

# **2024 Q3 SALES**

October 23, 2024



# In a volatile and adverse business landscape...

**Demand  
normalization**  
after post-Covid boost



**Net farmer income contracted**



**New vehicles mix softening**



**Leisure segment normalizing**

**Sluggish  
economic  
context**



**Chinese domestic demand**



**Mining investments postponed**



**Residential construction depressed**

**Environmental  
roadmap  
turbulences**



**CO2 emissions regulations uncertainties**



**EV penetration disturbed by public decisions**



**Other regulations (EUDR...)**

**Geopolitical  
tensions**



**Export control constraints**



**Supply disruptions**



**Tariffs uncertainty**

# ... the Group can rely on its strategy and agility



Highly engaged and talented **teams**



A powerful and widely recognized **brand**



**Innovation** leadership and unique **R&D & industrial capabilities**



Excellent, market defining **products** and **services**



## TIRES



## SERVICES AND EXPERIENCES



**Connected Solutions**



**E-Retail**



**Distribution & Retail**



**Lifestyle**

## POLYMER COMPOSITE SOLUTIONS



**Sealing technologies**



**Conveyors, belting solutions and hoses**



**Engineered fabrics & films**



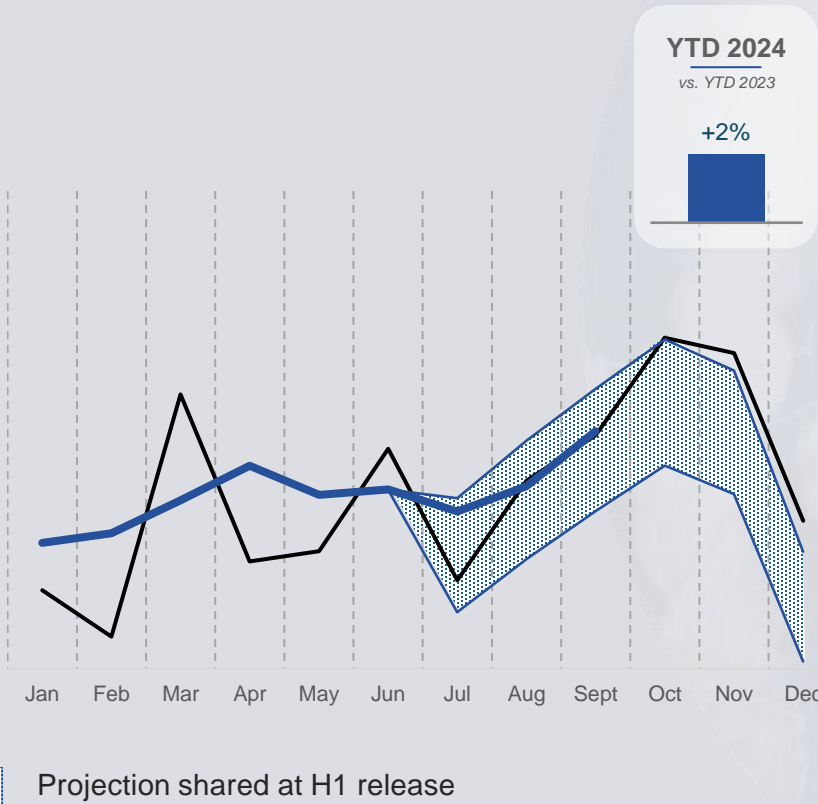
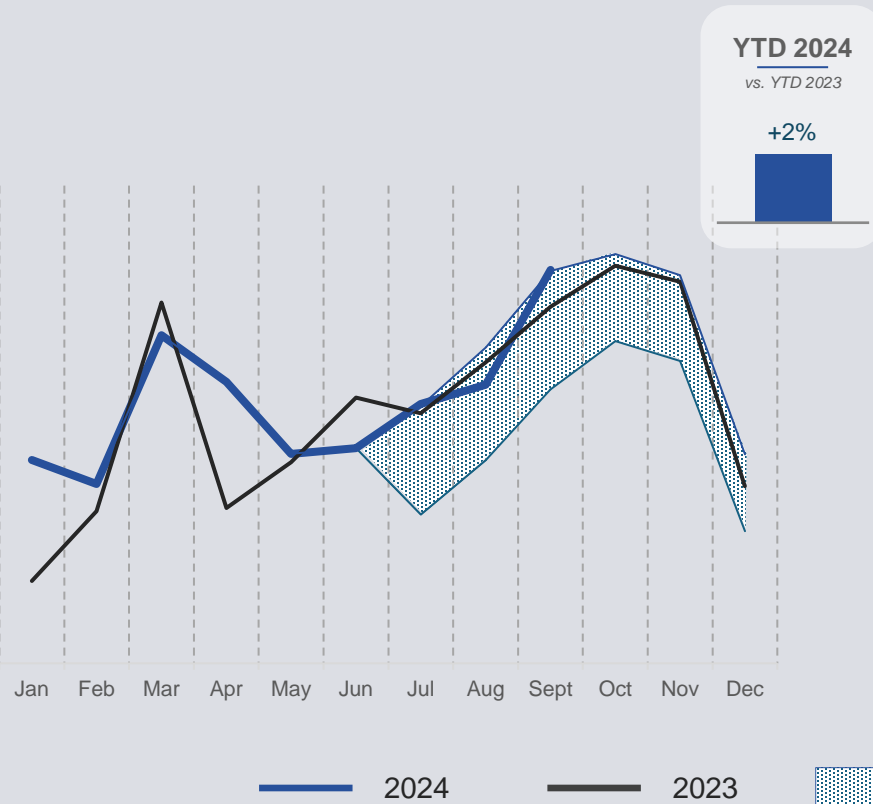
**Engineered polymers**

# Tire markets supported by Replacement sell-in. Strong OE downcycle across every segment, gradual destocking in Mining

 PASSENGER CAR  
LIGHT TRUCK\*

 TRUCK\* excl. China

 SPECIALTIES\*



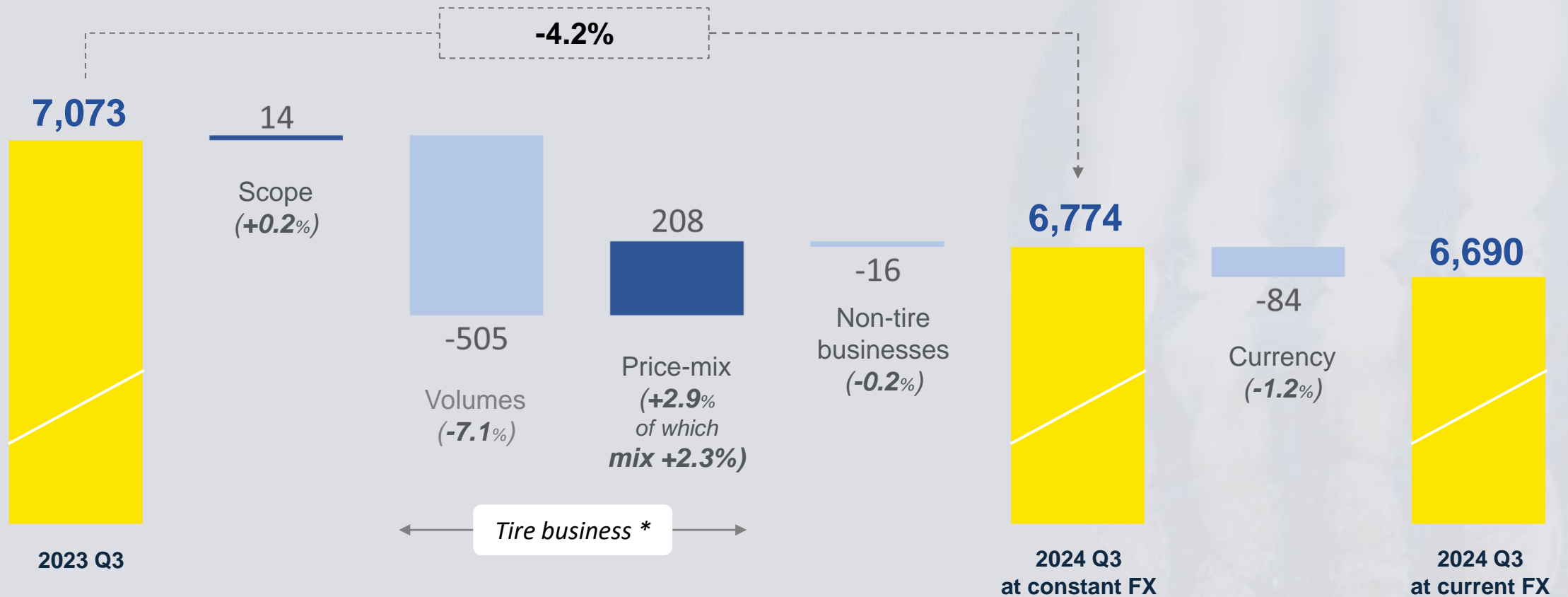
-   Mining
-   Agriculture
-   Construction
-   Material handling
-   Aircraft
-   Two-wheel
-   Polymer Composite Solutions

\* Sell-in Tire Markets



# Q3 sales volumes hit by deteriorating OE markets across segments, partially offset by strong mix improvement

## Q3 sales evolution (€ millions and as a %)



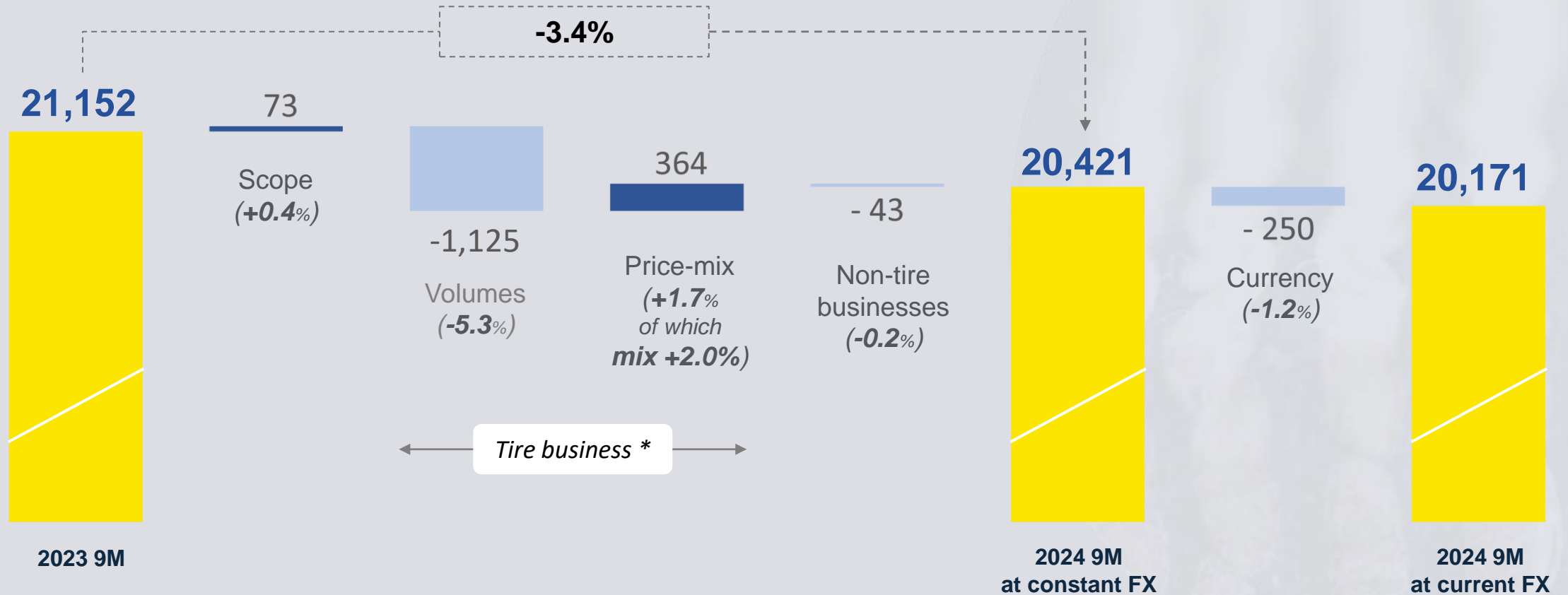
\* "Tire" includes Distribution and Retail



# Group's value-driven approach translating into strong mix

## 9 months sales evolution

(€ millions and as a %)










\* "Tire" includes Distribution and Retail



# Group sales penalized by OE downcycle and contextual headwinds in Specialties. Operating margin preserved

## Sales by reporting segment

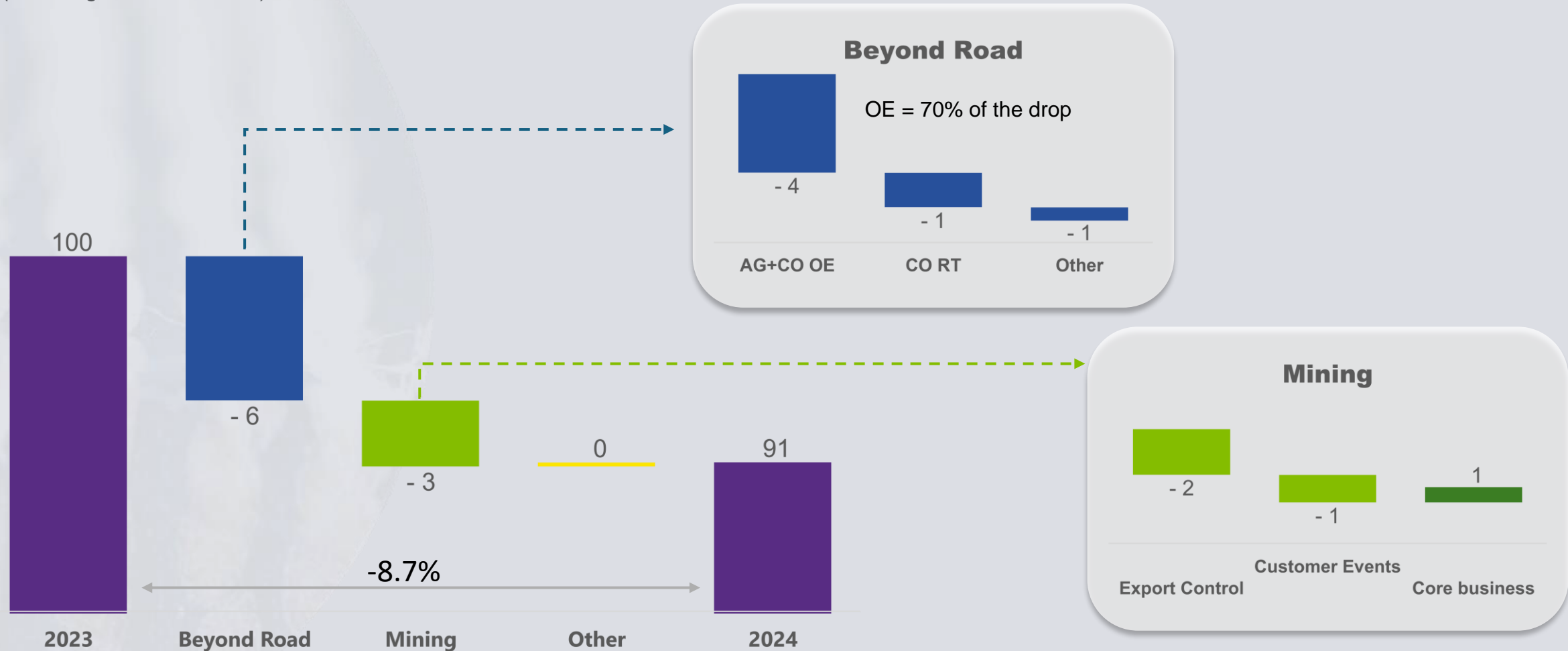
(€ millions)

