



2030
MICHELIN /
IN MOTION

May 28, 2024

2023 TARGETS ACHIEVED

2023 targets reached in all dimensions amid a tough context

People

- Safety ✓
- Engagement ✓
- Diversity and inclusion ✓

Profit

- Growth ✓
- Profitability ✓
- Cash ✓
- ROCE ✓
- Shareholder return ✓

Planet

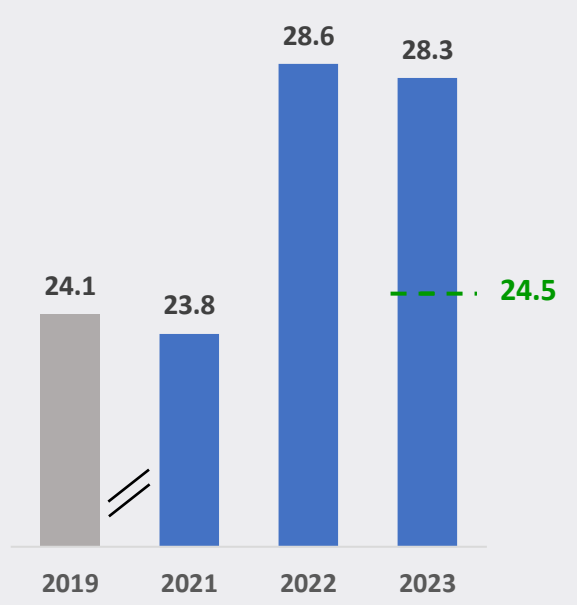
- CO₂ emissions ✓
- Environmental impact ✓
- Renewable or recycled materials ✓

Growth and SOI above targets, margin maintained despite inflation

Growth

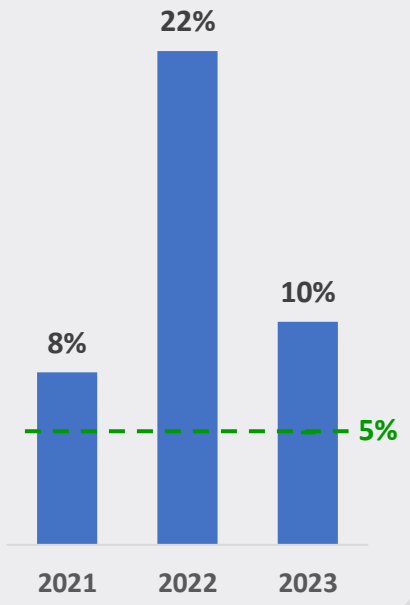
Group Sales

(bn €)



Non-Tire Sales

(Organic growth at iso-fx)

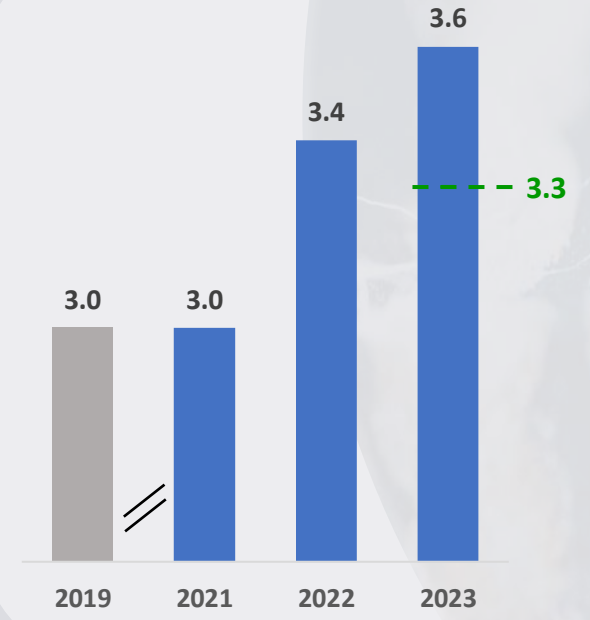


- - - Targets set at 2021 CMD

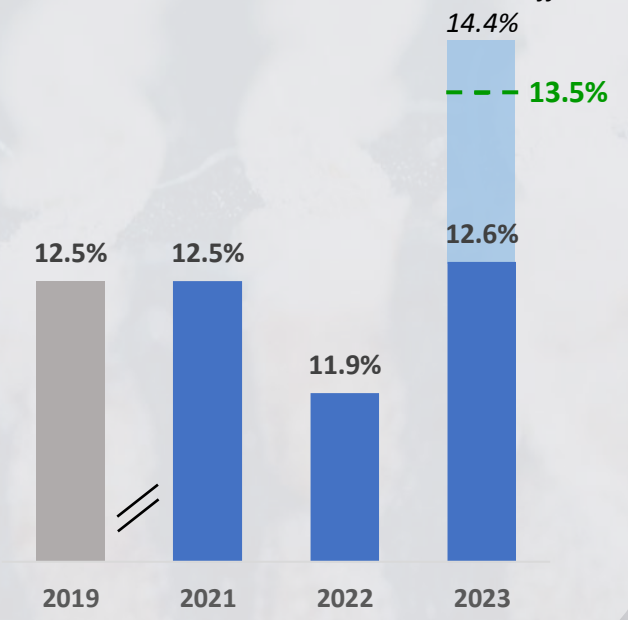
Profitability

Segment Operating Income

(bn €)



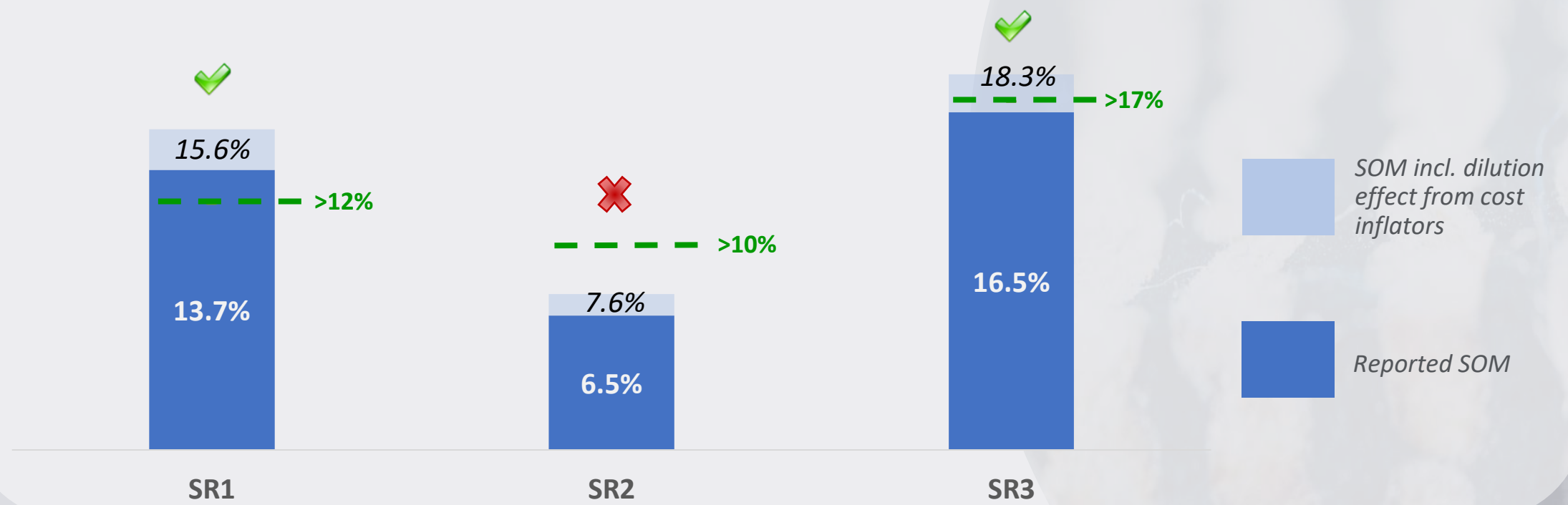
(% of Sales)



