JULY 27, 2020

FIRST-HALF 2020
RESULTS
Supported by its diversified offering, engaged employees and robust financial position, Michelin demonstrates its resilience through a crisis of unprecedented intensity

- Quick deployment of all the measures needed to safeguard employees, ensure business continuity and conserve cash

- Despite collapsing markets and a 20.6% contraction in sales, SOI* ended the first half at €310m:
  - 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”+ segment and resilience in the Specialty businesses
  - €192m reduction in SG&A costs, excluding €77m 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 15% operating margin)
  - CO₂ reduction pathways and objectives approved by the Science Based Targets initiative**

- Expanded CSR governance within the Supervisory Board

* Segment Operating Income
** Initiative launched in 2015, a few months before COP21, SBTi is a collaboration of 4 organizations that offer a voluntary approach to fight against global warming in the private sector
In response to the health crisis, Michelin is taking action to protect its employees and support its host communities worldwide.

### Safeguarding Employees
- Production shutdowns, home office solutions introduced
- Necessary health precautions deployed to support the reopening of production lines
- Production gradually being restarted
- Business safely resumed
- Sustained, diligent tracking to respond promptly to any resurgence of the epidemic

### Supporting Communities
- Masks (~2.4m), hand sanitizer (~12,000 liters) and other PPE donated
- Tires (~4,600) donated and free-of-charge assistance provided for ambulances and other vehicles needed for the crisis
- Masks (400k/week) and hand sanitizer being produced in certain Group plants
- Financial and in-kind donations made

### Producing Healthcare Products
- 12,000 polycarbonate face shields being fast-track produced for hospitals
- Ventilator components and reusable masks being 3D printed
- Positioning cushions being produced to help patients breathe
- Mask production lines built with our Imeca subsidiary

---

First-half 2020 results – July 27, 2020

---

Michelin
A matter worthy of concern
Michelin sees its CO₂ emissions reduction targets validated by SBTi, and strengthens CSR Governance within the Supervisory Board

**ENVIRONMENT**

Michelin’s CO₂ emissions reduction targets have been approved by the Science Based Targets initiative (SBTi)

- **2010**
  - Scopes 1 and 2 (1)
  - part of Scope 3 (2)
- **2018**
- **2024**
  - 70% (3) of raw material suppliers have defined science-based targets
- **2030**
  - -15% (4)
  - -38% (4)

Towards net zero emission in 2050
Scopes 1 and 2

(1) **Scope 1 and 2** emissions are emissions either from sources owned or controlled by the company or from the generation of energy purchased and consumed by the company.
(2) **Scope 3** emissions from fuel- and energy-related activities; upstream and downstream transportation and distribution; and end-of-life treatment of sold products
(3) % in greenhouse gas emissions
(4) In absolute value

**GOVERNANCE**

- **Supervisory Board**
  - Audit Committee
  - Compensation & Appointments Committee
  - CSR Committee

A Corporate Social Responsibility Committee (CSRC) has been created within the Supervisory Board

Election of two Supervisory Board members representing employees, effective December 2020, approved by shareholders at the June 23, 2020 AGM
First-half 2020 Results

July 27, 2020
H1 2020: in a world shaken by Covid-19, a steep drop in tire markets followed by an uncertain recovery depending on the region

First-half 2020 results – July 27, 2020

Source: Michelin

* Including Central America for OE
A resilient multidimensional Group in an unprecedented systemic crisis

- 2019 sales by region
  - North America (incl. Mexico)
  - Europe (including CIS)
  - Asia and Rest of the World

- 2019 sales by growth driver
  - CONSUMPTION
    - 41%
  - COMMODITIES
    - 21%
  - MANUFACTURING
    - 27%
  - AUTO*
    - 11%

* Auto (PC/LT OE): Passenger car and Light truck tires sold to vehicle manufacturers as Original Equipment

First-half 2020 results – July 27, 2020
H1 2020 sales: as global tire demand collapsed, sales declined by 20.6%

**YoY change**
(in € millions and %)

<table>
<thead>
<tr>
<th>Compared to H1-2019</th>
<th>H1-2020 sales at constant exchange rates</th>
<th>H1-2020 sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,781</td>
<td>9,414</td>
<td>9,357</td>
</tr>
<tr>
<td>YoY change (+51)</td>
<td>Price-mix (+1.9% o/w mix +1.6%)</td>
<td>Currency effect (-0.5%)</td>
</tr>
<tr>
<td>-2,635</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>External growth</strong></td>
<td><strong>Organic growth</strong></td>
<td></td>
</tr>
<tr>
<td>Changes in scope of consolidation (+0.4%)</td>
<td>Volumes (-22.4%)</td>
<td></td>
</tr>
</tbody>
</table>

*Notably the inclusion of Multistrada and Masternaut and the deconsolidation of BookaTable*
Q2 2020: despite the fall in volumes caused by the health crisis, the Group held prices firm and enhanced the mix

- YoY change, by quarter
  (in %)

<table>
<thead>
<tr>
<th>Volumes</th>
<th>Price-mix</th>
<th>Currency effect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 2019</td>
<td>Q2 2019</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>2.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>-0.5</td>
<td>-1.4</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>2.9</td>
<td>2.4</td>
</tr>
<tr>
<td>Q4 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 2020</td>
<td>2019</td>
<td>2020</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>2019</td>
<td>2020</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>2.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>Q1 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

First-half 2020 results – July 27, 2020
H1 2020 SOI: deep fixed cost shortfall due to the drop in volumes, partially offset by a robust price-mix and lower SG&A expenses

YoY change in SOI (in € millions)

