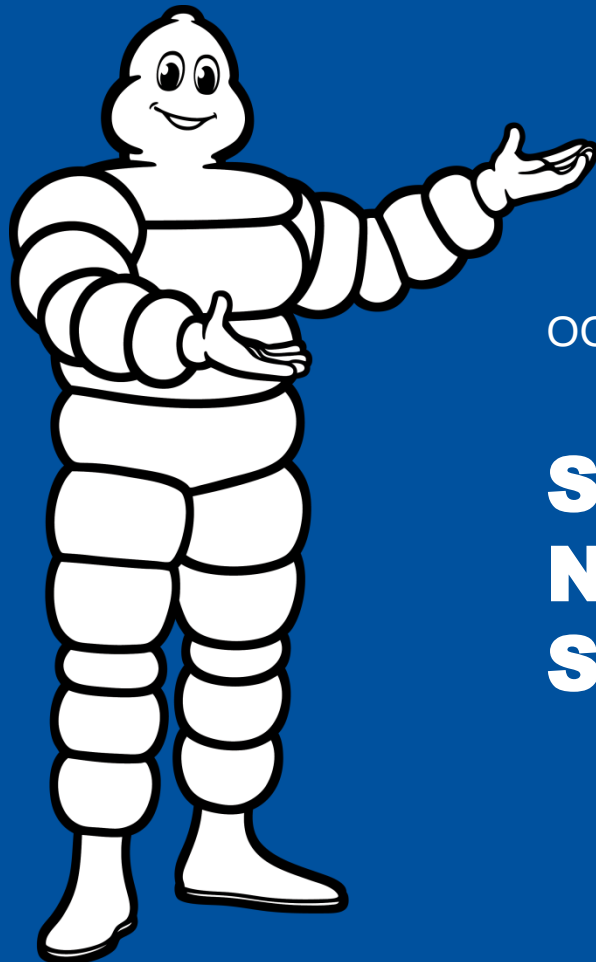




OCTOBER 24, 2019

**SALES FOR THE
NINE MONTHS ENDED
SEPTEMBER 30, 2019**

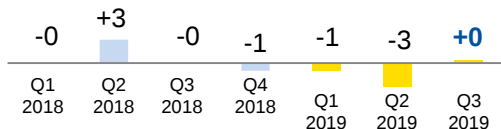
Nine-month sales up 10.4%, lifted by the contribution from acquisitions and a robust price-mix effect

- In weaker than expected markets, Michelin's volumes declined by 0.8% in the first nine months of 2019, with in particular:
 - A contraction in Automotive tire volumes, in line with the markets; sustained growth in the 18-inch and larger segment
 - A decline in Truck tire volumes in increasingly difficult markets
 - A Growth in the mining tire business, in line with expectations
 - A steeper than expected drop in the agricultural and construction tire markets
- A 2.1% improvement in the price-mix effect (+2.9% in Q3), attributable to:
 - Disciplined price management in every business and region, in particular with price increases in the third quarter
 - A strong mix effect, shaped by a favorable business mix and a firm product mix in the Automotive segment
- Contribution from acquisitions in line with expectations (+7.1%)
- Sustained deployment of the competitiveness plan

Weaker demand in Truck and Off-the-road tires; Passenger car and Mining markets in line with expectations



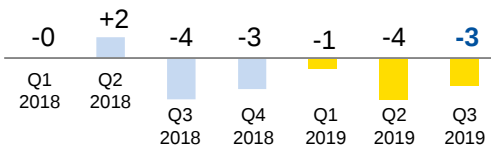
PC/LT 9M 2019: -1%



- OE: worldwide demand down 7% (-4% on Q3), especially in China, India and Europe
- RT: demand well oriented in North America, still weak in Europe, penalized by slow start of winter
- Chinese RT market still dynamic



TRUCK 9M 2019: -3%



- OE: global demand contraction, driven by Europe and India; market downturn in North America in Q3
- RT: steep drop in demand in the Americas, and to a lesser extent in China; growth in Europe, driven by imports



SPECIALTIES*: ~ +0%

* Estimated full-year 2019

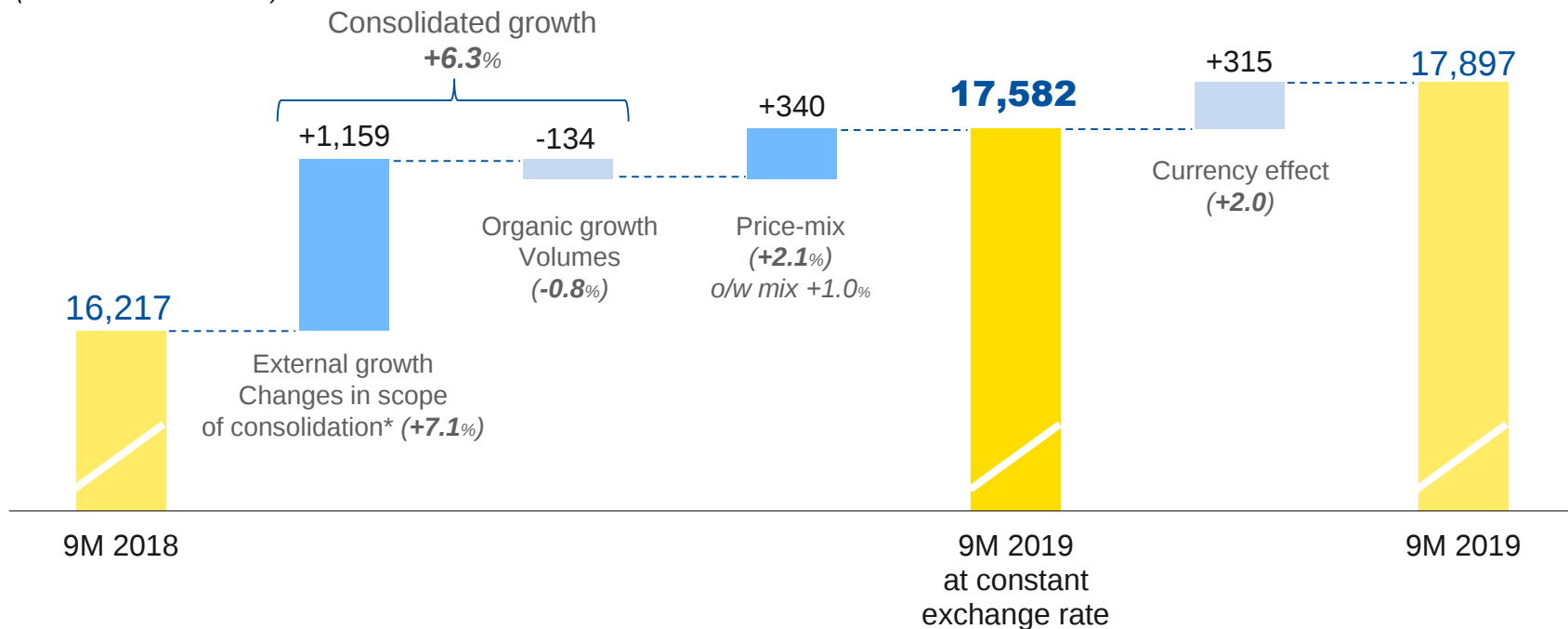
- Mining tires: sustained 4% growth in demand, in line with actual tire consumption
- Off-the-road: steeper downturn in the agricultural tire market and strong decline in OE Construction tire demand
- Growth in the two-wheel commuting and aircraft segments

Source: Michelin estimates. Those estimates are regularly adjusted and may be updated following their initial publication.

9M 2019 sales: up 10.4%, lifted by acquisitions, disciplined price management and the sustained improvement in the mix

▲ YoY change in sales

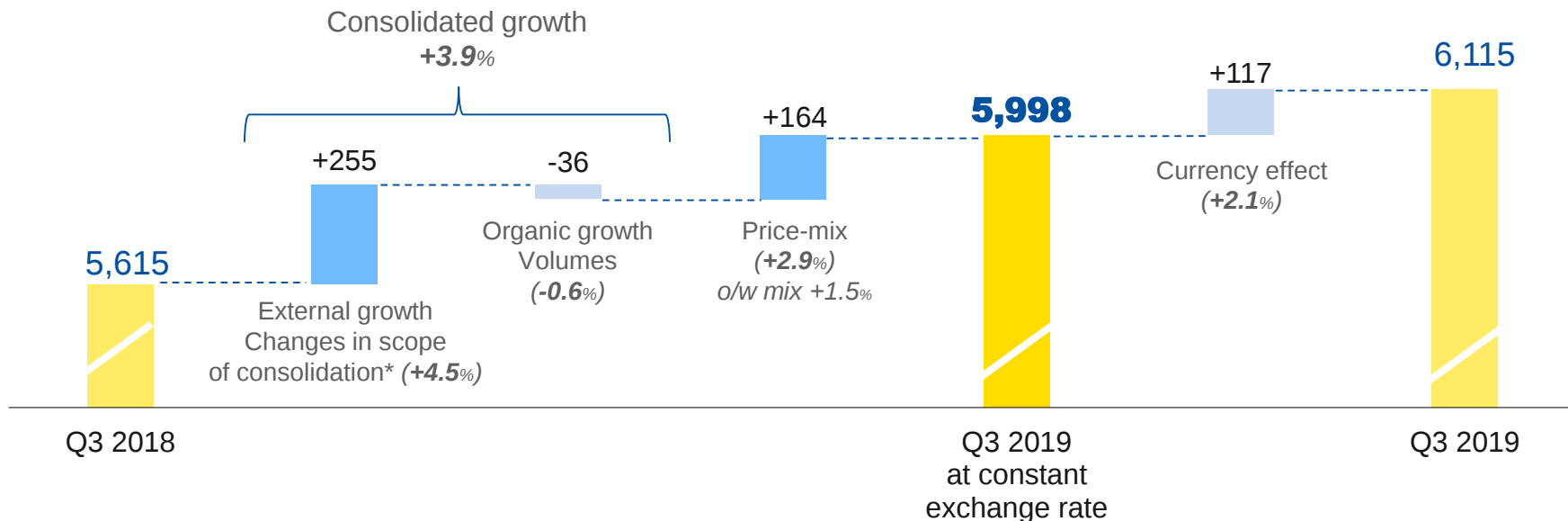
(in € millions and %)



