



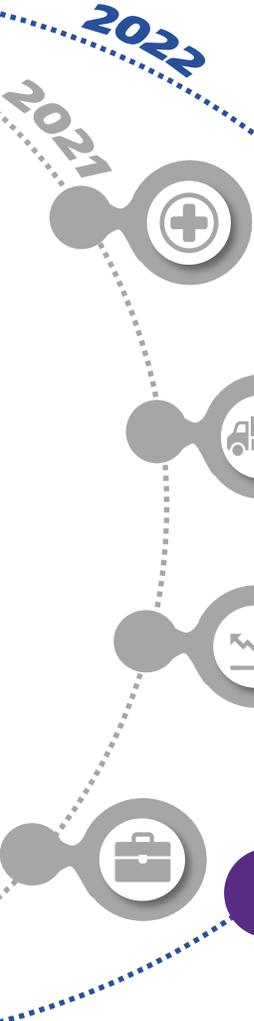
JUNE 14,
2022

**CEO CONFERENCE
EXANE BNP PARIBAS**





DISRUPTIONS FACTORS CONFIRMED, 2022 FY MARKETS EXPECTED AT THE BOTTOM OF THE RANGES PRESENTED

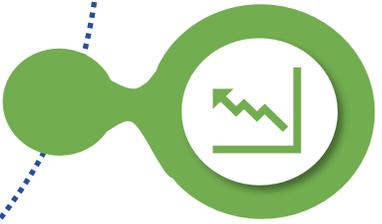


Unpredictable health situation
Still affecting production in several countries and many industries, creating new bottlenecks and additional inflation – intensified in China



Transportation crisis

- Maritime shipping
- Truck drivers



Further increase in costs

- Raw materials
- Logistics services
- Energy inputs



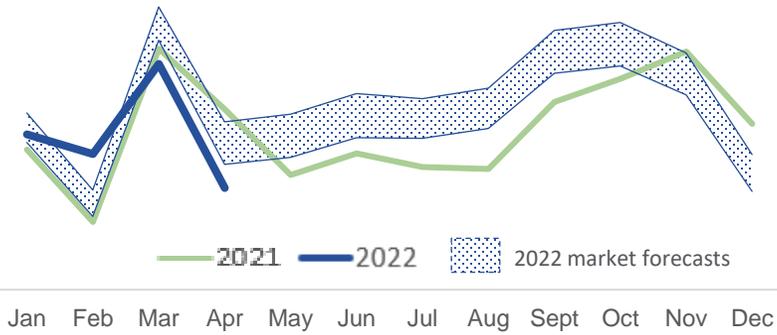
Labor shortages / Increasing social tensions

- The labor shortage has started to ease in North America
- Salary claims and social tensions expected to increase



Global Passenger car/Light truck tire market

(units)



FY market scenarios

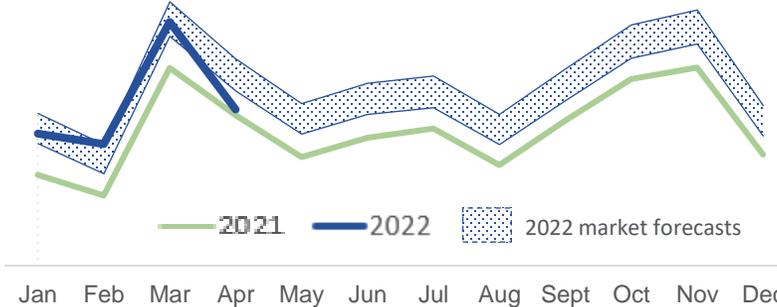
Ranges presented with Q1 22 sales

[0% ; 4%]



Truck tire market (excluding China)

(units)



[3% ; 7%]