<table>
<thead>
<tr>
<th>Scope of consolidation</th>
<th>Volumes*</th>
<th>Raw materials</th>
<th>Price-mix o/w mix</th>
<th>SG&amp;A</th>
<th>Covid-19 Costs **</th>
<th>Other</th>
<th>Currency effect</th>
<th>H1 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>+3</td>
<td>-1,522</td>
<td>+44</td>
<td>+261</td>
<td>+192</td>
<td>-77</td>
<td>+17</td>
<td>312</td>
<td>1,438</td>
<td>310</td>
</tr>
</tbody>
</table>

* Of which a €752m fixed cost shortfall and decline in industrial output, partly offset by €124m in furlough grants
** supply and manufacture of masks and gels

First-half 2020 results – July 27, 2020
At a time of plunging global demand, margin was slightly negative in RS1 and RS2, but highly resilient in RS3

<table>
<thead>
<tr>
<th>(in € millions)</th>
<th>H1 2020</th>
<th>H1 2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS1 sales</td>
<td>4,394</td>
<td>5,658</td>
<td>-22.3%</td>
</tr>
<tr>
<td>Operating income*</td>
<td>-35</td>
<td>585</td>
<td>-106.0%</td>
</tr>
<tr>
<td>Operating margin*</td>
<td>-0.8%</td>
<td>10.3%</td>
<td>-11.1 pts</td>
</tr>
<tr>
<td>RS2 sales</td>
<td>2,411</td>
<td>3,144</td>
<td>-23.3%</td>
</tr>
<tr>
<td>Operating income*</td>
<td>-30</td>
<td>279</td>
<td>-110.8%</td>
</tr>
<tr>
<td>Operating margin*</td>
<td>-1.3%</td>
<td>8.9%</td>
<td>-10.2 pts</td>
</tr>
<tr>
<td>RS3 sales</td>
<td>2,552</td>
<td>2,979</td>
<td>-14.3%</td>
</tr>
<tr>
<td>Operating income*</td>
<td>375</td>
<td>574</td>
<td>-34.7%</td>
</tr>
<tr>
<td>Operating margin*</td>
<td>14.7%</td>
<td>19.3%</td>
<td>-4.6 pts</td>
</tr>
</tbody>
</table>

* For the segment

Despite the collapse in volumes, the Group continued to enhance the mix across every reporting segment and maintained an assertive pricing policy that more than compensated for the negative impact of indexation clauses, which were applied in particular in the Automotive OE business.
Electric vehicles: by leveraging its technological advance, Michelin is strengthening its leadership in a highly demanding, fast-growing market.

First-half 2020 results – July 27, 2020

**High-performance solutions**

- Aligned with EV needs
- Increasing range – the major challenge for EVs
- Reducing cockpit noise
- Coping with torque
- Supporting heavy batteries

**Michelin: The Leader in EV Tires**

- **Sport passion**
- **Premium luxury**
- **Generalist**
- **New entries**

**Share of EV sales**

- **30% in 2025**
- **12% in 2020**
Michelin is deploying its circular economy strategy, notably in urban and highway transportation

**LOW ENVIRONMENTAL IMPACT TIRES**

Launch of the **MICHELIN AGILIS 3**

For light commercial vehicles

On average **1KG LIGHTER** than the previous generation

Demonstrating the **LLP* PROMISE**

**MICHELIN: THE LEADER IN RETREADING**

- **2X+** As many kilometers
- 40% savings vs. Buying a new tire

Raw materials used in production

Waste to be recycled: -50KG

- **100%**
- **30%**

(1) With the same casing. In-house Michelin tests in 2013. The lifespan of a MICHELIN Remix® tire = 37% of the lifespan of a new, same-size MICHELIN tire.
(2) European average. In-house price surveys in 2014 and Internet price surveys conducted by an outside organization in 2014.
(3) MICHELIN Remix® retreading requires only an average 20 kg of raw materials, i.e. 70% less than to make a new tire

- Growth driver for the Group’s Road transportation tire business
- Supports Michelin’s “All Sustainable” strategy
- Unmatched solutions, thanks to Michelin’s robust tire casings
- A profitable business that is more recession-proof than new tires
Resilient Specialty businesses amid a severe recession in the global economy

- The Specialty segment’s business performance helped to offset the steep drop in the Automotive and Road transportation segments, with
  - Only a 14% decline in sales
  - A 15% operating margin
Optimized cash management strengthening the Group’s robust financial position and enabling it to deal with the crisis calmly

Change in free cash flow
(in € millions, including acquisitions and JV financing)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1 2019 free cash flow</strong></td>
<td>-592</td>
</tr>
<tr>
<td>Change in EBITDA</td>
<td>-1,104</td>
</tr>
<tr>
<td>Change in trade working capital</td>
<td>+285</td>
</tr>
<tr>
<td>Change in tax and interest paid</td>
<td>+281</td>
</tr>
<tr>
<td>Change in capital expenditure</td>
<td>+120</td>
</tr>
<tr>
<td>Change in M&amp;A and financing for subsidiaries and affiliates</td>
<td>+400</td>
</tr>
<tr>
<td>Change in other</td>
<td>+259</td>
</tr>
<tr>
<td><strong>H1 2020 free cash flow</strong></td>
<td>-351</td>
</tr>
</tbody>
</table>

A solid cash position at June 30, 2020

- €2.8bn in cash and cash equivalents
- €1.4bn in commercial paper issued out of a maximum €3.1bn
- €1.5bn in confirmed, undrawn lines of credit
- No significant bonds falling due before 2022

The Group’s available sources of financing enabled it to easily pass the stress tests conducted for a period 18 months out
Despite the crisis, net debt remains under control, thanks to management discipline recognized by the rating agencies.

