



## GROUP INVESTOR RELATIONS

### MICHELIN PRE-CLOSE CALL – Q1 2026 | Script

PCC date & time: April 8, 2026, 08h30 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 Q1 2026 sales information on April 29, 2026. This script does not provide any new information or commentary on current trading.]*

#### *[Introductory remarks]*

Good morning and thank you for joining this pre-close call.

Before we get into the various topics, let me share some important information with you:

1- First, a few technical and compliance notes:

- This call is for sell-side analysts only, so if you are not a sell-side analyst, please disconnect.
- As usual, this call will be recorded, and the transcript will be published on our website shortly.
- 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 next Tuesday evening.

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

- On Q1 sales : March is the largest business month within Q1 therefore, beyond usual volumes considerations, we will not comment on Q1 revenue evolution which will be at the core of our Q1 sales release on April 29.
- About Middle East war: as is the case for you and everyone in the place, scenarios evolve by the week with fluctuating impact ranges. I will briefly touch on it at the end of the call, in a mostly qualitative way.

#### *[Q1 markets]*

Now switching to the business environment, let's start with our view on tire markets developments over the past quarter. As a general comment, they should develop in the expected directions, negative at Original Equipment (OE) and close to flat at Replacement (RT), with strong regional specificities.

- ⇒ In the **Consumer** segment (Passenger Car, Light Truck and 2 wheel), we expect the global OE market to be negative over the quarter, coming from -3% at the end of February. Chinese domestic demand should slow down materially as incentives for new vehicle purchases are less attractive than in 2025. In Europe and North America, the OE market remains on a downward trend amid an uncertain macroeconomic environment.  
The Replacement sell-in market is expected flat or slightly negative in Q1. Growth in China is offset by a decline both in Europe and in the US, reflecting the gradual reduction of the inventory surplus of Asian tires that built up in 2025. The US was further impacted by difficult weather conditions in Jan and Feb.
- ⇒ In the **Transportation** segment (Trucks & Connected fleet services), as usual we refer to the global market excluding China. At OE, this market should remain negative over the quarter, coming from -4% at the end of February. Europe should post growth on low comps, and Americas are still in the depressed part of the cycle. In North America, the drop will remain double-digit negative in Q1, despite stronger order books for Class 8 trucks since December: as a fact, truck inventories which remain very



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high and will require a few more months to come back to normal. In South America, the Brazilian market remains severely hampered by a difficult economic situation that is limiting investment by carriers and increasing competition of Asian truck makers.

On the Replacement market, sell-in demand should be flattish overall, but sharply negative in North America due to lower tire imports than in 2025, weak freight activity and difficult weather conditions in January & February. In Europe and South America, the market is posting growth, mainly reflecting an increase of imported tires.

- ⇒ In the **Specialty** segment (Beyond Road, Mining and Aircraft), Beyond-Road markets are expected to remain slightly negative over the quarter, dragged down by Agriculture OE in North America especially in the high-power tractors segment. Mining and Aircraft markets should be well-oriented over Q1.
- ⇒ As regards our new **Polymer Composite Solutions** segment, a word on the way we will approach it: commenting on markets as such would not be meaningful, since we are **deploying a niche strategy** over product categories that spread across **numerous market verticals**. Consequently, we will regroup our comments in the sales development section.

### [Q1 sales]

So, let us turn to Group Sales :

As regards **volumes for Tires**, Q1 will be negative as expected. Let me remind you of our volumes seasonality expected for 2026:

- a slight growth full year, with H2 better than H1,
- within H1, a negative Q1 (low-to-mid single digit), and a slightly positive Q2.

In the **Consumer** segment, volumes should decrease slightly vs last year due to negative OE development across all regions. On the Replacement market, volumes should post modest growth, supported by MICHELIN-branded sales, which should compensate for continued pressure on tier-2 brands from highly stocked cheap imported tires.

In the **Transportation** segment, volume trend remains negative in the wake of Q4 2025, with OE in the Americas remaining a strong headwind. RT should be close to stable despite weak freight activity, especially in North America.

In the **Specialty** segment, the negative evolution remains driven by Beyond Road activities heavily penalized by OE markets, especially Agriculture where we are over-indexed in the high-power tractors segment. Mining and Aircraft should continue to post some volume growth.

The **Price-mix** contribution is expected to be softer than in 2025:

- ⇒ Price effect should be negative, mostly driven by indexation clauses which have turned negative as expected, since RawMat input costs had turned favorable in 2025.
- ⇒ Mix effect remains structurally positive, supported by a richer product mix in Passenger car tires, and a favorable business mix thanks to market mix, brand mix, and activities mix.

Last, **Polymer Composite Solutions** segment: we expect overall stable sales over Q1, with contrasted situations depending on the product categories: growth in Sealing and Coated fabrics, softer sales in Belts and Conveyors.

As regards the **Scope** effect, it should be slightly positive, as Cooley Group integration as of February should offset the carve-out of the bias tire activities in the Construction segment.

Finally, **forex** effect will be strongly negative over the quarter, comparable to what we experienced in Q4 2025.



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### *[M&A news]*

I'm taking this opportunity to provide an update on the status of the acquisitions announced in January, dealing with 3 US-based companies to extend further our **Polymer Composite Solutions** activities.

As regards **Cooley Group** (coated fabrics), this deal was closed on January 22<sup>nd</sup>.

As to **Flexitallic** (sealing solutions), this deal was closed recently, on April 1<sup>st</sup>.

Last, about **Tex-Tech** Industries (coated fabrics), deal closing is expected around mid-year.

### *[Middle East conflict]*

Finally, I want to give some color on the current situation in the Middle East and how it is affecting the Group.

Employee safety and Business continuity are being managed by adhoc crisis cells.

Michelin's direct exposure to the region is limited: the Group does not operate in Iran, has no tire factories in the region, and its sales accounted for less than 1% of the total Group in 2025.

On the Logistics side, the most direct impact is the fact that some tire containers shipped to Middle-East customers were stuck in the Strait of Hormuz. Alternative options are being set to deliver these tires.

On the supply aspect, at this stage we did not face any shortages, but of course we remain especially vigilant on this aspect as the whole value chain is getting more tense every week.

Then, as regards financial exposure due to inflation of input costs (Raw materials, energy and freight mostly), simulations mostly depend on how long will the war last or the Strait of Ormuz be blocked. We will not elaborate today on the different scenarios, which are going to be refined by April 29<sup>th</sup> for our Q1 release.

### *[Conclusion]*

We are now reaching the end of our call.

Thank you very much for attending, and we look forward to talking to you on April 29<sup>th</sup> for the release of our Q1 sales.

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