SR1 and SR3 margin targets reached, SR2 hit by low volumes

2023 Segment Operating Margin

(% of sales)

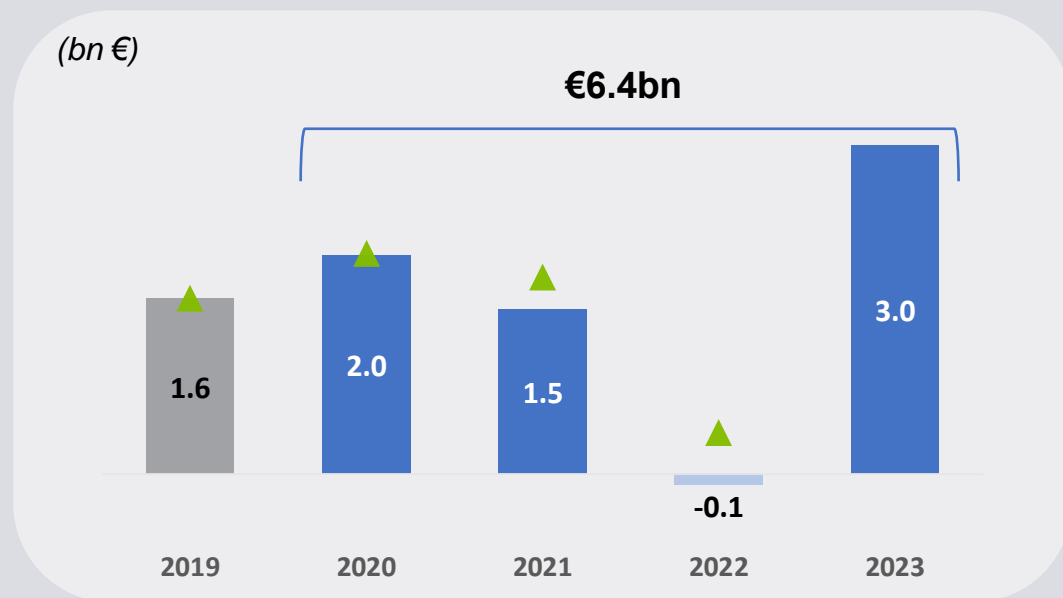


--- Targets set at 2021 CMD



Strong cash generation and ROCE from intrinsic performance and active portfolio management

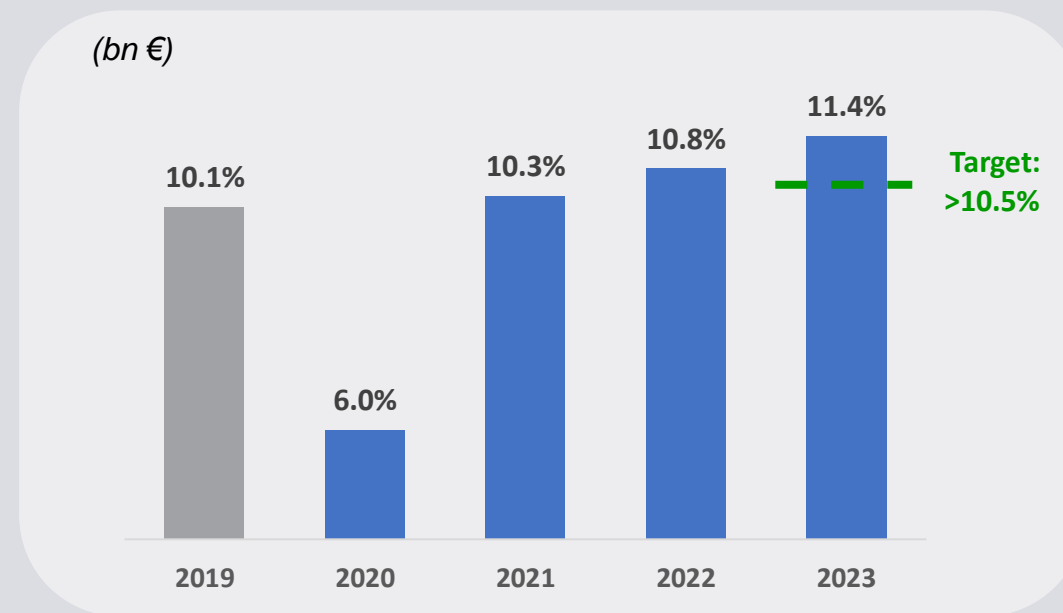
Cash generation



▲ Structural Free Cash Flow ■ Reported FCF before M&A

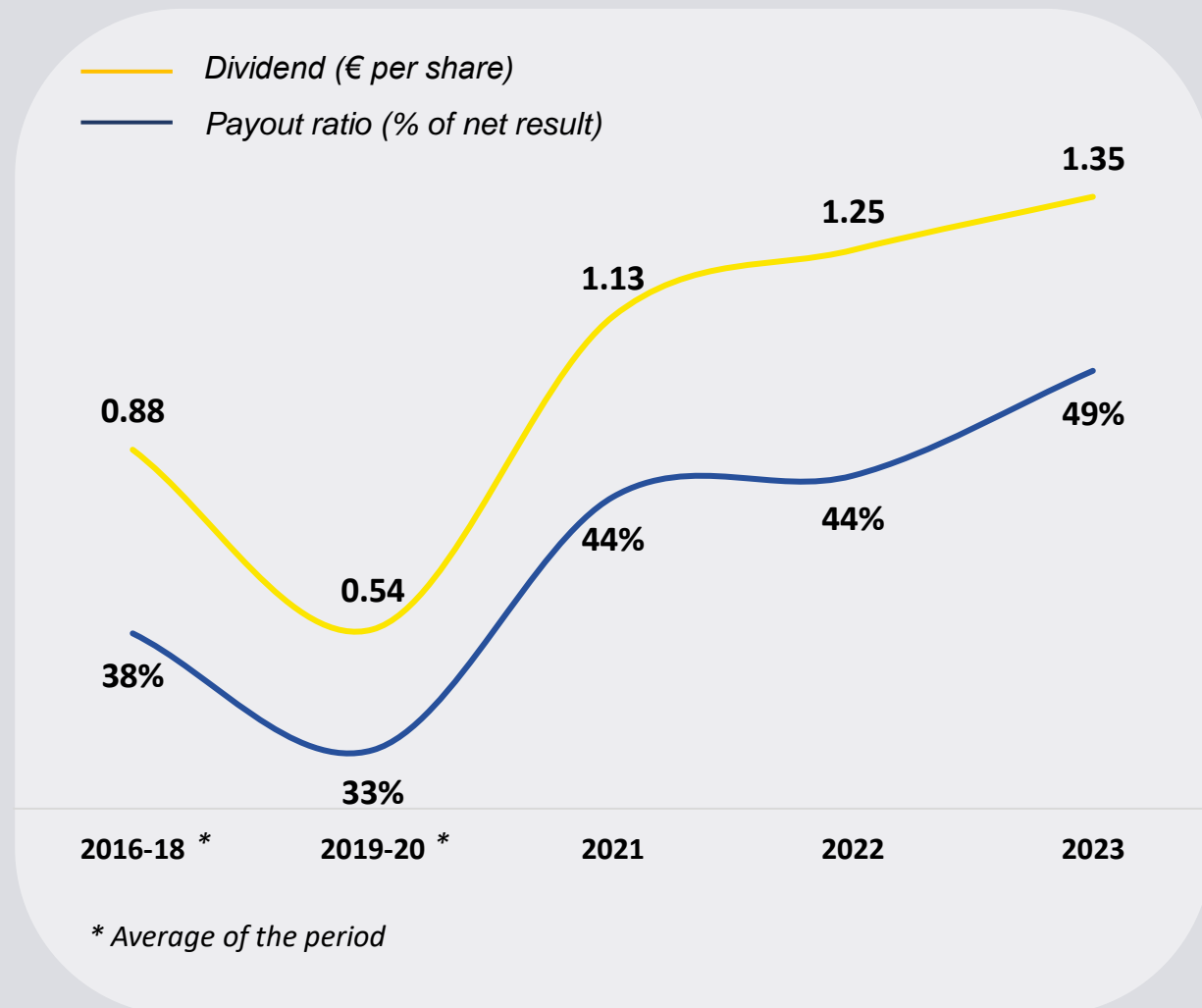
Reminder: Initial target set on "Structural FCF" at €6.3bn over 2020-23.
KPI switched to "Reported FCF before M&A" from 2023 onwards.