**Net debt**
*(in € millions)*

<table>
<thead>
<tr>
<th>Dec. 31, 2019</th>
<th>FCF H1 2020*</th>
<th>M&amp;A</th>
<th>Financing for subsidiaries and affiliates</th>
<th>Other**</th>
<th>June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt</td>
<td></td>
<td></td>
<td></td>
<td>5,510</td>
<td></td>
</tr>
<tr>
<td>5,184</td>
<td>255</td>
<td>41</td>
<td>55</td>
<td>-25</td>
<td>+ €326m</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,184</td>
<td>+ €351m</td>
</tr>
</tbody>
</table>

**Credit ratings reaffirmed in first-half 2020**

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short term</strong></td>
<td>A-2</td>
<td>F-2</td>
</tr>
<tr>
<td><strong>Long term</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P Fitch</td>
<td>A-</td>
<td>A-</td>
</tr>
<tr>
<td>Moody's**</td>
<td>A-</td>
<td>A-</td>
</tr>
<tr>
<td><strong>Outlook</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P Fitch</td>
<td>Negative</td>
<td>Stable</td>
</tr>
<tr>
<td>Moody’s**</td>
<td>Stable</td>
<td>Stable</td>
</tr>
</tbody>
</table>

* Free cash flow excluding M&A and financing for subsidiaries and affiliates

** Mainly translation adjustments, share buyback and the impact of new leases

** Moody’s, whose rating is no longer solicited as of July 1, 2020, affirmed the long-term credit ratings of CGEM and CFM on May 14, 2020
July 27, 2020

First-half 2020 Results

2020 Guidance
2020 market scenario: gradual recovery in demand for PC/LT and Truck tires, vulnerable to a high risk of a major recession

**PC/LT**: -20% / -15%
- OE: trend-line improvement in H2 vs. H1, led by China’s recovery and the effect of government incentives
- RT: post-lockdown upturn in demand occurring at different speeds depending on the region, in a very fragile economic environment

**TRUCK**: -17% / -13%
- OE: continued decline in global demand in a very uncertain environment
- RT: demand still significantly depressed in every market except China, which is returning to modest growth

**SPECIALTIES**: -17% / -13%
- Mining: lower demand in a global economy hurt by Covid-19
- Off-the-road: demand relatively resilient in Agricultural RT tires, but down sharply in Agricultural OE and Infrastructure tires
- Two-wheel: market lifted by its image as a safe form of transportation amid the health crisis
- Collapse in demand for Aircraft tires
### 2020 scenario*

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volumes</strong></td>
<td>Growth in line with markets excluding the geomix effect</td>
</tr>
<tr>
<td><strong>Cost impact of raw materials prices and customs duties</strong></td>
<td>Positive</td>
</tr>
<tr>
<td><strong>Currency effect</strong></td>
<td>Slightly negative based on June 2020 rates**</td>
</tr>
</tbody>
</table>
| **Net price-mix/raw materials effect** | Positive  
Price / Raw materials: positive |

* Based on the following average prices and exchange rates for 2020: natural rubber: $1.267/kg; butadiene (US, Europe and Asia): $611/t; Brent: $39.8/bbl; EUR/USD: 1.092

** See slide 54
### 2020 guidance excluding any new systemic effect from Covid-19

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Operating Income at constant exchange rates</td>
<td>&gt; €1,200m</td>
</tr>
<tr>
<td>Structural FCF</td>
<td>&gt; €500m</td>
</tr>
</tbody>
</table>
MICHELIN IS EQUIPPING THE EVs OF THE FUTURE

From left to right: BMW Inext, Buick SUV China, Ford Mustang Mach-E, Mercedes EQC, Jaguar XJ-Type, Nissan Ariya, Human Horizon HiPhi 1 and Polestar 2
Coming events:

- **October 22, 2020** (after close of trading): Third-quarter and 9 months 2020 sales
- **February 15, 2021** (after close of trading): 2020 Annual Results
- **April 8, 2021**: Investor Day
## Reported H1 2020 and H1 2019 financial highlights

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>9,357</td>
<td>11,781</td>
</tr>
<tr>
<td>Segment EBITDA</td>
<td>1,192</td>
<td>2,296</td>
</tr>
<tr>
<td>Segment EBITDA margin</td>
<td>12.7%</td>
<td>19.4%</td>
</tr>
<tr>
<td>Segment Operating income</td>
<td>310</td>
<td>1,438</td>
</tr>
<tr>
<td>Segment Operating margin</td>
<td>3.3%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Other Operating income and expenses</td>
<td>(133)</td>
<td>(97)</td>
</tr>
<tr>
<td>Net income</td>
<td>(137)</td>
<td>844</td>
</tr>
<tr>
<td>Basic earnings per share (in €)</td>
<td>(0.75)</td>
<td>4.74</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>490</td>
<td>665</td>
</tr>
<tr>
<td>Free cash flow*</td>
<td>(351)</td>
<td>(592)</td>
</tr>
<tr>
<td>Gearing</td>
<td>45 %</td>
<td>54%</td>
</tr>
</tbody>
</table>

* Net cash from operating activities less net cash used in investing activities less net cash from other current financial assets, before distributions.
Passenger car tire markets in H1 2020
(% change YoY, in number of tires)

First-half 2020 results – July 27, 2020

Source: Michelin.
* incl. Central America

- 21% - 34%

Global market

North America
- 21% - 40%*

South America
- 27% - 52%

Western and Central Europe
- 19% - 39%

Eastern Europe
- 18% - 37%

China
- 15% - 20%

Africa, India and Middle East
- 32% - 47%

Asia (exc. China & India)
- 16% - 29%

TC: collapse in OE and Replacement demand in every region, hard hit by the spread of Covid-19 and the ensuing lockdowns
Truck tire markets in H1 2020
(% change YoY, in number of tires)

