In the first quarter of 2020, at a time of systemic crisis due to COVID 19, Michelin saw an 8.3% decline in sales and deployed the measures needed to attenuate the impact of the crisis on employee health and the Group’s business.

- In response to the pandemic, Michelin first focused on safeguarding the health of its employees and their families by implementing all of the recommended precautions. The Group is actively engaging with its host communities in every country, offering its technological expertise, repurposing its production capacity and donating both equipment and funding.

- Global tire demand dropped in the first quarter, as lockdown policies gradually spread around the world, impacting every business segment.
  - Passenger car and Light truck tire markets dropped 15% after carmakers suspended production and consumers went into isolation.
  - Truck tire markets fell by 17% year on year.
  - In the Specialty Businesses, certain mining markets and the Replacement agricultural tire markets showed some signs of resilience.

- First-quarter sales declined by 8.3% year on year at current exchange rates, reflecting:
  - An 11.7% contraction in volumes, which accelerated in March (down 21%)
  - A 2.0% gain from the robust price-mix, led by the strength of the MICHELIN brand
  - A 1.0% increase from changes in the scope of consolidation.

- To mitigate the financial impact of the impending deep recession, in mid-March the Group implemented the following measures:
  - Tracking supply and demand on a weekly basis to keep inventory under control,
  - Reducing capital expenditure by €500 million,
  - Reducing the dividend submitted to shareholder approval by €330 million,
  - Suspending the share buyback program, except for the firm commitments outstanding for 2020,
  - Reducing overhead costs.

- In addition, the Group reaffirms that it has the sources of financing in place to deal with the uncertainty surrounding the crisis. Stress tests, based on volumes declining by between 20% and 35% over the full year, have shown that the Group has sufficient cash and cash equivalents, without drawing down its confirmed back-up lines of credit.

Florent Menegaux, Managing Chairman, said: “I would like to thank all of our employees for their dedication, commitment and agility, which I am sure will enable Michelin to weather this unprecedented global crisis of still unknown proportions. This exceptional situation has deepened our belief that the Group’s future is anchored in the balance between the engagement of its employees, without whom nothing is possible, the sustainable growth of its business operations and the robust strength of its finances.”

So far, the direction of the pandemic and its economic impacts remain too uncertain to issue any reliable market forecasts and a related profit scenario. Nevertheless, at a time of steeply declining raw material prices, the Group expects to see a more positive net price-mix/raw materials effect, which should slightly attenuate the much more pronounced impact of lower volumes.
First-quarter sales growth:

<table>
<thead>
<tr>
<th>SALES (IN € MILLIONS)</th>
<th>FIRST QUARTER 2020</th>
<th>FIRST QUARTER 2019</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS1: AUTOMOTIVE &amp; RELATED DISTRIBUTION</td>
<td>2,597</td>
<td>2,788</td>
<td>-6.9%</td>
</tr>
<tr>
<td>RS2: ROAD TRANSPORTATION &amp; RELATED DISTRIBUTION</td>
<td>1,360</td>
<td>1,550</td>
<td>-12.3%</td>
</tr>
<tr>
<td>RS3: SPECIALTY BUSINESSES &amp; RELATED DISTRIBUTION</td>
<td>1,370</td>
<td>1,471</td>
<td>-6.9%</td>
</tr>
<tr>
<td>GROUP TOTAL</td>
<td>5,327</td>
<td>5,809</td>
<td>-8.3%</td>
</tr>
</tbody>
</table>

Market Review

- PASSENGER CAR AND LIGHT TRUCK TIRES

<table>
<thead>
<tr>
<th>First quarter 2020/2019 (in number of tires)</th>
<th>EUROPE INCLUDING RUSSIA &amp; CIS*</th>
<th>EUROPE EXCLUDING RUSSIA &amp; CIS*</th>
<th>NORTH AMERICA</th>
<th>CENTRAL AMERICA</th>
<th>SOUTH AMERICA</th>
<th>ASIA (EXCLUDING INDIA)</th>
<th>AFRICA/INDIA/MIDDLE EAST</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Equipment</td>
<td>-15%</td>
<td>-16%</td>
<td>-12%**</td>
<td>-18%</td>
<td>-32%</td>
<td>-21%</td>
<td>-11%</td>
<td>-23%</td>
</tr>
<tr>
<td>Replacement</td>
<td>-11%</td>
<td>-10%</td>
<td>-11%</td>
<td>-3%</td>
<td>-4%</td>
<td>-20%</td>
<td>-3%</td>
<td>-12%</td>
</tr>
</tbody>
</table>