Return on Capital Employed *



* Full-in ROCE, including impact of M&A (goodwill, amortization of intangible assets...)

Attractive shareholder return reflecting Group performance and confidence in the future



Shareholder return policy

- Dividend: payout ratio rising towards 50% in 2030
- Share buyback program: up to €1bn over 2024-2026, o/w. €500m in 2024

Strong momentum on People and Planet to deliver 2030 ambitions



PEOPLE

72 (+ 10 pts vs 2020)

Diversity and Inclusion - IMDI ⁽¹⁾

2030 TARGET: 80

1.01 (- 0.42 pt vs 2019)

Safety - Total Case Incident Rate ⁽¹⁾

2030 TARGET: < 0.5

83.5% (+ 3.5 pts vs 2019)

Employee Engagement

2030 TARGET: > 85%



PLANET

- **26%** vs 2019

- **44%** vs 2010

CO2 emissions scopes 1&2

2030 TARGET: - 50% vs 2010

- **16%** vs 2019

Environmental impact – IMEP ⁽¹⁾

2030 TARGET: - 33%

28% (+ 2 pts vs 2019)

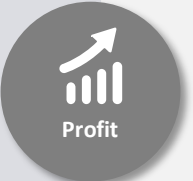
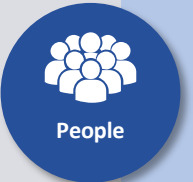
Renewable or recycled materials ⁽¹⁾

2030 TARGET: 40%



⁽¹⁾ See Glossary

On track to deliver 2030 ambitions on People, Profit and Planet dimensions



	AMBITION	METRICS	2030 SUCCESS	2019	2023
People	Be world-class in employee engagement	Engagement rate	>85%	79.8%	83.5%
	Be world-class in employee safety	TCIR ⁽¹⁾	<0.5	1.43	1.01
	Be a reference in diversities and inclusion of teams	IMDI ⁽¹⁾	80 pts (over 100)	-	72
	Be best-in-class in value created for customers	NPS partners ⁽¹⁾	48 (+10 vs. 2020)	38	42.7
Profit	Deliver substantial growth	Total sales	5% CAGR 23-30	€24.1bn	€28.3bn
	Deliver continuous financial value creation	ROCE ⁽¹⁾	>10.5%	10.0 %	11.4%
	Maintain Michelin brand power	Brand vitality quotient	63 (+5 pts vs. 2020 ⁽²⁾)	-	73
	Maintain best-in-class innovation pace in products and services	Offers vitality index	>30%	30%	31%
Planet	Reach net zero emission by 2050 (scopes 1&2)	CO2 emissions (Kt, scopes 1&2)	-50% vs. 2010	-24.8%	-44%
	Contribute to reaching net zero emission (scope 3)	Products energy efficiency (scope 3)	+10% vs. 2020	-	+2.9%
	Be best-in-class in environmental footprint of industrial sites	i-MEP ⁽¹⁾	-1/3 vs. 2019	-	-16.1%
	Reach full circularity of products by 2050	Renewable or Recycled Material Rate ⁽¹⁾	40%	26%	28%

(1) See Glossary
 (2) Reference year adjusted to 2020 (vs 2021)



M&A: A proven track record of successful integration

Active portfolio management

2018-2019 :
€4.5bn net acquisitions

2021-2023 :
€1.0bn acquisitions
€0.6bn divestments

>60 transactions
o/w 13 with cash amount >€50m

Multistrada & Camso

- Multistrada EBIT from negative territory in 2019 to SR1 accretive in 2023
- Camso accelerating in AG Tracks

Fenner

FCG

Polymer
Composite
Solutions

Tires

Connected
Solutions

Symbio (est. 2019)

Michelin 33% | Faurecia 33% | Stellantis 33%
based on €900m EV (2023)

- **Michelin Connected Fleet** regrouping Sascar & Masternaut & Nextraq offers (2022)
- **RoadBotics** acquisition (2022)
- **Watèa** capital opened to Crédit Agricole (2023)

Retail & Distribution

TBC (JV with Sumitomo)

- Cash positive since '21
- \$350m shareholder loans fully paid back
- ~160m€ cash proceeds from Retail activities sale (2023)

Euromaster Denmark sale (2023)

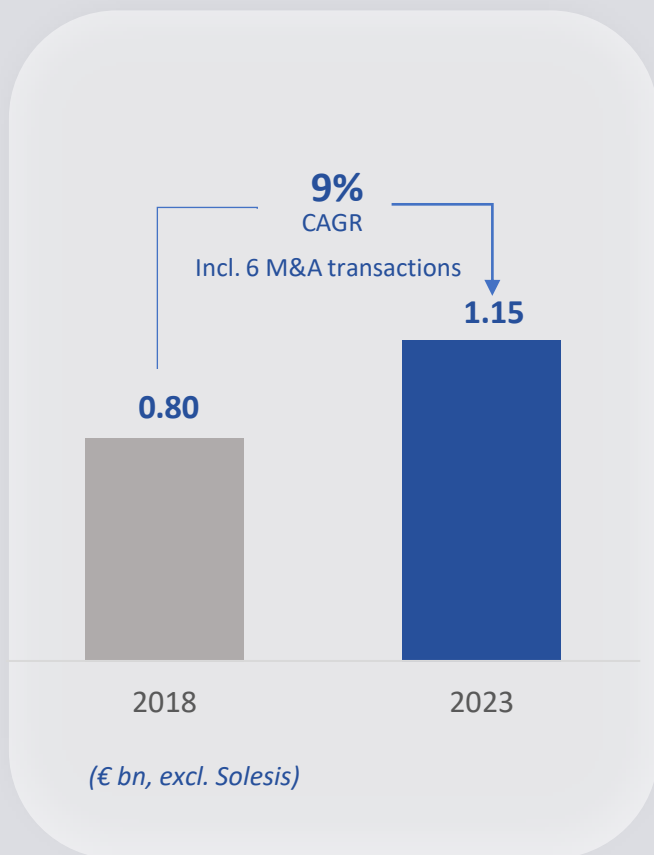
Tyroola acquisition (2023)



