TOUGHER COMPS IN H2 THAN IN H1
IN A HIGHLY DISRUPTED ENVIRONMENT

Back to normative comps in H2...

... in an environment that is highly disrupted across the supply chain

Global PC/LT markets (units)

Global truck tire markets, exc. China (units)

Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sept  Oct  Nov  Dec

Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec

— 2019  2020  2021

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

Maritime shipping crisis

Truck drivers shortages

Raw materials and energy costs sharp increase

Labor shortages

Health situation Instability

Etc

Autumn conference — September 14, 2021
In 2021, the MICHELIN CrossClimate success story continues with...

**MICHELIN CrossClimate²**

**MASTER OF THE ALL-SEASON CATEGORY**(8-9)

- **GREATER SAFETY IN ALL WEATHER MADE TO LAST**(1)(2)(3)
- **LEADER IN SNOW**(3)
  From First To Last Kilometer
- Benefit from a **LOW FUEL CONSUMPTION**
  Rolling resistance of MICHELIN CrossClimate2 has been decreased by 10% vs MICHELIN CrossClimate+

(1-9) (a-d) See notes slide 64

Autumn conference – September 14, 2021
FIRST-HALF 2021 RESULTS & 2021 FY GUIDANCE
MARKETS: PC/LT STILL DOWN ON 2019, TRUCK TIRES HIGHER. SPECIALTIES EXPECTED TO REBOUND OVER THE FULL YEAR.

PC/LT: +22%

TRUCK: +19%

SPECIALTIES*: +10 to +12%

Source: Michelin. Market data are regularly adjusted and may be updated following their initial publication.
* Including Central America.
TIRED SALES UP, LIFIT BY THE REBOUND IN DEMAND AND A ROBUST PRICE-MIX.

NON-TIRED SALES UP €25M, OR 4.6% AT CONSTANT EXCHANGE RATES.

YoY change in sales
(in € millions and in %)

<table>
<thead>
<tr>
<th>Components</th>
<th>H1 2020 sales</th>
<th>H1 2021 sales</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes (+22.8%)</td>
<td>11,192</td>
<td>11,740</td>
<td>+548</td>
</tr>
<tr>
<td>Price-mix (+2.4% o/w mix +1.0%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-tire activities (+0.3%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency (-5.9%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope of consolidation* (-0.0%)</td>
<td>9,357</td>
<td>9,357</td>
<td>-1</td>
</tr>
</tbody>
</table>

*Deconsolidation of the French Maps & Guides printing, publishing and marketing assets (Michelin Editions), as of February 1, 2021, and of Solesis on May 28, 2021; consolidation of TechnoBalt as of May 1, 2021, ConVeyBelt as of May 1, 2020, and MAV S.p.a. as of December 1, 2020.
**H1 2021 SOI: Strong Growth in Volumes Supported by a Robust Mix and Responsive Pricing Management at a Time of Rising Input Costs**

**YoY change in SOI**

(in € millions)

<table>
<thead>
<tr>
<th>Currency</th>
<th>Non-tire (contribution to change in SOI)</th>
<th>SG&amp;A</th>
<th>Other</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>+1,571</td>
<td>+1,195</td>
<td>-103</td>
<td>-24</td>
<td>-150</td>
</tr>
<tr>
<td>-1,421</td>
<td>+1,195</td>
<td>-103</td>
<td>+9</td>
<td>+56</td>
</tr>
<tr>
<td></td>
<td>+2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Tire Activities**

- Volumes\(^{(1)}\):
  - +1,195
- Raw materials:
  - -103
- Price-mix o/w mix:
  - +229
- SG&A:
  - -24
- Manufacturing and logistics performance\(^{(2)}\):
  - -103
- Non-tire (contribution to change in SOI):
  - +9
- Other:
  - +56

**H1 2020**

- Scope:
  - 310
- Volumes\(^{(1)}\):
  - +2

**H1 2021**

- At constant exchange rates

---

\(^{(1)}\) of which €12m in savings from the industrial competitiveness program.

\(^{(2)}\) of which €(45)m from the steep increase in maritime shipping costs, i.e. + €21m in industrial and logistics performance.
CLEAR RS1 AND RS2 UPTURN DURING THE FIRST HALF.
RESPONSIVE PRICING POLICIES IN EVERY SEGMENT.

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>H1 2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS1 sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income*</td>
<td>5,562</td>
<td>4,394</td>
<td>+26.6%</td>
</tr>
<tr>
<td>Operating margin*</td>
<td>730</td>
<td>(35)</td>
<td>-</td>
</tr>
<tr>
<td>RS2 sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income*</td>
<td>2,897</td>
<td>2,411</td>
<td>+20.2%</td>
</tr>
<tr>
<td>Operating margin*</td>
<td>286</td>
<td>(30)</td>
<td>-</td>
</tr>
<tr>
<td>RS3 sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income*</td>
<td>2,733</td>
<td>2,552</td>
<td>+7.1%</td>
</tr>
<tr>
<td>Operating margin*</td>
<td>405</td>
<td>375</td>
<td>+8.0%</td>
</tr>
</tbody>
</table>

In an environment shaped by fast rebounding demand:

- **RS1**: sharp improvement in margins led by responsive pricing management, market share gains in 18-inch and larger tires and a favorable OE/RT mix, as OE sales were held back by semiconductors shortage.
- **RS2**: steep margin improvement led by the upturn in demand, particularly in Europe and North America, responsive pricing management and sustained expansion in fleet management solutions.
- **RS3**: from a less favorable base than in RS1 and RS2, first-half volumes were lifted by sales of Construction and Agricultural tires, leading to a negative business mix; rigorous price management on non-indexed activities partially offset negative impact of raw material clauses in first-half; from the second half of the year, these clauses will turn favorable.

* of the segment
# FREE CASH FLOW (1) IMPROVEMENT, REFLECTING GROWTH IN EBITDA AND STILL LOWER THAN NORMAL INVENTORY LEVEL

## Change in free cash flow

(in € millions, including JV financing and acquisitions)

<table>
<thead>
<tr>
<th>H1 2020 free cash flow</th>
<th>(351)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in:</strong></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>+1,085</td>
</tr>
<tr>
<td>Trade working capital</td>
<td>-596</td>
</tr>
<tr>
<td>Tax and interest paid</td>
<td>-73</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td></td>
</tr>
<tr>
<td><strong>incl. JV financing</strong></td>
<td>+156</td>
</tr>
<tr>
<td>M&amp;A outlays</td>
<td>+26</td>
</tr>
<tr>
<td>Other items</td>
<td>+99</td>
</tr>
</tbody>
</table>

| H1 2021 free cash flow | 346   |

## A solid cash position at June 30

- €3.8bn in cash and cash equivalents
- Repayment of €0.6bn worth of commercial paper during first-half 2021
- A €2.5bn confirmed, undrawn line of credit
- No significant bonds falling due before 2022