* Fenner, Camso, Multistrada, Masternaut, Tablet and deconsolidation of the TCI tire wholesaling chain

Q3 2019 sales: up 8.9%, supported by an active price-mix strategy and the contribution of recent acquisitions

▲ YoY change in sales (in € millions and %)



* Camso, Multistrada, Masternaut, Tablet

9M 2019: despite weaker volumes, sales growth in every division supported by mix enrichment, firm pricing policy and acquisitions

(in € millions)		9M 2019	9M 2018 restated	Change	9M 2018 reported
	SR1 sales	8,634	8,327	+3.7 %	8,332
	SR2 sales	4,833	4,719	+2.4 %	4,324
	SR3 sales	4,430	3,171	+39.7 %	3,561

- **SR1:** Sales increase mainly driven by the strong product mix with a higher proportion of 18"+ tires in the sales mix (43% as at Sept 30 vs. 39% year earlier), led notably by the success of the MICHELIN Pilot Sport 4 SUV
- **SR2:** Declining volumes due to weaker markets, notably in Europe, offset by disciplined price management
- **SR3:** Sustained growth in mining activities, including the strong performance of Fenner, offset by the steep decline in agriculture and construction markets

October 24, 2019

Sales for the nine months ended September 30, 2019

A vertical Michelin tire stands on a wet asphalt road in a forest. The tire is black with a visible tread pattern. The road is dark and reflective, showing the tire's shadow. The background is a dense forest of tall, thin trees with green foliage.

**2019 guidance
confirmed**

2019 market scenario: PC/LT down for the year, hurt by OE; steeper decline in Truck tire demand; Mining growth offset by fall in Ag and Construction



PC/LT: ~ -1%

vs. ~ -1%

- OE: sustained decline in demand in every region (-6%)
- RT: markets up slightly in every geography with a slight pick-up in Chinese demand
- RT ≥18" demand up by around 10%



TRUCK ~ -4%

vs. ~ -2%

- OE: slowdown in North America; contraction in Europe
- RT: further decline in demand in North America; slight increase in the European market
- Chinese market down



SPECIALTIES: ~ +0%

vs. ~ +2%

- Mining tires: sustained 4% growth in demand, in line with actual tire consumption
- Off-the-road: steeper downturn in the agricultural tire market and strong decline in OE construction tire demand
- Growth in the Two-Wheel commuting and Aircraft segments

2019 guidance confirmed

	2019
Volumes	Growth in line with the markets
Segment operating income at constant exchange rates <i>before the estimated €150m additional contribution from Camso and Fenner</i>	> 2018
Structural FCF <i>including the positive €150m accounting impact from IFRS 16</i>	> €1,450m

2019 scenario*

	2019
Cost impact of raw materials prices and customs duties	~ - €100m
Currency effect	Slightly positive **
Effective tax rate	Standard ETR reduced to 26%***
Net price-mix/raw materials effect	> €200m
Competitiveness plan gains vs. inflation	Positive

* Based on the following average prices and exchange rates for 2019: Natural rubber: \$1.45/kg; butadiene (US, Europe and Asia): \$0,969/t; Brent: \$63/bbl; EUR/USD: 1.12

** Based on September 2019 rates. See slide 32

***Based on currently available information

A stack of several black tires with a visible tread pattern, arranged vertically. The tires are slightly out of focus, with the top ones being sharper.

October 24, 2019

Sales for the nine months ended September 30, 2019

A short, thick yellow diagonal line pointing from the top-left towards the bottom-right.

2020 market assumptions

2020 market outlook

(in millions of units)		2019e	2020e	
	SR1	~ -1%	Flat to -1%	Replacement market slightly up OE market down ~-3%
	SR2	~ -4%	From -1% to -2%	Steep market decline in Europe and North America Stable demand in China and India
	SR3	~ +0%	Flat to -2%	Mining, Aircraft and 2W markets positive Steeper drop in Off-the road tire demand



October 24, 2019

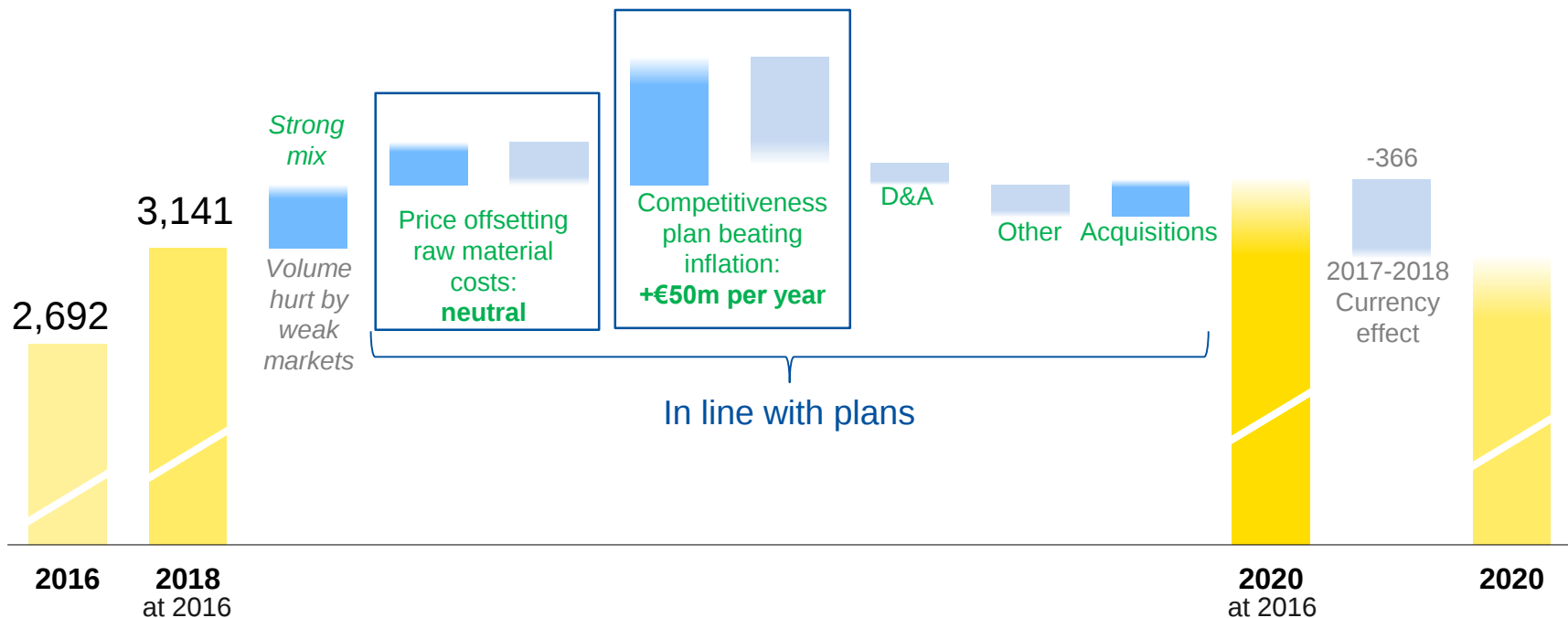
Sales for the nine months ended September 30, 2019



Appendices

2018-2020: in adverse market environment, SOI supported by strong price-mix and competitiveness plan execution

▲ 2018-2020 SOI growth (in € millions)



14

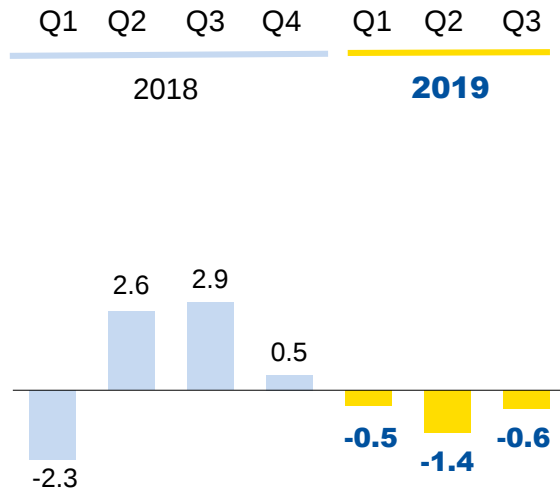
exchange rates

Sales for the nine months ended September 30, 2019 - October 24, 2019

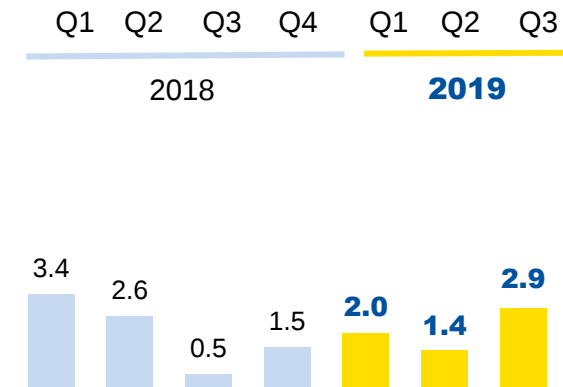
Q3 2019: as falling demand weighed on volumes, a priority focus on margin protection with a robust price-mix

▲ YoY change, by quarter
(in %)