		9M 24	9M 23	Δ	Operating margin variation
<b>RS1</b> 	Sales	10,356	10,611	-2.4%	
	<i>o/w volume change</i>	-	-	-2.4%	
<b>RS2</b> 	Sales	4,933	5,173	-4.6%	
	<i>o/w volume change</i>	-	-	-5.5%	
<b>RS3</b> 	Sales	4,882	5,368	-9.1%	
	<i>o/w volume change</i>	-	-	-8.7%	
<b>GROUP</b>	Sales	20,171	21,152	-4.6%	
	<i>o/w volume change</i>	-	-	-5.3%	

# SR3 sales reflecting OE downcycle and contextual headwinds. Strengthening positions in Mining

## SR3 Sales Evolution Sep-24 YTD vs previous year

(in tonnage, on a 100 basis)





# ***2024 GUIDANCE***



# 2024 markets outlook unchanged on PC/LT & Truck, softer on Specialties

 PASSENGER CAR  
LIGHT TRUCK\*

**-2% / +2%**

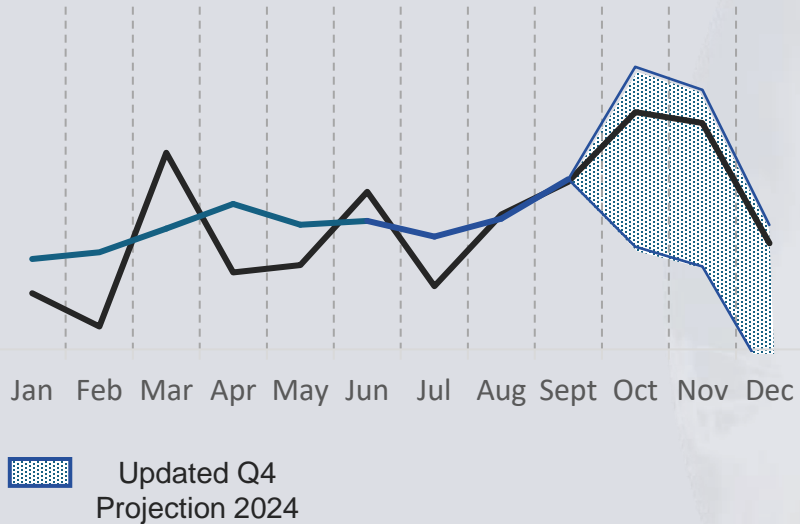
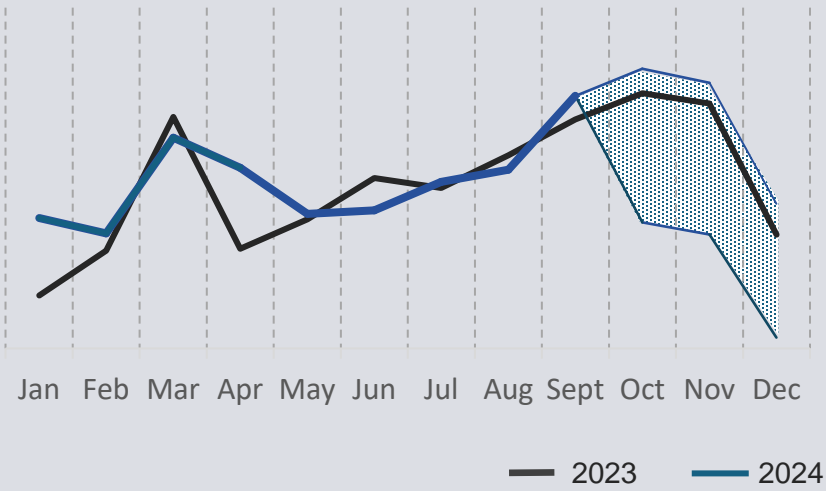
 TRUCK\* excl. China

**-2% / +2%**



SPECIALTIES\*

**-5% / -1%**  
previously -4% / 0%



**OE:** decline in overall demand accelerating in Q3 particularly in Europe

**RT:** moderate growth to continue in all regions except China, potentially supported by winter season in Europe

**OE:** market down on high 2023 comparison basis in both North America and Europe

**RT:** slight growth driven by underlying goods transportation demand, massive imports from Asia into North America in H1 to normalize in H2



**Mining tires:** fundamental demand sustained but gradual customer inventory drawdown until year-end



**Beyond-road tires:** strong decline in OE. RT businesses slightly negative on a challenged and uncertain economic context



**Two-wheel tires:** moderate market growth in all regions, more buoyant in the Americas



**Aircraft tires:** normalized growth on back-to-pre Covid reference base, with significant rebound in China



**Polymer Composite Solutions:** overall soft markets across verticals, high 2023 reference base, destocking across many industries

\* Sell-in Tire Markets



2024 Q3 Sales - October 23, 2024

# 2024 full-year scenario and guidance

## SCENARIO

Volumes

**UPDATED**

**[-6% ; -4%]**

**PREVIOUS**

**[-5% ; -2%]**

Operating performance  
net of inflation

**slightly positive**

**slightly positive**

Cash-out capex

**[€2.2bn ; €2.4bn]**

**[€2.2bn ; €2.4bn]**

## GUIDANCE

Segment operating income  
at constant FX vs 2023

**c. €3.4bn**

**> €3.5bn**

Free cash flow  
before Acquisitions

**> €1.7bn**

**> €1.5bn**

# 2025 Financial Agenda

## **2024 FULL YEAR RESULTS**

February 12, 2025 \*

## **2025 Q1 SALES**

April 24, 2025 \*

## **2025 AGM**

May 16, 2025

## **2025 HALF-YEAR RESULTS**

July 24, 2025 \*

## **2025 Q3 SALES**

October 22, 2025 \*

\* After close of trading



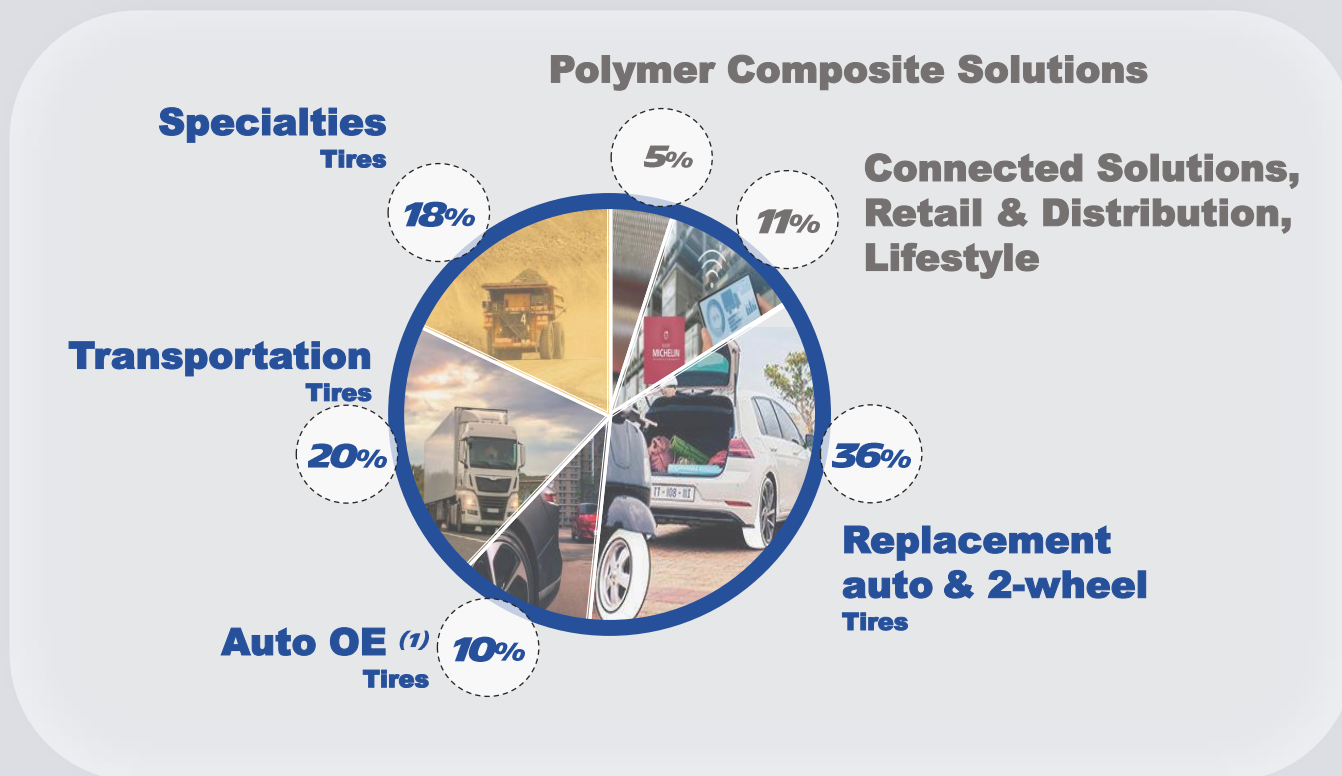
# ***APPENDIX***



# Widening range of destination markets ensuring resilience

## Destination markets across diverse verticals

2023 sales breakdown (% of revenue)

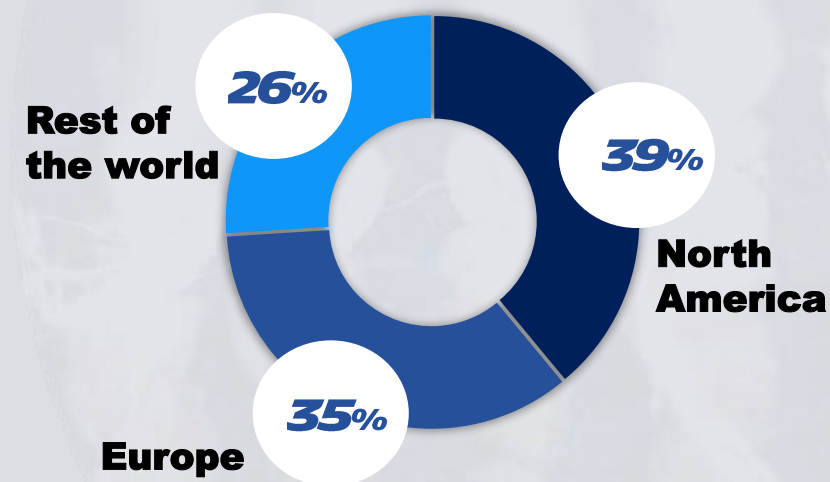


(1) Original equipment



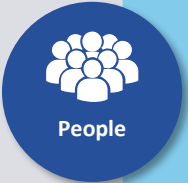




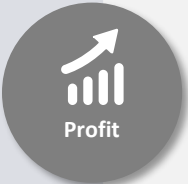









## Balanced geographies

2023 sales breakdown (% of revenue)



2024 Q3 Sales - October 23, 2024

# On track to deliver 2030 ambitions on People, Profit and Planet dimensions

	<b>AMBITION</b>	<b>METRICS</b>	<b>2030 SUCCESS</b>	<b>2019</b>	<b>2023</b>
 People	 Be world-class in employee engagement	Engagement rate	>85%	79.8%	83.5%
	 Be world-class in employee safety	TCIR <sup>(1)</sup>	<0.5	1.43	1.01
	 Be a reference in diversities and inclusion of teams	IMDI <sup>(1)</sup>	80 pts (over 100)	-	72
	 Be best-in-class in value created for customers	NPS partners <sup>(1)</sup>	48 (+10 vs. 2020)	38	42.7
 Profit	 Deliver substantial growth	Total sales	5% CAGR 23-30	€24.1bn	€28.3bn
	 Deliver continuous financial value creation	ROCE <sup>(1)</sup>	>10.5%	10.0 %	11.4%
	 Maintain Michelin brand power	Brand vitality quotient	63 (+5 pts vs. 2020 <sup>(2)</sup> )	-	73
	 Maintain best-in-class innovation pace in products and services	Offers vitality index	>30%	30%	31%
 Planet	 Reach net zero emission by 2050 (scopes 1&2)	CO2 emissions (Kt, scopes 1&2)	-50% vs. 2010	-24.8%	-44%
	 Contribute to reaching net zero emission (scope 3)	Products energy efficiency (scope 3)	+10% vs. 2020	-	+2.9%
	 Be best-in-class in environmental footprint of industrial sites	i-MEP <sup>(1)</sup>	-1/3 vs. 2019	-	-16.1%
	 Reach full circularity of products by 2050	Renewable or Recycled Material Rate <sup>(1)</sup>	40%	26%	28%

(1) See Glossary

(2) Reference year adjusted to 2020 (vs 2021)

# Value over volume: Winning where it matters

Original equipment: Being selective to extract the right value



**Innovation**



**Brand power**



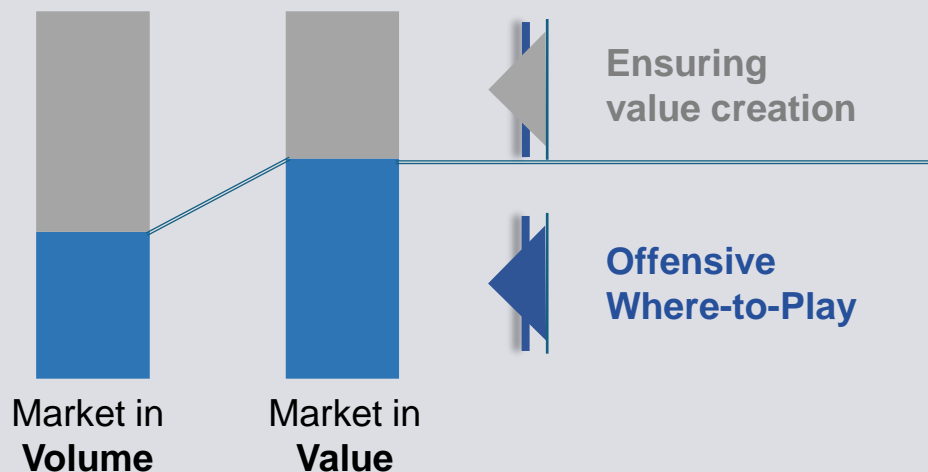
**Strategic  
partnerships**



**Loyalty**

**Maximizing value creation  
for OEMs & for Michelin**

Replacement: Accelerating on value-accretive segments



**Reinforcing leadership:**

**Market share** in value-accretive segments  
**Enhancing** our partners' performance  
**Valorizing** our technology and offers