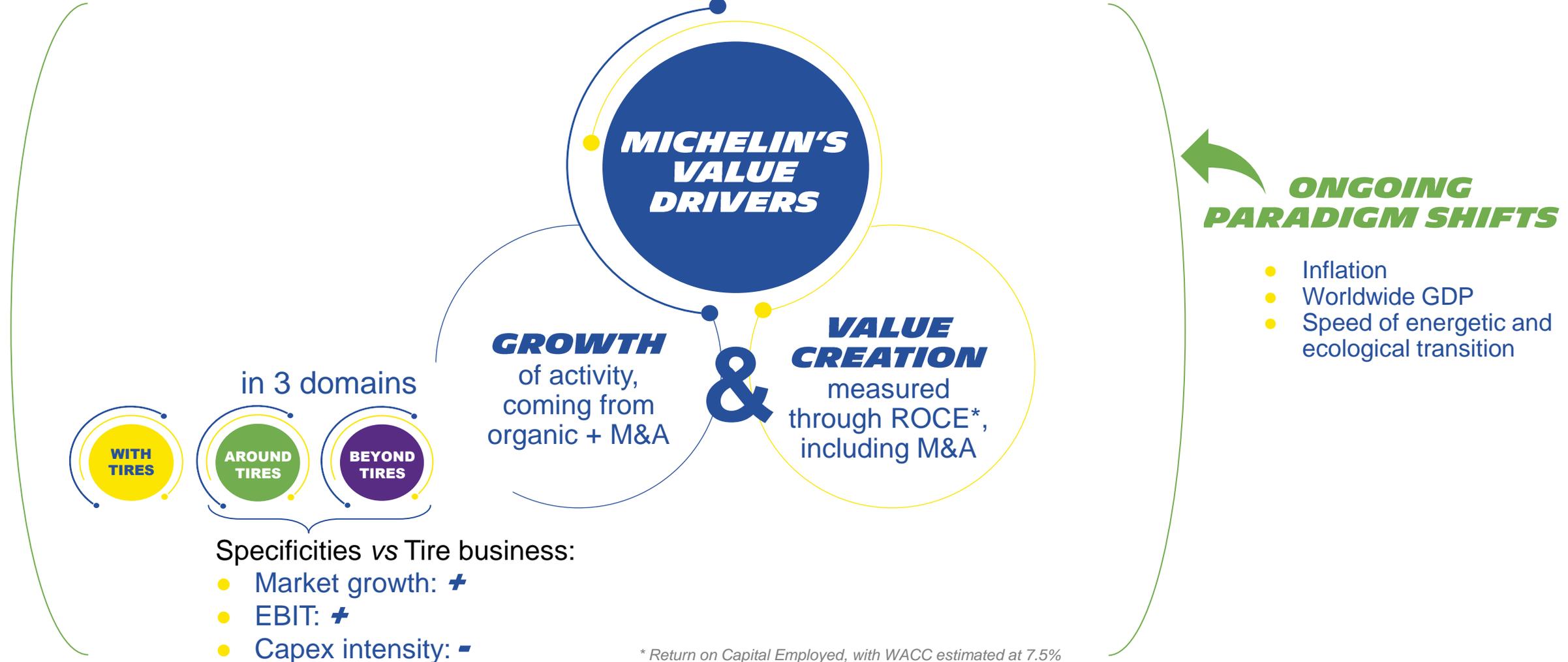
Specialties tire market

[6% ; 10%]





EQUITY STORY: MICHELIN'S VALUE WILL BE DRIVEN BY GROWTH AT A TIME OF SHIFTING PARADIGMS



Specificities vs Tire business:

- Market growth: +
- EBIT: +
- Capex intensity: -

* Return on Capital Employed, with WACC estimated at 7.5%



APRIL 26,
2022

Q1 2022 SALES





IN A CONTEXT OF EXACERBATED OPERATIONAL DISRUPTIONS SINCE THE BEGINNING OF THE YEAR, THE GROUP REPORTED €6.5BN IN SALES IN Q1, A RISE OF 19%

