

2023

FIRST-HALF RESULTS

July 26, 2023



Michelin delivered Sales growth of 5.9% and increased SOI by 11.4% over the semester, on adverse markets. Free cash flow before M&A reached €922m. Guidance revised upwards on both SOI & FCF.

- Sales up 5.9% to €14.1bn, lifted by pricing discipline and fast-growing non-tire sales
 - Tire markets flat in PC and decreasing in Truck, supported by OE but penalized by continuation of destocking from distribution and B2B fleets
 - Tire sales volumes down by 3.7%, reflecting market dynamics and Group's priority on value-accretive segments
 - Price-mix effect reached 9.4% thus recognizing the premium value of our offers and net positive mix despite adverse OE/RT sales development
 - Non-tire sales grew by 17% at constant exchange rates, sustainably fueling Group's growth
 - Currency effect turned negative at -1.0% due to the depreciation of most currencies against the euro
- Segment operating income increasing by 11.4% to €1.7bn, value management offsetting cost inflation and negative impact of volumes
 - Auto and Specialties segments delivering increased performance
 - Road transportation facing negative OE/RT mix and low volumes heavily impacting plant loading and fixed costs absorption
 - Strong price-mix effect benefitting from sustained product mix enrichment, pricing policy and lagged effect of indexation clauses
 - Specialties (RS3) operating margin reaching 18.3%, supported by dynamic Mining, Aircraft and High-tech materials businesses
- Free cash flow before acquisitions of €922m driven by tight business steering
 - EBITDA reaching €2.6bn or 18.8% of sales
 - Working capital benefitting from tight inventory management and cash recovery from Q4 22
 - Positive cash generation from TBC, including divestment of company-owned retail network
- Growth beyond mobility accelerating with FCG acquisition, in line with Group ambition to become a key player in polymer composite solutions
- 2023 guidance revised upwards: > €3.4bn in segment operating income at constant exchange rates; > €2.0bn reported FCF before acquisitions ⁽¹⁾

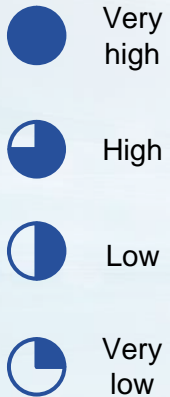
⁽¹⁾ Definition: see slide 71

Accelerating growth beyond mobility with priority on polymer composite solutions

Strengthening premium positioning across tire businesses

(% of 2022 pro-forma sales including FCG acquisition)

Cyclicality



SPECIALTIES



Main drivers: GDP, public spending, commodity prices, construction

19%

POLYMER COMPOSITE SOLUTIONS

includes



Main drivers: GDP, PMI, R&D & public spending

5%

TRANSPORTATION & SERVICES TO FLEETS



Main drivers: GDP & PMI

26%

AUTO OE ⁽¹⁾



Main drivers: regulation & GDP

9%

41%

REPLACEMENT AUTO & 2-WHEEL



Main drivers: miles driven, GDP, used cars market

(1) Original equipment



Michelin's deep-innovation capabilities feed the Group's leadership on all targeted end-markets

MICHELIN'S DEEP-INNOVATION CAPABILITIES



Unrivalled innovation ability, from fundamental research to solutions development



Extensive **worldwide** manufacturing expertise



Unique know-how in **performance simulations**



Clear roadmap towards 100% sustainable materials with dedicated R&D programs

LEADERSHIP POSITION ON EVERY TARGETED END-MARKET

TIRE



SERVICES TO FLEETS



TaaS
Tire-as-a-Service



POLYMER COMPOSITE SOLUTIONS

Sealing technologies

Belting solutions

Engineered fabrics & films

Engineered polymers

***FIRST HALF
2023 RESULTS***



Solid overall Group performance in H1 2023



PEOPLE

29.7%

of managers are women

+0.7 PTS vs H1 2022

1.03

Total Case Incident Rate

-0.02 PTS vs H1 2022



PROFIT

€1,704M

Segment Operating Income ⁽¹⁾

12.1% of sales

€922M

Free cash flow before M&A ⁽¹⁾

+ €1.9BN vs H1 2022



PLANET

2.2M tons

CO₂ emissions scopes 1&2 ⁽²⁾

- 14% vs H1 2022

27Mm³

Water consumption ⁽²⁾

- 11% vs H1 2022

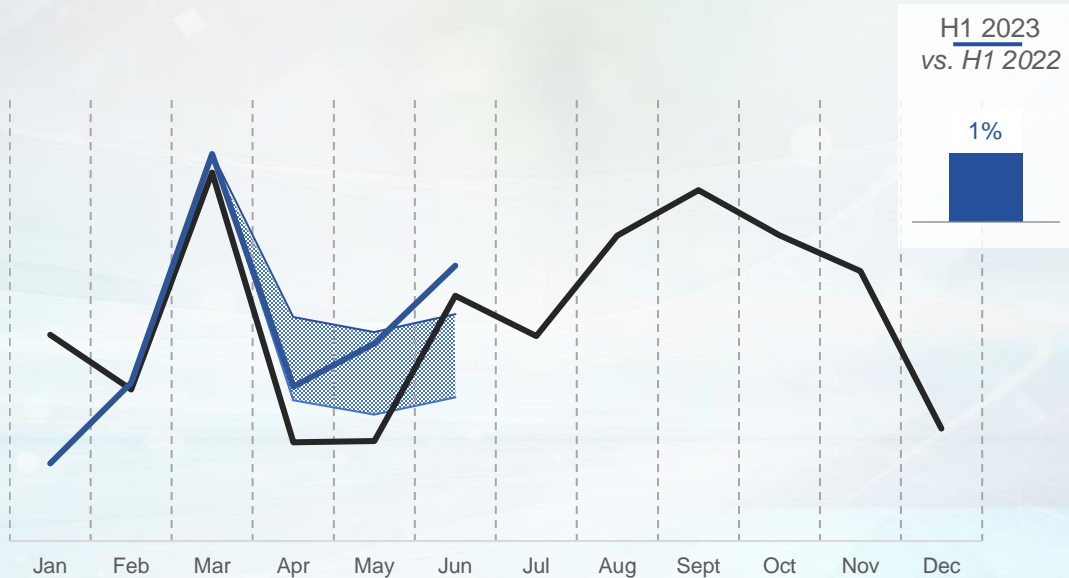
(1) Definition: see slide 71

(2) 12-months rolling basis

**Sell-in markets: within expected range in PC/LT at the end of June,
below range in Truck (excl. China)**



PASSENGER CAR AND LIGHT TRUCK TIRE MARKET



TRUCK TIRE MARKET EXCLUDING CHINA



— 2023

— 2022



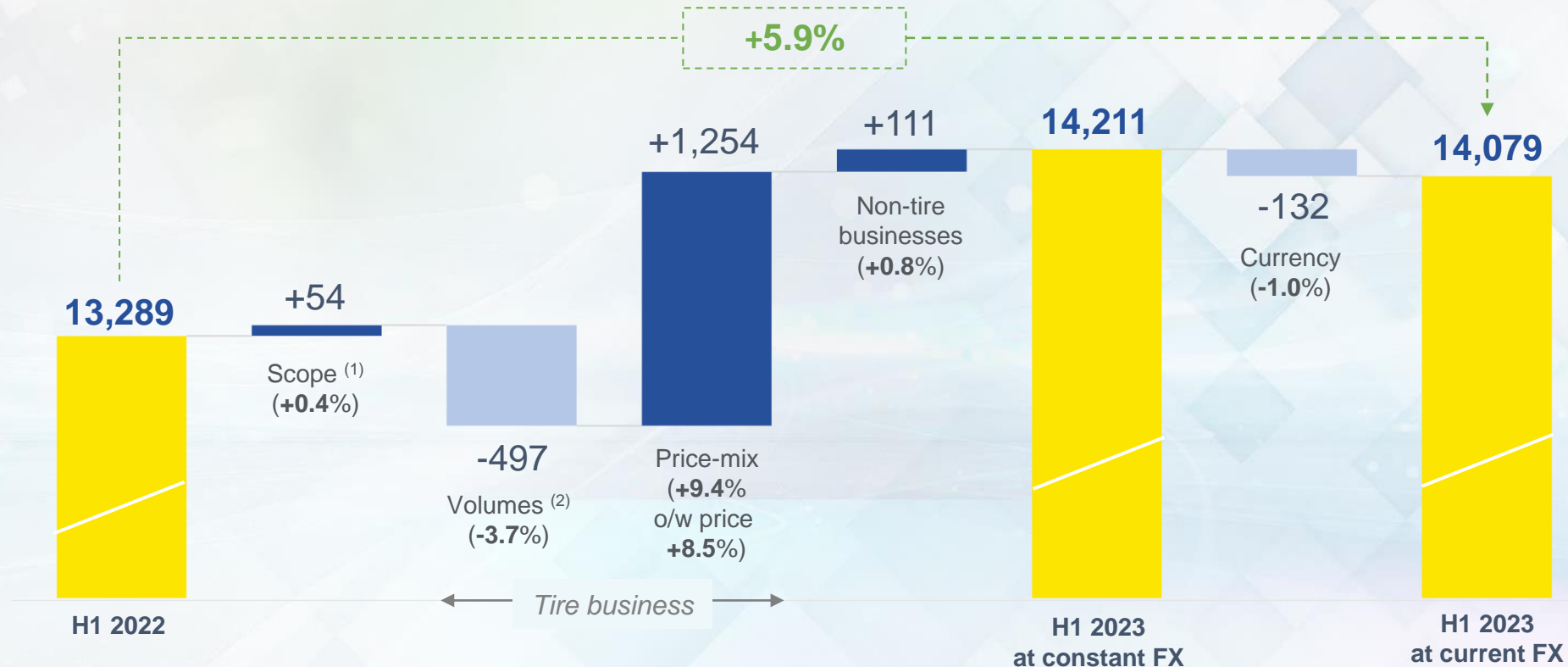
Projection presented
during the Q1 release

Group sales up 5.9% in H1 to €14.1bn, lifted by pricing discipline despite low volumes

Non-tire sales grew by 17% or €111m

ANALYSIS OF SALES

(in € millions and as a % of H1 2022)



⁽¹⁾ Consolidation of CPS (Conveyor Products & Solutions) effective July 14, 2022, EGC Enterprises (high performance polymers) effective Feb. 3, 2023, BlackSmith effective Apr. 1, 2023.

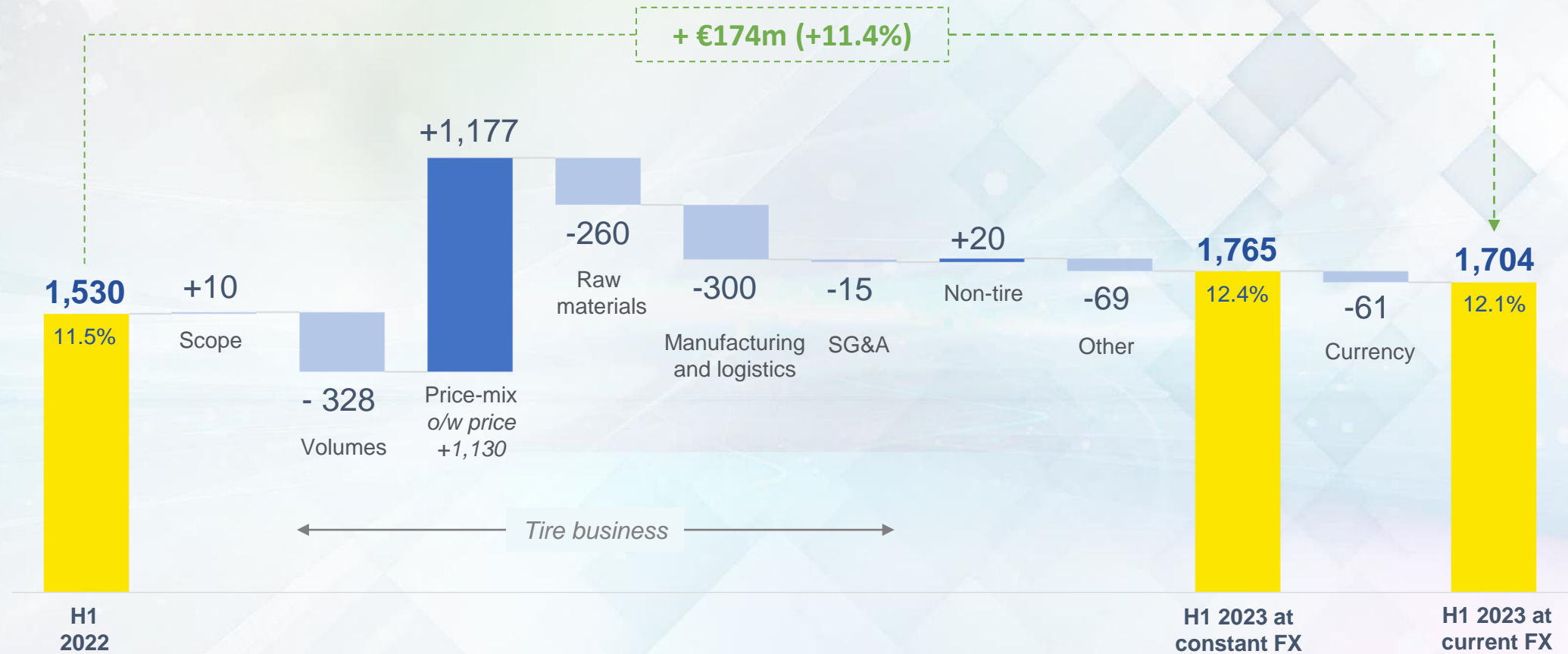
⁽²⁾ Of which c.+1% related to sales increase of integrated distribution network.



Segment operating income up 11.4% to €1.7bn, value management offsetting cost inflation and negative impact of volumes

ANALYSIS OF SEGMENT OPERATING INCOME (SOI)




(in € millions, % of sales)



Auto and Specialties segments delivering strong performance, Road transportation facing low volumes and high fixed cost under-absorption

SALES AND SOI BY REPORTING SEGMENT

(in € millions)

		H1 23	H1 22	CHANGE	
RS1 	Sales	7,024	6,599	+6.4%	Sales and operating income growth driven by dynamic pricing management and sustained product mix enrichment. Market share gain in growing 18''+ segment, now accounting for 59% of MICHELIN-branded tire sales in H1 23, up 5 points vs H1 22.
	<i>o/w volume change</i>	-	-	-2%	
	Operating income	866	782	+10.7%	
	Operating margin	12.3%	11.9%	+0.4 pts	
RS2 	Sales	3,397	3,469	-2.1%	Sales penalized by low volumes, mainly from replacement in Europe heavily impacted by destocking, and unfavorable market mix. Fixed cost under-absorption leads to lower margins. Double-digit growth in services to fleets.
	<i>o/w volume change</i>	-	-	-8%	
	Operating income	168	314	-46.4%	
	Operating margin	5.0%	9.1%	-4.1 pts	
RS3 	Sales	3,658	3,221	+13.6%	Operating income back to expected levels, supported by dynamic Mining, Aircraft and High-tech materials businesses. Beyond Road activities (agriculture, construction, material handling) focusing on value-accretive segments.
	<i>o/w volume change</i>	-	-	-1%	
	Operating income	670	434	+54.4%	
	Operating margin	18.3%	13.5%	+4.8 pts	
GROUP	Sales	14,079	13,289	+5.9%	
	<i>o/w volume change</i>	-	-	-3.7%	
	Operating income	1,704	1,530	+11.4%	
	Operating margin	12.1%	11.5%	+0.6 pts	

Free cash flow before acquisitions of €922m driven by tight business steering EBITDA up to €2.6bn, or 18.8% of sales

FREE CASH FLOW⁽¹⁾

(in € millions)

Segment EBITDA	2,643
Change in net working capital	(221)
Tax and interest paid	(449)
Capex cash-out	(1,125)
Non-recurring	(134)
JV & associates net financing	181
Other	27
Free cash flow excl. M&A	922
M&A	(152)
Free cash flow	770

HIGHLIGHTS

EBITDA

- €204m increase vs H1 22, driven by €174m increase in segment operating income

WORKING CAPITAL

- c.€300m of cash collected in Q1 23 from Q4 22 due to year-end timing effect
- Tight inventory management with June 23 volumes close to Dec 22 level, on softening valuation

CAPEX

- On track to reach c.€2.2bn full-year target

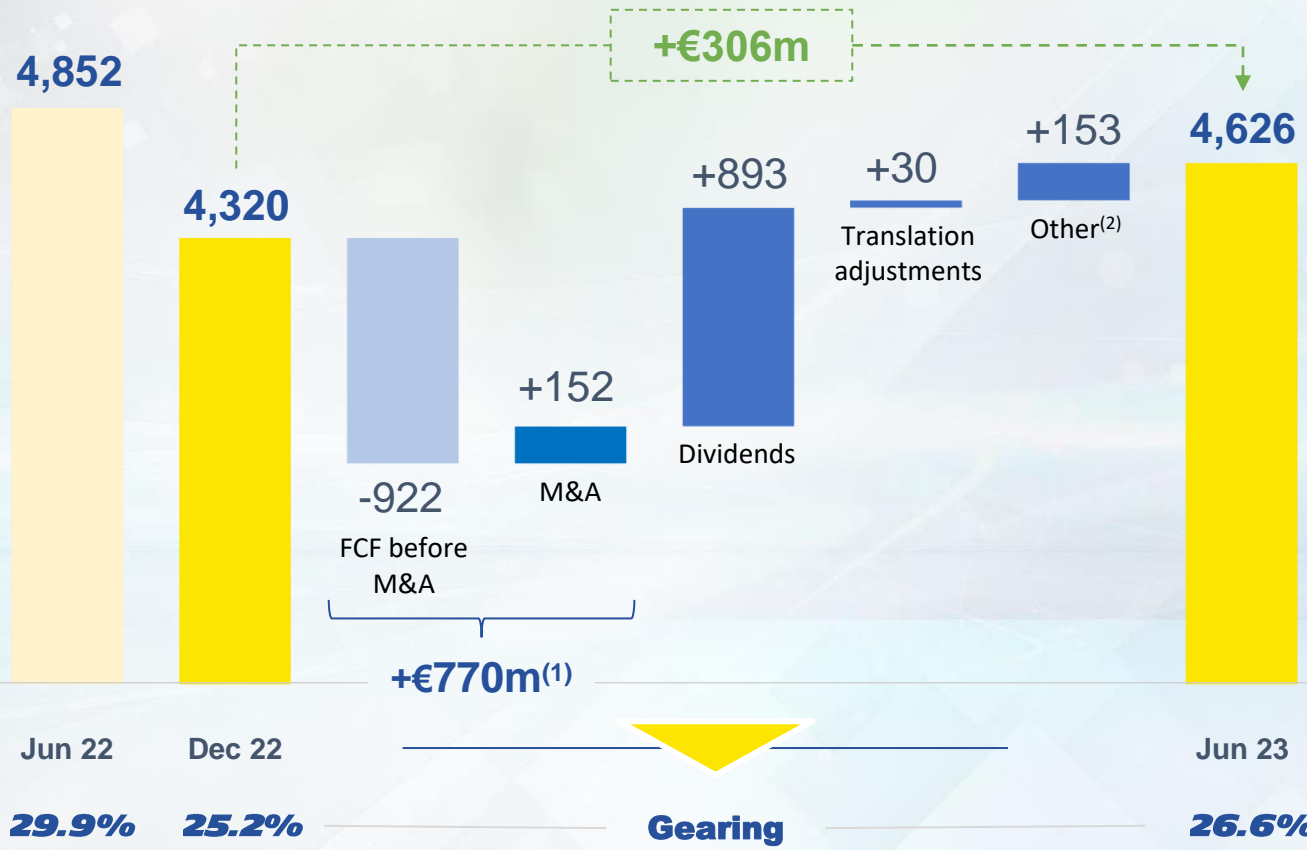
JV & ASSOCIATES

- c.€250m cash collected from TBC: shareholder loan reimbursement + divestment proceeds from company-owned retail network to Mavis

⁽¹⁾ Definition: see slide 71

Enhanced financial position, 26.6% gearing reduced vs June 2022

NET DEBT (in € millions)