* Including Turkey
** Including Central America

The global Original Equipment and Replacement Passenger car and Light truck tire market declined by 15% in the first quarter of 2020, dragged sharply down by the impact of the health crisis, starting in February in China and in mid-March in the rest of the world.

- ORIGINAL EQUIPMENT
  - In Europe, Original Equipment markets fell 15% in the first quarter, as the shutdown of automobile plants in the wake of lockdowns implemented to contain the COVID-19 pandemic led to a sharp 37% drop in tire demand in March.
  - In North America (including Central America), the market declined by 12% during the period, as demand, after holding firm in the first two months, plunged 34% in March following the suspension of automobile production.
  - In Asia (excluding India), demand tumbled 32% overall year on year, dragged down by the Chinese market, which bottomed out in mid-February with a pandemic-related 81% drop. The 47% decline in March reflected the gradual recovery in automobile output. The rest of Asia suffered less than China, reporting just an 11% decline for the quarter.
  - In South America, demand ended the period down 18%, with a steeper 25% decline in March as the pandemic began to have an impact.
  - In Africa/India/Middle East, the market narrowed by 21% in the first quarter, with a sharp 46% drop in March.
The COVID-19 crisis caused the European Replacement tire market to decline by 11% in the first quarter, with a faster 21% drop in the final month. The Southern European countries (France, Italy and Spain), where stricter isolation measures were implemented sooner, were more severely affected in March (down 35%) than the Northern European markets (Germany, the United Kingdom and the Nordic countries), down 16%.

In North America, demand contracted by 11%, reflecting the later onset of the pandemic and less restrictive lockdowns. The market downturn gained momentum in March with a 19% drop.

In Asia (excluding India), the market plummeted 20% in the first quarter. The Chinese market was the first to be impacted by the health crisis, with demand bottoming out in February with a 60% drop, before easing to a 31% decline in March after dealership networks were gradually reopened. In the rest of Asia, demand eased back slightly over the first two months, but slid 14% in March as the impact of the health crisis began to be felt.

In Central America, the market contracted by just 3% in the first quarter.

In Africa/India/Middle East, demand eased back by a limited 3% over the quarter, as the 19% fall-off caused by COVID-19 in March completely offset the 5% increase over the first two months of the year.

### TRUCK TIRES (radial & bias)

<table>
<thead>
<tr>
<th>First quarter 2020/2019 (in number of tires)</th>
<th>Europe including Russia &amp; CIS*</th>
<th>Europe excluding Russia &amp; CIS*</th>
<th>North America</th>
<th>Central America</th>
<th>South America (excluding India)</th>
<th>Africa/India/Middle East</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Equipment</td>
<td>-21%</td>
<td>-21%</td>
<td>-21%**</td>
<td>-8%</td>
<td>-28%</td>
<td>-21%</td>
<td>-24%</td>
</tr>
<tr>
<td>Replacement</td>
<td>+4%</td>
<td>-6%</td>
<td>0%</td>
<td>-6%</td>
<td>-9%</td>
<td>-4%</td>
<td>-15%</td>
</tr>
</tbody>
</table>

* Including Turkey

** Including Central America

The number of new Truck tires sold worldwide fell by a sharp 17% year on year in the first quarter. The expected decline in Original Equipment markets in Asia, Europe and North America was exacerbated by the health crisis, with demand plunging 24% over the quarter. Replacement markets ended the period down 15%, primarily due to the 30% drop in Chinese demand.

