



2024 **Q1 SALES**

April 24, 2024



Consolidated first-quarter 2024 sales down 2.7% at constant exchange rates, on soft volumes as expected. Strong mix development reflecting Group performance in the most value-accretive segments. 2024 full-year guidance unchanged.

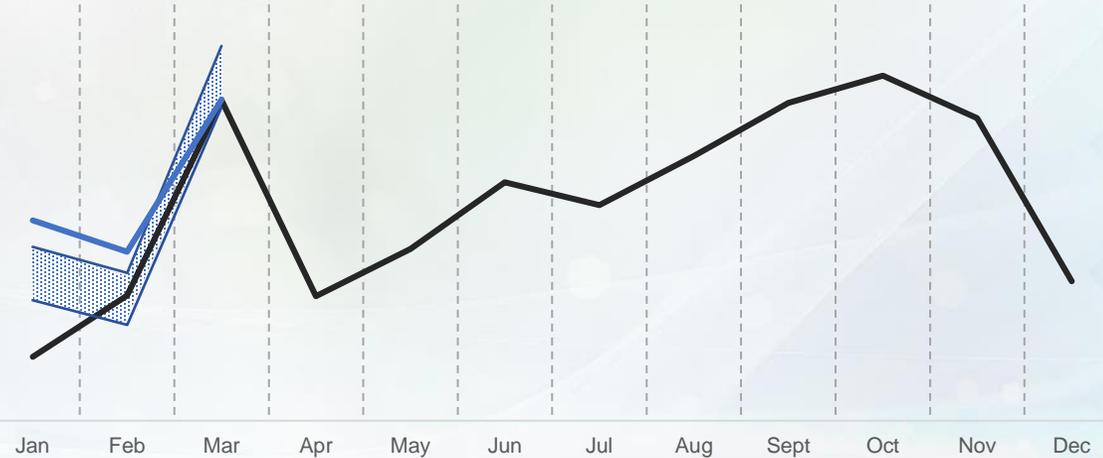
- Global sell-in markets slightly up, led by Replacement demand
 - PC/LT tire demand up 2% thanks to robust Replacement demand in North America and China. After a strong start to the year, OE demand flat over the full quarter. Stock levels in distribution close to normative level.
 - Truck tire markets outside China up 2%, with Replacement up 4% from sustained economic activity in North & South America and increasing imports of Asian tires into North America ahead of expected anti-dumping duties. OE demand down -7% on highly unfavorable comparatives in Europe and North America.
 - Specialty tire markets mixed : declining in Construction, Agricultural OE and Two-wheel tire markets, up in Mining but impacted by inventory drawdowns, up in Aircraft.
 - Non-tire markets stable overall, reflecting the hesitant economic environment
- Consolidated sales down 4.6% for the period, of which 1.9% from currency movements. Performance in the most value-accretive segments translates into a stronger mix
 - Volumes down 4.1%, primarily from Truck and Specialty tires : soft overall demand and a stricter selection of where-to-play market segments. Sales of 18-inch and larger passenger car tires expanded at a sustained pace.
 - Price-mix effect up 0.7%, combining the expected negative price impact from indexation clauses in the contractual businesses, and a powerful mix effect reflecting the Group's performance in prioritized market segments.
 - Non-tire sales up 0.7% with the consolidation of FCG, acquired in 2023, stable like-for-like due to high prior-year comparatives.
 - Strong -1.9% forex headwind, as most currencies declined against the euro.
- Full-year guidance unchanged
 - Maintaining projected sell-in markets scenario, with 2024 sales volumes expected within the [-2%; 0%] range.
 - 2024 guidance unchanged, with SOI above €3.5 billion at constant exchange rates and reported FCF excluding M&A above €1.5 billion.



Sell-in tire markets developing slightly, driven by Replacement demand, with Truck distorted by Asian tires imports into North America ahead of expected tariffs hike



PASSENGER CAR & LIGHT TRUCK

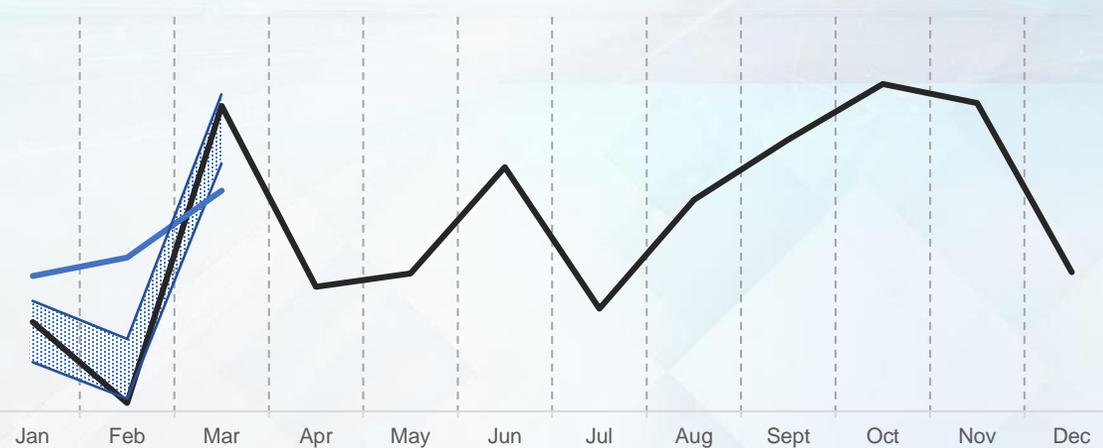


Q1 2024
vs. Q1 2023

+2%



TRUCK EXCLUDING CHINA



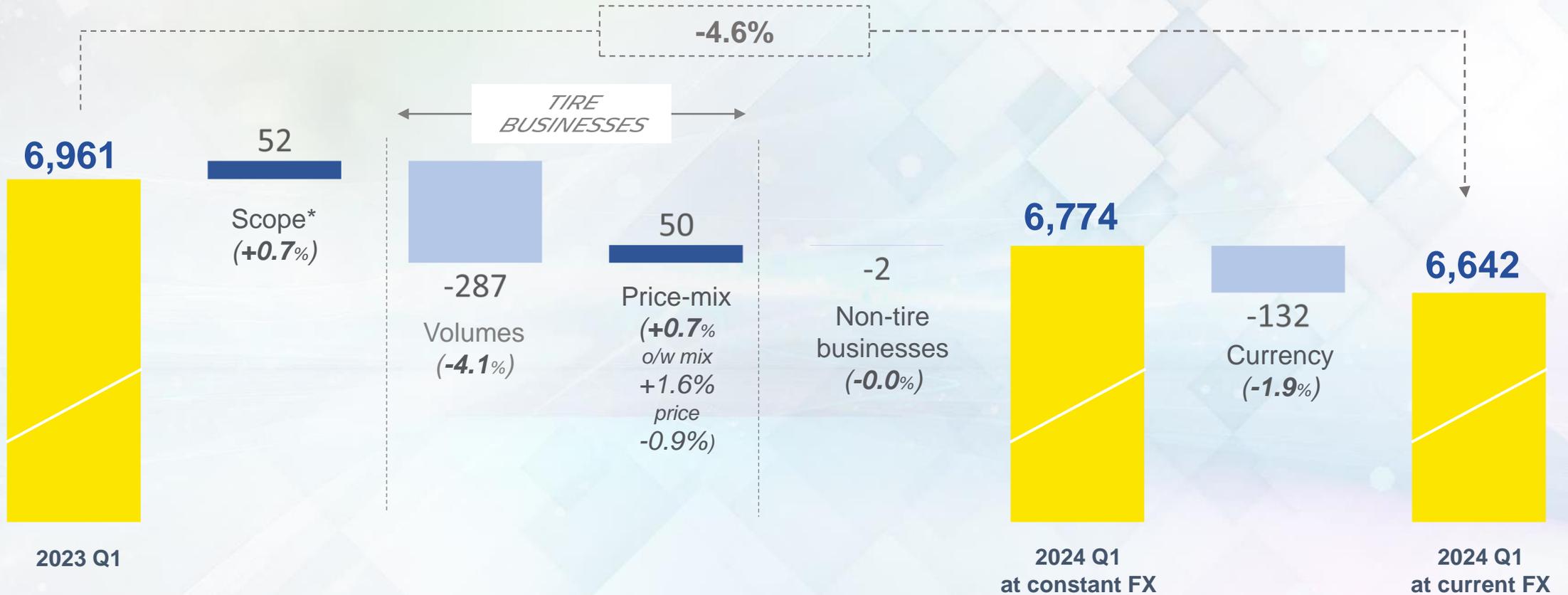
Q1 2024
vs. Q1 2023

+2%

Sales down 2.7% excluding currency effect, volumes partially offset by strong mix

FIRST QUARTER SALES EVOLUTION

(€ millions and as a %)



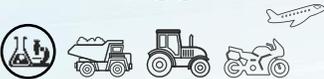
* Consolidation of Flex Composite Group effective Sep. 26th, 2023



Volume decline mostly in Truck & Specialties reflecting soft overall demand and selective market approach. Strong mix over-offsetting negative price effect from indexed contracts.

SALES BY REPORTING SEGMENT

(€ millions)

		Q1 24	Q1 23	CHANGE	
RS1 	Sales	3,376	3,457	-2.4%	Volumes down in 17"- segment, growth in 18"+ (63% of Michelin sales, up 5pts YoY) Favorable mix over-compensating negative price impact from indexation clauses, strong FX headwind
	<i>o/w volume change</i>	-	-	-1.1%	
RS2 	Sales	1,595	1,696	-6.0%	Selective market approach impacting volumes on lower-value segments Mix and price effects both favorable with improved OE contracts
	<i>o/w volume change</i>	-	-	-5.8%	
RS3 	Sales	1,671	1,808	-7.6%	Mining volumes penalized by 2023 reference and customer destocking Beyond Road focusing on the most value-creating segments Negative price effect in indexed businesses, fully compensated by mix Polymer Composite Solutions sales up 11% with FCG integration
	<i>o/w volume change</i>	-	-	-7.7%	
GROUP	Sales	6,642	6,961	-4.6%	
	<i>o/w volume change</i>	-	-	-4.1%	

Group resilience relying on diversified destination markets and worldwide reach

DESTINATION MARKETS

(full-year 2023, % of sales)

SPECIALTIES TIRES



Main drivers: GDP, public spending, commodity prices, construction

18%

5%

11%

FLEET SERVICES, RETAIL & DISTRIBUTION, LIFESTYLE



Main drivers: miles driven, GDP, used cars market, tourism

36%

TRANSPORTATION TIRES



Main drivers: GDP & PMI

20%

REPLACEMENT AUTO & 2-WHEEL TIRES



Main drivers: miles driven, GDP, used cars market

10%

AUTO OE ⁽¹⁾ TIRES



Main drivers: regulation & GDP

39%

A BALANCED GEOGRAPHICAL FOOTPRINT

Rest of the world

26%

North America

Europe

35%

Cyclicality	
● Very high	● Low
● High	● Very low

(1) Original equipment



Value over volume: winning where it matters

OE: BEING SELECTIVE TO EXTRACT THE RIGHT VALUE



INNOVATION



BRAND POWER



**STRATEGIC
PARTNERSHIPS**



LOYALTY

**Maximizing value creation
for both OEMs and Michelin**

REPLACEMENT : ACCELERATING ON VALUE-ACCRETIVE SEGMENTS



Market in
Volume



Market in
Value

Ensuring
value creation

**Offensive
Where-to-Play**

Reinforcing our leadership:

Higher market share on value-accretive segments

Enhancing our partners' performance

Valorizing our technology and offers

Adjusting our industrial footprint to support growth on targeted markets

ANNOUNCED ADJUSTMENTS



Ardmore (USA)



Karlsruhe / Homburg (GER)



Trier (GER)



Shanghai (CHN)

Bridgewater (CAN)

Leon (MEX)



Junction City (USA)



Olsztyn (POL)



Shenyang (CHN)



Shanghai (CHN)



Shenyang (CHN)

Olsztyn (POL)

Capacity removal

-7%

PC ≤18"