PL: collapse in OE and Replacement demand in every region, hard hit by the spread of Covid-19 and the ensuing lockdowns

Source: Michelin.
* incl. Central America
2007 – 2019: Group capacity to protect and improve its Free Cash Flow generation

2007 - 2019 Free Cash Flow, CAPEX & ROCE*

*With standard taxe rate at 28% for 2017 and 26% for 2018 & 2019 and excluding goodwill, acquired intangibles, associates and joint ventures for 2017, 2018 & 2019
**Reported FCF from 2007 to 2010, Structural FCF from 2011 onwards.
Resilient margins, underlying strengths and robust drivers support confidence in sustainable FCF growth

Change in segment operating income 2014 – 2019
(in € millions)

-30 237 145 304 179 4 3,009
+€835m excl. forex

Structural free cash flow 2014 – 2019
(in € millions)

717 833 961 1,509 1,274 1,615

Beyond 2019: Michelin’s strengths and drivers for more value creation

- A powerful brand operating in structurally growing markets
- Innovation for better performing, more environmentally friendly products
- Tires becoming more technology rich
- Business expansion leveraging our customer base and our unique expertise
- Competitiveness plan deployment
- Working capital optimization
Leverage on Group’s strengths, in four domains of growth, to enhance customers mobility and create value

- Michelin’s strengths
  - Michelin brand leadership
    Michelin Man named* “Icon of the Millennium”
  - High-tech materials leadership
    125 years of competencies and innovations in flexible composite materials and transformation processes
  - Employee engagement
    In 2019, 81% of employees say they are proud and happy to work at Michelin

- Four areas of growth
  - EXPERIENCES
  - SERVICES & SOLUTIONS
  - TIRES
  - HIGH-TECH MATERIALS

*By Advertising week
Recognition for the economic and environmental benefits of Michelin tires’ long-lasting performance

- By offering customers tires that deliver high performance until 1.6mm wear indicators appear

Michelin is improving the tire industry’s environmental footprint
- by avoiding raw material waste
- by reducing carbon emissions

Michelin is improving consumer purchasing power
- by increasing the time between tire changes
- by improving, with worn tires, the fuel efficiency*

* Up to a 20% reduction in rolling resistance

- Michelin’s approach is supported by:
  - The automotive industry
  - The European Parliament

2019
- The European Parliament approves worn tire testing

2024-2026
- In Europe, long-lasting performance will be a prerequisite for every tire
Innovation leader with Uptis: the airless concept, an essential step towards more sustainable mobility

**FOR THE NEW C.A.S.E MOBILITY**
(Connected, Autonomous, Shared, Electric)

- Benefits for car owner
  More serenity during the journeys

- Benefits for fleet owners and professionnals
  Productivity optimisation

- Benefits for all
  Material savings and waste reduction

**AIRLESS TECHNOLOGY “PUNCTURE PROOF”**

Co-developed with General Motors

- From ambition to action -
Automotive: market share gains in 18 inch and above, recognition of Michelin’s technological leadership

Percentage of ≥18” tires in total MICHELIN-brand sales (in tonnes)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25%</td>
<td>29%</td>
<td>35%</td>
<td>39%</td>
<td>43%</td>
<td>46%</td>
</tr>
</tbody>
</table>

MICHELIN OE/RT loyalty rate in Europe*:

- 18”: >50%
- 19”: >65%
- 20” and +: >89%

* 1st replacement
**Michelin’s OE position is unique**

<table>
<thead>
<tr>
<th>SPORT PASSION</th>
<th>LUXURY PREMIUM</th>
<th>GENERALISTS</th>
<th>NEW ENTRANTS (OEM &amp; Mobility)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OEM BRANDS (examples)</strong></td>
<td><strong>Extreme emotions &amp; passionate drivers</strong></td>
<td><strong>Premium brand focus on consumer experience</strong></td>
<td><strong>WW players mass-market oriented</strong></td>
</tr>
<tr>
<td><strong>Who are they</strong></td>
<td><strong>Market weight (Volumes of tires)</strong></td>
<td><strong>Main competitors</strong></td>
<td><strong>Michelin position</strong></td>
</tr>
<tr>
<td><strong>2%</strong></td>
<td><strong>13%</strong></td>
<td><strong>Bridgestone, Goodyear, Continental, Dunlop, Hankook</strong></td>
<td><strong>Pirelli</strong></td>
</tr>
<tr>
<td><strong>&gt; in € and image</strong></td>
<td><strong>&gt; in € and image</strong></td>
<td><strong>=</strong></td>
<td><strong>=</strong></td>
</tr>
</tbody>
</table>

... with the overall objective of achieving:
- a benchmark position in each segment & each geography
- sales growth at least in line with the market
- profitability on a par with the best auto suppliers
The new challenges facing road transportation: opportunities to showcase the value added of Michelin solutions

**NEW ENVIRONMENTAL STANDARDS**

- Reducing CO₂ emissions
  - Vecto UE 2020 standard for new vehicles
    - Cut CO₂ emissions by 15% by 2025
    - Cut CO₂ emissions by 30% by 2030
  - Greenhouse Gas Protocol applied to company upstream/downstream operations
- Circular economy
  - Preference for retreaded or retreadable tires in government contracts (French legislation)

**BUSINESS ISSUES**

- Focus on fuel efficiency
- Shortage of drivers and rising wages
- Optimizing asset use

**A HIGHLY DIVERSIFIED LINE-UP**

- Tires offering the lowest TCO over time
- Innovative solutions to improve the productivity and environmental footprint of trucking companies
- Products with low environmental impact to support truckers in transitioning to zero-emission operation
Michelin strengthens its position in markets with high potential for value creation

AN UNRIVALED MICHELIN PORTFOLIO...

