

# **2024**

# ***ANNUAL RESULTS***

February 12, 2025



# Implementing our *Michelin in Motion 2030* strategy



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

Addressing **all mobility usages** through **better** products

**65%**  
share of 18"+  
in MICHELIN-branded sales



## Services and Experiences

Leveraging customer intimacy for an **enhanced consumer experience** and turning data into **unique insights** for fleets

**1.6BN KM**  
real-life usage data captured daily

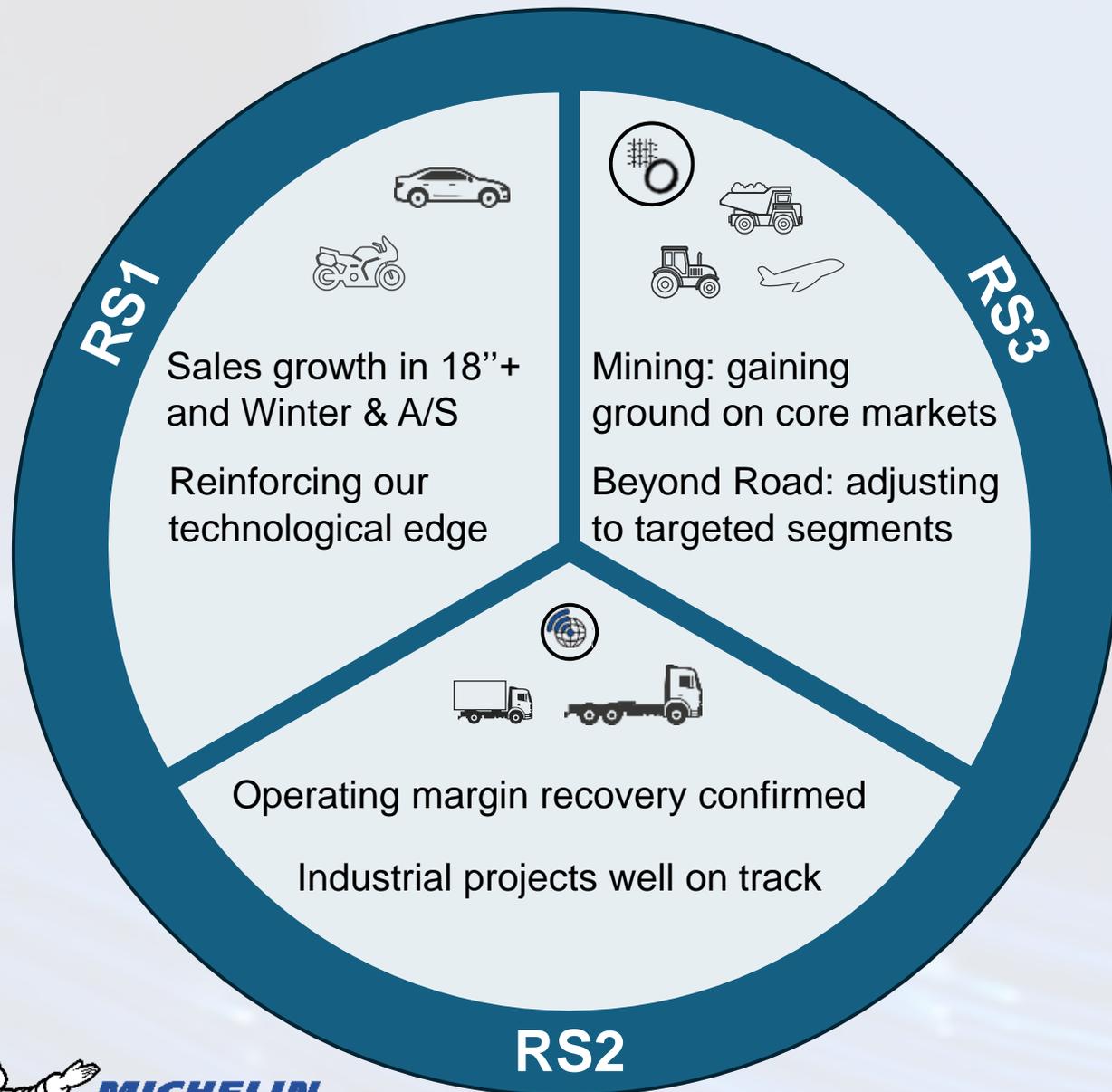


## Polymer Composite Solutions

Leveraging unique mastery of materials to **differentiate** on **mission-critical applications** for growing and diversified B2B markets

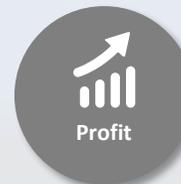
**-40%**  
energy consumption gain from new materials in PowerSaver conveyor belts

# 2024 results, winning where it matters



## 84.7%

Engagement Rate



## €3.4BN

Segment operating income

## €2.2BN

Free Cash Flow (before M&A)



## 31%

Renewable or Recyclable  
Material Rate

# 2025 shareholder return and financial outlook

## Return policy

**€1.38**

2024 dividend proposal

**52%**

Payout ratio

## 2025 Guidance

**>2024**

Segment operating income  
@ iso-FX

**>€1.7BN**

Free Cash Flow  
before M&A

# Sustained momentum on environmental leadership



## Climate

**-13%**

CO<sub>2</sub> emissions scopes 1&2  
vs 2023

2024  
**sustainability report<sup>(2)</sup>**  
compliant with the  
**Corporate Sustainability  
Reporting Directive (CSRD)**



## Ressources

**-7.7%**

Water withdrawal  
vs 2023

**+3 PTS**

renewable and recycled  
material rate vs 2023



## Biodiversity

**98%**

of natural rubber assessed  
deforestation free <sup>(1)</sup>

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

(2) will be released early April 2025

# Michelin standing out in terms of employee engagement and development



## Engaged teams

**84.7%**

Engagement rate  
+1.2 pts vs 2023



## Internal promotion

**+17%**

vs 2021  
of managers who began their career  
as manufacturing operators



## Employee shareholders

**57%**

subscription rate to 2024 plan  
+4 pts vs 2022 plan



LIVING WAGE  
CERTIFIED

**LIVING WAGE**

for every Group employee  
certified by Fair Wage Network

# 2024 sell-in tire markets distorted by inflows of budget tires in PC/LT and Truck, Specialties penalized by OEM demand

## PASSENGER CAR LIGHT TRUCK\*

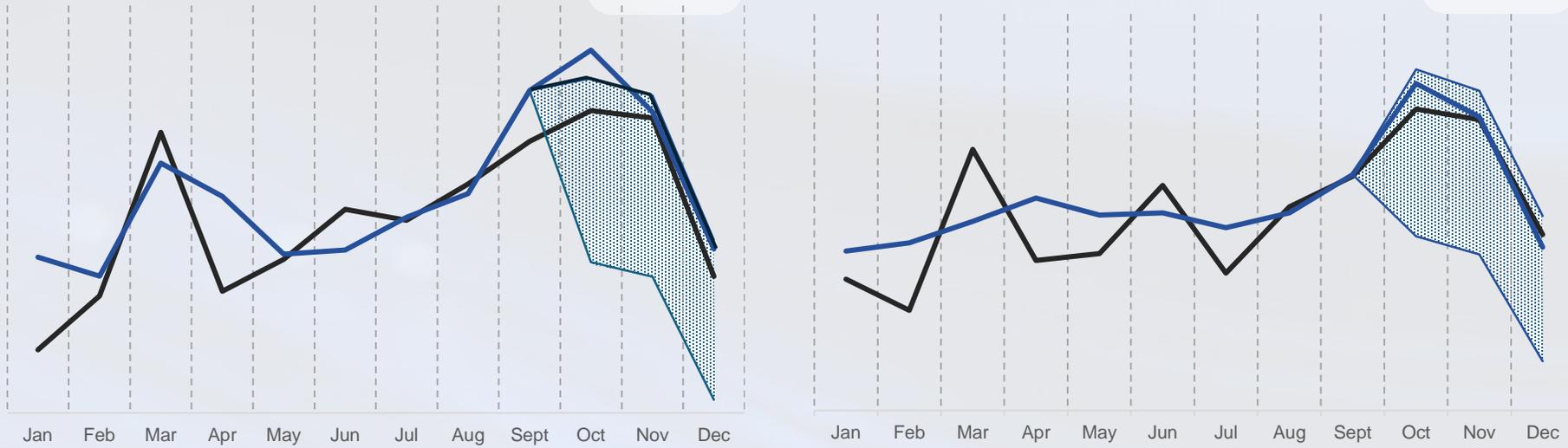
2024 vs. 2023  
**+2%**

## TRUCK\* excl. China

2024 vs. 2023  
**+1%**

## SPECIALTIES\*

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



— 2024    — 2023    [shaded] Q4 2024 projection presented at Q3 release

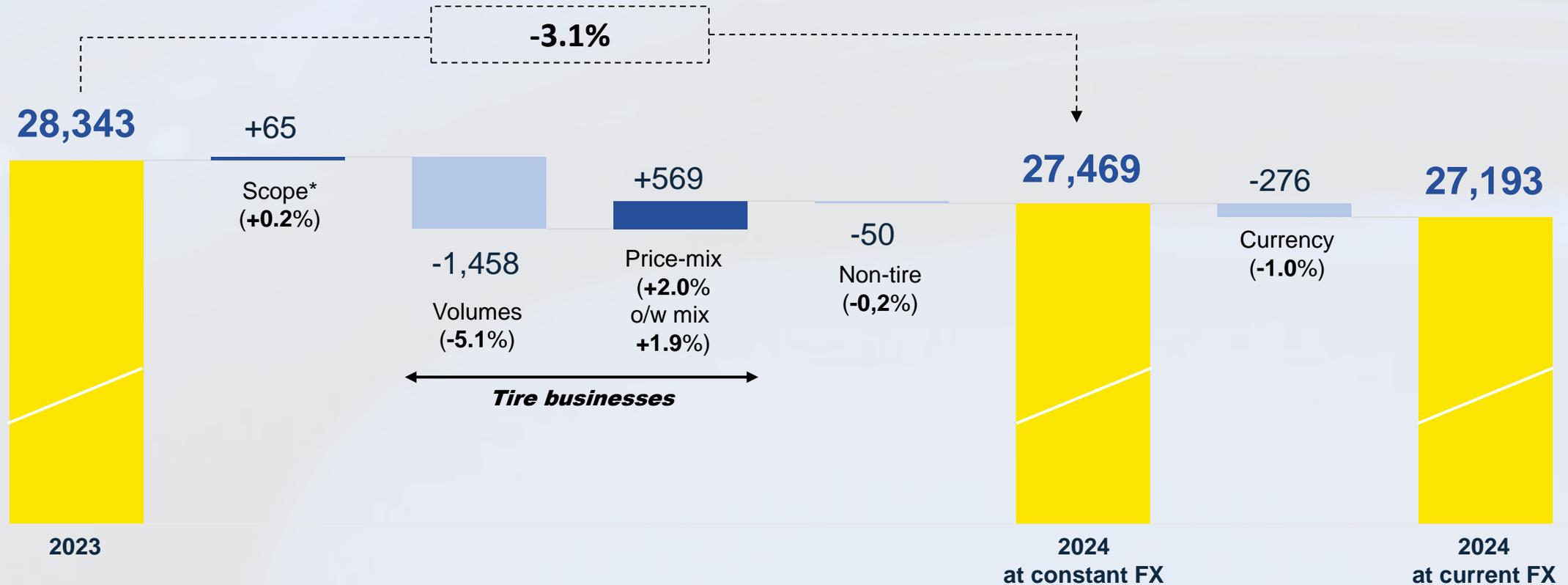
\* Sell-in Tire Markets (excluding Polymer Composite Solutions)



# 2024 sales down 3.1% at iso-FX, with mix enhancement partially offsetting soft volumes

## Analysis of FY sales

(€ millions | % of 2023)



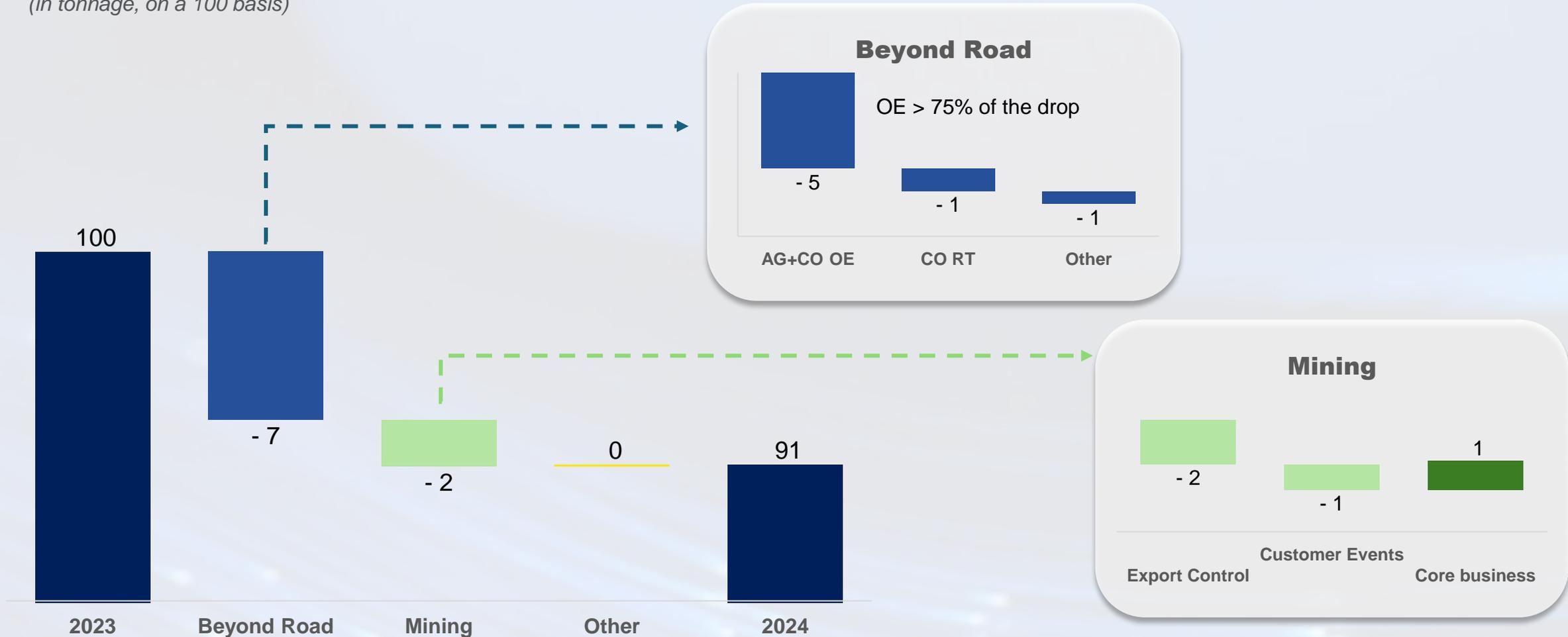
\* Consolidation of Flex Composite Group effective Sep. 26th, 2023



# RS3 sales reflecting OE downcycle and contextual headwinds. Strengthening positions in Mining

## RS3 Sales Evolution Dec-24 YTD vs previous year

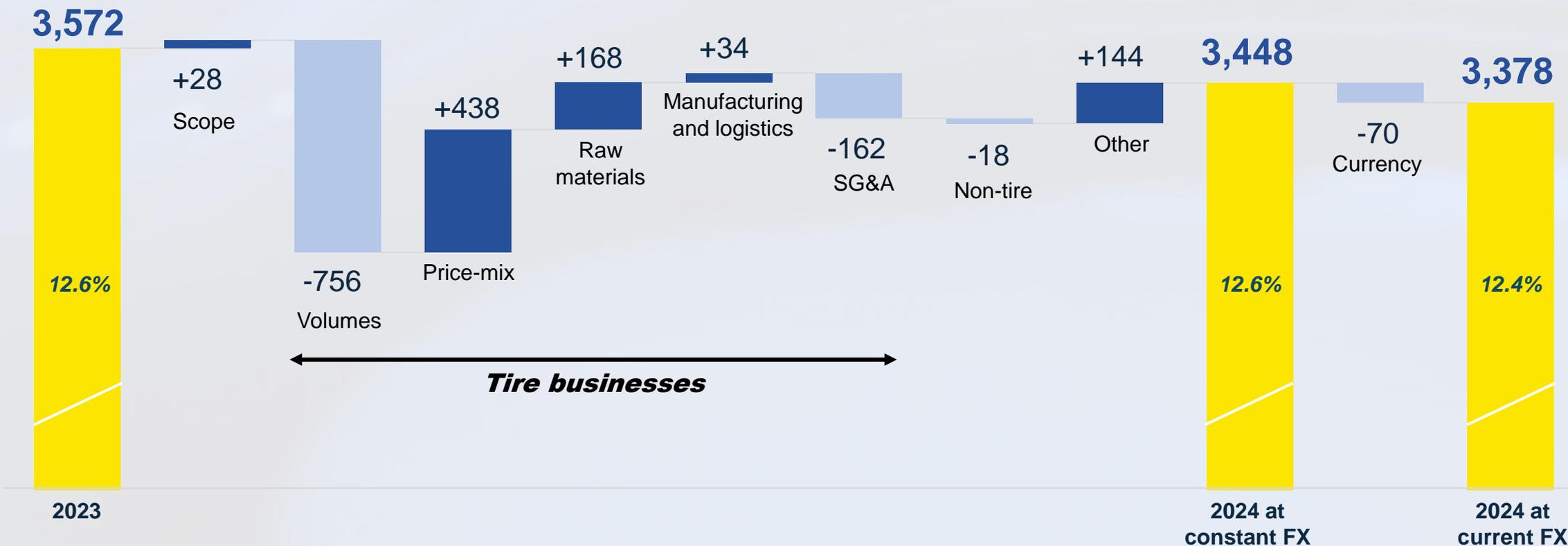
(in tonnage, on a 100 basis)