# Value over volume: Winning where it matters - illustrated



## Long-lasting trend of mix enrichment



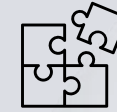
**>100m€ per year**

Sustainable mix impact on EBIT

**+12% CAGR\***

Market trend in > 18" tires\*

\* 2023 - 2028



## Technological leadership & differentiating service



## Targeting value-accretive market segments



Premium

Tech

Green

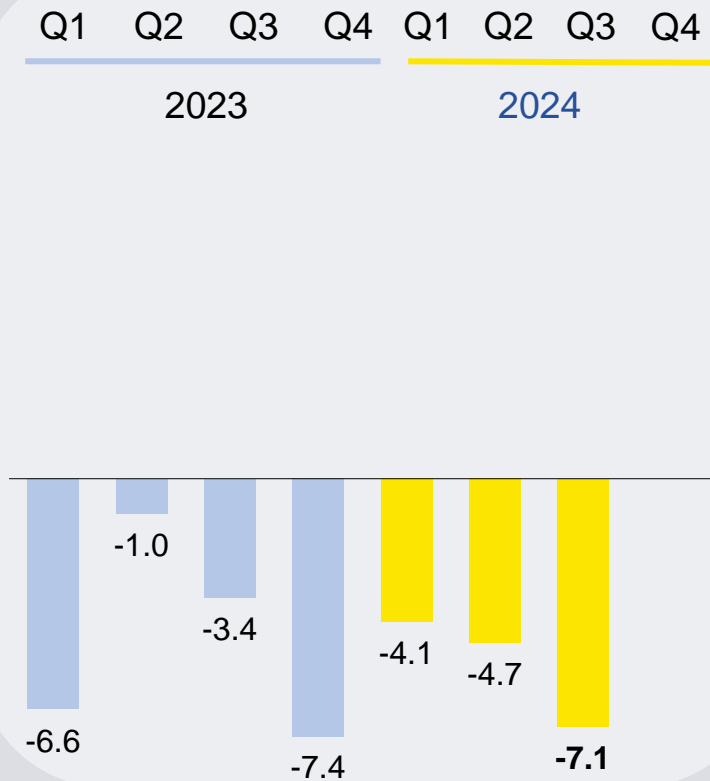
**> 50% of market Value**



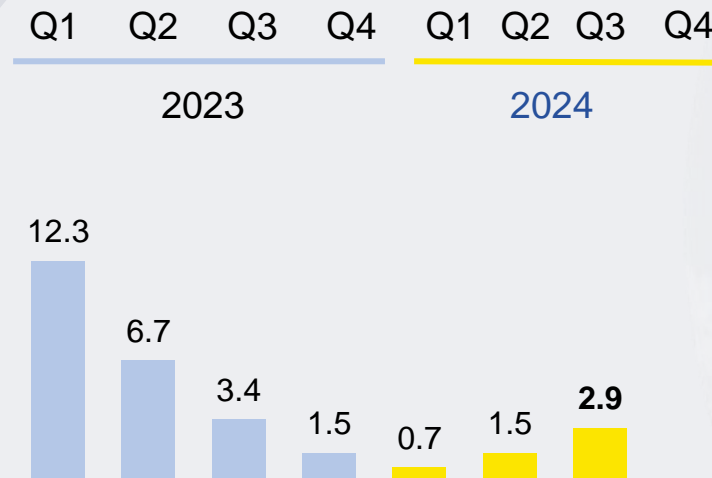
# Q3 sales volumes hit by deteriorating OE markets across segments, partially offset by strong mix improvement

YOY Quarterly change  
(as a % of sales)

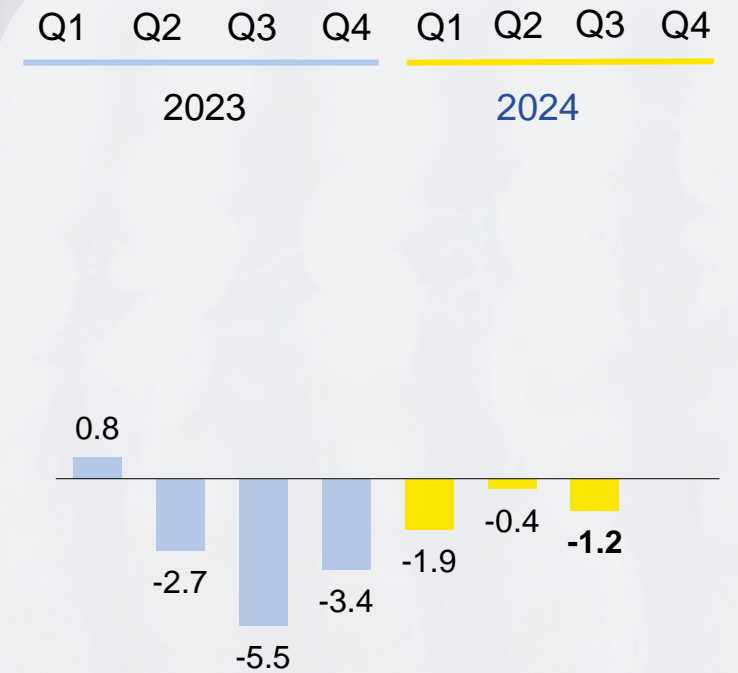
## VOLUMES



## PRICE-MIX






## CURRENCY



# Group sales penalized by OE downcycle across segments and contextual headwinds in Specialties

## Sales by reporting segment

(€ millions)

		9M 24	9M 23	Change	
<b>RS1</b> 	Sales	10,356	10,611	-2.4%	<p>Volumes hampered by lower OE demand. Price effect turning slightly positive in Q3 (update of indexation clauses). Strong mix with stable market shares at 18+, now accounting for 64% of MICHELIN-branded tire sales (up 4 points vs 9M 23).</p>
	<i>o/w volume change</i>	-	-	-2.4%	
<b>RS2</b> 	Sales	4,933	5,173	-4.6%	<p>Lower volumes due to normalizing OE markets and targeted where-to-play. Strong price/mix thanks to OE contracts renegotiations and focus on the most value-accretive segments. Connected solutions pursuing its value-driven strategy, with lower sales but higher margin contribution.</p>
	<i>o/w volume change</i>	-	-	-5.5%	
<b>RS3</b> 	Sales	4,882	5,368	-9.1%	<p>Volumes penalized by contextual headwinds: OE markets downturn, export control constraint, destocking and lower investments at some mining operators. Favorable price effect on the quarter (end of negative impact of indexation clauses) and positive OE/RT mix.</p>
	<i>o/w volume change</i>	-	-	-8.7%	
<b>GROUP</b>	Sales	20,171	21,152	-4.6%	
	<i>o/w volume change</i>	-	-	-5.3%	

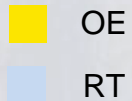
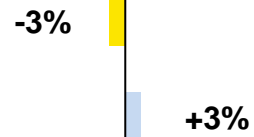
# PC/LT tire: Demand driven by RT in Americas and Europe. OE and Chinese markets decreasing in Q3

## PC/LT tire sell-in market, 9M 2024

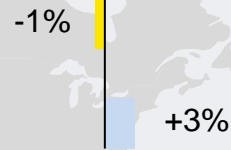
(YoY change in number of tires, in %)



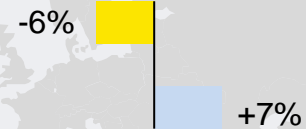
### Global market



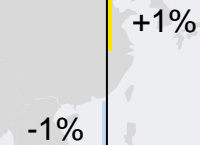
### North & Central America



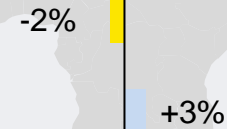
### Europe



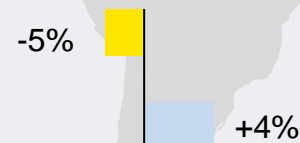
### China



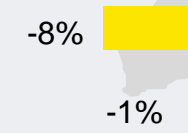
### Africa, India, Middle East



### South America



### Asia (excl. China and India)



Source: Michelin  
Market data are regularly adjusted and may be updated following initial publication.

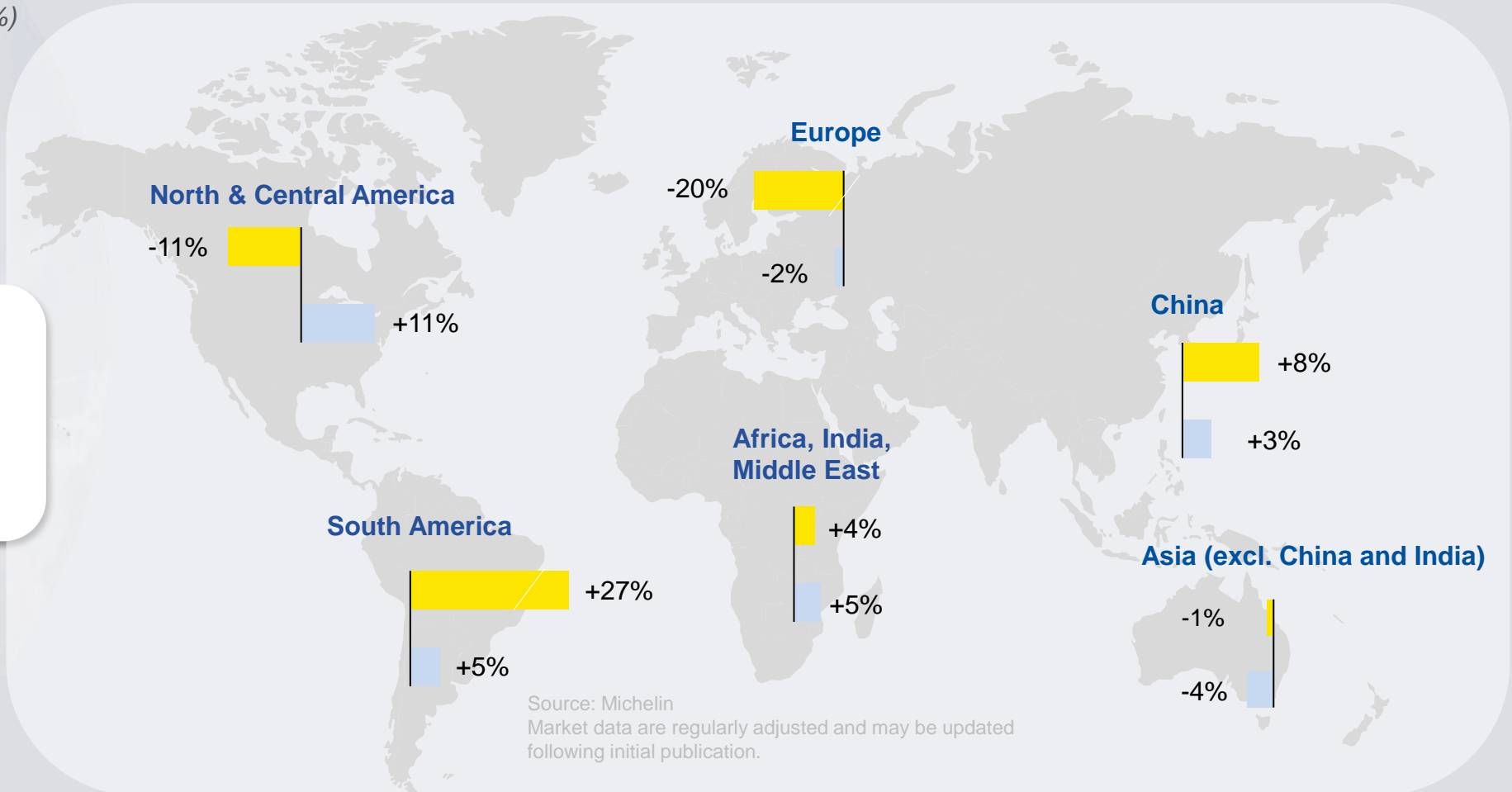
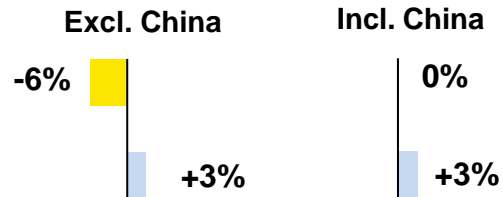
# Truck tire: Strong OE decline in North America & Europe, RT market in North America pulled by massive imports from Asia in H1

## Truck tire sell-in market, 9M 2024

(YoY change in number of tires, in %)

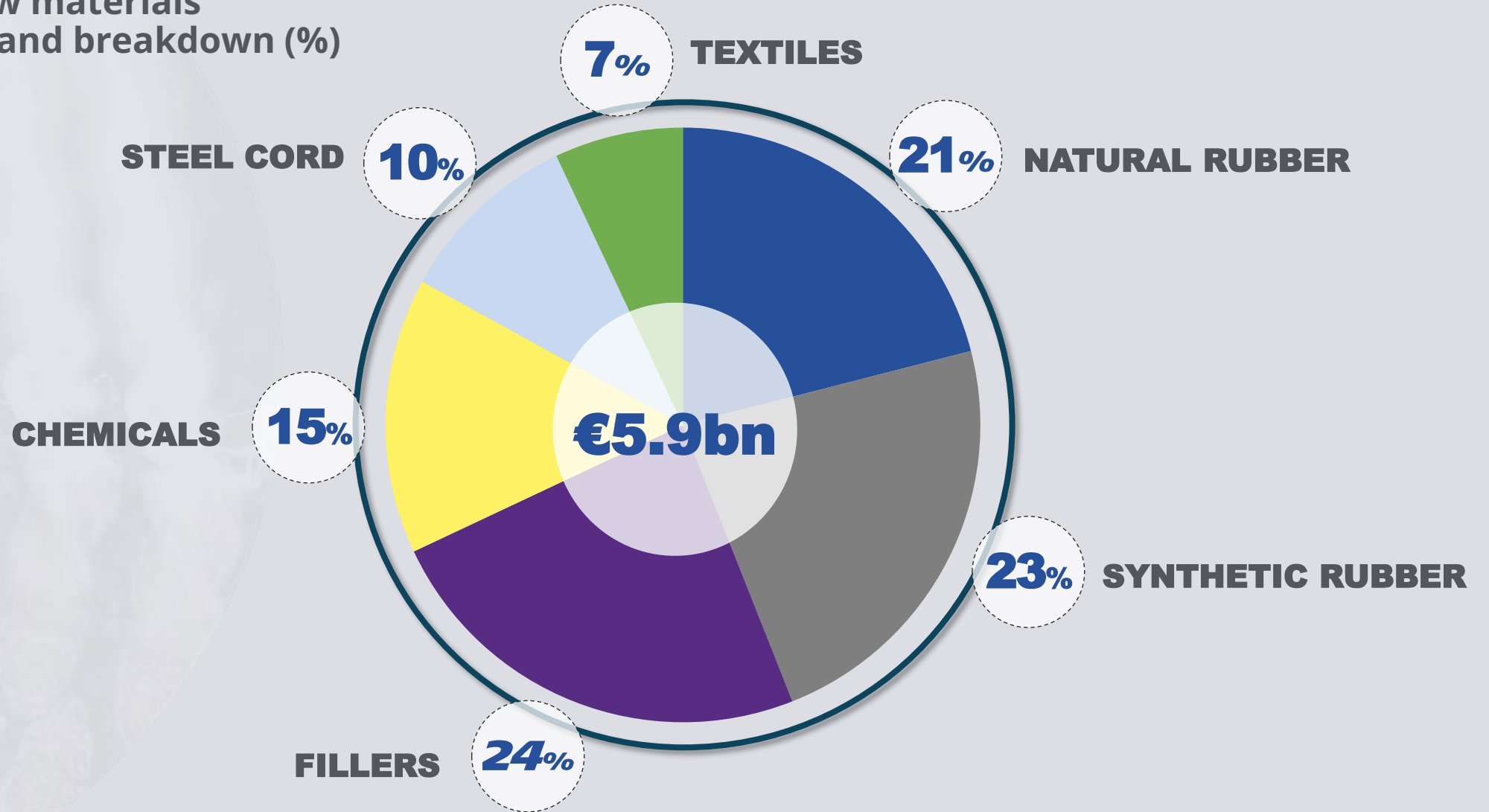


### Global market



# Raw materials cost breakdown

FY 2023 Raw materials cost (€ bn) and breakdown (%)