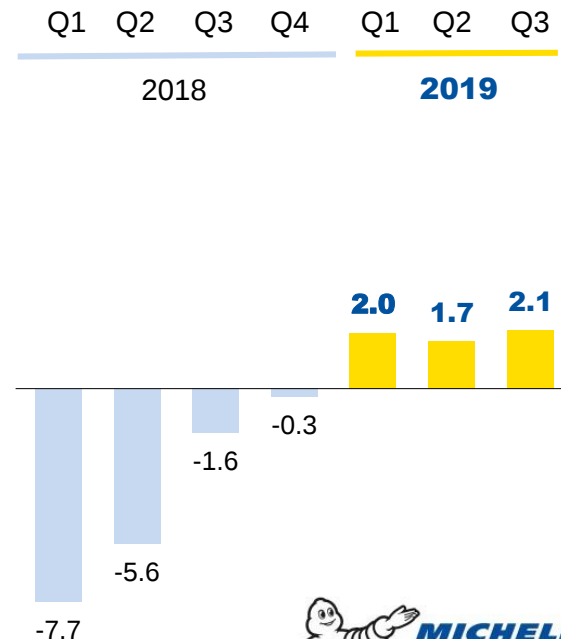
Volumes



Price-mix

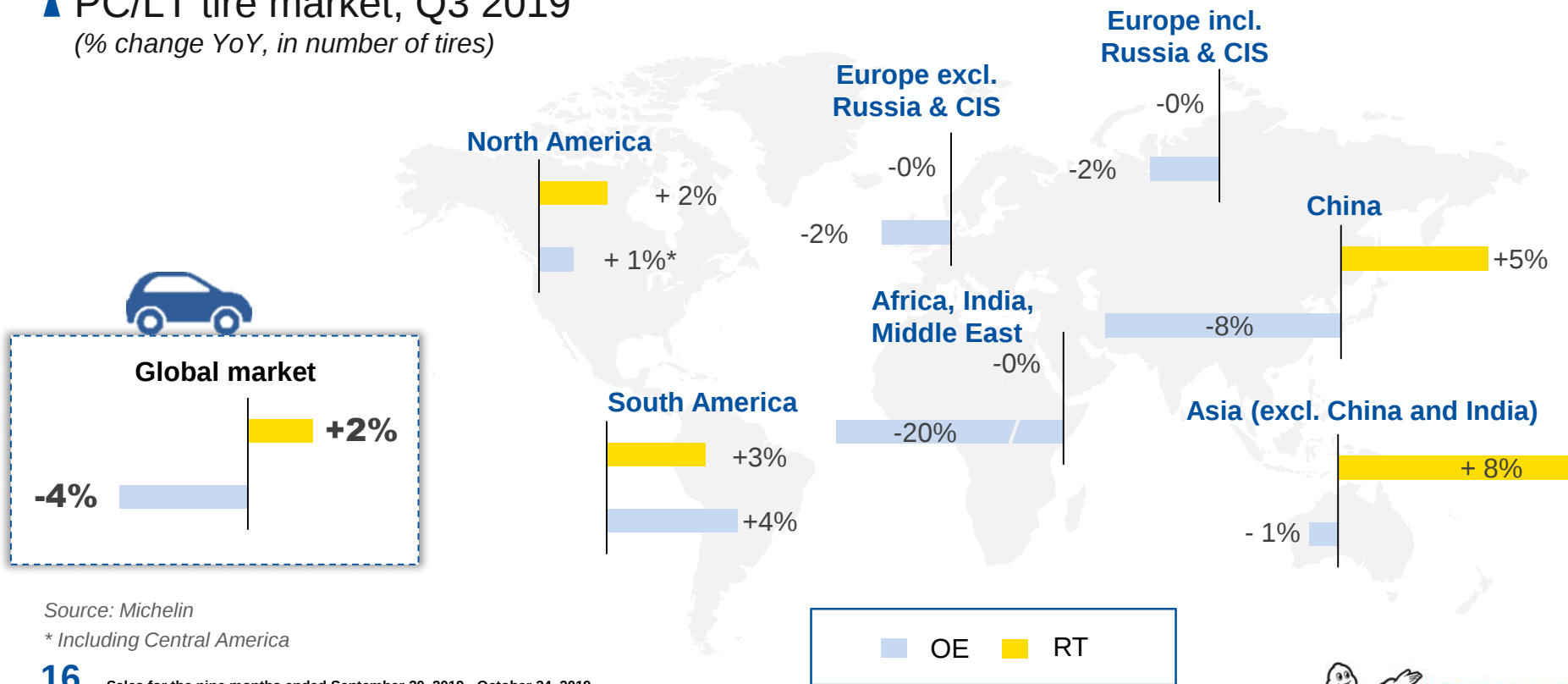


Currency effect



PC/LT: OE demand down sharply in every region; slight growth in the RT market, led by North America, China and East Asia

▲ PC/LT tire market, Q3 2019 (% change YoY, in number of tires)

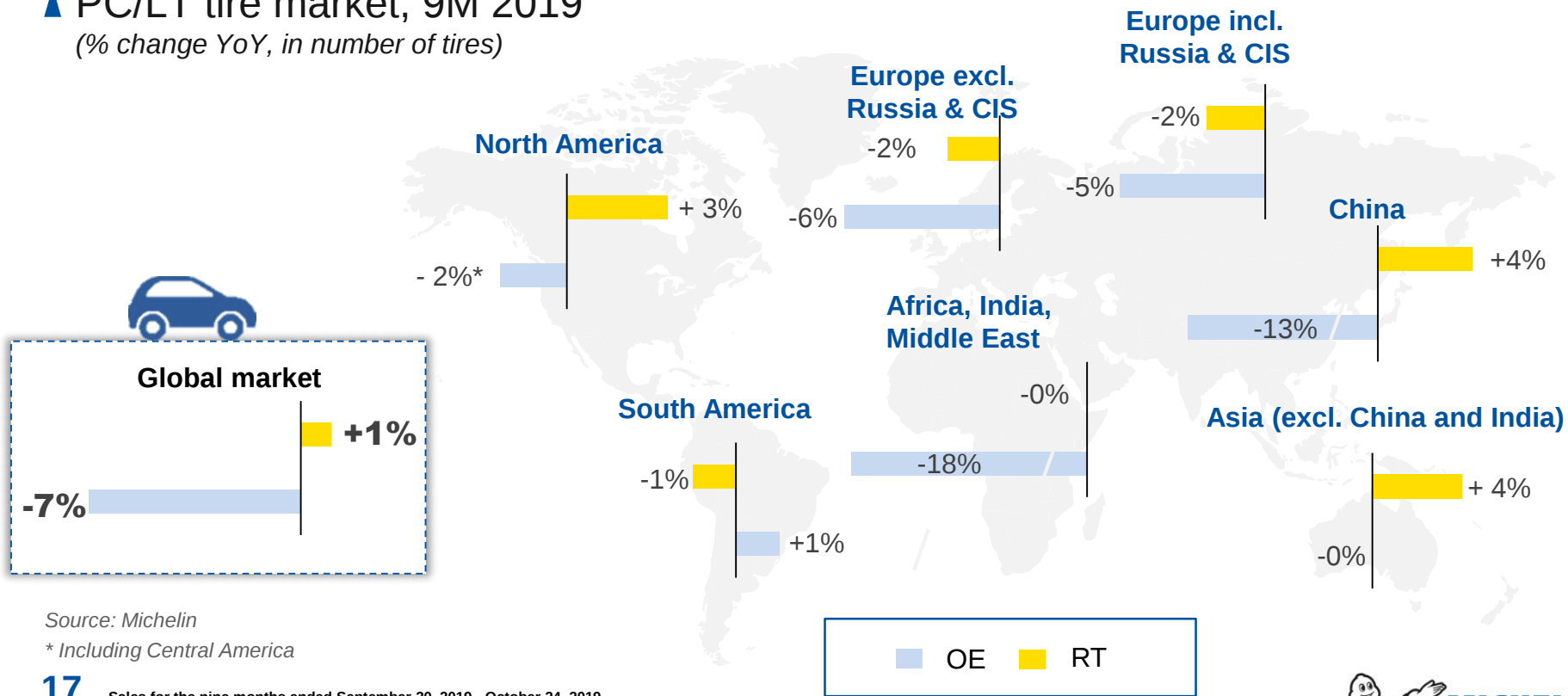


Source: Michelin

* Including Central America

PC/LT: OE demand down sharply in every region; RT market down in Europe, up in North America, China and East Asia