-15%

Truck

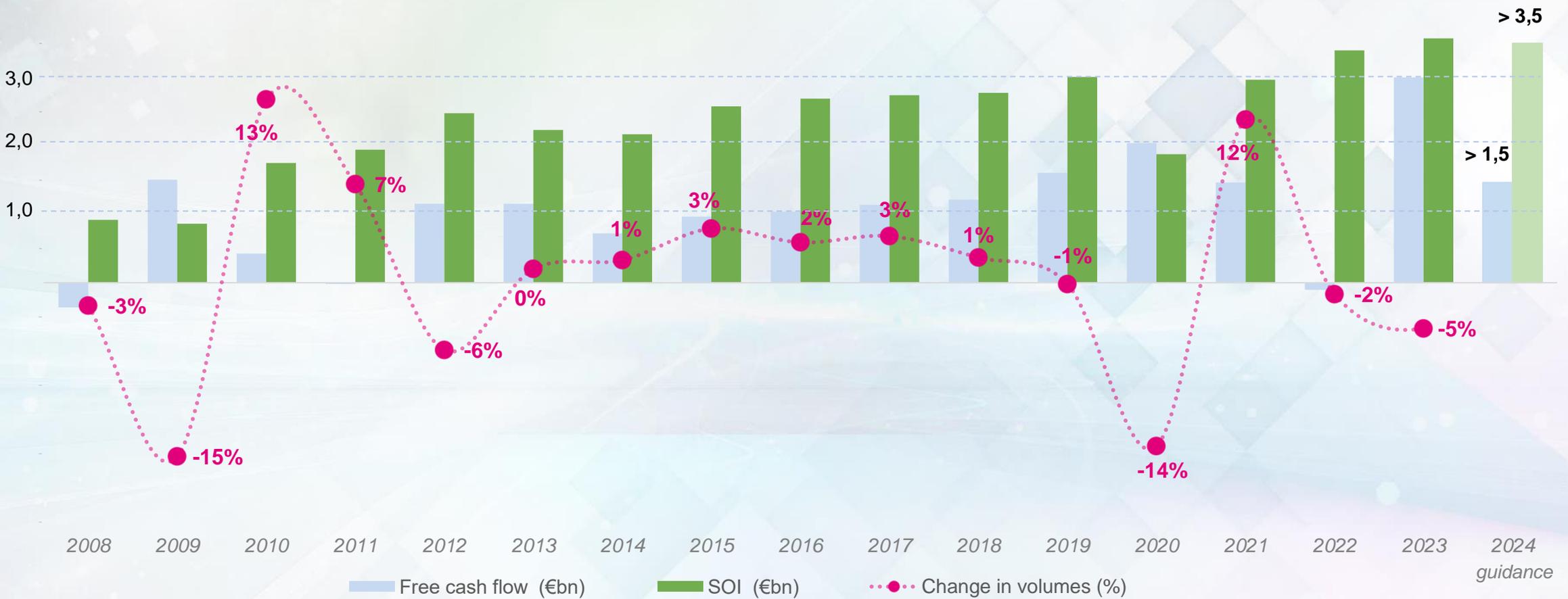
OPTIMIZATION LEVERS

- Local-to-local
- Value-driven production mix
- Lower environmental impact
- Talents attraction & retention



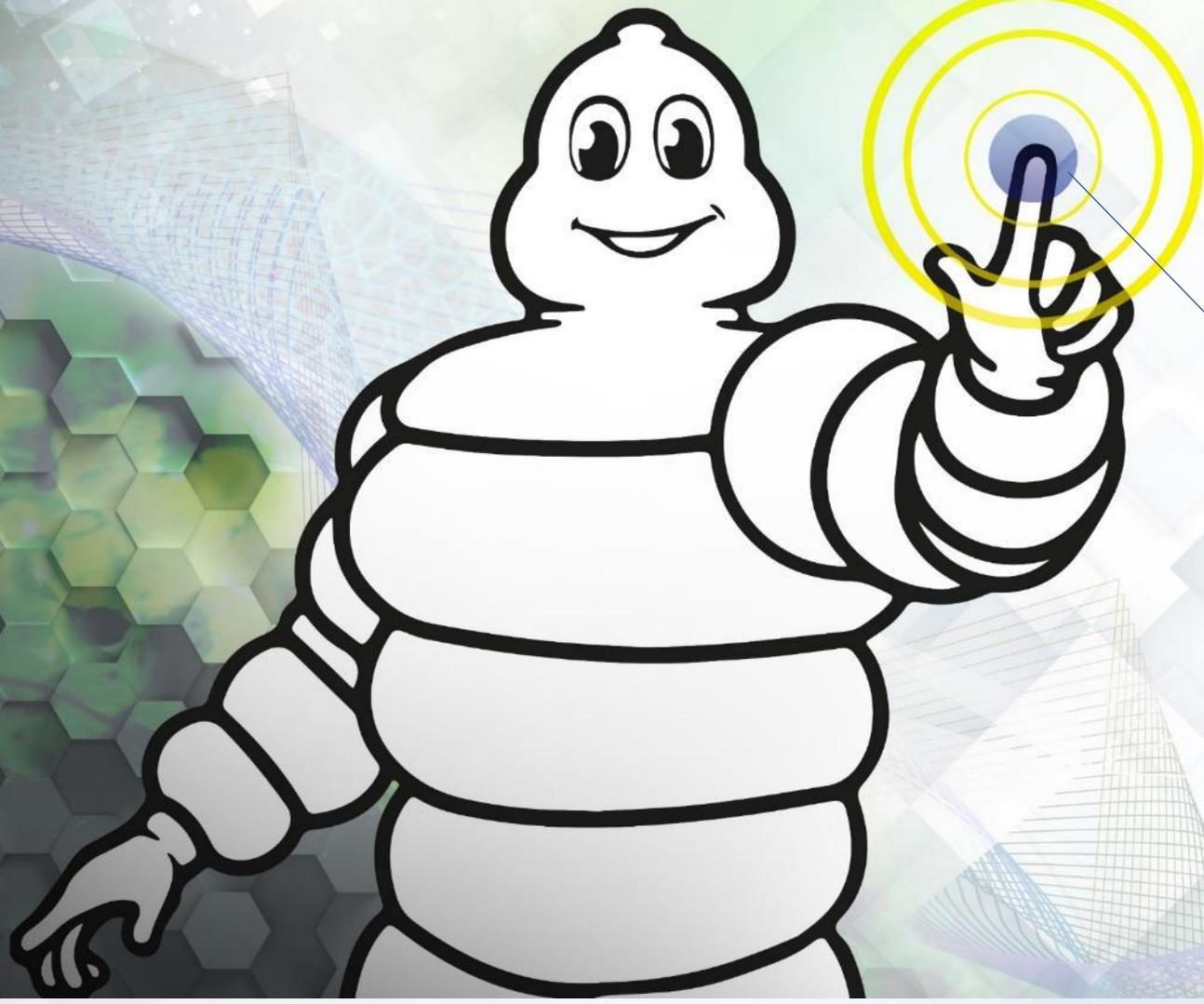
Reinforced ability to increase cash and margin generation across business cycles

FCF ⁽¹⁾ AND SOI ⁽²⁾ EVOLUTION vs. CHANGE IN VOLUMES



(1) Reported Free cash flow, excluding M&A
 (2) Segment operating income



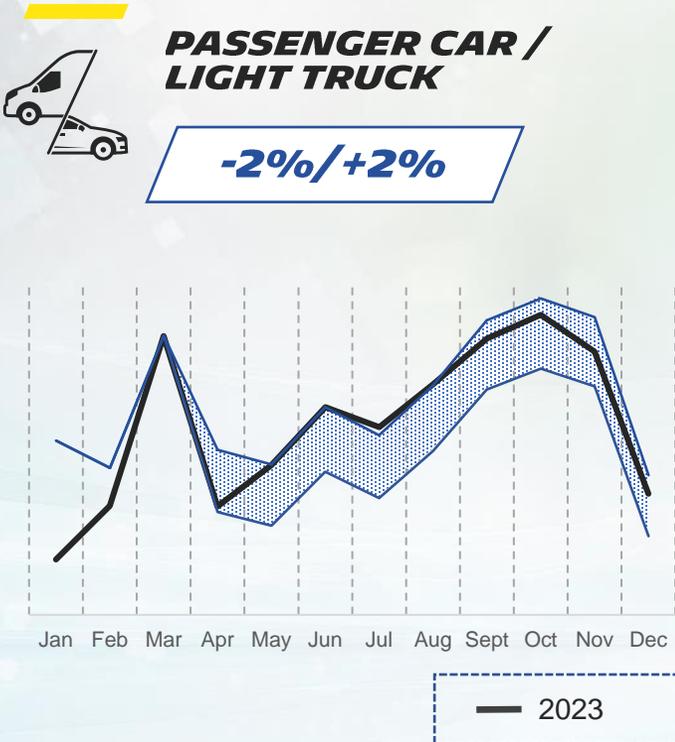


2024

GUIDANCE



2024 tire markets scenario (sell-in) overall flat, with slight increase in RT and decline in OE



OE: slight decline, mitigated by resilient consumer demand in North America

RT: soft growth in demand with continuous market enrichment, inventories at norm



OE: demand down in North America due to new GHG regulation that boosted 2023 sales, and challenged economic outlook in Europe

RT: slight growth driven by underlying transportation demand, stocks at normative level

SPECIALTIES

-2%/+2%

Mining tires: fundamental demand positively oriented, customer stock reduction impacting sell-in demand

Beyond-road tires: slight growth in RT, OE sharply negative especially Agriculture and Construction

Two-wheel tires: slight market growth, further destocking in H1

Aircraft tires: normalized growth with strong 2023 reference base



2024 Group scenario & guidance

SCENARIO

Volumes

[-2% ; 0%]

Operating performance
net of inflation

slightly positive

Cash-out capex

[€2.2bn ; €2.4bn]

GUIDANCE

Segment operating income
at constant FX vs 2023

> €3.5bn

Free cash flow
before Acquisitions

> €1.5bn



AGM

MAY 17, 2024

CAPITAL MARKETS DAY

MAY 28, 2024

HALF-YEAR RESULTS

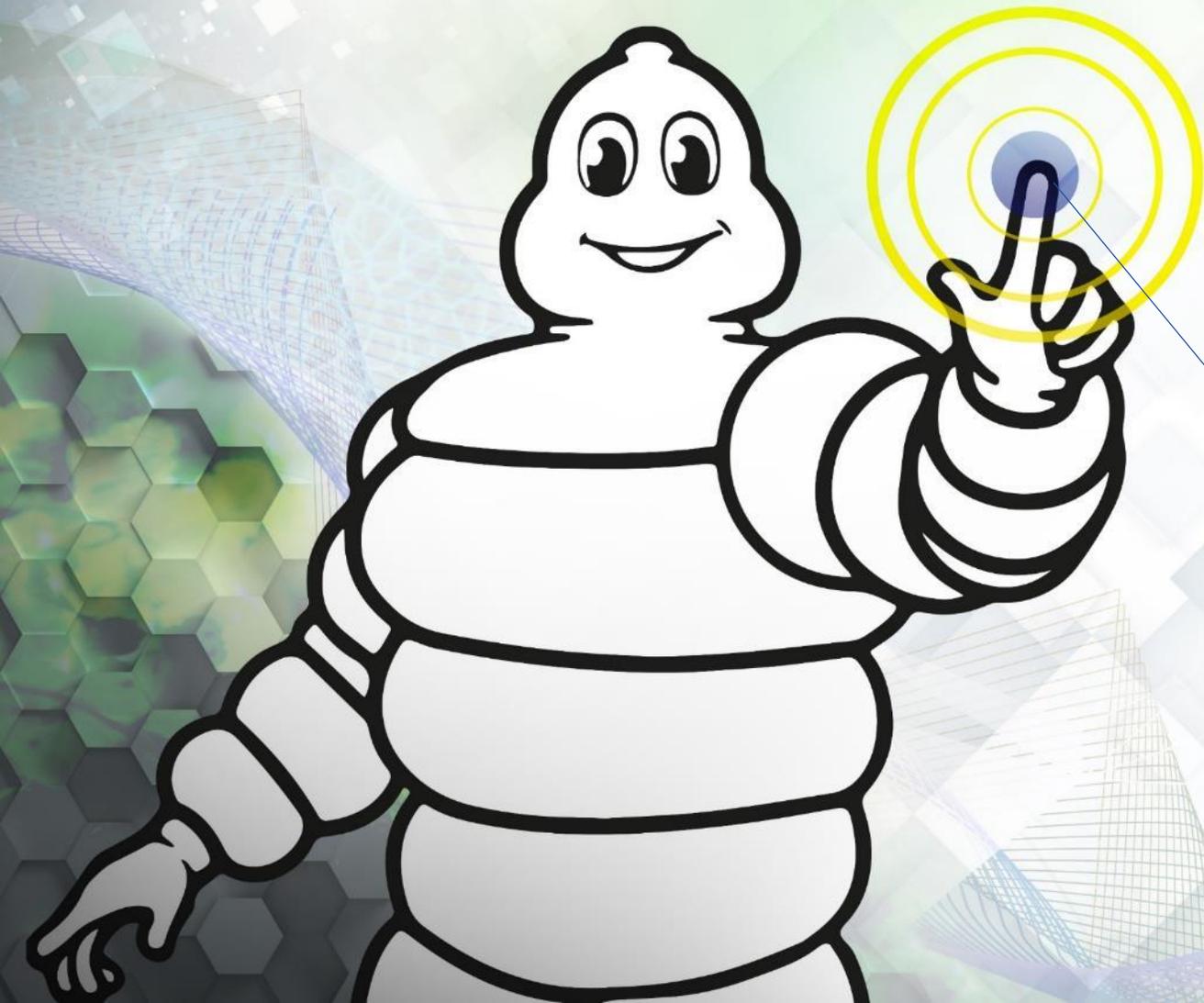
JULY 24, 2024 *

Q3 SALES

OCT. 23, 2024 *

** After close of trading*





APPENDIX



Michelin's deep-innovation capabilities feed the Group's leadership on all targeted end-markets