# Segment operating margin stable at iso-FX, fueled by mix and operational performance

## Analysis of Segment operating income

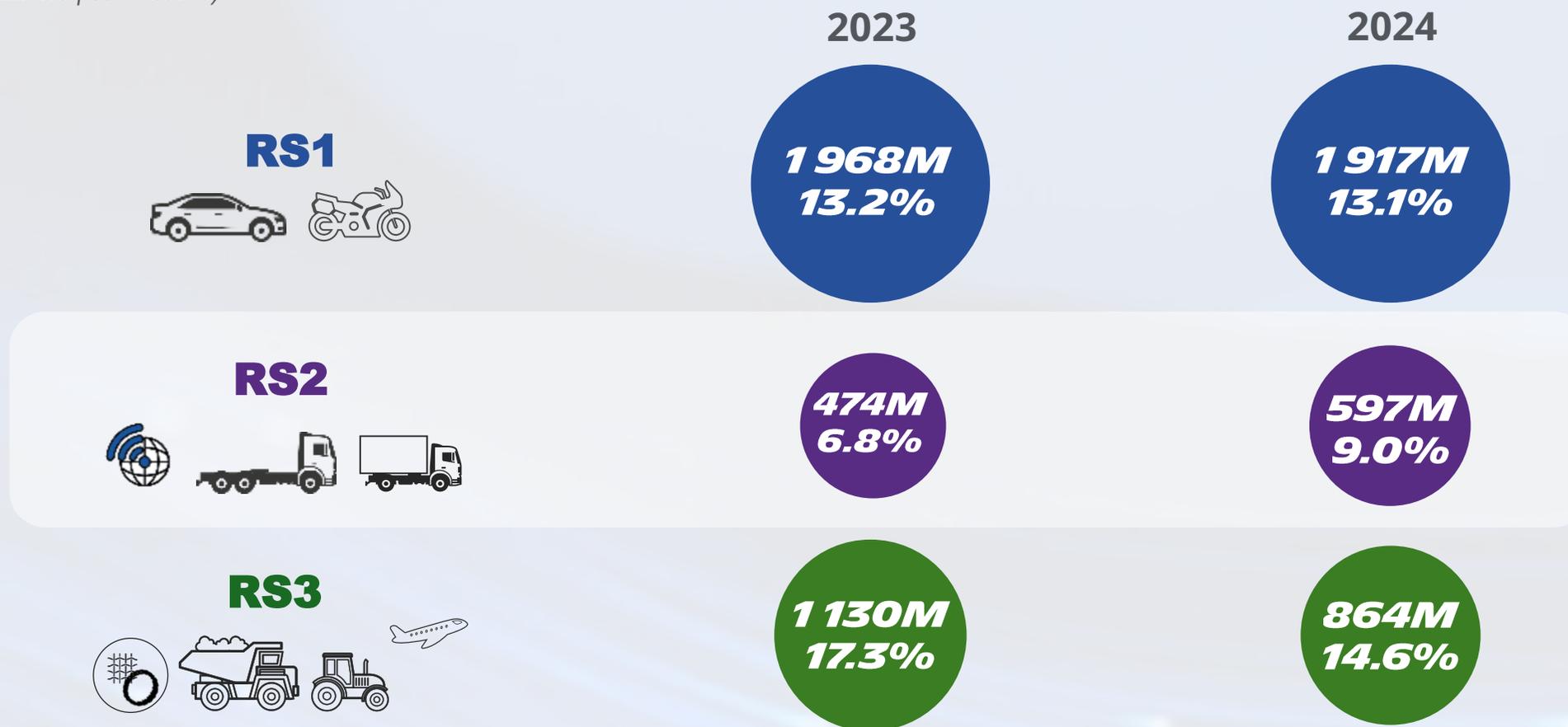
(in € millions | % of sales)



# Strong margin recovery in Road transportation, stable in Automotive, Specialties softer in adverse context

## Segment operating income and margin by reporting segment

(€ millions | % of sales)



N.B. 2023 Sector segmentation is restated to reflect the changes done in 2024. The main evolution is the transfer of Two-wheel business from RS3 to RS1 in order to match the internal organization of the Group.

# Industrial operations: Adjusting and upscaling to support growth on targeted markets

## Announced capacity adjustments

2023

2024



Ardmore

Karlsruhe  
Homburg

Trier



Cholet\*



Olsztyn



Shenyang



Olsztyn



Midigama\*



Shanghai



Vannes\*

Capacity  
impact

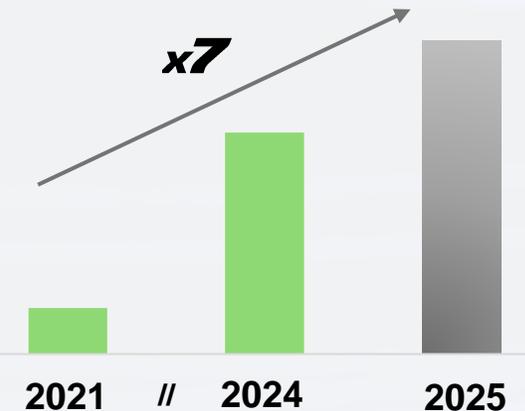
**-10%**  
standard PC

**-15%**  
Truck

**-100%**  
Compact Line *Bias*

Digital and AI applications  
in Manufacturing:  
a growing reality

€ Savings from digital & AI



\* subject to regulatory approvals from the relevant authorities

# Local-to-local illustration: Michelin in the USA



## 50<sup>TH</sup>

Anniversary in South Carolina

## 35

Manufacturing sites\*

## 20,000

Employees

Forbes **2024**  
**AMERICA'S  
 BEST-IN-STATE  
 EMPLOYERS**

POWERED BY STATISTA

## 1/3

of Group sales

Mostly

## LOCAL-TO-LOCAL



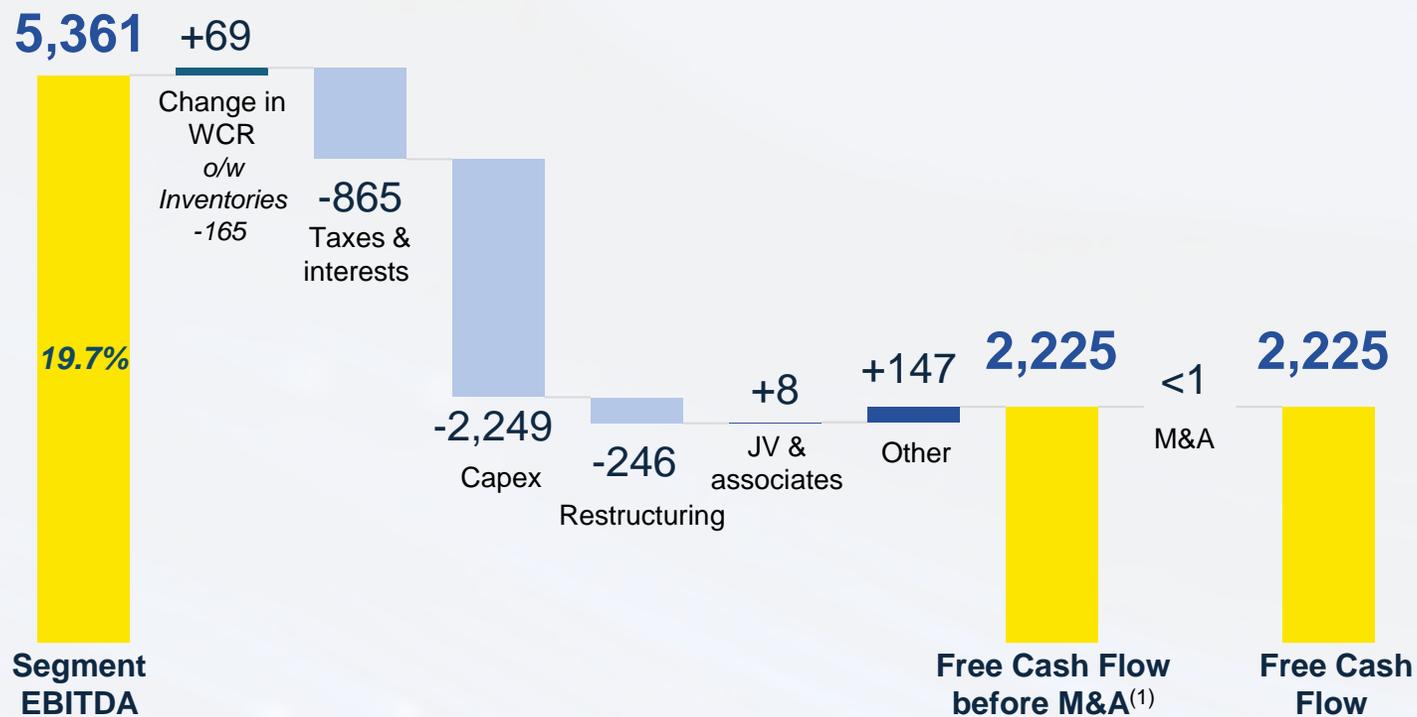
\* of which 20 Tire and 15 Polymer Composite Solutions



# Segment EBITDA close to 20% of sales. Strong cash generation and sustained value creation

## Free Cash Flow

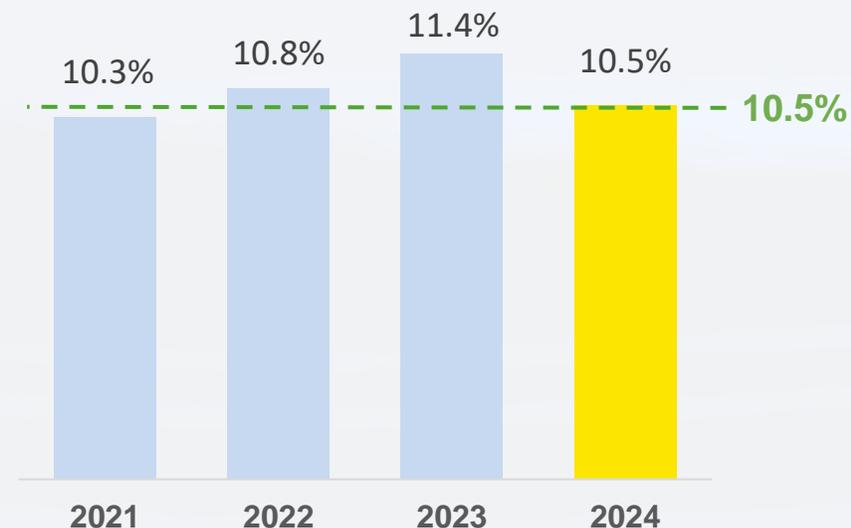
(€ millions | % of sales)



(1) Definition: see Glossary

## ROCE <sup>(1)</sup>

Return on capital employed

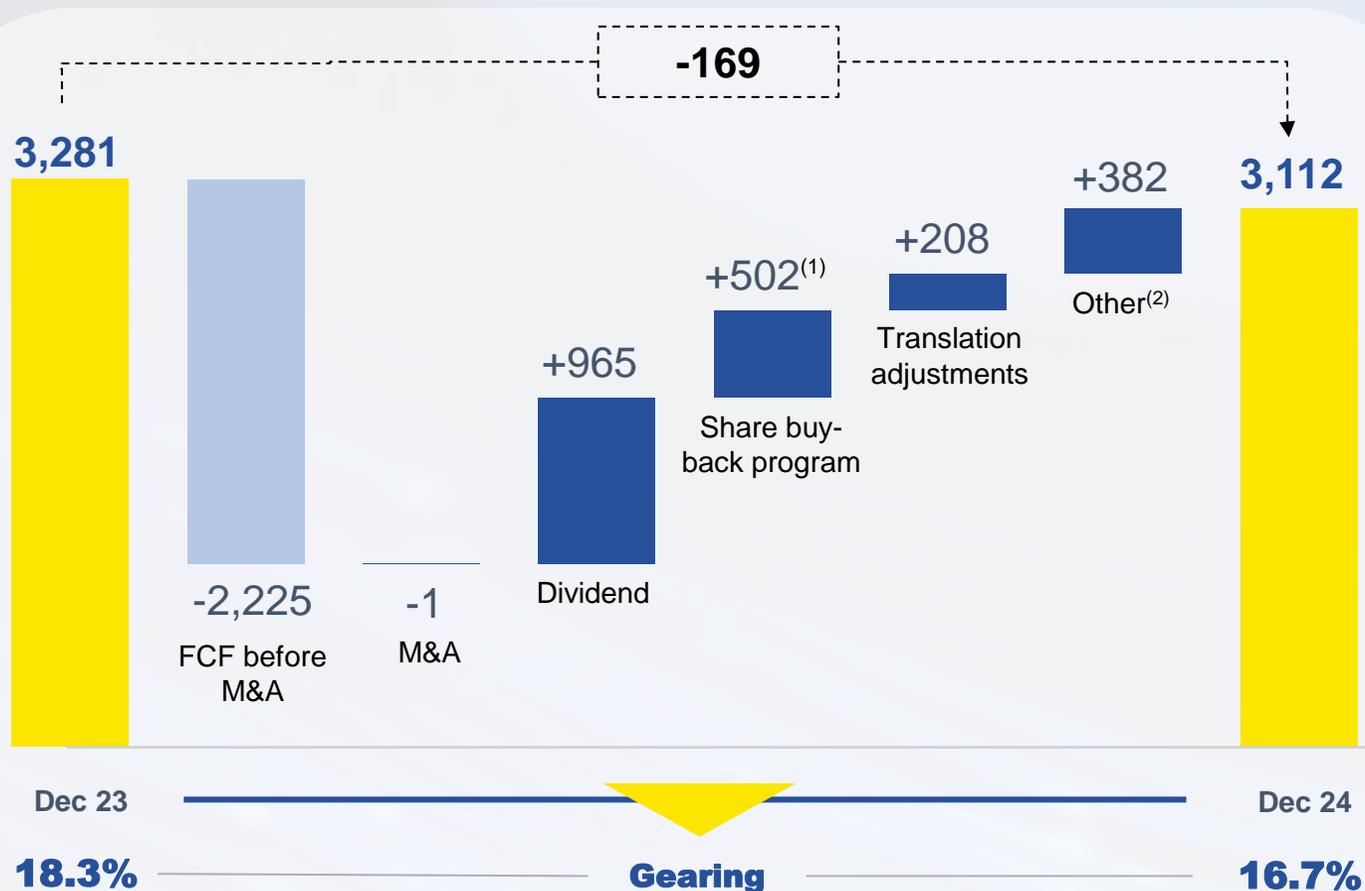


# Gearing improved, fostered by strong cash generation.

## Solid credit rating

### Net debt

(€ millions)