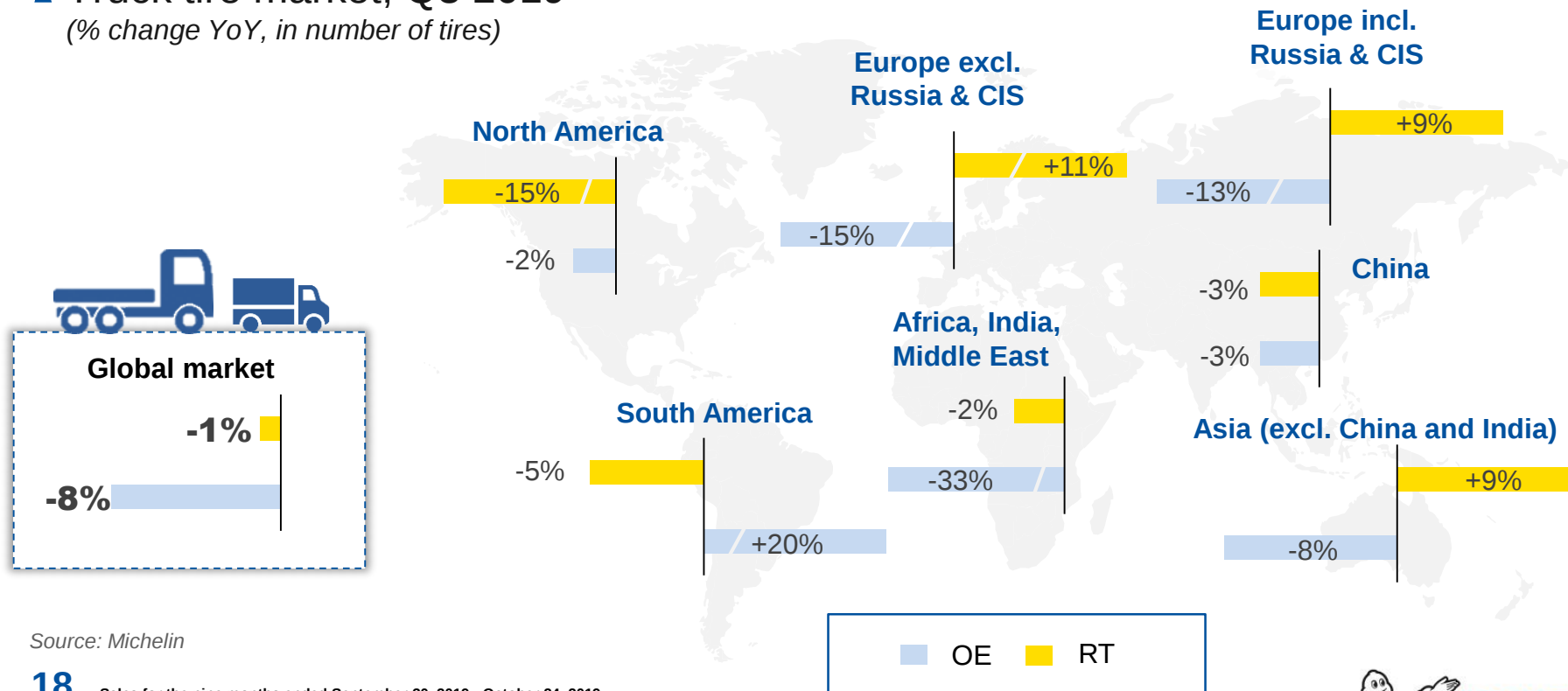
▲ PC/LT tire market, 9M 2019
(% change YoY, in number of tires)



Truck: OE demand down in every region except South America; weak RT demand in North America and China offsets a dynamic market in Europe lifted by Asian imports

▲ Truck tire market, Q3 2019

(% change YoY, in number of tires)

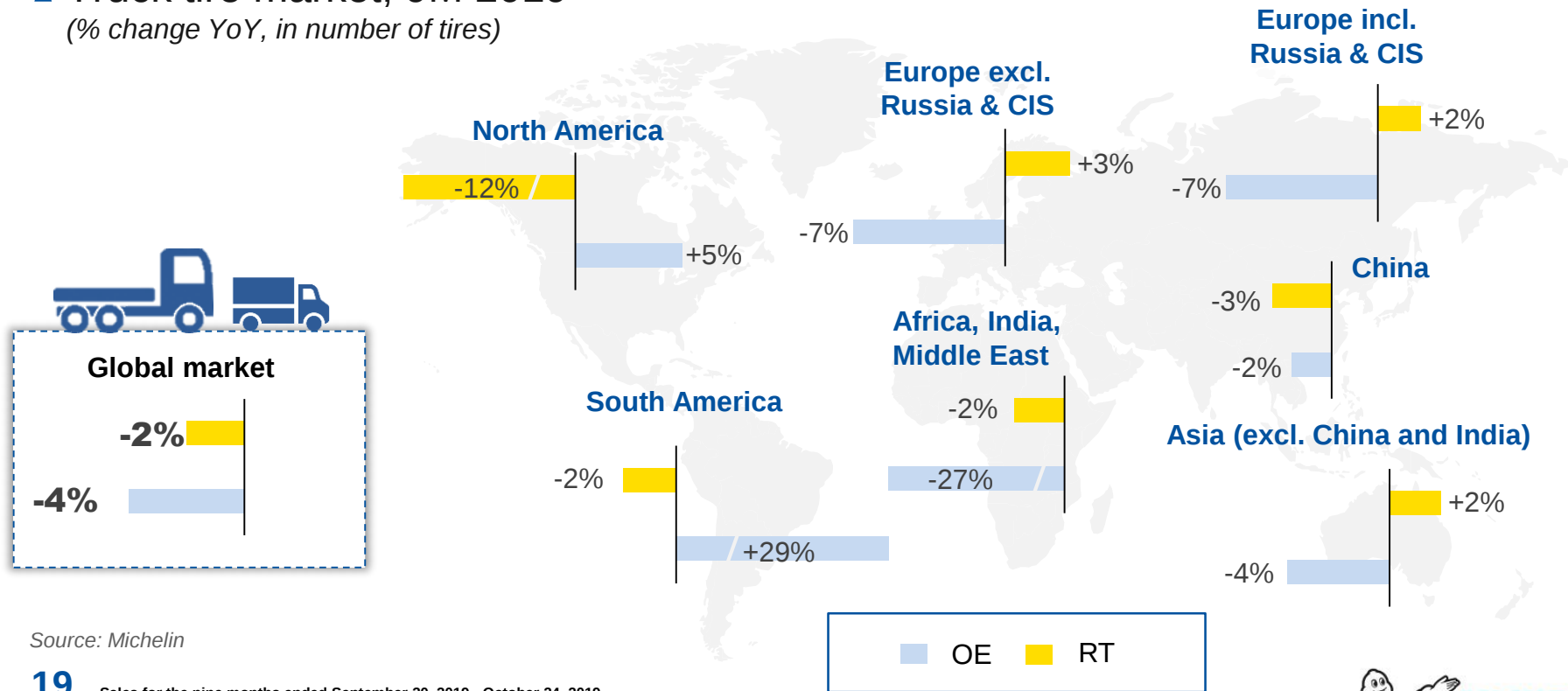


Source: Michelin

Truck: declining OE demand penalized by Indian market and European economic slowdown; weak RT demand mainly due to North America

▲ Truck tire market, 9M 2019

(% change YoY, in number of tires)



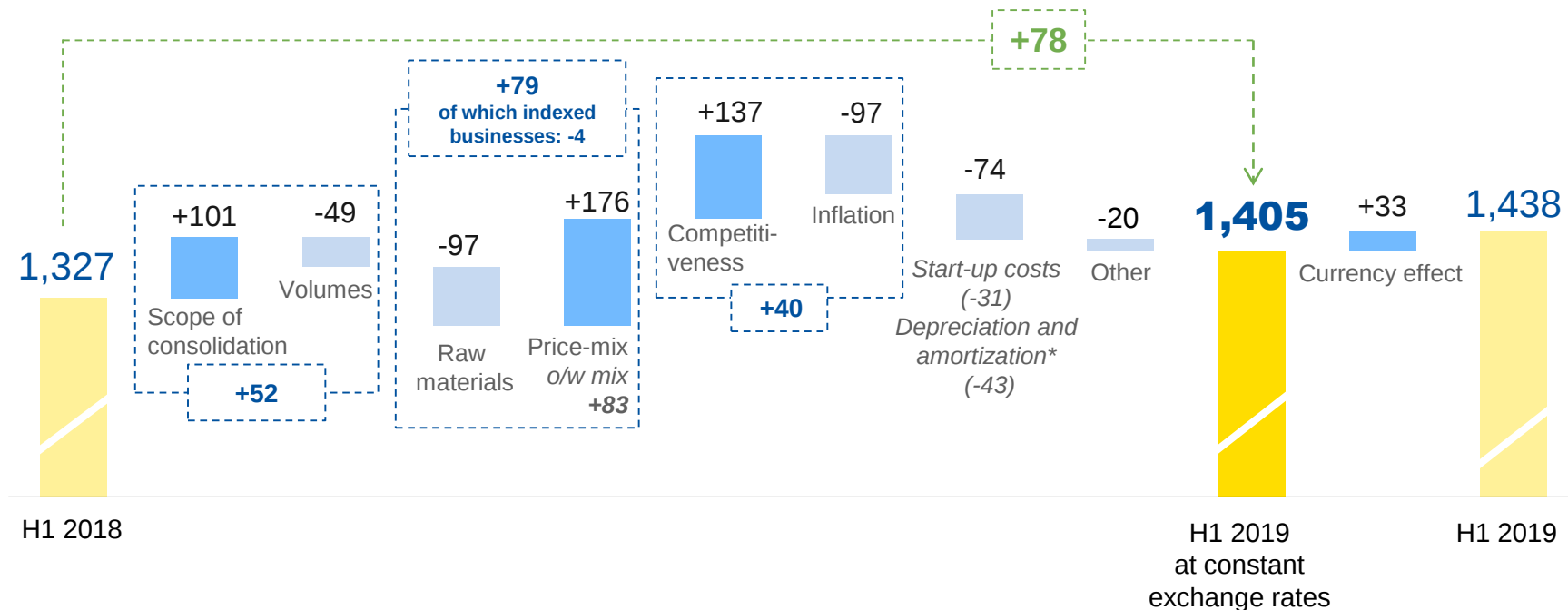
Source: Michelin

19

Sales for the nine months ended September 30, 2019 - October 24, 2019

H1 2019: Segment operating income up €78m, on the combined impact of acquisitions, a robust price-mix and the competitiveness plan