MICHELIN'S DEEP-INNOVATION CAPABILITIES



Unrivaled innovation ability, from fundamental research to solutions development



Extensive **worldwide manufacturing expertise**



Unique know-how in **performance simulations**



Clear roadmap towards 100% sustainable materials with dedicated R&D programs

LEADERSHIP POSITION ON EVERY TARGETED END-MARKET

TIRE



SERVICES TO FLEETS



TaaS
Tire-as-a-Service



POLYMER COMPOSITE SOLUTIONS

Sealing technologies

Belting solutions

Engineered fabrics & films

Engineered polymers

Strategic Scorecard – 2023 results in line with 2030 ambitions

			PROGRESS STATUS		
AMBITION	METRICS	2030 SUCCESS	2021	2022	2023
 Be world-class in employee engagement	 Engagement rate	>85%	79.8%	82.5%	83.5%
 Be world-class in employee safety	 TCIR ⁽¹⁾	<0.5	1.29	1.07	1.01
 Be a reference in diversities and inclusion of teams	 IMDI ⁽¹⁾	80 pts over 100	65	70	72
 Be best-in-class in value created for customers	 NPS partners ⁽¹⁾	48 (+10 vs. 2020)	38.9	41.6	42.7
 Deliver substantial growth	 Total sales	5% CAGR 23-30	€23.8bn	€28.6bn	€28.3bn
 Deliver continuous financial value creation	 ROCE ⁽¹⁾	>10.5%	10.3 %	10.8%	11.4%
 Maintain Michelin brand power	 Brand vitality quotient	+5 pts vs. 2021	68	65	73
 Maintain best-in-class innovation pace in products and services	 Offers vitality index	>30%	31%	31%	31%
 Reach net zero emission by 2050 (manuf. and energy)	 CO ₂ emissions (scopes 1&2)	-50% vs. 2010	-29% 2764 Kt	-41% 2304 Kt	-44% 2163 Kt
 Contribute to reaching net zero emission (Scope 3)	 Products energy efficiency (scope 3)	+10% vs. 2020	+0.5%	+1.8%	+2.9%
 Be best-in-class in environmental footprint of industrial sites	 i-MEP ⁽¹⁾	-1/3 vs. 2019	-7.4%	-11.2%	-16.1%
 Reach full circularity of products by 2050	 Renewable or recyclable materials rate	40%	29%	30%	28%

(1) TCIR = Total Case Incident Rate; IMDI = Inclusion and Diversities Management Index; NPS = Net Promoter Score; ROCE = Return on Capital Employed; i-MEP = industrial - Michelin Environmental Performance, see p.173 of the 2023 Universal Registration Document

Shareholder return: further development of dividend and pay-out

PER SHARE DATA ⁽¹⁾

(in €)

	2019	2020	2021	2022	2023
DIVIDEND	0.50	0.58	1.13	1.25	1.35 ⁽⁴⁾
NET INCOME BASIC	2.42	0.88	2.58	2.81	2.77
PAY-OUT RATIO ⁽²⁾	21%	65%	44%	44%	49%
RETURN ⁽³⁾	1.8%	2.2%	3.1%	4.8%	4.2%

50%

Shareholder return policy

- Dividend policy : payout ratio rising towards 50% in 2030
- Share buy-back program worth up to €1bn over the period 2024-2026, o/w. €500m in 2024

(1) Data prior to 2022 restated for the 4-for-1 stock split of June 2022

(2) Dividend / Net income

(3) Dividend / Share price; based on Dec 31 closing stock price

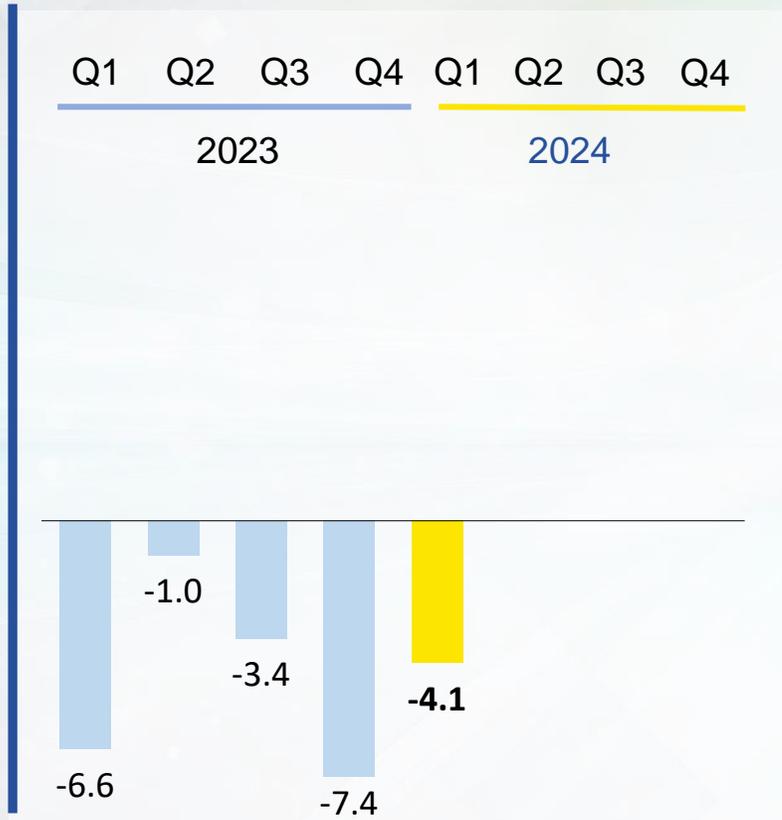
(4) Subject to approval by the AGM on May 17th 2024

Q1 volumes impacted by soft demand, strong mix over-offsetting negative price driven by clause-indexed businesses

YOY QUARTERLY CHANGE

(in %)

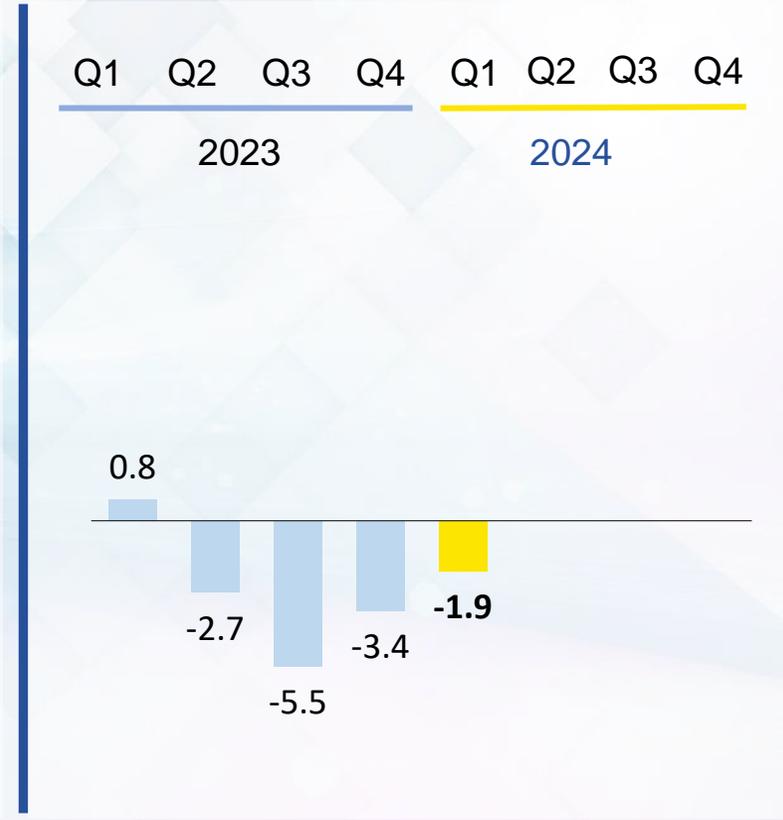
VOLUMES



PRICE-MIX



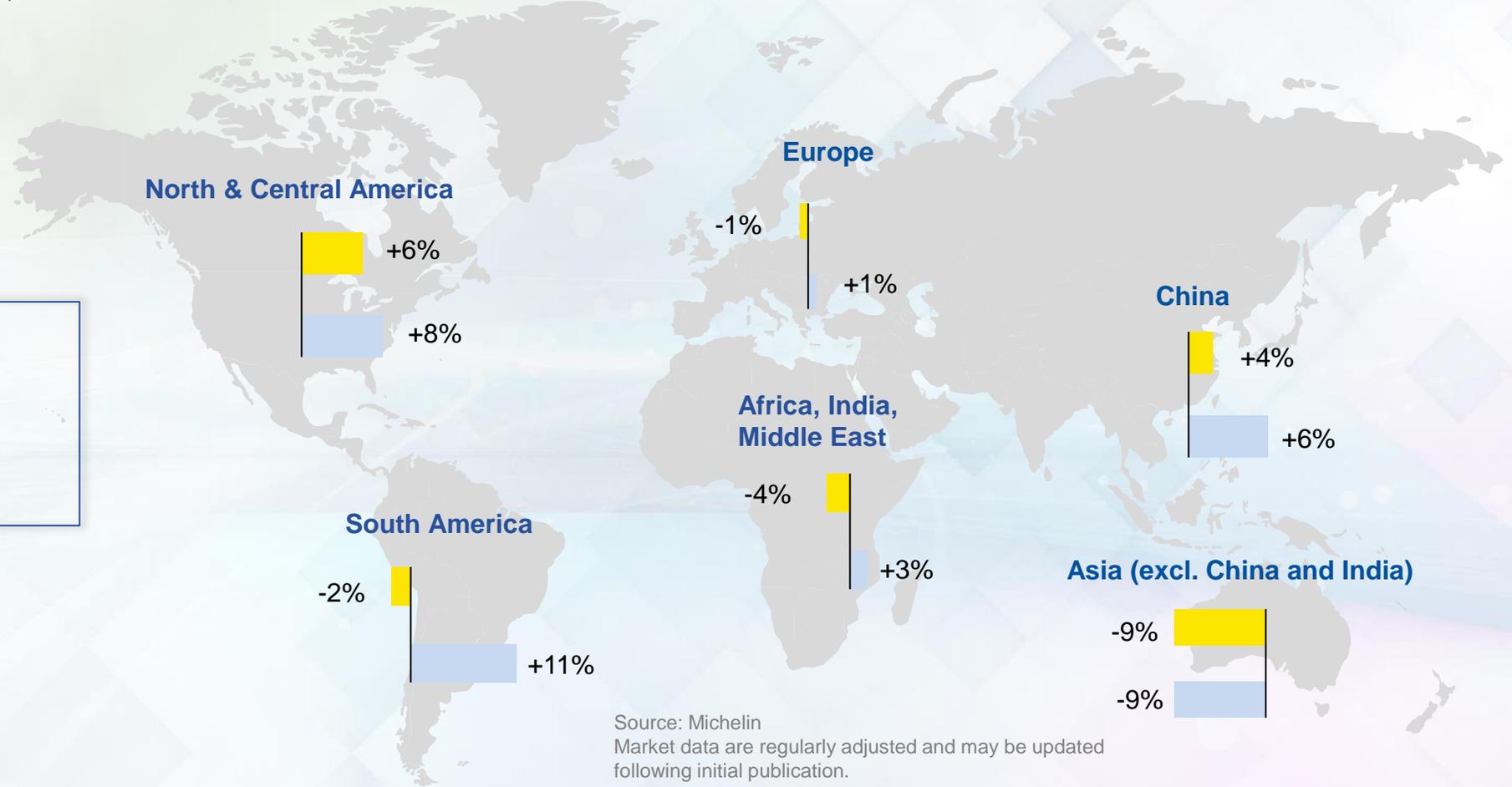
CURRENCY



PC/LT tire markets: sell-in demand grew by 2% in Q1 2024, particularly driven by RT in Americas and China

PC/LT TIRE MARKET, Q1 2024

(% change YoY in number of tires)