AGENCY RATINGS AT JUNE 30, 2023 Compagnie Générale des Établissements Michelin

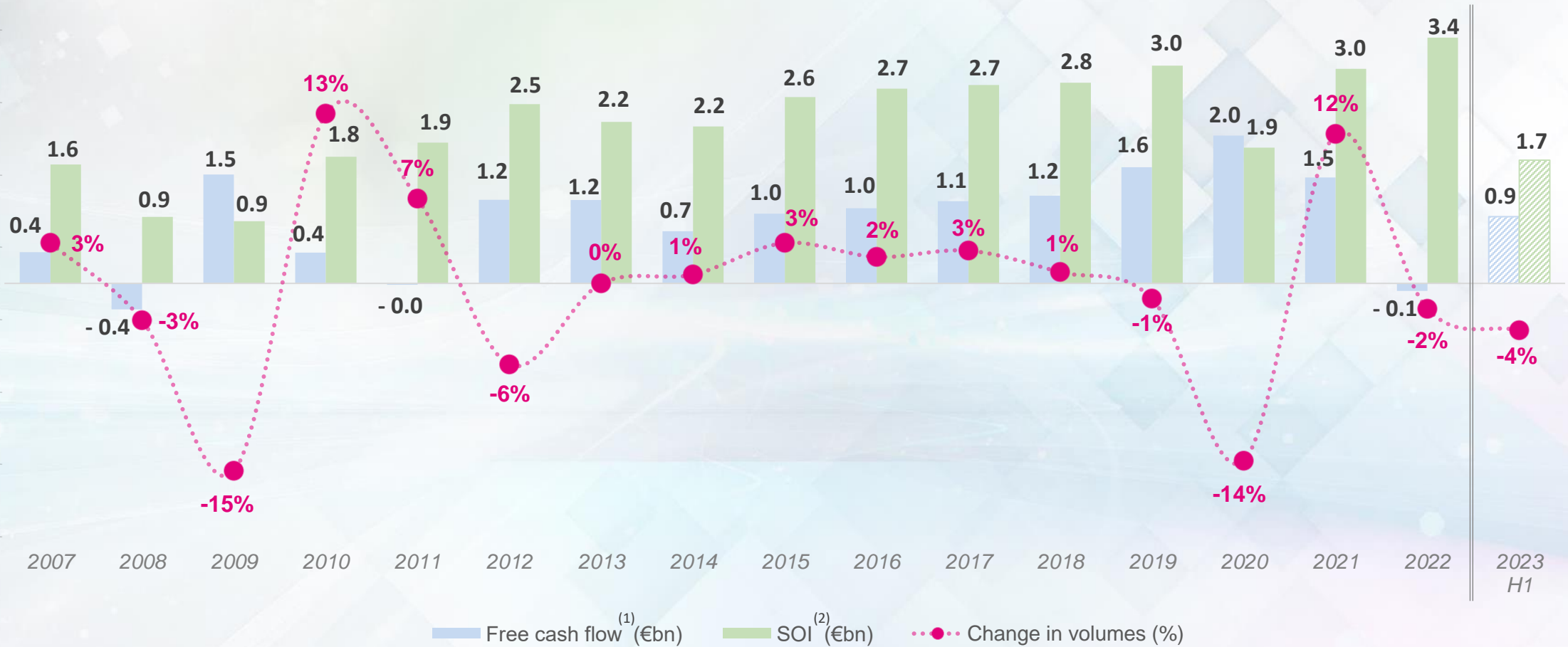
	S&P	FITCH	MOODY'S ⁽³⁾
Short Term	A-2	F2	-
Long Term	A-	A-	A3
Outlook	Stable		

(1) Free cash flow
(2) Including new leases
(3) Moody's rating is not solicited since July 2020



Demonstrated ability to increase cash and margin generation across business cycles

FCF ⁽¹⁾ AND SOI ⁽²⁾ EVOLUTION vs. CHANGE IN VOLUMES

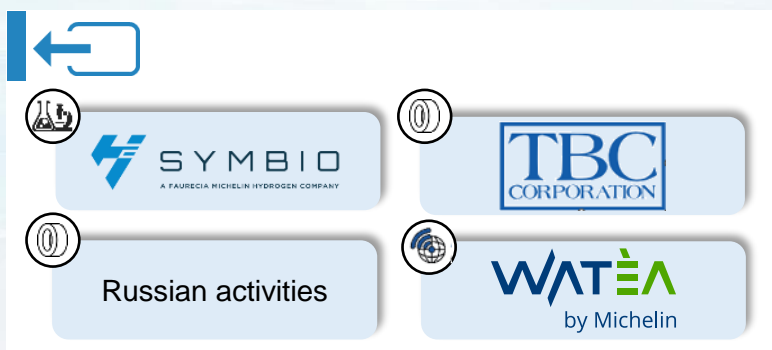


(1) Reported Free cash flow, excluding M&A
(2) Segment operating income



M&A active portfolio management with three major steps in H1 2023, reflecting *Michelin in Motion 2030* strategy

H1 2023 MAIN DEALS



Tire

Services
to fleetHigh-Tech
Materials

ZOOM ON 3 MAJORS STEPS



TBC to sell its retail activities to increase profitability

- 2018: 50/50 JV set up with Sumitomo Corp
- 2018-23: strong cash generation, with \$400m shareholder loans reimbursed
- 2023: divesting from company-owned retail to focus on wholesale and franchise



Stellantis to acquire 33% aside Michelin and Faurecia

- 2019: 50/50 JV set up with Faurecia
- 2023: building up new assembling capacities
 - Giga factory in France (Saint-Fons)
 - 1st production line in the US (California)
 - Saint-Fons capacity: 2026: 50,000 / year
2028: 100,000 / year



Michelin to acquire FCG ⁽¹⁾ to create a leader in Engineered fabrics & films

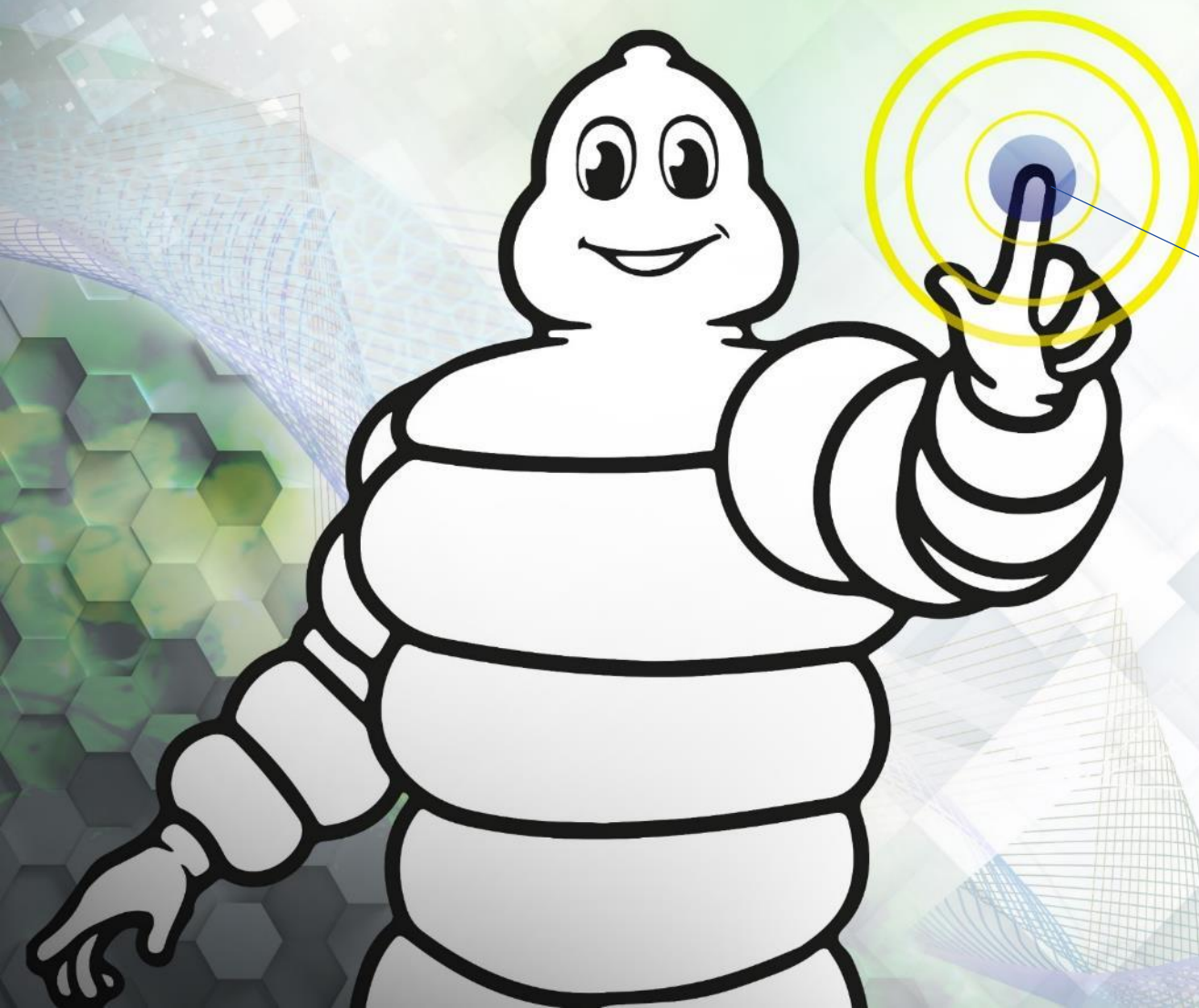
- 20% increase of High-tech materials revenues to €1.3bn (FY22 pro-forma)
- Improved Michelin growth profile, margin accretive, positive cash generation and favorable impact on EPS
- Positioning the **Group** as a **key player in polymer composite solutions**

⁽¹⁾ Subject to closing adjustments and merger control clearances in relevant jurisdictions





2023 GUIDANCE



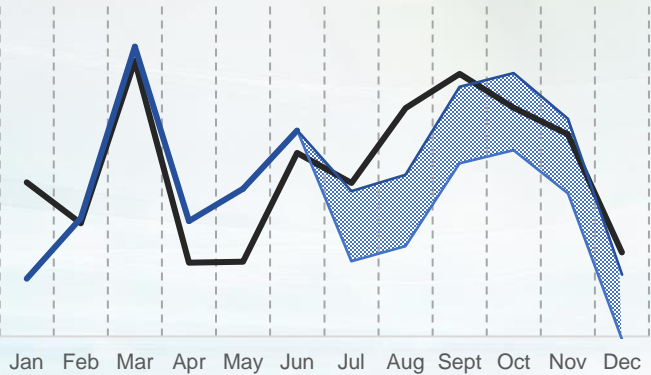
2023 FY markets scenario: reduced ranges in a destocking context in Truck, in a lesser extent in PC/LT



PASSENGER CAR / LIGHT TRUCK

-3%/0%

Previously: -2%/+2%



2022

2023

H2 2023
projection

OE: H1 23 growth to revert in H2 on higher basis of comparison, mainly in China

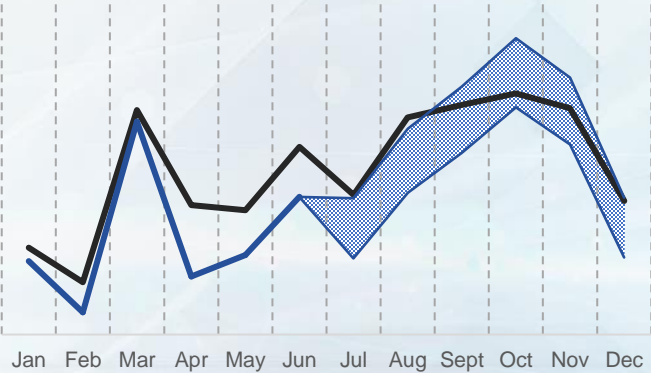
RT: H2 23 back to normative seasonality, with very high basis of comparison



TRUCK excl. China

-4%/-1%

Previously: -2%/+2%



OE: demand remains robust, with full order books of OEMs until Q3

RT: soft *sell-in* demand with destocking actions foreseen at least until end of Q3, in a context of economic uncertainty



SPECIALTIES

-1%/+2%

Previously: -1%/+3%



Mining tires: strong demand expected to hold, on high comparatives along H2 23



Beyond-road tires: slight growth in Agriculture, offset by lower demand in Materials handling and Construction



Two-wheel tires: decreasing demand, high inventories levels mainly bicycle



Aircraft tires: growth, with commercial demand recovering pre-covid levels



2023 Group scenario & guidance

SCENARIO

GUIDANCE

Volumes

UPDATED

[-4% ; -2%]

PREVIOUS

[-4% ; -0%]

Cost inflation

raw materials, transportation, energy, labor

c.€0.2bn

[€0.4bn ; €0.9bn]

Net price-mix vs. cost inflation
factors

Positive

Slightly positive

Cash-out capex

c.€2.2bn

[€2.2bn ; €2.4bn]

Segment operating income
at constant FX vs 2022

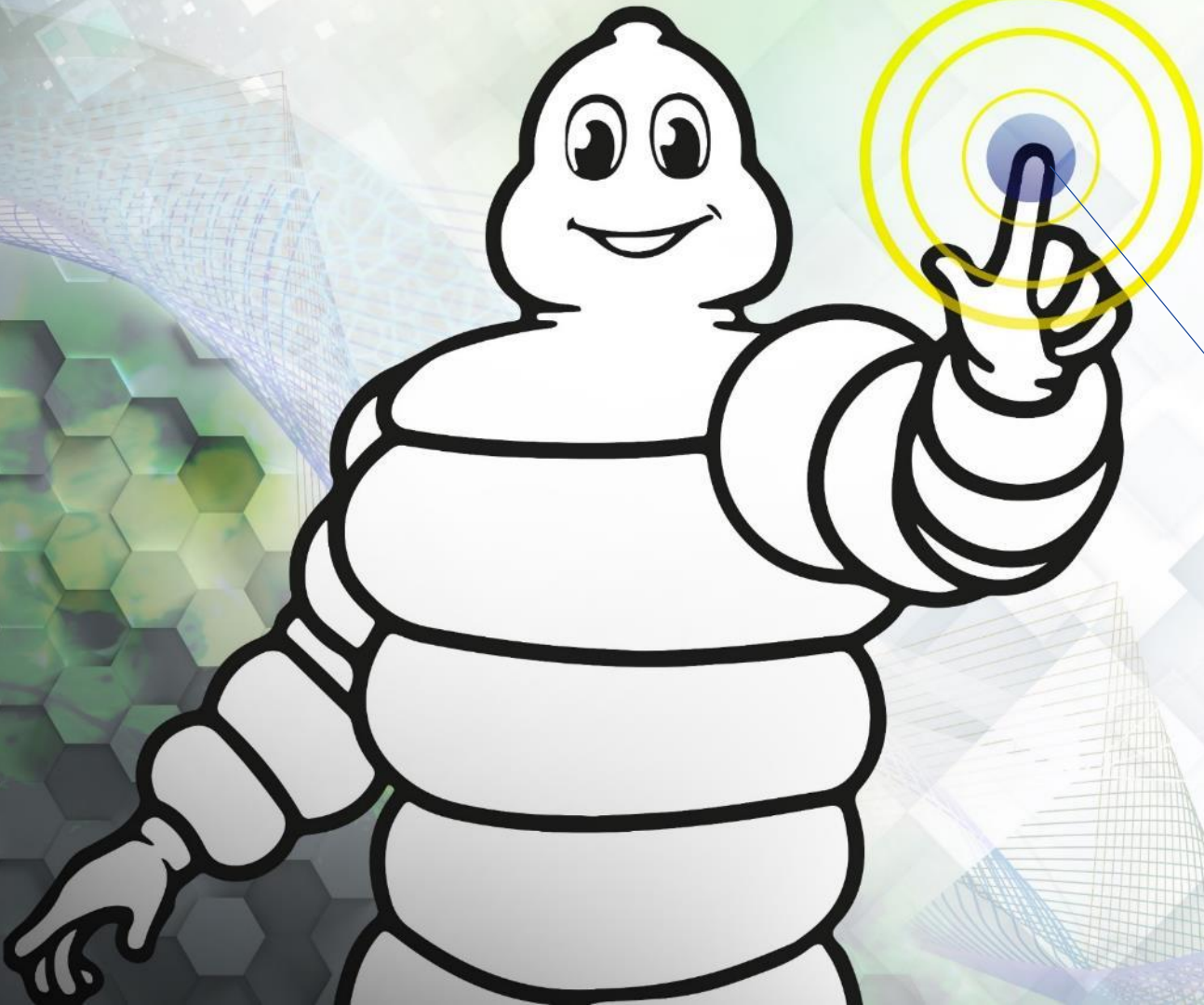
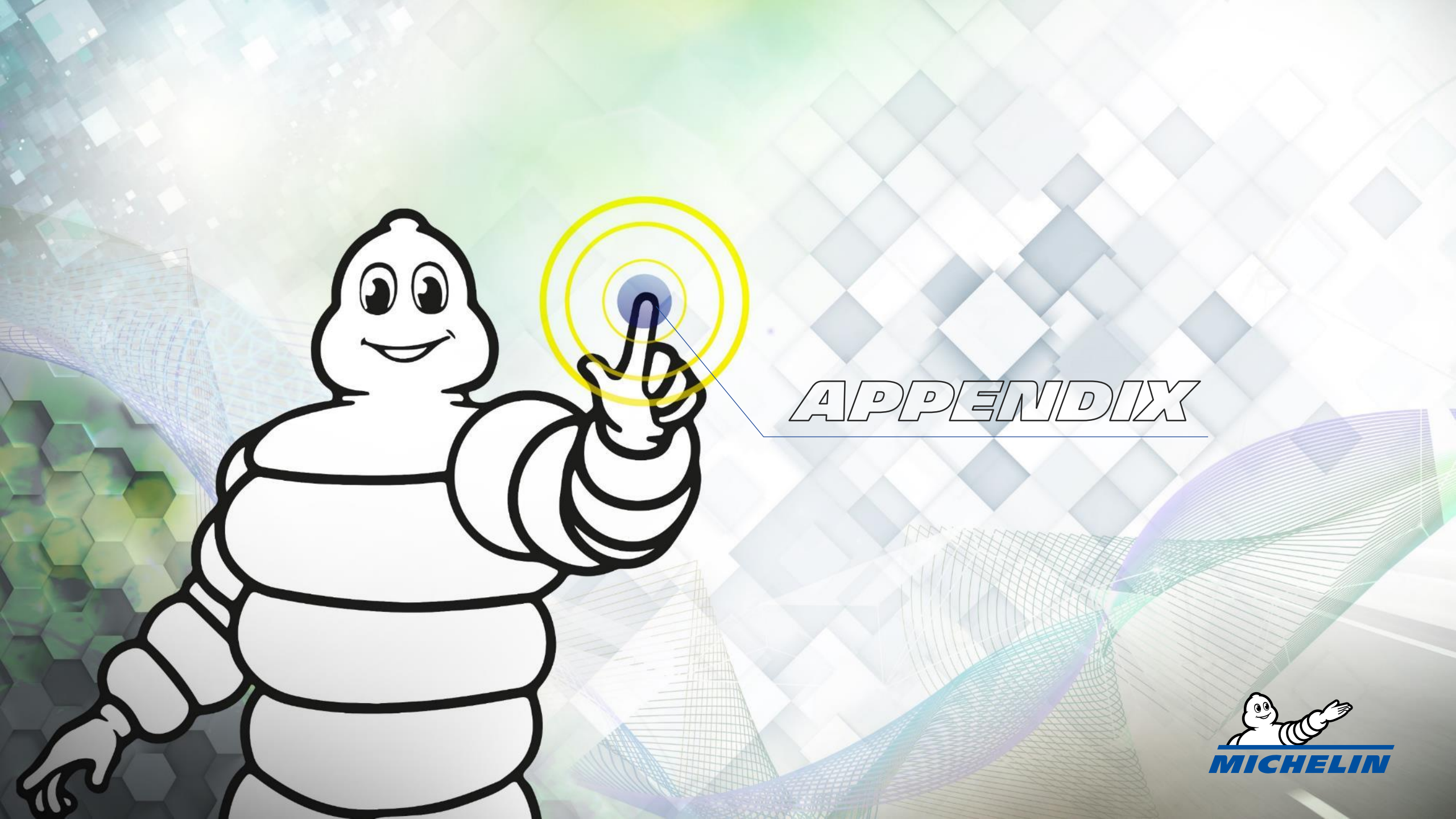
> €3.4bn

