the 22.4% collapse in volumes due to the health crisis, a deep fixed cost shortfall and a loss of industrial productivity, partly offset by government-backed furlough grants;
- a robust €217 million increase from the price-mix effect, led by disciplined price management and the continuous enhancement in the value of the mix;
- a €44 million increase from the decline in the cost of raw materials;
- a €192 million increase from the reduction in SG&A expense enabled by the cost-saving measures deployed in response to the crisis;
- a €77 million decrease from Covid-19-related expenditure, including the cost of purchasing and producing masks and hand sanitizer.

Other operating income and expenses amounted to a net expense of €133 million, corresponding to the amortization of intangible assets acquired in business combinations (€45 million), impairment losses on non-current assets (€49 million) and restructuring costs.

In all, the Group reported a net loss of €137 million for the period.

• NET FINANCIAL POSITION

Free cash flow ended the first half at a negative €351 million, a €241 million improvement on the prior-year period. The sharp decline in EBITDA caused by the fall in volumes was more than offset by the reduction in trade working capital, capital expenditure, tax paid and acquisition outlays. At June 30, 2020, gearing stood at 45%, corresponding to net debt of €5,510 million, up €326 million from December 31, 2019.

- Segment information

In € millions	Sales		Segment operating income/(loss)		Segment operating margin	
	H1 2020	**H1 2019**	**H1 2020**	**H1 2019**	**H1 2020**	**H1 2019**
Automotive and related distribution	**4,394**	**5,658**	**(35)**	**585**	**-0.8%**	**10.3%**
Road transportation and related distribution	**2,411**	**3,144**	**(30)**	**279**	**-1.3%**	**8.9%**
Specialty businesses and related distribution	**2,552**	**2,979**	**375**	**574**	**14.7%**	**19.3%**
Group	**9,357**	**11,781**	**310**	**1,438**	**3.3%**	**12.2%**

- **Automotive and related distribution**

Sales in the Automotive and related distribution segment declined by 22.3% to €4,394 million in the first half of 2020, from €5,658 million in the prior-year period.

The Automotive segment operating loss amounted to €35 million or a negative 0.8% of sales, versus operating income of €585 million and a positive 10.3% in first-half 2019.

The steep decline was primarily due to the 24% drop in volumes in line with the contraction in the Passenger car and Light truck tire markets, which led to a fixed cost shortfall and a loss of industrial efficiency that was only partially offset by government-backed furlough grants. However, these negative impacts were partially offset by the positive price-mix effect stemming from the Group's disciplined price management and the growing proportion of 18-inch and larger tires in the sales mix.

- **Road transportation and related distribution**

Sales in the Road transportation and related distribution segment amounted to €2,411 million in the first half of 2020, a 23.3% decline from the €3,144 million reported for the same period in 2019.

The Road transportation segment operating loss came to €30 million or a negative 1.3% of sales, versus operating income of €279 million and a positive 8.9% in first-half 2019. The collapse in global demand, along with, to a lesser extent, an unfavorable geographic mix and more selective sales policies, led to a sharp 25% contraction in volumes, which fed through to a fixed cost shortfall and a loss of industrial efficiency that was only partially offset by government-backed furlough grants. These impacts were somewhat cushioned by the relative resilience of the Services & Solutions businesses and the robust, positive price-mix effect stemming from the Group's selective focus on value-creating market segments.

- **SPECIALTY BUSINESSES AND RELATED DISTRIBUTION**

Sales in the Specialty businesses and related distribution segment declined by 14.3% over the period, to €2,552 million from €2,979 million in first-half 2019.

Segment operating income in the Specialty businesses stood at €375 million or 14.7% of sales, versus €574 million and 19.3% in first-half 2019.

With a 15% decline in volumes, the Specialty businesses as a whole weathered the crisis better than the Automotive and Road transportation businesses. The most resilient segments were surface mining tires, replacement agricultural tires and conveyor belts. The sharp decline in volumes also led to a fixed cost shortfall and a loss of industrial efficiency that was only partially offset by government-backed furlough grants. The segment also benefited from a positive price-mix effect, led by disciplined price management.

"All Sustainable" Michelin – first-half 2020

Michelin has embedded the "All Sustainable" commitment deep in its strategic vision and has undertaken a number of results-oriented initiatives:

- **The Michelin Global Works Council** is an innovative forum for international social dialogue across the Group, created on January 27, 2020 by an agreement signed with the IndustriALL Global Union. It expresses the Group's strong belief that social dialogue is a core driver of its growth and performance, as well as a vector of progress in employee relations and social development. By bringing together and representing most of the Group's host countries, the Council will act as a locus of trust, relationships and open exchange, to facilitate greater, more consensual understanding of the economic, social and environmental changes that are transforming our world. Every member will be encouraged to get involved and engaged in serving the general interest and co-building tomorrow's world around sustainable performance and social progress.