- In Q1 2022, existing operational disruptions were exacerbated by the systemic impact of the conflict in Ukraine and the resurgence of Covid-19 in China, putting more pressure on already tight supply chains and driving up costs even further.
- In this context, worldwide demand was up in Q1:
 - The PC/LT tire market grew by 2%, dragged down by ongoing disruptions in OE, mainly in Europe, while the RT segment trended upward
 - The Truck tire market expanded by 4% outside China, but plunged a steep 37% in China
 - Specialty markets remained robust in all segments, with strong underlying demand in Mining in a market still limited by supply shortages
 - January and February were dynamic, while March was hard hit by the impact of the conflict in Ukraine and the resurgence of Covid in China, against an unfavorable basis of comparison
- Consolidated sales ended the first quarter at €6.5bn, up 19.0% year-on-year, of which a 3.4% positive currency effect :
 - a 11.9% gain from price increases, designed to offset further costs increases
 - a 1.6% increase from the mix effect, reflecting growth in the 18"+ segment and a favorable OE/RT mix in the Automotive division
 - a 0.5% growth in tire volumes, limited by multiple operational disruptions
 - a 0.8% gain from external growth, mainly from the consolidation of Allopneus.com at the end of 2021
 - a strong 11.9% increase in non-tire sales
- The Group maintains its guidance for 2022 ⁽¹⁾

⁽¹⁾ Barring any increase in systemic impacts, such as deeper supply chain disruptions or tighter restrictions on freedom of movement that could result in a significant drop in the tire markets.

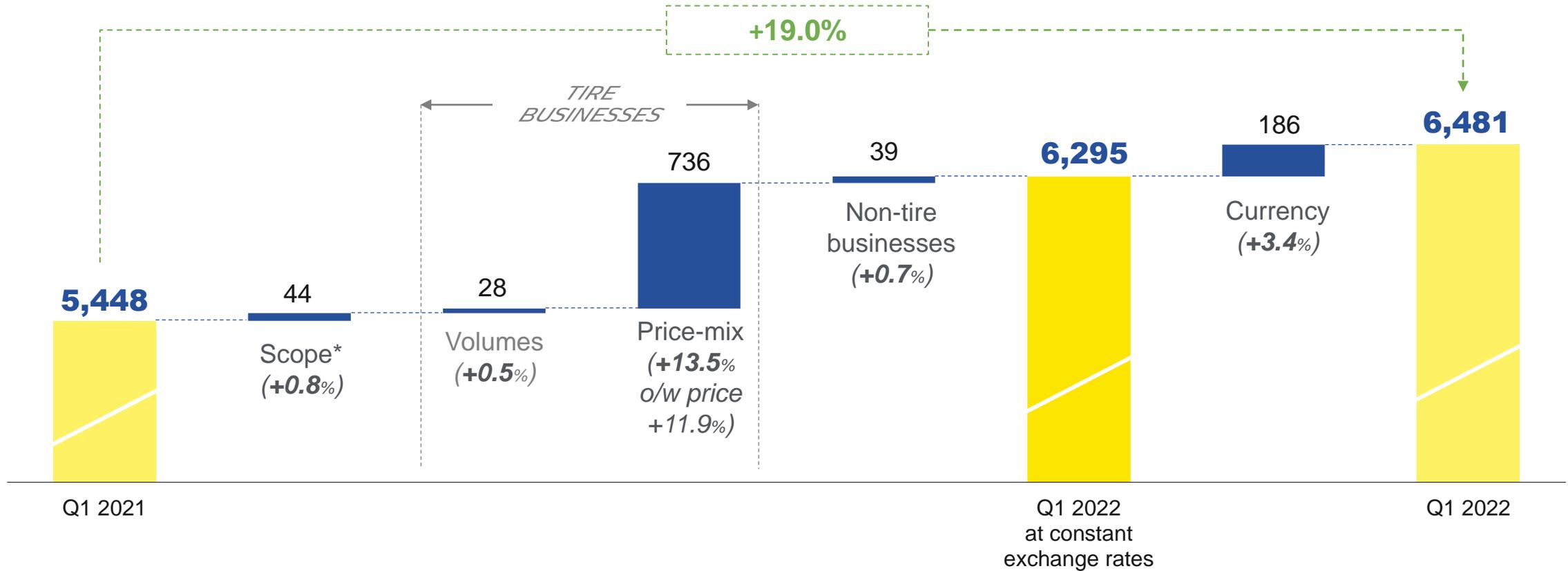


SALES GROWTH OF 19% IN Q1 2022
DYNAMIC TIRE PRICING IN A HIGHLY INFLATIONARY ENVIRONMENT
NON-TIRE SALES UP BY 11.9% OR €39M AT CONSTANT EXCHANGE RATES