> €3.2bn

Free cash flow
excl. M&A

> €2.0bn

> €1.6bn



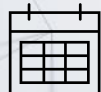
APPENDIX



2023 Financial Agenda



2023



Q3 SALES

OCT. 24, 2023 *

FULL YEAR 2023

FEB. 12, 2024 *

* After close of trading



Reported H1 23 and 22 financial highlights

(in € millions)

	H1 2023	H1 2022
Sales	14,079	13,289
Segment EBITDA	2,643	2,439
Segment EBITDA margin	18.8%	18.4%
Segment operating income	1,704	1,530
Segment operating margin	12.1%	11.5%
Other operating income and expenses	(90)	(273)
Net income	1,220	843
Basic earnings per share (in €)	1.70	1.18
Capital expenditures outlay	1,125	980
Free cash flow*	922	-1,014
Gearing	26.6%	29.9%

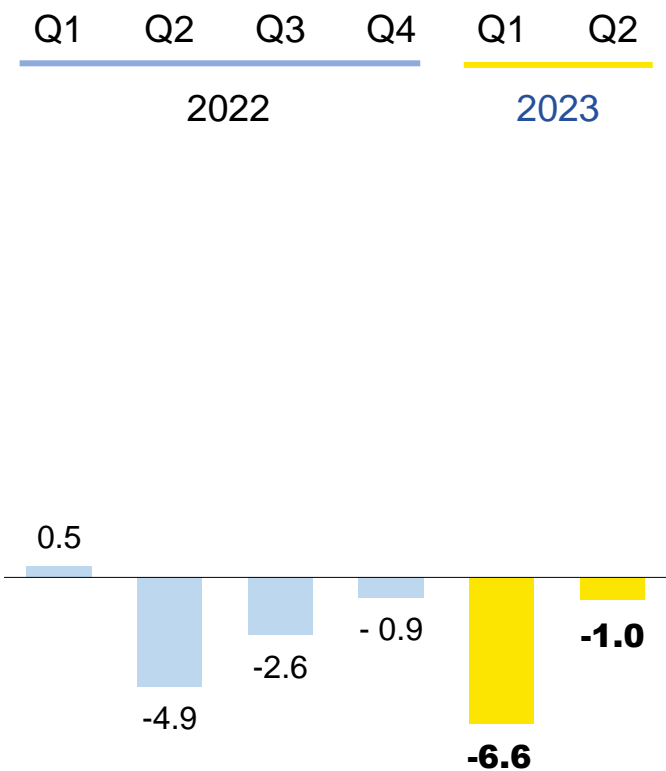
* Definition: see slide 71



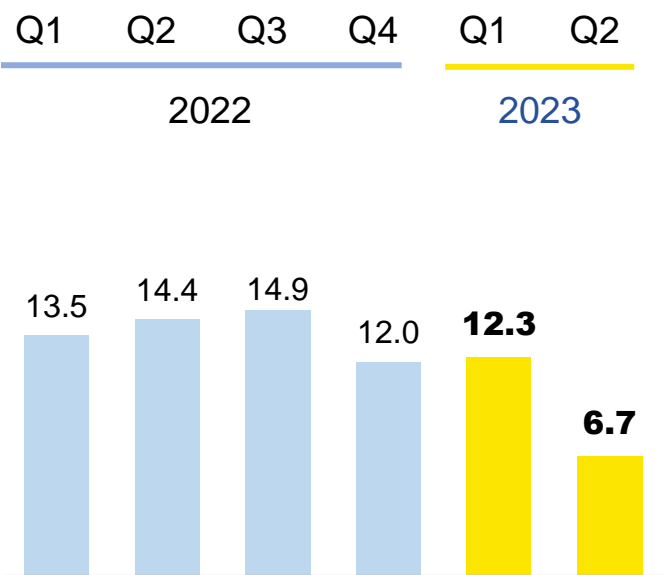
Firm pricing discipline pulling H1 2023 sales, despite low volumes

YOY QUARTERLY CHANGE (in %)

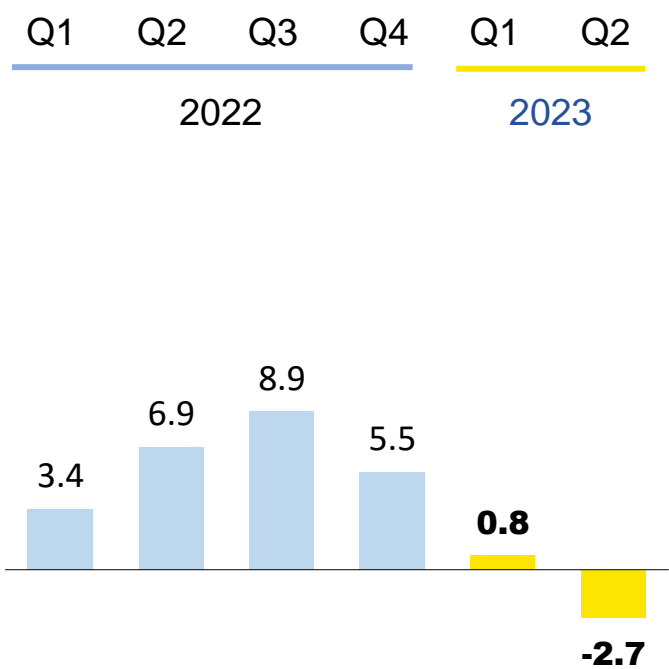
VOLUMES



PRICE-MIX



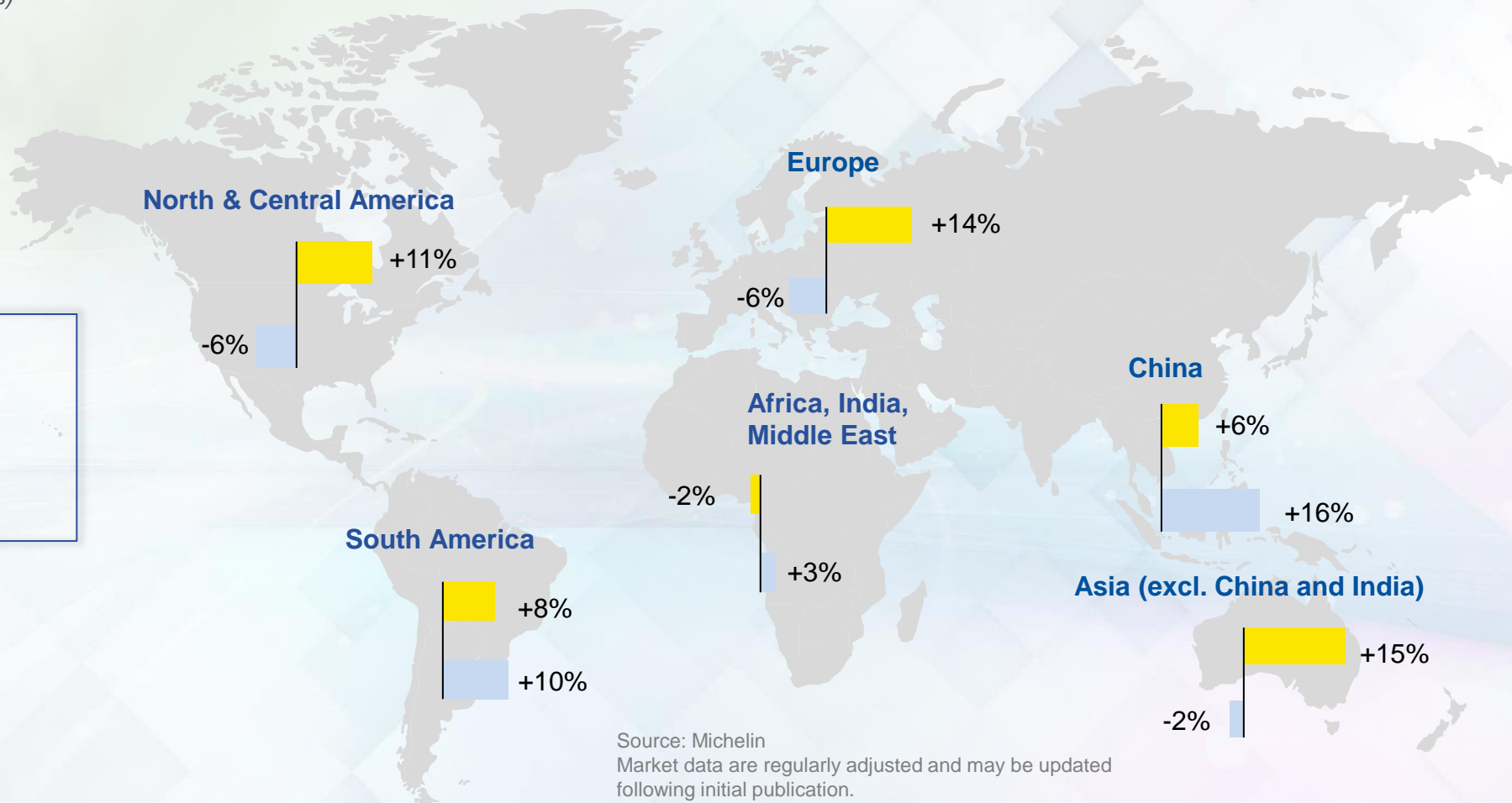
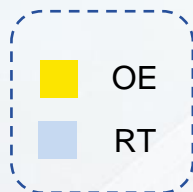
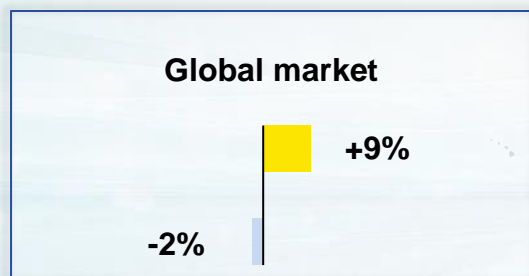
CURRENCY



PC/LT markets: OE slightly up driven by supply chains ease, but RT down on unfavorable basis of comparison and destocking actions in Q1 2023

PC/LT TIRE MARKET, H1 2023

(% change YoY in number of tires)



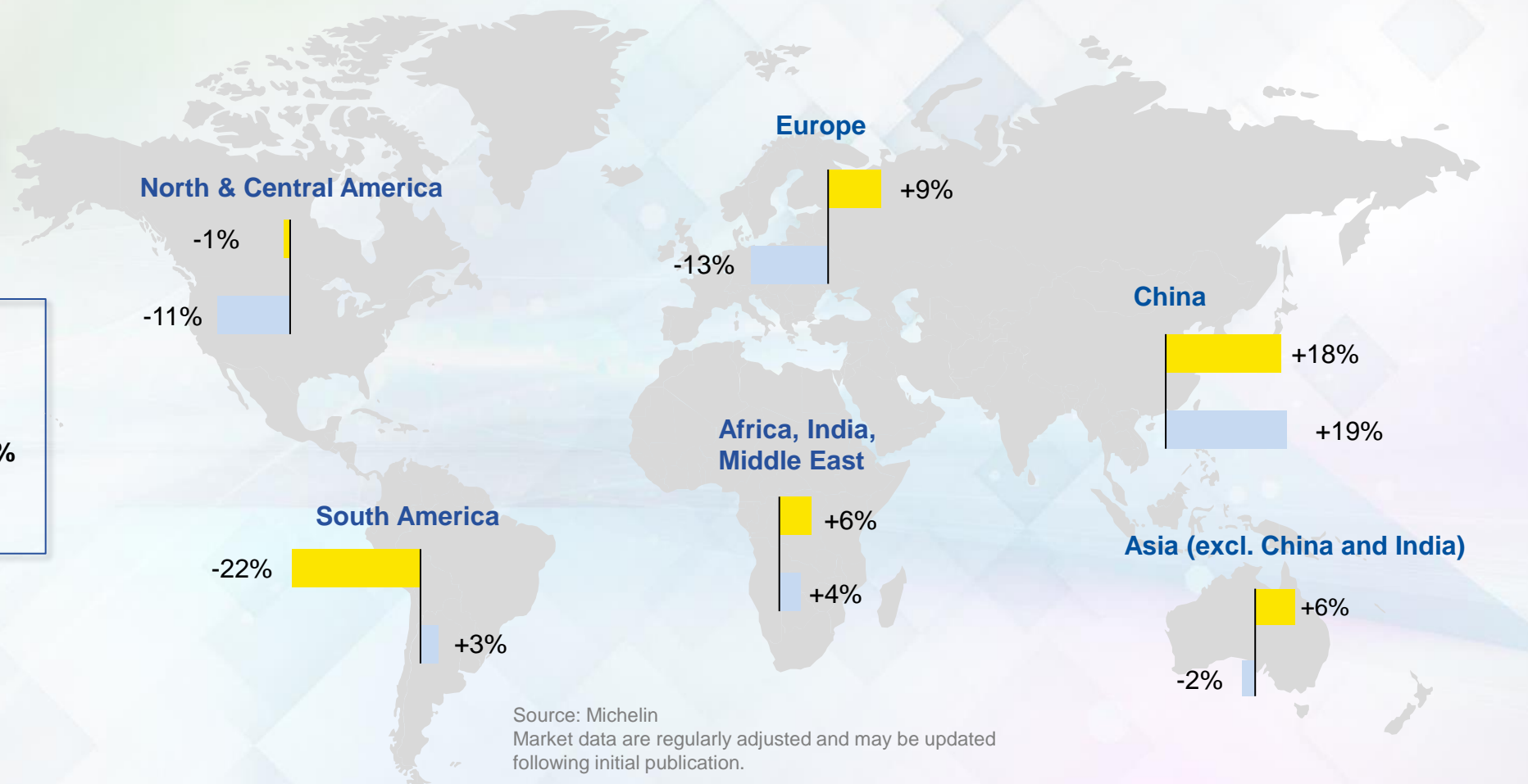
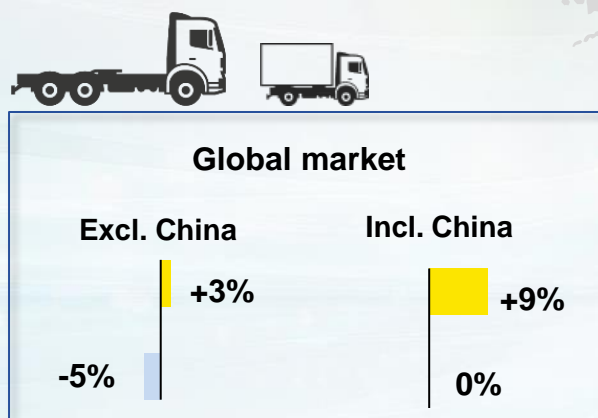
Source: Michelin
Market data are regularly adjusted and may be updated following initial publication.



Truck tire markets: dynamic OE with orders books still full, but RT decrease (excl. China) driven by supply chains normalization and destocking actions from distribution

TRUCK TIRE MARKET, H1 2023

(% change YoY in number of tires)



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

Shareholder return policy : pay-out gradually increasing towards 50% target

PER SHARE DATA ⁽¹⁾ (in €)

	2018	2019	2020	2021	2022
DIVIDEND	0.93	0.50	0.58	1.13	1.25 ⁽⁴⁾
NET INCOME BASIC	2.33	2.42	0.88	2.58	2.81
PAY-OUT RATIO ⁽²⁾	40%	21%	65%	44%	44%
RETURN ⁽³⁾	4.3%	1.8%	2.2%	3.1%	4.8%

Target ⁽⁵⁾
@CMD21

50%

DIVIDEND POLICY

- Payout ratio gradually raised towards 50% in 2030
- Pay-out calculated on reported net income

SHARE BUY-BACK POLICY

- Annual anti-dilutive programs to offset the impact of employee share plans
- Additional programs might be considered

(1) Data prior to 2022 restated for the 4-for-1 stock split of June 2022

(2) Dividend / Net income

(3) Dividend / Share price; based on Dec 31 closing stock price

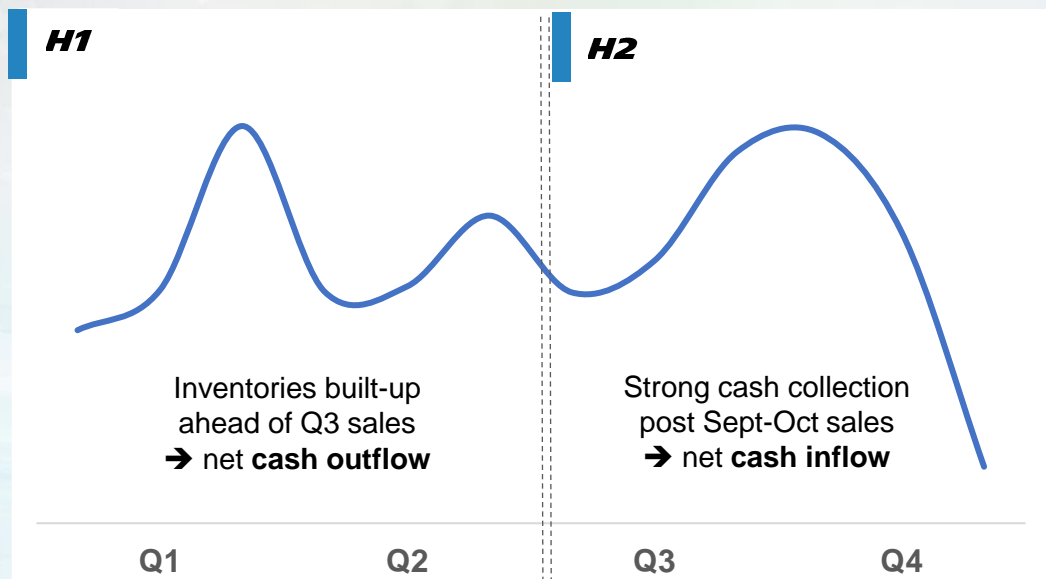
(4) Approved by 2023 AGM on May 12, 2023

(5) Target set on net income before non-recurring items

Seasonality of free cash-flow within the year: net consumption in H1, net collection in H2

SALES PROFILE WITHIN THE YEAR DRIVES CASH FLOWS

5-year average, from 2015 to 2019 (volumes)