- **Michelin's contribution to combating Covid-19:** In addition to maintaining its priority focus on safeguarding employee health and safety, Michelin leveraged its capacity for innovation and expertise to respond to healthcare needs. The Group is also leading outreach initiatives in its host communities. In all, since the beginning of the pandemic, the Group has donated more than 2.4 million surgical, FFP2, N95 and other masks, some 12,600 liters of hand sanitizer, around 4,600 tires mounted free of charge on ambulances, and tens of thousands of personal protective equipment items. It has also made numerous contributions in kind or in cash.

- **Changes in governance:** In line with its "All Sustainable" strategy, Michelin has created a new Corporate Social Responsibility Committee (CSRC) of the Supervisory Board, which will be chaired by Monique Leroux. In addition, at the Annual Meeting on June 23, 2020, shareholders approved the election of two Supervisory Board members representing employees, effective December 2020.

- **Taking action to prevent global warming:** Michelin's strategy to combat global warming is aligned with the Paris Agreement signed at COP21 in 2015. In May 2020, its CO_2 emissions reduction targets were approved by the SBTi*, a leading independent organization in the field.

  The Group has pledged to reduce its Scope 1 and 2 greenhouse gas (GHG) emissions by 38% in absolute value by 2030 compared with the 2010 baseline. Note that in 2019, Scope 1 and 2 emissions declined by nearly 25% compared with 2010. Michelin is committed to reducing a part of Scope 3 GHG emissions from fuel and energy-related activities, upstream and downstream transportation and distribution, and end-of-life treatment of sold products by 15% in absolute value by 2030 compared with the 2018 baseline. Michelin is also committed to ensuring that 70% of its raw material suppliers (as measured by their GHG emissions) have defined science-based targets by 2024.
  SBTi approval represents the first step toward carbon neutrality, by paving the way to achieving net zero Scope 1 and 2 emissions in all of the Group's plants by 2050. The SBTi program also offers Michelin an opportunity to deepen its engagement with suppliers and raise their social responsibility commitment by taking targeted action to reduce carbon emissions from raw materials production.

  ** Launched in 2015, several months before COP21, the Science Based Targets initiative (SBTi) is a collaboration between four organizations proposing a voluntary approach to fighting climate change in the private sector.*

- **Sustainable materials:** Michelin has embarked on a huge challenge to make every tire component sustainable, by ensuring that by 2050, 80% of the materials used to make its tires are sustainable (versus 26% in 2019). The Group is working on an array of ambitious, extremely innovative programs, such as the recent partnership with Enviro to use pyrolysis technology to recycle end-of-life tires and recover new materials, such as carbon black, oil and gas.

- **Tire road and wear particles (TRWP):** The Michelin Group is doubly committed to reducing abrasion:
  - Individually, by attenuating the abrasion of its own products by (i) leveraging its materials expertise and a design strategy focused on optimizing the use of raw materials and reducing their quantities and (ii) already working to define an ambitious target for reducing TRWP emissions from its tires in coming years.
  - Collectively, by collaborating with industry and public authority stakeholders to help introduce maximum abrasion limits and support deeper scientific understanding of TRWPs.

- **Movin'On**: the world's leading sustainable mobility ecosystem, Movin'On is a core pillar of Michelin's "All Sustainable" strategy. It brings together corporate partners, institutions, NGOs and cities that all share the same vision of innovating together to build tomorrow's mobility solutions. The 2020 Movin'On summit, which was scheduled to be held in Montreal in June to review work in progress, was canceled due to the pandemic. However, Movin'On maintained its forward momentum by digitizing its initiatives. Online meetings organized on June 3 and 4 enabled more than 1,700 experts to actively engage in discussions, while 20 new communities of interest were launched and 3,500 people selected startups to participate in a tailor-made support program to develop their innovative mobility solutions.

First-half 2020 highlights

– Michelin and HDI Global SE have formed a partnership to help prevent and reduce road risk for company vehicle fleets, thereby enhancing the Group's offering of connected solutions. (January 17, 2020)

– Closure of the Michelin plant in La Roche-sur-Yon – The proposed support program for employees at the Michelin plant in La Roche-sur-Yon, France has been signed by the CFDT, CFE-CGC, SUD and FO trade unions. (January 23, 2020)

– This year, the MICHELIN Guide France 2020 celebrates sustainable gastronomy with a new green star pictogram. (January 27, 2020)

– Fenner Precision Polymers acquires Fabri Cote, a leader in the development and manufacture of custom rubber-coated fabrics for aerospace applications. (February 3, 2020)

– During the third Global Ministerial Conference on Road Safety, Michelin reaffirmed its commitment to safer mobility through a wide range of global partnerships and a variety of initiatives to raise the awareness of public authorities and communities. (February 18, 2020)