### ORIGINAL EQUIPMENT

- In Europe, while OE demand fell 15% in the first two months of the year, in line with the expected cyclical downturn, the initial impact of the health crisis drove a faster 32% decline in March.
- After dropping 14% in fourth-quarter 2019, demand in North America lost another 14% in January and February 2020, before plunging 32% in March as the health crisis worsened.
- In Asia (excluding India), the market tumbled 28% in the first quarter, dragged down by a 29% drop in China, where demand fell to a 51% low point in February due to the health crisis before easing to a 35% decline in March.
- In South America, the 8% overall decline in the first quarter was mainly attributable to the initial effects of the health crisis in March, down 23%.
- Demand in Africa/India/Middle East ended the quarter down 21%.

### REPLACEMENT

- In Europe, the Replacement tire market rose by 4% overall during the quarter. Demand in Russia surged 26%, lifted by buying ahead of the price increases announced for April to offset the depreciation of the ruble. In the rest of Europe, the market declined by 6%, of which an 18% drop in March, as the health crisis began to take its toll. The impact of the resulting lockdown measures was primarily felt in Southern Europe (France, Italy and Spain), where demand fell 31% in March.
- In North America, quarterly demand was stable overall thanks to the favorable comparison with first-quarter 2019, when dealers sharply drew down inventory after the massive, late-2018 run-up in buying ahead of new customs duties. In addition, the effects of the health crisis on North American demand were not yet visible in the first quarter of 2020.
Markets in Asia (excluding India) were hard hit by the effects of the pandemic in China, losing 38% overall during the first quarter, including 65% in February and 36% in March.

The South American market was down 9% year on year, with a 16% drop in March alone due to the initial impact of the health crisis.

**Specialty Businesses**

- **Mining Tires:** Despite a slight decline, the surface mining tire market is proving to be relatively resilient, buoyed by sustained demand from mining companies and certain procurement problems caused by tire plant closures. The quarry tire segment remains in a cyclical downturn, amplified by customer plant closures.

- **Off-the-Road Tires:** Demand for construction and materials handling equipment tires declined over the quarter, mainly due to carmaker plant shutdowns and the initial impact from COVID-19. The Replacement agricultural tire market has been relatively resilient thanks to the sustained food needs of the global population.

- **Two-Wheel Tires:** The recreational and commuting Two-wheel tire segments contracted sharply due to the health crisis, particularly in Europe, with demand nevertheless remaining stable in Japan.

- **Aircraft Tires:** The commercial aircraft tire market gradually cooled over the first quarter as the health crisis spread. By the end of March, almost all of the world’s air traffic was at a standstill.

- **Conveyor Belts:** In the conveyor belt markets, the Mining segment has remained resilient, but manufacturing customers are cutting back on orders due to the economic situation.

### Michelin Sales

**Consolidated Sales**

<table>
<thead>
<tr>
<th>(In € millions)</th>
<th>First quarter 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>5,327</td>
</tr>
<tr>
<td>Q1 2020 vs. Q1 2019</td>
<td></td>
</tr>
<tr>
<td><strong>Total Change</strong></td>
<td>-482</td>
</tr>
<tr>
<td>Of which <strong>Volumes</strong>*</td>
<td>-677</td>
</tr>
<tr>
<td><strong>Price-Mix</strong></td>
<td>+117</td>
</tr>
<tr>
<td><strong>Currency Effect</strong></td>
<td>+19</td>
</tr>
<tr>
<td><strong>Changes in Scope of Consolidation</strong></td>
<td>+59</td>
</tr>
</tbody>
</table>

In tonnes

Sales for the first three months of 2020 totaled €5,327 million, a decrease of 8.3% from the year-earlier period that was attributable to the following factors:

- a steep 11.7% or €677 million drop in volumes, caused by the collapse in demand after health measures (lockdowns and production shutdowns) were deployed in most regions of the world to address the spread of the COVID-19 virus. The fall-off in volumes accelerated in March, particularly over the last two weeks.

- a 2.0% increase from the favorable price-mix effect. Prices added 0.1%, reflecting the net impact of the Group’s unwavering commitment to disciplined price management and the expected adverse impact of adjustments from the application of raw materials indexation clauses as of January 1, with the mix effect
adding another 1.9% further to the sustained up-market shift in the product mix and the strength of the MICHELIN brand.

- the favorable 0.3% currency effect, as gains in the US dollar against the euro were offset by declines in the Russian ruble, the Argentine peso and the Brazilian real in particular.
- a 1.0% increase from changes in the scope of consolidation, primarily due to the first-time inclusion of Multistrada and Masternaut and the disposal of BookaTable.