Technological leadership
Comprehensive solutions for every customer need
Services & Solutions

... IN HIGH-POTENTIAL MARKETS DRIVEN BY

Trade flows
Urbanization
Population growth

Long-term CAGR
~ +2%

OHT
MICHELIN Zen@terra
MICHELIN AgroPressure
CAMSO tracks and tracks system

Long-term CAGR
~ +3%
Partner dealership chains* that showcase the Group’s products

- Michelin boasts industry-leading global coverage

- Partner wholesalers: NTW, Ihle, Meyer Lissendorf

- A vast network of strategic retailers* as of late 2019: ~7,500 including Penta in Indonesia following the acquisition of Multistrada

*Proprietary or franchised dealers, plus minority stakes in partners
Services & Solutions: an expansive offering suited to B2B customer needs

**TIRE AS A SERVICE**
- Usage-based billing*
- > 1 MILLION vehicles under contract
- *Including Truck and Mining tire maintenance

**SERVICES & SOLUTIONS**
- A global footprint

**FLEET SOLUTIONS**
- Connected services

**DATA-DRIVEN BUSINESS MODELS**
- Monetization of data analyses
- For the transportation industry and beyond

- Predictive maintenance
- Infrastructure
- Insurance

*Including Truck and Mining tire maintenance

**ACQUISITION IN 2019**

First-half 2020 results – July 27, 2020
Our aim: deeply understand our customers to provide solutions that create greater value for all

- Data collection: a pre-requisite to building **predictive** capabilities
- Michelin begins this journey with a data lake that merges **unique historical data sets**
- Michelin will go much further, ultimately **connecting every single asset**
Maintaining our brand leadership and strengthening our B2C connection

**NURTURING OUR STATUS AS A PREMIUM BRAND**

8th most reputable company worldwide
Ranked no.1 in the automotive sector

BY 2019 GLOBAL REPRACK®100*

* Reputation Institute

**DEVELOPING CURATION ACTIVITIES**

that enable our customers to enjoy a unique mobility experience and make Michelin a trusted partner

In 2019, a strategic international partnership agreement was signed with the aim of combining:

– The gastronomic selection expertise of the Michelin Guide
– The power of TripAdvisor’s global customer audience
– TheFork’s leading online restaurant booking platform

*BY MICHELIN*
High-Tech Materials strategy: addressing 3 main value chains for a sustainable growth

**ADDITIVE MANUFACTURING**

**FLEXIBLE COMPOSITES**
- Rubber goods
- Bio-based and clean materials

**HYDROGEN MOBILITY**
- End of Life Tire recycling
Michelin aims to become a world leader in hydrogen systems

- With its expertise in the hydrogen fuel cell technology, notably with Symbio, Michelin is accelerating the deployment of zero-emission mobility:
  - by partnering with Faurecia to create a leading hydrogen fuel cell system
  - by participating in the Zero Emission Valley project (Hympulsion) in France, involving public-private partners
  - by being a key stakeholder playing and a trusted third party in hydrogen mobility (Hydrogen Europe, Hydrogen Council, MOVIN’ON…)

---

230 employees in 2020 will be committed by Michelin and Faurecia

3 Production facilities eventually: Europe, Asia and USA

÷ 20 the price of a battery + components in the future, (due to growing demand)

25% market share in sales

2030 outlook

€140m

€1.5bn

First-half 2020 results – July 27, 2020
Hydrogen mobility, a solution with significant growth prospects that is particularly suited to professional needs

- A fuel cell car will be able to cover longer distances and offer constant availability for a lighter, smaller system

  
<table>
<thead>
<tr>
<th>Hydrogen fill-up</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 min</td>
<td>x2-x3</td>
</tr>
</tbody>
</table>

  FOR THE SAME SIZE TANK (170 DM3):
  - 500 km
  - 257 km

  FOR THE SAME AMOUNT OF ENERGY + SAME STORAGE (125 KG):
  - 500 km
  - 90 km

- 2030 market *
  - 80% light vehicles (passenger cars and light trucks)
  - 20% trucks and buses

  * Michelin estimate

Michelin has decided to target professional markets first before approaching passenger cars market.
Michelin’s non-financial ratings: a leading, and recognized player in sustainable mobility

### Major sustainability rating (As of June 30, 2020)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LEADERSHIP</td>
<td>LEADERSHIP</td>
<td>GOLD</td>
<td>PRIME</td>
<td>AA</td>
<td>A1+</td>
<td>OUTPERFORMER</td>
</tr>
<tr>
<td>Climate change</td>
<td>A-</td>
<td>78/100</td>
<td>B-</td>
<td>7.4/10</td>
<td>68/100</td>
<td>77/100</td>
</tr>
<tr>
<td>Water security</td>
<td>A-</td>
<td></td>
<td></td>
<td>A-</td>
<td>A1+</td>
<td></td>
</tr>
</tbody>
</table>

**Ranking / Distribution of ratings**

- **Climate change**
  - Light manufacturing: A- (Global), C (Europe), B (Global)
  - Top 1% (natural rubber)
- **Water security**
  - Global: A- (Global), B (Europe), B (Global)

**Global Average**

- Light manufacturing: B (Global), A (Europe), B (Global)

**1er of 31 in the sector**

- Governance
- Environment
- Social

**7ème of 54 in the sector**

- Governance
- Environment
- Social
What are Tire and Road Wear Particles (TRWPs)?