Value delivered through M&A: The Fenner case

Growing revenues

organically & through M&A



Enriching product mix

through deep-innovation synergies
(>70% of total synergies)

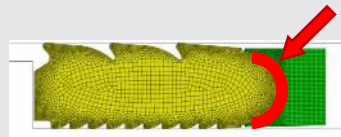


BELTING



- Lifetime x6, Power transfer x4
- Easier installation

SEALING



- Complex design optimization
- Boosted performances

Unlocking value

through build-ups



2018

MICHELIN ACQUIRES SOLESIS

- Fenner Group acquired for €1.5bn
- Solesis revenue @ 8% of Fenner

DEEP INNOVATION

- Dedicated R&D programs, o/w. PGS
- Leveraging combination of Solesis & Michelin R&D resources

2021

51% SOLD TO ALTARIS

- Transaction based on €450M EV

FURTHER BUILD-UP

- 2022 - Solesis acquires Polyzen
- 2023 Revenue = €105M



FCG: Strong financial profile confirmed, on track to deliver synergies

Strong financial profile

2023 FY data (1)

Dynamic growth

~€200m
revenue

+9%
organic revenue CAGR
over 2015 – 2023

EBIT-accretive businesses

~€43m
EBIT

~22%
of sales

Low capital intensity

~€10m
capex

~5%
of sales

Targeted EBIT synergies confirmed

- ✓ €21m run-rate EBIT synergies by 2028
- ✓ Accelerated innovation pipeline leveraging Group's R&D assets
- ✓ Business line dedicated to Composite Fabrics and Films



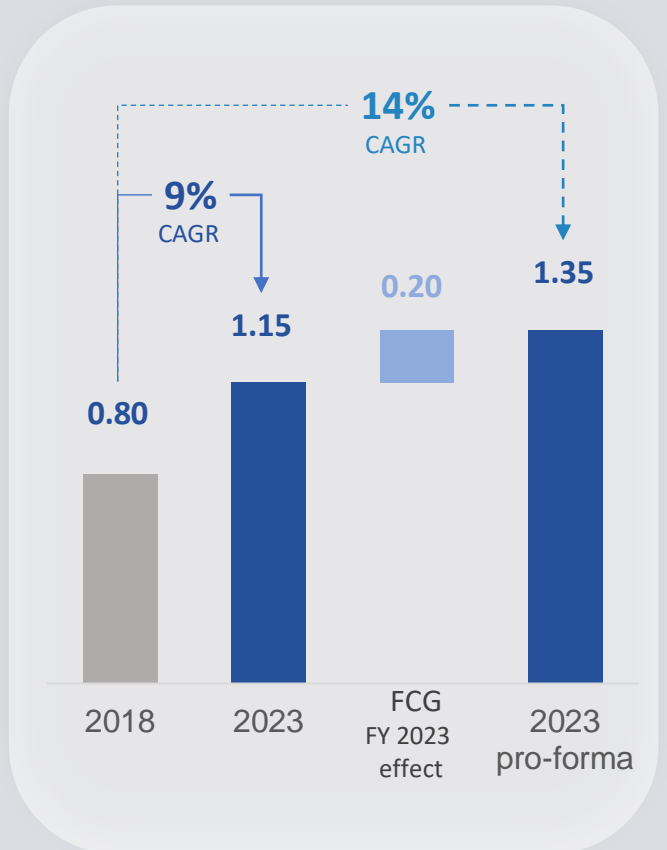
(1) Consolidated from September 26, 2023



Polymer Composite Solutions: Delivering sustainable growth and value

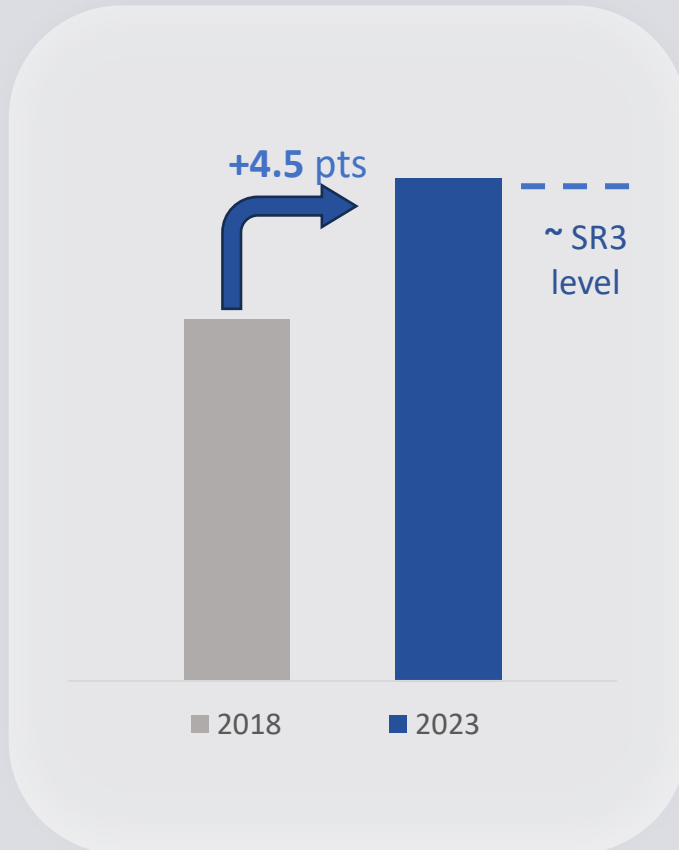
Dynamic growth

PCS sales (€ bn, excl. Solesis)