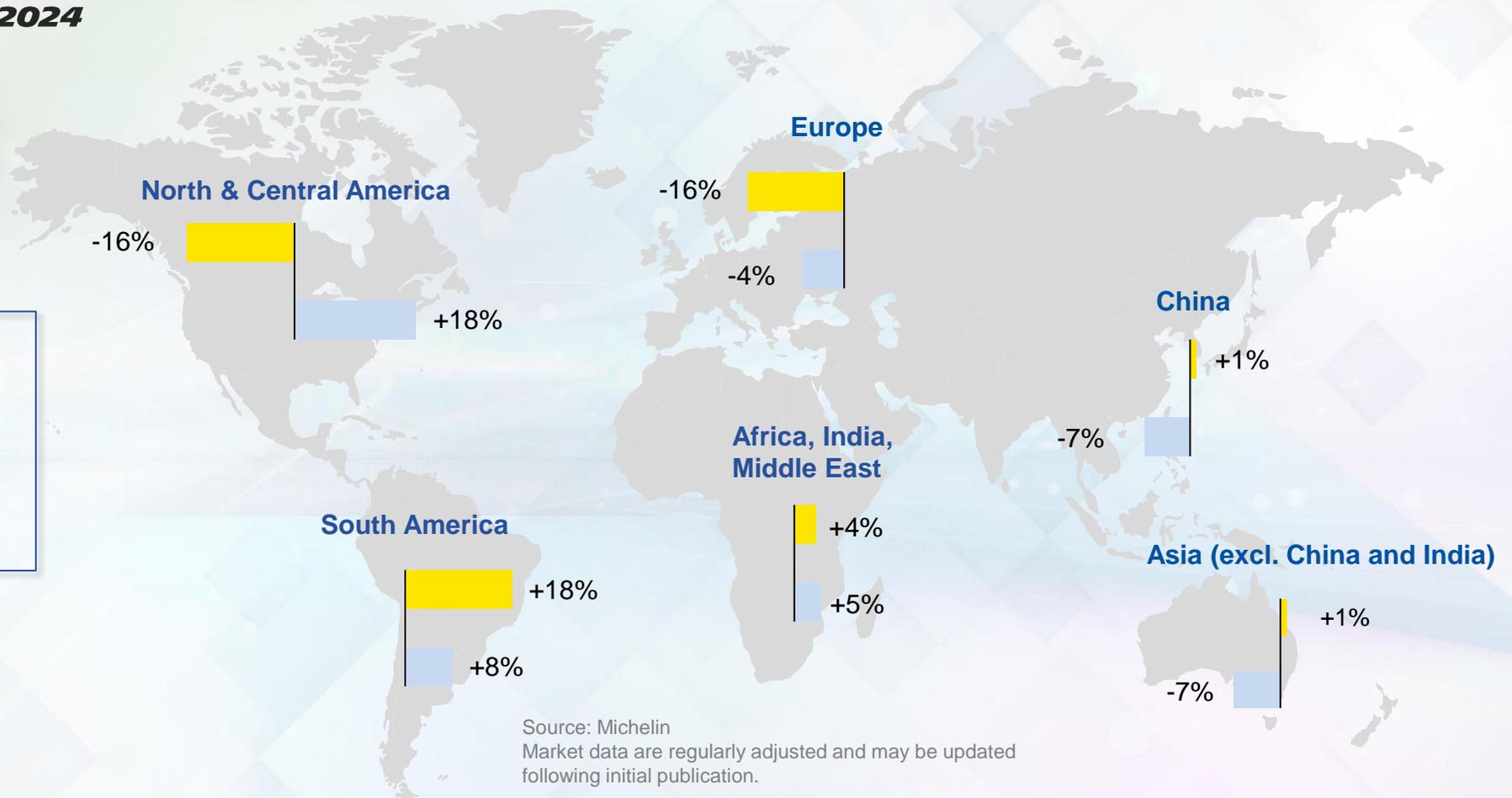
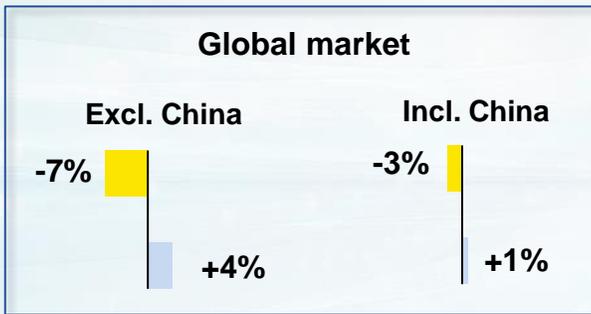
Source: Michelin
Market data are regularly adjusted and may be updated following initial publication.



Truck tire markets: sell-in demand up 2% (excl. China) with OE backdrop in Europe and North America on unfavorable comparison basis, RT pulled by massive imports from Asia to North America.

TRUCK TIRE MARKET, Q1 2024

(% change YoY in number of tires)

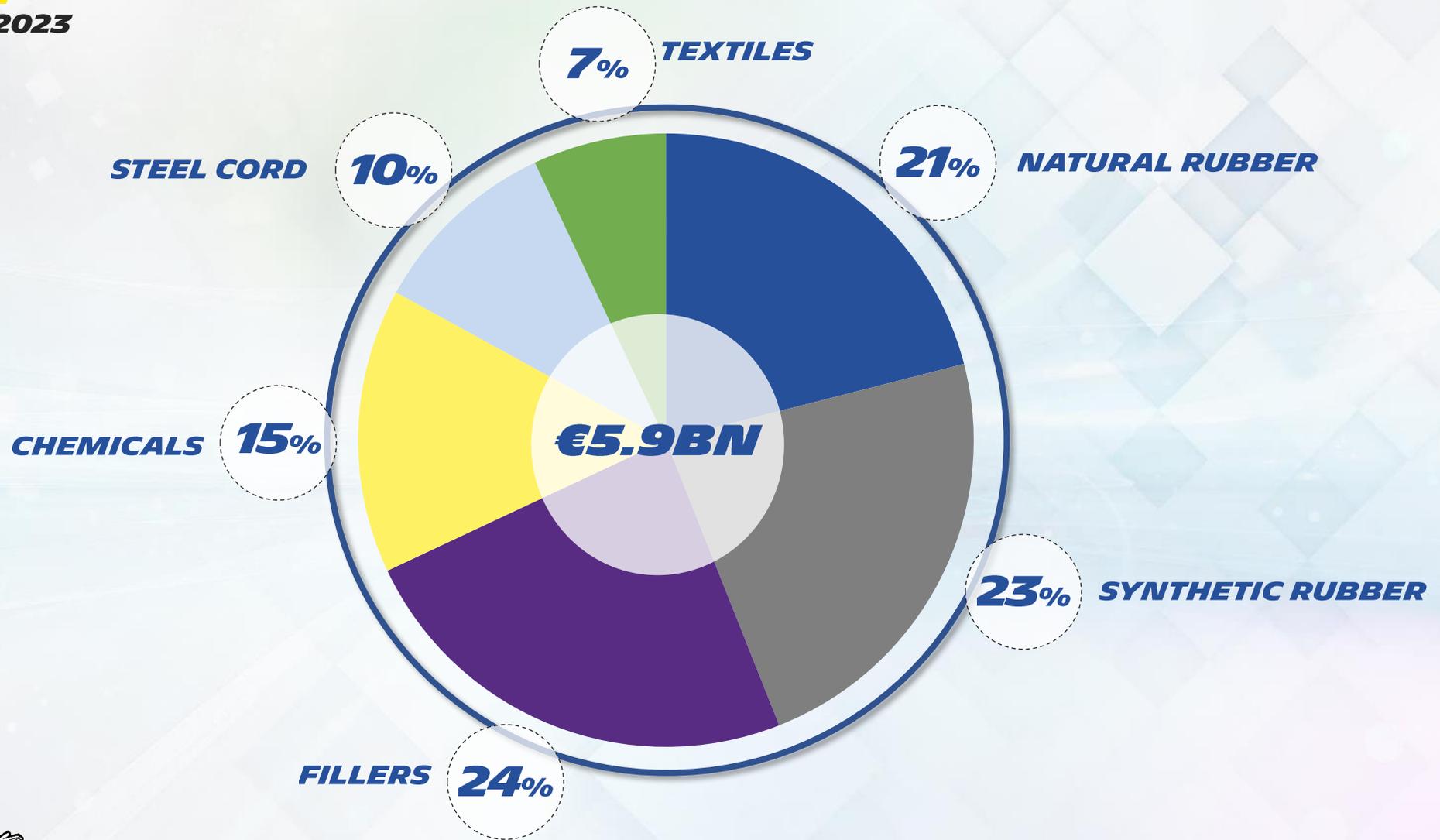


Source: Michelin
Market data are regularly adjusted and may be updated following initial publication.



Raw materials cost breakdown - 2023

FY 2023



Natural rubber price

TSR20 AND RSS3 IN \$/KG



Source: SICOM



Brent price

BRENT IN \$/BBL



Butadiene price

BUTADIENE EUROPE IN €/T



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

% OF SALES Q1 2024 12 rolling months		2024 currency change vs. €	DROPTHROUGH* SALES → SOI	% OF SALES Q1 2024 12 rolling months		2024 currency change vs. €	DROPTHROUGH* SALES → SOI
USD	40%	-1.2%	20% / 30%	AUD	3%	-5.0%	60% / 70%
EUR	31%	-	-	JPY	1%	-11.8%	80% / 85%
CNY	6%	-6.0%	20% / 30%	MXN	1%	+8.7%	25% / 30%
BRL	4%	+3.7%	-30% / -20%	TRY	1%	-39.7%	80% / 85%
GBP	3%	3.2%	20% / 30%	THB	1%	-5.9%	-130% / -100%
CAD	3%	-0.9%	25% / 30%	Other	6%	-	-

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

$$\text{Sales} \times \underbrace{40\% \times (-1.2\%) \times \sim 25\%}_{\substack{\text{impact on sales} \\ -0.3\%}} = \text{impact on SOI } (-0.1\%)$$

* Droptrough linked to the export/manufacturing/sales base



Outstanding bond issues

(As of December 31, 2023)

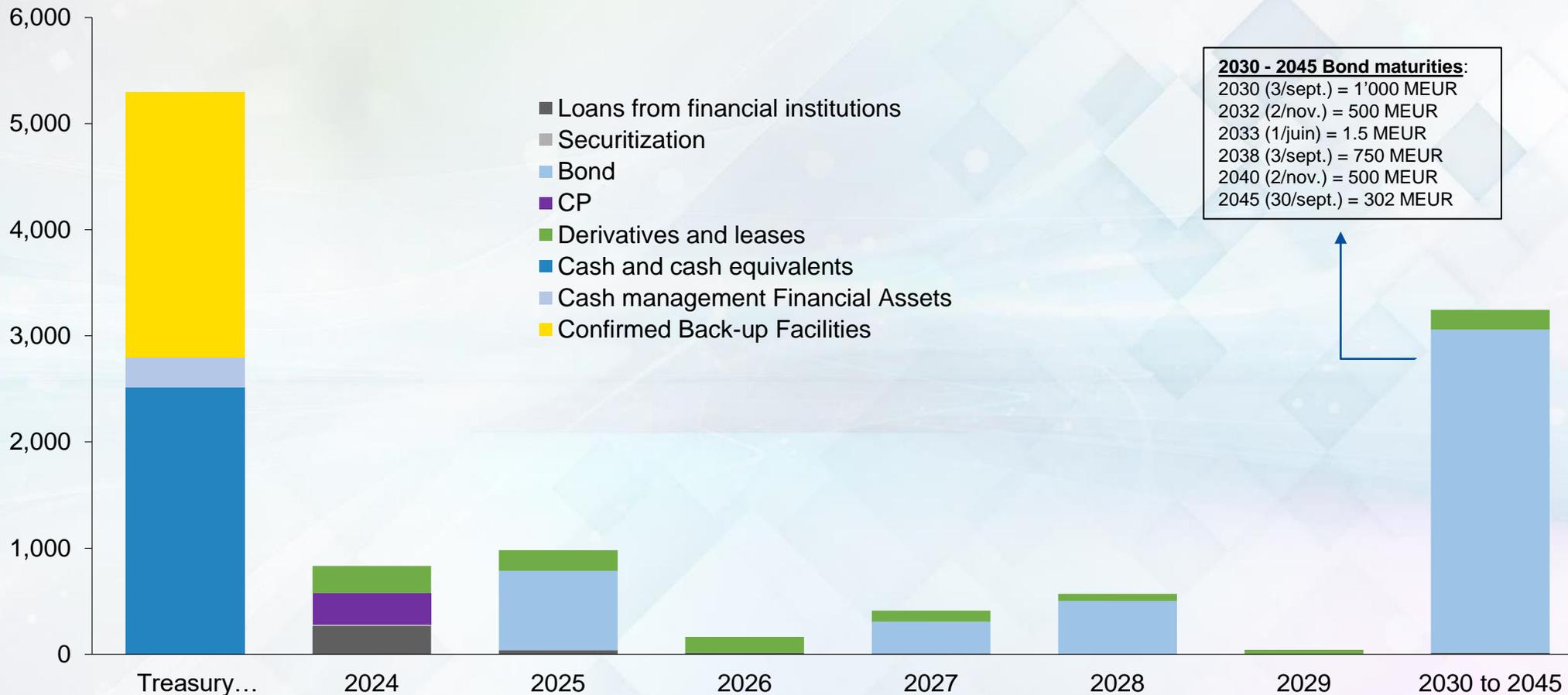
Issuer	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN
Issue Type	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond
Principal Amount	€ 750 mn	€ 300 mn	€ 500 mn	€ 1'000 mn	€ 500 mn	€ 750 mn	€ 500 mn	€ 302 mn
Offering price	99.10%	99.081%	99.89%	99.262%	99.54%	99.363%	99.46%	98.926%
Rating corporation at Issuance date	A- (S&P) A3 (Moody's)	BBB+ (S&P) A3 (Moody's)	A- (S&P) A- (Fitch)	A- (S&P) A3 (Moody's)	A- (S&P) A- (Fitch)	A- (S&P) A3 (Moody's)	A- (S&P) A- (Fitch)	A- (S&P) A3 (Moody's)
Current corporation rating	A- (S&P) ; A3 (Moody's) ; A- (Fitch)							
Coupon	0,875% p.a	1,750% p.a	0,000% p.a	1,750% p.a	0,250% p.a	2,500% p.a	0,625% p.a	3,250% p.a
Issue Date	3-sept.-18	28-mai-15	2-nov.-20	3-sept.-18	2-nov.-20	3-sept.-18	2-nov.-20	30-sept.-15 & 30-sept.-16
Maturity	3-sept.-25	28-mai-27	2-nov.-28	3-sept.-30	2-nov.-32	3-sept.-38	2-nov.-40	30-sept.-45
Interest payment	Annual Sept 03	Annual May 28	Annual Nov 02	Annual Sept 03	Annual Nov 02	Annual Sept 03	Annual Nov 02	Annual Sept 30
ISIN	FR0013357845	XS1233734562	FR0014000D31	FR0013357852	FR0014000D49	FR0013357860	FR0014000D56	XS1298728707
Denomination	€ 100'000 with min. tradable amount € 100'000	€ 1'000 with min. tradable amount € 1'000	€ 100'000 with min. tradable amount € 100'000	€ 1'000 with min. tradable amount € 1'000				