---

(1) see slide 63 for FCF definition.
**Agency ratings at June 30, 2021**

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P</th>
<th>Fitch</th>
<th>Moody’s (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term</td>
<td>A-2</td>
<td>F-2</td>
<td></td>
</tr>
<tr>
<td>Long term</td>
<td>A-</td>
<td>A-</td>
<td>A3</td>
</tr>
<tr>
<td>Outlook</td>
<td></td>
<td></td>
<td>Stable</td>
</tr>
</tbody>
</table>

Compagnie Générale des Établissements Michelin

- **Net debt**
  - (in € millions)
  - Dec. 31, 2020: 3,531
  - H1 2021 (1): -367
  - Net JV financing: +6
  - M&A: +15
  - Dividends: +410
  - Other (2): +84
  - Net debt June 30, 2021: 3,679

- **Outlook**
  - Stable

- **Gearing**
  - 28%

- **27% GEARING AT JUNE 30, 2021. ROBUST FINANCIAL POSITION CONFIRMED BY RATING AGENCIES.**

(1) Free cash flow before M&A and JV financing (see slide 63 for FCF definition).
(2) Mainly the impact of new leases, translation adjustments and share buybacks.
(3) Moody’s rating is no longer solicited since July 1, 2020.
2021 MARKET SCENARIO: IN A VERY DISRUPTED ENVIRONMENT, DEMAND IS RECOVERING BUT STILL LAGS 2019

PC/LT: +8% / +10%*

- OE: microchip shortages mitigate the FY outlook
- RT: global demand rebounding, pull-up by North America, but still below pre-crisis levels at worldwide level

TRUCK: +6% / +8%*  
Truck tires excl. China: +9% / +11%*

- OE: markets rebounding outside China, from higher comparatives in the second half
- RT: strong rebound led by rising freight demand in every region

SPECIALTIES: +10% / +12%*

- Mining tires: upturn in demand, from a more favorable base in the second half
- Off-the-road tires: fast-growing demand
- Two-wheel tires: sustained growth
- Aircraft tires: growth in demand from weak comparatives

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<table>
<thead>
<tr>
<th></th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes</td>
<td>Slightly above markets</td>
</tr>
</tbody>
</table>
| Net price-mix/raw materials effect | Positive  
Neutral on second-half |
| Cost impact of raw materials prices and customs duties | Strongly negative |
| Currency effect *              | Strongly negative                   |

* Voir slide 52
**FULL-YEAR 2021 GUIDANCE**

<table>
<thead>
<tr>
<th>Segment Operating Income at constant exchange rates</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&gt; €2,800m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Structural Free Cash Flow**</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&gt; €1,000m</td>
</tr>
</tbody>
</table>

* Barring any new systemic effect from Covid-19: deeper supply chain disruptions or tighter restrictions on freedom of movement that would result in a significant drop in the tire markets.

** Structural free cash flow: see slide 63
2023 TARGETS & 2030 AMBITIONS
A dedicated page has been created for the event on the www.michelin.com website. It features a number of replayable videos that review the day's presentations and offer insight into the following themes, which are going to drive the Group's sustainable growth:

- **Michelin’s Environmental Leadership**: Focus on the Automotive segment
- **Industry 4.0**: a key lever to improve our industrial efficiency
- **Services and Solutions**: understanding customer needs and how our products are used enables us to develop and offer high value-added solutions
- **High-Tech Materials**: leveraging our R&D expertise in materials, to develop new growth avenues
- **Metal 3D Printing**: a unique offering in a very high-potential market
- **Hydrogen**: becoming a global player in hydrogen mobility

The digital version of the 2020 Annual Report is available on the Group's corporate site at the following address: [https://www.michelin.com/en/annual-report/](https://www.michelin.com/en/annual-report/)
MICHELIN IN MOTION: COMBINING GROWTH AND VALUE CREATION AS OF 2023

SALES GROWTH from 2023

+5% CAGR

ROCE * from 2023

>10.5%

Segment Operating Income in 2023

~13.5%

Threshold by RS
RS1 > 12%
RS2 > 10%
RS3 > 17%

* Return on Capital Employed (definition on slide 63), annual target
2030 VISION: DETAILED STRATEGIC SCORECARD

**AMBICTIONS**

- Be world-class in employee engagement
- Be world-class in employee safety
- Be a reference in diversities and inclusion of teams
- Be best-in-class in value created for customers

**METRICS**

- Engagement rate
- TCIR*
- IMDI*
- NPS* partners and NPS final customers

**2030 SUCCESS**

- >85%
- <0.5
- 80 points over 100
- +10 and +5 pts respectively

<table>
<thead>
<tr>
<th>AMBICTIONS</th>
<th>METRICS</th>
<th>2030 SUCCESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be world-class in employee engagement</td>
<td>Engagement rate</td>
<td>&gt;85%</td>
</tr>
<tr>
<td>Be world-class in employee safety</td>
<td>TCIR*</td>
<td>&lt;0.5</td>
</tr>
<tr>
<td>Be a reference in diversities and inclusion of teams</td>
<td>IMDI*</td>
<td>80 points over 100</td>
</tr>
<tr>
<td>Be best-in-class in value created for customers</td>
<td>NPS* partners and NPS final customers</td>
<td>+10 and +5 pts respectively</td>
</tr>
</tbody>
</table>

- Deliver substantial growth
- Deliver continuous financial value creation
- Maintain MICHELIN brand power
- Maintain best-in-class innovation pace in products and services

**METRICS**

- Total sales
- ROCE*
- Brand vitality quotient
- Offers vitality index

<table>
<thead>
<tr>
<th>AMBICTIONS</th>
<th>METRICS</th>
<th>2030 SUCCESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliver substantial growth</td>
<td>Total sales</td>
<td>5% CAGR 23-30</td>
</tr>
<tr>
<td>Deliver continuous financial value creation</td>
<td>ROCE*</td>
<td>&gt;10.5%</td>
</tr>
<tr>
<td>Maintain MICHELIN brand power</td>
<td>Brand vitality quotient</td>
<td>+5 pts vs 2021</td>
</tr>
<tr>
<td>Maintain best-in-class innovation pace in products and services</td>
<td>Offers vitality index</td>
<td>&gt;30%</td>
</tr>
</tbody>
</table>

**AMBICTIONS**

- Reach carbon neutrality by 2050 (manuf. and energy)
- Contribute to reaching carbon neutrality (usage)
- Be best-in-class in environmental footprint of industrial sites
- Reach full circularity of products by 2050

**METRICS**

- CO2 emissions scopes 1&2
- Products energy efficiency (scope 3)
- I-MEP*
- Sustainable Material Rate