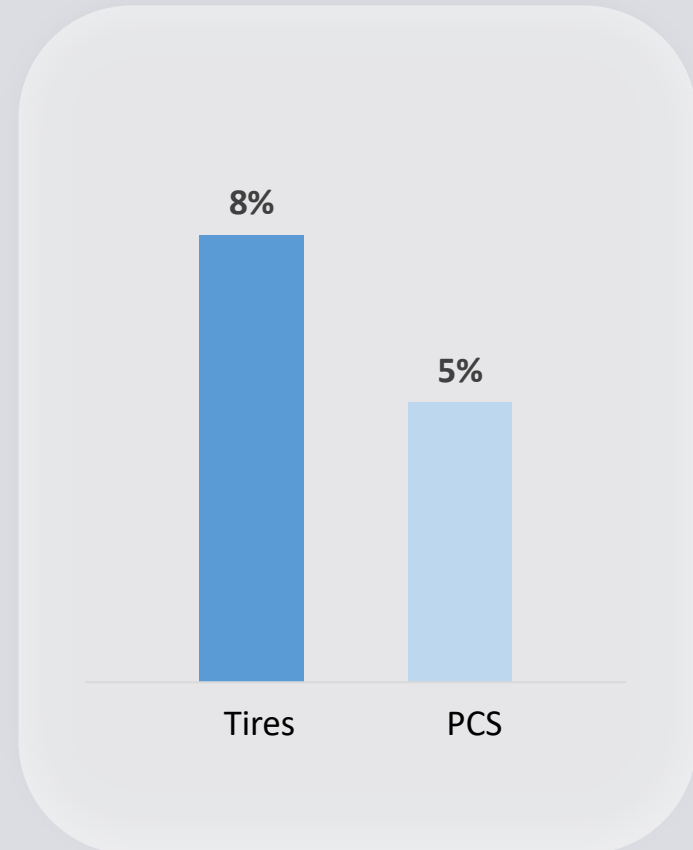
Increasingly EBIT-accretive

PCS operating margin as a % of sales



Low capital intensity

Capex as a % of sales, 2023

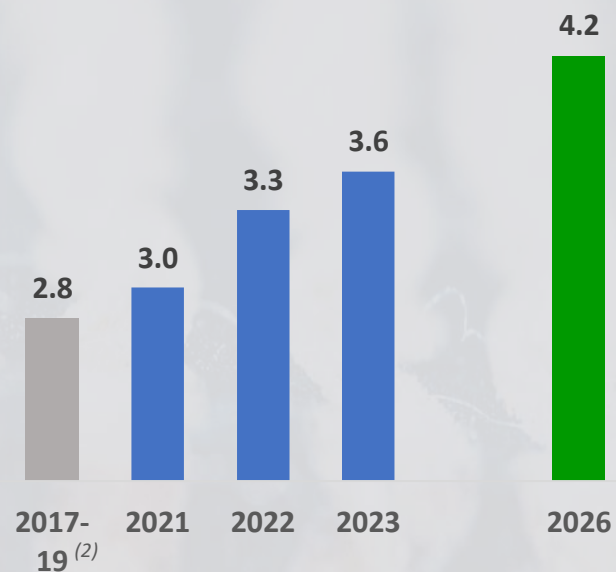


AMBITIOUS GROUP TARGETS FOR 2026

Driving higher profitability and strong cash generation

Segment Operating Income

(bn €, excl. substantial ⁽¹⁾ M&A, @2023 FX)

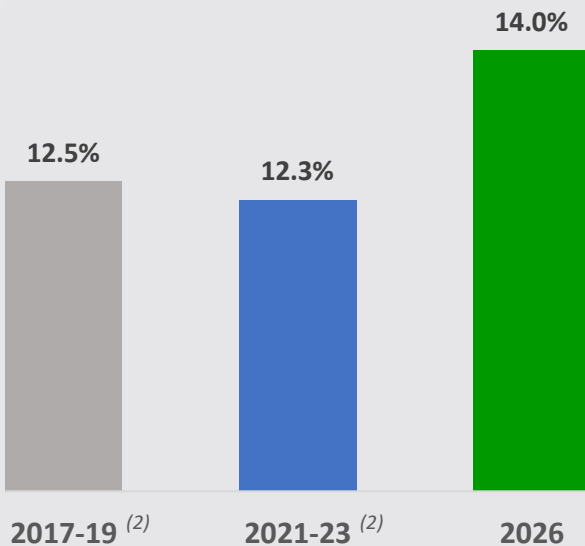


(1) Substantial = leading to structuration of a SR4

(2) Average of the period

Segment Operating Margin

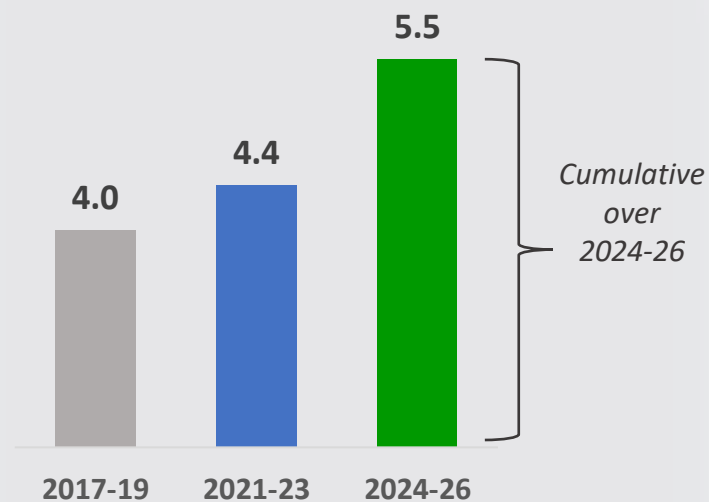
(% of sales)



(2) Average of the period

FCF before M&A

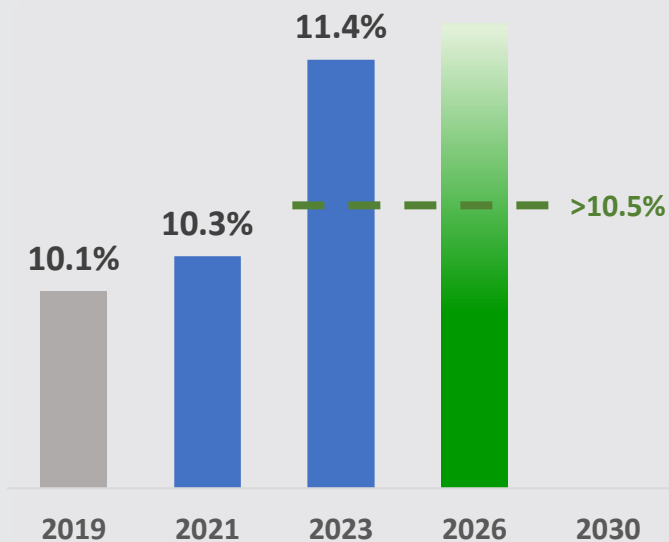
(bn €, cumulative over the period)



- ✓ Capex level € 2.0-2.4bn/year
- ✓ Optimized working capital

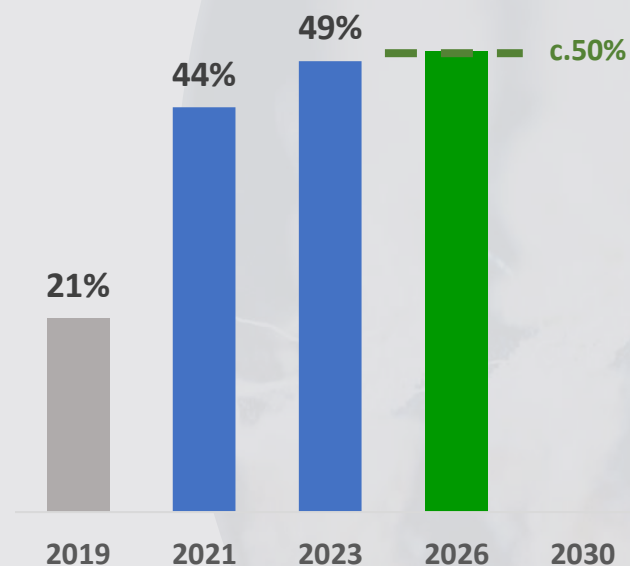
Confirmed ROCE floor and shareholder return

Return on Capital Employed



- ✓ Including impact of M&A (goodwill, amortization of intangible assets)

Payout Ratio (% of net result)