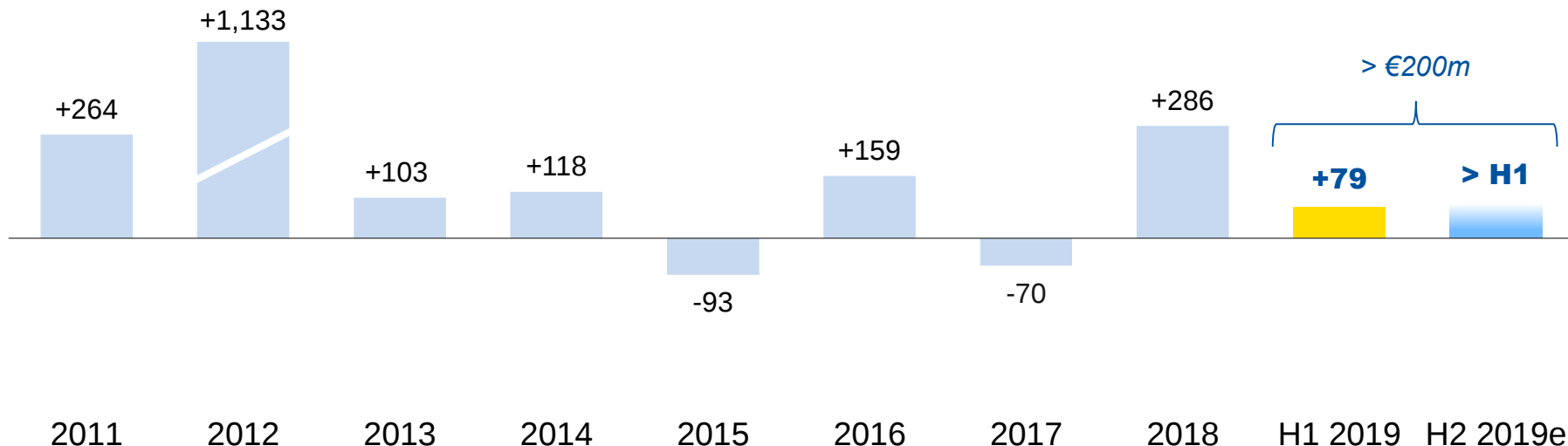
▲ YoY change in SOI (in € millions)



* Excluding IFRS 16

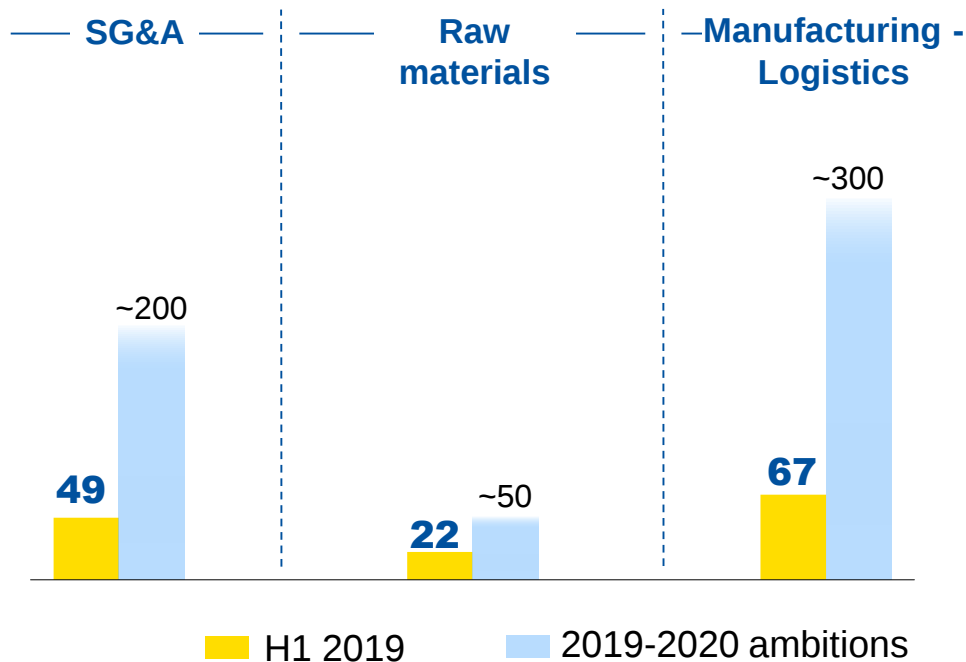
Michelin demonstrates a capacity to protect its margin in a highly competitive market environment

▲ Net price-mix/raw materials effect (in € millions)



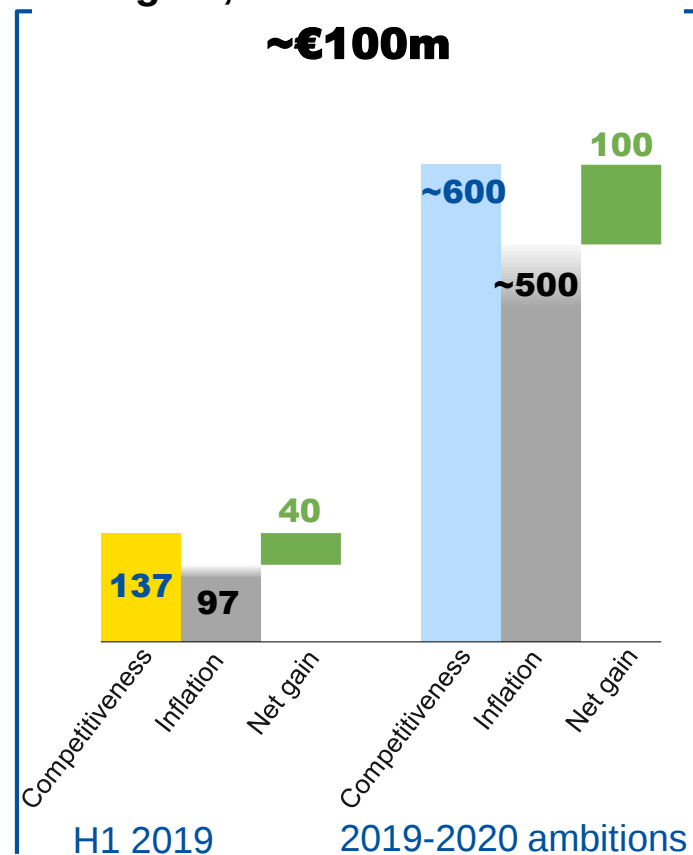
2019-2020 ambitions for the competitiveness plan vs. inflation: €40m in net savings in H1 2019

▲ €137m cumulated savings in H1 2019*



*Before inflation and including avoided costs.

Net gain, 2019-2020 ambitions ~€100m



Sales and SOI by RS: 2018 reported and restated

(in € millions)		2018 Restated**	2018 reported	Change
	SR1 Sales	11,332	11,340	- 0%
	Operating income*	1,295	1,314	- 1%
	Operating margin*	11.4%	11.6%	- 0.2 pt
	SR2 Sales	6,378	5,852	+ 9%
	Operating income*	612	513	+ 19%
	Operating margin*	9.6%	8.8%	+ 0.8 pt
	SR3 Sales	4,318	4,836	- 11%
	Operating income*	868	948	- 8%
	Operating margin*	20.1%	19.6%	+ 0.5 pt

• For the segment

**Following the acquisition of Camso and the merger of the Off-road businesses, certain minor adjustments have been made to the composition of the segments.

Restatement of cost of services sold in the dealership networks from SG&A expenses to gross income

(in € millions)				As a % of sales	
	2018 reported	Restatement	2018 restated	2018 reported	2018 restated
Sales	22,028	-	22,028		
Cost of sales	(14,912)	(605)	(15,517)	67.7%	70.4%
Gross income	7,116	(605)	6,511	32.3%	29.6%
Sales and marketing expenses	(1,862)	595	(1,267)	8.5%	5.8%
Research and development expenses	(648)	10	(638)	2.9%	2.9%
General and administrative expenses	(1,826)	-	(1,826)	8.3%	8.3%
Other segment income and expenses	(5)	-	(5)	0.0%	0.0%
Segment operating income	2,775	-	2,775	12.6%	12.6%

- The restatements had no impact on the competitiveness plan

Estimated impact of IFRS 16 on the 2019 balance sheet, income statement and statement of cash flows

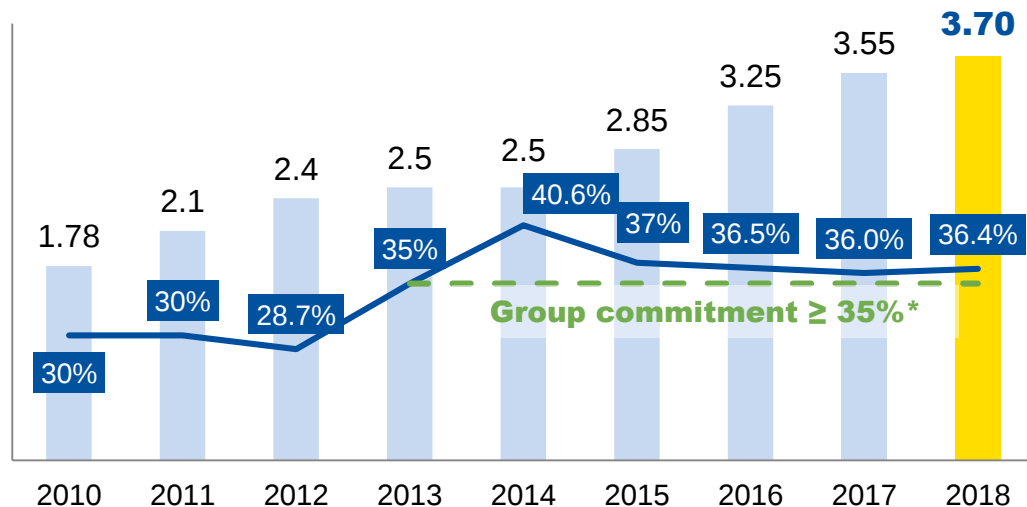
<i>(in € millions)</i>	Income statement
EBITDA	~ +170
Depreciation and amortization	~ -160
SOI	~ +10
Net financial income	~ -20
Net income	~ -10