### Agency ratings

Compagnie Générale des Établissements Michelin,  
as of February 12, 2025

	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<sup>(3)</sup></b>	A2		=

(1) incl. € 2m fees and taxes

(2) including new leases

(3) unsolicited rating

***2025  
OUTLOOK  
& GUIDANCE***



# 2025 markets: OE expected to recover in H2, Replacement reflecting moderate global growth

 **Passenger car & Light truck\***

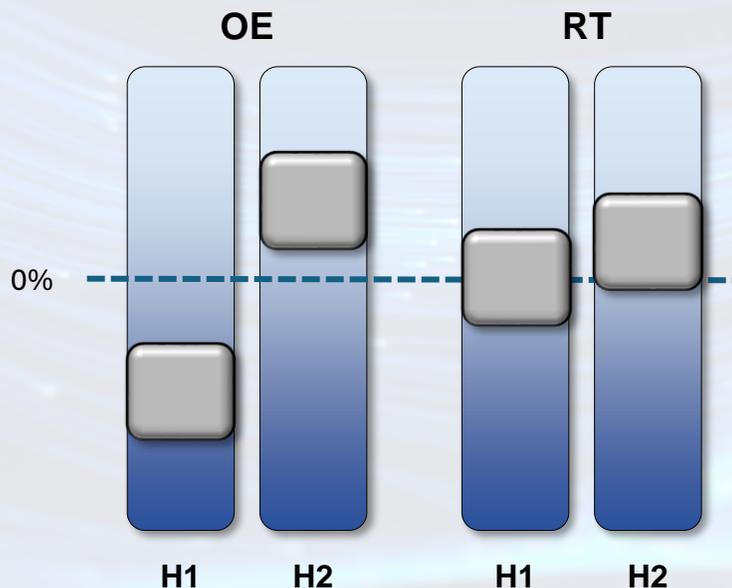
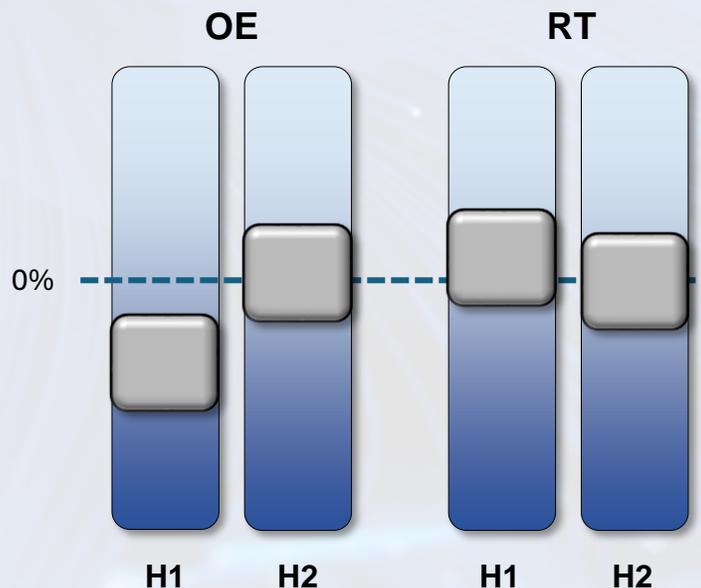
**-2% / +2%**

 **Truck\* excl. China**

**-1% / +3%**

 **Specialties\***

**-1% / +3%**



-  **Mining tires** 
-  **Beyond-road tires**
  - OE 
  - RT 
-  **Aircraft tires** 

-  **Polymer Composite Solutions** 

-  **Two-wheel tires** 

\* Sell-in Tire Markets (excluding Polymer Composite Solutions)



# In a highly uncertain context, 2025 Guidance relying on a robust action plan

In a **favorably oriented** but **highly uncertain** context...

-  Underlying growth in most destination markets
-  OE markets gradually reversing
-  Tariff uncertainties
-  Mining headwinds over

...Michelin is set to **differentiate further**

-  Seizing growth opportunities on targeted markets
-  Strong product plan
-  Local to local
-  Industrial roadmap

**>2024**

Segment operating income  
@ iso-FX

**>€1.7BN**

Free Cash Flow  
(before M&A)

# ***APPENDIX***

# 2025 Financial Agenda

**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



# ***2024 PERFORMANCE***



# Strong margin recovery in Road transportation, stable in Automotive, high Specialties margin despite adverse context

## Sales and Operating income by reporting segment

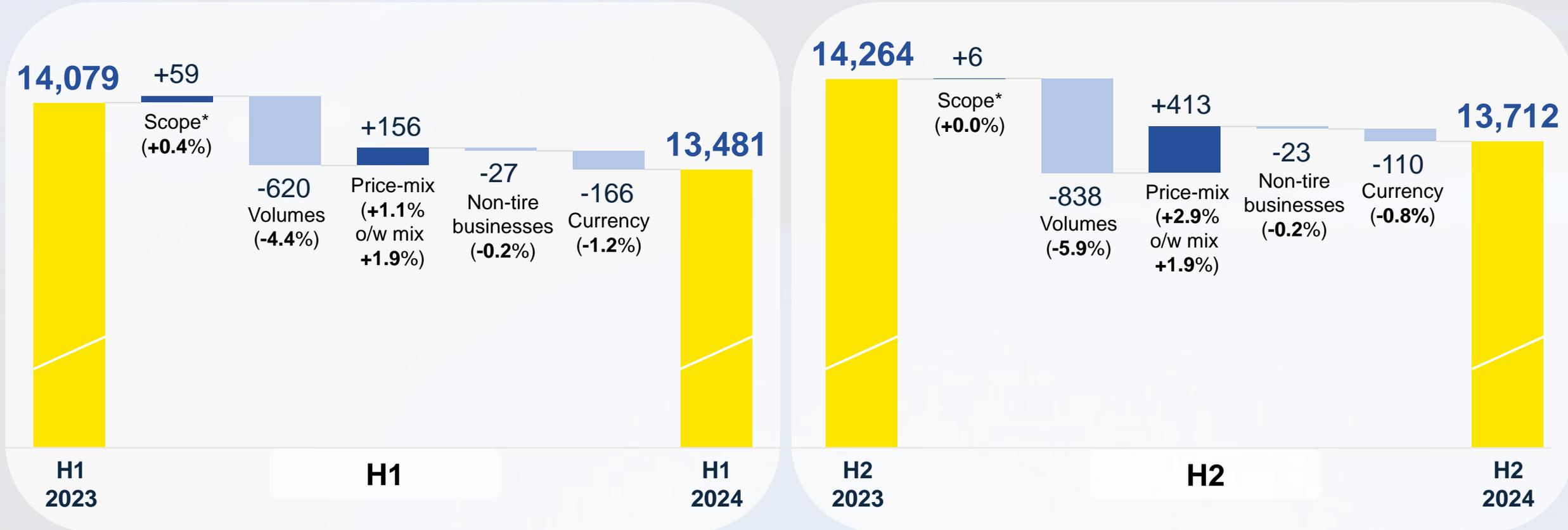
(€ millions | % of sales)

		2024	2023	Change	
<b>RS1</b> 	Sales	14,667	14,859	-1.3 %	<p>Sales revenue down in OE: low markets and negative price indexation clauses. Strong mix enrichment, with 18”+ segment continuing to grow with the market and dynamic volumes in Winter and All-season. Strong recovery of Two-wheel with positive volumes, price and mix effects.</p>
	<i>o/w volume change</i>	-	-	-1.6 %	
	Operating income	1,917	1,968	-2.6 %	
	Operating margin	13.1 %	13.2 %	-0.1 pt	
<b>RS2</b> 	Sales	6,599	6,941	-4.9 %	<p>Lower volumes impacted by weak OE markets in Europe and North America. Favorable net price effect from contracts renegotiations, strong mix with RT/OE rebalancing and MICHELIN brand prioritization. Increasingly positive contribution from Connected Solutions.</p>
	<i>o/w volume change</i>	-	-	-6.1 %	
	Operating income	597	474	+26.1 %	
	Operating margin	9.0 %	6.8 %	+2.2 pts	
<b>RS3</b> 	Sales	5,927	6,543	-9.4 %	<p>Mining gaining ground on its core markets but penalized by contextual headwinds. Beyond Road hit by low volumes on adverse markets but was able to preserve the mix and to deploy its long-term strategy. Aircraft growth in both commercial and defense segments. Polymer Composite Solutions developing with FCG, margin maintained despite high comparison base.</p>
	<i>o/w volume change</i>	-	-	-9.1 %	
	Operating income	864	1,130	-23.5 %	
	Operating margin	14.6 %	17.3 %	-2.7 pts	
<b>GROUP</b>	Sales	27,193	28,343	-4.1 %	
	<i>o/w volume change</i>	-	-	-5.1 %	
	Operating income	3,378	3,572	-5.4 %	
	Operating margin	12.4 %	12.6 %	-0.2 pt	

# 2024 Sales: Powerful mix across the year, price turning positive in H2

## Analysis of sales by six-month period

(€ millions | % of 2023)



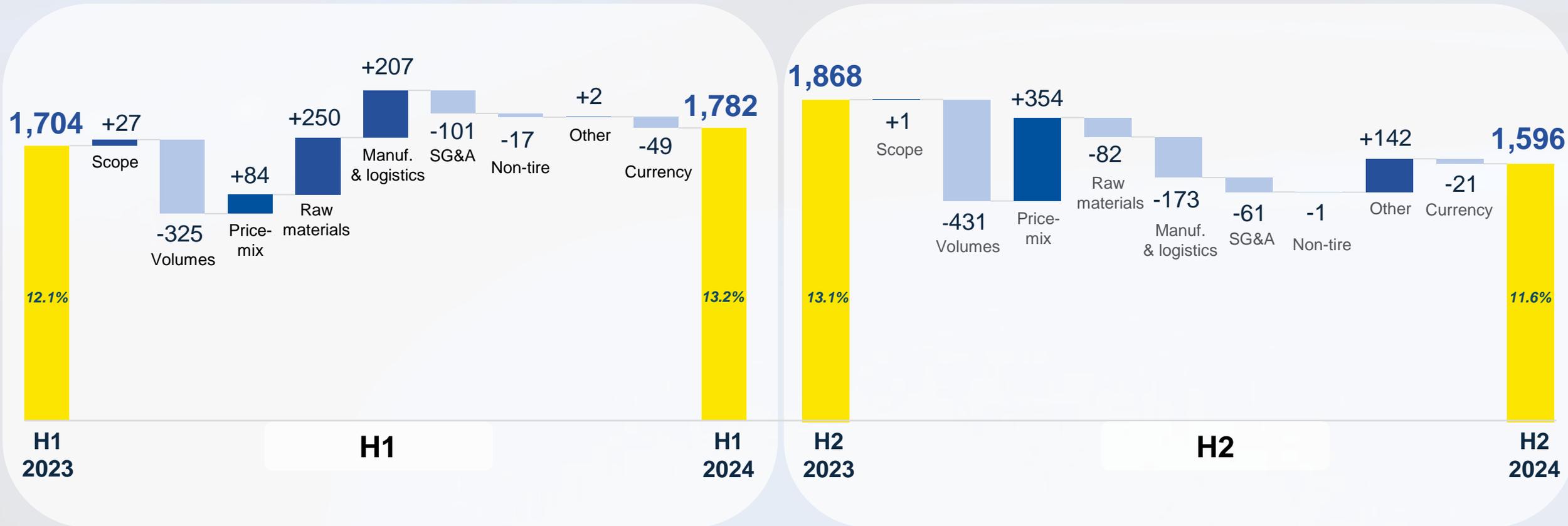
\* Consolidation of Flex Composite Group effective Sep. 26th, 2023



# 2024 SOI: Positive economic equation maintained in H2 despite higher input costs

## Analysis of Segment operating income (SOI)

(€ millions)



# Shareholder return sustained at an attractive level

	2021 <sup>(1)</sup>	2022	2023	2024
<b>DIVIDEND</b> PER SHARE(€)	1.13	1.25	1.35	<b>1.38</b>
<b>EARNINGS PER SHARE</b> BASIC(€)	2.58	2.81	2.77	<b>2.65</b>
<b>PAY-OUT RATIO</b> <sup>(2)</sup>	44%	44%	49%	<b>52%</b>
<b>DIVIDEND YIELD</b> <sup>(3)</sup>	3.1%	4.8%	4.2%	<b>4.3%</b>

## DIVIDEND

- 2024 proposed dividend of €1.38, +2.2% vs 2023

## SHARE BUYBACK

- Program over 2024-2026: up to €1bn
- 2024: execution of €500m tranche

(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



## Key financial figures – last 3 years

(€ millions)	<b>2024</b>	2023	2022
<b>Sales</b>	<b>27,193</b>	28,343	28,590
Segment EBITDA	5,361	5,489	5,262
Segment EBITDA margin	19.7%	19.4%	18.4%
<b>Segment operating income</b>	<b>3,378</b>	3,572	3,396
<b>Segment operating margin</b>	<b>12.4%</b>	12.6%	11.9%
Other operating income and expenses	(747)	(920)	(375)
<b>Net income</b>	<b>1,890</b>	1,983	2,009
Earnings per share (basic - in €)	<b>2.65</b>	2.77	2.81
Capital expenditure outlays	<b>2,215</b>	2,221	2,008
<b>Free cash flow before acquisitions*</b>	<b>2,225</b>	3,009	(104)
Free cash flow	2,225	2,343	(180)
<b>ROCE*</b>	<b>10.5%</b>	11.4%	10.8%
<b>Gearing</b>	<b>16.7%</b>	18.3%	25.2%

\* Definition: see Glossary



# Strong price-mix maintained in Q4, volumes still hampered by OE markets downturn

## YoY Quarterly change

(% of sales)

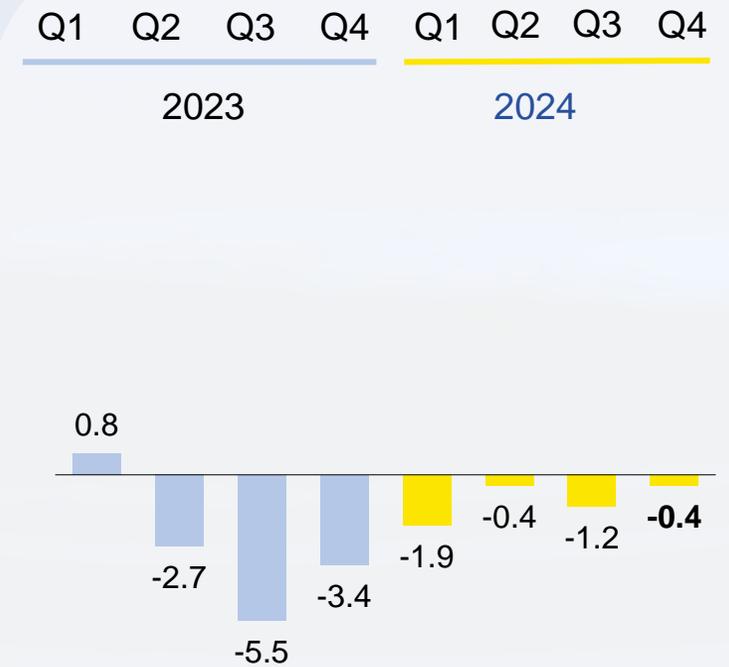
### VOLUMES



### PRICE-MIX



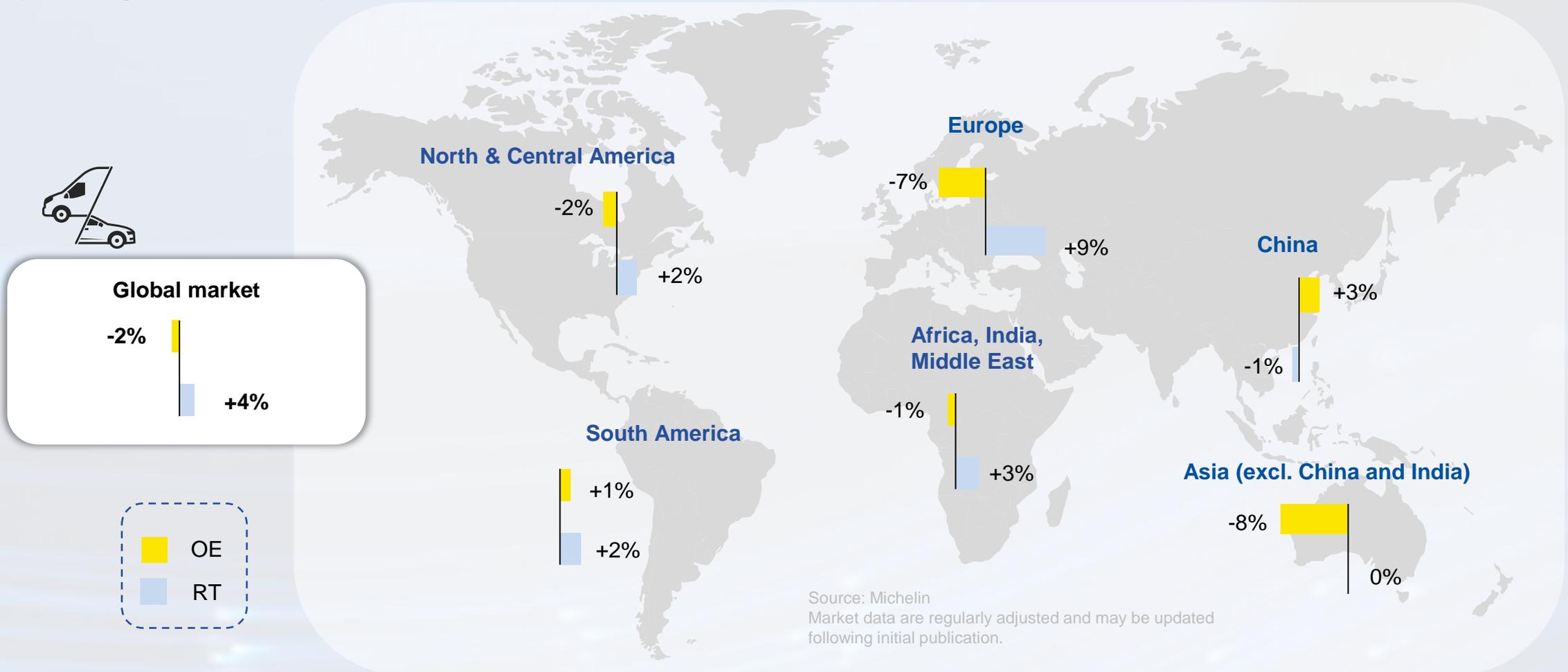
### CURRENCY



# PC/LT tire: OE markets declining in Europe and North America, RT pulled by Europe and Americas with high levels of imports