- TRWPs are tiny debris produced by the friction between tires and the road; this friction is what ensures grip and safety on the road.
- The particles are a mixture of rubber and road surface minerals.
- They have specific characteristics and behaviors:
  - High density: 1.8
  - Big diameter: average size 100 μm
  - High degradability rate

Scientific studies conducted to date at the request of TIP and ETRMA have shown that 2% to 5% of TRWPs reach estuaries and that around 1% of PM10 and PM2.5 present in the air would be from TRWPs.
The Michelin Group has a dual commitment to reducing abrasion:

- **Individually**, by reducing the abrasion of its own products:
  - by leveraging its materials expertise and a design culture/strategy focused on optimizing the use of raw materials and reducing their quantities (less wear, less raw materials);
  - by already working to define an ambitious target for reducing TRWP emissions from its tires in the coming years.

- **Collectively**, by collaborating with industry and public authority stakeholders to help introduce maximum abrasion limits and support deeper scientific understanding of TRWPs.
Life cycle impact: taking action throughout the life cycle of our products

RAW MATERIALS
Michelin is responsibly developing its natural rubber supply and other sustainable materials.

MATERIALS RECYCLING
Lehigh Technologies, a Michelin company, produces high-performance materials from end-of-life tires and other post-industrial rubber.

ENERGY RECOVERY
Michelin actively supports resource recovery and recycling systems for end-of-life tires with its stakeholders and industry partners around the world.

MANUFACTURING
Michelin strives to continuously reduce the environmental impact of manufacturing through its environmental management system and performance targets.

LOGISTICS
Michelin leverages a variety of solutions to reduce its carbon footprint for transporting semi-finished and finished products.

USE OF PRODUCTS AND SERVICES
Michelin’s innovations mean longer distances and higher performance with fewer materials and a smaller carbon footprint. Our services and solutions optimize tire use.

END OF LIFE
Michelin actively supports resource recovery and recycling systems for end-of-life tires with its stakeholders and industry partners around the world.

REPRESENTS 63% to 96% OF THE LIFE CYCLE IMPACT*
*depending on type of vehicle and environmental impact category
Focus on circular economy

**REDUCE**
- Tire performances
- Services & Solutions
- Hydrogen fuel cell development
- Uptis & Vision projects
- Coal exit strategy
- Renewable energy purchasing ramp-up
- Global engagement & partnership (SBTi, Movin’On…)
- Biodiversity commitments
- Less transport, better transport and transport in a different way

**REUSE**
- Repair, regroove and retread tires
- Vision project

**RECYCLE**
- Recycle energy
- Collective approach: collect and recover tires
  - TIP
  - Regional associations
  - ELT companies
- Individual approach:
  - Recycle tires: Lehigh Technologies
  - Use tires into tires: Enviro, Lehigh Technologies
- Vision project

**RENEW**
- Biodiversity commitments
- Renewable materials projects
  - BioButterfly
  - BioImpulse
  - Natural rubber
- Vision project
Proven ability to improve unit margin in a highly competitive market environment

Net impact of changes in the price-mix and raw material prices
(in € millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact</td>
<td>+264</td>
<td>+1,133</td>
<td>+103</td>
<td>+118</td>
<td>-93</td>
<td>+159</td>
<td>-70</td>
<td>+286</td>
<td>+324</td>
</tr>
</tbody>
</table>

First-half 2020 results – July 27, 2020
Beyond 2020: set up our manufacturing efficiency, boosting competitiveness gains

/// INDUSTRIAL FOOTPRINT

- Produce locally and increase flexibility
- Multistrada conversion from Tier 3 to Tier 2 production
- Increase the number and utilization of large plants (>100k tonnes)

/// PRODUCTIVITY GAINS

- Process standardization
- Empowerment deployment
- Simplexity
- Digital manufacturing
Continuing to rightsize Michelin’s manufacturing footprint

2023 production capacity by region (in kt)
Including Camso and Multistrada

- North America: 30%
- Western Europe: 23%
- Eastern Europe: 13%
- Asia: 27%
- South and Central America: 7%
Digital manufacturing: 50 demonstrators launched

### Assets
- **PREDICTIVE MAINTENANCE**
  - ANALYSIS AND ANTICIPATION
    - Assisted root cause quality control
- **CONDITIONAL MAINTENANCE**
  - SCALE-UP SERIES PRODUCTION

### Quality
- **STANDARD ANALYSIS**
  - Quality data collection (SPC, Vision)

### Supply
- **PLANT DIGITAL TWIN**
- **PLANNING / SCHEDULING**
  - End to End integration
- **INVENTORY**
  - On time inventory / intelligent lots

### People
- **ASSISTED ACCES TO KNOWLEG**

### Automation
- **HUMAN/ROBOT COLLABORATION**
  - AGV, ROBOTS, VISION
- **AUTOMATISATION FACTORY FLOW**
- **WORKSTATION AUTOMATISATION**
- **AUTOMATISATION CONTROL – VISION**
Beyond 2020: continue to target SG&A benchmark levels

2019 SG&A split (in € millions)

- M&S: 34%
- R&D: 49%
- G&A: 17%

Zoom SG&A (in % of sales)

- 2019 SG&A:
  - Michelin: 16.9%
  - Best Tier 1 competitor: 16.8%

Closing the gap vs. best Tier 1 competitor
Levers to improve our SG&A structure

- Corporate Business Service in Bucharest (Europe), Queretaro (Americas) and, Shenyang and Bangkok (Asia)
- Cultural Transformation: Simplification and Frugalities
- Complete the deployment of our Business Management Program (OPE)
- Creation of Michelin Technology and Innovation Center in Pune (India)
- Strengthening of our purchasing organization and processes
- Value Stream Mapping for large cross-functional processes
- Digitization of HR and CRM processes
Sales by currency and SOI impact