<i>(in € millions)</i>	Cash flows
EBITDA	~ +170
Net financial income	~ -20
Impact on structural cash flow	~ +150
Cash flows used in financing activities (debt repayment)	-150
Net cash impact	0

<i>(in € millions)</i>	Balance sheet
Net assets	~ +800
Net debt	~ +800

Sustained shareholder return policy

- 2018 dividend of €3.70 per share, for a payout ratio of 36.4%*



Share buyback programs

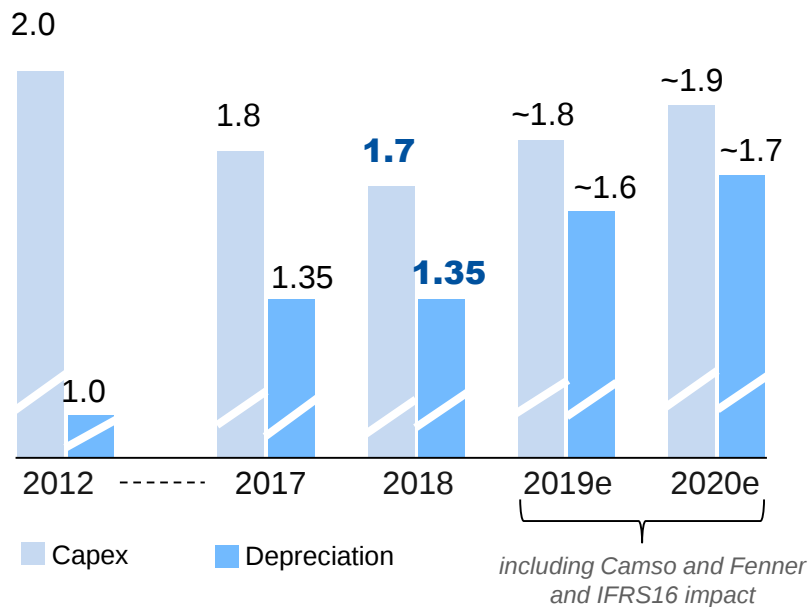
- 2015-2016: €750m in buybacks and 4.5% of outstanding shares canceled
- 2017: €101m in buybacks and 0.5% of outstanding shares canceled
- 2018: €75m in buybacks and 0.4% of outstanding shares canceled to offset the dilutive impact of share-based compensation
- 2019-2023: €500m share buyback program over the next five years

* Of consolidated net income before non-recurring items

Investing to create value

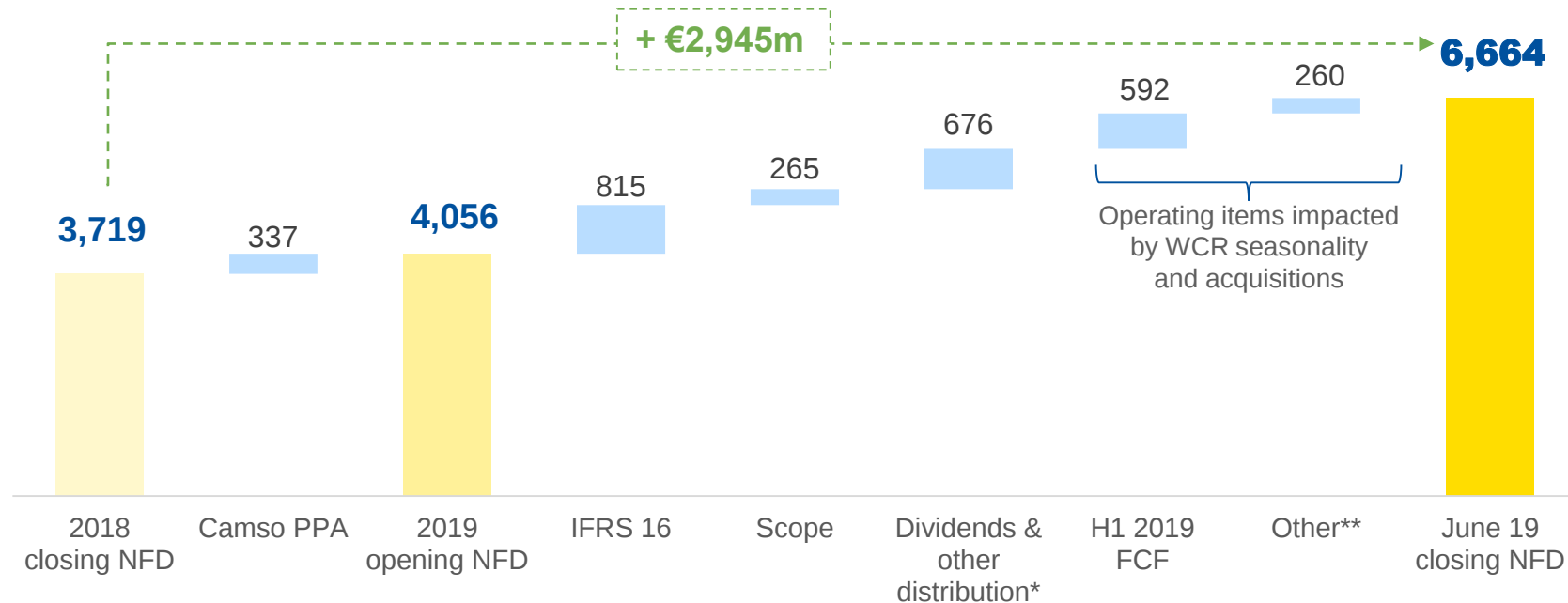
- Reducing Capex in historical core-business towards depreciation level
- Reinforcing Michelin's footprint in growth regions
- Capex in Specialties businesses (SR3)
- Developing new territories: fleet management solutions & High Tech Materials excluding JVs
- Speeding up a comprehensive digitization plan

▲ Capital expenditure and depreciation (in € billions, at current exchange rates)



Michelin Net debt bridge

▲ Net debt - December 31, 2018 – June 30, 2019 (in € millions)



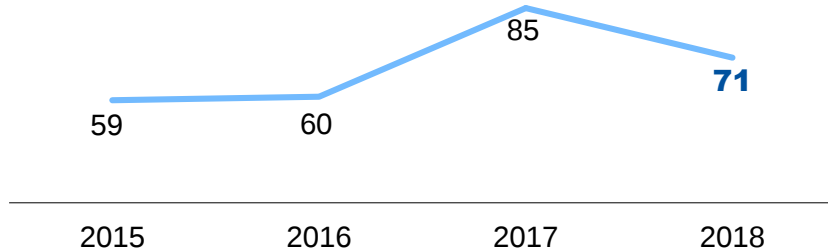
* Including share buy back commitment for 2019

** Including financial leases and translation adjustments

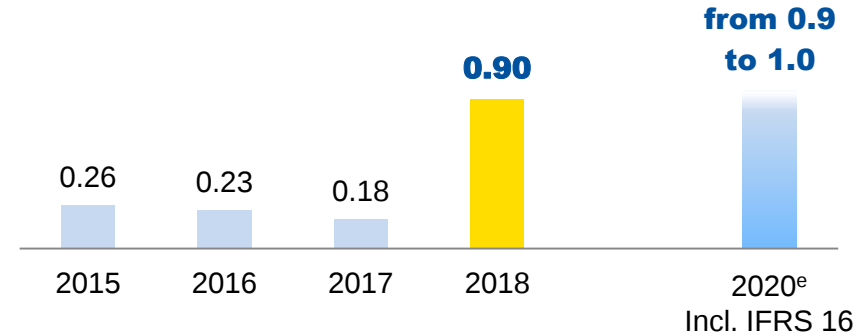
High free cash flow and a robust financial position

▲ Cash conversion ratio

(in % - structural free cash flow/net income before non-recurring items)



▲ Net debt*/EBITDA*



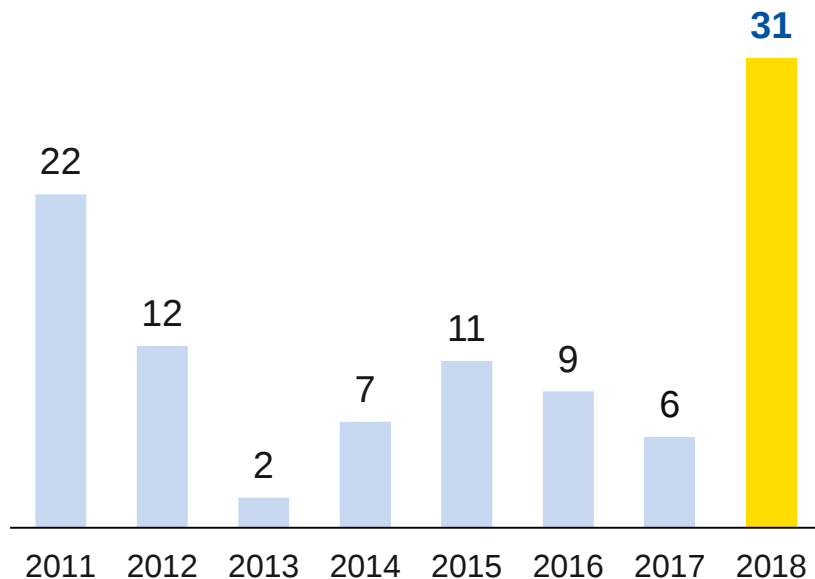
- The net debt/EBITDA ratio increased in 2018 due to cash out for acquisitions during the year, and is expected to remain stable until 2020 mainly due to IFRS 16 implementation and to a lesser extent 2019 acquisitions.
- Moody's, Standard & Poor's and Fitch all confirmed Michelin's A-/A3 credit rating

*See the 2018 Registration Document, notes 3.7.2 and 26 to the consolidated financial statements

A robust balance sheet after recent acquisitions, confirmed by the rating agencies