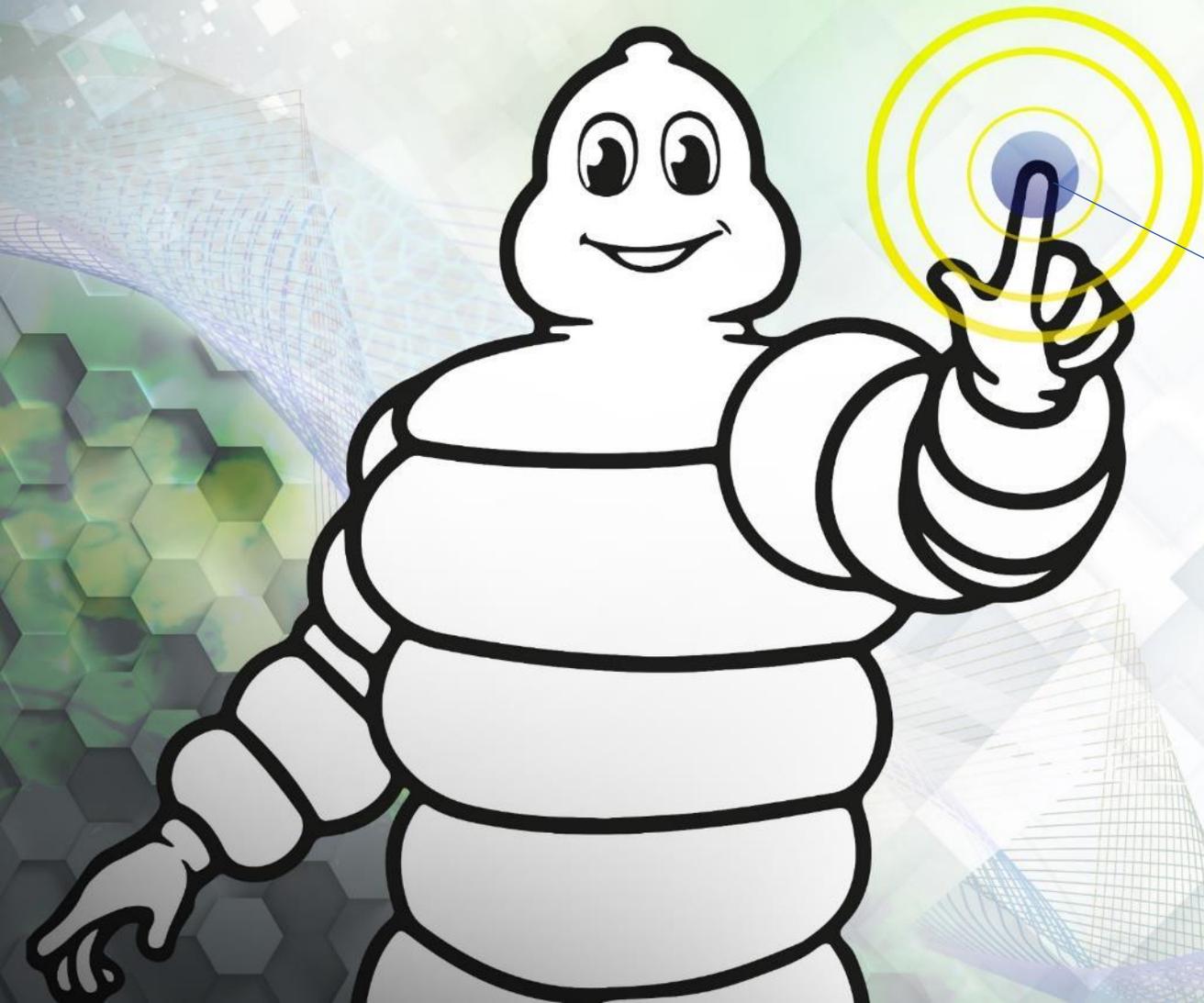


An adequate cash position with maturities well spread over time

DEBT MATURITIES AT DECEMBER 31, 2023

(carrying amount in € millions)





APPENDIX

Tire businesses



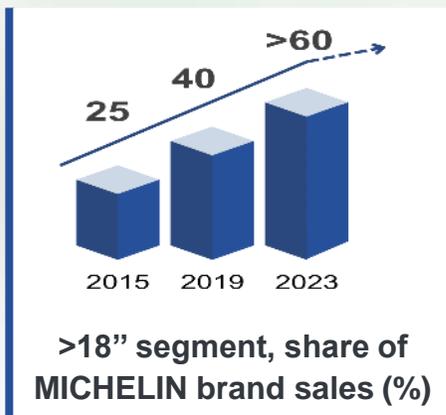
Strengthening leadership in high-value and increasingly demanding market segments



ACCELERATION OF >18" SEGMENT FOSTERED BY ELECTRIFICATION, DRIVING SUBSTANTIAL MIX ENHANCEMENT



SPECIALITIES: WINNING WHERE IT MATTERS



>100m€

Sustainable mix impact on EBIT, per year



FOCUSING OUR WHERE-TO-PLAY ON MOST DEMANDING CUSTOMERS



50% OF AG MARKET IN VALUE

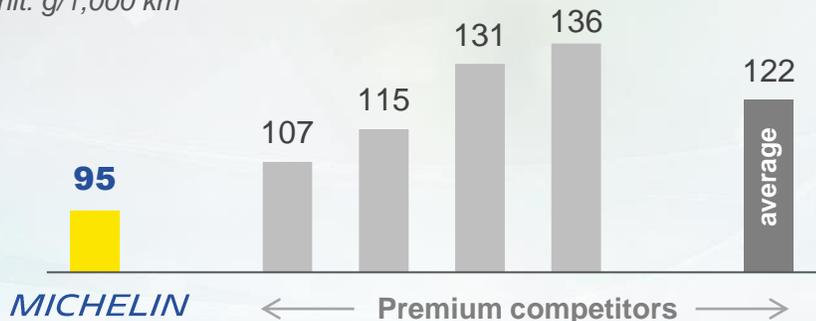
* 2023 - 2028



Wear particles: considerable competitive advantage, without any compromise on safety

PARTICLE EMISSIONS: MICHELIN VS. OTHER PREMIUM TIRES MAKERS (1)

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 (2)



(1) Tyre wear particles in the environment, ADAC, March 2022 – 100 sizes tested
 (2) DEKRA studies in 2020 (MARK20B, MARK20E) and 2021 (MARK21E)

Tire and road wear particles (TRWP): definition and state of knowledge

SCIENTIFIC STUDIES HAVE STARTED TO MEASURE THE ENVIRONMENTAL IMPACT OF TRWP ⁽¹⁾:



AIR

Studies confirm that TRWP account for only a very small proportion (<1%) of particulate matter pollution



WATER

Studies suggest that most TRWP never reach estuaries.

Michelin is strongly in favor of a regulation that would limit the level of wear particle emissions of all tires worldwide → work in progress with ETRMA⁽²⁾ members in order to :

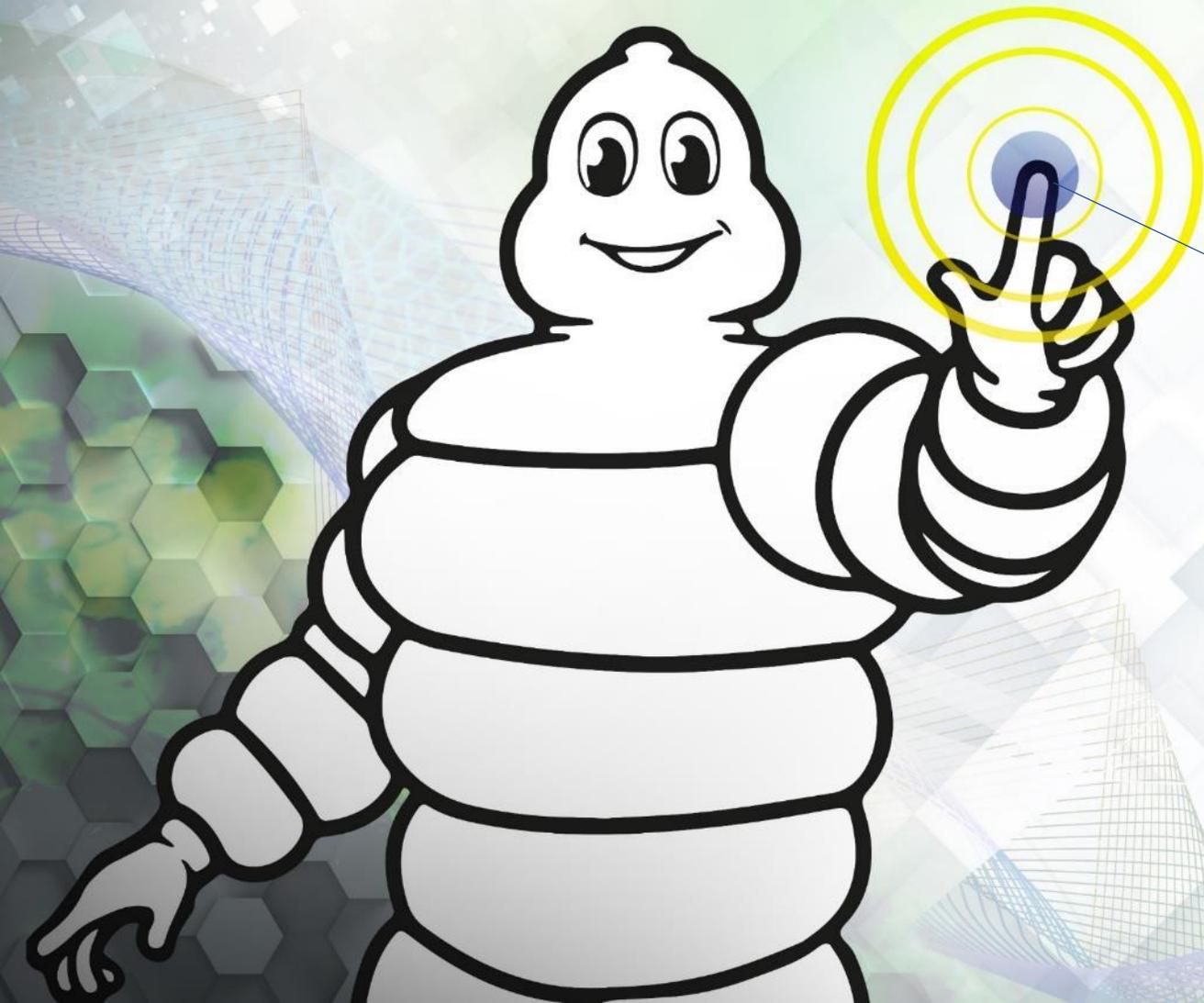
- define a standardized TRWP emission rate test method
- promote a threshold regulation and eliminate the less performing tires from the market.