## PC/LT tire sell-in market, FY 2024

(YoY change in number of tires)



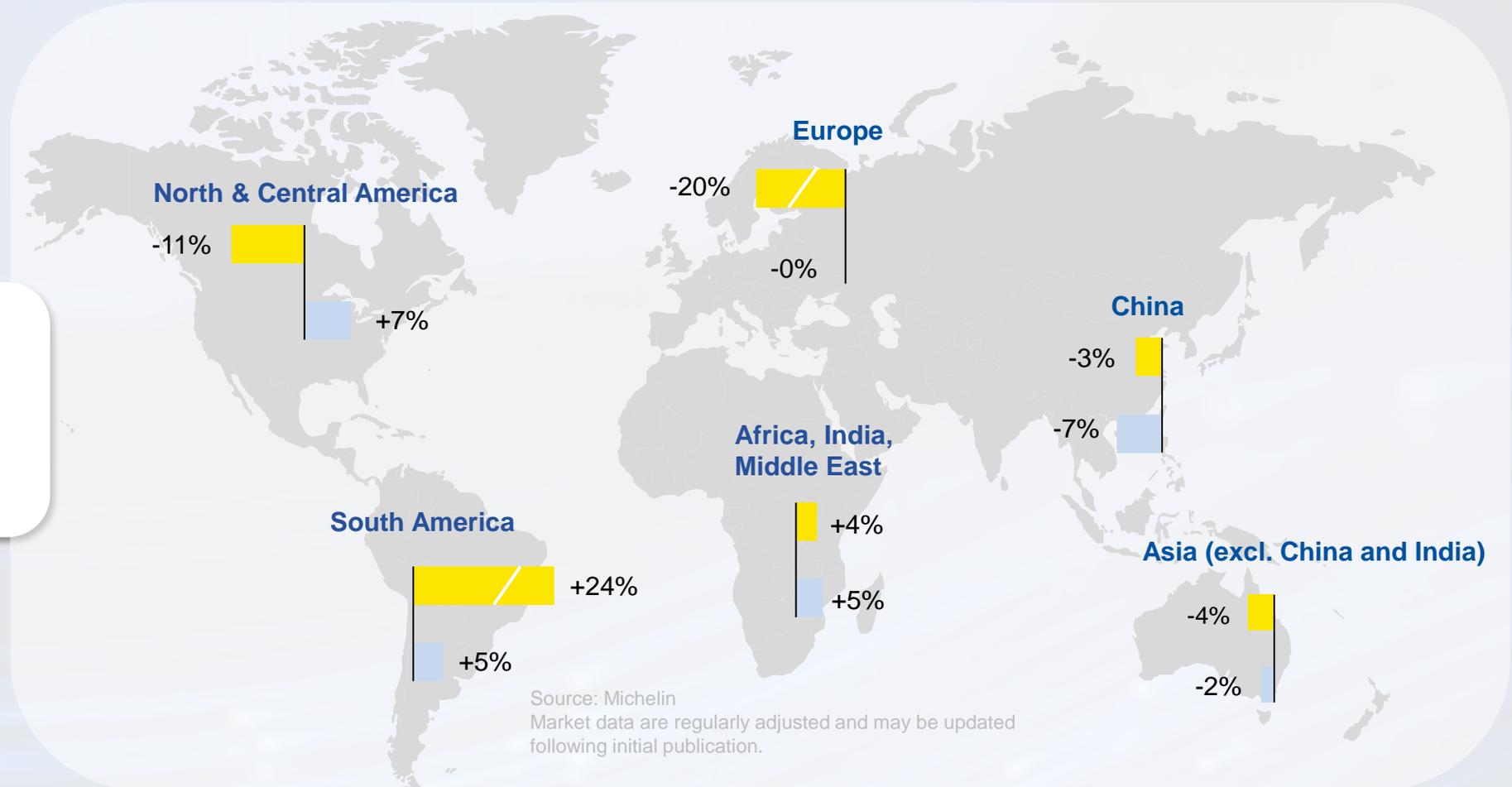
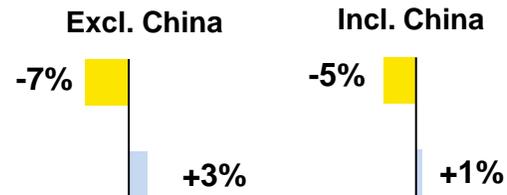
# Truck tire: Strong OE decline in North America & Europe, RT market in North America pulled by massive imports from Asia in H1

## Truck tire sell-in market, FY 2024

(YoY change in number of tires)

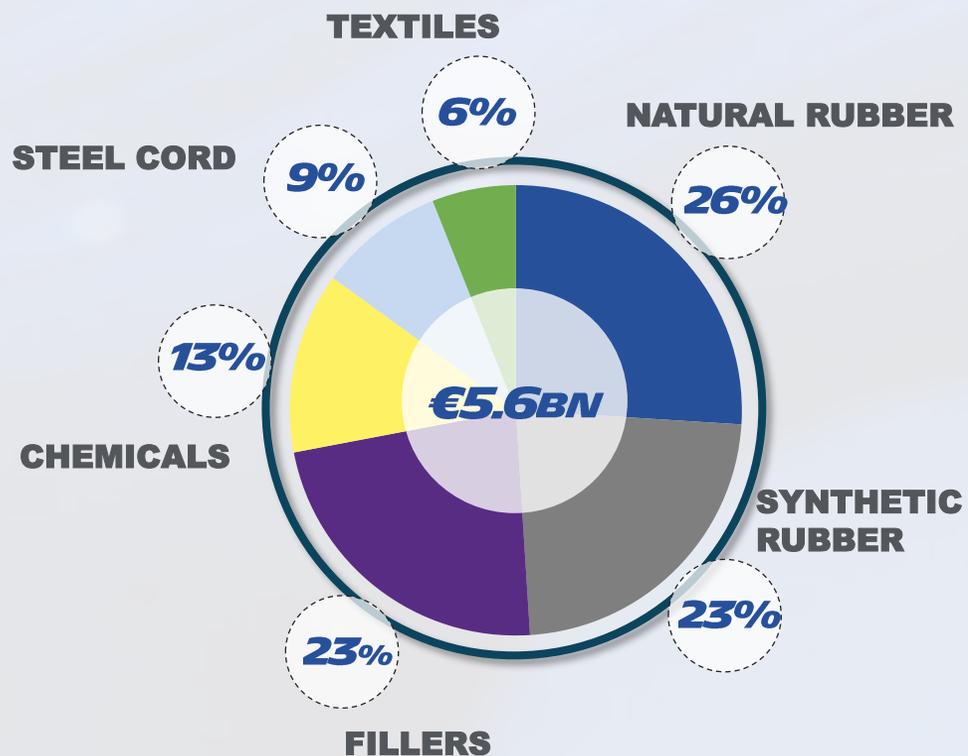


### Global market



# Raw materials cost breakdown and evolution

## FY 2024 Raw materials cost breakdown



Natural Rubber: TSR20 and RSS3 (SICOM, \$/kg)



Butadiene: Europe contract-market (€/t)



Brent (\$/BBL)



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

	<b>% of sales</b> Q4 2024 12 rolling months	<b>2024</b> currency change vs. €	<b>Droptthrough*</b> <b>Sales → SOI</b>
<b>USD</b>	39%	-0.1%	20% / 30%
<b>EUR</b>	32%	-	-
<b>CNY</b>	6%	-1.7%	20% / 30%
<b>BRL</b>	4%	-7.4%	-20% / -10%
<b>CAD</b>	3%	-1.5%	-20% / -30%
<b>GBP</b>	3%	+2.7%	20% / 30%
<b>AUD</b>	3%	-0.7%	40% / 50%

	<b>% of sales</b> Q4 2024 12 rolling months	<b>2024</b> currency change vs. €	<b>Droptthrough*</b> <b>Sales → SOI</b>
<b>JPY</b>	1%	-8.0%	60% / 70%
<b>MXN</b>	1%	-2.8%	50% / 60%
<b>CLP</b>	1%	-12.6%	60% / 70%
<b>THB</b>	1%	-1.4	-150% / -200%
<b>TRY</b>	1%	-42.5%	75% / 85%
<b>SEK</b>	1%	+0.3%	10% / 20%
<b>Other</b>	3%	-	-

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

Sales x 39% x (-0.1%) x ~25% = impact on SOI (-0.01%)

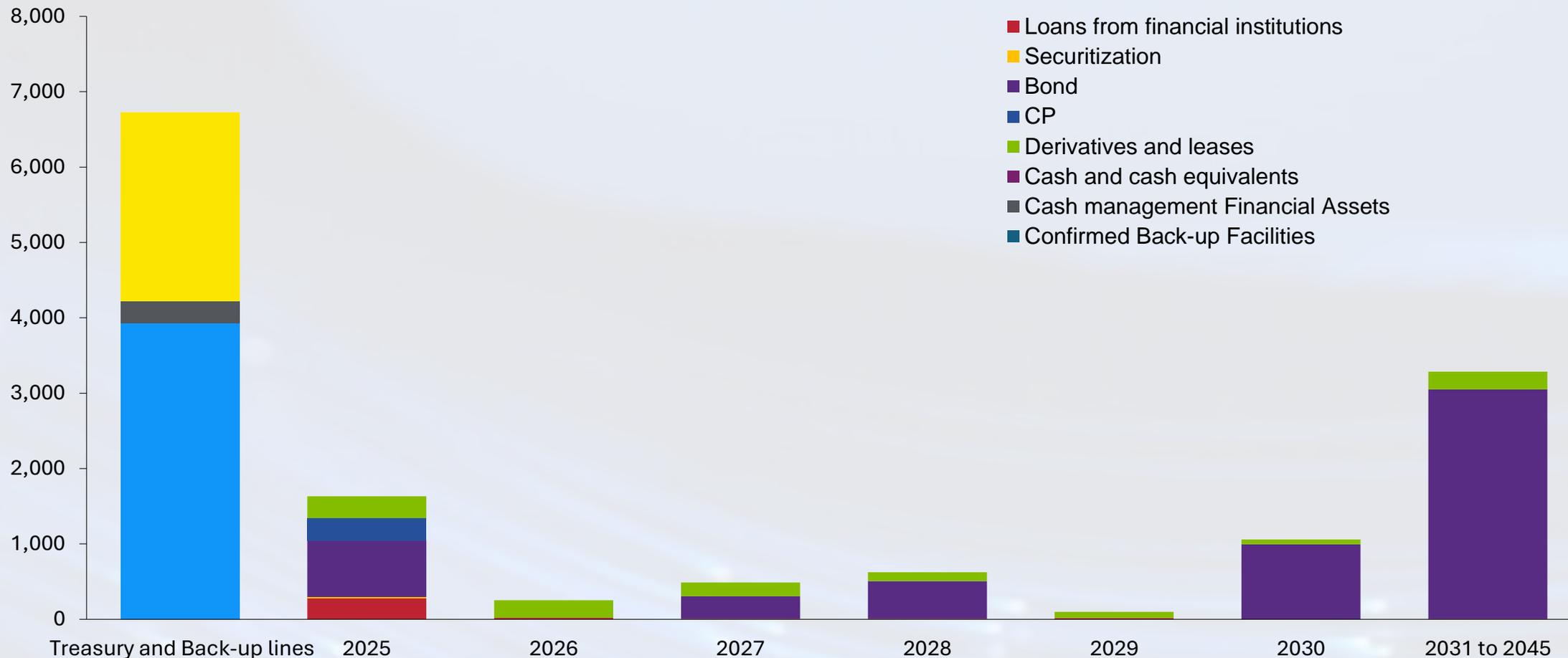
impact on sales  
-0.04%

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

# A sound adequate cash position with maturities well spread over time

## Debt maturities as at Dec. 31, 2024

(carrying amount | € millions)



# ***STRATEGY***



# Strategic Scorecard - 2024 results in line with 2030 ambitions

	<b>AMBITIONS</b>	<b>METRICS</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2030 SUCCESS</b>
 People	<b>Be world-class in employee engagement</b>	Engagement Rate	82.5%	83.5%	84.7%	>85%
	<b>Be world-class in employee safety</b>	TCIR	1.07	1.01	1.03	<0.5
	<b>Be a reference in diversity and inclusion</b>	IMDI	70	72	73	80
	<b>Be best-in-class in value created for customers</b>	NPS	41.6	42.7	40.2	50 (+10pts vs 2020)
 Profit	<b>Deliver substantial growth</b>	Total Sales	28.6 bn€	28.3 bn€	27.2 bn€	5% CAGR 23-30
	<b>Deliver continuous financial value creation</b>	ROCE	10.8%	11.4%	10.5%	>10.5%
	<b>Maintain MICHELIN brand power</b>	Brand Vitality Quotient	68	73	72	65 (+5pts vs 2020)
	<b>Maintain best-in-class innovation pace in products &amp; services</b>	Offer Vitality Index	31.0%	30.8%	29.4%	>30%
 Planet	<b>Reach net zero emissions by 2050 (scopes 1&amp;2)</b>	CO <sub>2</sub> emissions (scopes 1&2), vs 2019	-20%	-28%	-37%	-47%
	<b>Improve the energy efficiency of our products to contribute to net zero emissions</b>	Product energy efficiency (scope 3)	101.8	102.9	104.3	+10% vs 2020
	<b>Be best-in-class in environmental footprint of industrial sites</b>	i-MEP, vs 2019	-11.2%	-16.1%	-17.4%	-1/3
	<b>Increase the proportion of renewable or recycled materials in our tires</b>	Renewable and Recycled Materials Rate	30%	28%	31%	40%