# Natural rubber price

## TSR20 and RSS3 in \$/kg



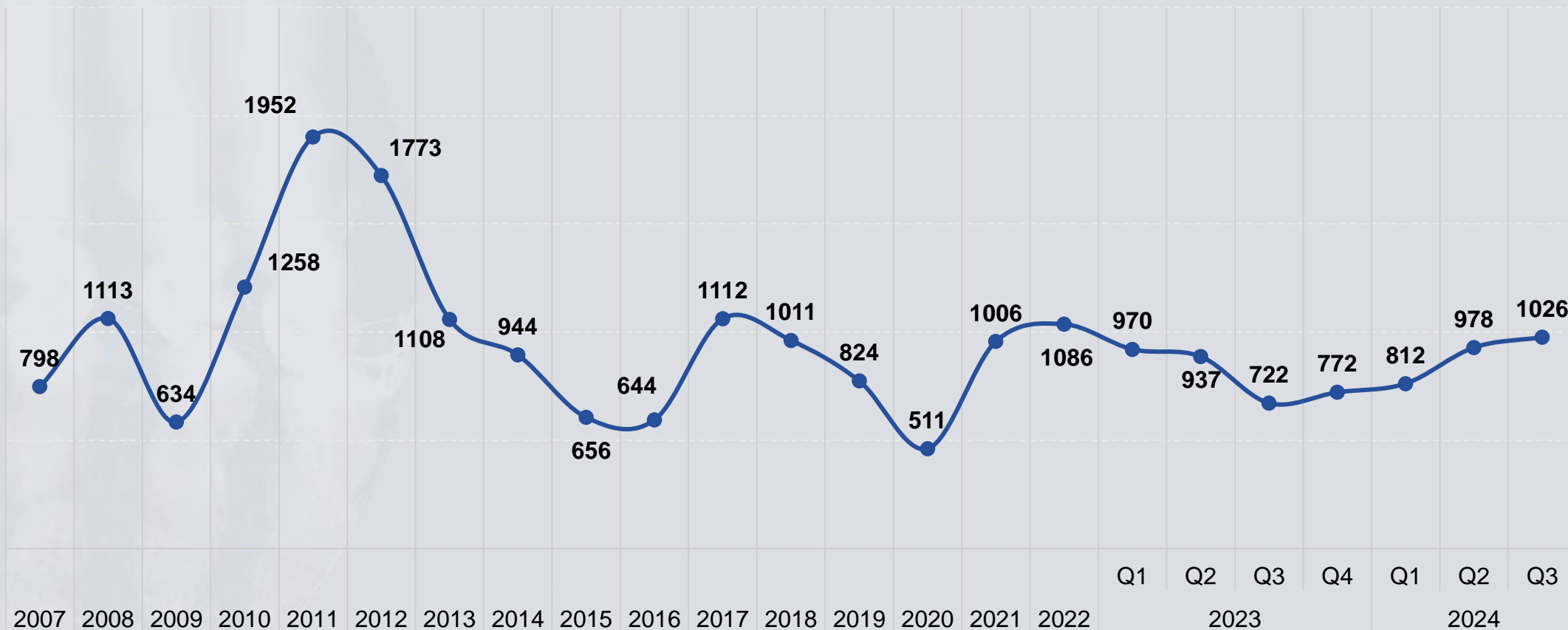
Source: SICOM

● RSS3  
● TSR 20



# Butadiene price

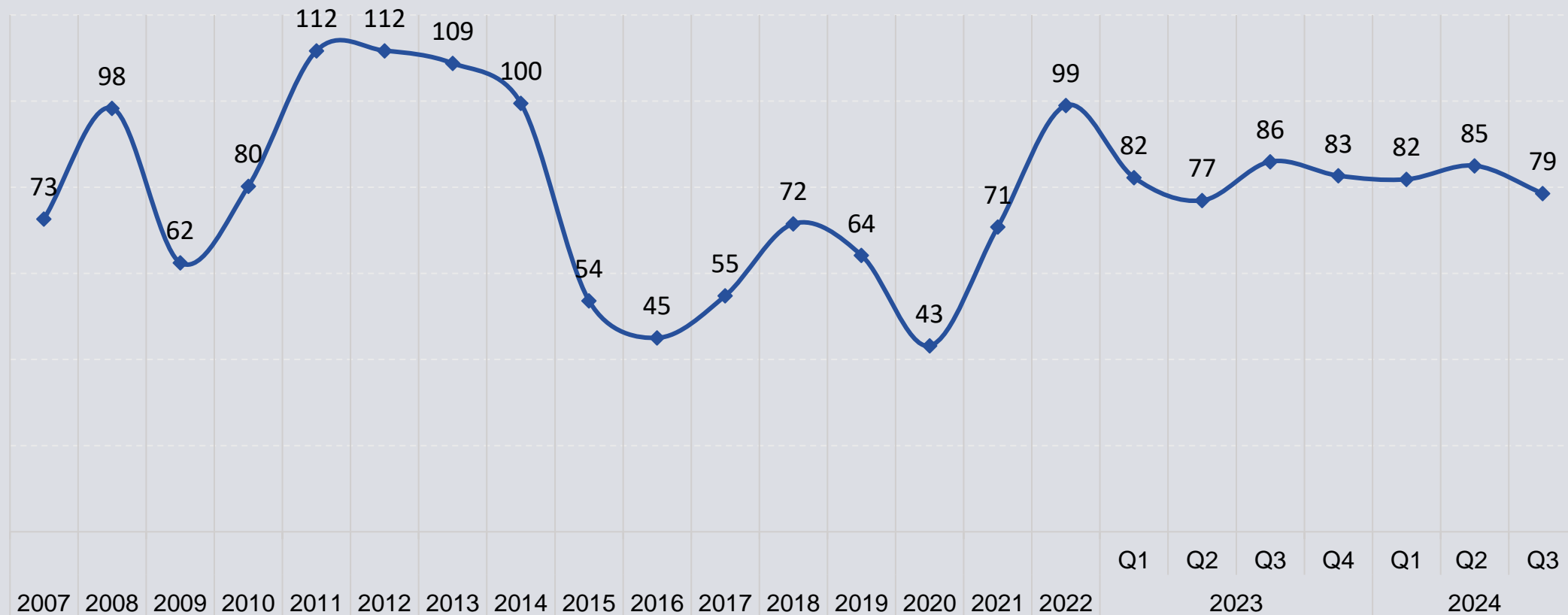
Europe contract-market in €/t





# Brent price

Brent in \$/BBL



# Sales by currency & impact on segment operating income (SOI)

	<b>% of sales</b> Q3 2024 12 rolling months	<b>2024</b> currency change vs. €	<b>Droptthrough*</b> <b>Sales → SOI</b>
<b>USD</b>	40%	-0.3%	20% / 30%
<b>EUR</b>	32%	-	-
<b>CNY</b>	6%	-2.7%	20% / 30%
<b>BRL</b>	4%	-4.4%	-30% / -20%
<b>GBP</b>	3%	+2.3%	20% / 30%
<b>CAD</b>	3%	-1.4%	-20% / -30%
<b>AUD</b>	3%	-1.4%	50% / 60%

	<b>% of sales</b> Q3 2024 12 rolling months	<b>2024</b> currency change vs. €	<b>Droptthrough*</b> <b>Sales → SOI</b>
<b>JPY</b>	1%	-9.1%	70% / 80%
<b>MXN</b>	1%	+0.4%	40% / 50%
<b>THB</b>	1%	-3.7%	-150% / -120%
<b>CLP</b>	1%	-12.7%	50% / 60%
<b>TRY</b>	1%	-33.1%	80% / 85%
<b>SEK</b>	1%	+0.5%	10% / 20%
<b>Other</b>	3%	-	-

*Illustration with impact of USD change on sales and SOI in €:*

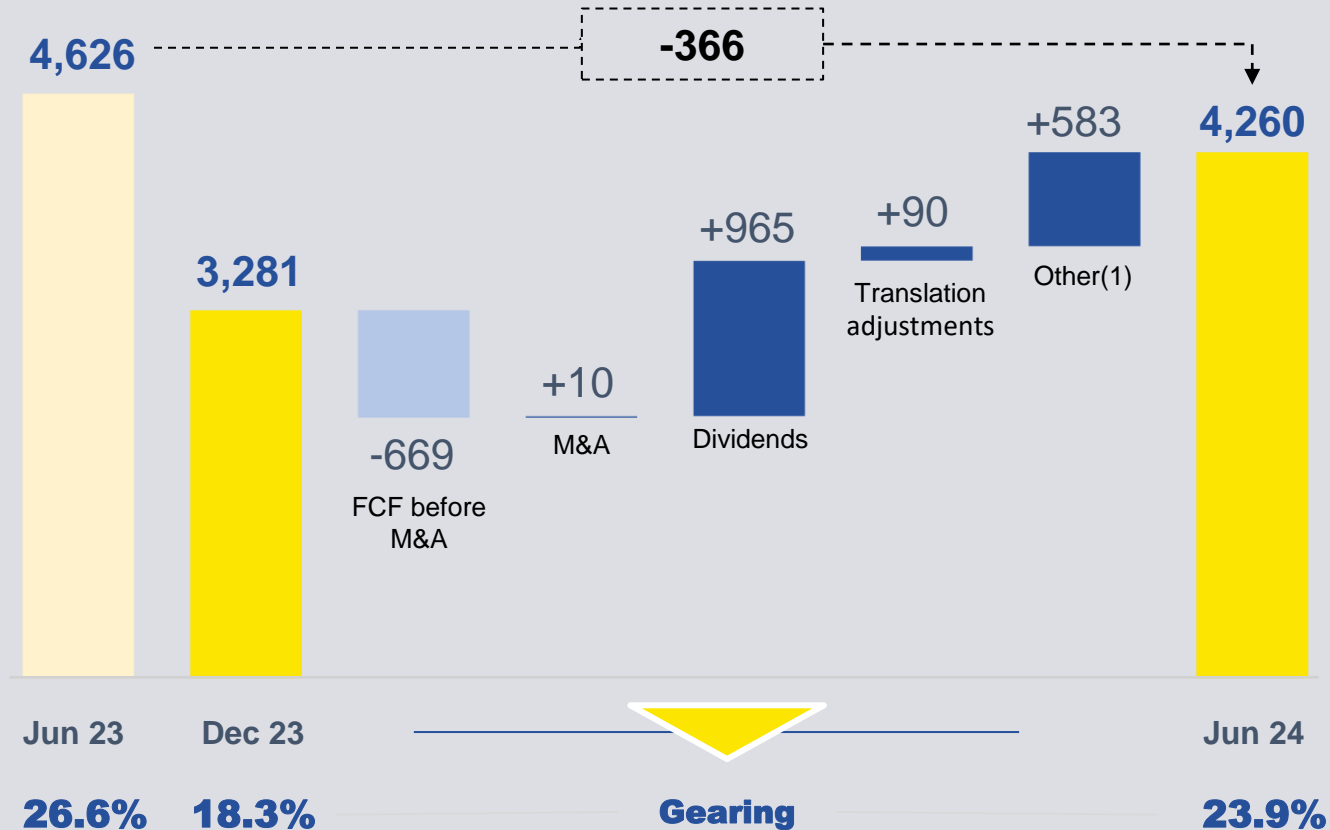
$$\text{Sales} \times \underbrace{40\% \times (-0.3\%)}_{\text{impact on sales } -0.12\%} \times \sim 25\% = \text{impact on SOI } (-0.03\%)$$

\* Droptthrough linked to the export/manufacturing/sales base

# H1 2024 gearing improved fostered by solid cash generation

## Credit rating upgrade

### Net debt (€ millions)



### Agency ratings

Compagnie Générale des Établissements Michelin,  
as of July 24, 2024

	Long term	Short term	Outlook
<b>S&amp;P</b>	A-	A-2	=
<b>Fitch</b>	A-	F2	=
<b>Scope</b>	A	S-1	=
<b>Moody's</b> <sup>(2)</sup>	A2 (previous: A3)		=