<table>
<thead>
<tr>
<th>AMBICTIONS</th>
<th>METRICS</th>
<th>2030 SUCCESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reach carbon neutrality by 2050 (manuf. and energy)</td>
<td>CO2 emissions scopes 1&amp;2</td>
<td>(50%) vs. 2010</td>
</tr>
<tr>
<td>Contribute to reaching carbon neutrality (usage)</td>
<td>Products energy efficiency (scope 3)</td>
<td>+10% vs. 2020</td>
</tr>
<tr>
<td>Be best-in-class in environmental footprint of industrial sites</td>
<td>I-MEP*</td>
<td>-1/3 vs. 2019</td>
</tr>
<tr>
<td>Reach full circularity of products by 2050</td>
<td>Sustainable Material Rate</td>
<td>40%</td>
</tr>
</tbody>
</table>

* TCIR = Total Case Incident Rate; IMDI = Inclusion and Diversities Management Index; NPS = Net Promoter Score; ROCE = Return on Capital Employed; I-MEP = Industrial Michelin Environmental Performance, see p.150 of the 2020 Universal Registration Document
**2023 TARGET: EXITING THE CRISIS IN A POSITION OF STRENGTH**

**2020 → 2023**

**€300M**
Cumulated net gain, tire activity

**~ €80M / YEAR**
Manufacturing
Partly reinvested to finance mix enrichment and improve operating leverage

**~ €20M / YEAR**
SG&A
Partly reinvested to finance non-tire businesses expansion, around and beyond tire

**2023 Group target**

**PROFITABILITY**
Segment Operating Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>12.5%</td>
</tr>
<tr>
<td>2020</td>
<td>13.5%</td>
</tr>
<tr>
<td>2023</td>
<td>&gt;3.3</td>
</tr>
</tbody>
</table>

**CASH GENERATION**
Structural FCF

<table>
<thead>
<tr>
<th>Year</th>
<th>FCF (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.6</td>
</tr>
<tr>
<td>2020</td>
<td>~3.0</td>
</tr>
<tr>
<td>2021</td>
<td>~3.3</td>
</tr>
<tr>
<td>2022-2023</td>
<td>~3.3</td>
</tr>
</tbody>
</table>

**RETURN ON CAPITAL EMPLOYED**
Including M&A (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>ROCE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>10.0%</td>
</tr>
<tr>
<td>2020</td>
<td>6.0%</td>
</tr>
<tr>
<td>2023</td>
<td>&gt;10.5%</td>
</tr>
</tbody>
</table>

**ROCE > 10.5%** from 2023, ensuring **3 points of economic added value** every year

Segment operating margin thresholds:
- **RS1 > 12%**
- **RS2 > 10%**
- **RS3 > 17%**

*See section 5.1.6 of 2020 Universal registration document*
• Constantly exploring M&A opportunities in both core and new growth avenues
• Value-accretive acquisitions
• Open to partnerships to boost our venture potentials
• Delivering growth and significant synergies
• Very strong execution track record

Financial discipline
2023-2030 ROCE >+10.5%

Strong financial position and ratings
(A- at both Fitch and S&P)
**RESETTING OUR SHAREHOLDER RETURN POLICY: INCREASING PAYOUT TO 50%**

### HISTORICAL PAYOUT RATIO

- **Dividend (€ p.s.)**
  - 2014: €2.50, 41%
  - 2015: €2.85, 37%
  - 2016: €3.25, 37%
  - 2017: €3.55, 36%
  - 2018: €3.70, 36%
  - 2019: €2.00, 20%
  - 2020: €2.30, 47%

### FUTURE PAYOUT RATIO

- Before non-recurring items
- **50%**
- From 2021

**CONSISTENTLY DELIVERED ABOVE 35% DIVIDEND PAYOUT**

(except in 2020 due to the pandemic)

**INCREASED DIVIDEND PAYOUT RATIO AT 50% P.A. FROM 2021**

**Anti-dilutive / opportunistic share buyback program**
TIRES
STRONG GROWTH OPPORTUNITIES IN A POST COVID WORLD
**PASSENGER CAR: STEADY GROWTH WITH STRONG MIX ENRICHMENT**

**PASSENGER CAR MARKETS TREND**
- Original equipment world market (unit)
- Replacement world market (Unit)

**PASSENGER CAR MARKET BY RIM DIAMETER**
- Original equipment + Replacement market by diameter (unit)

**GROWTH**
- Significant increase in 19"+ tires demand
- 3x more SKUs 19" by 2025

**SIMPLEXITY**
- Cost optimization and simplification of Michelin’s catalog
- Late differentiation in the production process

**MARGIN**
- Strong and sustained mix enrichment
VEHICLE ELECTRIFICATION CHALLENGES

- Range: the major challenge for EVs
- Interior noise
- Torque
- Battery weight

TIRES FOR EV: INCREASE DEMAND FOR PERFORMANCE

High-performance solutions
aligned with EV needs

AN OFFERING FULLY ALIGNED WITH OPPORTUNITY

EV OE share / Total OE share

1.5 time

3.1 times

for battery electric-vehicles

TIRE TECHNOLOGY

HL TIRES (High Load)

ACOUSTIC TECHNOLOGY

1ST TIRES in the coming weeks

EV(1) MARKET: A GREAT OPPORTUNITY FOR MICHELIN TO DEMONSTRATE ITS TECHNOLOGICAL LEADERSHIP

(1) EV: Electric Vehicle (hybrid, battery-powered and fuel cell-powered)
(2) ICE: Internal Combustion Engine

EV> ICE(2) OE/RT loyalty rate

OE/RT

EV

(1)

(2)

EV: Electric Vehicle (hybrid, battery-powered and fuel cell-powered)

ICE(2)

OE/RT loyalty rate

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ACOUSTIC TECHNOLOGY

1ST TIRES in the coming weeks

(1) EV: Electric Vehicle (hybrid, battery-powered and fuel cell-powered)
(2) ICE: Internal Combustion Engine
TRUCKS: RECOVERY PROSPECTS DRIVING VALUE CREATION FOR MICHELIN

TRUCK TIRE MARKET TREND
Worldwide market (units)

2020 TRUCK TIRE MARKET AND SALES GEOGRAPHICAL DISTRIBUTION

Innovating in new Solutions & Services in Americas and EMEA
Capturing pockets of value creation in Asia
Fleets in search of increased efficiency

Additional projects with connected vehicles

Acceleration in sustainable transportation

Original Equipment with the new VECTO standards

Acceleration in "Last mile delivery"

E-commerce: +36% of professional vehicles in the city center by 2025

Connected solutions focused on efficiency

- Uptime optimization
- Reduction of maintenance costs
- Tracking, routing, etc.