(1) TRWP 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. For more information about TRWP, [see the following document](#)

(2) European Tyre & Rubber Manufacturers Association



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



APPENDIX

Services & 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



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



High-Tech Materials



MICHELIN AGILIS CROSSCLIMATE



MICHELIN CONNECTED FLEET
Powered by MASTERAUT



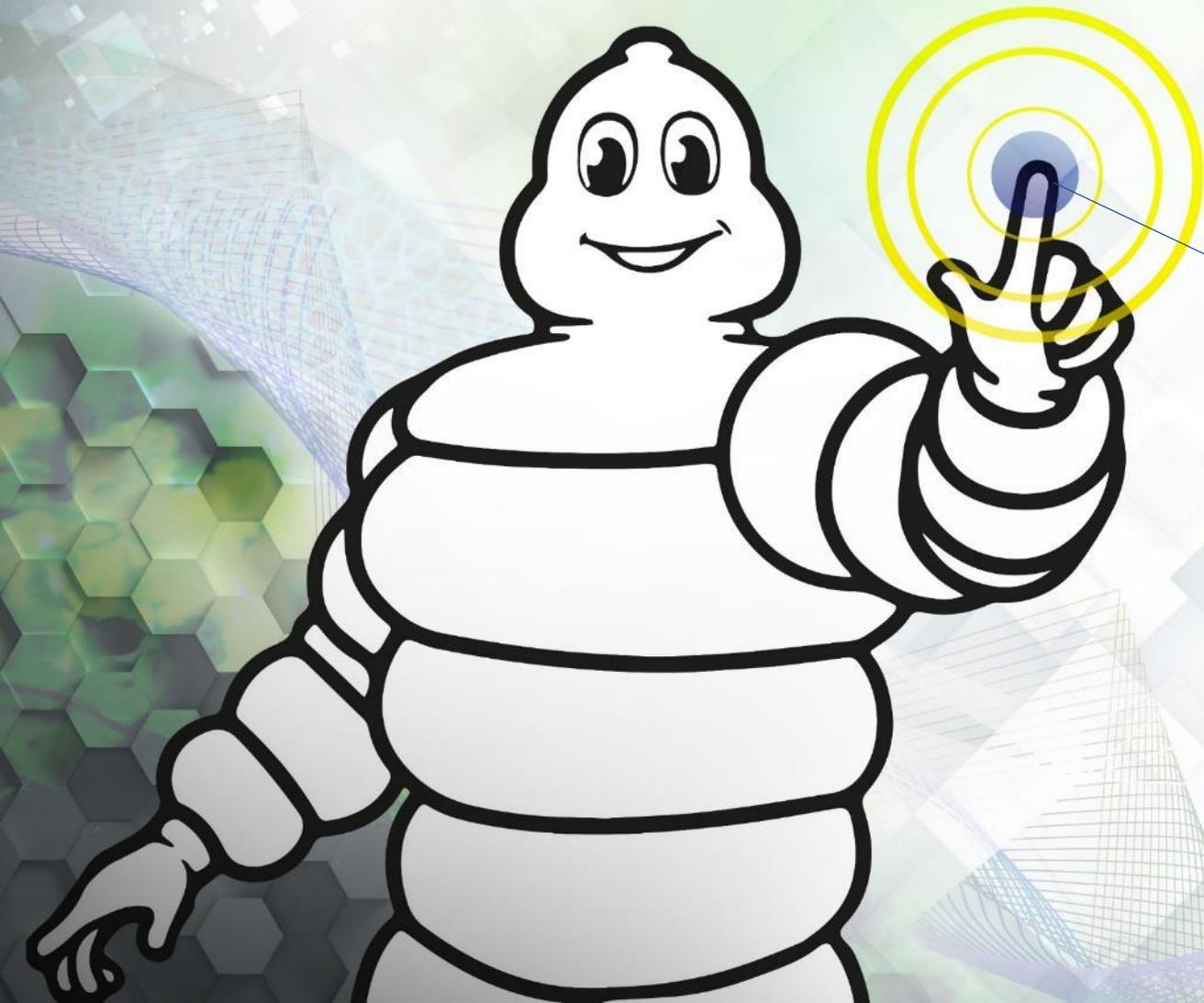
PARTNERING WITH CA FOR VEHICLE FINANCING

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



APPENDIX

High Tech Materials



Polymer Composite Solutions: expanding beyond tires by leveraging our R&D and Manufacturing unique skills, from materials to solutions, for highly demanding applications

R&D

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



- Proficiency in and **materials chemistry and processing**, from components to composites
- Fundamental and applied **research capabilities**
- A 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



AraNea Composite



ResiCare



AIRCPTIF

- M&A-driven growth

Features vs. tires:

- Higher **growth & EBIT %**
- Lower capital intensity



FCG
FLS COMPOSITE GROUP

- Joint ventures



SYMBIO
A FUSION OF MICHELIN INNOVATION COMPANY



SOLESIS



AddUp
COMPOSITE SOLUTIONS



High-Tech Materials



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)
 - 1st 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



FCG strong financial profile, on track to deliver synergies

STRONG FINANCIAL PROFILE 2023 FY DATA ⁽¹⁾

Dynamic growth

~€200m
revenue

+9%
organic revenue CAGR
over 2015 – 2023

EBIT-accretive businesses

~€43m
EBIT

~22%
of sales

Low capital intensity

~€10m
capex

~5%
of sales

(1) Consolidated from September 26, 2023

TARGETED EBIT SYNERGIES CONFIRMED

€21m run-rate EBIT synergies confirmed by 2028

First wave implemented :

- Raw materials procurement
- Refinancing & insurance

Business line dedicated to Composite Fabrics and Films

- Grouping existing assets from FCG and Michelin
- Headed from France, worldwide reach

Leveraging existing R&D assets

- Connecting FCG teams with Michelin's R&D platform
- Ambition to improve product value to customers, via increased performance and higher content of recycled & renewable materials



Technical carbon fibre fabrics
used for car helmets



Membrane to guarantee
breathability and waterproofing



ORCA Neoprene fabrics for
inflatable boats

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

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


Fuel cell development leveraging expertise in materials and industrial processes

2014

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


faurecia
inspiring mobility

2019

A FAURECIA MICHELIN HYDROGEN COMPANY

**2020
2022**


New headquarters and facility in Venissieux, France

2022


SCHAEFFLER
creation of **Innoplate** 50/50 JV

2023

to join Michelin and Faurecia as SYMBIO's **3rd shareholder**



Start of Saint-Fons giga factory, France

1st production line in California, USA

2026

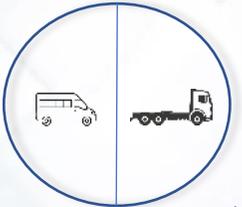
Fuel cell assembling capacity increase

50,000 per year



2028

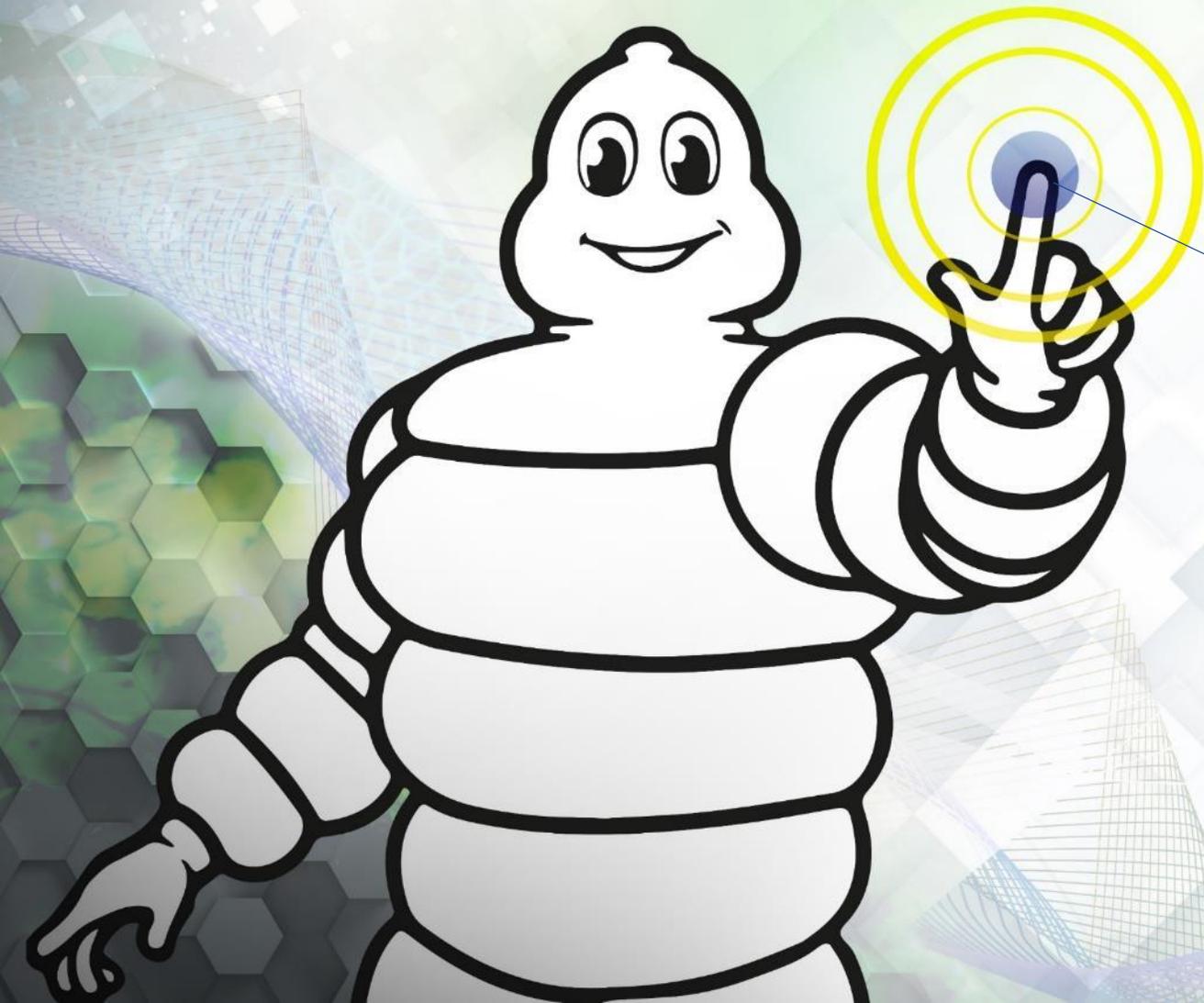
100,000 per year



2030

* Important Projects of Common European Interest





APPENDIX

Non-financial performance

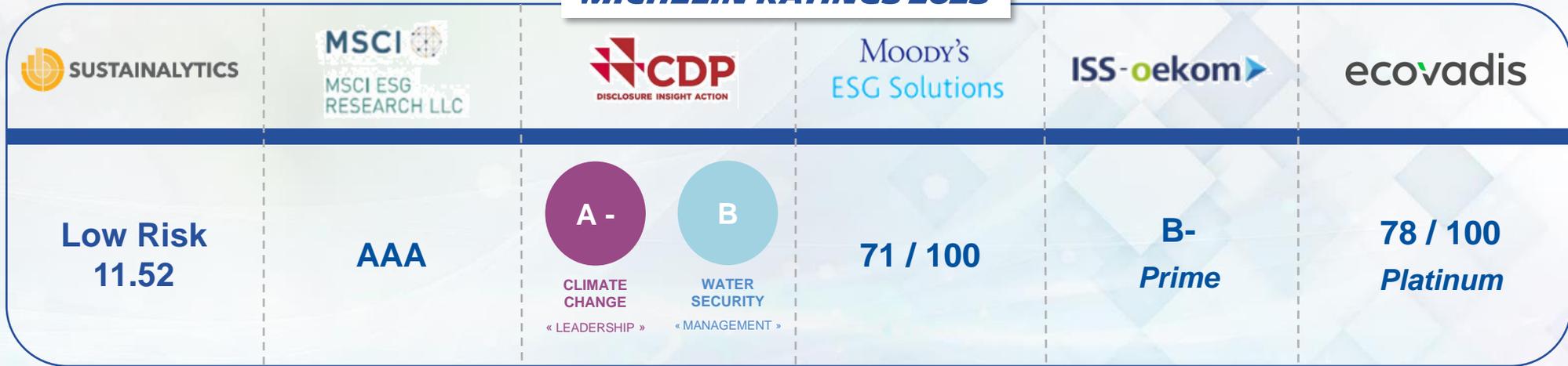


Recognized leadership in non-financial performance

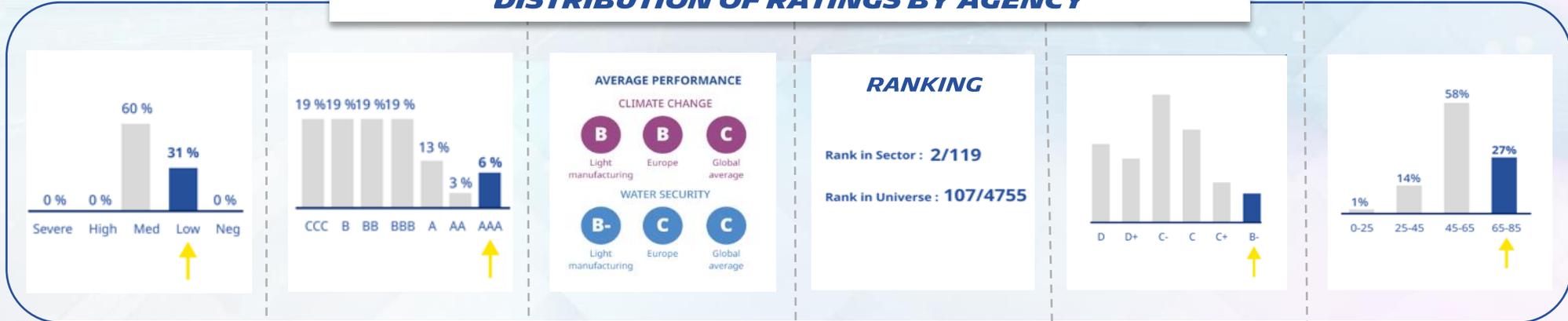
MAJOR RATINGS

(as of December 31, 2023)

MICHELIN RATINGS 2023



DISTRIBUTION OF RATINGS BY AGENCY



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 ...