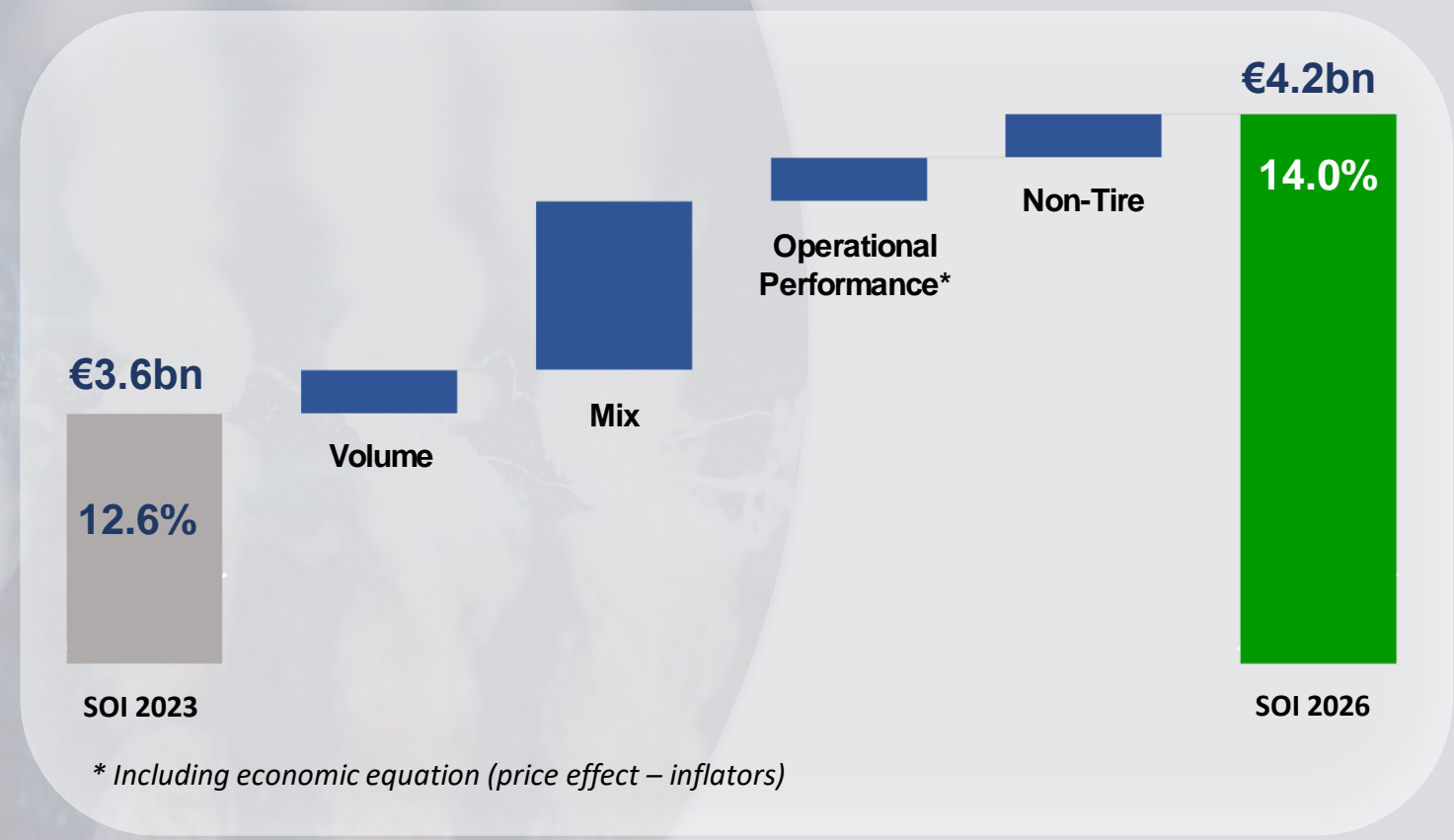


- ✓ Share buyback program up to €1bn over 2024-2026, o/w. €500m in 2024

Strong mix effect, improved margin across reporting segments

SOI bridge by lever

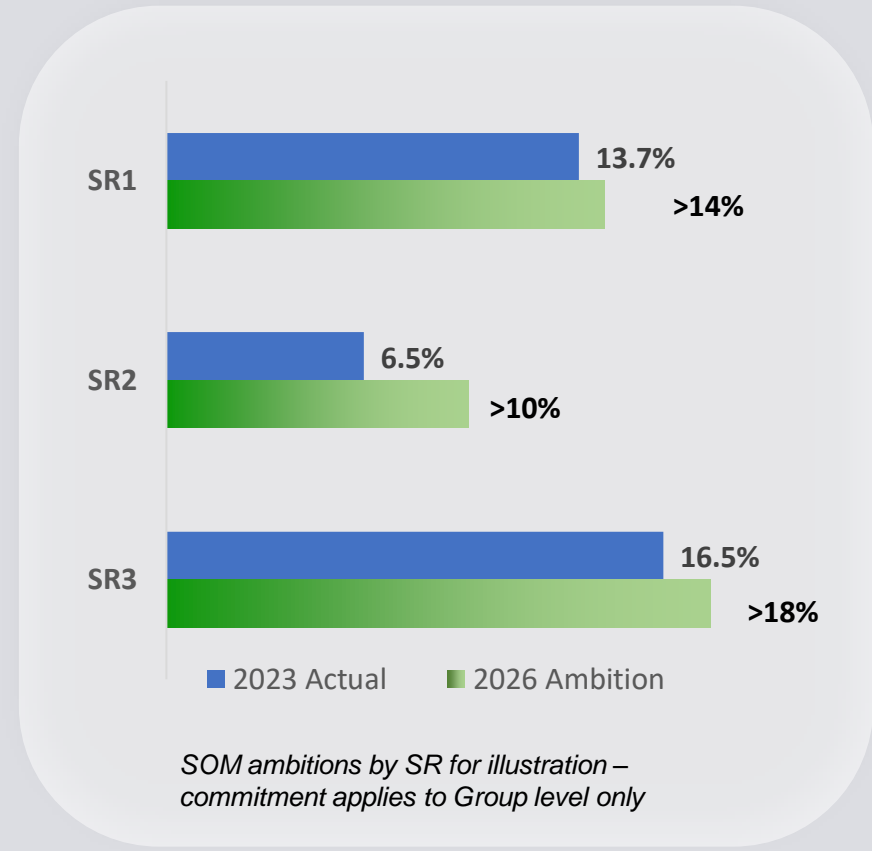
(€bn and % of sales, excl. substantial M&A, @2023 FX)



* Including economic equation (price effect – inflators)

Segment Operating Margin - by SR

(% of sales)



SOM ambitions by SR for illustration – commitment applies to Group level only



Taking Group competitiveness to the next level: Manufacturing

Strategic levers

- Local-to-local
- Value-driven production mix
- Lower environmental impact
- Talent attraction & retention