<table>
<thead>
<tr>
<th>% of sales</th>
<th>2020 H1 € change vs. currency</th>
<th>Dropthrough sales / ROS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 37%</td>
<td>-2%</td>
<td>40% / 50%</td>
</tr>
<tr>
<td>EUR 31%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CNY 6%</td>
<td>1%</td>
<td>25% / 30%</td>
</tr>
<tr>
<td>AUD 3%</td>
<td>5%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>GBP 3%</td>
<td>0%</td>
<td>25% / 30%</td>
</tr>
<tr>
<td>BRL 3%</td>
<td>23%</td>
<td>-30% / -20%</td>
</tr>
<tr>
<td>CAD 3%</td>
<td>0%</td>
<td>25% / 30%</td>
</tr>
<tr>
<td>RUB 2%</td>
<td>3%</td>
<td>25% / 30%</td>
</tr>
<tr>
<td>JPY 1%</td>
<td>-4%</td>
<td>80% / 85%</td>
</tr>
</tbody>
</table>

*actual dropthrough linked to the export/manufacturing/sales base

---

<table>
<thead>
<tr>
<th>% of sales</th>
<th>2020 H1 € change vs. currency</th>
<th>Dropthrough sales / ROS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLP 1%</td>
<td>17%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>MXN 1%</td>
<td>9%</td>
<td>25% / 30%</td>
</tr>
<tr>
<td>THB 1%</td>
<td>-3%</td>
<td>-130% / -100%</td>
</tr>
<tr>
<td>TRY 1%</td>
<td>12%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>SEK 1%</td>
<td>1%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>TWD 0.6%</td>
<td>-6%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>ZAR 0.4%</td>
<td>13%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>ARS 0.4%</td>
<td>52%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>COP 0.2%</td>
<td>12%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>Others 4.4%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Raw materials

Raw material purchases in H1 2020 (€1.8bn)

- Steel cord: 11%
- Chemicals: 14%
- Filler: 19%
- Natural rubber: 25%
- Synthetic rubber: 24%
- Textiles: 7%

€/$ exchange rate:
- Average H1 2019: 1.130
- Average H1 2020: 1.102 (-2.5%)

- Brent, in USD
- Synthetic rubber Manufacturing BLS

RSS3
TSR20

in USD/kg

First-half 2020 results – July 27, 2020
### Natural Rubber price trend

**At end of June 2020** *(per kg, base 100 in Q3’17)*

**Quarterly average TSR20 in $ & quarterly evolution in %**

<table>
<thead>
<tr>
<th></th>
<th>Q3’17</th>
<th>Q4’17</th>
<th>Q1’18</th>
<th>Q2’18</th>
<th>Q3’18</th>
<th>Q4’18</th>
<th>Q1’19</th>
<th>Q2’19</th>
<th>Q3’19</th>
<th>Q4’19</th>
<th>Q1’20</th>
<th>Q2’20</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSR20 in $</td>
<td>1.5</td>
<td>1.4</td>
<td>1.5</td>
<td>1.4</td>
<td>1.3</td>
<td>1.3</td>
<td>1.4</td>
<td>1.5</td>
<td>1.3</td>
<td>1.4</td>
<td>1.3</td>
<td>1.1</td>
</tr>
<tr>
<td>RSS3 in $</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evolution</td>
<td>-17%</td>
<td>-11%</td>
<td>-17%</td>
<td>-11%</td>
<td>-10%</td>
<td>-10%</td>
<td>+8%</td>
<td>-11%</td>
<td>+2%</td>
<td>-2%</td>
<td>-17%</td>
<td></td>
</tr>
</tbody>
</table>

Source: SICOM.
Brent price trend

At end of June 2020 (per barrel, base 100 au Q3’17)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Brent in $</th>
<th>Quarterly average Brent in $ &amp; quarterly change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3’17</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>Q4’17</td>
<td>61 (+18%)</td>
<td></td>
</tr>
<tr>
<td>Q1’18</td>
<td>67 (+9%)</td>
<td></td>
</tr>
<tr>
<td>Q2’18</td>
<td>75 (+11%)</td>
<td></td>
</tr>
<tr>
<td>Q3’18</td>
<td>76 (+1%)</td>
<td></td>
</tr>
<tr>
<td>Q4’18</td>
<td>68 (-10%)</td>
<td></td>
</tr>
<tr>
<td>Q1’19</td>
<td>64 (-6%)</td>
<td></td>
</tr>
<tr>
<td>Q2’19</td>
<td>68 (+7%)</td>
<td></td>
</tr>
<tr>
<td>Q3’19</td>
<td>62 (-9%)</td>
<td></td>
</tr>
<tr>
<td>Q4’19</td>
<td>63 (+1%)</td>
<td></td>
</tr>
<tr>
<td>Q1’20</td>
<td>51 (-18%)</td>
<td></td>
</tr>
<tr>
<td>Q2’20</td>
<td>33 (-35%)</td>
<td></td>
</tr>
</tbody>
</table>
Butadiene price trend

At end of June 2020 (per ton, base 100 in Q3’17)