Solutions to improve environmental footprint

- New optimized products:
  - Rolling resistance
  - Sustainable material rate
  - Long-lasting performance
- Strengthening of the retreading business
- Michelin Green Mobility / Watea

Targeted offers for "last mile" fleets

- Renewal of the offering
- Bespoke solutions for "last mile" fleets:
  - Tire delegation
  - Fleet management

* Source: Accenture Research

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MINING, OFF THE ROAD AND 2-WHEELS TIRES: STRUCTURALLY GROWING MARKETS, INCREASINGLY INFLUENCED BY ENVIRONMENTAL CONCERNS

**MINING MARKETS**
Worldwide market / underground mining (tons)

- **~35%** of SR3 sales*
- 2019-2030 CAGR: **~+3%**
- Base=100

**MOTO LEISURE & COMMUTING MARKETS**
Worldwide market (units)

- **~7%** of SR3 sales*
- 2019-2030 CAGR: **~+3%**
- Base=100

**AGRICULTURE MARKETS**
Worldwide* market (units tires & tracks)

- **~12%** of SR3 sales*
- 2019-2030 CAGR: **~+2%**
- Base=100

**CONSTRUCTION MARKETS**
Worldwide market (units)

- **~12%** of SR3 sales*
- 2019-2030 CAGR: **~+2%**
- Base=100

* 2019 Sales

Volume and value growth: use of bicycles and scooters to increase up to 10% by 2030

Recovery following adverse cycle in construction
Product Differentiation

- Performance and braking
- Wet grip, for new and used tires
- Tire resistance
- Connected tire (e.g., MEMS or TPMS)
- Increase in loads carried and driving speeds
- Reduced of compaction of agricultural soils
- Lower energy consumption and CO₂ emissions
- Mass efficiency
- Recyclable products

Service Differentiation

**SAFETY**
- On-site auditing

**OPERATIONS CONTINUITY**
- On-site inspections and connected preventive maintenance

**OPERATIONS PRODUCTIVITY**
- Real-time monitoring of mining and agricultural tires
- Engineering (e.g., conveyors)

**SUSTAINABILITY**
- End-of-life product management

MICHELIN XDR – 63”
MICHELIN CEREXBIB 2

ON-SITE INSPECTION AND MAINTENANCE
RECYCLING

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SEIZING POSITIVE MOMENTUM IN EMERGING MARKETS

(% Manufacturing capacity)

Increase local-to-local ratio
Reducing inventories and CO₂ emissions
Best-in-class supply chain
MANUFACTURING COMPETITIVENESS PLAN: 4.0 PLANTS TO MAKE OUR INDUSTRY MORE PRODUCTIVE AND FLEXIBLE

Digital Manufacturing

Massifying Flagship Plants

Operational Excellence

Material Cost Reduction

Automation
Artificial Intelligence
Flexibility
Simplexity
Process
Standardization

Responsiveness
Cost optimum
In 2025, 16 sites will have an average production capacity of 140Kt

Design to cost
Scrap reduction
Upstream gains

€80M in productivity gains/year net of inflation 2020-2023

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**SG&A TIRE COMPETITIVENESS PLAN: €125M IN SAVINGS NET OF INFLATION OVER 2020-2025, €65M BY 2023**

**INCREASING PRODUCTIVITY**
- Leveraging new technologies (AI)
- Digitalizing operations
- Optimizing the industrial footprint

**SIMPLIFYING PROCESSES**
- Standardizing best practices
- Decision making closer to customers
- Developing shared service centers
- Reengineering end-to-end processes

**€65M in SG&A tire gains by 2023 net of inflation**
AROUND & BEYOND TIRES
LEVERAGING OUR INNOVATION CAPABILITIES TO DELIVER NEW GROWTH AVENUES
## Five Adjacent Ecosystems Identified as Growth Avenues

<table>
<thead>
<tr>
<th>ECOSYSTEMS</th>
<th>PROMISING BUSINESSES</th>
<th>RATIONALE</th>
<th>CONTRIBUTION TO PROFITABLE GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICES &amp; TECH SOLUTIONS</td>
<td>Innovate to capture every new opportunity in IoT and emerging technologies</td>
<td>Mobility services and digitization: key focus for all Michelin customers</td>
<td>LEADERSHIP POSITION</td>
</tr>
<tr>
<td>HIGH-TECH MATERIALS</td>
<td>Leverage our core business... ...to develop other areas in which we can play an important role</td>
<td>A solid basis to target attractive and synergetic markets</td>
<td>SIGNIFICANT GROWTH</td>
</tr>
<tr>
<td>Medical</td>
<td>Early-maker in Medical, Hydrogen, and 3D Metal Printing... ...with ESG focus and transition towards carbon-free operations</td>
<td>Three promising ecosystems</td>
<td>FINANCIAL VALUE CREATION</td>
</tr>
<tr>
<td>Hydrogen</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3D Metal Printing</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### SERVICES AND SOLUTIONS: DEVELOPING AND ENRICHING OUR VALUE PROPOSITION FOR FLEETS AND MOBILITY

<table>
<thead>
<tr>
<th>Tire as a Service</th>
<th>Fleet Management</th>
<th>Other Fleet Services</th>
<th>Digital Services Platform (DSP)</th>
<th>IoT &amp; Data Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offering bespoke tire-related services</td>
<td>Optimizing fleet operations</td>
<td>Supporting fleets in their daily needs</td>
<td>Providing a one-stop-shop service platform dedicated to fleets</td>
<td>Monetizing specialized mobility-related insights</td>
</tr>
</tbody>
</table>

**Expanding our customer base**

**Reaching new territories**

---

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SERVICES AND SOLUTIONS: KEY LEVERS TO REACH OUR AMBITIONS

FLEET SERVICES
- Data Capture Analytics
- Smart Interfaces
- Operations Service & Support
- Number of vehicles under contract: +15% CAGR by 2030

DIGITAL SERVICES PLATFORM
- Scalable & Adaptable Platform
- Large & Diverse Network of Partners
- >5M transactions per year
- +10K service providers

IoT & DATA BUSINESSES
- Exponential Number of Connected Objects
- Data Science
- ~50 solutions launched per year

New growth avenues (Non tire businesses)
- Tire as a Service (Tire business)
- €0.4bn → €0.4bn
- €0.2bn → €0.3bn

Sales 2019 €0.6bn
Sales 2023 €0.7bn

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**CURRENT ACTIVITIES**

- Recovered materials
- Sustainable monomers and polymers
- Special adhesives
- Compounding
- Coated fabrics & Reinforcements
- High-end polymers
- Conveyors
- Belting products & solutions

**TARGET POSITIONING**

- Accelerator of differentiating technologies for tires and ‘rubber goods’, in the field of bio-sourced materials and recycling
- Leading player in the field of special adhesives and tailor-made polymers
- Global leading player with significant position (in top 3) in targeted segments, requiring high level of technicity and demanding balance of performance