Analysis of first quarter sales

(in € millions and as a %)



* Deconsolidation of the printing, publishing and marketing businesses associated with Maps & Guides for France (Michelin Editions) on February 1, 2021, and of Solesis on May 28, 2021; consolidation of TechnoBalt on May 1, 2021, and Allopnus.com on December 30, 2021.



SALES GROWTH IN EVERY SEGMENT RESTRICTED BY OPERATIONAL DISRUPTIONS, DYNAMIC PRICING POLICIES IMPLEMENTED IN ALL NON-INDEXED BUSINESSES

<i>(in € millions)</i>		Q1 2022	Q1 2021	<i>Change</i>
	RS1 sales <i>Volumes</i>	3,254 -	2,694 -	+20.8% <i>+0.2%</i>
	RS2 sales <i>Volumes</i>	1,674 -	1,388 -	+20.6% <i>+2.6%</i>
	RS3 sales <i>Volumes</i>	1,553 -	1,366 -	+13.7% <i>-0.9%</i>

In an environment shaped by strong inflation and significant operational disruptions:

- **RS1:** dynamic pricing management led to strong growth in sales, with OE impacted by the shortage of spare parts, and with strong demand for 18”+ Replacement tires helping to maintain a favorable OE/RT mix.
- **RS2:** strong growth in sales was impelled by responsive pricing management and continued expansion in fleet management solutions, on the back of sustained demand in Europe and the Americas, with a focus on the highest value market segments.
- **RS3:** dynamic pricing management in the non-indexed businesses and higher volumes in most businesses – Beyond Road, Two-wheel, Aircraft, Conveyor Belts – led to growth in sales. Despite easing pressure on the upstream supply chain and an appropriate staffing level, Mining sales were still held back by shipment disruptions in Q1.



CONFLICT IN UKRAINE: MANAGING THE IMPACT

- Michelin condemns unequivocally any violation of international laws. The Group's position is always on the side of its employees, regardless of the nation they called home, and their safety is always the number one priority. Michelin is fully complying with the sanctions that are being adopted by the international community in each country where it operates.
- Group exposure to Ukraine and Russia:
 - About 1,000 people, of which 750 are employed in our plant in Davydovo (less than 2 million Passenger car tires per year, i.e. ~1% of the Group's Automotive tires worldwide capacity); plant operations were suspended mid-March;
 - Around 2% of Group sales (based on 2021);
 - Balance sheet exposure at the end of December 2021: ~€200m, of which €40m in fixed assets⁽¹⁾.
- Impact of the conflict on the Group:
 - Production in Europe: ~3 days on average of monitored shut down;
 - Alternative sourcing activated for raw materials, more particularly carbon black;
 - The conflict has exacerbated already existing disruptions and fueled additional inflation (mainly energy in Europe and transportation).

⁽¹⁾ See section 5.1.11 of the 2021 Universal Registration Document for more details, available on <https://www.michelin.com/en/finance/regulated-information/financial-publications/>