# Leveraging unique and differentiating assets across enlarged playground



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

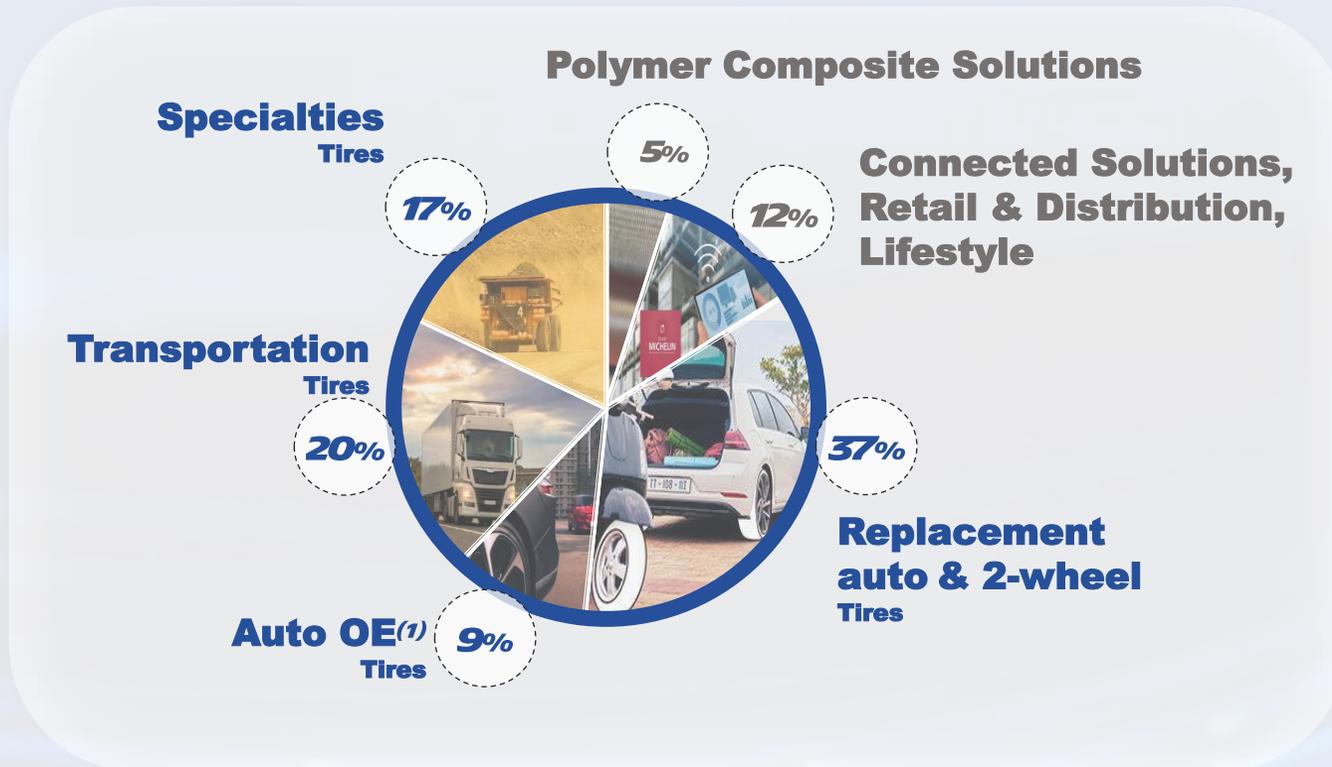


Engineered polymers

# Widening range of destination markets ensuring resilience

## Destination markets across diverse verticals

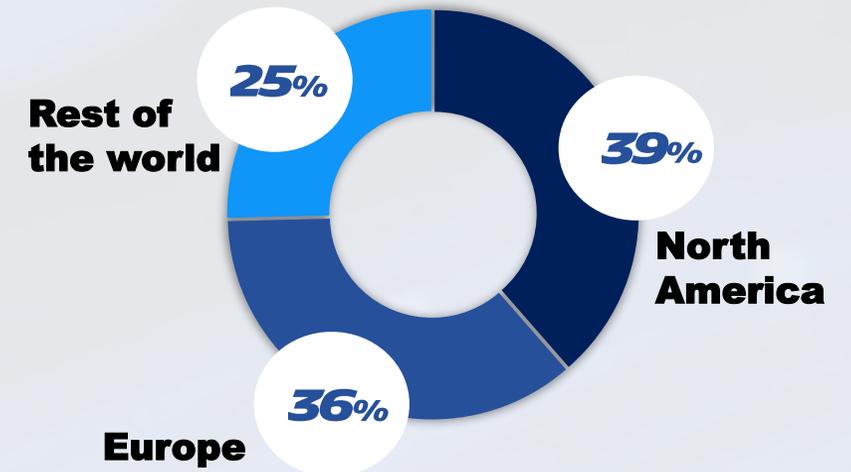
2024 sales breakdown (% of revenue)



(1) Original equipment

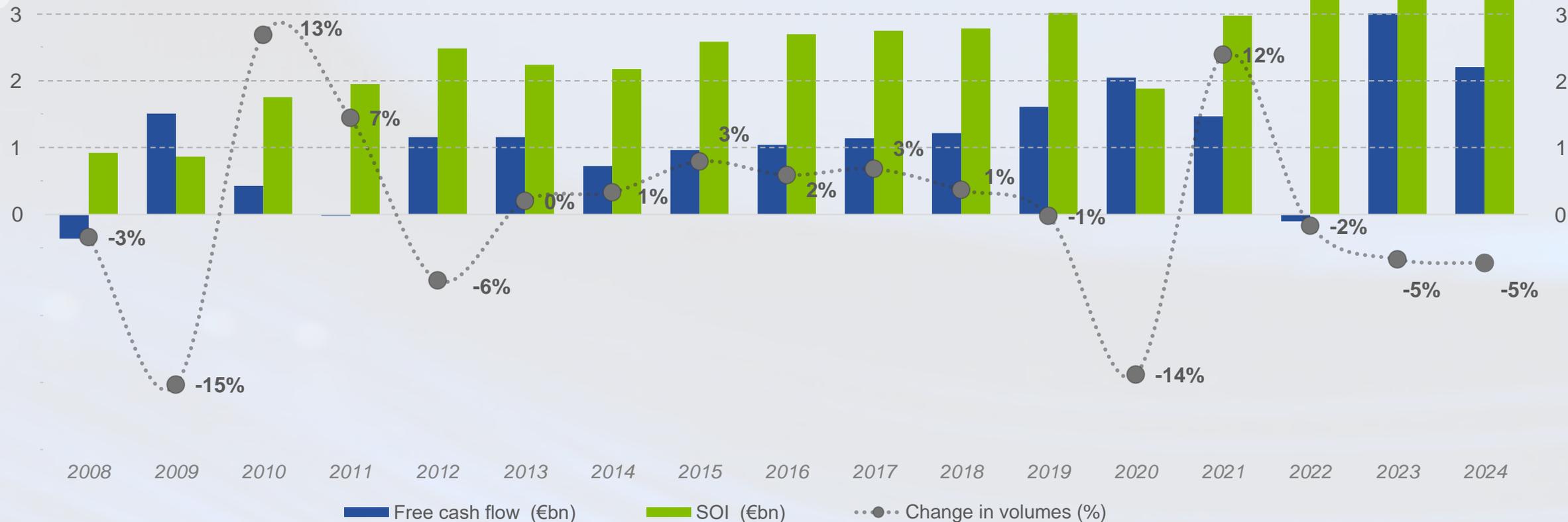
## Balanced geographies

2024 sales breakdown (% of revenue)



# Increasing cash and margin generation across business cycles

## FCF<sup>(1)</sup> and SOI<sup>(2)</sup> evolution vs. change in volumes



(1) Free cash flow, excluding M&A

(2) Segment operating income



# Value-driven strategy: Winning where it matters

## Original equipment: Being selective to extract the right value



**Innovation**



**Brand power**



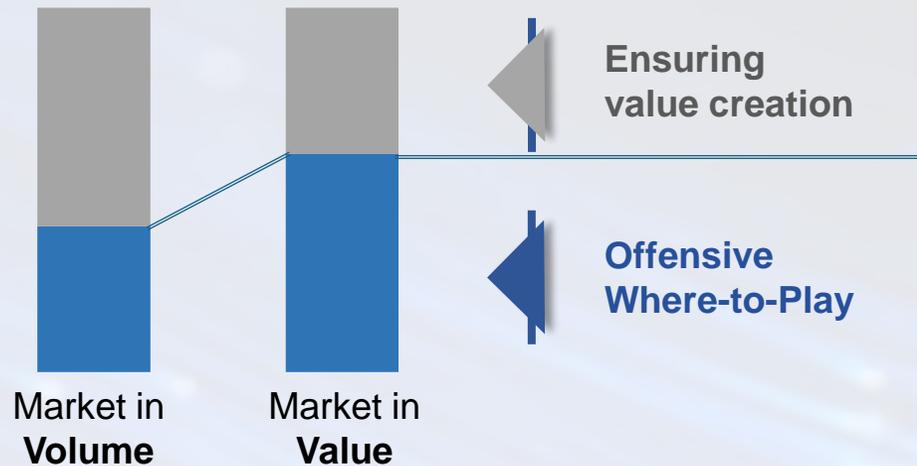
**Strategic  
partnerships**



**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-driven strategy: Winning where it matters - illustrated



## Long-lasting trend of mix enrichment



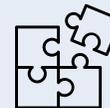
**>100M€ per year**

Sustainable mix impact on EBIT

**~9% CAGR\***

Market trend in >18" tires\*

\* 2025 - 2028



## Technological leadership & differentiating service



## Targeting value-accretive market segments



Premium



Tech



Green



**> 50% of market Value**



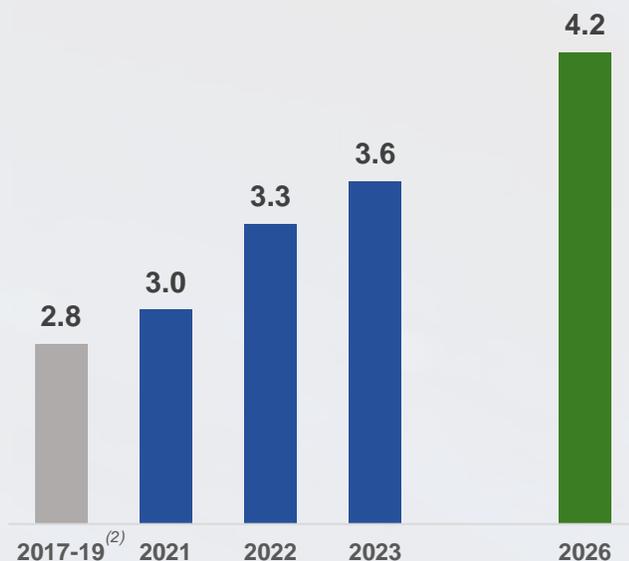
The background is a dark, deep blue with a bokeh effect of out-of-focus lights in shades of yellow, orange, and light blue. Several semi-transparent, dark blue cubes are scattered throughout the scene, appearing to float or drift. The text "2024 CMD" is centered in the middle of the image.

***2024 CMD***

# Driving higher profitability and strong cash generation

## Segment Operating Income

(bn €, excl. substantial <sup>(1)</sup> M&A, @2023 FX)



(1) Substantial = leading to structuration of a SR4  
 (2) Average of the period

## Segment Operating Margin

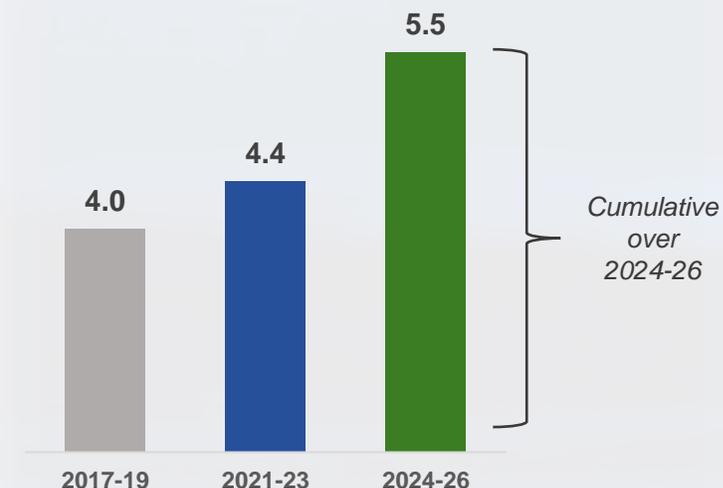
(% of sales)



(2) Average of the period

## FCF before M&A

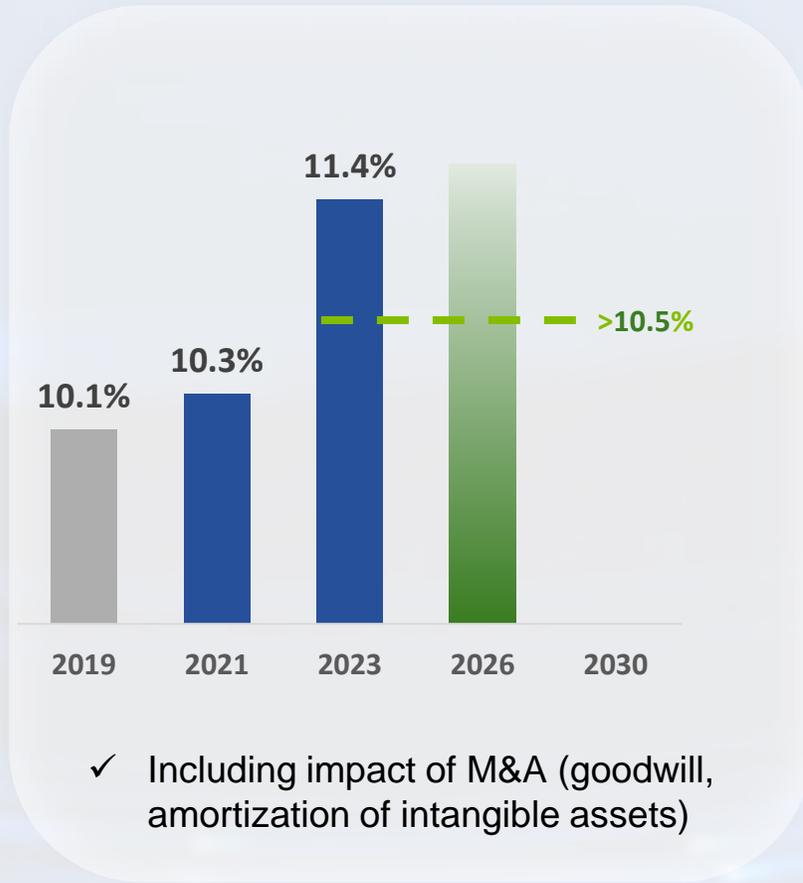
(bn €, cumulative over the period)



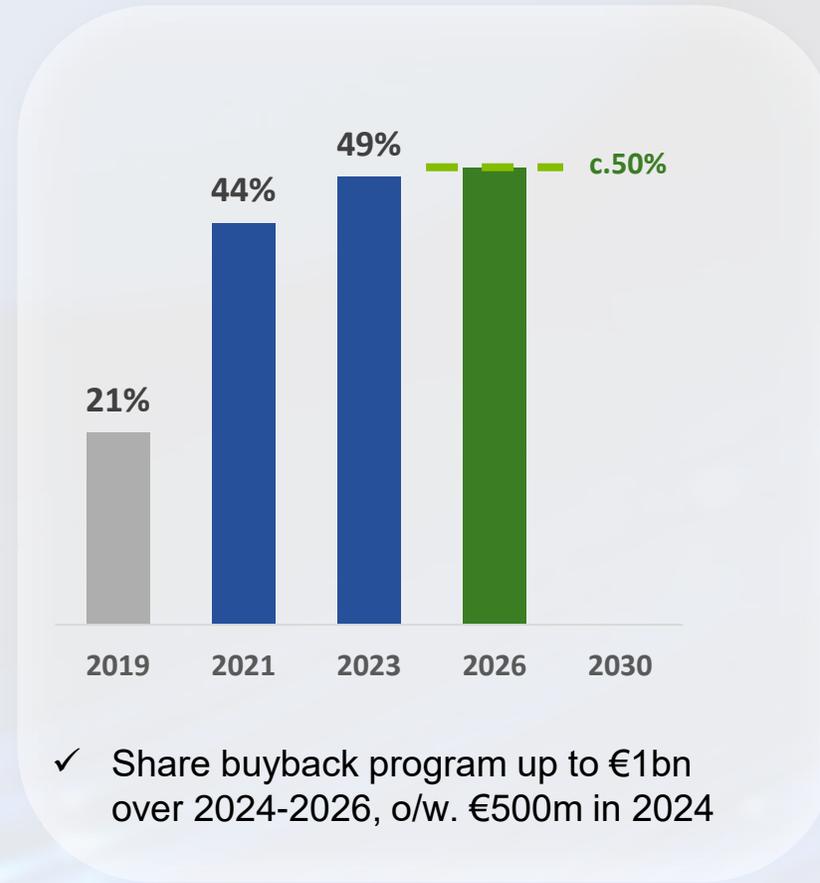
- ✓ Capex level € 2.0-2.4bn/year
- ✓ Optimized working capital