(1) Of which €502m share buyback program, and including new leases

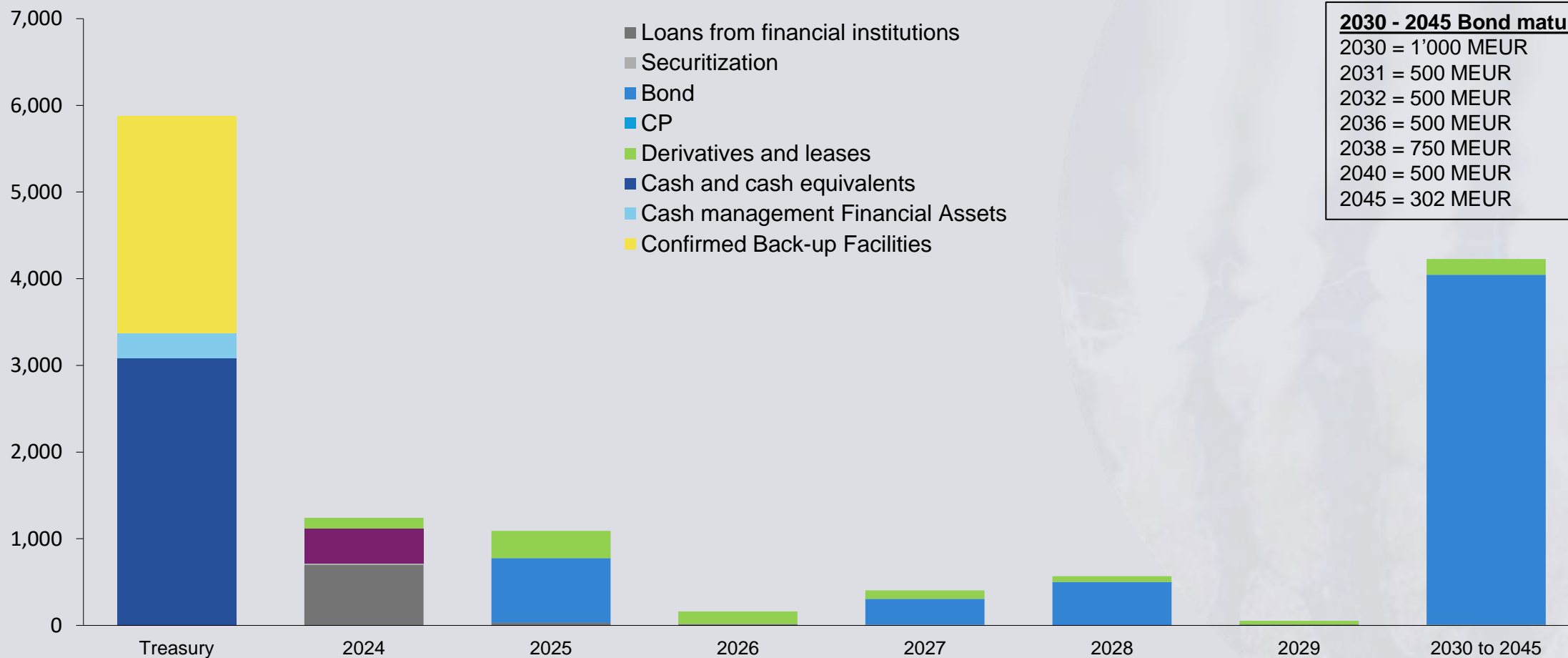
(2) Unsolicited rating – Upgraded to A2 on July 11, 2024



# An adequate cash position with maturities well spread over time

## Debt maturities at Jun. 30, 2024

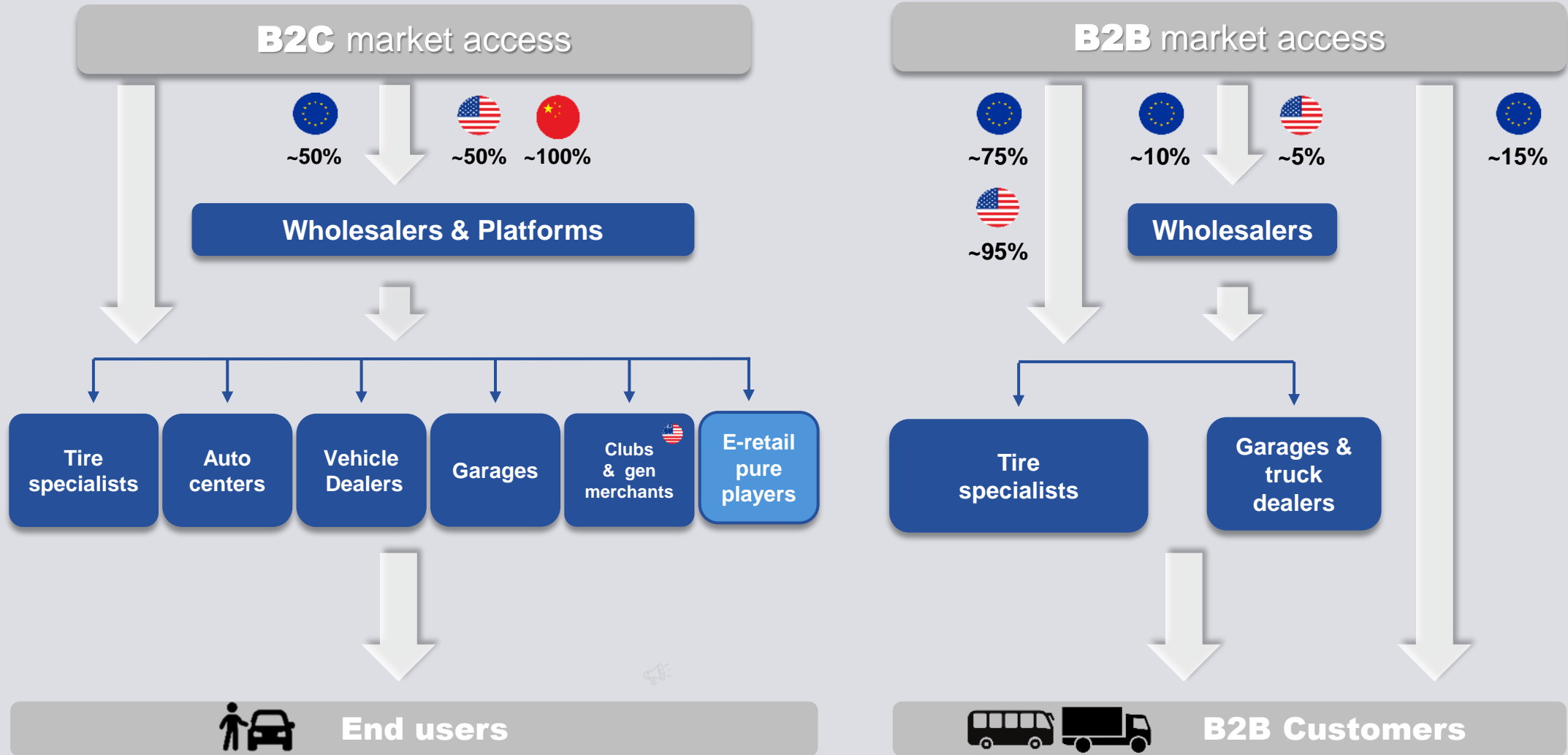
(carrying amount in € millions)



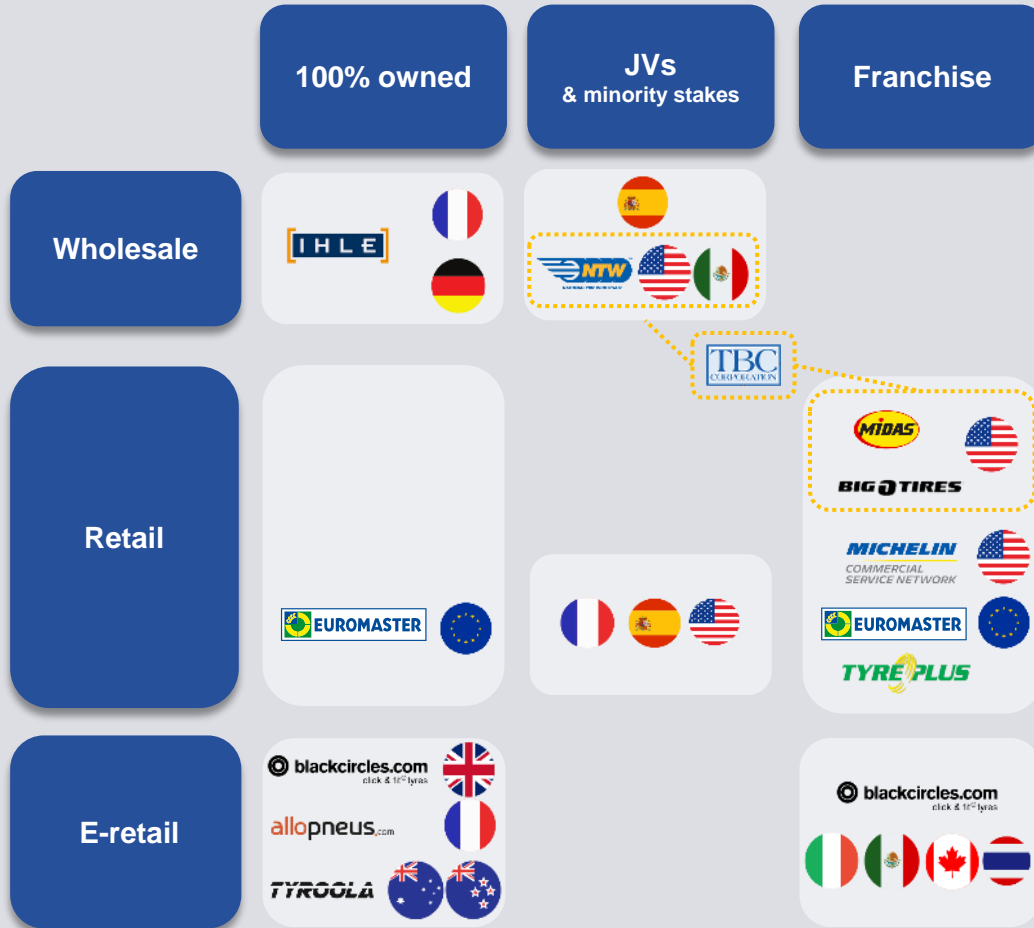
# ***TIRE BUSINESSES***



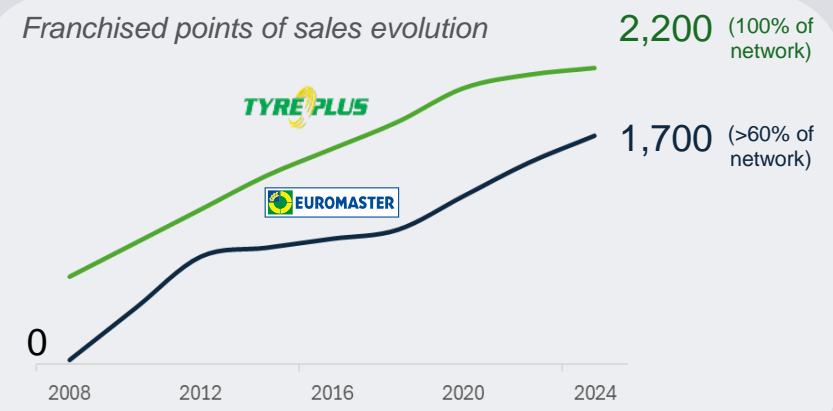
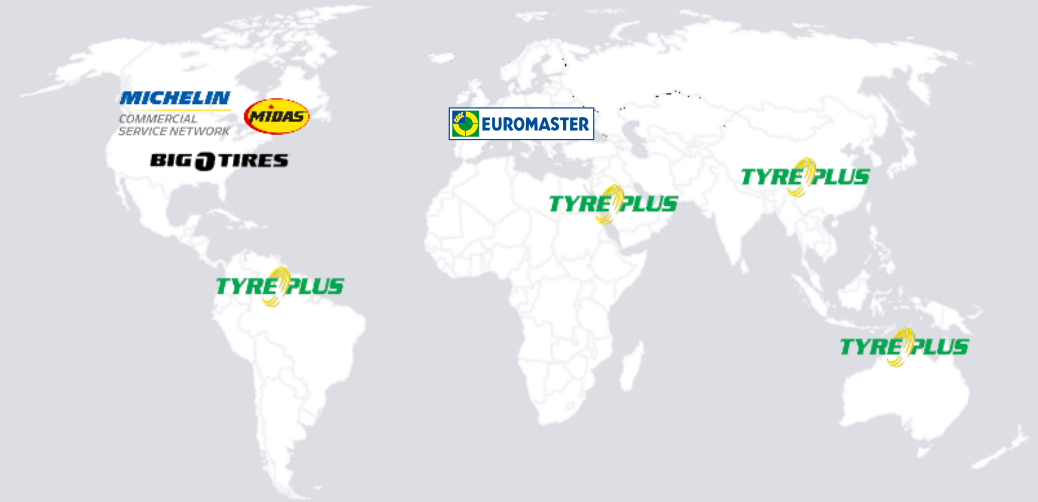
# Michelin tire market access: Reflecting broad product range in B2C and deep intimacy with service providers in B2B



# Leveraging Michelin distribution assets and accelerating franchise



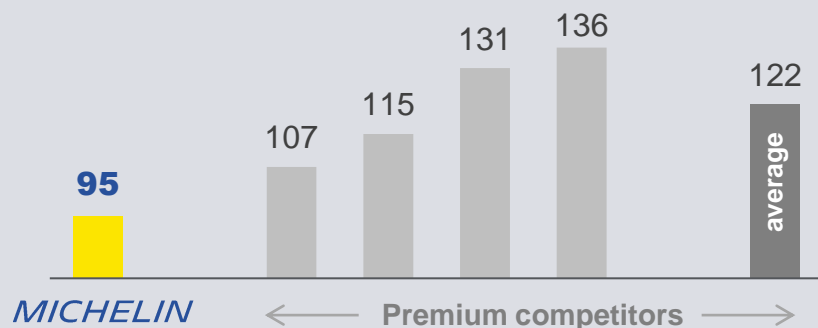
Franchised and company-owned retail networks



# Tires abrasion: A considerable competitive advantage, without any compromise on safety

## Particle emissions: Michelin vs. other premium tiremakers <sup>(1)</sup>

Particle per vehicle  
unit: g/1,000 km



The environmental impact of tire abrasion is up to 50% higher for other manufacturers than for Michelin, whose tire technology currently gives them an enormous lead over the competition.



[+ Download the ADAC study](#)

## Particle emissions get reduced with each new range <sup>(2)</sup>

**MICHELIN**  
e.Primacy



**-20%**

Vs

**MICHELIN**  
Primacy 4

**MICHELIN**  
CrossClimate 2



**-13%**

Vs

**MICHELIN**  
CrossClimate +

**MICHELIN**  
Pilot Sport 5



**-20%**

Vs

**MICHELIN**  
Pilot Sport 4

(1) Tyre wear particles in the environment, ADAC, March 2022 – 100 sizes tested

(2) DEKRA studies in 2020 (MARK20B, MARK20E) and 2021 (MARK21E)



***CONNECTED  
SOLUTIONS***



# Services to fleets: a suite of innovative solutions that empower mobility players to race towards zero-accident, zero-downtime, zero-emission

Unique customer intimacy and usage expertise

## CONNECTED SOLUTIONS

Actionable insight provider for fleets leading towards zero-accident, zero-downtime, zero-emission



**MICHELIN  
CONNECTED FLEET**

Connected fleet management services



**TIRE-AS-A-SERVICE**  
High-value tire outsourcing offer



**MICHELIN  
ONCALL**  
24/7 road emergency service



**WATÈA**  
by Michelin

LCV fleets decarbonation solution



**MICHELIN  
MEMS 4**

Monitoring tool for Mining tyre and usage conditions

## MICHELIN MOBILITY INTELLIGENCE

Decision levers provider for public and private sector to make mobility safer, better and smarter.



**SAFER  
ROADS**

Save lives



**BETTER  
ROADS**

Optimize road maintenance



**MICHELIN  
MOBILITY DATA**

Monetize Michelin's high value mobility data outside

**TRUCKFLY**  
by Michelin

First and unique European truck driver's community

Powered by Michelin connected technologies



# Watèa by Michelin: A unique solution to decarbonize urban LCV fleets

## Stakes of transition to E-LCV



LCVs ~ 3-4% of global CO2 emissions



Switch to EV  
→ - 60% emissions



Mandatory to operate in cities

## Fleets pain points

How to transition ?