+ Main additional cash outflow drivers

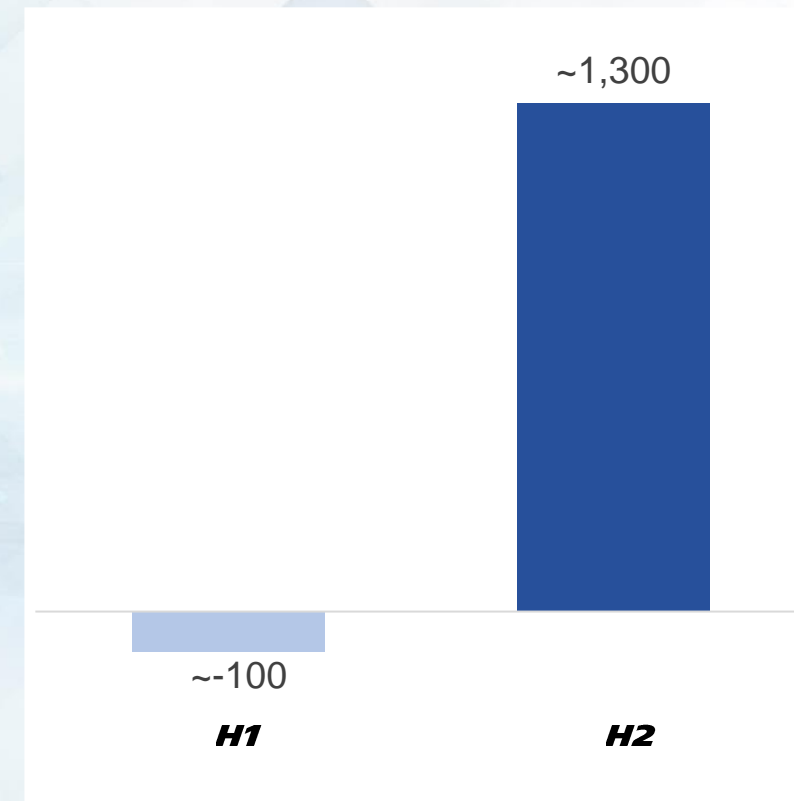
Employees bonus payment

Capex Cash-out

Capex Cash-out

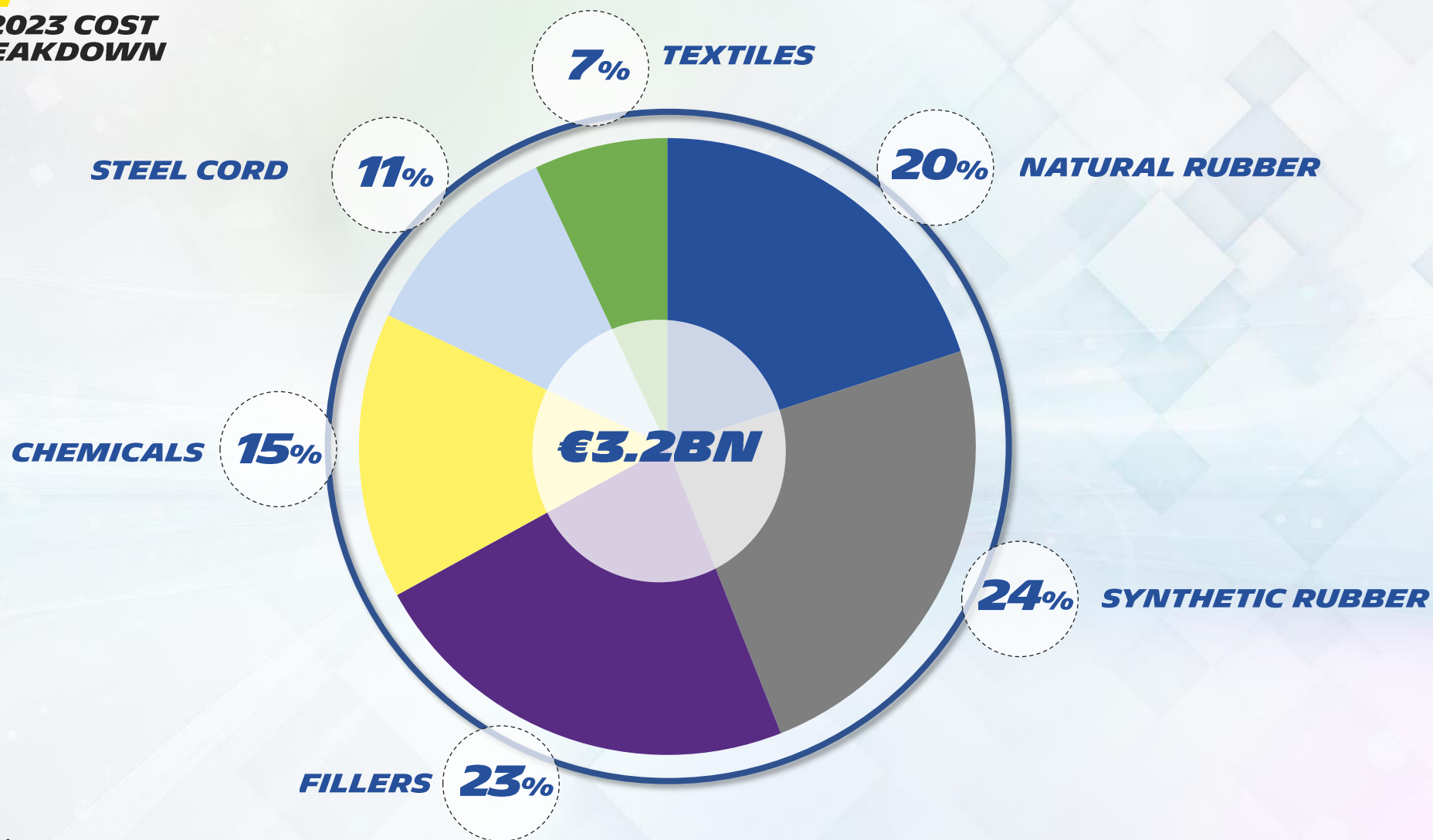
REPORTED FCF BEFORE M&A, BY SEMESTER

5-year average, from 2015 to 2019 (€ millions)



Raw materials cost breakdown

**H1 2023 COST
BREAKDOWN**
(in %)



Natural rubber price

TSR20 AND RSS3 IN \$/KG



Brent price

BRENT IN \$/BBL



Butadiene price

BUTADIENE IN €/T



Sales by currency & impact on segment operating income (SOI)

% OF SALES H1 2023 12 month rolling		2023 YTD currency change vs. €	DROPTHROUGH* SALES → SOI	% OF SALES H1 2023 12 month rolling		2023 YTD currency change vs. €	DROPTHROUGH* SALES → SOI
USD	40%	+1.3%	25% / 35%	AUD	3%	-4.9%	80% / 85%
EUR	31%	-	-	JPY	1%	-7.9%	80% / 85%
CNY	5%	-5.3%	25% / 30%	MXN	1%	+12.9%	25% / 30%
BRL	4%	+1.0%	-30% / -20%	TRY	1%	-24.1%	80% / 85%
GBP	3%	-4.0%	25% / 30%	THB	1%	-0.2%	-130% / -100%
CAD	3%	-4.5%	25% / 30%	Other	7%	-	-

Illustration with impact of USD change on sales and SOI in €:

$$\text{Sales} \times \underbrace{40\% \times 1.3\%}_{\substack{\text{impact on sales} \\ +0.5\%}} \times \sim 30\% = \text{impact on SOI } (\sim +0.2\%)$$

* Droptrough linked to the export/manufacturing/sales base

Capex increase in 2022-2023 to catch up 2020-2021 postponements

COMMITTED AND PLANNED CAPITAL EXPENDITURE⁽¹⁾

(€ billions)



KEY POINTS

On track to reach c2.2bn capex cash-out in 2023



WITH
TIRES

- Investing in growth segments
- Optimizing routine capex
- Digital manufacturing and competitiveness
- Decarbonation of our operations



AROUND
TIRES

- Services and Solutions



BEYOND
TIRES

- Flexible composites
- Engineered polymers

⁽¹⁾ Purchases of intangible assets and PP&E



Outstanding bond issues

(As of Dec.31, 2022)

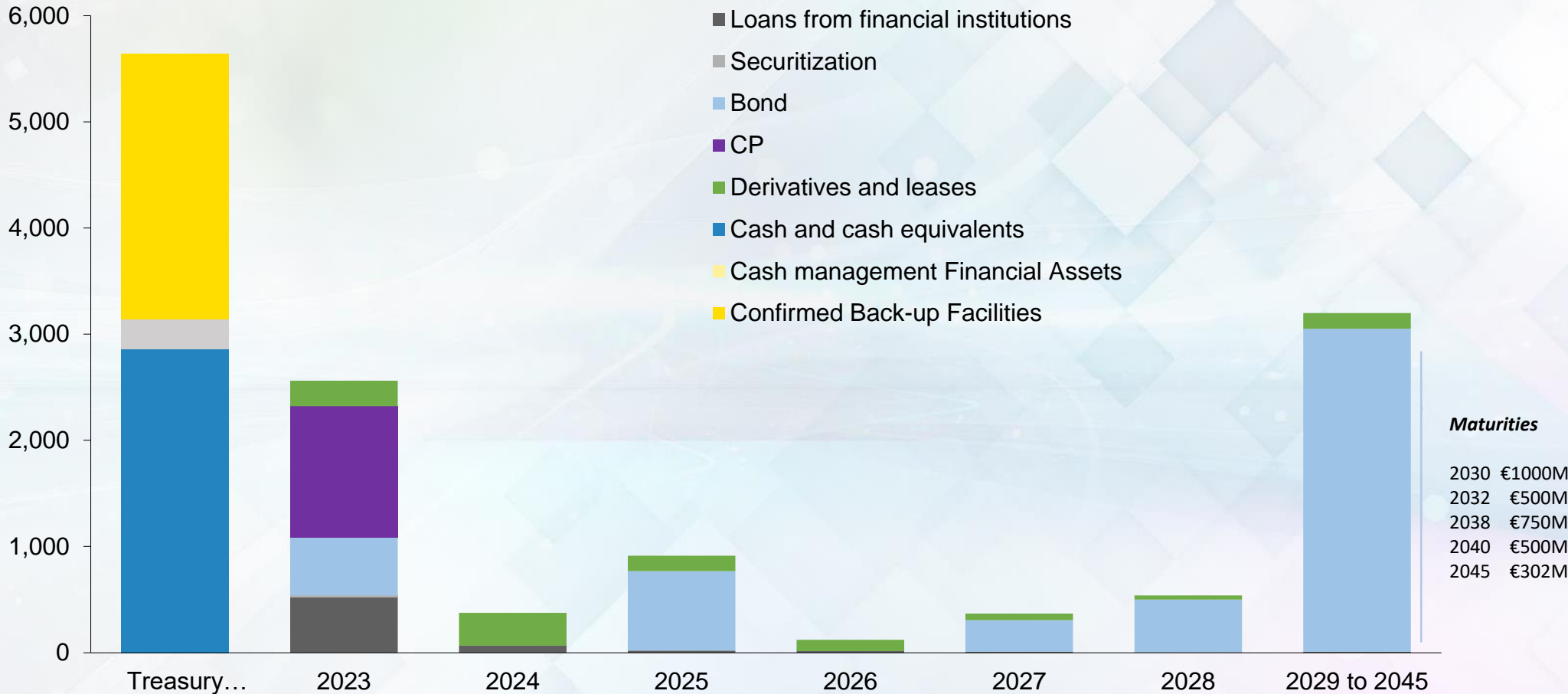
Issuer	Compagnie Générale des Établissements MICHELIN								
Issue Type	Senior Note Convertible	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond
Principal Amount	\$600m	€750m	€300m	€500m	€1,000m	€500m	€750m	€500m	€302m
Offering price	95.50%	99.10%	99.081%	99.89%	99.262%	99.54%	99.363%	99.46%	98.926%
Corporate rating at Issuance date	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	BBB+ (S&P) A3 (Moody's)	A- (S&P) A- (Fitch)	A- (S&P) A3 (Moody's)	A- (S&P) A- (Fitch)	A- (S&P) A3 (Moody's)	A- (S&P) A- (Fitch)	A- (S&P) A3 (Moody's)
Current corporate rating	A- (S&P); A3 (Moody's); A- (Fitch)								
Coupon	ZERO Conv premium 130%	0.875% p.a	1.750% p.a	0.000% p.a	1.750% p.a	0.250% p.a	2.500% p.a	0.625% p.a	3.250% p.a
Issue Date	10-jan.-18	3-sept.-18	28-may-15	2-nov.-20	3-sept.-18	2-nov.-20	3-sept.-18	2-nov.-20	30-sept.-15 & 30-sept.-16
Maturity	10-nov.-23	3-sept.-25	28-may-27	2-nov.-28	3-sept.-30	2-nov.-32	3-sept.-38	2-nov.-40	30-sept.-45
Interest payment	N/A	Annual Sept. 03	Annual May 28	Annual Nov. 02	Annual Sept. 03	Annual Nov. 02	Annual Sept. 03	Annual Nov. 02	Annual Sept. 30
ISIN	FR0013309184	FR0013357845	XS1233734562	FR0014000D31	FR0013357852	FR0014000D49	FR0013357860	FR0014000D56	XS1298728707
Denomination	\$200,000 with min. tradable amount \$200,000	€100,000 with min. tradable amount €100,000	€1,000 with min. tradable amount €1,000	€100,000 with min. tradable amount €100,000	€100,000 with min. tradable amount €100,000	€100,000 with min. tradable amount €100,000	€100,000 with min. tradable amount €100,000	€100,000 with min. tradable amount €100,000	€1,000 with min. tradable amount €1,000



A comfortable cash position with maturities well spread over time

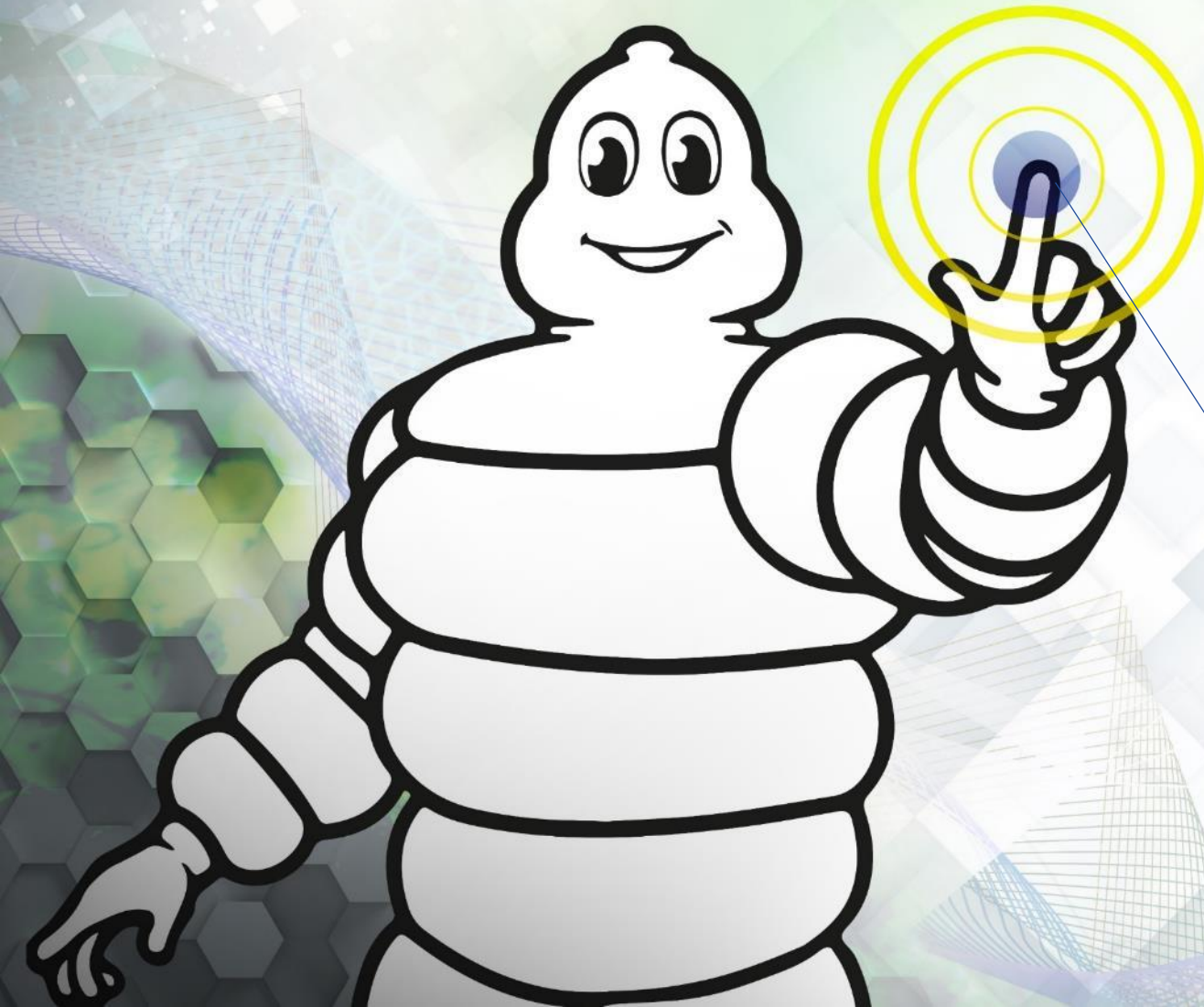
DEBT MATURITIES AT JUNE 30, 2022

(carrying amount in € millions)



MICHELIN TO ACQUIRE FLEX COMPOSITE
GROUP FROM IDI

CREATE A LEADER
IN HIGH-TECH
**ENGINEERED FABRICS
AND FILMS**



Transaction overview

FLEX COMPOSITE GROUP AT A GLANCE

A European leader in high-tech Engineered Fabrics & Films
EUR 202 million revenue in 2022, +11% organic revenue CAGR 2015-2022
[25-30%] EBITDA margin

TRANSACTION METRICS

EUR 700 million Enterprise Value
EUR 21 million annual run-rate EBIT synergies by year 5
9.0x EV / EBITDA multiple post synergies

ACCRETIVE MOVE

Michelin's High-Tech Materials revenues up by c.20%, in line with 2030 ambition
Enhanced growth profile, EBIT-margin and EPS accretive from year 1
Positive cash generation

FINANCING

100% available cash
Limited impact on Group leverage: 29% Gearing post-transaction vs 25% today

NEXT STEPS

Closing expected by end of Q3 2023, subject to closing adjustments and merger control clearances in relevant jurisdictions



Flex Composite Group – FCG, a European leader in engineered fabrics & films

FCG KEY FIGURES

€ 202m

revenue in 2022

11%

organic revenue
CAGR 15-22A

[25-30%]

EBITDA margin

400

employees, including
c.10% dedicated to R&D

3 PRODUCTS CATEGORIES

Resin impregnated
fabrics



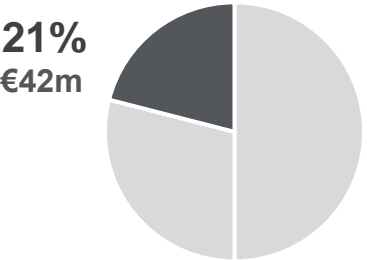
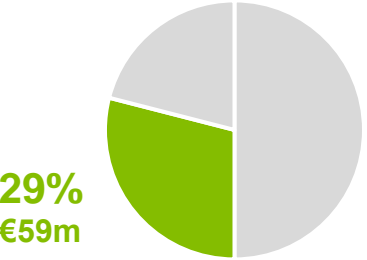
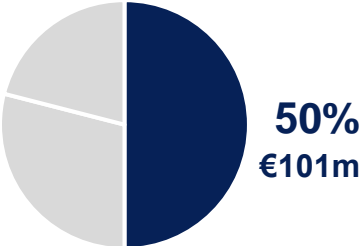
Flexible coated
fabrics



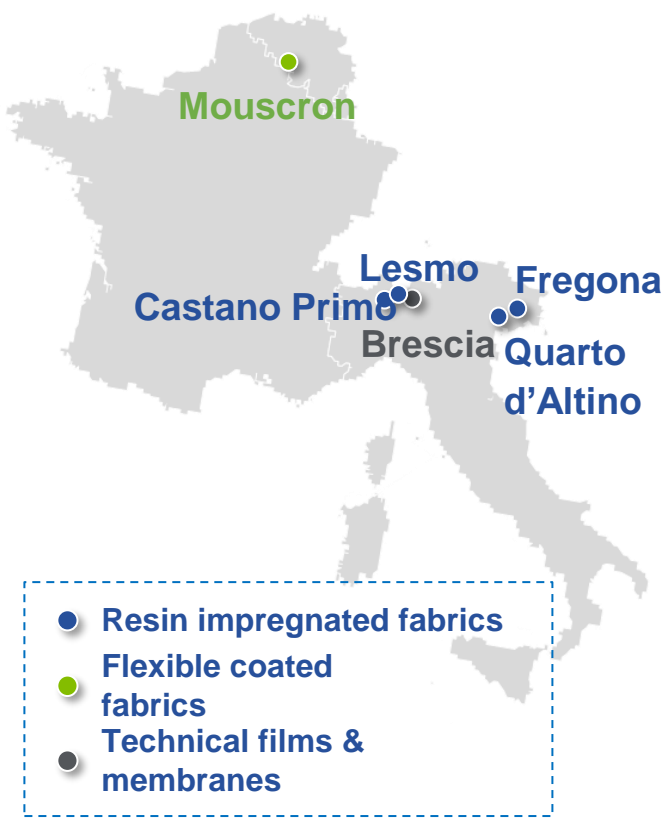
Technical films &
membranes



2022 REVENUE SPLIT



6 PLANTS IN EUROPE



Strong growth prospects through multiple dynamic end-markets

Main end-markets	Activities	Market Growth ⁽¹⁾ 2022-27E	Fundamental growth drivers
 Marine (leisure & pro)	Flexible coated fabrics Resin impregnated fabrics	High-single digit	<ul style="list-style-type: none"> ● Continued growth of recreational boats and penetration gains for RIBs⁽²⁾ ● Increasing carbon composites demand within top class yachts and sailboats design
 Sports cars, Supercars & Electric cars	Resin impregnated fabrics	Double digit	<ul style="list-style-type: none"> ● Electrification transition in the automotive sector ● Dynamism of sports cars and supercars segments
 Technical Apparel	Technical films & membranes	Mid-single digit	<ul style="list-style-type: none"> ● Increasing technical requirements, new customer behaviours post covid and development of extreme sports
 Construction	Resin impregnated fabrics	Mid-single digit	<ul style="list-style-type: none"> ● Increasing composite materials penetration in infrastructure construction and renovation to comply with tightening green regulation in the EU

(1) Global end-market volume CAGR (third party consulting firm estimate)