# Confirmed ROCE floor and shareholder return

## Return on Capital Employed



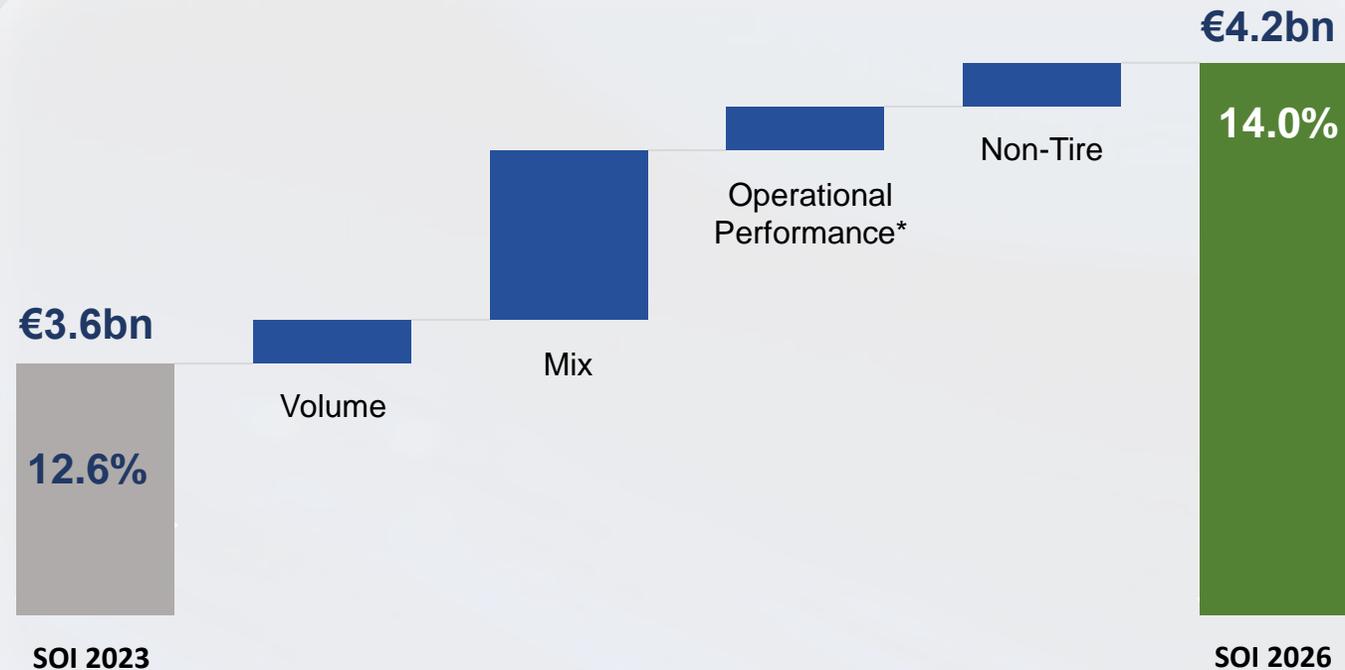
## Payout Ratio (% of net result)



# Strong mix effect, improved margin across reporting segments

## SOI bridge by lever

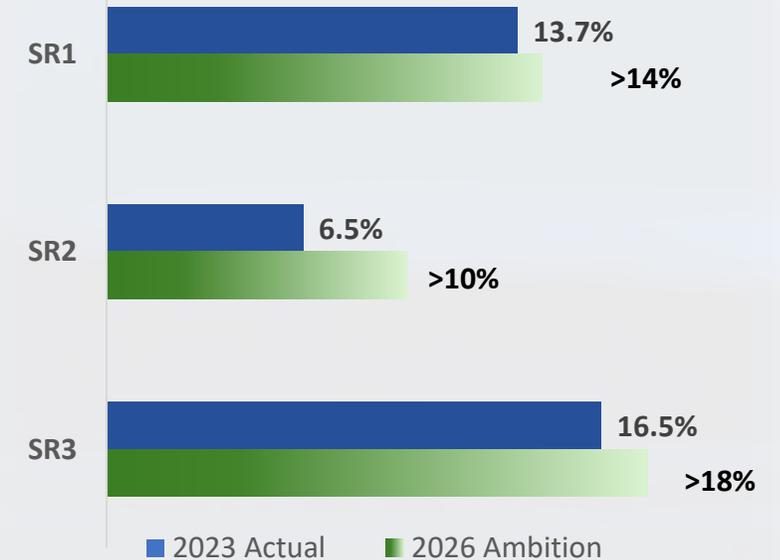
(€bn and % of sales, excl. substantial M&A, @2023 FX)



\* Including economic equation (price effect – inflators)

## Segment Operating Margin - by SR

(% of sales)



SOM ambitions by SR for illustration – commitment applies to Group level only

# Taking Group competitiveness to the next level: Manufacturing

## Strategic levers

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

## Tech & Care levers

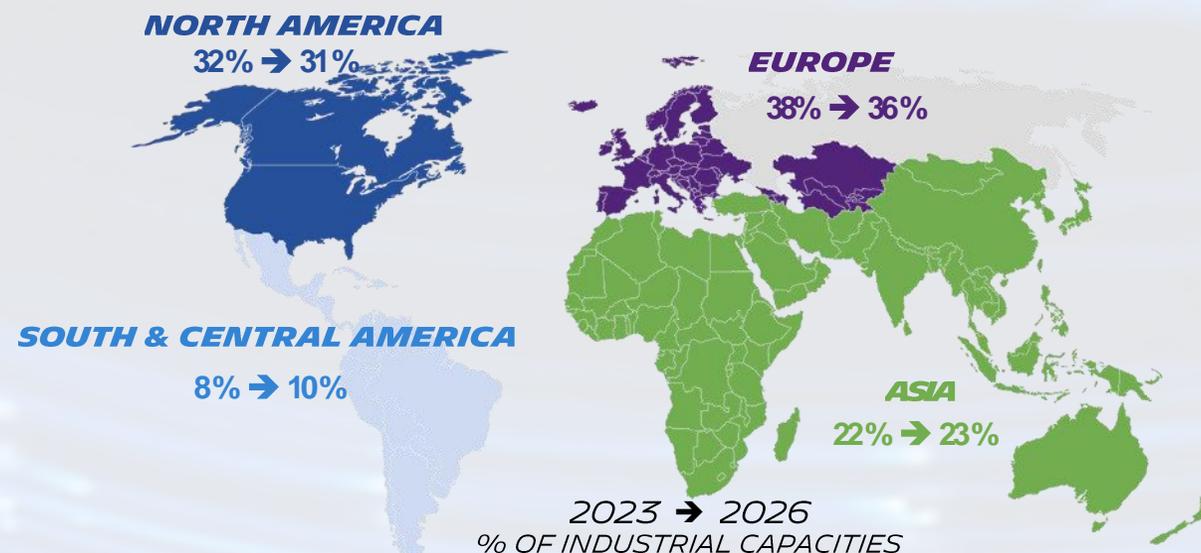
- IA & Digital
- Industrial process optimization
- Reduce water and energy consumption
- Safety, ergonomics and people empowerment

## Industrial loading rate SR1 + SR2

(% of capacity)

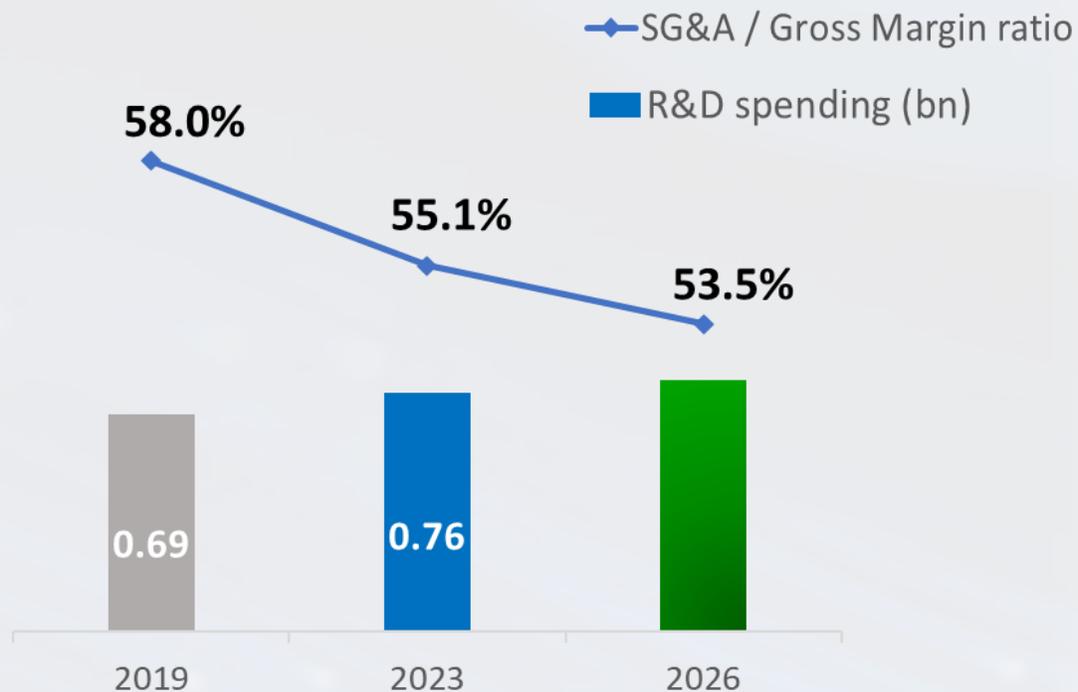


## Industrial capacities breakdown, 2026 vs. 2023



# Taking Group competitiveness to the next level: SG&A & Supply Chain

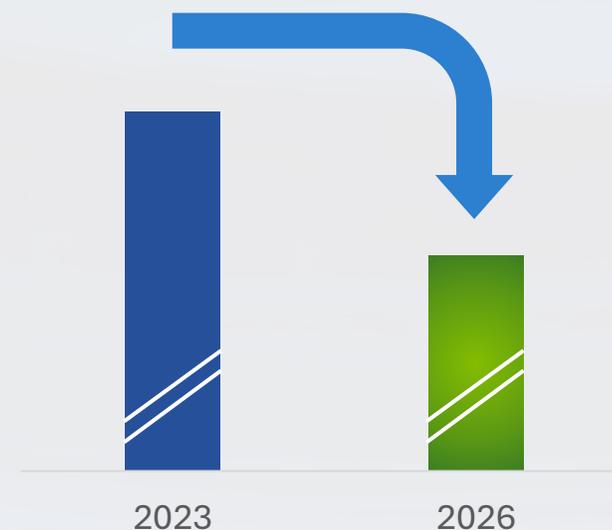
Improving SG&A performance and fostering innovation



Reducing inventory levels whilst improving customer service

Inventory reduction

€ -0.5bn



# M&A: A proven track record of successful integration

## Multistrada & Camso

- Multistrada EBIT from negative territory in 2019 to SR1 accretive in 2023
- Camso accelerating in AG Tracks

## Retail & Distribution

### TBC (JV with Sumitomo)

- Cash positive since '21
- \$350m shareholder loans fully paid back
- ~160m€ cash proceeds from Retail activities sale (2023)

### Euromaster Denmark sale (2023)

### Tyroola acquisition (2023)

## Fenner

- 9% CAGR 2018-2023 (excl. Solesis)
- 2023 EBIT +4 pts vs 2018
- Solesis capital opened to Altaris based on €450M EV (2021)

## Polymer Composite Solutions

## FCG

- 9% CAGR 2015-2023
- EBIT accretive (> 20%)
- EV/EBITDA 9.0 post-synergies (2028)

## Symbio (est. 2019)

- Michelin 33% | Faurecia 33% | Stellantis 33%
- based on €900m EV (2023)

## Connected Solutions

- **Michelin Connected Fleet** regrouping Sascar & Masternaut & Nextraq offers (2022)
- **RoadBotics** acquisition (2022)
- **Watèa** capital opened to Crédit Agricole (2023)

## Tires

## Active portfolio management

2018-2019 :  
**€4.5bn** net acquisitions

2021-2023 :  
**€1.0bn** acquisitions  
**€0.6bn** divestments

**>60 transactions**  
o/w 13 with cash amount >€50m



# M&A as a growth & value accelerator: Accessing new markets and leveraging Group innovation power

## Clear fundamentals

**Strategic fit**

**Parental advantage brought by Michelin**

**Value-accretive to Group**

**Cultural fit**

## Strict financial criteria

EPS-accretive from year 1

Accelerating growth

Group ROCE sustained above 10.5%

Higher cash conversion

Margin-accretive (SOI%)

# ***TIRE BUSINESSES***



# Michelin exclusive on iconic cars



**Mercedes-AMG One**



**Ferrari F80**



**All Bugatti, including Tourbillon**



**Aston Martin Valhalla**

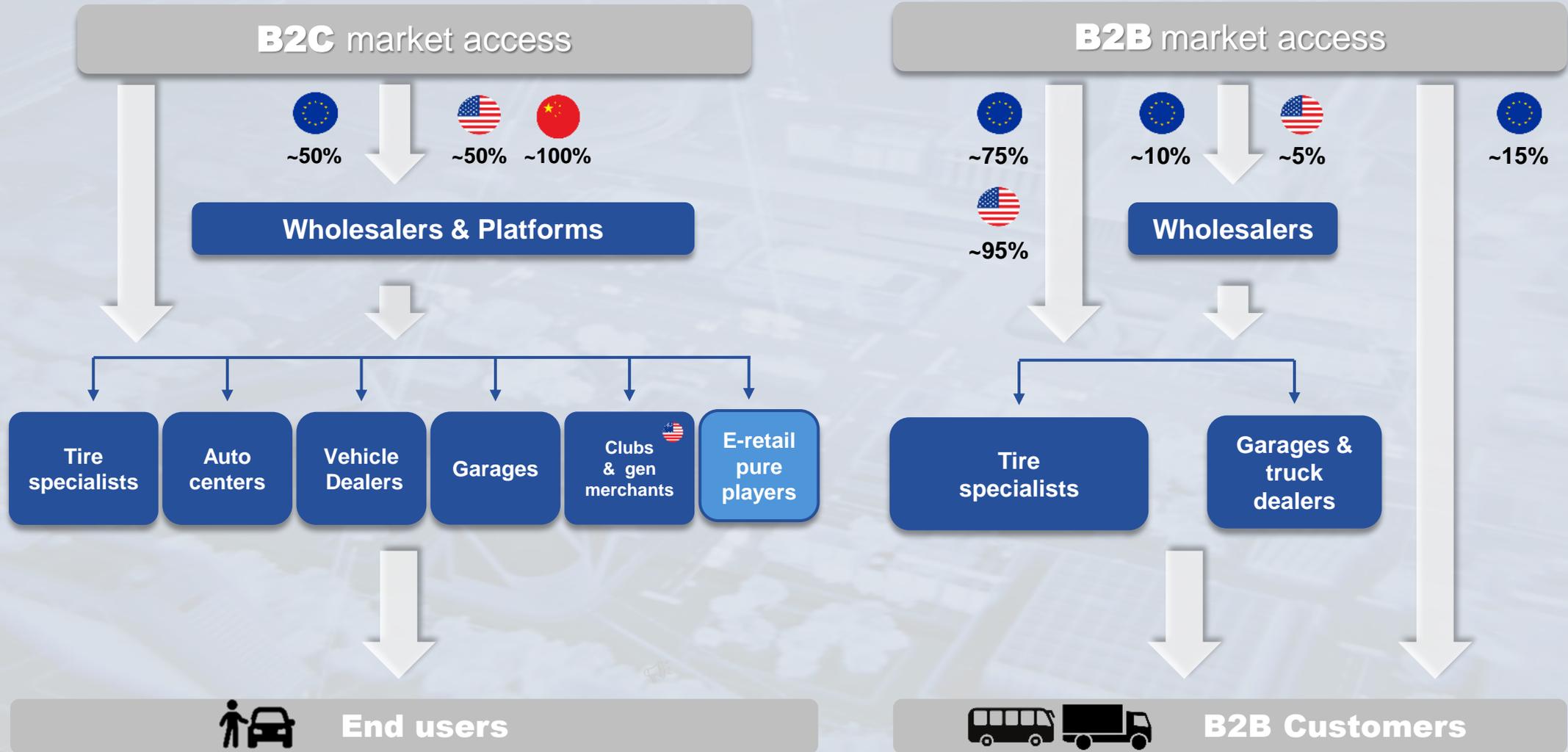


**Maserati GT2 Stradale**



**Porsche 718 Cayman GT4 RS**

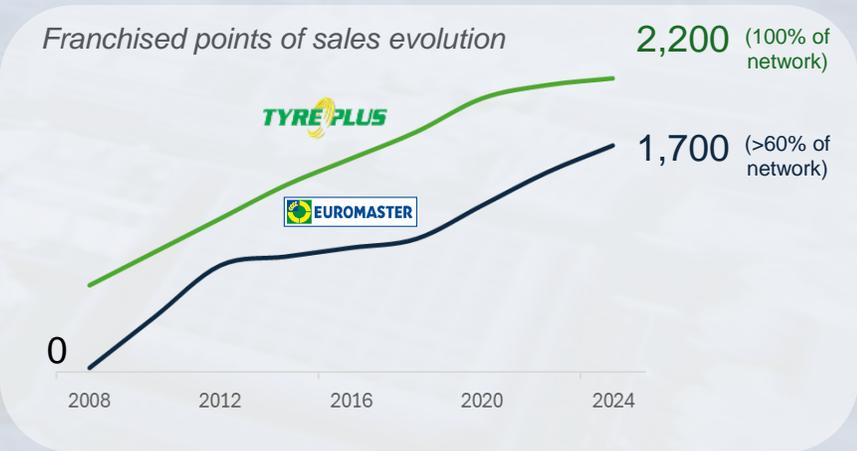
# Michelin tire market access: Reflecting broad product range in B2C and deep intimacy with service providers in B2B