**Incubation of new businesses**

**Partnerships & acquisition of start-ups**

**Synergetic M&A** to accelerate growth in high value-added markets

**2019 Sales**

- €0.9bn

**2023 Sales**

- €1.1bn
HIGH-TECH MATERIALS: ACCELERATING THE DEVELOPMENT OF 3 MAIN ECOSYSTEMS THROUGH PARTNERSHIPS FOR SUSTAINABLE GROWTH

REGENERATIVE MEDICINE & CELLULAR THERAPY

**MARKET POTENTIAL**
- Cell & gene therapy: +20% CAGR 2020-2030
- Cardio medical devices: >10% CAGR 2020-2030

**AMBITIONS**
- Becoming a leading innovation and manufacturing partner
- Being the manufacturing operator customers’ trust

**HYDROGEN MOBILITY**

**MARKET POTENTIAL**
- €0.3bn CAGR 2020-2025
- €1.3bn CAGR 2025-2030
- €6.5bn in 2030

**AMBITIONS**
- Becoming a leader in fuel cell stack systems
- €0.2bn sales in 2025
- €1.5bn sales in 2030

**3D METAL PRINTING**

**MARKET POTENTIAL**
- Medical & aerospace are the most industrial-scale end markets
- +23% CAGR 2020-2030
- ~$13bn in 2030

**AMBITIONS**
- €100m sales and breakeven by 2023
- >€500m sales by 2030

Note 1: Michelin holds a 49% stake in Solesis (equity-accounted company)

Note 2: 100% of Symbio - Michelin holds a 50% stake in Symbio (equity-accounted company)

Note 3: 100% of AddUp - Michelin holds a 50% stake in AddUp (equity-accounted company)
MICHELIN'S SUSTAINABLE LEADERSHIP
**NON-FINANCIAL PERFORMANCE: MICHELIN, A LEADING AND RECOGNIZED PLAYER IN SUSTAINABLE MOBILITY**

**Major sustainability rating** (as of September 07, 2021)

<table>
<thead>
<tr>
<th>Status</th>
<th>Rating</th>
<th>Ranking / Distribution of ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW RISK</td>
<td>13.1</td>
<td><img src="natural_rubber_distribution.png" alt="Distribution graph" /></td>
</tr>
<tr>
<td>AA</td>
<td>8.4/10</td>
<td><img src="climate_change_distribution.png" alt="Distribution graph" /></td>
</tr>
<tr>
<td>LEADERSHIP</td>
<td>A-</td>
<td><img src="water_security_distribution.png" alt="Distribution graph" /></td>
</tr>
<tr>
<td>PLATINUM</td>
<td>78/100</td>
<td><img src="light_manufacturing_distribution.png" alt="Distribution graph" /></td>
</tr>
<tr>
<td>PRIME</td>
<td>B-</td>
<td><img src="manufacturing_distribution.png" alt="Distribution graph" /></td>
</tr>
<tr>
<td>A1+</td>
<td>73/100</td>
<td><img src="auto_components_distribution.png" alt="Distribution graph" /></td>
</tr>
</tbody>
</table>

**Major Sustainability Rating (as of September 07, 2021)**

<table>
<thead>
<tr>
<th>SUSTANALYTICS (risk rating) 2021</th>
<th>MSCI 2020</th>
<th>CDP 2020</th>
<th>ECOVADIS 2021</th>
<th>ISS-OEKOM 2021</th>
<th>VIGEO EIRIS Moody's 2021</th>
</tr>
</thead>
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<tr>
<td>Status</td>
<td>Rating</td>
<td>Ranking</td>
<td>Distribution</td>
<td>Status</td>
<td>Rating</td>
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<tr>
<td>LOW RISK</td>
<td>13.1</td>
<td>A-</td>
<td>Natural rubber</td>
<td>B-</td>
<td>73/100</td>
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<tr>
<td>AA</td>
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<td></td>
<td>Climate change</td>
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<td></td>
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<tr>
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<td>A-</td>
<td></td>
<td>Water security</td>
<td></td>
<td></td>
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<tr>
<td>PLATINUM</td>
<td>78/100</td>
<td>B-</td>
<td>Light manufacturing</td>
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<td>Auto components</td>
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</tr>
</tbody>
</table>

*1st of 39 in the sector*
ON THE ROAD TO CARBON NEUTRALITY BY 2050, MICHELIN STARTS TO VALORIZE ITS NEGATIVE EXTERNALITIES IN 2020 AND COMMIT TO A 10% REDUCTION AS EARLY AS 2023

**Scopes definition**

1. **Direct emissions**
   - Sources owned or controlled by the company

2. **Indirect emissions**
   - Purchase of energy for the company

3. **Indirect emissions**
   - All other emissions related to the company’s activities and the use of the finished products

**2019**

- **CO₂ scope 1&2**
  - Reduce energy consumption
  - Shift towards clean energy

- **CO₂ Scope 3’**
  - Transport
    - Better
    - Less
  - Differently

- **Water**
  - Digitize
  - Reuse
  - Recycle

- **VOC**
  - Deploy best practices
  - Product / Process adaptation

**2023**

- **~€330m**
  - **CO₂ scope 1&2**
  - **CO₂ Scope 3’**
  - **Water**
  - **VOC**

- **~€300m**
  - *Only transport and distribution upstream and downstream of Natural Rubber, semi-finished and finished goods*
  - **VOC**
    - Volatile organic components

---

**Notes:**
- Planet
- Autumn conference – September 14, 2021
- Autumn conference – September 14, 2021
ENvironmental awareness, throughout the lifecycle of Michelin’s product, starting from R&D design

**Raw Materials**
Sustainable natural rubber supply

**Manufacturing**
Reducing impact

**Logistics**
Reducing the carbon footprint

**Use of Products and Services**
63% to 96% of the life cycle impact
Low rolling resistance – reduce CO₂ emissions
Safe when new, safe when worn

**Recycling Systems / Circular Economy**
Reducing impact

**Energy Recovery**

**End of Life**
Substantial savings in raw materials
ON THE PATH TO REACH FULL CIRCULARITY OF PRODUCTS WITH 40% OF SUSTAINABLE RAW MATERIALS IN 2030, 100% IN 2050

In 2021, we will race with a Moto E tyre made of 40% sustainable materials

* European project funded by Horizon 2020, project number: 82068
** With the support of ADEME (ADEME: French Environment & Energy Management Agency)
FOR 2030

BIODIVERSITY

Replacement of pesticides and fertilizers by mechanical methods combined with other alternative solutions.
2030 ENVIRONMENTAL AMBITION: ON THE PATH TO REACH CARBON NEUTRALITY IN 2050

- **Scope 1 & 2**: Shifting towards clean energy + Reducing in energy consumption
  - 2030: -50% CO₂ emissions vs 2010
  - 2050: Carbon Neutrality

- **Scope 3**: Logistic
  - 2024: 70% of suppliers have science-based targets
  - 2050: Carbon Neutrality