(2) Rigid Inflatable Boats

Unlocking deep-innovation synergies in engineered fabrics & films

DEEP-INNOVATION CAPABILITIES



Unrivalled innovation ability, from fundamental research to solutions development



Extensive **worldwide manufacturing expertise**



Unique know-how in **performance simulations**



Clear roadmap towards 100% sustainable materials (2050) with dedicated R&D programs

MICHELIN'S HIGH-TECH MATERIALS ACTIVITIES

Sealing technologies

Belting solutions

Engineered fabrics & films

Engineered polymers



Complementary know-how

RESIN IMPREGNATED FABRICS



FCG
FAYAT COMPOSITE GROUP



FLEXIBLE COATED FABRICS



FCG
FAYAT COMPOSITE GROUP



TECHNICAL FILMS & MEMBRANES



FCG
FAYAT COMPOSITE GROUP



Run-rate EBIT Synergies of €21 million unlocked by year 5, driven by product mix enrichment and geographic expansion

REVENUE SYNERGIES

Deep-innovation in materials and processes, leading to increased performance and more sustainable products

Leverage Michelin's footprint to grow in North America

Leverage Michelin's market access in Defense, Aeronautics and high-end Automotive sectors

Cross-selling opportunities from product complementary

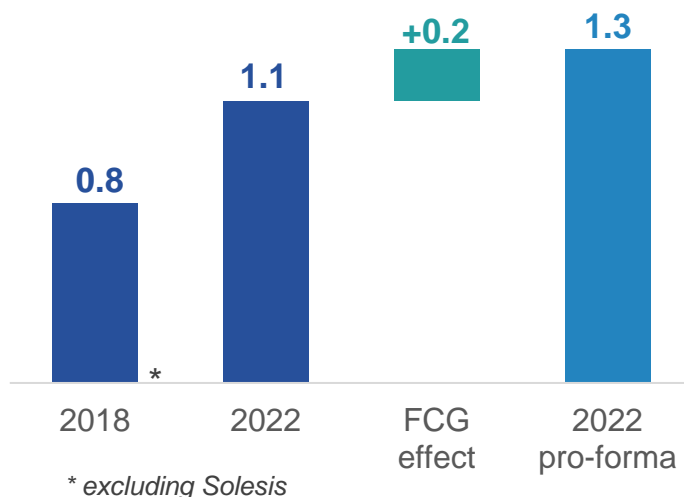
COST SYNERGIES

Economies of scale in purchasing mostly raw materials

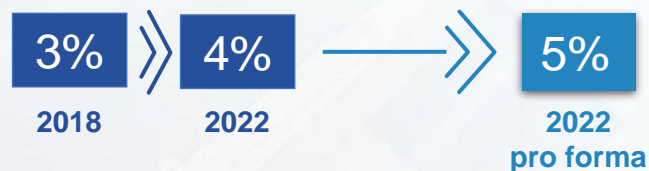
Create a leader in engineered fabrics & films, with superior financial profile

MICHELIN'S HIGH-TECH MATERIALS REVENUES UP BY c.20%

(in € bn)

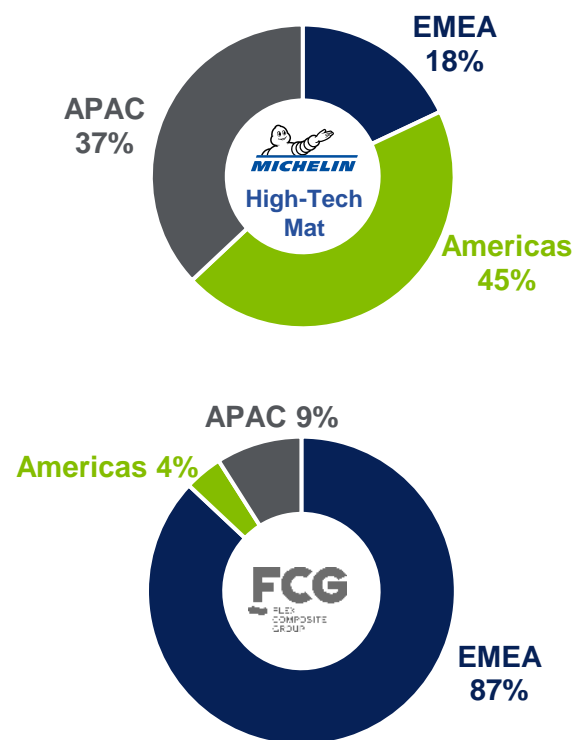


HIGH-TECH MATERIALS % OF GROUP REVENUES



OPPORTUNITY TO EXPAND FCG IN NORTH AMERICA

(2022 revenue by geography)



SUPERIOR FINANCIAL PROFILE

Run-rate EBIT synergies of €21m reached by year 5

High single digit revenue growth prospects

EBIT-margin accretive at Group level and for the Specialty segment

Positive cash conversion from lower capital intensity

EPS accretive from year 1



Enhanced People, Profit and Planet performance at the heart of future success



PEOPLE

Access to **more career opportunities**

A leadership model that puts people, **teams and empowerment at the centre of our mindset** and behaviours

Enhanced skills management

Strong **people ambitions**:

- be world-class in employee engagement, with **engagement rate > 85%**
- be world-class in employee safety, with **TCIR < 0.5**



PROFIT

Increase High-Tech Materials revenue by c.20%, with high single digit organic growth prospects

EBIT-margin accretive acquisition for Specialty segment

Positive cash conversion from lower capital intensity

EPS accretive from year 1

Group financial position remains strong post acquisition: 2022 pro-forma gearing at 29%



PLANET

Accelerating R&D related to the next generation of materials

Increase bio-sourced and recycled materials rate in resins, glues and reinforcements

Comprehensive approach to **reduce VOC emissions and solvent usage in coating processes**

Key takeaways

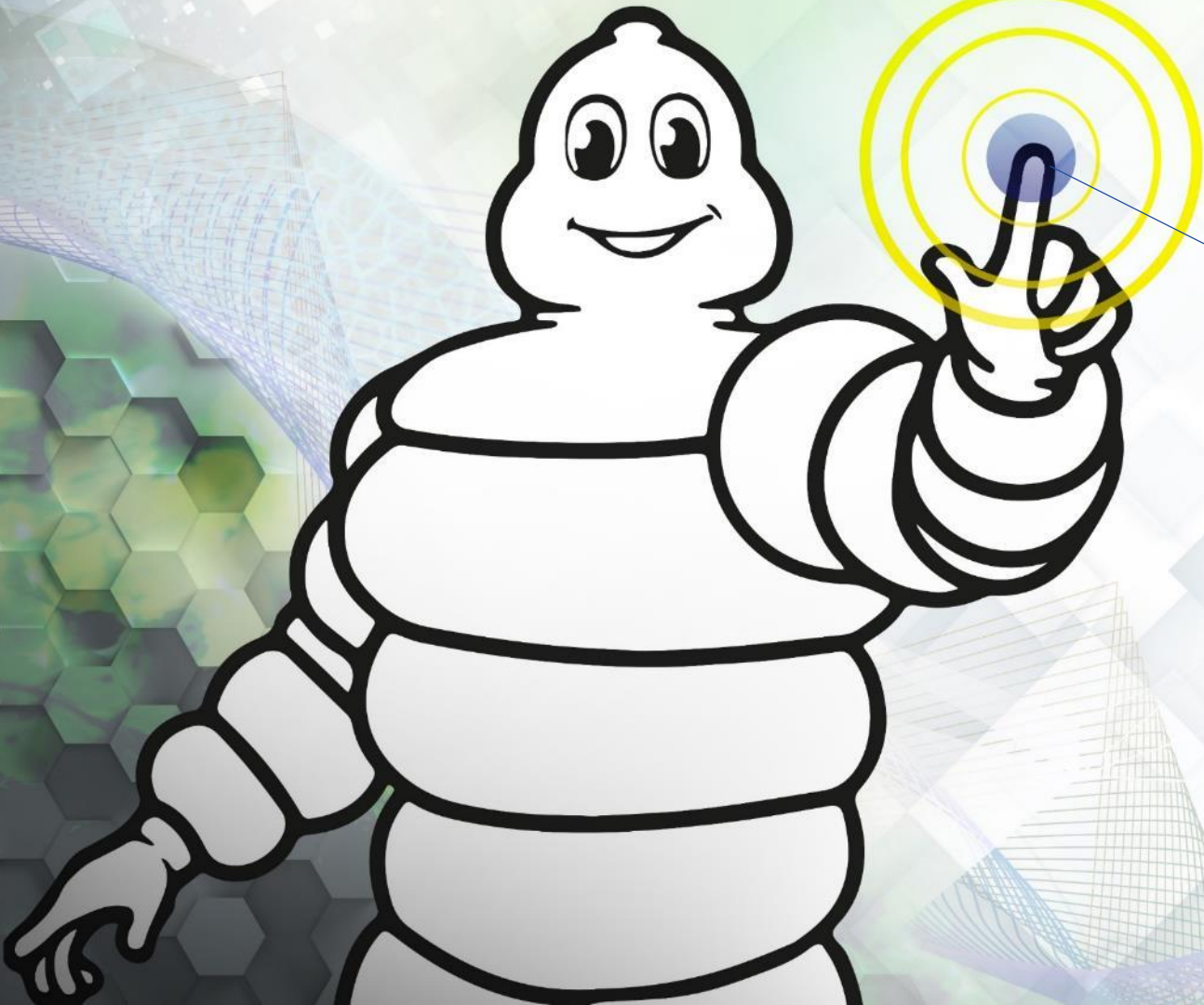
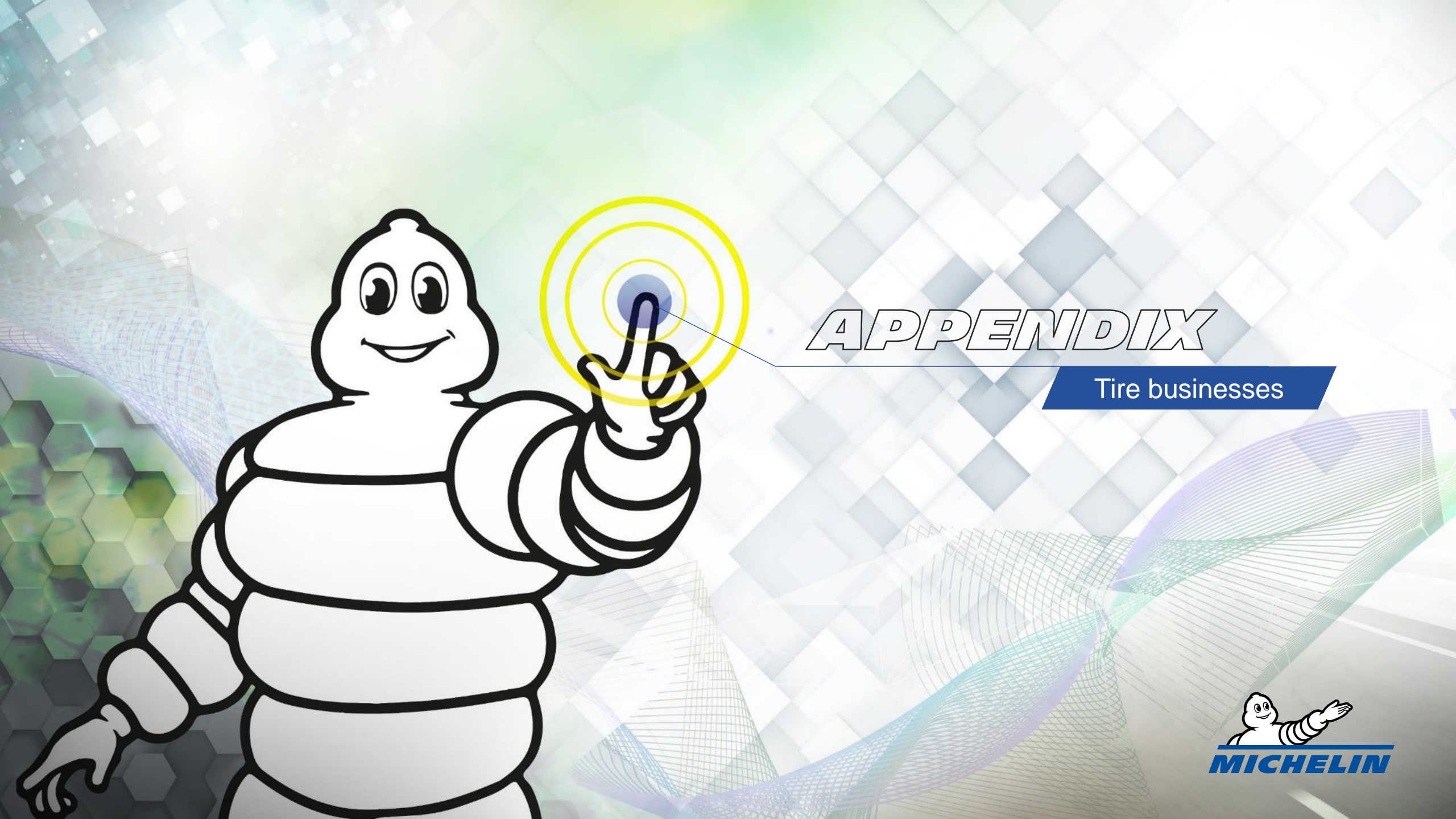
High-Tech Materials revenue up c.20%, creating a leader in high-tech Engineered Fabrics & Films

Important step to develop Michelin beyond mobility, in line with 2030 ambition to position the Group as a key player in polymer composite solutions

Unlocking deep-innovation synergies in a broad range of products and applications

Enhancing growth profile, EBIT-margin accretive for Group and Specialty segment, positive cash generation and EPS impact

Michelin's strong financial position maintained, delivering long-term value for all stakeholders



APPENDIX

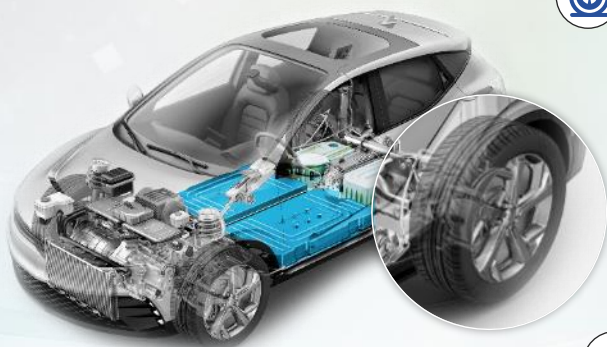
Tire businesses



Michelin uniquely positioned to leverage vehicle electrification

BEV: HIGHLY DEMANDING VEHICLES PERFECTLY FIT WITH MICHELIN'S UNIQUE KNOW-HOW

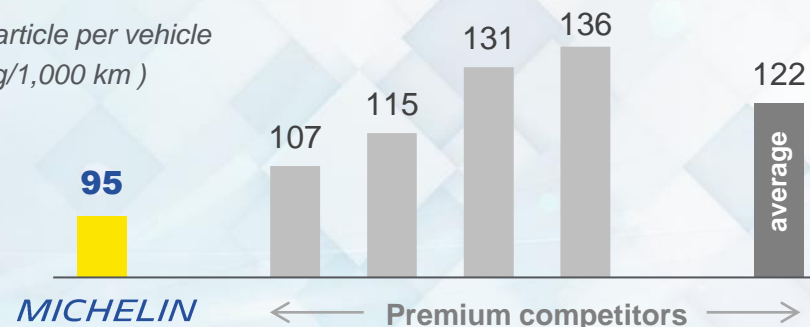
KEY REQUIREMENTS FOR TIRES



-  Low rolling resistance
-  Silent architecture
-  Low abrasion rate
-  High rim capacity
-  High load capacity

MICHELIN: BEST COMBINATION OF PERFORMANCES

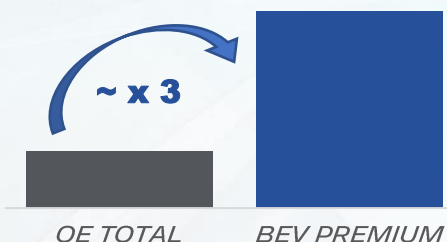
Particle per vehicle
(g/1,000 km)



* source: ADAC, March 2022 - [Download the ADAC study](#)

OVER-INDEXED IN PREMIUM * BEV

Michelin OE market share



*Premium: Luxury-Premium and Sport-Passion segments

MICHELIN PREFERRED TIREMAKER FOR LEADING EV OEMs

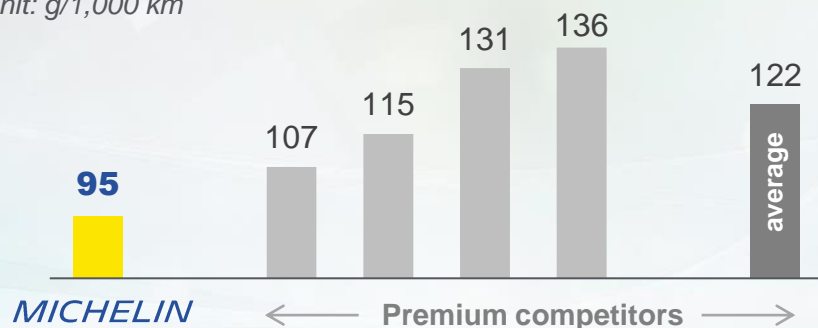


2023 First-Half results – July 26, 2023

Wear particles : considerable competitive advantage, without any compromise on safety

PARTICLE EMISSIONS: MICHELIN VS. OTHER PREMIUM TIREMAKERS ⁽¹⁾

Particle per vehicle
unit: g/1,000 km



The environmental impact of tire abrasion is up to 50% higher for other manufacturers than for Michelin, whose tire technology currently gives them an enormous lead over the competition.

[+ Download the ADAC study](#)

PARTICLE EMISSIONS GET REDUCED WITH EACH NEW RANGE ⁽²⁾

MICHELIN
e.Primacy



-20%

Vs

MICHELIN
Primacy 4

MICHELIN
CrossClimate 2



-13%

vs

MICHELIN
CrossClimate +

MICHELIN
Pilot Sport 5



-20%

Vs

MICHELIN
Pilot Sport 4

(1) Tyre wear particles in the environment, ADAC, March 2022 – 100 sizes tested

(2) DEKRA studies in 2020 (MARK20B, MARK20E) and 2021 (MARK21E)

Tire and road wear particles (TRWP) : definition and state of knowledge

SCIENTIFIC STUDIES HAVE STARTED TO MEASURE THE ENVIRONMENTAL IMPACT OF TRWP ⁽¹⁾:



AIR

Studies confirm that TRWP account for only a very small proportion (<1%) of particulate matter pollution



WATER

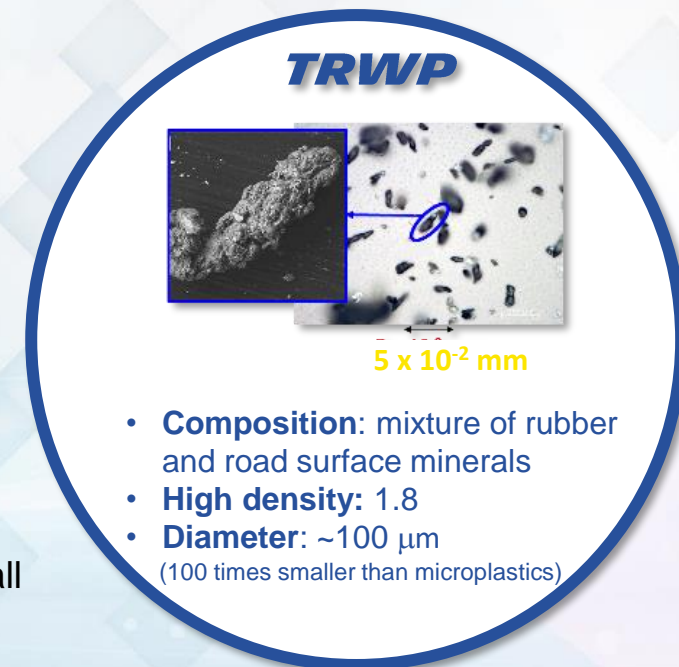
Studies suggest that most TRWP never reach estuaries.

