



***AUTUMN CONFERENCE
KEPLER CHEUVREUX
SEPTEMBER 9, 2020***



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 (3.3% of net sales):
 - 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

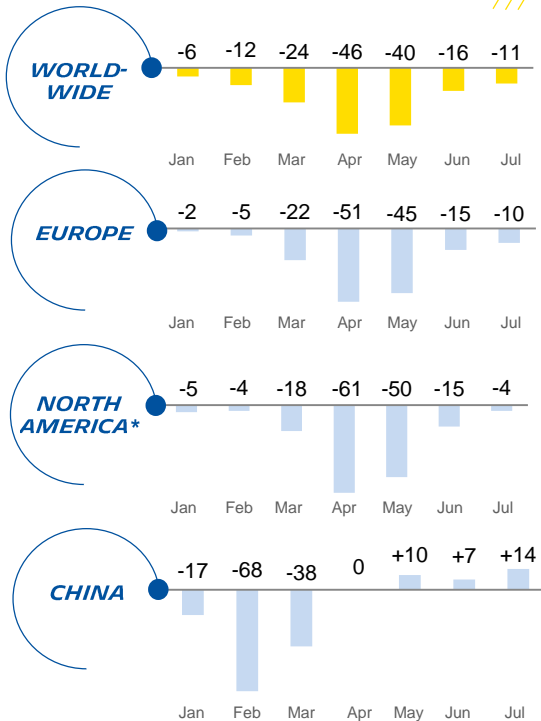
* Segment Operating Income

** 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

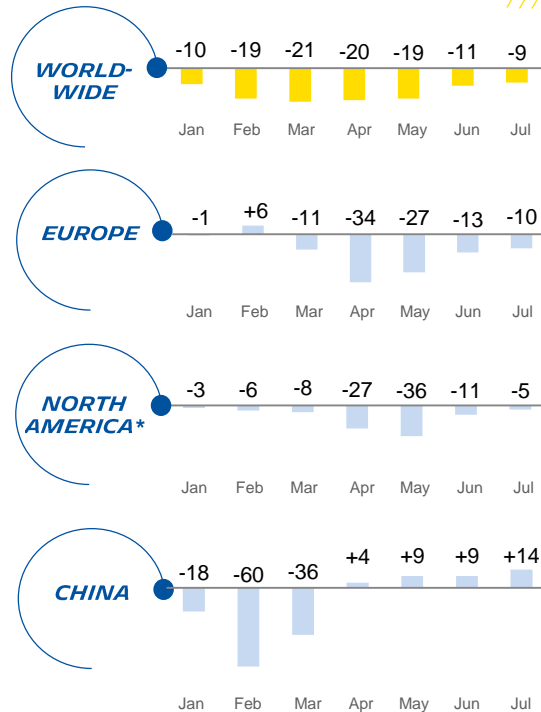
July 2020 YTD: demand recovery in most of the markets, particularly strong in China.



PC/LT: -21%



TRUCK: -16%



SPECIALTIES