– Michelin and Total subsidiary AS 24 join forces to design and trial Fleet Diag 24, a new connected diagnostic solution to inspect truck tires in service stations. (February 24, 2020)

– Michelin wins a double at the Tire Technology Expo in Hanover, being voted "Tire Manufacturer of the Year" for the second consecutive year and earning the Innovation Award for Uptis, its puncture-proof tire. (February 27, 2020)

– Fenner launches the new Eagle Poly-V line of conveyor belts for roller conveyor applications. (March 2, 2020)

– Covid-19: Michelin and other companies in France's Auvergne-Rhône-Alpes region step up to manufacture reusable face masks. (April 8, 2020)

– Michelin has partnered with Enviro to develop and mass produce an innovative pyrolysis technology to recycle end-of-life tires. The partnership fits seamlessly with Michelin's "All Sustainable" vision. (April 15, 2020)

– The international Science Based Targets initiative (SBTi*), a leading independent organization, has approved Michelin's CO2 reduction targets. This milestone corroborates the effectiveness of Michelin's environmental initiatives, undertaken in particular to fight against global warming in line with the COP21 Paris Climate Agreement. (May 21, 2020)

– Michelin and Essilor unveil a joint awareness campaign during the Movin'On summit. (June 4, 2020)

– Rendezvousing with the future of sustainable mobility during "Digital meetings by Movin'On." (June 3-4, 2020)

– All four MICHELIN Power motorcycle tire ranges entirely refreshed. (June 8, 2020)

– Michelin unveils its new MICHELIN Pilot Sport CUP2 CONNECT tire, delivering higher, longer-lasting performance and 100% connect-ready. (June 10, 2020)

– Michelin and Symbio: creating the future of motorsports as partners of MissionH24.
Through Symbio, its joint venture with automotive equipment manufacturer Faurecia, Michelin has become a preferred partner of the MissionH24 project, which aims to accelerate the development of zero-emissions mobility by using hydrogen fuel cell technology in endurance racing. (June 10, 2020)

– Michelin announces the publication of the first MICHELIN Guide Slovenia and its newly curated MICHELIN Guide Main Cities of Europe 2020. (June 15, 2020)

– The 2020 Annual Meeting of Michelin shareholders was held behind closed doors for the first time. (June 23, 2020)

– Creation of a Corporate Social Responsibility Committee (CSRC) of the Supervisory Board and governance changes. (June 24, 2020)

– New MICHELIN TRAILXBIB agricultural tire for trailed vehicles combines soil protection and longer tread-life. (June 25, 2020)

– Michelin will remain supplier of Formula E until 2022. As a founding partner of the world's leading championship race for 100% electric single-seaters since its first season in 2014/2015, Michelin has long considered Formula E motorsports as a fantastic opportunity to support its sustainable mobility vision. In addition to this pioneering motorsport, the Group is developing a wide array of innovations as part of other ambitious programs geared towards the mobility of the future, such as the MissionH24 project to introduce hydrogen technology in endurance racing, and MotoETM, a fully electric motorcycle championship organized as part of MotoGPTM. (July 1, 2020)

– Michelin joins the Coalition for the Energy of the Future. The Coalition aims to accelerate the development of energy sources and technologies to address the challenges posed by sustainable mobility in the transportation and logistics industry. (July 3, 2020)

– Michelin has joined the European Clean Hydrogen Alliance, launched by the European Commission to support the EU's commitment to reach carbon neutrality by 2050. This objective is also compatible with Michelin's "All Sustainable" vision. (July 8, 2020)

A full description of first-half 2020 highlights may be found on the Michelin website: http://www.michelin.com

Presentation and Conference Call

First-half 2020 results will be reviewed with analysts and investors during a presentation today, Monday, July 27, at 6:30 p.m. CEST. The event will be in English, with simultaneous interpreting in French.

The presentation will be webcast live on: www.michelin.com/en/finance

Conference call

Please dial-in on one of the following numbers from 6:20 pm CEST:

- In France +33 (0)1 70 71 01 59 (French) PIN code: 88974766#
- In France +33 (0)1 72 72 74 03 (English) PIN code: 66281872#
- In the United Kingdom +44 (0) 207 194 3759 (English) PIN code: 66281872#
- In North America (+1) (646) 722 4916 (English) PIN: 66281872#
- From anywhere else +44 (0) 207 194 3759 (English) PIN code: 66281872#

The presentation of financial information for the six months ended June 30, 2020 (press release, presentation, financial report) may also be viewed at http://www.michelin.com/en, along with practical information concerning the conference call.

Investor calendar

- **Financial information for the nine months ending September 30, 2020:** Thursday, October 22, 2020 after close of trading.

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