Michelin is strongly in favor of a regulation that would limit the level of wear particle emissions of all tires worldwide → work in progress with ETRMA⁽²⁾ members in order to :

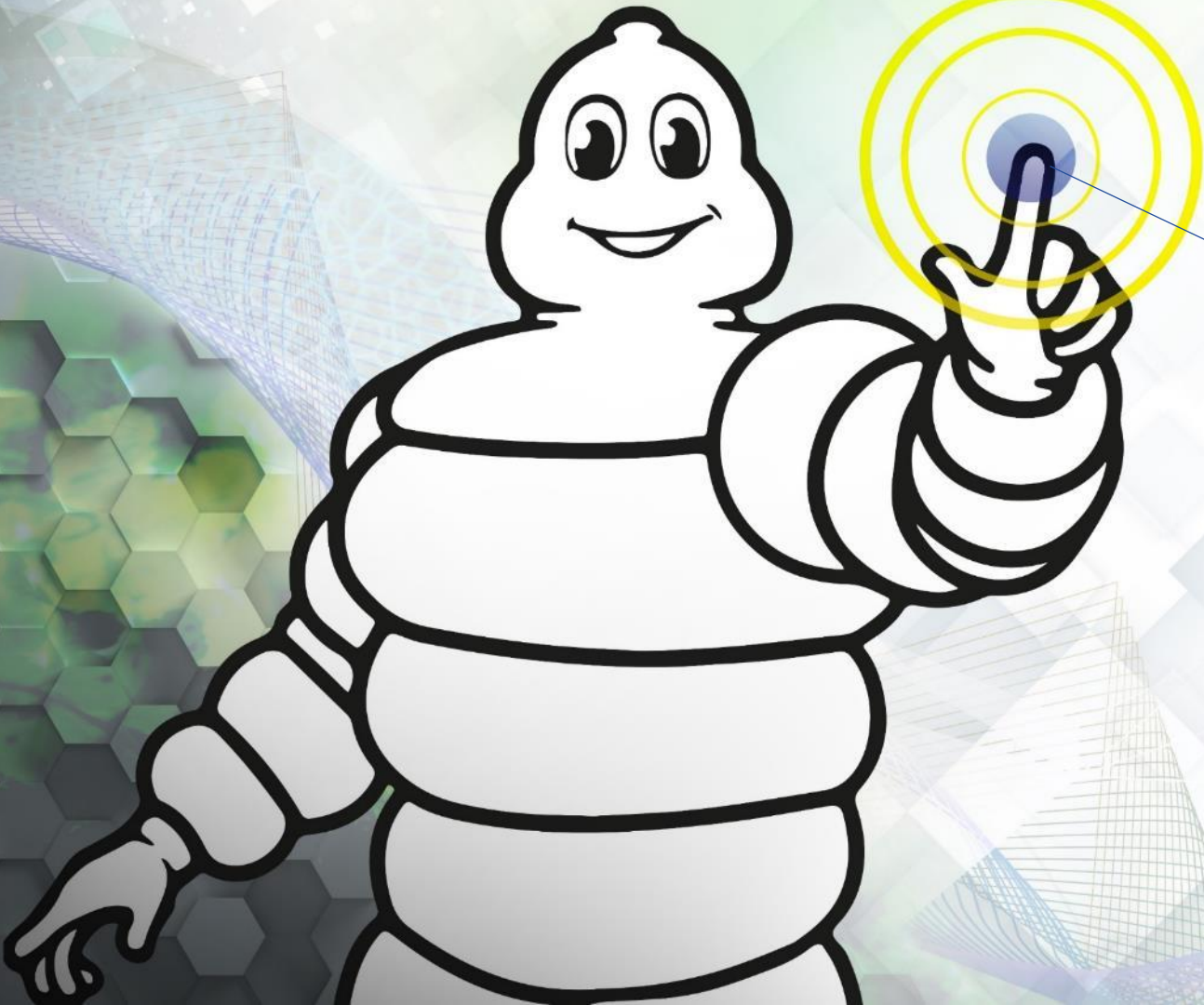
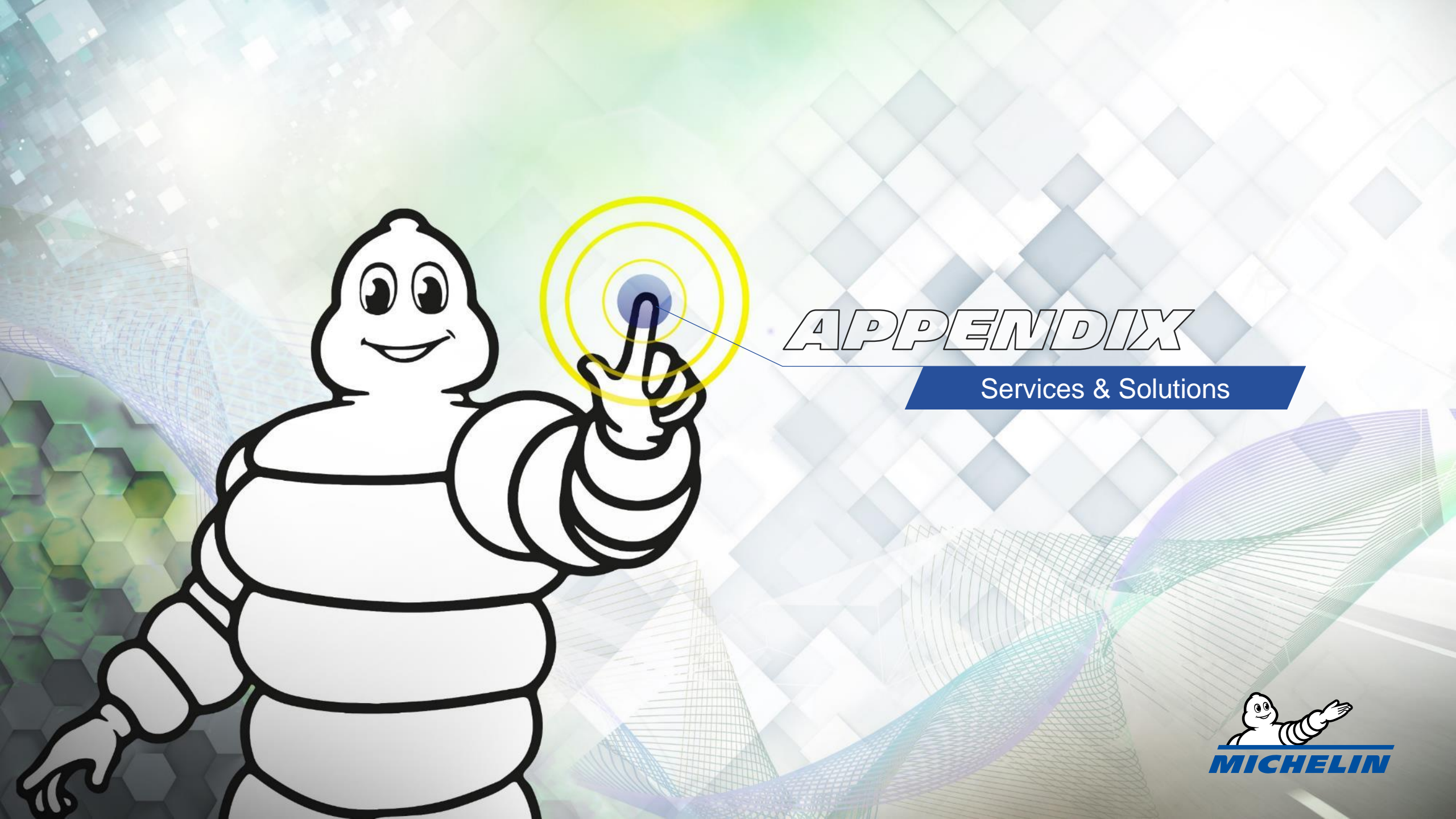
- define a standardized TRWP emission rate test method
- promote a threshold regulation and eliminate the less performing tires from the market.

(1) TRWP are tiny debris generated by abrasion from a tire's contact with the road surface. This abrasion is caused by the tire's grip and keeps the tire safely on the road. For more information about TRWP, [see the following document](#)

(2) European Tyre & Rubber Manufacturers Association



+ [Download the ADAC study](#)
Tyre wear particles in the environment (March 2022)



APPENDIX

Services & Solutions



Services to fleets: a suite of innovative solutions that empower mobility players to race towards zero-accident, zero-downtime, zero-emission

Unique customer intimacy and usage expertise

MICHELIN CONNECTED FLEET

Actionable insight provider for fleets leading towards zero-accident, zero-downtime, zero-emission



**MICHELIN
CONNECTED FLEET**

Connected fleet management services



TaaS

Tire-as-a-Service

High-value tire outsourcing offer



**MICHELIN
ONCALL**

24/7 road emergency service



WATÉA

by Michelin

LCV fleets decarbonation solution



**MICHELIN
MEMS 4**

Monitoring tool for Mining tyre and usage conditions

MICHELIN MOBILITY INTELLIGENCE

Decision levers provider for public and private sector to make mobility safer, better and smarter.



**SAFER
ROADS**

Save lives



**BETTER
ROADS**

Optimize road maintenance



**MICHELIN
MOBILITY DATA**

Monetize Michelin's high value mobility data outside

TRUCKFLY
by Michelin

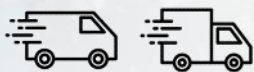
First and unique European truck driver's community

Powered by Michelin connected technologies



Watèa by Michelin: a unique solution to decarbonize urban LCV fleets

STAKES OF TRANSITION TO E-LCV



LCVs ~ 3-4% of global CO2 emissions



Switch to EV
→ - 60% emissions



Mandatory to operate in cities

FLEETS PAIN POINTS

How to transition ?



How to operate?



How to finance ?



WATÈA
by Michelin

VALUE PROPOSITION



Tailored solution

EV, charging solution, maintenance



Digital services

productivity increase and service continuity



A unique value proposal through an **all-inclusive subscription** (Opex)

LEVERAGING MULTIPLE GROUP ASSETS

With
Tire

MICHELIN
AGILIS CROSSCLIMATE



Around
Tire

EUROMASTER

MICHELIN
CONNECTED FLEET
Powered by MASTERRAUT

Beyond
Tire

SYMBIO
A MICHELIN PARTNER COMPANY

PARTNERING WITH CA FOR VEHICLE FINANCING

April 2023: 30% stake in Watèa capital finalized by Credit Agricole Leasing & Factoring

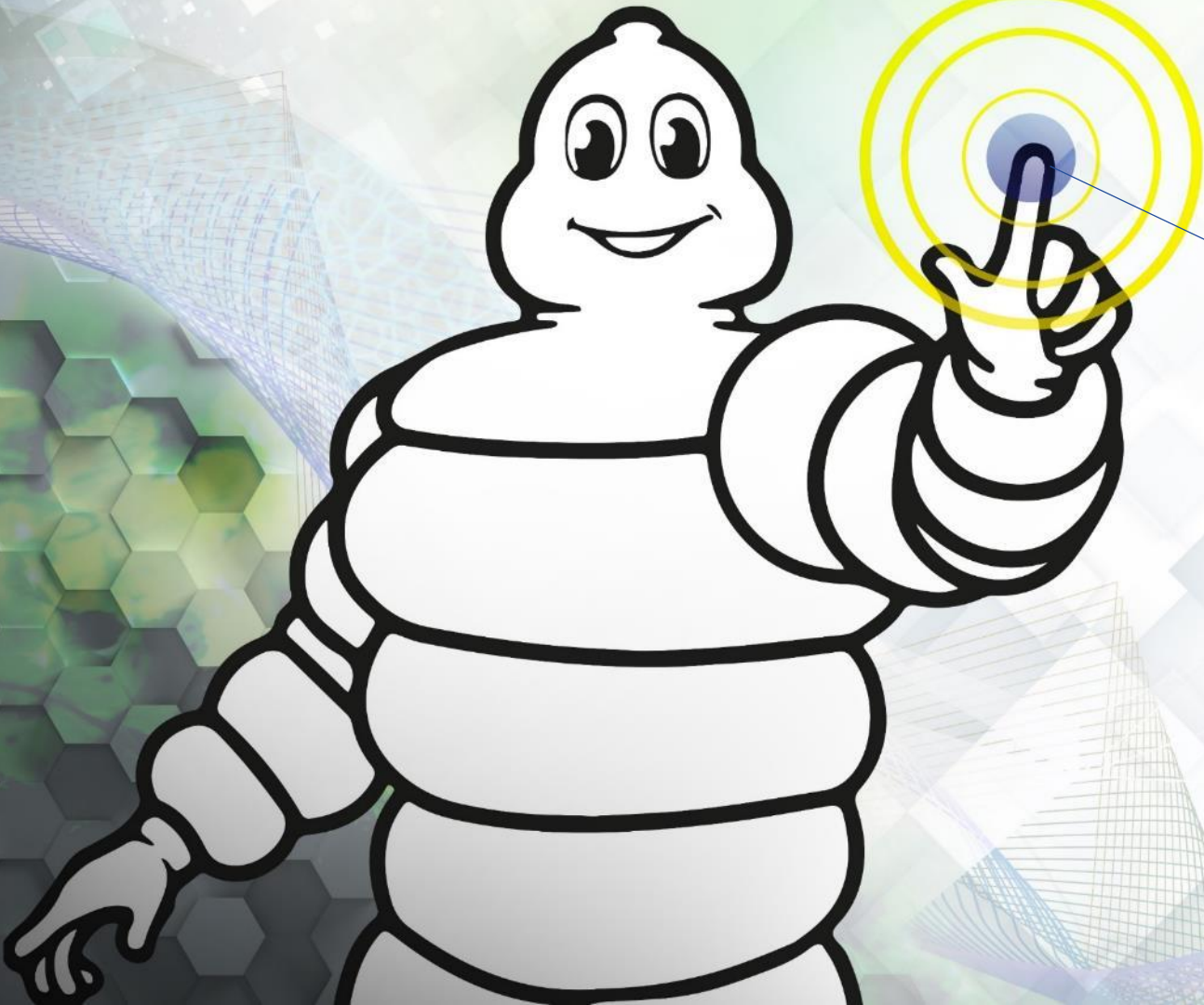
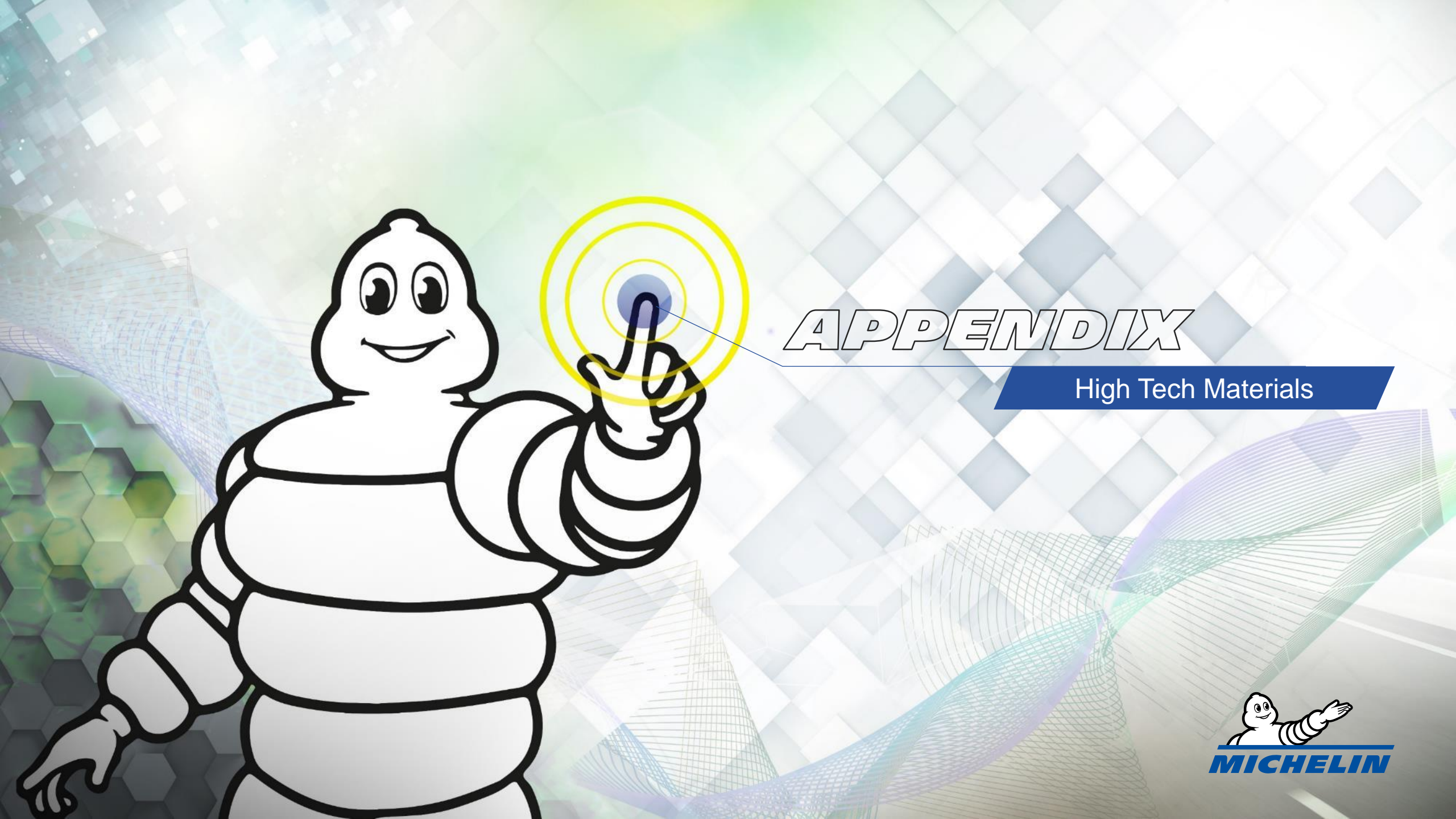
WATÈA
by Michelin



- Vehicles deconsolidation from balance sheet
- Leveraging CA mobility's commercial platform and expertise in small fleets

- Acceleration in automotive leasing in Europe
- Shared commitment to a decarbonized mobility





APPENDIX

High Tech Materials



High-tech materials: expanding beyond tires by leveraging our expertise and our innovations, from materials to solutions, for highly demanding applications

R&D

- Unique expertise acquired in **tire design & manufacturing**:

200 components
30 families of materials
350 job families

- Proficiency in and **materials chemistry and processing**, from components to composites
- Fundamental and applied **research** capabilities
- A wide range of **partnerships** to **accelerate innovation**

MANUFACTURING

- Ability to **scale up** and reproduce the materials-based solutions developed in the laboratory:



- Proficiency in **industrial processes**



With the same
level of quality



Around the
world

GROWTH STRATEGY

- Organic growth



AIRCAPTIF

- M&A-driven growth

Features vs. tires:

