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MICHELIN PRE-CLOSE CALL – Q3 2026 | Script

PCC date & time: October 1st, 2026, 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 2026 sales information on October 20, 2026. This script does not provide any new information or commentary on current trading.]

[Introductory remarks]

Good afternoon 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 Friday, 9 October in the evening.

2- Then, regarding the scope of today's call, we are ahead of the Q3 release but without any comprehensive reporting data on the quarter obviously, and you are aware that September is the largest business month within Q3, so today's input should be viewed as very preliminary information, until our Q3 sales release on October 20.

[Intro]

As an introduction before going through business dynamics, I would like to share an overview position statement: when, in April and July, we shared our 2026 financial outlook in terms of SOI and FCF, this factored in a set of assumptions on the impact of the geopolitical situation, namely the Middle East conflict, including the price level of the Brent and our ability to ensure the continuity of our supply.

At this point of the year, what we see is that this general context has evolved as expected, our upstream supply chain has not been broken, and our operations demonstrated their ability to deal with uncertainties and crisis management.

That's it for the overall view.

[Q3 tire markets]

Now, let me share our view on tire markets developments over Q3, talking about **sell-in** markets as usual (from manufacturers to distribution & customers).

- ⇒ In the **Consumer** segment (Passenger Car, Light Truck and 2 wheel), market trends were on the soft side.
OE market remained negative in both July and August. Europe deteriorated under the combined effect of moderate domestic demand and of the growing competition of vehicles imported from Asia. North America market also remained weak, with soft domestic demand and continued affordability



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constraints. As to China, market demand remained negative as incentives for new vehicles on the domestic market are less attractive than in 2025.

Based on the trend observed until August, we expect the global OE market to be negative over Q3.

In Replacement, the sell-in market remained broadly flat in Q3 so far, with contrasting trends by region. North America improved, within import flows significantly below last year as the surplus of Asian tires built up in 2025 continued to be absorbed. Europe was slightly negative in both months, with decreasing import flows since the implementation on 8th of July, of the anti-dumping duties on tires produced in China. On the Chinese market, after a strong growth recorded in the first half, demand was flat in both July & August pointing to a normalizing trend.

Based on the first two months of the quarter, we expect the global Replacement market to be around flat in Q3.

- ⇒ Turning now to the tire market in the **Transportation** segment (Trucks & Connected fleet services), as usual we refer to the global market excluding China. The most notable development this quarter was the recovery in OE: the market was positive in both July and August, led by North America where the rebound anticipated for the second half is now taking shape. South America also returned to growth, although market conditions remain fragile, particularly in Brazil. In Europe, market trend remained positive overall.

As a result, we expect the global OE truck market excluding China to be clearly positive over the quarter.

On the Replacement markets, *sell-in* demand remained broadly stable over the quarter. North America continued to be the weak spot, but the decline is narrowing down, reflecting lower tire imports and still soft freight activity. Europe remained positive, supported by a resilient transport demand and strong imports, while South America market continued to grow.

Over the quarter, we expect the global Replacement market excluding China to be close to flat.

- ⇒ In the **Specialty** segment (Beyond Road, Mining and Aircraft), market conditions remained mixed, in line with what we described at H1: Mining demand remains supportive across its main segments and Aircraft market remains solid despite an uncertain geopolitical context. Beyond-Road markets stay under pressure, in particular, Agricultural OE that remains depressed, especially in North America despite government support measures: there, we do not count on any rebound before 2027. In Europe, the improvement that had been anticipated for H2 has not materialized, with soft market demand over the summer. Infrastructure is slightly positive and Material handling continues to be affected by a subdued industrial environment.

[Q3 Revenue]

Let us now turn to Group Revenue.

As regards **volumes** for Tires, the quarter was affected by market softness mentioned earlier. The main positive development came from the gradual recovery of OE markets in Truck, it was expected. All in all, we expect the quarter to post stable or slightly positive development at iso-perimeter, on a year-on-year basis.

- ⇒ In the **Consumer** segment, volumes should post modest growth vs last year, weakened by the OE market impact, but supported on the Replacement segment by the continued strong performance of the MICHELIN brand, reflecting the attractiveness of our latest product ranges and the resilience of



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premium demand. Tier-2 and tier-3 brands remain under pressure from low-priced tires, where distributor inventories are still high. At Original Equipment, the picture stays weak, in Europe and across the Americas, in line with market developments. China, on the other hand, is favorable for us and growing. Two-wheel keeps a good momentum.

- ⇒ In the **Transportation** segment, the sequential improvement is most visible in Original Equipment, which confirms the growth that was expected for the second half, driven by North America recovery. Replacement, on the other hand, is slowing down, reflecting primarily softer sales performance in Europe, and continued weakness in North America.
- ⇒ In the **Specialty** segment, the picture remains contrasted. Mining continues to perform well across its key segments, while Aircraft remains positively oriented across the board. Beyond-Road remains negative, penalized by Agriculture at OE and by a weak Material handling; Construction is also affected by the carve-out of the compact line activities.

The **Price-mix** contribution is expected to remain positive YoY in the quarter:

- ⇒ Price effect should turn neutral or positive, with indexation clauses limited to a slight negative effect before turning positive in Q4. As already communicated, price increases were passed in Replacement in reaction to Raw Mat price hikes. This was deployed in a context of intensified competition due to the general markets situation, and the Group continues to value its differentiation and its Brand premium, by product and by destination market, whilst ensuring the right positioning in terms of competitiveness.
- ⇒ Mix effect remains structurally positive, supported by a richer product mix in Passenger car tires, and a favorable brand mix.

Switching now to **Polymer Composite Solutions** segment: the dynamics observed in the First half of the year continue, with contrasted situations depending on the product categories: Conveyors remain the drag, while all other product categories are growing.

As regards to the **Scope** effect, it will be positive and improved versus Q2 since TexTech has been integrated since July, on top of Cooley Group and Flexitallic which had been integrated earlier in H1. This is partly offset by the divestment of the compact line activities in the Construction segment.

Finally, the **forex** effect has turned into a tailwind over the quarter thanks to a stronger USD to the Euro, YoY.

[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 October 20th for the release of our Q3 sales.

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