How to operate?



How to finance ?



## Value proposition

### Tailored solution

EV, charging solution, maintenance

### Digital services

productivity increase and service continuity

A unique value proposal through an **all-inclusive subscription** (Opex)

## Leveraging multiple Group assets



Tire



Connected Mobility Solutions



Polymer Composite Solutions



MICHELIN  
AGILIS CROSSCLIMATE

MICHELIN  
CONNECTED FLEET  
Powered by MASTERNAUT

## Partnering with CA for vehicle financing

April 2023: 30% stake in Watèa capital finalized by Credit Agricole Leasing & Factoring



- Vehicles deconsolidation from balance sheet
- Leveraging CA mobility's commercial platform and expertise in small fleets

- Acceleration in automotive leasing in Europe
- Shared commitment to a decarbonized mobility



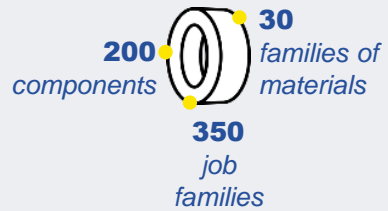
***POLYMER  
COMPOSITE  
SOLUTIONS***



# Polymer Composite Solutions: Leveraging our expertise and our innovations, for highly demanding applications

## R&D

- **Unique expertise** acquired in **tire design & manufacturing**:



- Proficiency in **materials chemistry and processing**, from components to composites
- Fundamental & applied **research** capabilities
- Wide range of **partnerships** to **accelerate innovation**

## Manufacturing

- Ability to **scale up** and reproduce the materials-based solutions developed in the laboratory:



- **Proficiency in industrial processes**



*With the same level of quality*



*Around the world*



## Growth strategy

- **Organic growth**

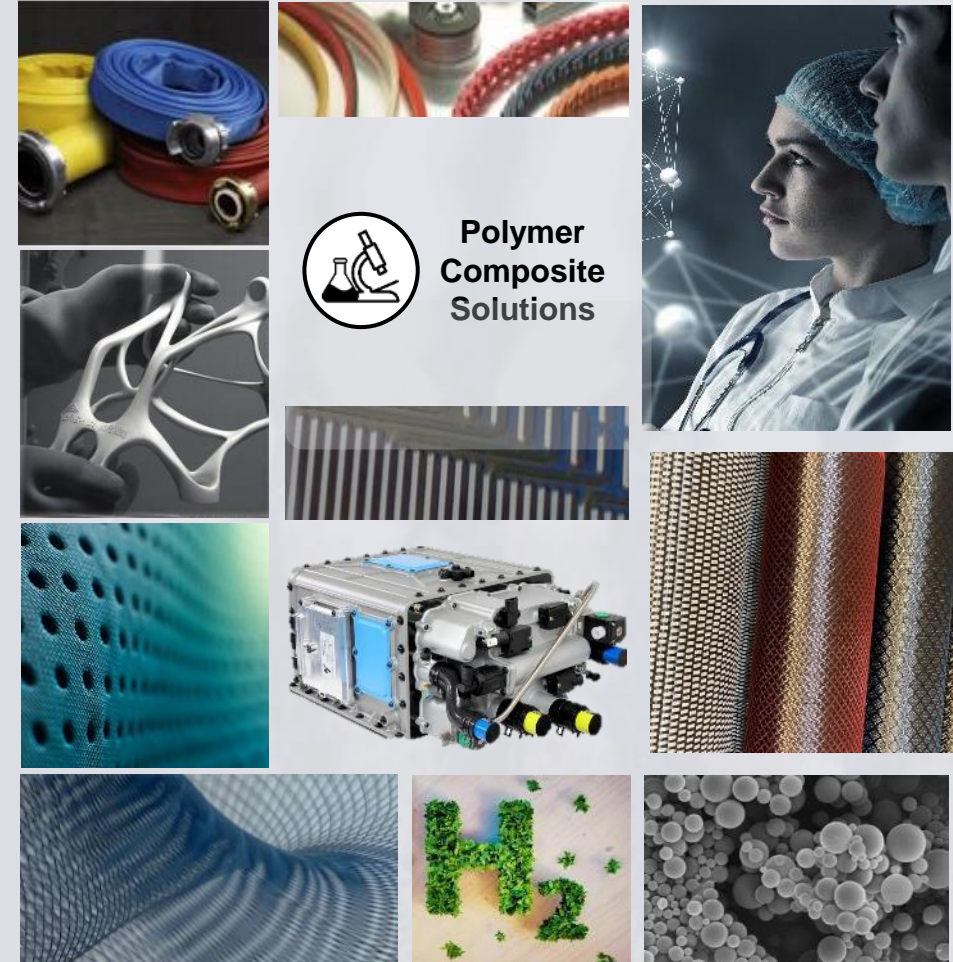


- **M&A-driven growth**

- Features vs. tires:
- Higher **growth**
  - Higher **EBIT margin**
  - Lower **capital intensity**



- **Joint ventures**



# M&A active portfolio management with three major steps in 2023, reflecting Michelin in Motion 2030 strategy

## 2023 main deals



## Zoom on 3 majors steps



TBC sold its retail activities to increase profitability

- 2018: 50/50 JV set up with Sumitomo Corp
- 2018-23: strong cash generation, with \$400m shareholder loans reimbursed
- 2023: divesting from company-owned retail to focus on wholesale and franchise



Stellantis acquired 33% aside Michelin and Faurecia


- 2019: 50/50 JV set up with Faurecia
- 2023: building up new assembling capacities
  - Giga factory in France (Saint-Fons)
  - 1<sup>st</sup> production line in the US (California)
  - Saint-Fons capacity: 2026: 50,000 / year  
2028: 100,000 / year




Michelin acquired FCG to create a leader in Engineered fabrics & films

- 20% increase of High-tech materials revenues to €1.3bn (FY22 pro-forma)
- Improved Michelin growth profile, margin accretive, positive cash generation and favorable impact on EPS
- Positioning the Group as a key player in polymer composite solutions

# Symbio: fast expansion towards worldwide leadership in light and heavy commercial vehicles

 Major grants awarded in Europe (IPCEI \*) and in the USA (California)

 **MICHELIN**  
Fuel cell development leveraging expertise in materials and industrial processes


**2014**  
  
Michelin stake:  
- 47% in 2014  
- 100% in 2019

 **MICHELIN**  
 **faurecia**  
inspiring mobility  
**2019**  
  
**SYMBIO**  
A FAURECIA MICHELIN HYDROGEN COMPANY

**2020  
2022**  


New headquarters and facility in Venissieux, France

**2022**

 **SYMBIO**  
A FAURECIA MICHELIN HYDROGEN COMPANY  
**SCHAEFFLER**  
creation of **Innoplate** 50/50 JV

**2023**

  
Start of Saint-Fons giga factory, France  
1<sup>st</sup> production line in California, USA

**2026**

**Fuel cell assembling capacity increase**  
50,000 per year



**2028**

100,000 per year



**2030**

\* Important Projects of Common European Interest



***NON-FINANCIAL  
PERFORMANCE***





# Recognized leadership in non-financial performance

## Major ratings

(as of September 30, 2024)

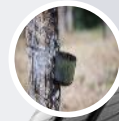
### Michelin Ratings

 <b>SUSTAINALYTICS</b>	 <b>MSCI</b> MSCI ESG RESEARCH LLC	 <b>CDP</b> DISCLOSURE INSIGHT ACTION	 <b>MOODY'S</b> ESG Solutions	 <b>ISS-ekom</b>	 <b>ecovadis</b>
<p><b>Negligible Risk</b> 9,6</p>	<p><b>AAA</b></p>	<p><b>A -</b> CLIMATE CHANGE « LEADERSHIP »</p> <p><b>B</b> WATER SECURITY « MANAGEMENT »</p>	<p><b>73 / 100</b></p>	<p><b>B-Prime</b></p>	<p><b>78 / 100</b> <i>Platinum</i></p>

# On the path to full product circularity with 40% renewable or recycled materials by 2030, up to 100% by 2050



## NATURAL RUBBER



## SYNTHETIC RUBBER



PYROWAVE

(2)

## PLASTIFIERS / RESINS



## FILLERS



Lehigh TECHNOLOGIES

## METALS



## TEXTILES



## OTHER



...

(1) European project sponsored by Horizon 2020; project number: 82068

(2) Carried out with the support of ADEME



# TRWP: Michelin driving innovation and advancing knowledge in the tire industry

## Scientific studies to measure the environmental impact of TRWP <sup>(1)</sup>



### AIR

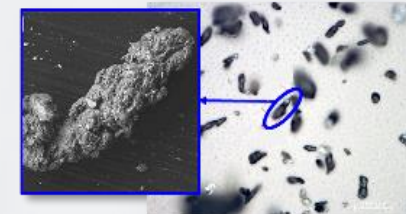
Studies confirm that TRWP account for less than 1% of particulate matter pollution



### WATER

Studies suggest that most TRWP do not reach estuaries

### TRWP



$5 \times 10^{-2}$  mm

100 times smaller than microplastics

2023

- ✓ Established Dec 2023
- ✓ Joint laboratory with CNRS (French National Center for Scientific Research) and University of Clermont Auvergne
- ✓ Mission 1: to understand the biodegradation of wear particles
- ✓ Mission 2: to develop tools to foster new solutions to make particles bio-assimilable by the environment.



2024

- ✓ Methodology to measure particles emitted by tires & road
- ✓ Developed by Michelin
- ✓ Validated by scientific reviews
- ✓ To be used by ETRMA<sup>(2)</sup> as a reference for its testing
- ✓ Complementing Michelin's advocacy of EURO 7 regulation

<sup>(1)</sup> TRWP – Tire & road wear particles – are tiny debris generated by abrasion from a tire's contact with the road surface. This abrasion is caused by the tire's grip and keeps the tire safely on the road.

<sup>(2)</sup> European Tyre & Rubber Manufacturers Association

[+ Download the ADAC study Tyre wear particles in the environment \(March 2022\)](#)

# Natural resources and decarbonation: driving up industry standards on product performance

If the world was driving on Michelin PC/LT tires, it would save every year ...

**-620**<sup>(1)</sup>

thousand tons  
Of materials

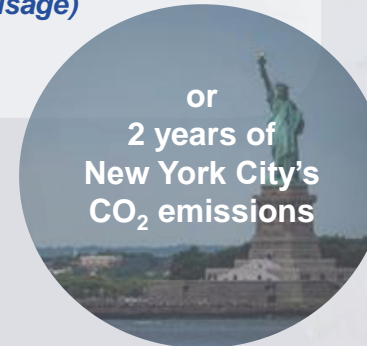
thanks to **lower abrasion**, while maintaining low rolling resistance and other performance features.



**-115**<sup>(2)</sup>

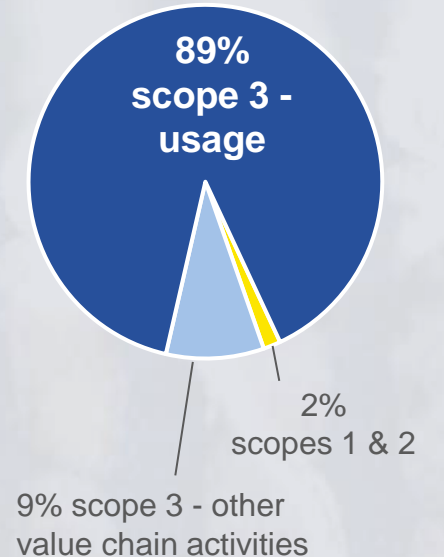
million tons  
of CO<sub>2</sub> emissions  
(scope 3 - usage)

thanks to **lower rolling resistance**, without sacrificing other performance features such as safety and low abrasion.



## Tire industry CO<sub>2</sub> emissions are mostly related to scope 3<sup>(3)</sup>

Illustration: Michelin 2023 CO<sub>2</sub> emissions



(1) Underlying hypothesis: 30% advantage for Michelin vs. competitors in abrasion, as calculated by ADAC - Tyre wear particles in the environment, March 2022.

(2) Estimated impact on scope 3 usage of the tire industry if Michelin's technology was used by all manufacturers in all geographies. Underlying hypothesis: 20% advantage for Michelin vs. competitors in rolling resistance, based on data extrapolated by Michelin.

(3) See page 179 of the 2023 Universal Registration Document for details.

# Michelin: First manufacturer to design a road-homologated tire with 58% renewable or recycled materials

On the way to our “100% Renewable or Recycled materials by 2050” goal: new tires with breakthrough technologies



(1) Size: 275/70 R22.5 152/149

(2) Size: 235/55R19 105W

# Strong commitment to reduce impact of operations on biodiversity and ecosystems

	2023	2025	2030
<b>RESEARCH &amp; DEVELOPMENT</b>			
Life Cycle Analysis incl. biodiversity criteria from best methods	100% of new products	products: 100% services: Pilot	100% of new ranges marketed
<b>RAW MATERIALS</b>			
Natural rubber used by the Group assessed "deforestation-free" <sup>(1)</sup> Direct operations and suppliers <small>N.B. Under validation by act4nature international</small>	9% <sup>(2)</sup>	100% EUDR compliant	100% of the volume use
Reducing pesticide use in rubber cultivation <sup>(3)</sup> Direct operations and joint ventures <small>N.B. Under validation by act4nature international</small>	-58%	-50%	-70% vs. 2019
Evaluation of raw material supplier policies & practices <sup>(4)</sup>	Approach under definition	Pilot	80% of suppliers
<b>MANUFACTURING AND RESEARCH FACILITIES</b>			
Biodiversity plan adapted to local issues	16 sites	at least 15 sites	100% of sites
No phytosanitary products to maintain outdoor spaces	22 sites	at least 30 sites	100% of sites

(1) Criteria in accordance with the EUDR - European Union Deforestation-free Regulation

(2) Calculated on the basis of 2023 volumes by supplier

(3) Per hectare

(4) Other than natural rubber ; Impacts of raw materials identified through Life Cycle Analyses (LCA)

# Sustainable natural rubber by Michelin: Driving progress across a fragmented value chain

## ID CARD

~90% of Group's supply come from ~2 M farmers with an average farm size of 3 Ha

Up to 7 middlemen between direct suppliers and smallholders in Asia

~150 direct suppliers

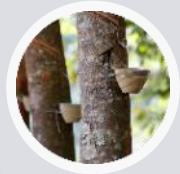
### Global presence

in Brazil, Indonesia, Thailand & West Africa (including joint-ventures):

- 85,000 ha. of plantations
- 15 rubber processing plants
- 500,000 tons/year production

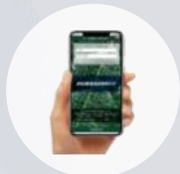
### GPSNR Founding member

(Global Platform for Sustainable Natural Rubber)



## ACCELERATING SUSTAINABILITY ACROSS THE INDUSTRY BY 2025

- **Dedicated roadmap** tracking commitments on zero deforestation, human rights, and farmer empowerment
- **Geolocation of millions of rubber tree plots** in collaboration with suppliers to meet EU regulation requirements for deforestation-free products by Dec.30, 2024.