Butadiene Europe

Quarterly average Butadiene in € & quarterly change in %

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Butadiene (€)</th>
<th>Quarterly Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3’17</td>
<td>783</td>
<td>-</td>
</tr>
<tr>
<td>Q4’17</td>
<td>800</td>
<td>+2%</td>
</tr>
<tr>
<td>Q1’18</td>
<td>808</td>
<td>+1%</td>
</tr>
<tr>
<td>Q2’18</td>
<td>1,037</td>
<td>+28%</td>
</tr>
<tr>
<td>Q3’18</td>
<td>1,142</td>
<td>+10%</td>
</tr>
<tr>
<td>Q4’18</td>
<td>1,058</td>
<td>-7%</td>
</tr>
<tr>
<td>Q1’19</td>
<td>865</td>
<td>-18%</td>
</tr>
<tr>
<td>Q2’19</td>
<td>900</td>
<td>+4%</td>
</tr>
<tr>
<td>Q3’19</td>
<td>790</td>
<td>-12%</td>
</tr>
<tr>
<td>Q4’19</td>
<td>740</td>
<td>-6%</td>
</tr>
<tr>
<td>Q1’20</td>
<td>727</td>
<td>-2%</td>
</tr>
<tr>
<td>Q2’20</td>
<td>392</td>
<td>-46%</td>
</tr>
</tbody>
</table>
A comfortable cash position

Debt maturities at June 30, 2020 *(carrying amount, in € millions)*
# Outstanding bond issues (as of June 30, 2020)

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Compagnie Générale des Etablissements MICHELIN</th>
<th>Compagnie Générale des Etablissements MICHELIN</th>
<th>Compagnie Générale des Etablissements MICHELIN</th>
<th>Compagnie Générale des Etablissements MICHELIN</th>
<th>MICHELIN Luxembourg</th>
<th>MICHELIN Luxembourg</th>
<th>MICHELIN Luxembourg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue</td>
<td>Senior Note</td>
<td>Senior Note</td>
<td>Senior Note</td>
<td>Senior Note</td>
<td>Senior Note</td>
<td>Senior Note</td>
<td>Senior Note</td>
</tr>
<tr>
<td>Type</td>
<td>Bond</td>
<td>Bond</td>
<td>Bond</td>
<td>Convertible</td>
<td>Convertible</td>
<td>Bond</td>
<td>Bond</td>
</tr>
<tr>
<td>Principal Amount</td>
<td>€ 750 mn</td>
<td>€ 1’000 mn</td>
<td>€ 750 mn</td>
<td>$ 600 mn</td>
<td>$ 500 mn + TAP $100 mn</td>
<td>€ 209 mn + TAP € 93 mn</td>
<td>€ 300 mn</td>
</tr>
<tr>
<td>Offering price</td>
<td>99,099%</td>
<td>99,262%</td>
<td>99,363%</td>
<td>95,50%</td>
<td>100% &amp; 103,85%</td>
<td>98.926% &amp; 118.66 %</td>
<td>99,967%</td>
</tr>
<tr>
<td>Rating corporation at issuance date</td>
<td>A- (S&amp;P) / A3 (Moody's)</td>
<td>A- (S&amp;P) / A3 (Moody's)</td>
<td>A- (S&amp;P) / A3 (Moody's)</td>
<td>A- (S&amp;P) / A3 (Moody's)</td>
<td>A- (S&amp;P) / A3 (Moody's)</td>
<td>BBB+ (S&amp;P) / A3 (Moody's)</td>
<td>BBB+ (S&amp;P) / A3 (Moody's)</td>
</tr>
<tr>
<td>Current corporation rating</td>
<td>A- (S&amp;P) ; A3 (Moody's) ; A- (Fitch) --- as of 01/July/2020, S&amp;P and Fitch are solicitated agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coupon</th>
<th>0,875% p.a</th>
<th>1,75% p.a</th>
<th>2,50% p.a</th>
<th>ZERO Conv premium 130%</th>
<th>ZERO Conv premium 128%</th>
<th>3,25% p.a</th>
<th>1,125% p.a</th>
<th>1,75% p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest payment</td>
<td>Annual Sept 03</td>
<td>Annual Sept 03</td>
<td>Annual Sept 03</td>
<td>N/A</td>
<td>N/A</td>
<td>Annual Sept 30</td>
<td>Annual May 28</td>
<td>Annual May 28</td>
</tr>
<tr>
<td>ISIN</td>
<td>FR0013357845</td>
<td>FR0013357852</td>
<td>FR0013357860</td>
<td>FR0013309184</td>
<td>FR0013230745</td>
<td>XS1298728707</td>
<td>XS1233732194</td>
<td>XS1233734562</td>
</tr>
<tr>
<td>Denomination</td>
<td>€ 100'000 with min. tradable amount € 100'000</td>
<td>€ 100'000 with min. tradable amount € 100'000</td>
<td>€ 100'000 with min. tradable amount € 100'000</td>
<td>$ 200'000 with min. tradable amount $ 200'000</td>
<td>$ 200'000 with min. tradable amount $ 200'000</td>
<td>€ 1'000 with min. tradable amount € 1'000</td>
<td>€ 1'000 with min. tradable amount € 1'000</td>
<td>€ 1'000 with min. tradable amount € 1'000</td>
</tr>
</tbody>
</table>
"This presentation is not an offer to purchase or a solicitation to recommend the purchase of Michelin shares. To obtain more detailed information on Michelin, please consult the documents filed in France with Autorité des marchés financiers, which are also available from the http://www.michelin.com/eng/ 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."
Edouard de PEUFEILHOUX
Humbert de FEYDEAU
Pierre HASSAÏRI

+33 (0)4 63 21 56 90

27, cours de l’île Seguin
92100 Boulogne-Billancourt – France

23, place des Carmes Dechaux
63040 Clermont-Ferrand Cedex 9

investor-relations@michelin.com