# 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

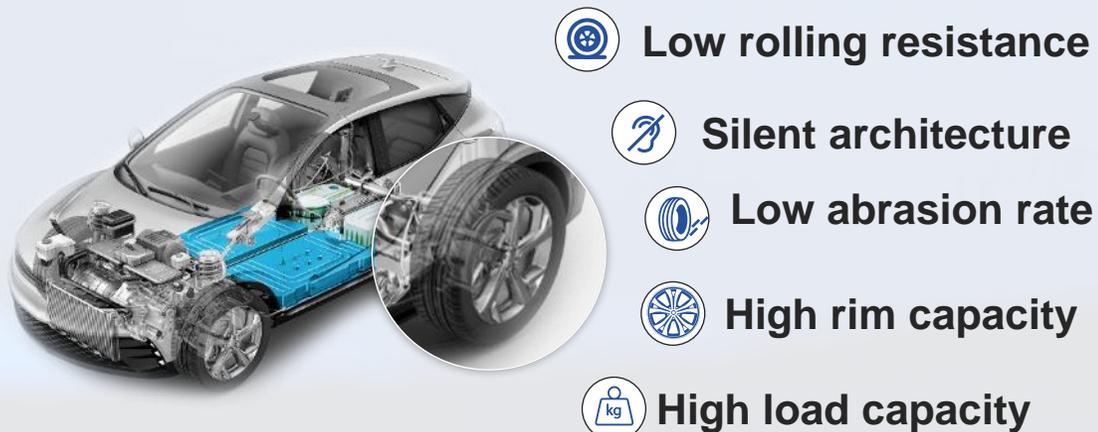
**MICHELIN**  
Pilot Sport 4

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

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

# BEV: Highly demanding vehicles perfectly fit with Michelin's unique know-how

Electric vehicles put the performance of tires to the test



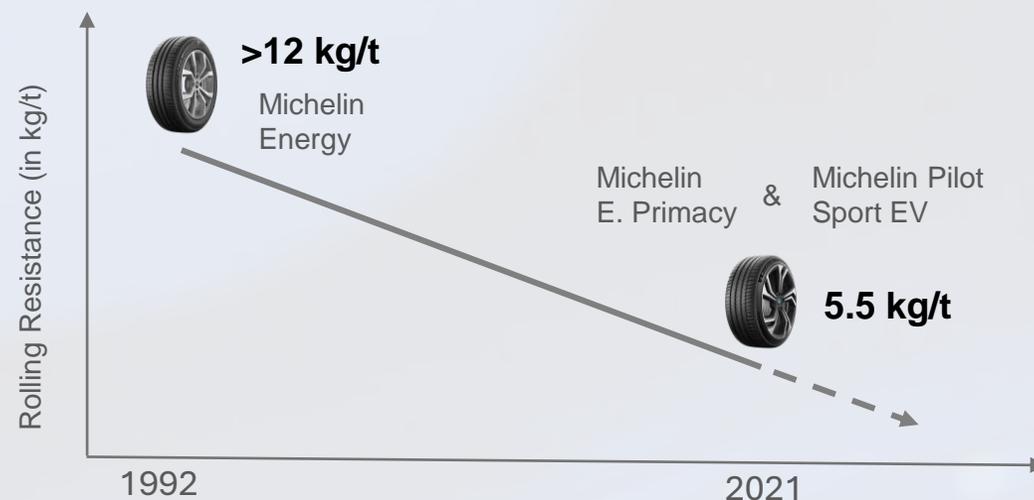
**Excellence in tires** means:

Enhancing the **balance of performance**

Through **innovative technologies**



Improving capabilities should benefit to all tires



**All MICHELIN tires are EV-ready:**

Positive **impact on the environment**

Purchase-decision based on the **usage**

More **efficient inventory management**

# ***CONNECTED SOLUTIONS***



# Connected Solutions: A suite of innovative solutions to empower mobility players to race towards zero-accident, zero-downtime, zero-emission

Unique customer intimacy and usage expertise

## CONNECTED SOLUTIONS



**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



**SAFER  
ROADS**

in-depth knowledge of danger zones to contribute saving lives



**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



# Michelin Connected Fleets value proposition: A unique ability to develop insights and turn them into actions

## Unique insights for customers

### A unique tire management solution

- Best-in-class **expertise** on **tires usage**
- **Advanced tire functionalities** (predictive maintenance, pressure monitoring sensors)
- **Quicksan** technology for **automated** and **digital tire inspection**

### Top-notch data analysis

- **Data sourcing** from OEMs, aggregators and exclusive internal sources
- **Advanced AI-based algorithms** to **produce insights** out of data
- Expertise on vehicle dynamics to offer **driving behavior solutions**, incl. eco-driving



Tire expertise

Data analytics



Field capabilities

Consultative approach

## Insights turned into action

### Field capabilities

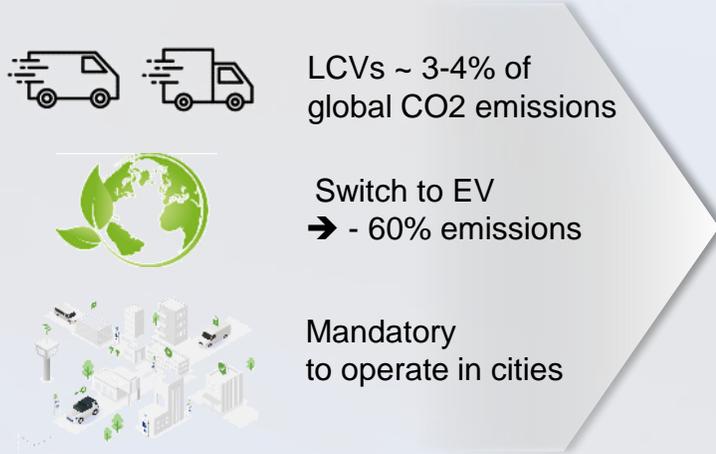
- **Strong customer intimacy** through **distribution network** (owned and franchise)
- **Emergency road service** in Europe and North America

### A **consultative approach** for customers

- Focus on **customer relationship** to ensure correct usage of the solution
- **Training on extracting and using data** based on fleet's needs and pain points & **driver-specific trainings**

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

## Stakes of transition to E-LCV



## 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



## 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



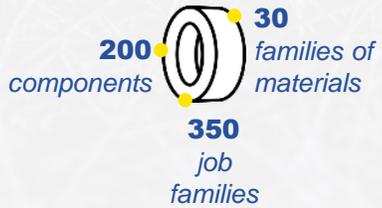
***POLYMER  
COMPOSITE  
SOLUTIONS***



# 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

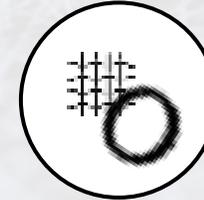
- **M&A-driven growth**  
Features vs. tires:  
- Higher **growth**  
- Higher **EBIT margin**  
- Lower capital intensity



- **Organic growth**



- **Joint ventures**



**Polymer Composite Solutions**



# ***NON-FINANCIAL PERFORMANCE***



# Recognized leadership in non-financial performance

## Major ratings

(as of February 12, 2025)

### Michelin Ratings

 <b>SUSTAINALYTICS</b>	 <b>MSCI</b> <small>MSCI ESG RESEARCH LLC</small>	 <b>CDP</b> <small>DISCLOSURE INSIGHT ACTION</small>	 <b>MOODY'S</b> <small>ESG Solutions</small>	 <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>79 / 100</b> <b>Gold</b></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



## PLASTIFIERS / RESINS



## FILLERS



## TEXTILES



## METALS



## OTHER



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

(2) Carried out with the support of ADEME

# 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



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

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



### AIR

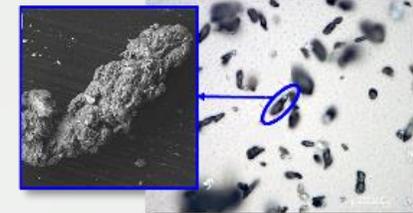
Studies confirm that TRWP account for less than 1% of particulate matter pollution (PM10)



### WATER

Studies suggest that most TRWP do not reach estuaries

### TRWP



5 x 10<sup>-2</sup> 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
- ✓ Recognized by 2 awards in 2024

<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 \(March 2022\)](#)



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

	2024	2025	2030
<b>RESEARCH &amp; DEVELOPMENT</b>			
Life Cycle Analysis incl. biodiversity criteria from best methods	100% of new products	services: <b>Pilot</b>	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	98% <sup>(2)</sup>	-	100% <sup>(3)</sup> of the volume used
Reducing pesticide use in rubber cultivation <sup>(4)</sup> Direct operations and joint ventures	-52%	-50%	-70% vs. 2019
Evaluation of raw material supplier policies & practices <sup>(5)</sup>	Approach defined	<b>Pilot</b>	80% of suppliers
<b>MANUFACTURING AND RESEARCH FACILITIES</b>			
Biodiversity plan adapted to local issues	44 sites	56 sites	100% of sites
No phytosanitary products to maintain outdoor spaces	45 sites	56 sites	100% of sites

(1) Criteria in accordance with the EUDR - European Union Deforestation-free Regulation - or other evidence of deforestation absence | (2) Excluding some Polymer Composite Solutions activities | (3) Excluding changes in the Group's scope | (4) Per hectare ; base year 2019 | (5) Other than natural rubber; impacts identified through Life Cycle Analyses (LCA)

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

## ID CARD

~90% of Group's supply come from ~1.5 M farmers with an average farm size of 2 Ha

Up to 7 middlemen between direct suppliers and smallholders in Asia

~100 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, 2025.



## EXTENDING ASSESSMENTS OF PRACTICES ACROSS THE VALUE CHAIN: 2024 ACHIEVEMENTS

- **Direct suppliers via EcoVadis:** 98% of expenditures assessed, 92% "ESG mature"
- **Indirect suppliers :** RubberWay-Risk® app. deployed by suppliers representing 93% of Michelin's supply in volume



## IMPLEMENTING IMPACTFUL PROJECTS

- **Brazil**  
increasing harvest while preserving the forest (767,600 hectares)\* - 550 families in Amazonas
- **Indonesia**  
improve skills & livelihood of 6,500 smallholders by 2027 – (with Porsche)  
East Kalimantan : training 2,000 farmers to improve their income by 2025
- **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 on good agricultural practices per year

\* With WWF

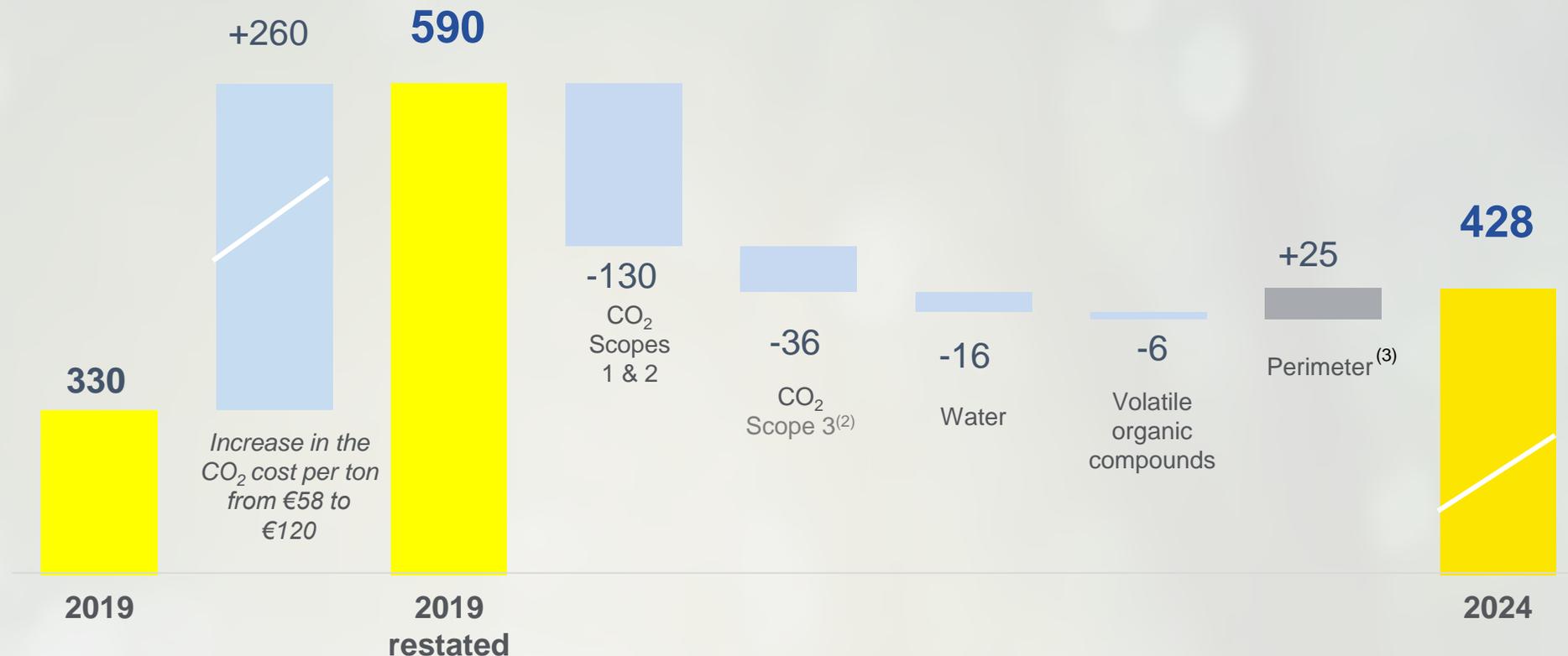
\*\* As part of the Global Platform for Sustainable Natural Rubber (GPSNR) – in cooperation with Group Renault



# Externalities costs: Close to 30% reduction in 5 years

## 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

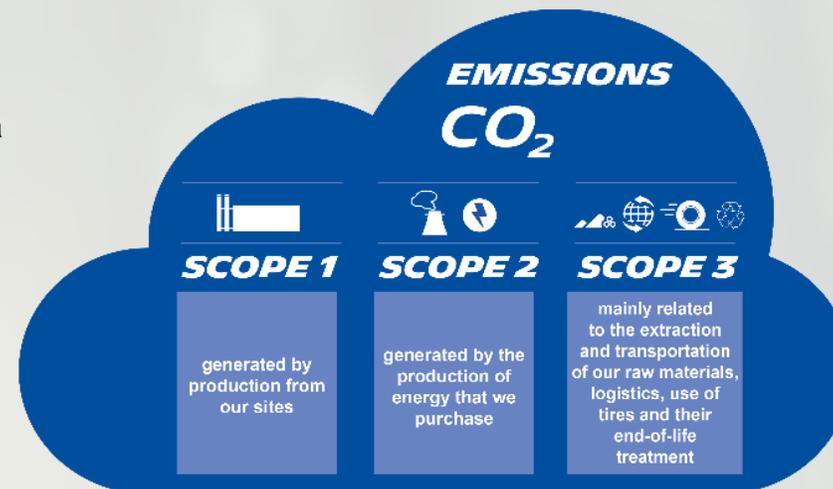
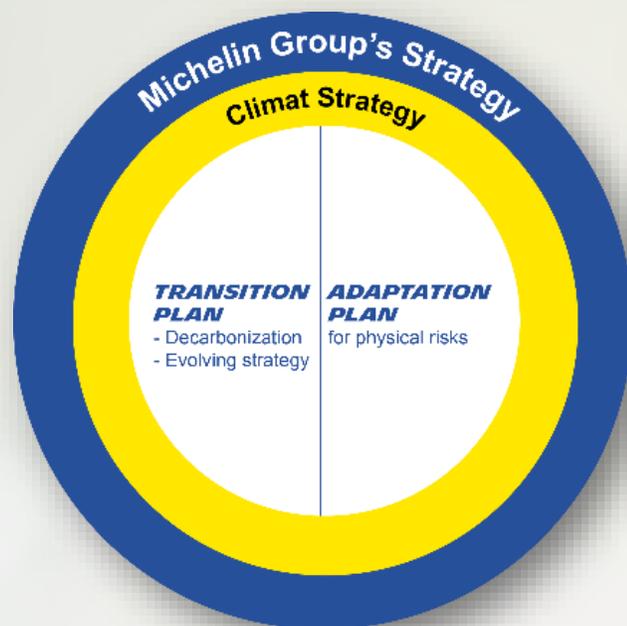
(3) As from 2024, Includes Camso, Fenner (except CO<sub>2</sub> scope 3), Euromaster and RLU in accordance with CSRD perimeter