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

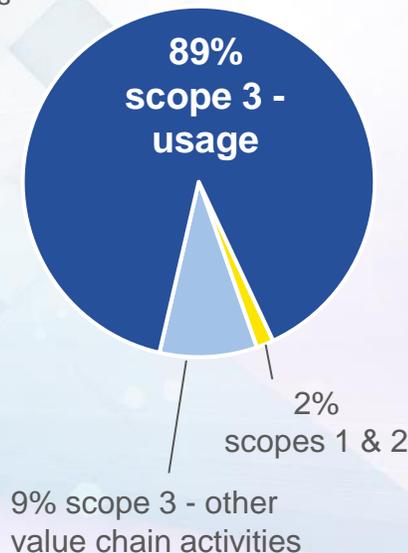


thanks to **lower rolling resistance**, without sacrificing other performance features such as safety and low abrasion.



TIRE INDUSTRY CO₂ EMISSIONS ARE MOSTLY RELATED TO SCOPE 3⁽³⁾

Illustration: Michelin 2023 CO₂ 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 has been leading all major innovations in the tire industry

PRODUCT RANGES SUBJECT TO LIFE-CYCLE ANALYSIS

50% IN 2021 ► 100% IN 2025



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



NATURAL RUBBER



PLASTIFIERS/RESINS



TEXTILES

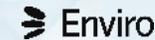


SYNTHETIC RUBBER



PYROWAVE

FILLERS



METALS



OTHER



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

(2) Carried out with the support of ADEME



Michelin 1st 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

BUS TIRE (1)

58% RENEWABLE OR RECYCLED MATERIALS

- Carbon black recycled from end-of-life tires
- Natural rubber
- Bio-based silica from rice husks
- Steel incorporating recycled scrap metal

PASSENGER CAR TIRE (2)

45% RENEWABLE OR RECYCLED MATERIALS

- Steel incorporating recycled scrap metal
- Carbon black recycled from end-of-life tires
- Natural rubber
- Sustainable textile fibers
- Bio-based oils and resins
- Bio-based silica from rice husks

(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 RESULTS, 2030 COMMITMENTS

	2023	2025	2030
RESEARCH & DEVELOPMENT Life Cycle Analysis incl. biodiversity criteria from best methods	100% of new products	products: 100% services: Pilot	100% of new ranges marketed
RAW MATERIALS Natural rubber used by the Group assessed "deforestation-free" ⁽¹⁾ Direct operations and suppliers <small>N.B. Under validation by act4nature international</small>	9% ⁽²⁾	50% of the volume used	100% of the volume use
Reducing pesticide use in rubber cultivation ⁽³⁾ 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 ⁽⁴⁾	Approach under definition	Pilot	80% of suppliers
MANUFACTURING AND RESEARCH FACILITIES 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



[+ To know more](#)

(1) Criteria in accordance with the 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



EXTENDING ASSESSMENTS OF PRACTICES ACROSS THE VALUE CHAIN : 2023 ACHIEVEMENTS

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



IMPLEMENTING IMPACTFUL PROJECTS

- **Brazil**
 - Increase harvest while preserving the forest (767,600 hectares)* - 1,000 families in Amazonas
- **Indonesia**
 - improve skills of 1,000 smallholders using RubberWayTM app. by 2024 – (with Porsche)
 - East Kalimantan : train 2,000 farmers by 2024
- **Sri Lanka**
 - improve 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)



Reduction of CO₂ emissions, VOC⁽¹⁾ emissions and water withdrawals: 2023 achievements exceeded ambitions

EXTERNALITY COSTS EVOLUTION

(€ 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 CO₂ valued at €120/t

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

MICHELIN'S ANSWER

See p. 175 of 2022 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>).



GOVERNANCE

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.

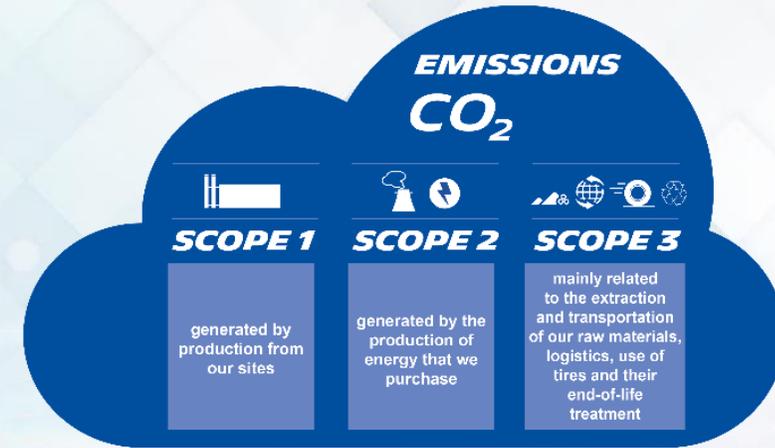
METRICS AND TARGETS

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

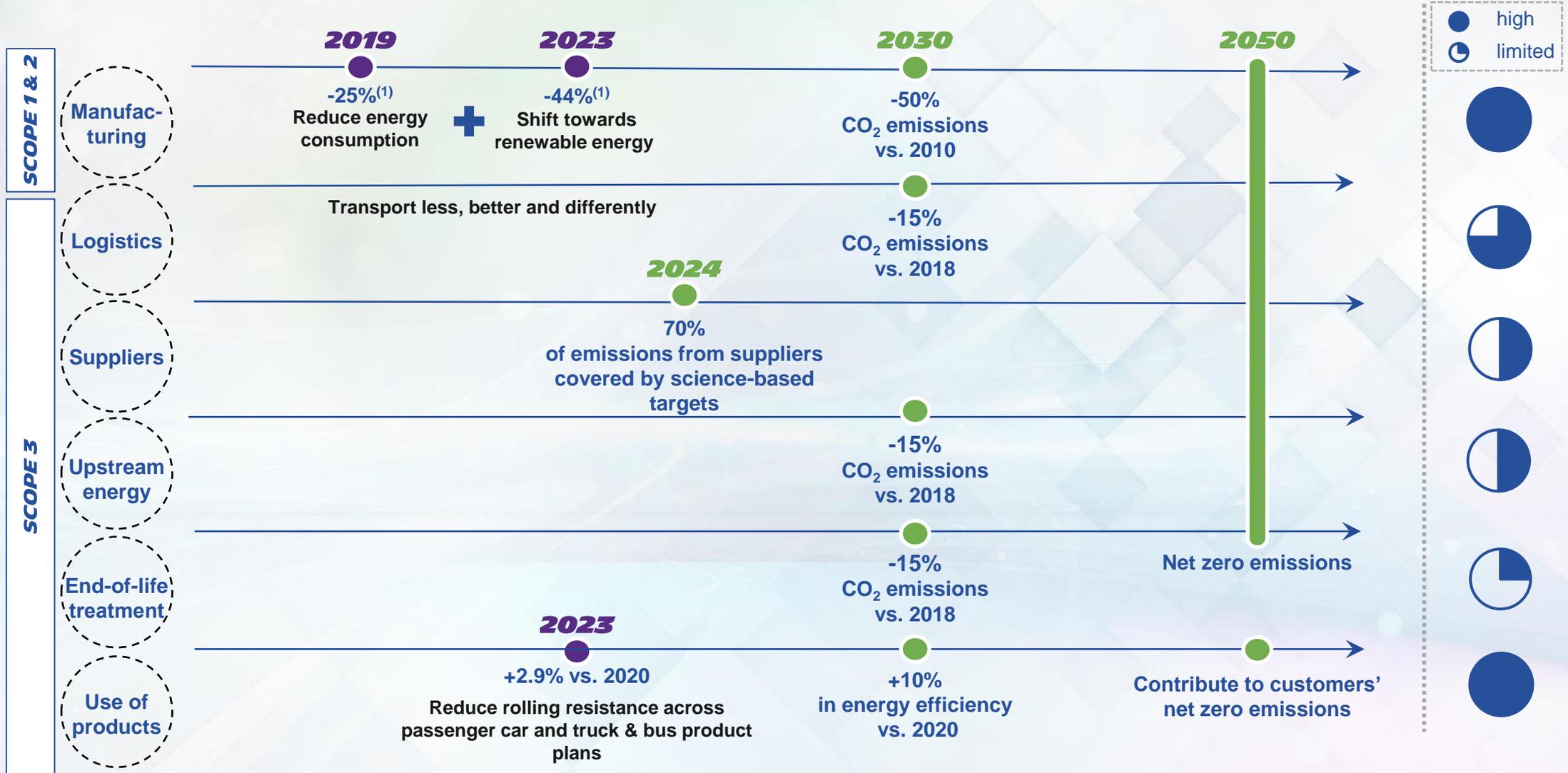


BASED ON 3 PRINCIPLES:

- **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 the path to reach net zero emissions in 2050

Group's ability to have an influence



(1) CO₂ emissions vs. 2010 ● Results ● Ambitions



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

REDUCTION OF THE ENVIRONMENTAL FOOTPRINT OF OUR SITES

ISO14001- certified



Water withdrawal x water stress



Generated waste



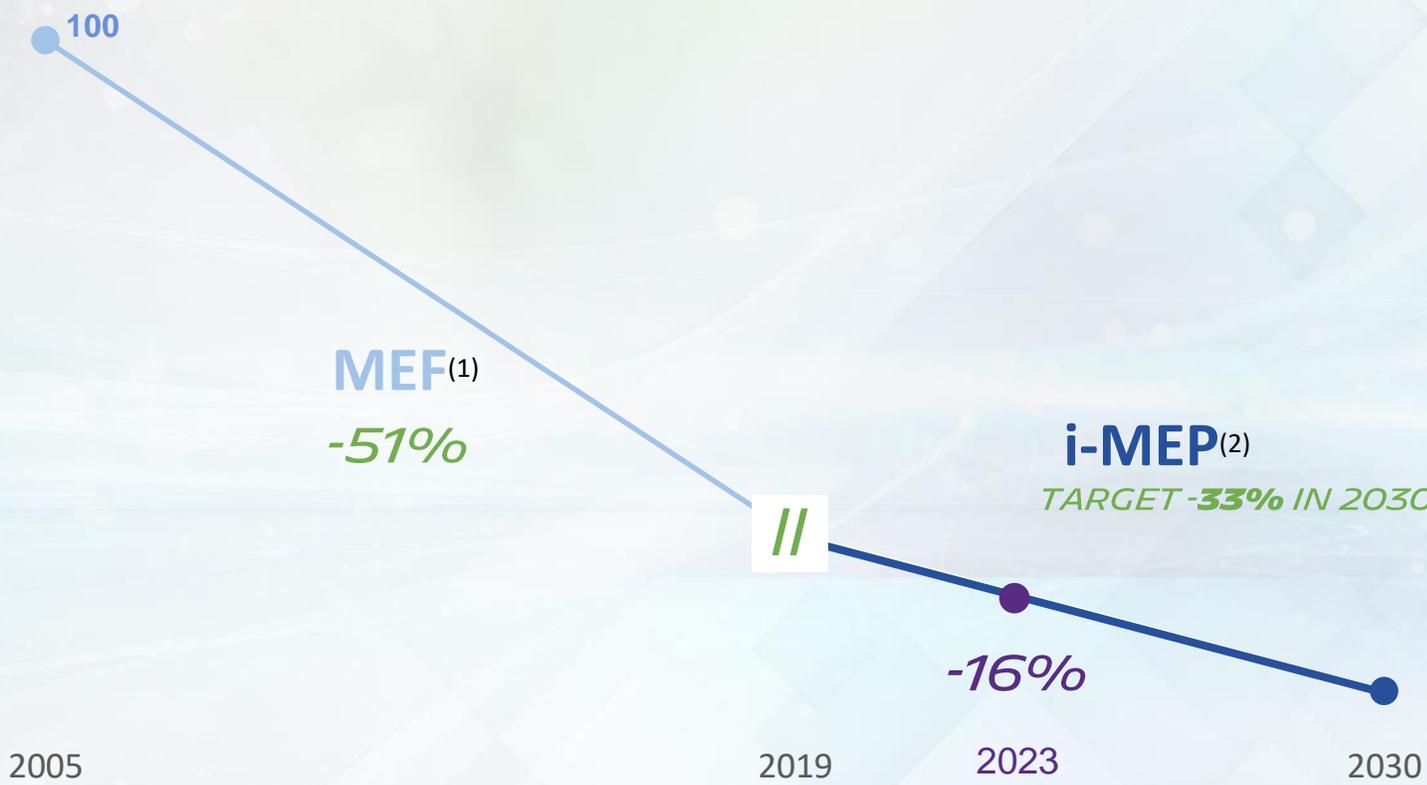
Organic solvent use



Energy use



CO₂ emissions



(1) MEF: Michelin Environmental Footprint;

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



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.