Tech & Care levers

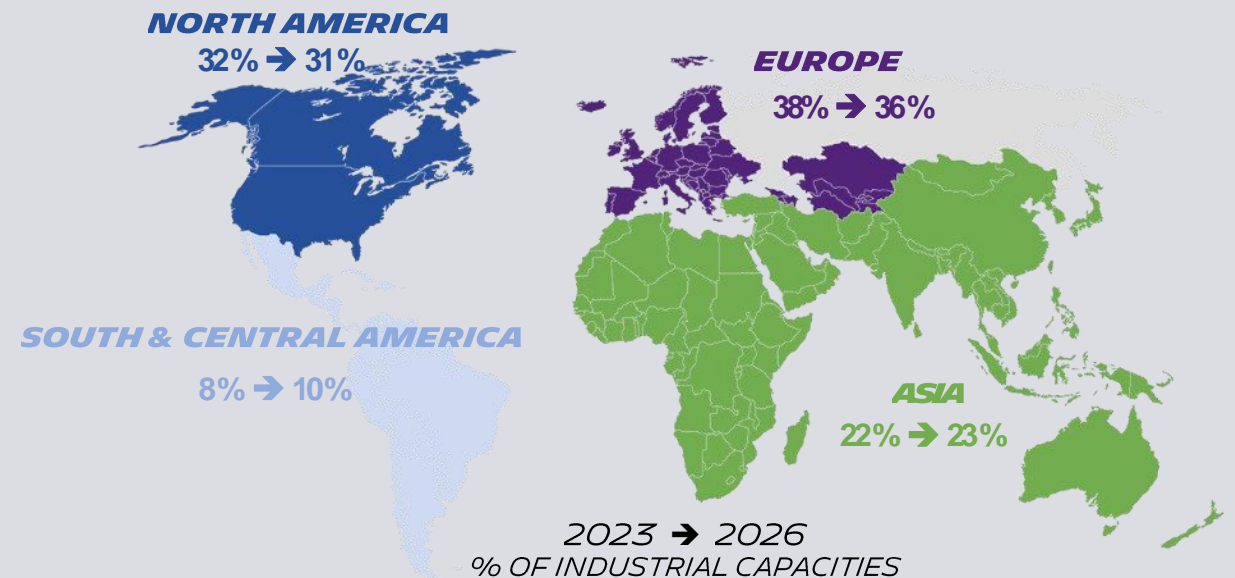
- IA & Digital
- Industrial process optimization
- Reduce water and energy consumption
- Safety, ergonomy and people empowerment

Industrial loading rate SR1 + SR2

(% of capacity)

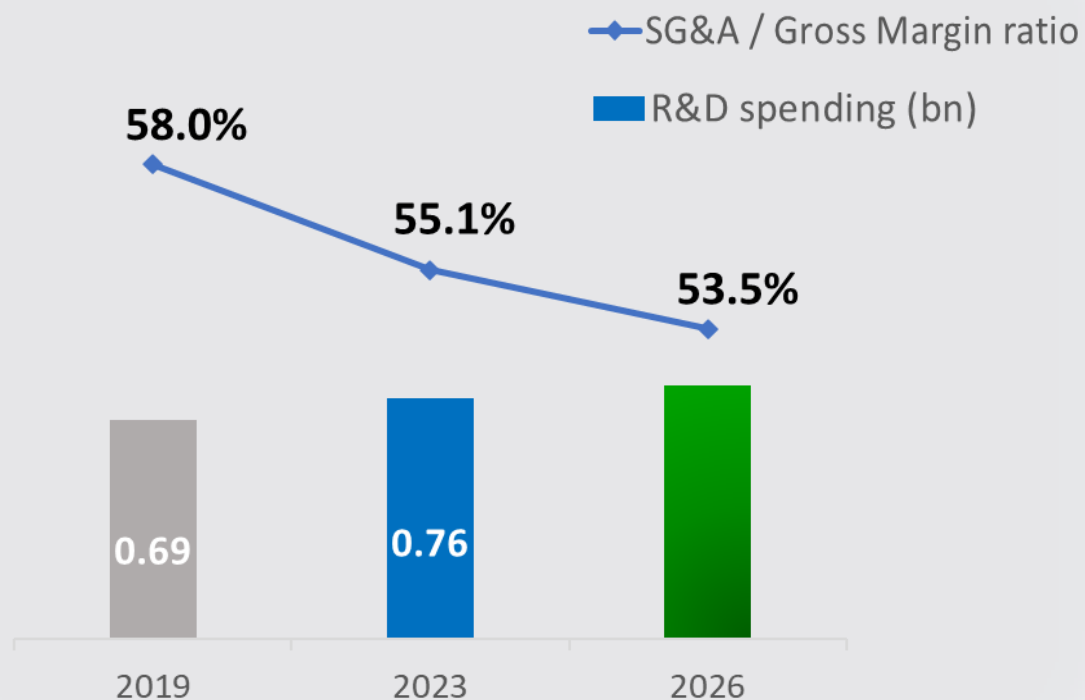


Industrial capacities breakdown, 2026 vs. 2023



Taking Group competitiveness to the next level: SG&A & Supply Chain

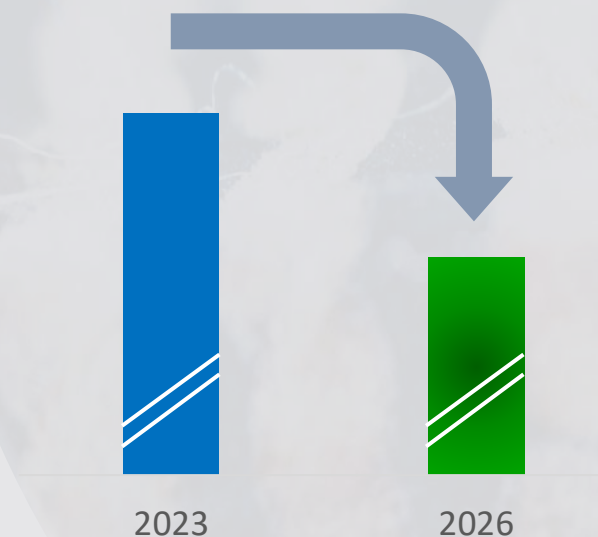
Improving SG&A performance
and fostering innovation



Reducing inventory levels
whilst improving customer service

Inventory reduction

€ -0.5bn



Leveraging unique and differentiating assets across enlarged playground



Highly engaged and talented **teams**



A powerful and widely recognized **brand**



Innovation leadership and unique **R&D** and **industrial capabilities**



Excellent, market defining **products** and **services**



Tires



Services and Experiences



Connected Solutions



E-Retail



Distribution & Retail



Lifestyle

Polymer Composite Solutions



Sealing technologies



Conveyors, belting solutions and hoses







Engineered fabrics & films






Engineered polymers



Michelin Tires: Powerful differentiation on targeted markets

Main targeted end-markets	Market trends	Where to play	Assets
 Automotive	<ul style="list-style-type: none"> Mix enrichment 	<ul style="list-style-type: none"> Demanding consumers 	<ul style="list-style-type: none"> Brand power 360° techno edge
 Transportation	<ul style="list-style-type: none"> Sustained GDP growth Growing customer expectations (tech, N&R) 	<ul style="list-style-type: none"> Quality Green Tech fleets Prioritizing regions with mature market structure 	<ul style="list-style-type: none"> Customer intimacy Boosted product plan
 Mining	<ul style="list-style-type: none"> Growing need for minerals 	<ul style="list-style-type: none"> Tech-oriented & green-conscious customers 	<ul style="list-style-type: none"> Market leadership both techno & “green”
 Beyond Road	<ul style="list-style-type: none"> Growing food demand 	<ul style="list-style-type: none"> Productivity & yield driven customers 	<ul style="list-style-type: none"> Innovation & Tech

Connected Solutions and Distribution: Leveraging unique data knowledge and deep customer intimacy