- **Scope 3**: Supply chain
  - 2024: Suppliers setting ambitious reduction targets
  - 2050: Carbon Neutrality

- **2030**: Less, better and differently
  - 2030: -15% CO₂ emissions vs 2018
  - 2050: Carbon Neutrality

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CONTINUOUSLY IMPROVING THE ENVIRONMENTAL PERFORMANCE OF OUR PRODUCTION SITES

2030 OBJECTIVES

REDUCTION OF THE INDUSTRIAL ENVIRONMENTAL IMPACT BY 1/3 (1) THROUGH 5 PROGRAMS

-33% (1) (m$^3$/t weighted by water stress index)
-25% (1) (kg/t)
-50% (1) (kg/t)
-37% (2) (GJ/t)
-50% (2) (t)

(1) vs 2019, see p.150 of the 2020 Universal Registration Document
(2) vs 2010
/t = ratio basis on semi-finished or finished products volumes
Every employee can develop his/her talents within the company. Michelin pays particular attention to the internal promotion of manufacturing operators.

Michelin offers career paths to people of all abilities according to its talent development policy.

Enable every person to be who they really are and to bring their authentic selves to work.

(All D&I* aspects, e.g., age, sexual orientation, ethnicity, religion, etc.)

* Diversity & Inclusion

All our host country nationalities and cultures are represented in all corporate functions in the operating regions and at headquarters, in line with the geographical footprint of each business.

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

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Coming event:

— October 25, 2021 (after close of trading): Third-quarter and 9 months 2021 sales
## Reported H1 2021 and H1 2020 Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>11,192</td>
<td>9,357</td>
</tr>
<tr>
<td>Segment EBITDA</td>
<td>2,277</td>
<td>1,192</td>
</tr>
<tr>
<td>Segment EBITDA margin</td>
<td>20.3%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>1,421</td>
<td>310</td>
</tr>
<tr>
<td>Segment operating margin</td>
<td>12.7%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Other operating income and expenses</td>
<td>16</td>
<td>(133)</td>
</tr>
<tr>
<td>Net income/(loss)</td>
<td>1,032</td>
<td>(137)</td>
</tr>
<tr>
<td>Basic earnings per share (in €)</td>
<td>5.74</td>
<td>(0.75)</td>
</tr>
<tr>
<td>Net cash used in purchases of intangible assets &amp; PPE</td>
<td>654</td>
<td>769</td>
</tr>
<tr>
<td>Free cash flow*</td>
<td>346</td>
<td>(351)</td>
</tr>
<tr>
<td>Gearing</td>
<td>26.7%</td>
<td>45.0%</td>
</tr>
</tbody>
</table>

*see slide 63 for definition
PC/LT H1 2021 MARKETS: ON FAVORABLE PRIOR-YEAR COMPARATIVES, OE HURT BY COMPONENT SHORTAGES AND RT CONTINUED TO REBOUND

PC/LT TIRE MARKET, H1 2021
(% change YoY, in number of tires)

North & Central America
OE: +36%
RT: +37%

Western & Central Europe
OE: +26%
RT: +22%

CIS
OE: +38%
RT: +19%

China
OE: +22%
RT: +15%

Africa, India, Middle East
OE: +48%
RT: +27%

Asia (excl. China and India)
OE: +17%
RT: +12%

Global market
OE: +27%
RT: +25%

Source: Michelin Tire market data are regularly adjusted and may be updated following their initial publication.
TRUCK TIRE MARKET, H1 2021

(% change YoY, in number of tires)

Source: Michelin Tire market data are regularly adjusted and may be updated following their initial publication.
**H1 2021: Strong Volumes Upturn on Favorable Basis of Comparison, with Solid Mix and Reactive Pricing Management**

**YoY Quarterly Change (in %)**

<table>
<thead>
<tr>
<th>Volumes</th>
<th>Price-mix</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 Q2 Q3 Q4</td>
<td>Q1 Q2 Q3 Q4</td>
<td>Q1 Q2 Q3 Q4</td>
</tr>
<tr>
<td>-0.5 -1.4 -2.2 -11.7</td>
<td>2.0 1.4 2.9 2.4 2.0 1.7 1.3 0.0</td>
<td>2.0 1.7 2.1 1.4 0.3</td>
</tr>
<tr>
<td>-6.7 -5.4</td>
<td></td>
<td>-1.2 -4.1</td>
</tr>
<tr>
<td>-32.5</td>
<td></td>
<td>-5.1</td>
</tr>
<tr>
<td>7.5 42.9</td>
<td></td>
<td>-6.0 -5.7</td>
</tr>
</tbody>
</table>
### Sales by Currency and Segment Operating Income (SOI) Impact

<table>
<thead>
<tr>
<th>% of sales (2020)</th>
<th>H1 2021 € change vs. currency</th>
<th>Dropthrough* sales / SOI</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 36%</td>
<td>+ 9%</td>
<td>35% / 45%</td>
</tr>
<tr>
<td>EUR 32%</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>- 7%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>GBP 3%</td>
<td>- 1%</td>
<td>25% / 30%</td>
</tr>
<tr>
<td>BRL 3%</td>
<td>+ 22%</td>
<td>-30% / -20%</td>
</tr>
<tr>
<td>CAD 3%</td>
<td>- 0%</td>
<td>25% / 30%</td>
</tr>
<tr>
<td>RUB 1%</td>
<td>+ 18%</td>
<td>25% / 30%</td>
</tr>
<tr>
<td>JPY 1%</td>
<td>+ 9%</td>
<td>80% / 85%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of sales (2020)</th>
<th>H1 2021 € change vs. currency</th>
<th>Dropthrough* sales / SOI</th>
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</thead>
<tbody>
<tr>
<td>CLP 1%</td>
<td>- 3%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>MXN 1%</td>
<td>+ 3%</td>
<td>25% / 30%</td>
</tr>
<tr>
<td>THB 1%</td>
<td>+ 7%</td>
<td>-130% / -100%</td>
</tr>
<tr>
<td>TRY 1%</td>
<td>+ 33%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>SEK 0.8%</td>
<td>- 5%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>TWD 0.6%</td>
<td>+ 2%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>ZAR 0.4%</td>
<td>- 3%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>ARS 0.3%</td>
<td>+ 55%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>COP 0.2%</td>
<td>+ 8%</td>
<td>80% / 85%</td>
</tr>
<tr>
<td>Others 5.7%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* dropthrough linked to the export/manufacturing/sales base.
COST OF RAW MATERIAL USED IN PRODUCTION IN H1 2021

- **Natural rubber**: 28%
- **Synthetic rubber**: 22%
- **Fillers**: 18%
- **Chemicals**: 14%
- **Steelcord**: 11%
- **Textile**: 7%