# 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

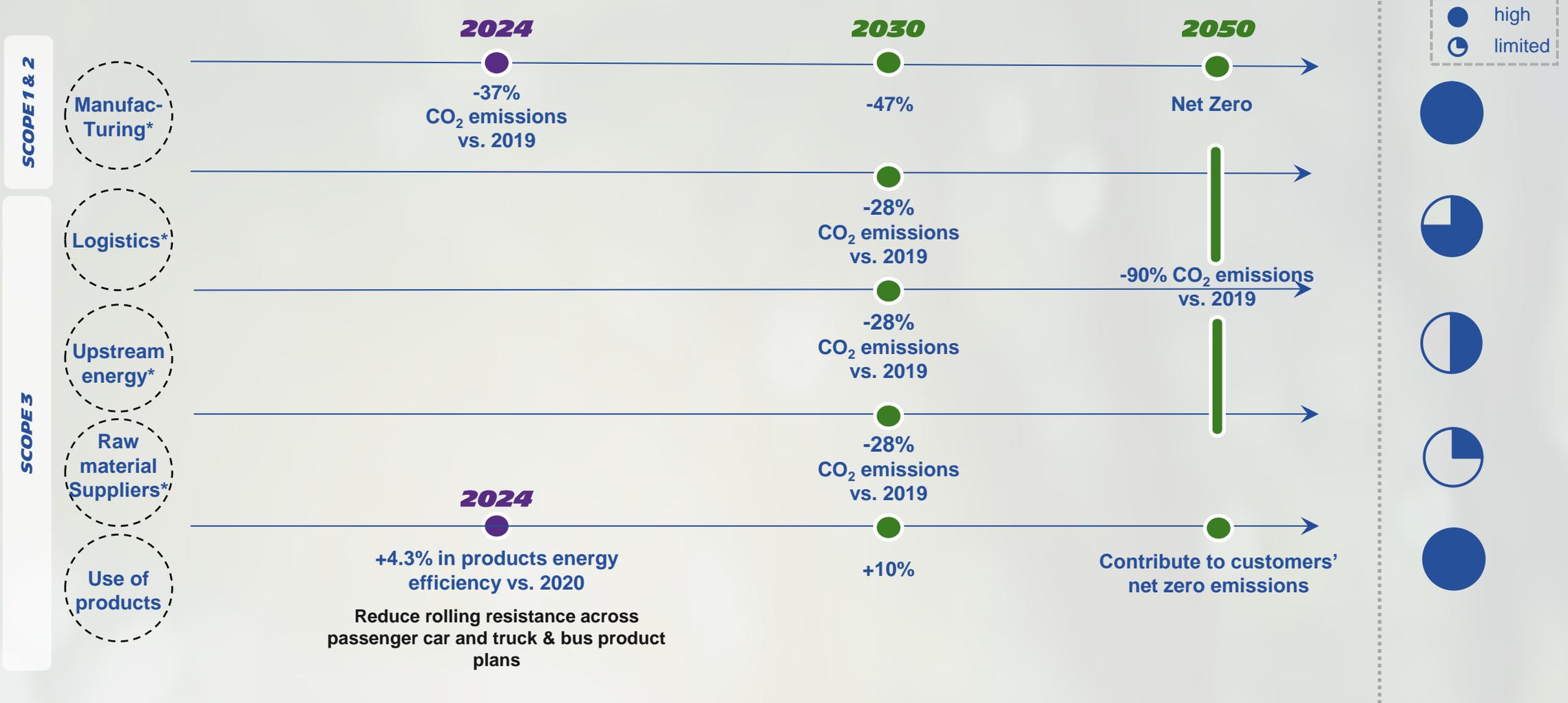


## BASED ON 3 PRINCIPLES:

- **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



\* Targets validated by SBTi in June 2024

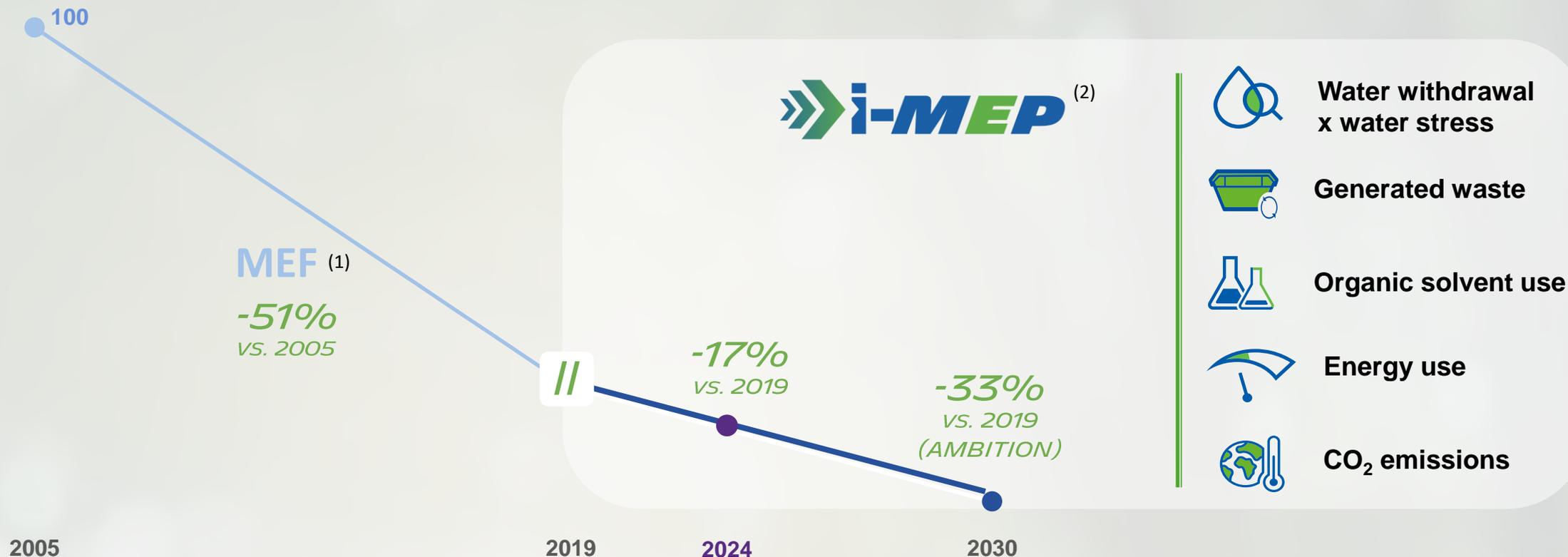
● Results ● Ambitions



# 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** since 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, Equity, Inclusion: Further progress in gender balance and acceptance of diversity with a new policy supporting the dynamic

## EQUAL OPPORTUNITY

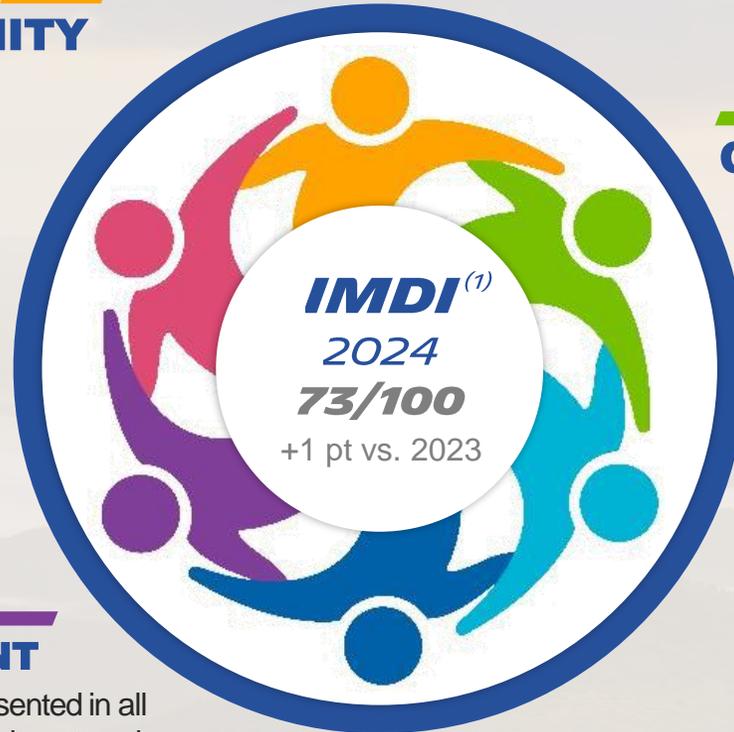
Every employee can develop his/her talents within the company. Michelin pays particular attention to the internal promotion of manufacturing operators.

## 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.

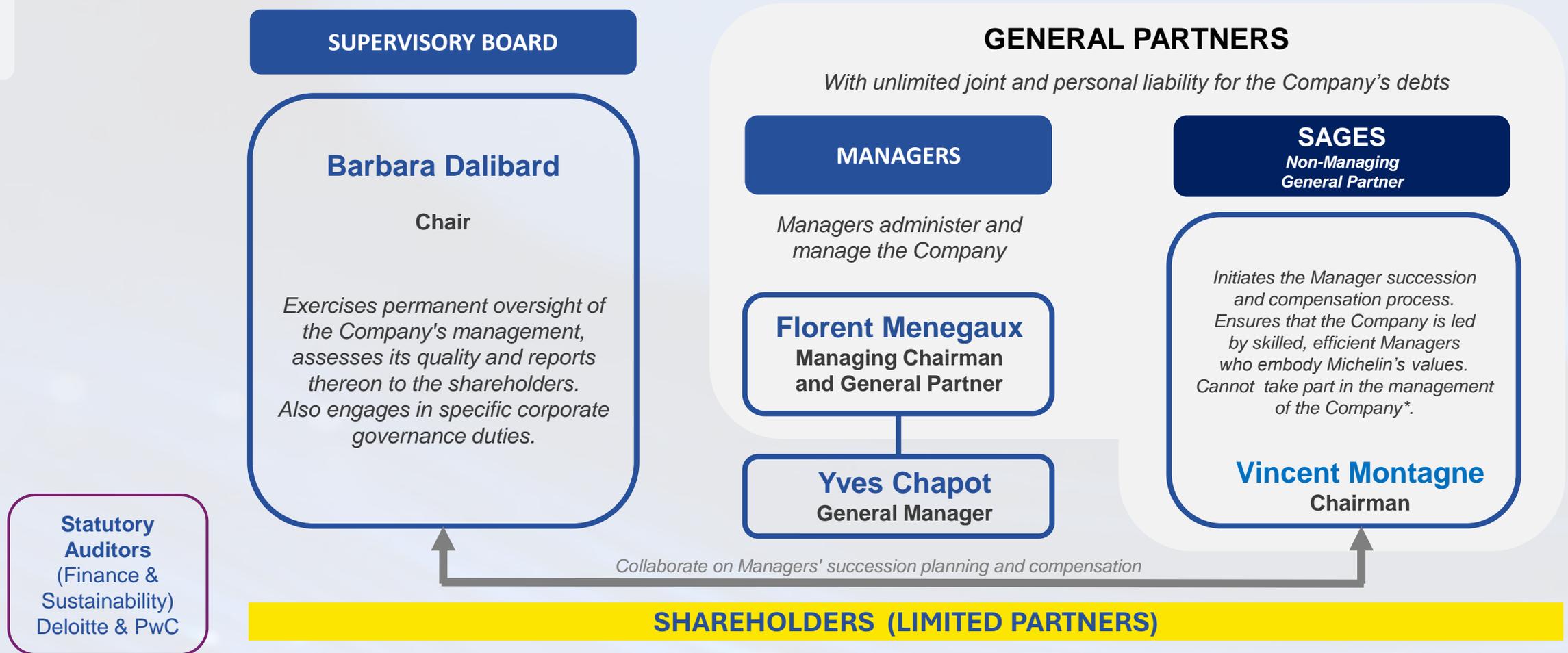
## IDENTITY

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

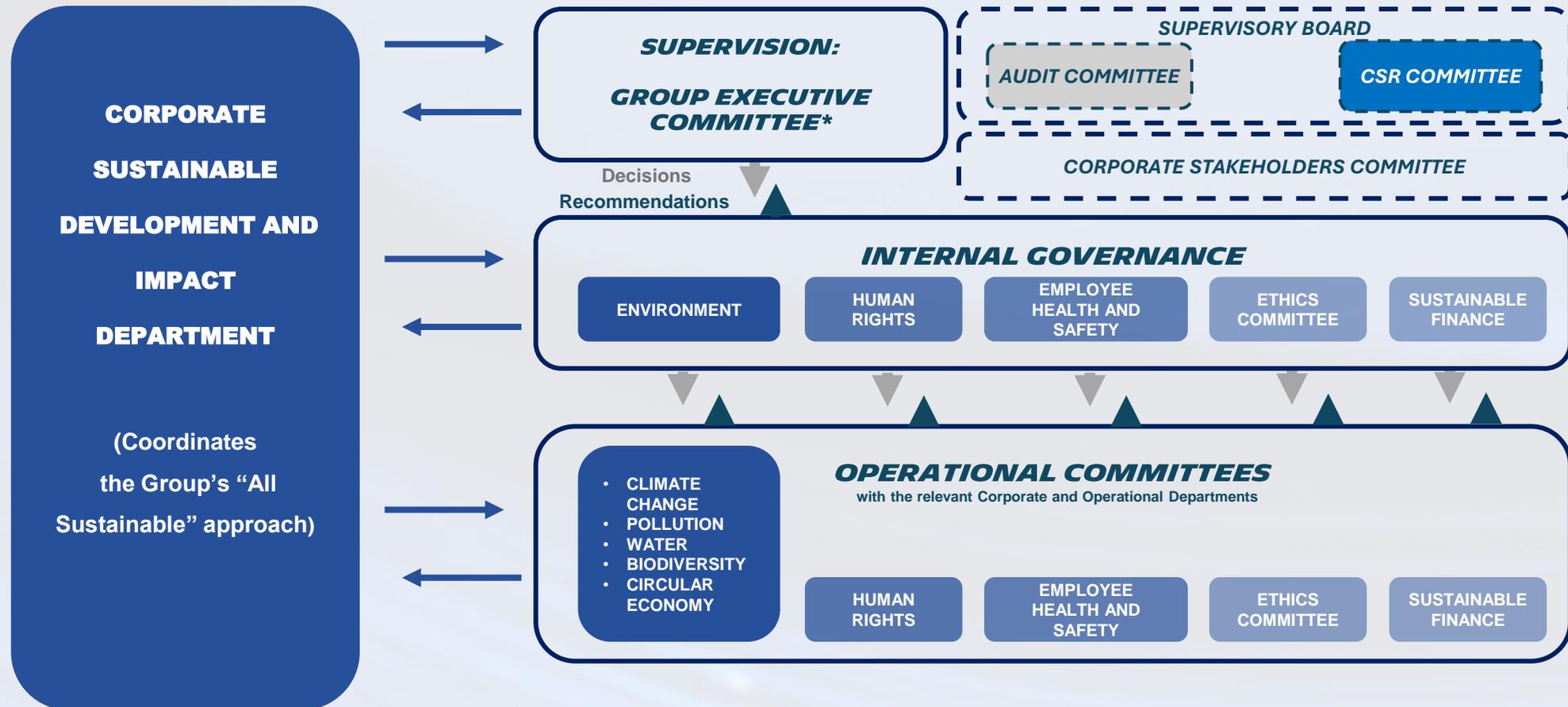
(2) Diversity and Inclusion

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



\* Unless the position of Manager(s) falls vacant.

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



\* Group Management Committee = Group Executive Committee + the following departments: Legal, Purchasing, Finance, Information Systems, Internal Control – Audit & Quality, Strategy, Supply Chain, Corporate and Business Services, China and North America regions.

# Glossary

## **FREE CASH FLOW BEFORE 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 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 Tire distribution operations.

## **NON-TIRE SALES**

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

**Guillaume JULLIENNE**

---

**Flavien HUET**

---

**Benjamin MARCUS**

BUSINESS CENTER PARIS TROCADERO  
112 avenue Kléber  
75116 Paris – France

---

23 place des Carmes Dechaux  
63040 Clermont-Ferrand – France

[investor-relations@michelin.com](mailto:investor-relations@michelin.com)