



GROUP INVESTOR RELATIONS

MICHELIN PRE-CLOSE CALL – Q3 2025 | Script

PCC date & time: October 8, 2025, 18h00 CET

[This pre-close call script is a quarterly summary of public information previously provided by Michelin, or otherwise available in the market, which may support in assessing Michelin's financial performance ahead of its Q3 2025 sales information on October 22, 2025. This script does not provide any new information or commentary on current trading]

[Introductory remarks]

Good afternoon to all of you and thank you for joining this pre-close call.

Before diving into the different topics, some important information:

1- First, some technicalities & compliance items:

- This call is for sell-side analysts only, so if you are not a sell-side analyst, please disconnect from the call.
- As usual, this call will be recorded, and the transcript will be published on our website tonight.
- There will be no Q&A at the end of the call. Should you need further clarification, you may contact us before the quiet period begins, so until this Friday evening included.

2- Second, as to the scope of today's call:

- As you are aware, September is the largest business month within Q3, and at this stage we do not have any accounting or financial reporting yet. Therefore, we will not be able to comment on Q3 revenue evolution, this will be covered in a comprehensive way during our Q3 sales release, on October 22.
- Same applies to FY 2025 outlook or guidance. As a reminder, at Michelin we do not guide on volumes or revenue, but on 2 financial KPIs: Segment Operating Income and Free Cash Flow.

[Q3 markets]

Now switching to the business environment, let's start with our view on markets developments over the quarter:

- ⇒ In SR1 (Passenger Car, Light Truck and 2 wheel), we expect the global OE market to be flat or slightly positive over Q3: China growth should abate mostly due to higher comps since the government started to implement public subsidies in the course of 2024. In NA the trend has improved vs. first semester. In Europe, the OE market remains on a downward trend.
The RT sell-in market has been less dynamic over the quarter than in the 1st semester, it might turn flattish at best: this softening is mostly a consequence of a lower import momentum into North America and Europe observed ahead of tariffs or duties. About duties and as regards the EU antidumping investigation into PC tires from China, the assumption at this stage would be a first decision by year-end 2025 with retroactive application from October. Note that we remain cautious on these dates as they have been fluctuating already.
- ⇒ In SR2 (Trucks), the OE global market excluding China should remain negative over the quarter, with contrasting trends between the 2 main regions: Europe is improving as expected, albeit on a very low comparison base, and with contrasted outlook signals. In NA, OEM demand is extremely weak, more than we originally anticipated, particularly due to elevated truck inventories and reduced production



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especially at Class-8 OEMs, as demand remains depressed in the absence of visibility on Tariffs and EPA'27.

In Replacement, sell-in markets have posted growth mostly due to continuation of import flows from Asia to Europe and NA, resulting in inflated tire inventories. However, if we look at sell-out demand from the fleets, freight activity remains flattish.

- ⇒ In SR3 (Specialty tires and Polymer Composite Solutions), OE markets are still depressed in Beyond-Road businesses mostly Agriculture and Construction. The Mining and Aircraft activities are well-oriented, in line with our anticipations. PCS destination markets were overall stable, balancing each other.

[Q3 sales]

Turning to Group Sales now: in this context, Q3 **volumes for Tires** will remain negative YoY. The trend is positive within the quarter, but the sequential improvement vs Q2 is softer than we originally thought and should lead to a mid-single-digit overall decrease vs. prior year.

In SR1, OE sales volumes should be back to stable YoY, with China delivering substantial growth. Sales on the replacement market should decrease due to headwinds in North America combining a soft overall demand and the transitioning effect of our new wholesale approach in the US initiated during the summer. In Europe, the winter season is starting off well, but later than usual so it is still early to infer a full-year trend.

SR2 will still show the most negative volume drop in Q3, strongly penalized by OE with about 80% of the drop coming from this market, mainly from North America. In RT, soft sales reflect the slowdown in real economic activity in Europe and North America, in a very aggressive competitive landscape due to massive inflows of budget tires.

In SR3, despite the strong negative impact of OE markets in Agro and Construction, sales volumes are significantly improving, primarily thanks to the operational performance in Mining and Aircraft which post a high single-digit growth.

Regarding **Price-mix**, the positive contribution should be softer than in Q2:

- ⇒ Price effect should be positive but significantly lower than in H1, due to a reduced impact of indexation clauses (roughly divided by 2 vs. H1, as shared in July) and competitive market conditions.
- ⇒ Mix effect should also remain positive, below Q2 level with the continuation of the OE/RT rebalancing trend, and a geo-mix impacted by a reduced level of activity in NA.

Non-tire effect should be in line with expectations: limited growth, slightly better in Q3 than in H1, particularly thanks to the positive dynamic of the sealing business.

Scope effect should be neutral, as there was no material acquisition or disposal impacting the 3rd quarter.

Finally, **forex** effect is expected to be negative over the quarter, at a mid-single digit, reflecting a Euro/Dollar of around 1.17.

[Conclusion]

We are reaching the end of our call.

Thank you very much for attending, we look forward to talking to you on October 22nd for the release of our Q3 sales.



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