Total Cost: €2.3BN
NATURAL RUBBER PRICE TREND

$/kg, base 100 in 1st 2016 quarter

TSR20 in $  
RSS3 in $  
Quarterly average TSR20 in $ & quarterly evolution in %

Source: SICOM

Autumn conference – September 14, 2021
$/bbl, base 100 in 1st 2016 quarter

Brent in $

Quarterly average Brent in $ & quarterly change in %

35 -
47 +33%
47 +0%
51 +9%
55 +7%
51 -7%
52 +2%
61 +18%
67 +9%
75 +11%
76 +1%
68 -10%
64 -6%
68 +7%
62 -9%
63 +1%
51 -18%
33 -35%
43 +30%
45 +4%
61 +35%
69 +13%
<table>
<thead>
<tr>
<th>Issuer</th>
<th>Issue Type</th>
<th>Principal Amount</th>
<th>Offering price</th>
<th>Rating corporation at Issuance date</th>
<th>Current corporation rating</th>
<th>Coupon</th>
<th>Issue Date</th>
<th>Maturity</th>
<th>Interest payment</th>
<th>ISIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compagnie Générale des Établissements MICHELIN</td>
<td>Senior Note Convertible</td>
<td>$ 500m + TAP $100m</td>
<td>100% &amp; 103.85%</td>
<td>A- (S&amp;P); A3 (Moody's)</td>
<td>A- (S&amp;P); A3 (Moody's)</td>
<td>ZERO Conv premium 128%</td>
<td>10-jan.-17 &amp; 05-may-17</td>
<td>10-jan.-22</td>
<td>N/A</td>
<td>FR0013230745</td>
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<tr>
<td></td>
<td>Senior Note Convertible</td>
<td>$ 300m</td>
<td>99.97%</td>
<td>A- (S&amp;P)</td>
<td>A- (S&amp;P)</td>
<td>ZERO Conv premium 130%</td>
<td>28-may-15</td>
<td>28-may-22</td>
<td>Annual May 28</td>
<td>XS1233732194</td>
</tr>
<tr>
<td></td>
<td>Senior Note Convertible</td>
<td>$ 600m</td>
<td>95.50%</td>
<td>A3 (Moody's)</td>
<td>A3 (Moody's)</td>
<td>N/A</td>
<td>10-jan.-18</td>
<td>10-nov.-23</td>
<td>Annual</td>
<td>FR0013309184</td>
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<td></td>
<td>Senior Note Convertible</td>
<td>$ 750m</td>
<td>99.10%</td>
<td>A- (S&amp;P)</td>
<td>A3 (Moody's)</td>
<td>0.875% p.a</td>
<td>3-sept.-18</td>
<td>3-sept.-25</td>
<td>Annual Sept 03</td>
<td>FR0013357845</td>
</tr>
<tr>
<td></td>
<td>Senior Note Convertible</td>
<td>$ 300m</td>
<td>99.081%</td>
<td>A- (S&amp;P)</td>
<td>A3 (Moody's)</td>
<td>1.750% p.a</td>
<td>28-may-15</td>
<td>28-may-27</td>
<td>Annual May 28</td>
<td>XS1233734562</td>
</tr>
<tr>
<td></td>
<td>Senior Note Convertible</td>
<td>$ 500m</td>
<td>99.89%</td>
<td>A- (S&amp;P)</td>
<td>A3 (Moody's)</td>
<td>0.000% p.a</td>
<td>2-nov.-20</td>
<td>2-nov.-28</td>
<td>Annual Nov 02</td>
<td>FR0014000031</td>
</tr>
<tr>
<td></td>
<td>Senior Note Convertible</td>
<td>$ 1'000m</td>
<td>99.262%</td>
<td>A- (S&amp;P)</td>
<td>A- (Fitch)</td>
<td>1.750% p.a</td>
<td>3-sept.-18</td>
<td>3-sept.-30</td>
<td>Annual Sept 03</td>
<td>FR0013357852</td>
</tr>
<tr>
<td></td>
<td>Senior Note Convertible</td>
<td>$ 500m</td>
<td>99.363%</td>
<td>A- (S&amp;P)</td>
<td>A- (Fitch)</td>
<td>0.250% p.a</td>
<td>2-nov.-20</td>
<td>2-nov.-32</td>
<td>Annual Nov 02</td>
<td>FR0014000049</td>
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<tr>
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<td>Senior Note Convertible</td>
<td>$ 750m</td>
<td>99.46%</td>
<td>A- (S&amp;P)</td>
<td>A- (Fitch)</td>
<td>2.500% p.a</td>
<td>3-sept.-18</td>
<td>3-sept.-38</td>
<td>Annual Sept 03</td>
<td>FR0014000056</td>
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<tr>
<td></td>
<td>Senior Note Convertible</td>
<td>$ 302m</td>
<td>98.926%</td>
<td>A- (S&amp;P)</td>
<td>A3 (Moody's)</td>
<td>0.625% p.a</td>
<td>10-nov.-20</td>
<td>10-nov.-40</td>
<td>Annual Sept 03</td>
<td>XS1298728707</td>
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</tbody>
</table>
Debt maturities at June 30, 2021
(carrying amount, in € millions)
Free cash flow* and CAPEX 2007 - 2020

(in € millions)

* Reported FCF from 2007 to 2010, Structural FCF from 2011 onwards (see slide 63 for Structural FCF definition)
ESG AWARENESS AND OVERSIGHT ARE FULLY EMBODIED IN MICHELIN’S GOVERNANCE STRUCTURE

At the corporate executive level, a Stakeholders Committee set up in 2016 brings together 12 people representative of the Group’s leading stakeholders, including suppliers, investors, unions, customers and NGOs. Four continents are represented on the Committee, which meets with the Executive Committee for a full day at least once per year.
Florent Menegaux, Managing Chairman, compensation for 2021

Fixed compensation
€900,000

Annual variable compensation
0 to 20 % of profit shares

The annual variable component is fully integrated in the profit shares

Quantitative and qualitative criteria:
1. Group’s strategic deployment
2. Employee safety
3. Synergies from acquisitions

Quantitative criteria
0 to 16% of the profit shares
0 to 4% of the profit shares

Performance shares rights
Subject to performance conditions over 3 years
✓ Allocation limited to 0.05% of the Company’s share capital
✓ Maximum set at 100% of annual fixed compensation

1. Market performance: Michelin’s share price vs. change in Stoxx Europe 600 index (annual average)
Weight: 30%

2. CSR performance
   - i-MEP, industrial – Michelin Environmental Performance
   - Employee engagement
Weight: 40%

3. Operational performance: Sales growth (excluding tires and distribution) and ROCE
Weight: 30%

Each criterion has:
- A threshold below which no amount is awarded
- An intermediate tranche between the threshold and the target ceiling, giving access to an amount ranging between the minimum and maximum on a straight-line basis
- A target ceiling, giving access to the maximum amount for the criterion

➢ Obligation to hold 40% of the vested shares during the entire term of office
➢ The allocated shares may vest subject to the following condition: the profit shares have been paid during the fiscal year preceding the year in which the shares are issued

ESG incentives

Autumn conference – September 14, 2021
TRWP Q&A available on michelin.com

(1) TIP - Tire Industry Project
(2) ETRMA – European Tyre & Rubber Manufacturers Association
(3) Agence Européenne de l’Environnement EEA report 10/2019
**Free cash flow**
FCF is stated before dividend payments and financing transactions. It corresponds to net cash from operating activities less net cash used in investing activities, adjusted for net cash flows relating to cash management financial assets and borrowing collaterals.