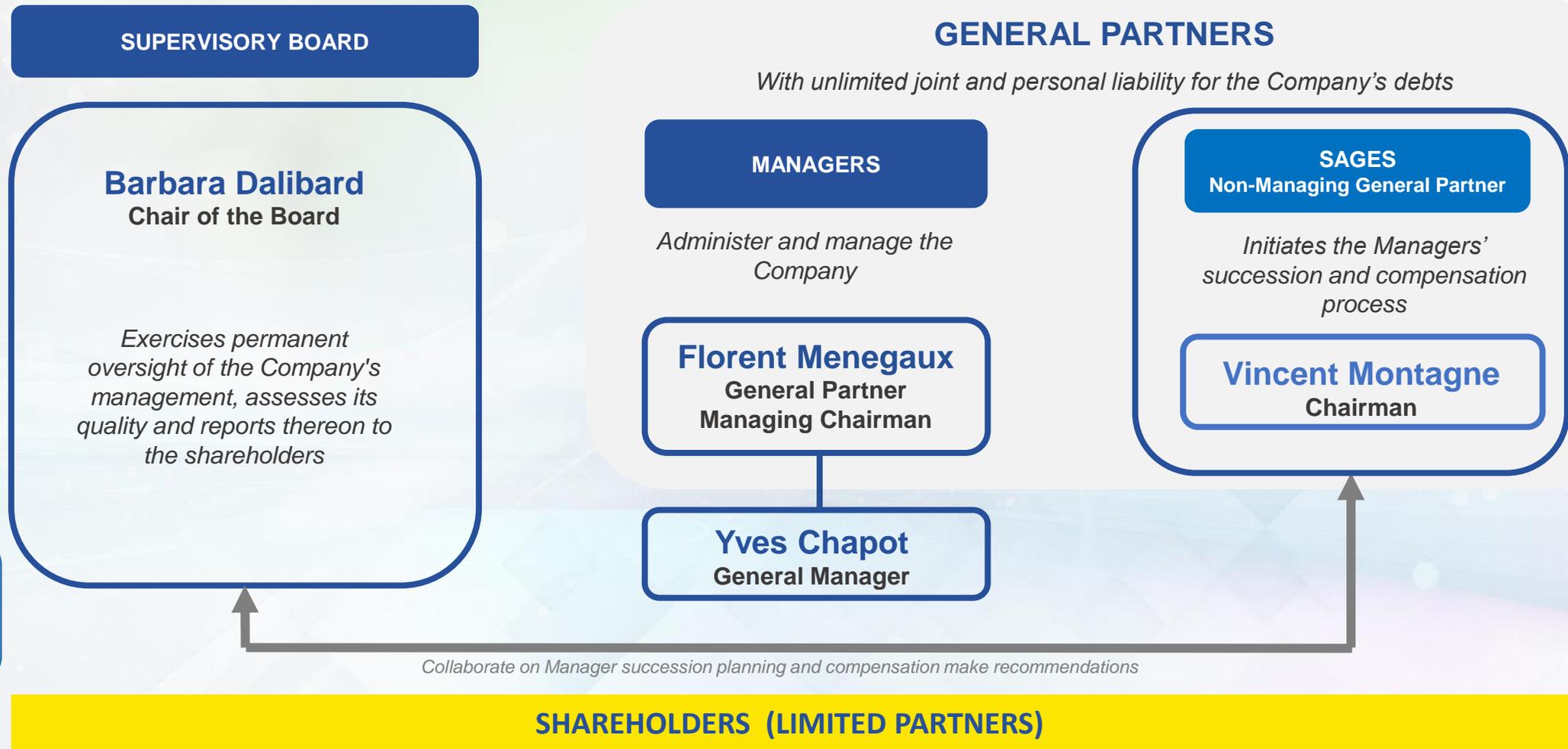
IDENTITY

All D&I⁽²⁾ 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.

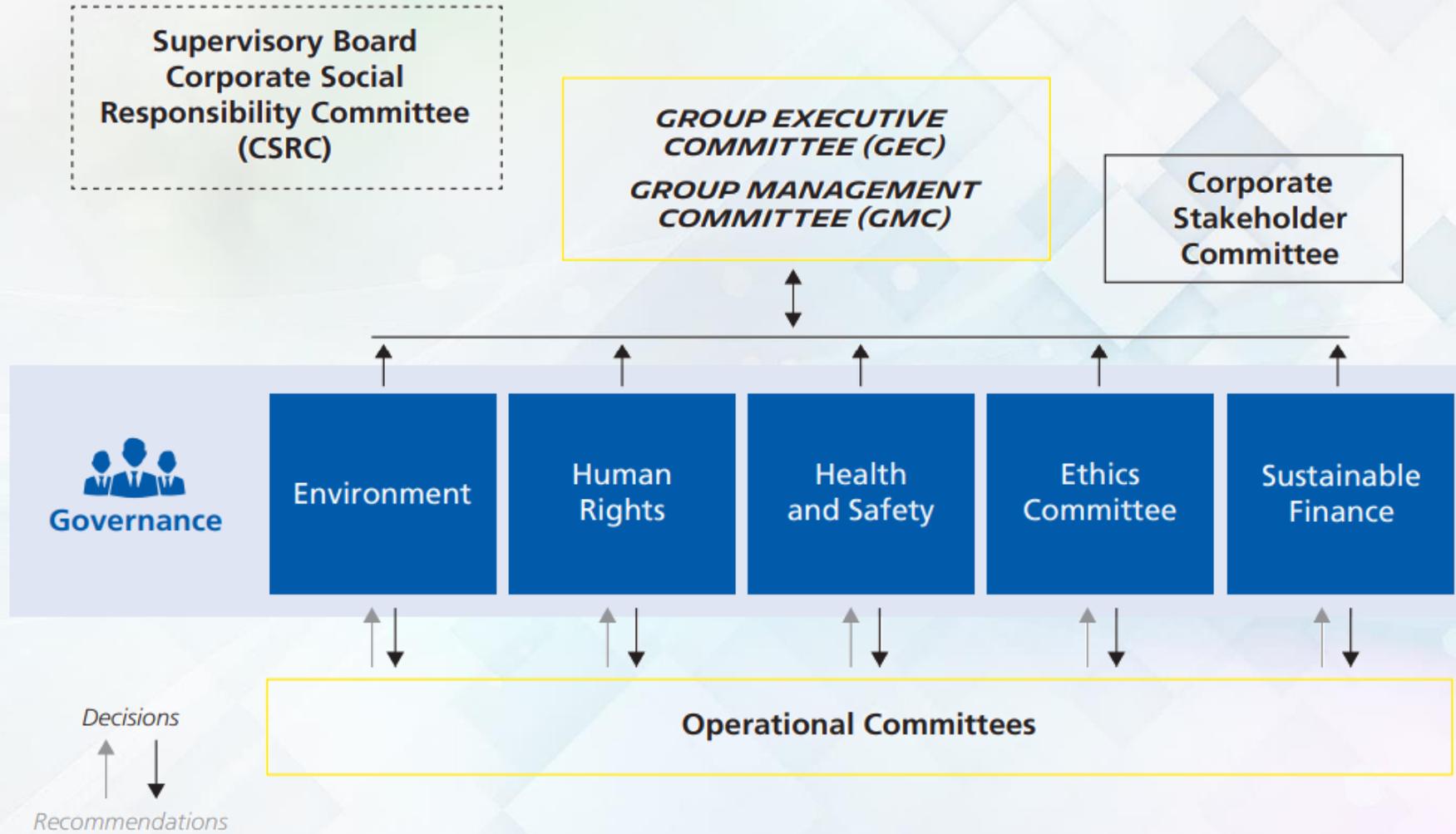
(1) IMDI Management Index: see definition on p. 237 of the 2023 Universal Registration Document

(2) Diversity and Inclusion

Michelin governance pillars: clear segregation of management and supervisory powers

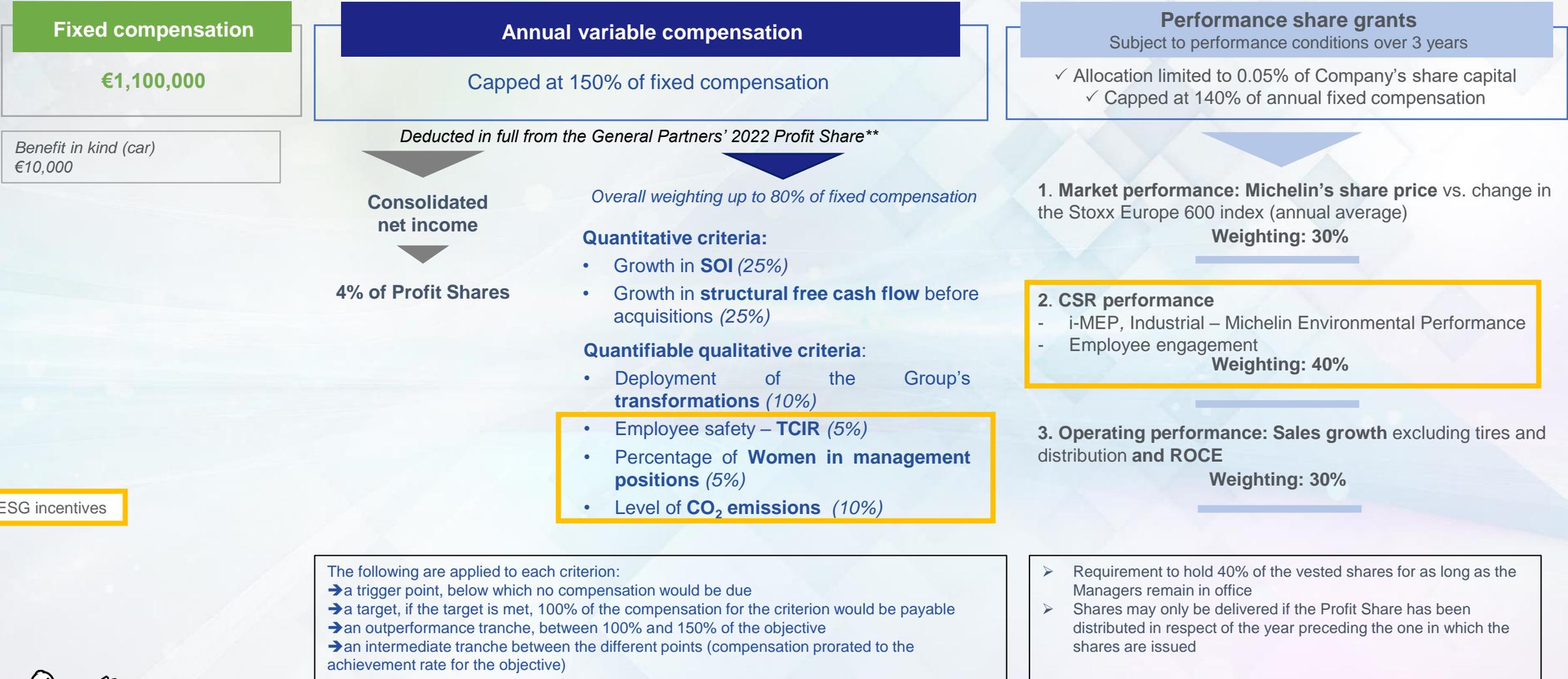


ESG awareness and oversight are fully embodied in Michelin's governance structure



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

FLORENT MENEGAUX



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 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.

TIRE 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 Connected Solutions (excluding TaaS and Distribution) and Polymer Composite Solutions 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

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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