## EXTENDING ASSESSMENTS OF PRACTICES ACROSS THE VALUE CHAIN: 2023 ACHIEVEMENTS

- **Direct suppliers via EcoVadis:** 97% of expenditures assessed, 94% "ESG mature"
- **Indirect suppliers :** RubberWay<sup>TM</sup> app. deployed at 83% of suppliers (in volume) in 2023



## IMPLEMENTING IMPACTFUL PROJECTS

- **Brazil**  
increasing harvest while preserving the forest (767,600 hectares)\* - 1,000 families in Amazonas
- **Indonesia**  
improve skills of 1,000 smallholders using RubberWay<sup>TM</sup> app. by 2024 – (with Porsche)  
East Kalimantan : training 2,000 farmers by 2024
- **Sri Lanka**  
improving skills & sustainability performance of 6,000 smallholders by 2025, impacting ~30,000 people
- **Thailand**  
helping 1,000 farmers diversify their income with agroforestry by 2025\*\*
- **West Africa (with joint-venture)**  
~90,000 farmers trained per year

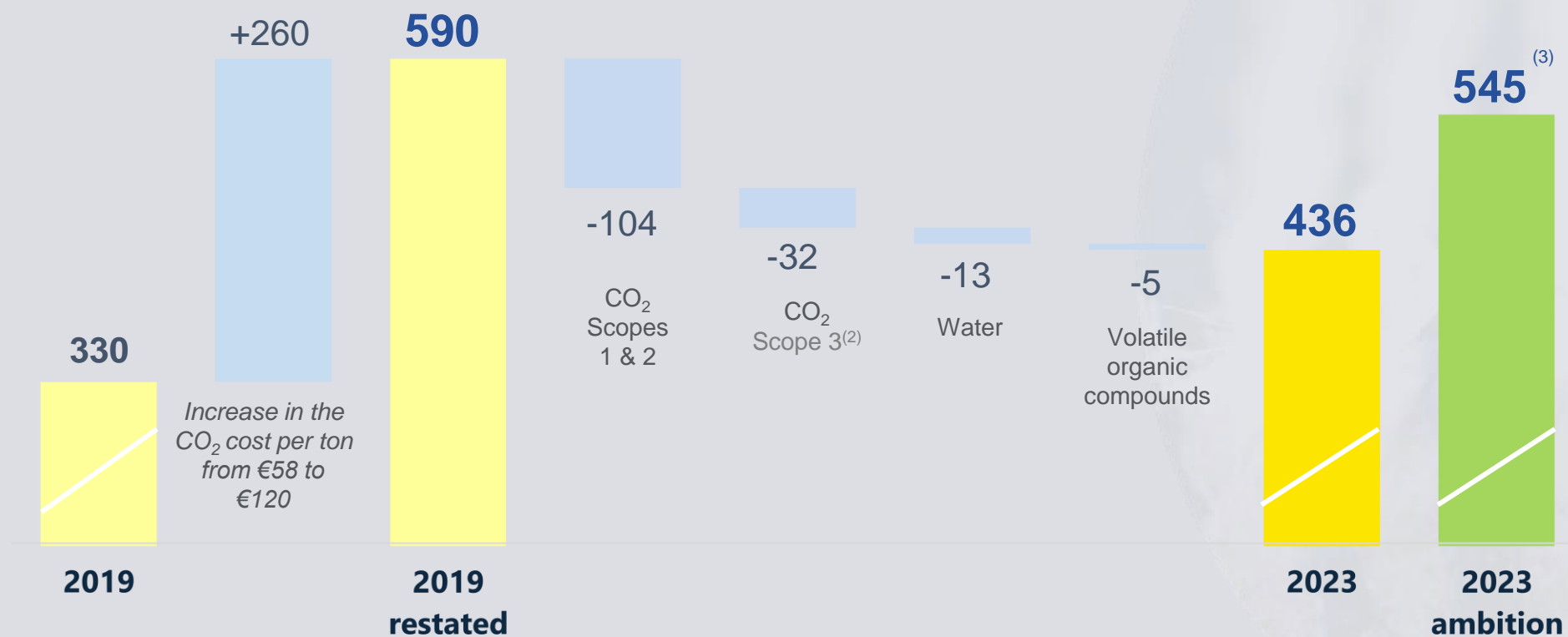
\* With WWF

\*\* As part of the Global Platform for Sustainable Natural Rubber (GPSNR)



# Externalities: 2023 achievements exceeded ambitions

Externalities costs evolution: CO<sub>2</sub> emissions, VOC<sup>(1)</sup> emissions and water withdrawals  
(€ millions)



(1) Volatil Organic Compounds

(2) Inbound and outbound transportation and distribution of natural rubber, semi-finished products and finished product

(3) Corresponds to 2023 target of approximately €300m announced at the CMD on April 8, 2021, adjusted for the ton of CO<sub>2</sub> valued at €120/t



# Michelin applies the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

## MICHELIN'S ANSWER

See p. 189 of 2023 Universal Registration Document for more details



Detailed information concerning the application of TCFD recommendations may be found in the public answers to the CDP Climate Change 2022 questionnaire (see <https://www.cdp.net/en/responses>).



### **GOUVERNANCE**

As part of the Supervisory Board's role of exercising permanent oversight of the Group's management, the CSR Committee began to review the climate strategy and issue recommendations.

### **STRATEGY**

Four climate scenarios comprising narrative descriptions and quantitative socio-economic and physical assumptions were updated, deepened and deployed for use at two levels:

- by the business lines, regional organizations, operating units, corporate departments and other units as part of strategic thinking and ideation exercises,
- by the Group Executive Committee, to compare them to Group strategy and analyze their resilience about climate change and other indirect risks arising from the environmental transition.

### **RISK MANAGEMENT**

In 2021, an initial internal audit of systemic physical risks was performed and the first pilot study of the vulnerability of certain Group operations was completed.

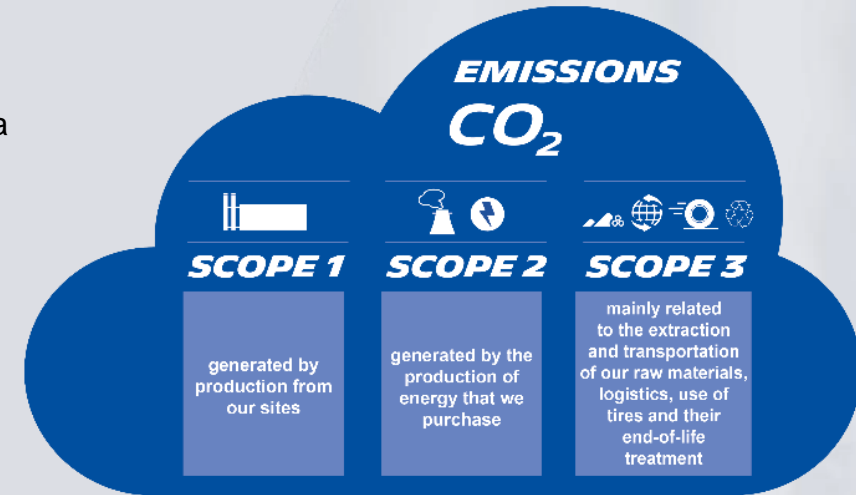
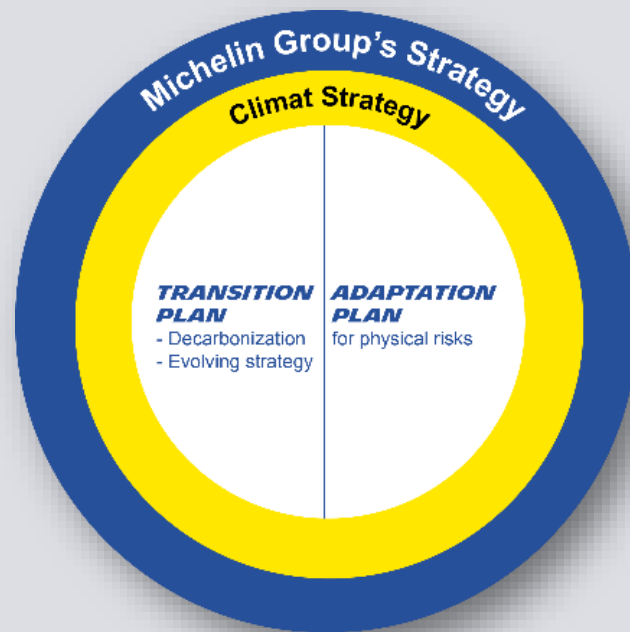
### **METRICS AND TARGETS**

Joining the "Race to Zero" campaign, answering the call to action led by the Science Based Targets initiative (SBTi), the United Nations Global Compact and We Mean Business, by committing to reach net zero emissions by 2050.

# Climate strategy structured around transition and adaptation plans, towards Net-Zero emissions by 2050

## STRUCTURED AROUND 2 AXES:

- A **TRANSITION plan** including initiatives to decarbonize direct and indirect activities in the value chain (Scopes 1, 2 & 3) and a strategic plan to support a low-carbon economy
- An **ADAPTATION plan** responding to physical impacts of climate change

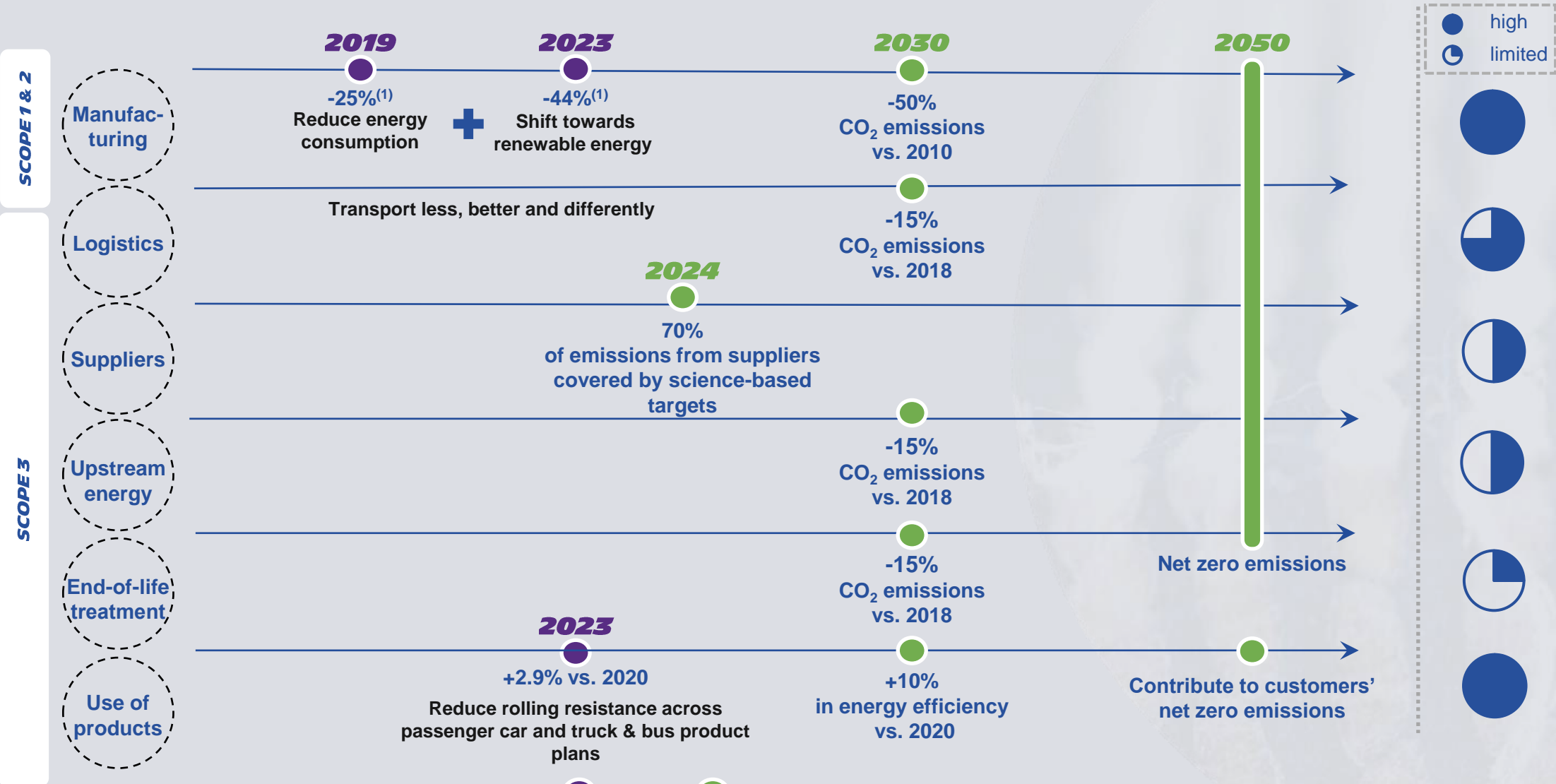


## BASED ON 3 PRINCIPLES:

- **Achieve net-zero emissions by 2050** by fulfilling our external emission reduction commitments by 2030,
- **Identify risks and opportunities** based on climate change scenarios,
- **Transparently disclose information** to our external stakeholders.