**Structural free cash flow**
It corresponds to free cash flow before acquisitions, adjusted for the impact of changes in raw material costs on trade payables, trade receivables and inventories.

**ROCE**
In the 2016-2020 Plan, ROCE was calculated as

- Net operating profit after tax (NOPAT), calculated at a standard tax rate of 25% in 2020 and 26% in 2019, corresponding to the Group’s average effective tax rate;
- Divided by the average economic assets employed during the year (excluding equity-accounted companies), i.e., all of the Group's intangible assets (excluding acquired intangible assets), property, plant and equipment, loans and deposits, and net working capital.

As from 2021, ROCE will be measured by the Group by adding back

- Amortization of acquired intangible assets and profit from equity-accounted companies to the numerator and
- Goodwill, acquired intangible assets and investments in equity-accounted companies to economic assets in the denominator.

**Tire Sales**
Correspond to sales related to the core activity of Michelin including Tire as a Service (TaaS) and Distribution.

**Non-tire sales**
Correspond to sales of following activities: Services and Solutions (excl. TaaS and Distribution), Conveyor Belts and High-Tech Materials excluding JVs
Labelling from 01/05/2021:
(a) Fuel efficiency class (from A to E), B for majority dimensions. (b) Wet grip class (from A to E). (c) External rolling noise class (from A to C) and measured value in decibel (dB). (d) Tyre for use in severe snow conditions.

MICHELIN CROSSCLIMATE 2:

(1) Dry braking tests, conducted by TÜV SÜD Product Service on Michelin's request, between 100 and 0 kph, February 2021, on dimension 205/55 R16 94V XL on VW Golf 7 comparing MICHELIN CrossClimate 2 (100%) versus MICHELIN CrossClimate + (96,2%) ; BRIDGESTONE Weather Control A005 EVO (98,1%) ; CONTINENTAL AllSeasonContact (92,4%) ; GOODYEAR Vector 4Seasons Gen-3 (89,9%) ; PIRELLI Cinturato All Season Plus (89,4%) 

(2) Wet braking tests, conducted by TÜV SÜD Product Service on Michelin's request, between 80 and 20 kph, October 2020-April 2021 (worn means when worn on machine (buffed) to the depth of Tread Wear Indicator according to European regulation: ECE R30(03)), on dimension 205/55 R16 94V XL on VW Golf 7 comparing MICHELIN CrossClimate 2 (new: 100% - worn: 100%) versus MICHELIN CrossClimate + (new: 98,2% - worn: 101,1%) ; BRIDGESTONE Weather Control A005 EVO (new: 103,2% - worn: 99,5%) ; CONTINENTAL AllSeasonContact (new: 94,9% - worn: 96,1%) ; GOODYEAR Vector 4Seasons Gen-3 (new: 95% - worn: 93,5%) ; PIRELLI Cinturato All Season Plus (new: 96,7% - worn: 89%) - Results may vary according to road and weather conditions. 

(3) Snow braking tests, conducted by TÜV SÜD Product Service on Michelin's request, between 30 and 10 kph, February 2021 (on new and 2mm buffed), on dimension 205/55 R16 94V XL on VW Golf 7 comparing MICHELIN CrossClimate 2 (new: 100% - worn: 100%) versus MICHELIN CrossClimate + (new: 95%-worn: 88,1%) ; BRIDGESTONE Weather Control A005 EVO (new: 92,4% - worn: 70,9%) ; CONTINENTAL AllSeasonContact (new: 99,5% - worn: 96,4%) ; GOODYEAR Vector 4Seasons Gen-3 (new: 97,6% - worn: 94,1%) ; PIRELLI Cinturato All Season Plus (new: 81,9% - worn: 77,0%) 

(4) Snow traction tests, conducted by TÜV SÜD Product Service on Michelin's request, February 2021 (on 2mm buffed), on dimension 205/55 R16 94V XL on VW Golf 7 comparing MICHELIN CrossClimate 2 (new: 100% - worn: 100%) versus MICHELIN CrossClimate + (new: 95%-worn: 87,5%) ; BRIDGESTONE Weather Control A005 EVO (new: 84,6%-worn: 65,2%) ; CONTINENTAL AllSeasonContact (new: 95,6%-worn: 91,9%) ; GOODYEAR Vector 4Seasons Gen-3 (new: 94,6%-worn: 90,6%) ; PIRELLI Cinturato All Season Plus (new: 72,0%-worn: 54,2%) 

(5) Longevity test conducted by DEKRA TEST CENTER, on Michelin's request, December 2020, on dimension 205/55 R16 94V XL on VW Golf 7 comparing MICHELIN CrossClimate 2 (100%) ; CONTINENTAL AllSeasonContact (100,8%) and GOODYEAR Vector 4Seasons Gen-3 (108,4%) ; BRIDGESTONE Weather Control A005 EVO (69,7%) ; PIRELLI Cinturato All Season Plus (96,9%). Longevity test run in average real usage (D50) with 14.460 km run and extrapolated longevity at 1.6mm. 

(6) Rolling Resistance tests conducted on machine by Appus Idiada, on Michelin’s request, August 2020, on dimension 205/55 R16 94V XL, comparing MICHELIN CrossClimate 2 (7,30 kg/t) versus MICHELIN CrossClimate + (8,20 kg/t) Eco-responsible driving depends notably on driving habits, vehicle or tire pressure 

(7) MICHELIN CrossClimate 2 is rated “B” on the Rolling Resistance A-B-C-E Item of the European labelling scale. 

(8) MICHELIN CrossClimate 2 category of tires is defined as one of the Premium all-season tires such as CONTINENTAL, GOODYEAR,BRIDGESTONE, PIRELLI, DUNLOP brands, and which are not dedicated to Original Equipment application (i.e not designed to achieve car manufacturers specific targets) but tires that can be purchased from retailers. 

(9) Balance of performance proven by test conducted in 2020 and 2021 on Longevity, Rolling Resistance, Dry braking, Wet braking new and worn, Snow braking new and worn, Snow traction new and worn - see test details in legal mentions 1,2,3,4,5,6 Results may vary according to road and weather conditions.
"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/](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
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