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2022 GUIDANCE





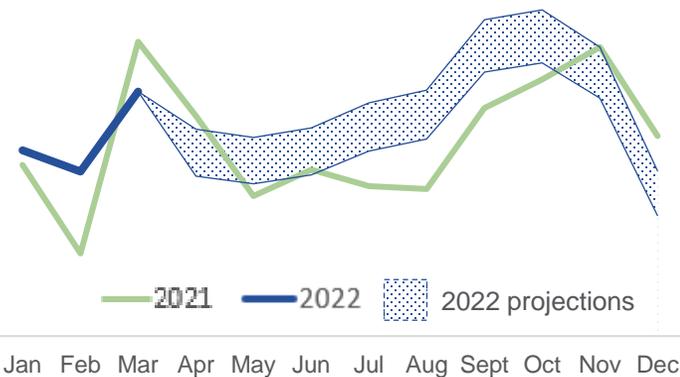
2022 MARKET SCENARIO: GROWTH EXPECTED AT THE LOWER END OF RANGES, IN A PERSISTENTLY DISRUPTED ENVIRONMENT



PC/LT: +0%/+4%*

- OE: supply difficulties expected to constrain OEM demand, mainly in Europe
- RT: global demand to remain high, without significant inventory rebuilding

PC/LT market forecast (units)

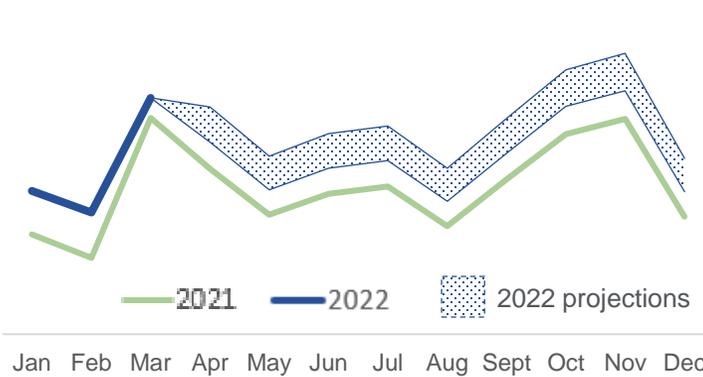


TRUCK excl. China: +3%/+7%*

Truck tires worldwide: +1%/+5%*

- OE: demand outside China expected to keep growing, despite some new supply difficulties
- RT: global demand to remain strong, buoyed by freight demand in every region

Truck market forecast, excluding China (units)



SPECIALTIES: +6%/+10%*

- Mining tires: demand to remain robust, but the health crisis and supply chain disruptions will continue to complicate operations in H1
- Off-the-road tires: growing demand, despite some supply difficulties in OE
- Two-wheel tires: sustained growth
- Aircraft tires: growth in demand from still weak comparatives

*vs. 2021





2022 SCENARIO MAINTAINED

	2022
Volumes	In line with markets
Cost impact of raw materials prices, customs duties, transportation and energy	Strongly negative
Net price-mix / raw materials, manufacturing and logistics performance	Neutral



2022 GUIDANCE MAINTAINED ⁽¹⁾

	2022
Segment operating income at constant exchange rates	> €3,200m
Structural free cash flow ⁽²⁾	> €1,200m

⁽¹⁾ Barring any new systemic effect: deeper supply chain disruptions or tighter restrictions on freedom of movement that would result in a significant drop in the tire markets.

⁽²⁾ Structural free cash flow corresponds to free cash flow before acquisitions, adjusted for the impact of changes in raw material costs on trade payables, trade receivables and inventories (see definition slide 63).



GLOSSARY

Free cash flow (FCF)

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, adjusted for net cash flows relating to cash management financial assets and borrowing collaterals.

Structural free cash flow

Corresponds to free cash flow before acquisitions, adjusted for the impact of changes in raw materials costs on trade payables, trade receivables and inventories.

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.

Free Cash Flow (FCF)

+ M&A

= Free Cash Flow before M&A

+/- Adjusted for the impact of changes in raw materials costs

= **Structural Free Cash Flow**



DISCLAIMER

"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 <http://www.michelin.com/en/> website.

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Guillaume JULLIENNE
Pierre HASSAÏRI
Flavien HUET

27, cours de l'île Seguin
92100 Boulogne-Billancourt – France

23, place des Carmes Dechaux
63040 Clermont-Ferrand Cedex 9

investor-relations@michelin.com