# 2030 environmental ambition: on track to reach net zero emissions in 2050

Group's ability to have an influence



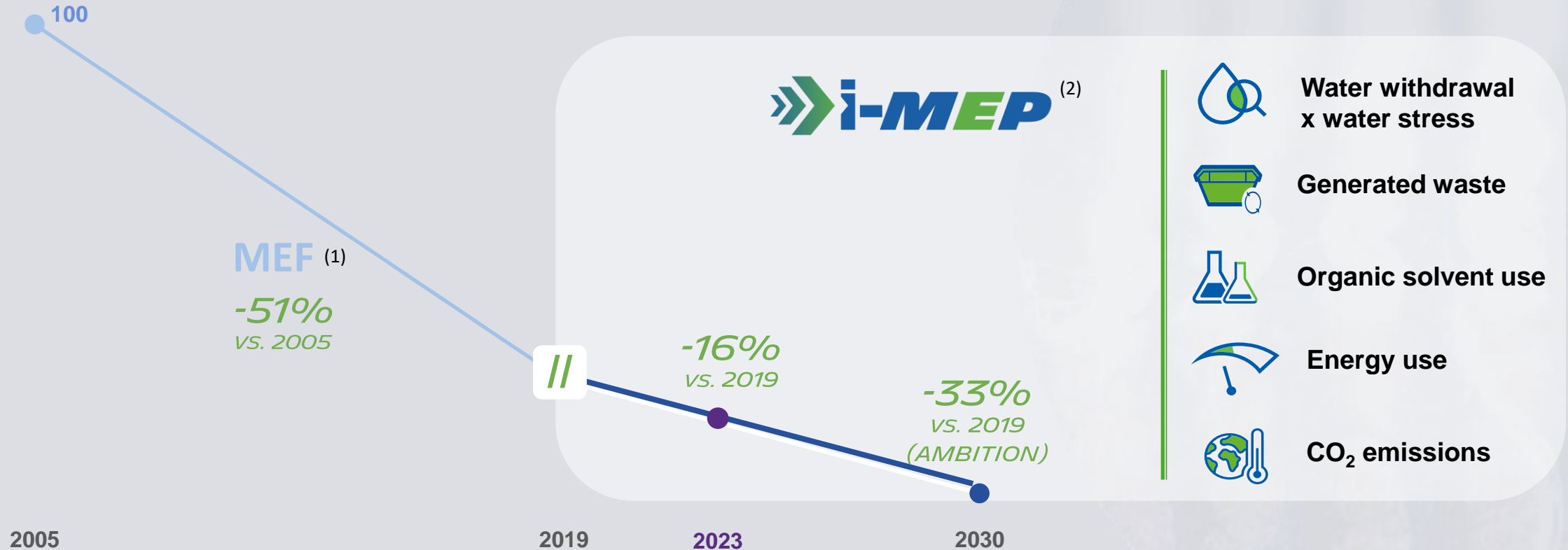
(1) CO<sub>2</sub> emissions vs. 2010    ● Results    ● Ambitions



# Sharp reduction in the environmental footprint of our operations, on track to reach 2030 target

## Environmental footprint of our sites

(MEF vs. 2025 till 2019, i-MEP since 2019 - ISO14001- certified)



(1) Michelin Environmental Footprint;

(2) industrial-Michelin Environmental Performance; see detailed definition p.173 of the 2023 Universal Registration Document

# Fostering social and societal cohesion through ambitious initiatives

## 'Living wage' for every Group employee

- 'Global Living Wage Employer' certified by Fair Wage Network
- Enabling each employee to provide for his/her **family's essential needs**
- For **all Group employees**, since Jan. 2024



## Michelin One Care Program, a universal social protection floor

- Provide **time to welcome a new child**
- **Family protection** in case of employee's death
- Ensuring employees and their families can **access a health program**
- For **all Group employees**, by Jan.2025

## Lifelong learning approach

- Each year, over **€240m dedicated to training**
- **Talent Campus** launched in 2022, with 1,000 teaching contributors
- **55,000 online modules**, available 24 hours a day

# Diversity and inclusion: Progress in gender balance and acceptance of diversity, demonstrating the Group's commitment

## EQUAL OPPORTUNITY

Every employee can develop his/her talents within the company. Michelin pays particular attention to the internal promotion of manufacturing operators.

## DISABILITY

Michelin offers career paths to people of all abilities according to its talent development policy.

## MULTI-NATIONAL MANAGEMENT

All our host country nationalities and cultures are represented in all corporate functions in the operating regions and at headquarters, in line with the geographical footprint of each business.



## GENDER BALANCE

Achieve parity among Group executives and, by 2030, set the gender balance benchmark in our industry.

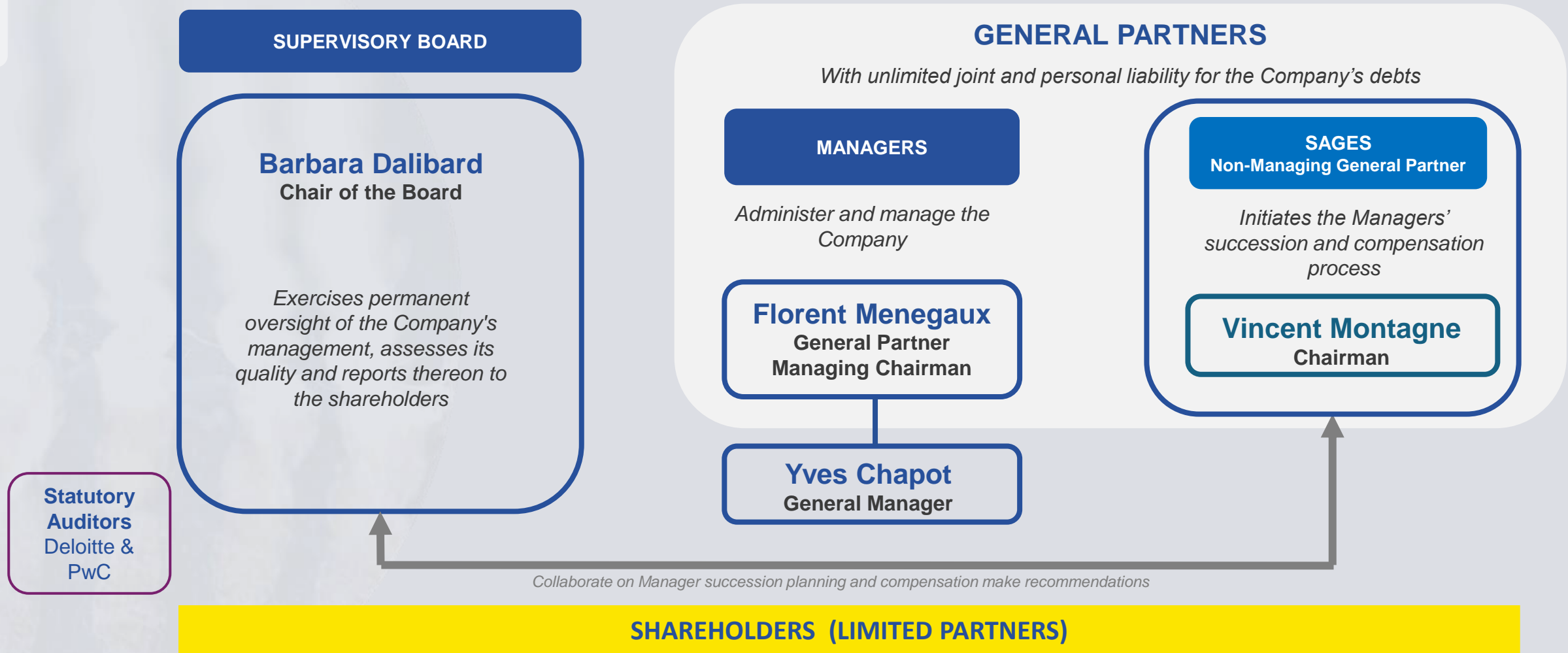
## IDENTITY

All D&I<sup>(2)</sup> aspects, (e.g., age, sexual orientation, ethnicity, religion, etc.) Enable every person to be who they really are and to bring their authentic selves to work.

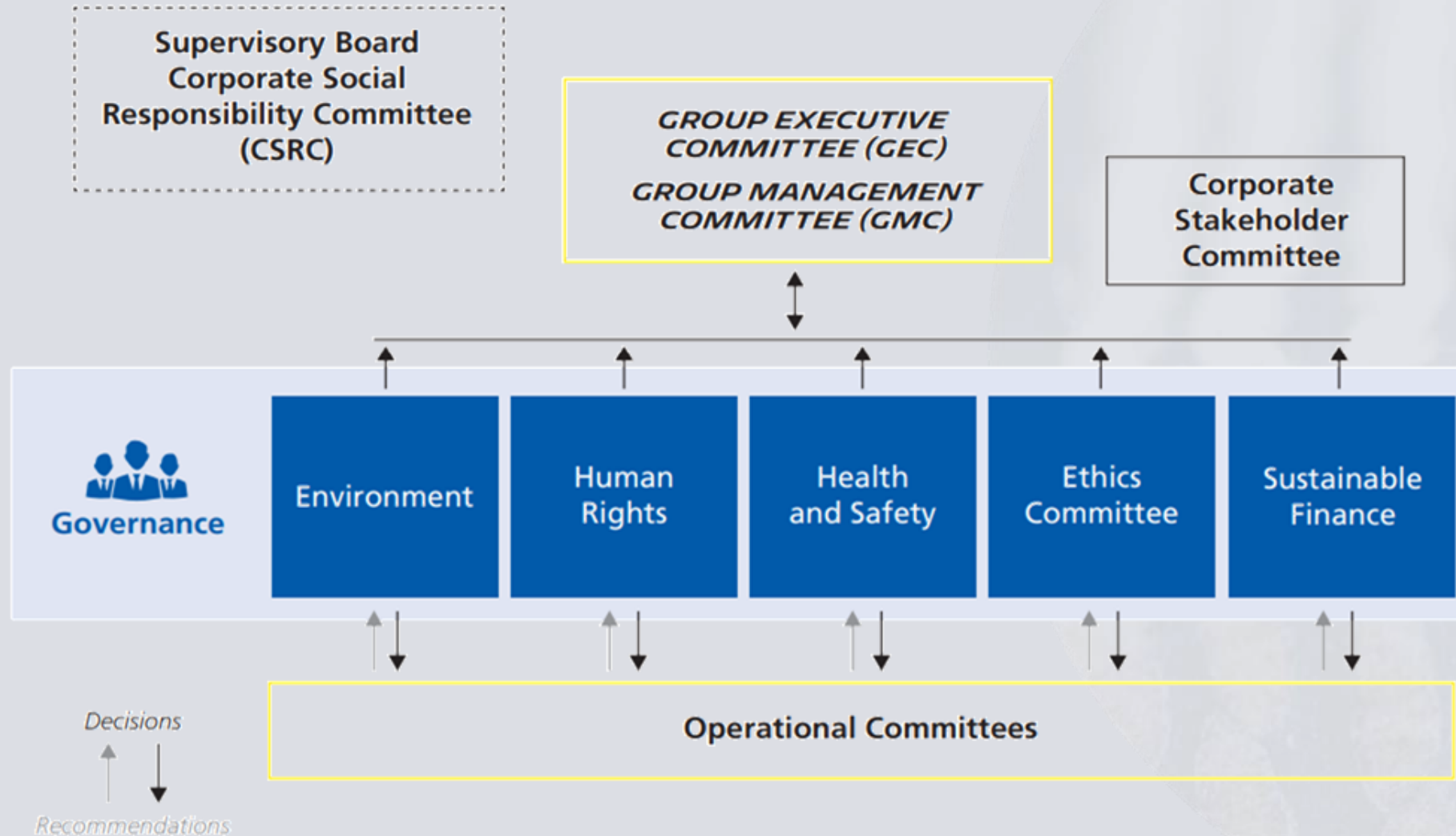
(1) IMDI Management Index: see definition on p. 237 of the 2023 Universal Registration Document

(2) Diversity and Inclusion

# Michelin governance pillars: Clear segregation of management and supervisory powers

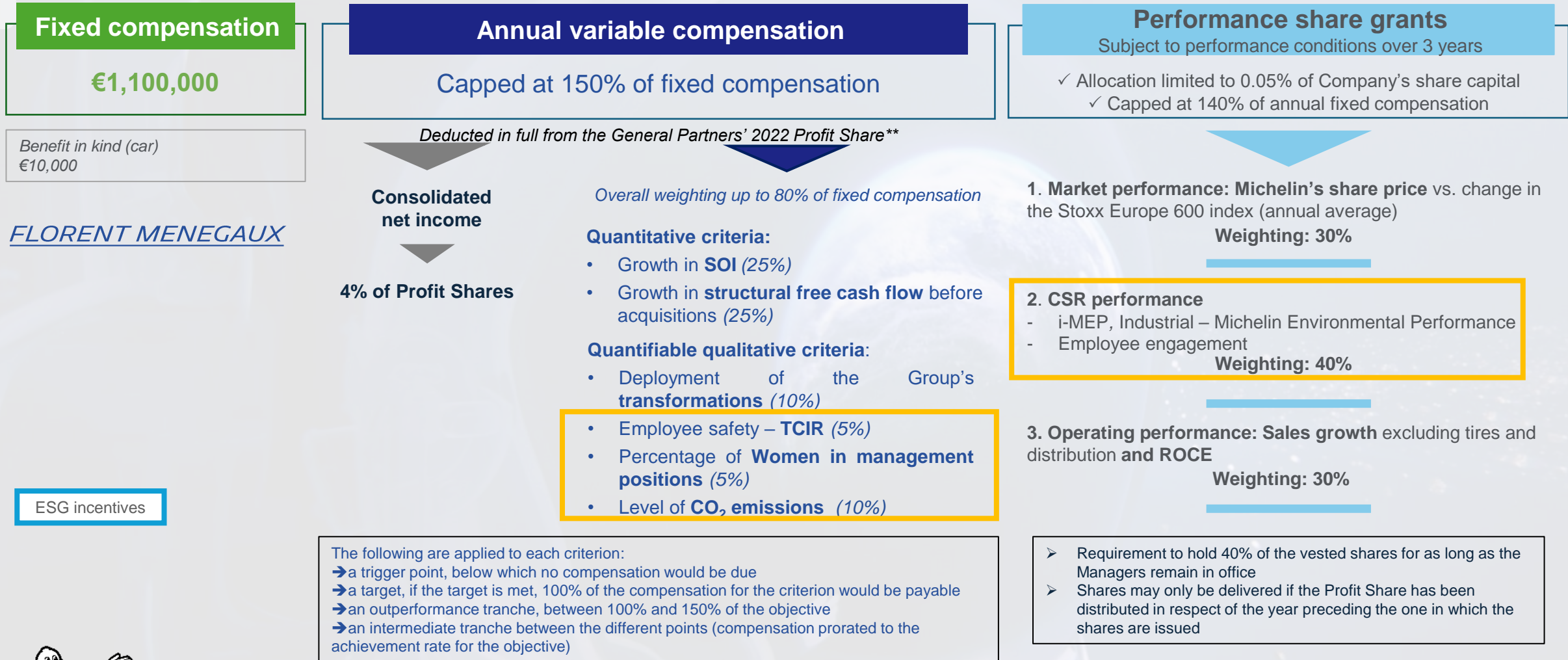


# ESG awareness and oversight are fully embodied in Michelin's governance structure





# ESG criteria are included in the Managers' compensation and shared with all employees via performance share plans



# Glossary

## ***FREE CASH FLOW (FCF)***

Free cash-flow excluding M&A: 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, including JV financing, adjusted for net cash-flows relating to cash management financial assets and borrowing collaterals. M&A-related cash-flows and repayment of IFRS 16 debt are not included.

## ***ROCE***

Return on capital employed: Net operating profit after tax (NOPAT), 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, 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.

## ***TIRE SALES***

Sales from Michelin's core business, including the Tire-as-a-Service (TaaS) business and Distribution operations.

## ***NON-TIRE SALES***

Sales from the Connected Solutions (excluding TaaS and Distribution) and Polymer Composite Solutions businesses, excluding joint ventures.

## ***IMDI***

Inclusion and Diversities Management Index, see definition p.237 of the 2023 Universal Registration Document

## ***TCIR***

Total Case Incident Rate, see definition p.264 of the 2023 Universal Registration Document

## ***I-MEP***

Industrial - Michelin Environmental Performance, see definition p.173 of the 2023 Universal Registration Document

## ***RENEWABLE OR RECYCLED MATERIALS***

New KPI name for "Sustainable materials", definition unchanged see p.193 of the 2023 Universal Registration Document

## ***NPS***

Net Promoter Score, see definition p.287 of the 2023 Universal Registration Document



# 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 [Michelin.com](https://www.michelin.com) 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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