Main targeted end-markets	Market trends	Where to play	Assets
 Fleet management services	<ul style="list-style-type: none"> 20% CAGR* for services in value 	<ul style="list-style-type: none"> Fleets trending towards low downtime, low CO2, high safety 	<ul style="list-style-type: none"> 1.2m vehicles under contract Tire data & vehicle usage Deep customer intimacy
 Tire aftermarket retail	<ul style="list-style-type: none"> EV migrating towards tire specialists Drive towards circularity 	<ul style="list-style-type: none"> Vehicle maintenance ELT management & retread 	<ul style="list-style-type: none"> Largest service network in Europe, international franchise Strong partnerships with leading retail players
 Tire e-retail & distribution	<ul style="list-style-type: none"> Online purchasing behavior CAGR > 5%* Expanding # SKUs esp. PC 	<ul style="list-style-type: none"> Tire e-retail in 8 countries Wholesale in certain regions 	<ul style="list-style-type: none"> Leader in conversion and user experience Localized approach in wholesale

* Average worldwide CAGR for the period 2021-23



Polymer Composite Solutions: Broadening exposure to dynamic non-automotive markets

Market dynamics

Differentiating technologies



Industry

High-single digit

- ✓ High-power transmission belts for warehouse conveyors
- ✓ Energy-efficient conveyor belts for mining industry
- ✓ Customized valves for aggressive chemical environments



Aerospace

High-single digit

- ✓ High-temperature coated fabrics for aircrafts
- ✓ Inflatable structures reducing multi-spectral signature



Construction & Infrastructure

Mid-single digit

- ✓ Low-friction seals for hydraulic cylinders
- ✓ Non-toxic and bio-sourced resin for wood



Transportation

Mid-single digit

- ✓ Long-lasting coated fabrics for Rigid Inflatable Boats
- ✓ Fire-resistant coated fabrics for train gangway bellows



Medical

High-single digit

- ✓ Drug-controlled release implants
- ✓ Customized spinal implants

M&A as a growth & value accelerator: Accessing new markets and leveraging Group innovation power

Clear fundamentals

Strategic fit

Parental advantage brought by Michelin

Value-accretive to Group

Cultural fit

Strict financial criteria

EPS-accretive from year 1

Accelerating growth

Group ROCE sustained above 10.5%

Higher cash conversion

Margin-accretive (SOI%)



2030 AMBITIONS

Ambitious growth in non-tire activities, redefined scope

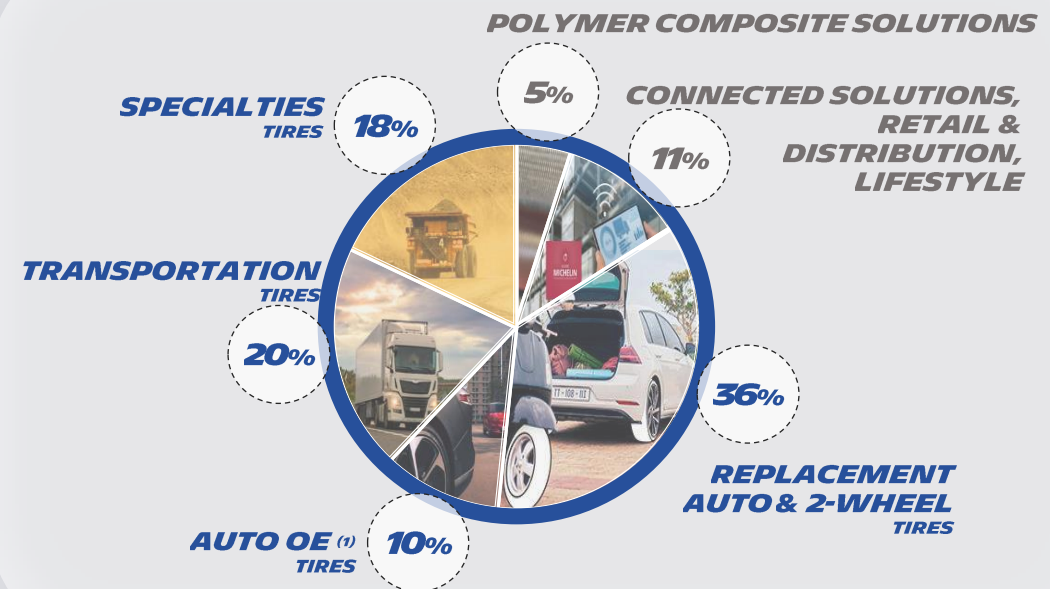
2030 ambition

Non-tire activities directionally above 20% of total revenue, supported by value-accretive M&A

Redefined scope

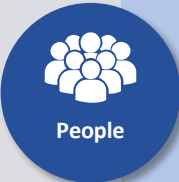














Businesses other than tire manufacturing
Vs. *Businesses other than tire manufacturing and distribution*

2023 sales breakdown reference (% of revenue)



(1) Original equipment

2030 ambitions confirmed on People, Profit and Planet dimensions

	AMBITION	METRICS	2019	2023	2030 SUCCESS
 People	 Be world-class in employee engagement	Engagement rate	79.8%	83.5%	>85%
	 Be world-class in employee safety	TCIR ⁽¹⁾	1.43	1.01	<0.5
	 Be a reference in diversities and inclusion of teams	IMDI ⁽¹⁾	-	72	80 pts (over 100)
	 Be best-in-class in value created for customers	NPS partners ⁽¹⁾	38	42.7	48 (+10 vs. 2020)
 Profit	 Deliver substantial growth	Total sales	€24.1bn	€28.3bn	5% CAGR 23-30
	 Deliver continuous financial value creation	ROCE ⁽¹⁾	10.0 %	11.4%	>10.5%
	 Maintain Michelin brand power	Brand vitality quotient	-	73	63 (+5 pts vs. 2020 ⁽²⁾)
	 Maintain best-in-class innovation pace in products and services	Offers vitality index	30%	31%	>30%
 Planet	 Reach net zero emission by 2050 (scopes 1&2)	CO2 emissions (Kt, scopes 1&2)	-24.8%	-44%	-50% vs. 2010
	 Contribute to reaching net zero emission (scope 3)	Products energy efficiency (scope 3)	-	+2.9%	+10% vs. 2020
	 Be best-in-class in environmental footprint of industrial sites	i-MEP ⁽¹⁾	-	-16.1%	-1/3 vs. 2019
	 Reach full circularity of products by 2050	Renewable or Recycled Material Rate ⁽¹⁾	26%	28%	40%

(1) See Glossary

(2) Reference year adjusted to 2020 (vs 2021)

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: Net operating profit after tax (NOPAT), 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, 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.

TIRE SALES

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

NON-TIRE SALES

Sales from the Connected Solutions (excluding TaaS and Distribution) and Polymer Composite Solutions businesses, excluding joint ventures.

IMDI

Inclusion and Diversities Management Index, see definition p.237 of the 2023 Universal Registration Document

TCIR

Total Case Incident Rate, see definition p.264 of the 2023 Universal Registration Document

I-MEP

Industrial - Michelin Environmental Performance, see definition p.173 of the 2023 Universal Registration Document

RENEWABLE OR RECYCLED MATERIALS

New KPI name for "Sustainable materials", definition unchanged see p.193 of the 2023 Universal Registration Document

NPS

Net Promoter Score, see definition p.287 of the 2023 Universal Registration Document

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