- Higher **growth** and **EBIT %**
- Lower capital intensity



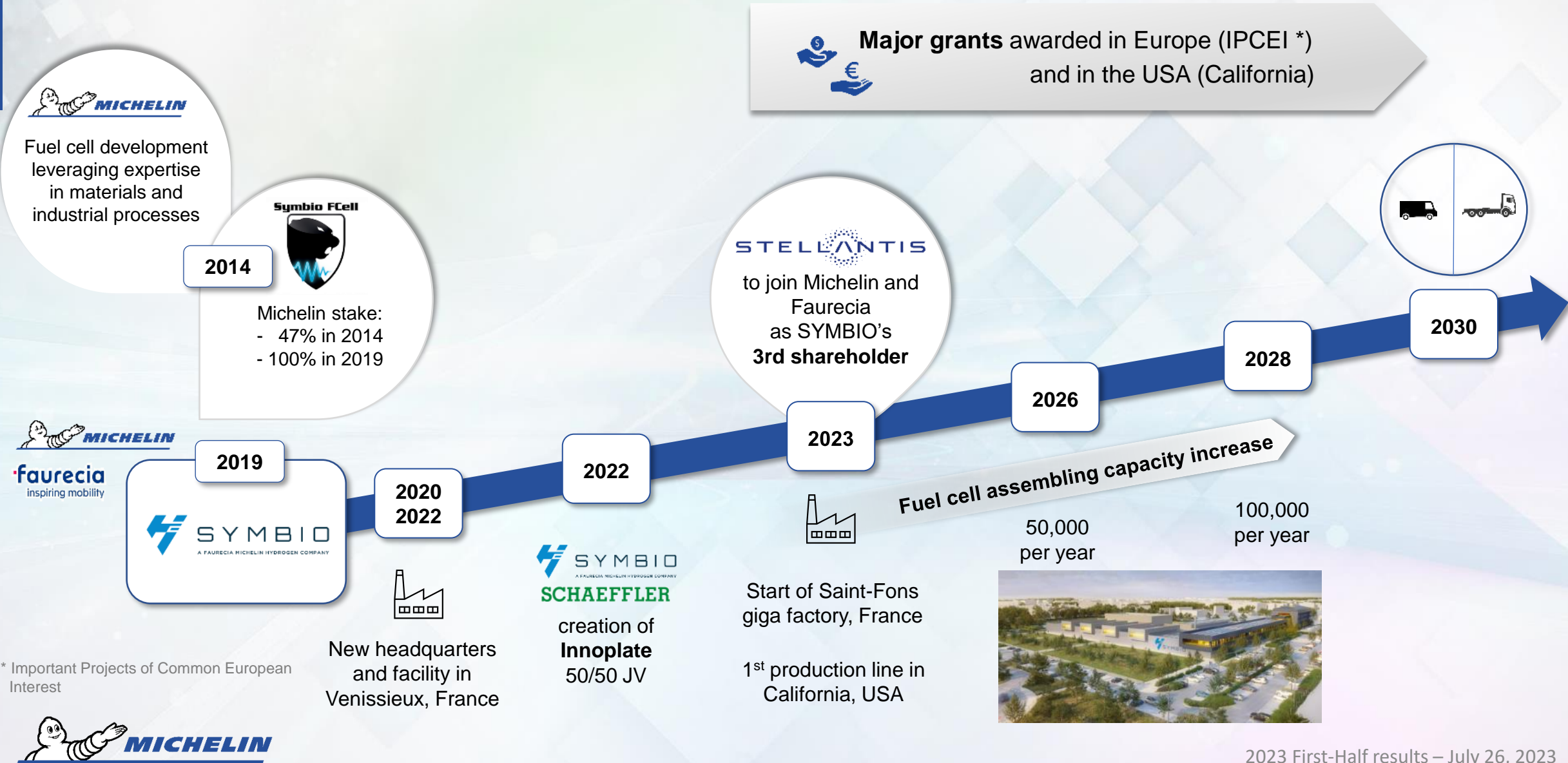
- Joint ventures

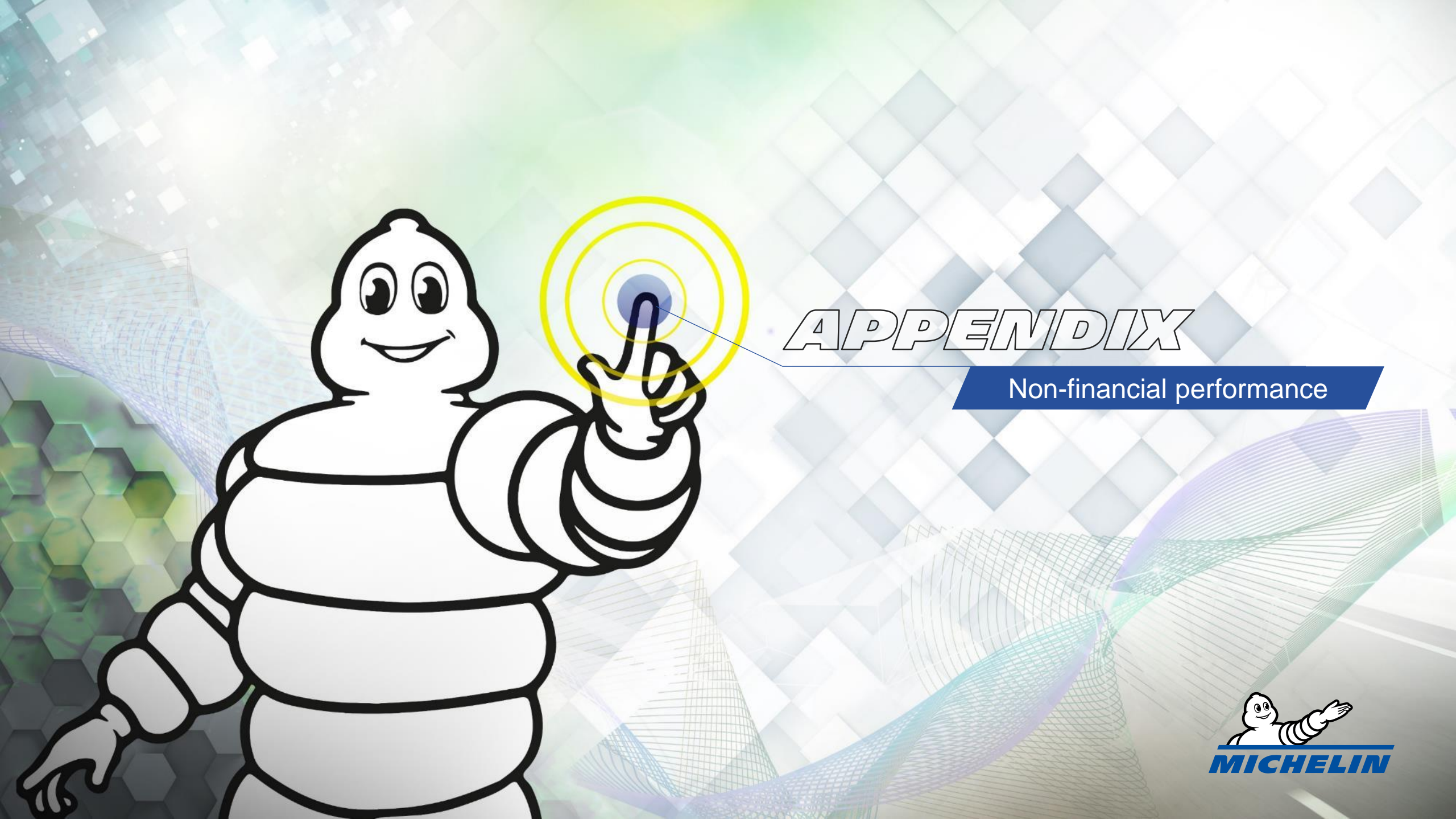


SOLESIS



Symbio: fast expansion towards worldwide leadership in light and heavy commercial vehicles





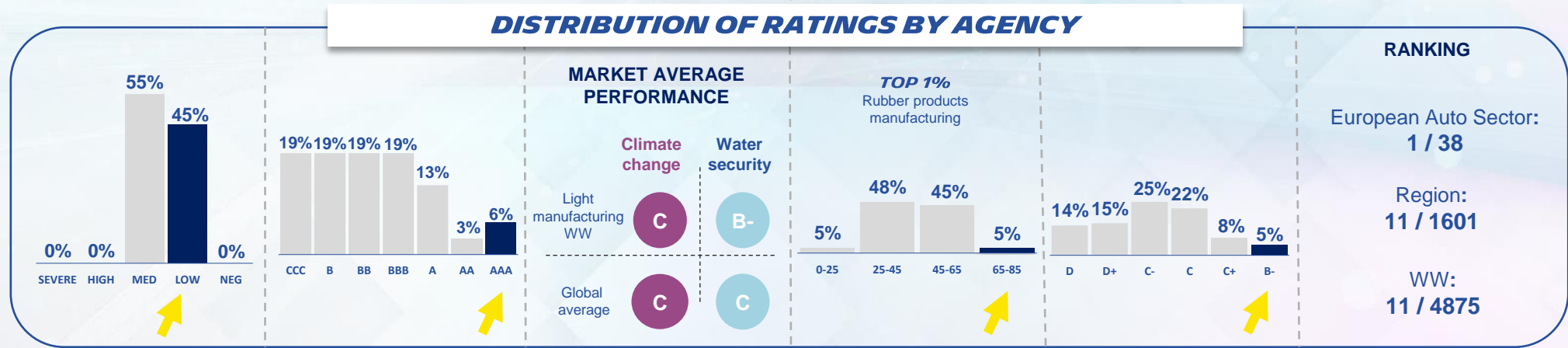
APPENDIX

Non-financial performance



Recognized leadership in non-financial performance

MAJOR RATINGS *(as of June 30, 2023)*

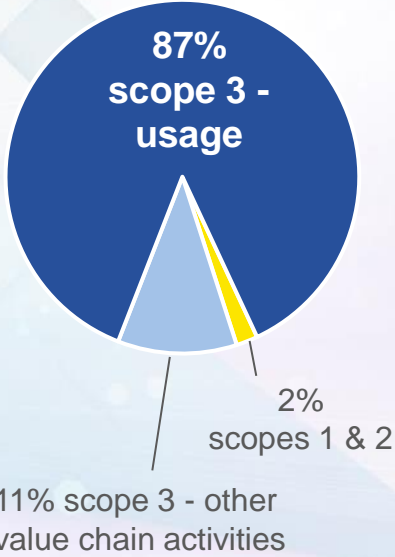


Natural resources and Decarbonation : driving up industry standards on product performance

IF THE WORLD WAS DRIVING ON MICHELIN PC/LT TIRES, PER YEAR IT WOULD SAVE...



TIRE INDUSTRY CO₂ EMISSIONS ARE MOSTLY RELATED TO SCOPE 3⁽³⁾
Illustration: Michelin 2022 CO₂ emissions



(1) Underlying hypothesis: 30% advantage for Michelin vs. competitors in abrasion, as calculated by ADAC - *Tyre wear particles in the environment*, March 2022.
(2) Estimated impact on scope 3 usage of the tire industry if Michelin's technology was used by all manufacturers in all geographies. Underlying hypothesis: 20% advantage for Michelin vs. competitors in rolling resistance, based on data extrapolated by Michelin.
(3) See page 166 of the 2022 Universal Registration Document for details.



Michelin has been leading all major innovations in the tire industry

PRODUCT RANGES SUBJECT TO LIFE-CYCLE ANALYSIS

50% IN 2021 ► 100% IN 2025



On the path to full product circularity with 40% sustainable raw materials by 2030, up to 100% by 2050



NATURAL RUBBER



PLASTIFIERS/RESINS



TEXTILES

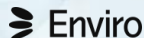


SYNTHETIC RUBBER



PYROWAVE

FILLERS



METALS



OTHER



(1) European project sponsored by Horizon 2020; project number: 82068

(2) Carried out with the support of ADEME.



Michelin 1st manufacturer to design a road-homologated tire with 58% sustainable materials

**ON THE WAY TO OUR “100% SUSTAINABLE TIRES BY 2050” GOAL:
NEW TIRES WITH BREAKTHROUGH TECHNOLOGIES**



(1) Size: 275/70 R22.5 152/149
(2) Size: 235/55R19 105W



Strong commitment to reduce impact of operations on biodiversity and ecosystems

2022 RESULTS, 2030 COMMITMENTS

RESEARCH & DEVELOPMENT		
	2022	2030
Life Cycle Analysis incl. biodiversity criteria from best methods	At least 75% of new projects	100% of new ranges marketed
RAW MATERIALS		
	2022	2030
Compliance with the Responsible Natural Rubber Policy environmental criteria	Assessment carried out on all subsidiaries and JVs*	80% of the volume used
Evaluation of raw material supplier policies & practices **	Study carried out to identify the raw materials with the greatest impacts ***	80% of suppliers
PRODUCTION SITES		
	2022	2030
Biodiversity plan adapted to local issues	8 sites	100% of industrial sites
No phytosanitary products to maintain green spaces	12 sites	100% of industrial sites



[+ To know more](#)

* Accounts for ~4.5% of the Group's supply
 ** Other than natural rubber
 *** Based on the results of the Science Based Targets for Nature (SBTN) method and the life cycle analyses of raw materials

Sustainable natural rubber by Michelin: driving progress across a fragmented value chain

ID CARD

~**90%** of Group's supply come from ~**2 M farmers** with an average farm size of **3 Ha**.

Up to **7 middlemen** between direct suppliers and smallholders in Asia

~**150 direct suppliers**

Global presence in Brazil, Indonesia, Thailand & West Africa :

- 85,000 ha. of plantations
- 15 rubber processing plants
- 500,000 tons/year production

GPSNR Founding member
(Global Platform for Sustainable Natural Rubber)



ACCELERATING SUSTAINABILITY ACROSS THE INDUSTRY BY 2025

- **Dedicated roadmap** tracking commitments on zero deforestation, human rights, and farmer empowerment



EXTENDING ASSESSMENTS OF PRACTICES ACROSS THE VALUE CHAIN : 2022 ACHIEVEMENTS

- **Direct suppliers via EcoVadis**: 92% of expenditures assessed, 90% "ESG mature"
- **Indirect suppliers : RubberWayTM app**. deployed at 80% of suppliers (in volume) in 2022



IMPLEMENTING IMPACTFUL PROJECTS

- **Brazil**
 - increase harvest while preserving the forest (6.8 million hectares)* - 3,800 families in Amazonas
- **Indonesia**
 - improve skills of 1,000 smallholders using RubberWayTM app. by 2024 – (with Porsche)
 - East Kalimantan : train 2,000 farmers by 2024
- **Sri Lanka**
 - improve skills & sustainability performance of 6,000 smallholders by 2025, impacting ~30,000 people
- **Thailand**
 - helping 1,000 farmers diversify their income with agroforestry by 2025**
- **West Africa**
 - ~90,000 farmers trained per year

* With WWF

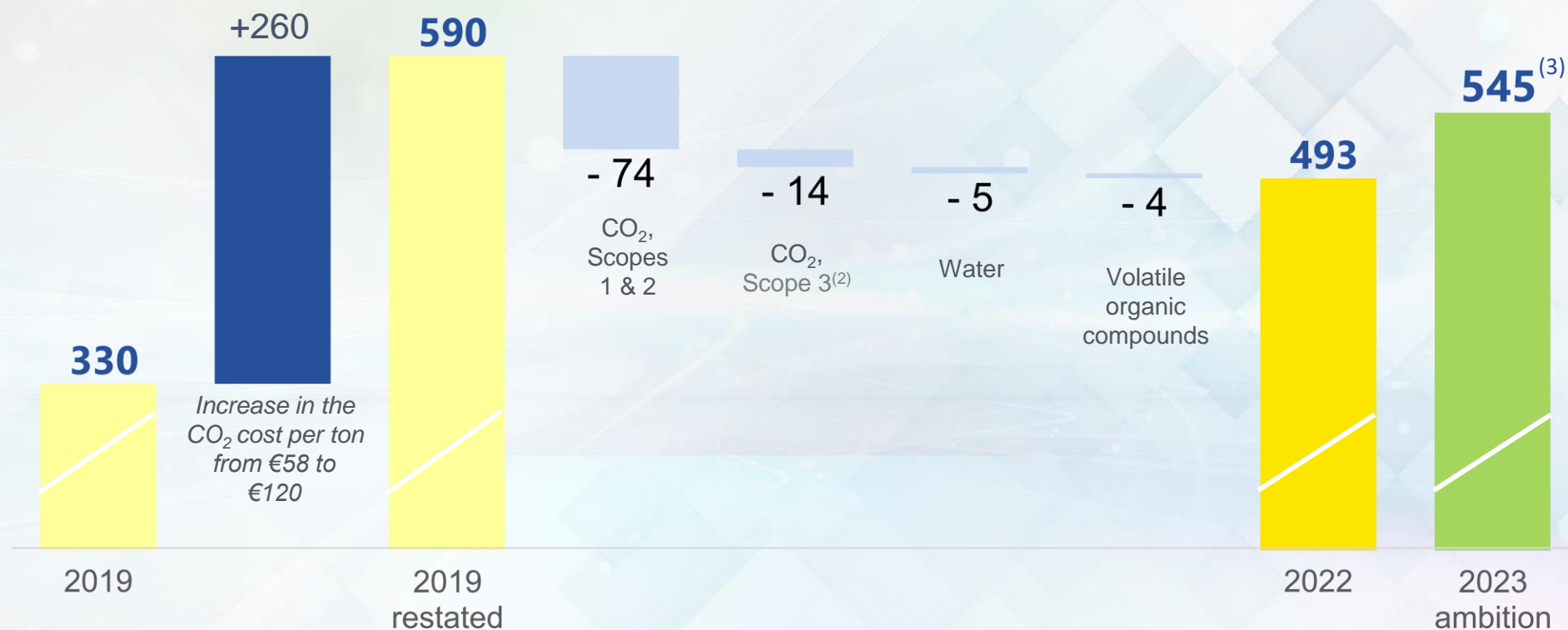
** As part of the Global Platform for Sustainable Natural Rubber (GPSNR)



Reduction of CO₂ emissions, VOC⁽¹⁾ emissions and water withdrawals: 2022 achievements exceeded 2023 ambitions

EXTERNALITY COSTS EVOLUTION

(€ millions)



(1) Volatil Organic Compounds

(2) Inbound and outbound transportation and distribution of natural rubber, semi-finished products and finished product

(3) Corresponds to 2023 target of approximately €300m announced at the CMD on April 8, 2021, adjusted for the ton of CO₂ valued at €120/t

Michelin applies the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

MICHELIN'S ANSWER

See p. 175 of 2022 Universal Registration Document for more details



Detailed information concerning the application of TCFD recommendations may be found in the public answers to the CDP Climate Change 2022 questionnaire (see <https://www.cdp.net/en/responses>).



GOVERNANCE

As part of the Supervisory Board's role of exercising permanent oversight of the Group's management, the CSR Committee began to review the climate strategy and issue recommendations.

STRATEGY

Four climate scenarios comprising narrative descriptions and quantitative socio-economic and physical assumptions were updated, deepened and deployed for use at two levels:

- by the business lines, regional organizations, operating units, corporate departments and other units as part of strategic thinking and ideation exercises,
- by the Group Executive Committee, to compare them to Group strategy and analyze their resilience about climate change and other indirect risks arising from the environmental transition.

RISK MANAGEMENT

In 2021, an initial internal audit of systemic physical risks was performed and the first pilot study of the vulnerability of certain Group operations was completed.

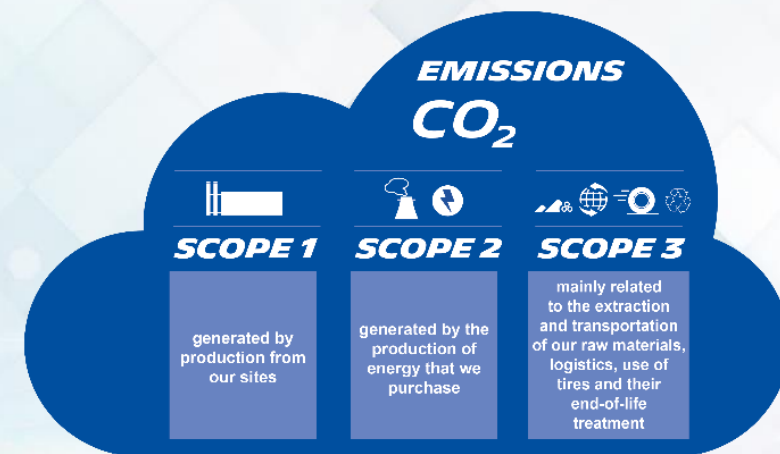
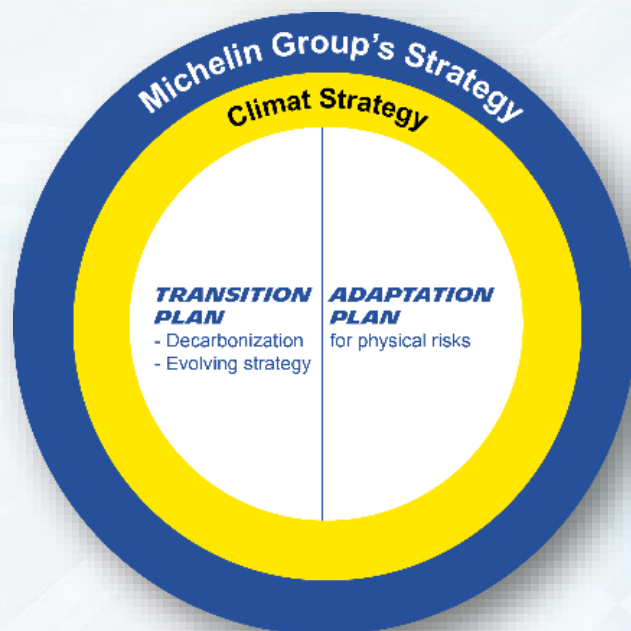
METRICS AND TARGETS

Joining the "Race to Zero" campaign, answering the call to action led by the Science Based Targets initiative (SBTi), the United Nations Global Compact and We Mean Business, by committing to reach net zero emissions by 2050.