▲ Gearing

Net debt/equity, in %



▲ Long-term ratings confirmed following the Multistrada acquisition

Short term	S&P Moody's Fitch	A-2 P-2 F-2
Long term	S&P Moody's Fitch	A- A3 A-
Outlook	S&P Moody's Fitch	Stable Stable Stable

Outstanding bond issues (as of June 30, 2019)

Issuer	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	MICHELIN Luxembourg	MICHELIN Luxembourg	MICHELIN Luxembourg
Issue	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note
Type	Bond	Bond	Bond	Convertible	Convertible	Bond	Bond	Bond
Principal Amount	€ 750 mn	€ 1'000 mn	€ 750 mn	\$ 600 mn	\$ 500 mn + TAP \$100 mn	€ 302 mn	€ 300 mn	€ 300 mn
Offering price	99,099%	99,262%	99,363%	95,50%	100% & 103,85%	98,926%	99,967%	99,081%
Rating corporation at Issuance date	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)
Current coporation rating	A- (S&P) ; A3 (Moody's) ; A- (Fitch)							
Coupon	0,875% p.a	1,75% p.a	2,50% p.a	ZERO Conv premium 130%	ZERO Conv premium 128%	3,25% p.a	1,125% p.a	1,75% p.a
Issue Date	3-sept.-18	3-sept.-18	3-sept.-18	05/jan/2018	05/jan/2017 & 25/apr/2017	21/sep/2015 & 27/sep/2016	19-mai-15	19-mai-15
Maturity	3-sept.-25	3-sept.-30	3-sept.-38	10-nov.-23	10-janv.-22	30-sept.-45	28-mai-22	28-mai-27
Interest payment	Annual Sept 03	Annual Sept 03	Annual Sept 03	N/A	N/A	Annual Sept 30	Annual May 28	Annual May 28
ISIN	FR0013357845	FR0013357852	FR0013357860	FR0013309184	FR0013230745	XS1298728707	XS1233732194	XS1233734562
Denomination	€ 100'000 with min. tradable amount € 100'000	€ 100'000 with min. tradable amount € 100'000	€ 100'000 with min. tradable amount € 100'000	\$ 200'000 with min. tradable amount \$ 200'000	\$ 200'000 with min. tradable amount \$ 200'000	€ 1'000 with min. tradable amount € 1'000	€ 1'000 with min. tradable amount € 1'000	€ 1'000 with min. tradable amount € 1'000

2019: Sales by currency and SOI impact

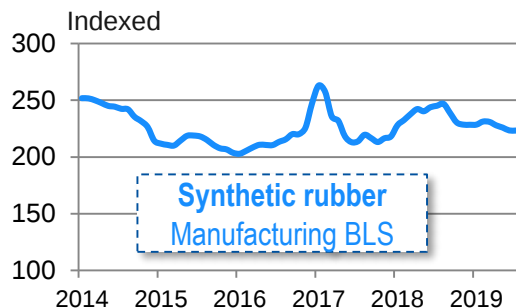
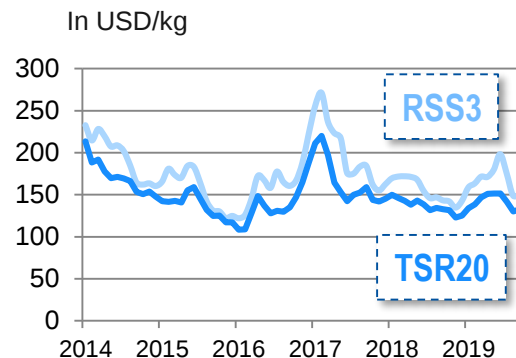
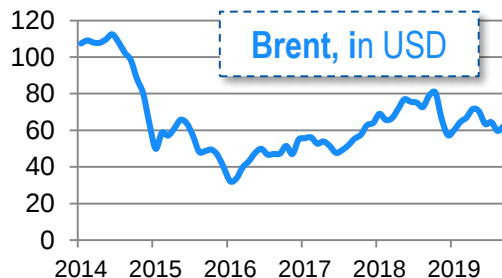
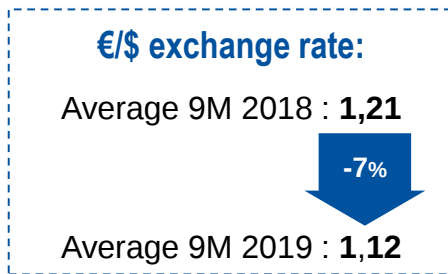
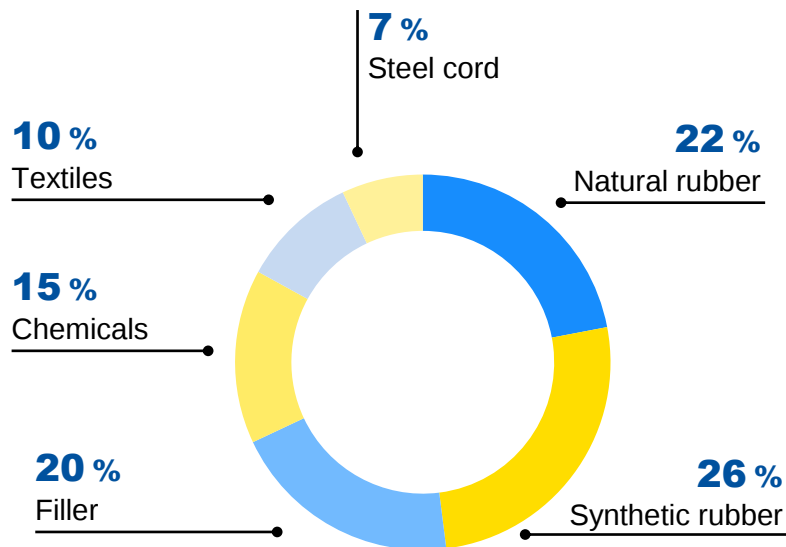
	% of sales		9M 2019 change in € vs. currency	Droptthrough sales/SOI*
	ARS	0.4%	74%	80% / 85%
	AUD	3%	2%	80% / 85%
	BRL	3%	2%	-20% / -30%
	CAD	3%	-3%	25% / 30%
	CHF	1%	-4%	80% / 85%
	CNY	5%	-1%	25% / 30%
	EUR	32%	-	-
	GBP	3 %	0%	25% / 30%
	INR	1%	-2%	25% / 30%
	JPY	1%	-6%	80% / 85%

	% of sales		9M 2019 change in € vs. currency	Droptthrough sales/SOI*
	MXN	1%	-5%	25% / 30%
	PLN	1%	+1%	25% / 30%
	RUB	1%	0%	25% / 30%
	SEK	1%	+3%	80% / 85%
	THB	1%	-8%	-100% / -130%
	TRY	1%	+19%	80% / 85%
	USD	36%	-6%	25% / 30%
	ZAR	1%	+5%	80% / 85%
	Other	4.6%		80% / 85%

*Droptthrough depending on the export/manufacturing/sale base

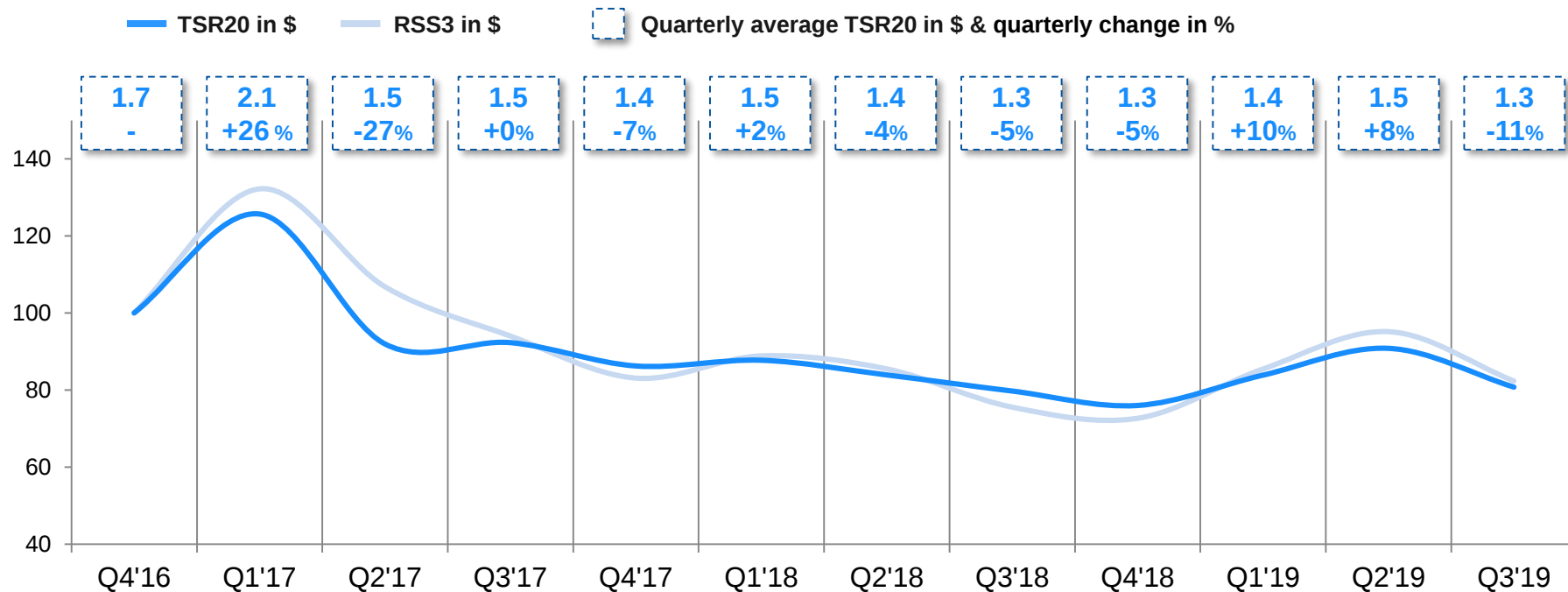
Raw materials

▲ Raw material purchases in H1 2019 (€2.5bn)