**SALES BY REPORTING SEGMENT**

- **Automotive and related distribution**
  
  Sales in the first three months of 2020 amounted to €2,597 million, down 6.9% on the same period in 2019. In falling markets hit by the business impact of the health crisis, the Group reported a 10.5% contraction in segment volumes, thereby consolidating its market share. The price-mix effect was favorable, reflecting the expected unfavorable impact of applying raw materials indexation clauses as of January 1 in the indexed businesses, disciplined price management in the Replacement markets, supported by the strength of the MICHELIN brand, and the continued enrichment of the product mix. The consolidation of Multistrada and the deconsolidation of BookaTable had a net positive impact on the segment over the quarter.

- **Road transportation and related distribution**
  
  Sales for the first quarter amounted to €1,360 million, a decline of 12.3% compared with first-quarter 2019. In markets down a steep 17% over the period, the segment reported a 14.9% decline in volumes, cushioned by a favorable geographic mix and the resilience of its services and solutions offering. The price-mix effect was robust, reflecting the selective focus on markets most capable of creating value and the favorable impact of consolidating newly acquired Masternaut.

- **Specialty businesses and related distribution**
  
  First-quarter sales totaled €1,370 million, down 6.9% on the same period of 2019. Segment volumes fell back 9.9% due to the collapse of certain markets impacted by the health crisis, although some of the decline was offset by the robust price-mix effect.
  
  - Mining tires: sales of surface mining tires remained resilient, thanks to sustained demand from mining companies, where the Group maintained its solid positions.
  - Off-The-Road activities: firm pricing policies and resilient market share partially offset the impact of the steep decline in volumes caused by the market collapse.
  - Two-wheel tires: Sales fell back slightly, reflecting market share gains in a sharply contracting market, the effect of 2019 and early 2020 price increases, and the improvement in the mix related to the steeper decline in OEM demand due to customer plant shutdowns.
  - Aircraft tires: sales remained somewhat firm, supported by the strong demand in the commercial aircraft tire segment early in the year and the resilience of the military segment.
  - Conveyor belts: Fenner sales benefited from the business’ geographic and market segment mix.
  - Reinforced polymers: the more resilient underlying markets for these activities have been affected by the COVID-19 crisis to a lesser extent.
Group cash position

As of April 28, 2020, the Group had €2.3 billion in cash and cash equivalents and €1.5 billion in undrawn confirmed lines of credit. In the regulated countries where local credit facilities can be put in place, such as China, South American countries and Russia, only 35% of the cash facilities had been used.

Since the beginning of March, as the pandemic spread, the Group has used its commercial paper program to issue a net €1 billion in securities with an average maturity of 7.5 months.

Stress tests have shown that the Group has sufficient cash and cash equivalents, without drawing down its confirmed back-up lines of credit. In particular, the tested scenarios assume a decline in volumes ranging from 20% (H1: -32%; H2: -10%) to 35% (H1: -42%; H2: -27%) over the full year and reflect the measures now in place to conserve cash.

In addition, the Group has no bonds falling due before the first half of 2022.

First-quarter 2020 highlights

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

• January 23, 2020 – Proposed support program for employees at the Michelin plant in La Roche-sur-Yon, France is signed by the CFDT, CFE-CGC, SUD and FO trade unions.

• January 27, 2020 – This year, the MICHELIN Guide France 2020 is celebrating sustainable gastronomy by introducing a new green star pictogram.

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

• February 10, 2020 – In 2019, in a highly unstable environment, Michelin successfully maintained its market share and improved its earnings.

• February 18, 2020 – During the third Global Ministerial Conference on Road Safety, Michelin reaffirms 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 24, 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 27, 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.

• March 2, 2020 – Fenner, the world leader in polyurethane conveyor belts, launches the new Eagle Poly-V line for roller conveyor applications.

• April 1, 2020 – COVID-19: Michelin will hold its Annual Shareholders Meeting behind closed doors on June 23, 2020 and reduce the proposed 2019 dividend to €2.00.