Climate strategy structured around transition and adaptation plans, towards Net-Zero emissions by 2050

STRUCTURED AROUND 2 AXES:

- A **TRANSITION plan** including initiatives to decarbonize direct and indirect activities in the value chain (Scopes 1, 2 & 3) and a strategic plan to support a low-carbon economy
- An **ADAPTATION plan** responding to physical impacts of climate change



BASED ON 3 PRINCIPLES:

- **Achieve net-zero emissions by 2050** by fulfilling our external emission reduction commitments by 2030,
- **Identify risks and opportunities** based on climate change scenarios,
- **Transparently disclose information** to our external stakeholders.

2030 environmental ambition: on the path to reach net zero emissions in 2050

Group's ability to have an influence



Sharp reduction in the environmental footprint of our operations

REDUCTION OF THE ENVIRONMENTAL FOOTPRINT OF OUR SITES

ISO14001- certified



Water withdrawal
x water stress



Generated waste



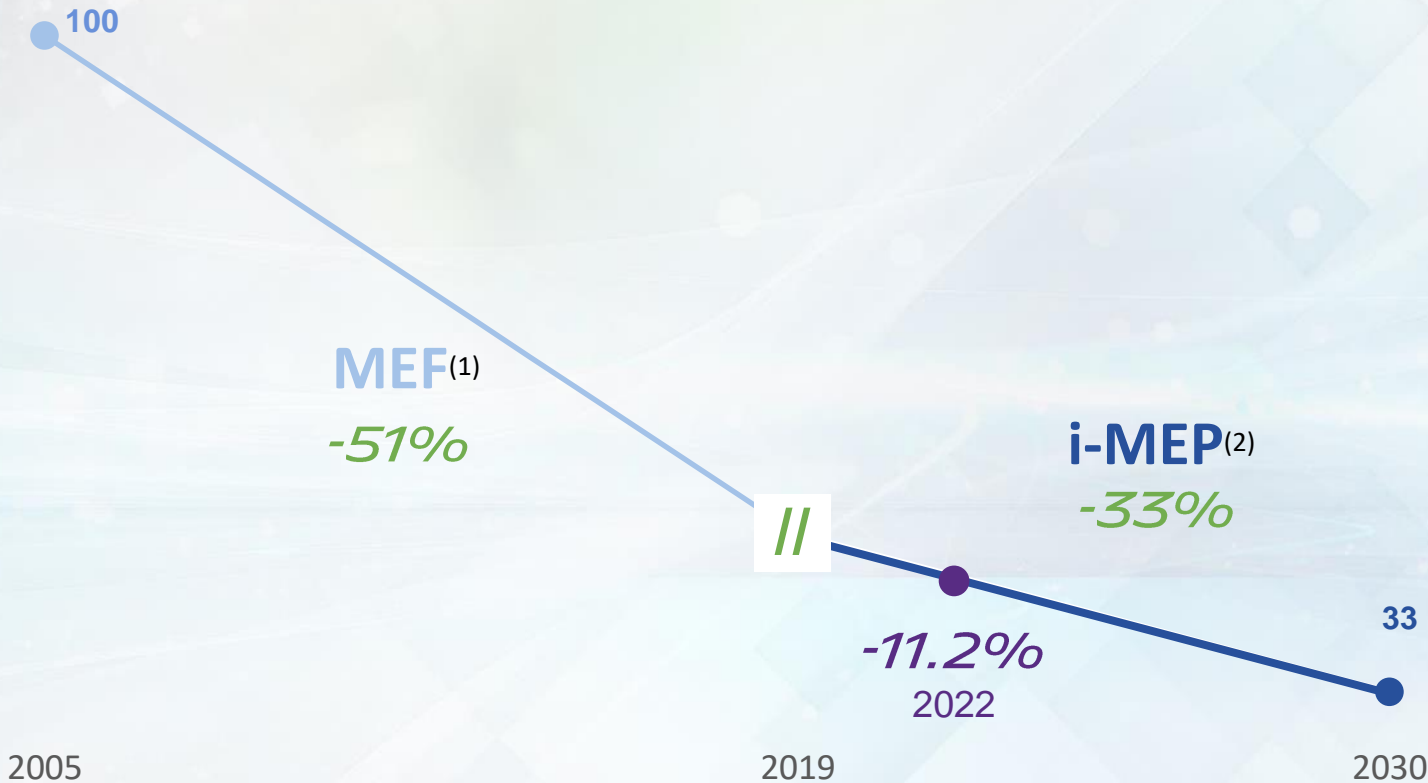
Organic solvent use



Energy use



CO₂ emissions



(1) MEF: Michelin Environmental Footprint;
(2) i-MEP: industrial-Michelin Environmental Performance; see detailed definition p.152 of the 2022 Universal Registration Document



Universal social protection: since March 2022, deployment of the Michelin One Care Program

ESSENTIAL GUARANTEES IN THREE AREAS

GIVE EMPLOYEES TIME TO WELCOME A NEW CHILD

Compensated at 100%

- **Maternity and adoption leave:**
14 weeks minimum
- **Paternity leave:**
4 weeks minimum



PROTECT THE FAMILY IN CASE OF AN EMPLOYEE'S DEATH

Payment of a death benefit
(for employees with at least one year of base salary)

ENSURE ALL EMPLOYEES AND THEIR FAMILIES CAN ACCESS A HEALTH PROGRAM

Including at least:

- in-patient hospitalization
- maternity care
- out-patient and routine care
- emergency care

AMBITION: 100% of employees covered by the **Michelin One Care Program** by January 1, 2025.

Diversity and inclusion: Progress in every dimension in 2022, demonstrating the Group's commitment

EQUAL OPPORTUNITY

Every employee can develop his/her talents within the company. Michelin pays particular attention to the internal promotion of manufacturing operators.

DISABILITY

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

MULTI-NATIONAL MANAGEMENT

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.



GENDER BALANCE

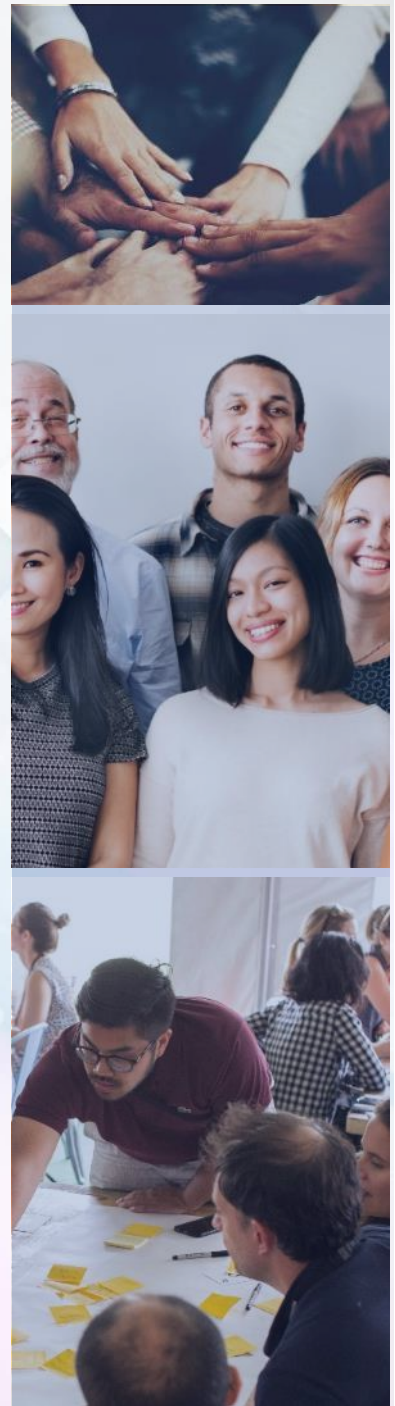
Achieve parity among Group executives and, by 2030, set the gender balance benchmark in our industry.

IDENTITY

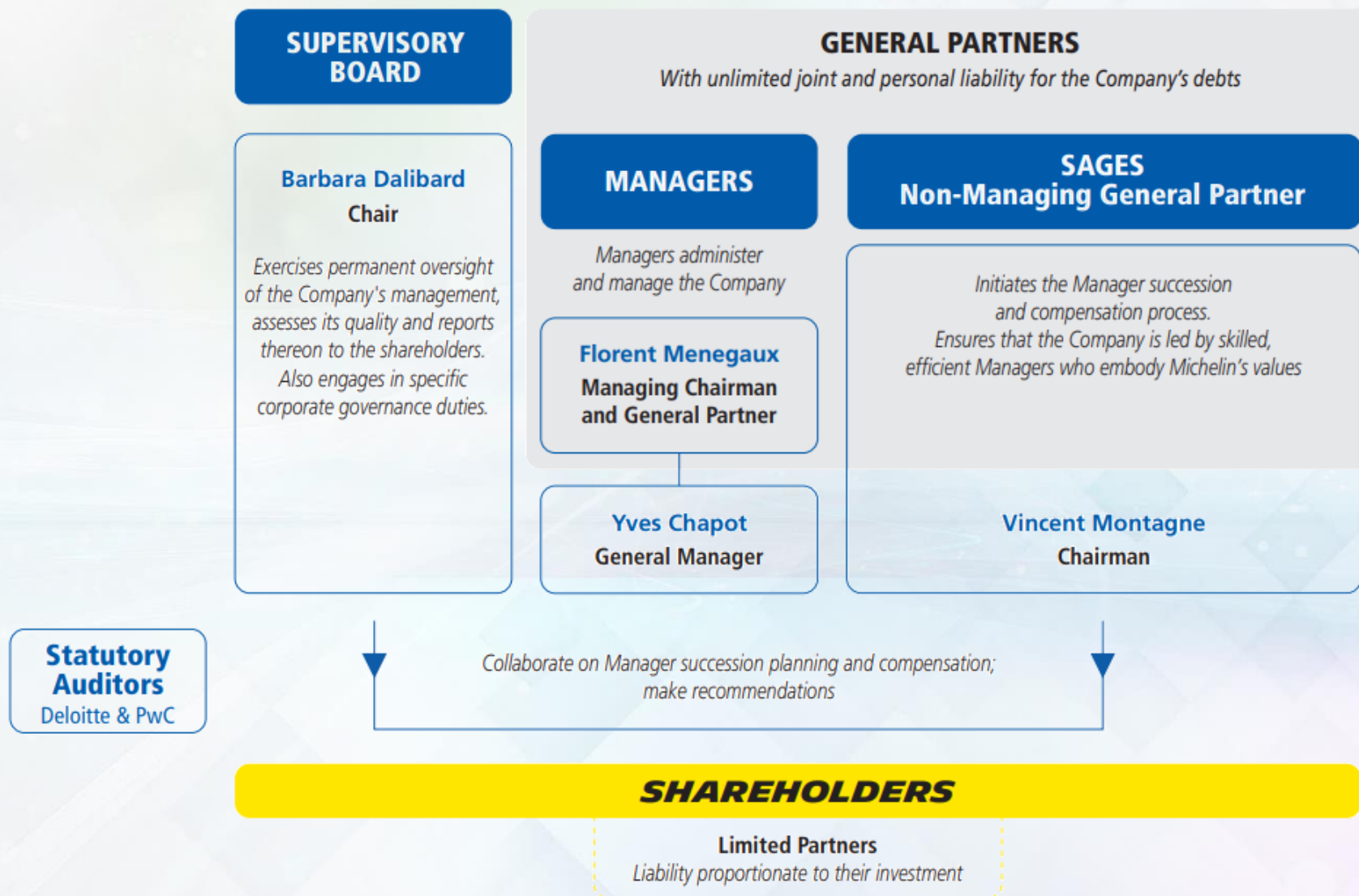
All D&I⁽²⁾ aspects, (e.g., age, sexual orientation, ethnicity, religion, etc.) Enable every person to be who they really are and to bring their authentic selves to work.

(1) IMDI Management Index: see definition on p. 215 of the 2022 Universal Registration Document

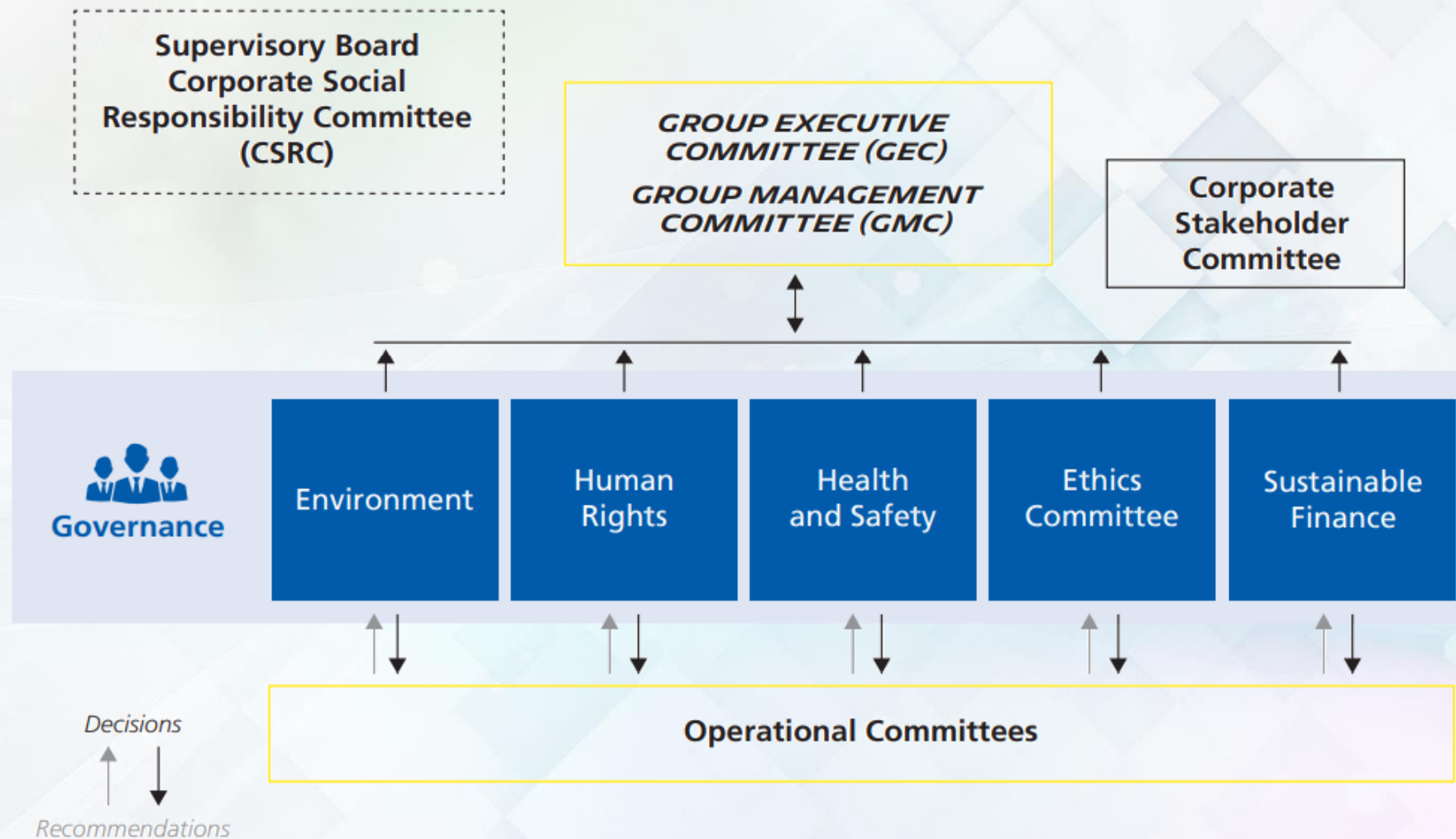
(2) Diversity and Inclusion



Michelin governance pillars: clear segregation of management and supervisory powers

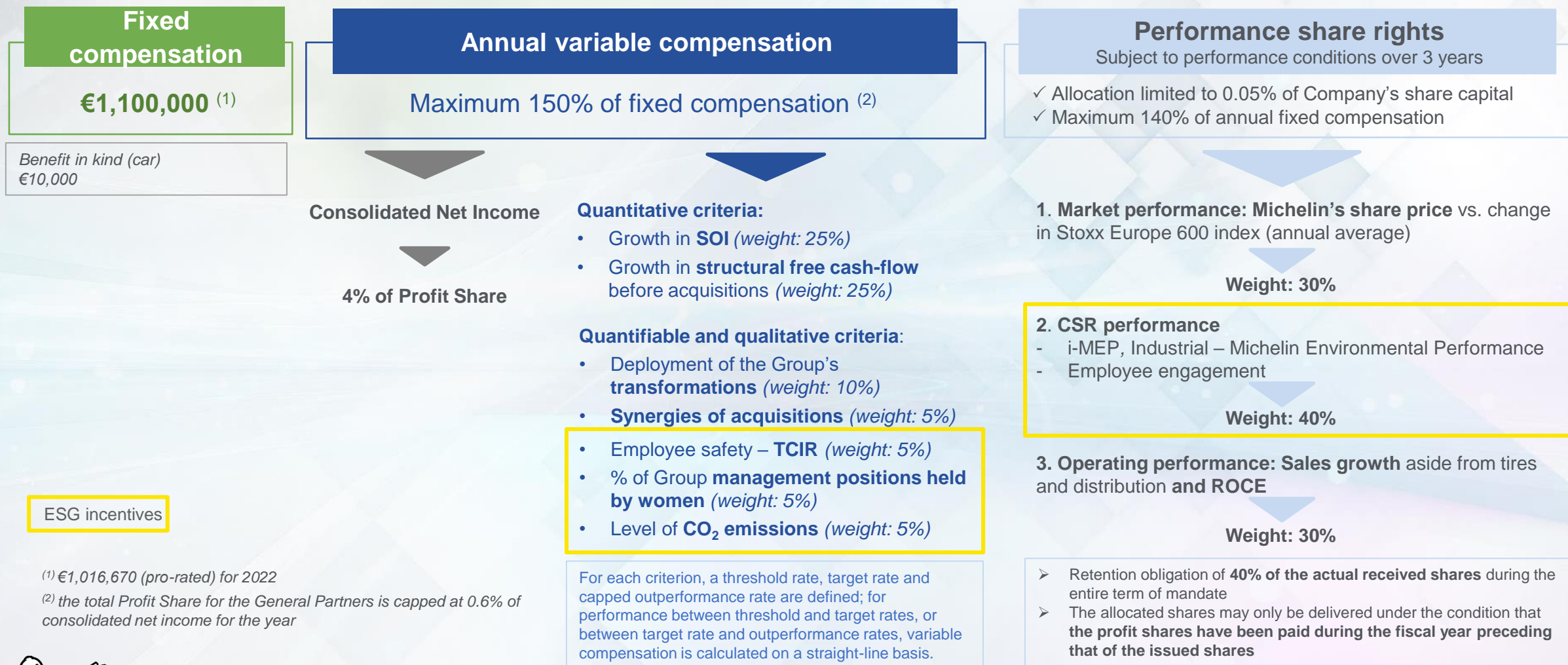


ESG awareness and oversight are fully embodied in Michelin's governance structure



ESG criteria are included in the Managers' compensation and shared with all employees via performance share plans

2022 COMPENSATION POLICY FOR FLORENT MENEGAUX, MANAGING CHAIRMAN



Glossary

FREE CASH FLOW (FCF)

Free cash-flow excluding M&A : free cash-flow, which is stated before dividend payments and financing transactions, corresponds to net cash from operating activities less net cash used in investing activities, including JV financing, adjusted for net cash-flows relating to cash management financial assets and borrowing collaterals. M&A-related cash-flows and repayment of IFRS 16 debt are not included.

ROCE

Return on capital employed is measured as follows:

net operating profit after tax (NOPAT) (1), calculated at a standard tax rate of 25%, corresponding to the Group's average effective tax rate; divided by average economic assets employed during the year (2), i.e., all of the Group's intangible assets, property, plant and equipment, loans and deposits, investments in equity-accounted companies, and net working capital requirement.

TIRES SALES

Correspond to sales from Michelin's core business, including the Tire as a Service (TaaS) business and Distribution operations.

NON-TIRE SALES

Correspond to sales from the Services and Solutions (excluding TaaS and Distribution), Conveyor Belts and High-Tech Materials businesses, excluding joint ventures.

(1) NOPAT = Segment operating income + amortization of acquired intangible assets + the Group's share of profit from equity-accounted companies.

(2) Average between the opening and closing balance sheets for the year.

"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 [Michelin.com](https://www.michelin.com) 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."

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