Natural rubber price trend

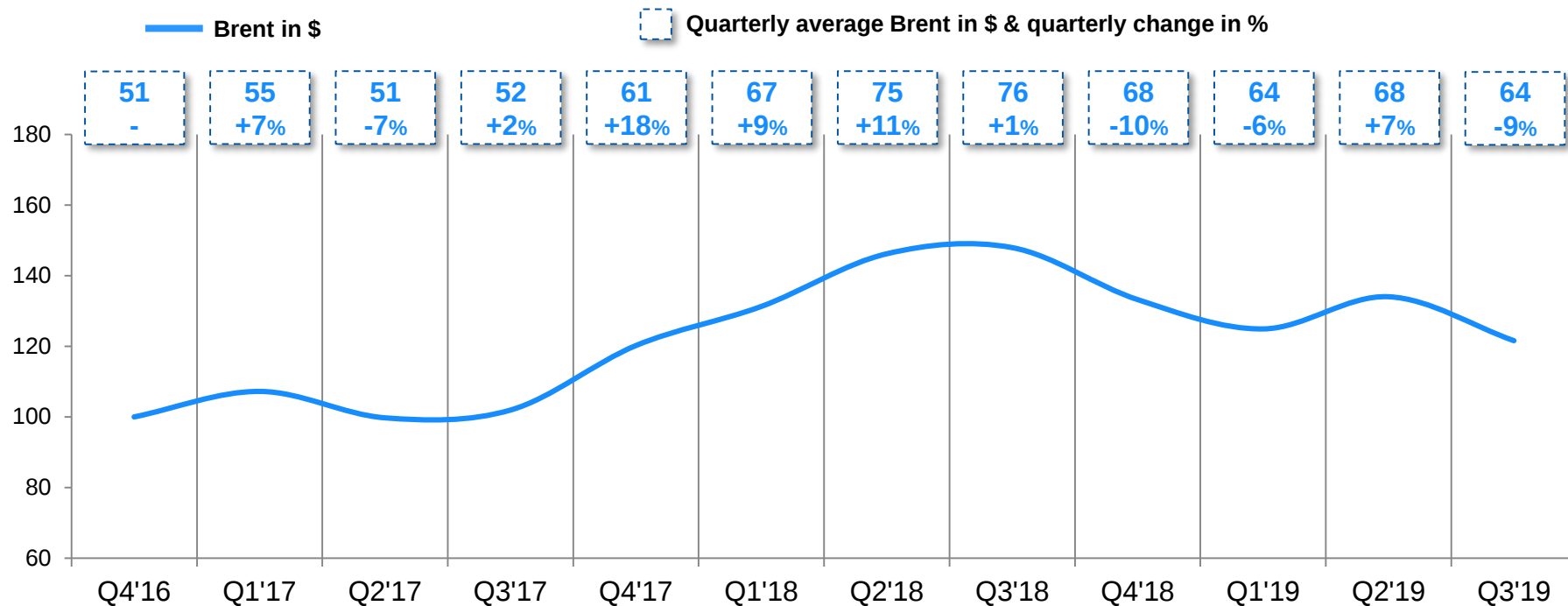
▲ At September 30, 2019 (per kg, base 100 in Q4'16)



Source : SICOM

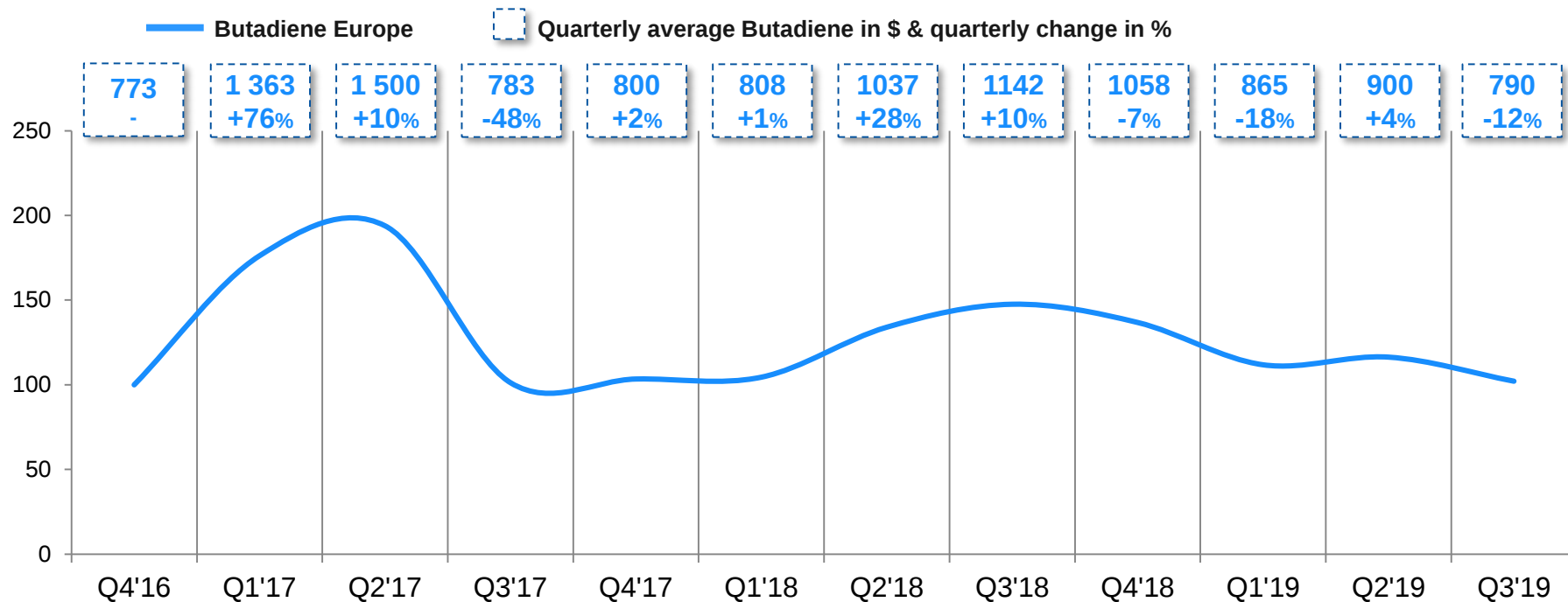
Brent price trend

▲ At September 30, 2019 (per barrel, base 100 in Q4'16)



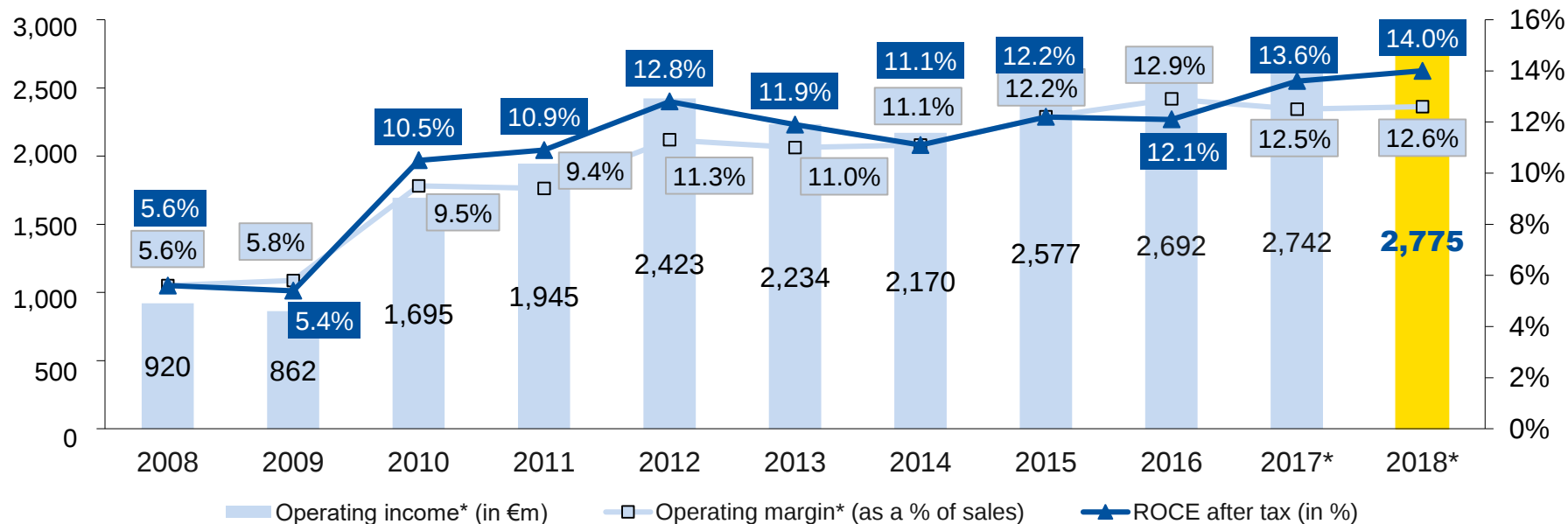
Butadiene price trend

▲ At September 30, 2019 (per ton, base 100 au Q4'16)



2008 – 2018 : robust SOI improvement

▲ Group segment operating income and margin & ROCE*



* With standard tax rate at 28% for 2017 and 26% for 2018 and *excluding goodwill, acquired intangibles, associates and joint ventures for 2017 and 2018*

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/eng/> website.

This presentation may contain a number of forward-looking statements. Although the Company believes that these statements are based on reasonable assumptions as at the time of publishing this document, they are by nature subject to risks and contingencies liable to translate into a difference between actual data and the forecasts made or inferred by these statements."

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