• April 6, 2020 – COVID-19: During the health crisis, in a spirit of solidarity with the community of Michelin employees, the Managers and the members of both the Executive Committee and the Supervisory Board have reduced their compensation.

• April 8, 2020 – COVID-19: Michelin and other companies in France’s Auvergne-Rhône-Alpes region step up to mass manufacture reusable face masks.
• April 8, 2020 – COVID-19: Michelin has mobilized on all fronts to produce masks and visors. The Group is also involved in many other projects involving medical device components, patient-positioning cushions and hand sanitizer.

• April 15, 2020 – Michelin partners with Enviro to develop and mass produce an innovative pyrolysis technology to recycle end-of-life tires. The partnership fits seamlessly with the Group’s “All Sustainable” vision.

A full description of highlights for the first three months of 2020 may be found on the Michelin website: http://www.michelin.com/
PRESENTATION AND CONFERENCE CALL
First-quarter 2020 sales will be reviewed with analysts and investors during a presentation in English today, Wednesday, April 29, 2020 at 6:30 p.m. CEST.

WEBCAST
The presentation will be webcast live on: https://www.michelin.com

CONFERENCE CALL
Please dial-in on one of the following numbers from 6:20 p.m. CEST:
- In France 01 72 72 74 03 (English) PIN: 12826131#
- In the United Kingdom +44 (0) 207 194 3759 (English) PIN: 12826131#
- In North America (+1) 646 722 4916 (English) PIN: 12826131#
- From anywhere else +44 (0) 207 194 3759 (English) PIN: 12826131#

The presentation of financial information for the three months ended March 31, 2020 (press release and slideshow) may also be viewed at http://www.michelin.com/en, along with practical information concerning the conference call.

INVESTOR CALENDAR

- **Sales and results for the six months ending June 30, 2020:** Monday, July 27, 2020 after close of trading.
- **Financial information for the nine months ending September 30, 2020:** Thursday, October 22, 2020 after close of trading.

<table>
<thead>
<tr>
<th>Investor Relations</th>
<th>Media Relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edouard de Peufeilhoux</td>
<td>Paul-Alexis Bouquet</td>
</tr>
<tr>
<td>+33 (0) 4 73 32 74 47</td>
<td>+33 (0) 6 79 33 51 47</td>
</tr>
<tr>
<td>+33 (0) 6 89 71 93 73 (mobile)</td>
<td><a href="mailto:paul-alexis.bouquet@michelin.com">paul-alexis.bouquet@michelin.com</a></td>
</tr>
<tr>
<td><a href="mailto:edouard.de-peufeilhoux@michelin.com">edouard.de-peufeilhoux@michelin.com</a></td>
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</tr>
<tr>
<td>Humbert de Feydeau</td>
<td>Hervé Erschler</td>
</tr>
<tr>
<td>+33 (0) 4 73 32 68 39</td>
<td>+33 (0) 1 45 66 22 22</td>
</tr>
<tr>
<td>+33 (0) 6 82 22 39 78 (mobile)</td>
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<tr>
<td><a href="mailto:humbert.de-feydeau@michelin.com">humbert.de-feydeau@michelin.com</a></td>
<td><a href="mailto:herve.erschler@michelin.com">herve.erschler@michelin.com</a></td>
</tr>
<tr>
<td>Pierre Hassaïri</td>
<td>Individual Shareholders</td>
</tr>
<tr>
<td>+33 (0) 4 73 32 95 27</td>
<td>Isabelle Maizaud-Aucouturier</td>
</tr>
<tr>
<td>+33 (0) 6 84 32 90 81 (mobile)</td>
<td>+33 (0) 4 73 32 23 05</td>
</tr>
<tr>
<td>pierre.hassaï<a href="mailto:ri@michelin.com">ri@michelin.com</a></td>
<td><a href="mailto:isabelle.maizaud-aucouturier@michelin.com">isabelle.maizaud-aucouturier@michelin.com</a></td>
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<tr>
<td></td>
<td>Clémence Rodríguez</td>
</tr>
<tr>
<td></td>
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<td></td>
<td><a href="mailto:clemence.daturi-rodriguez@michelin.com">clemence.daturi-rodriguez@michelin.com</a></td>
</tr>
</tbody>
</table>

DISCLAIMER
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