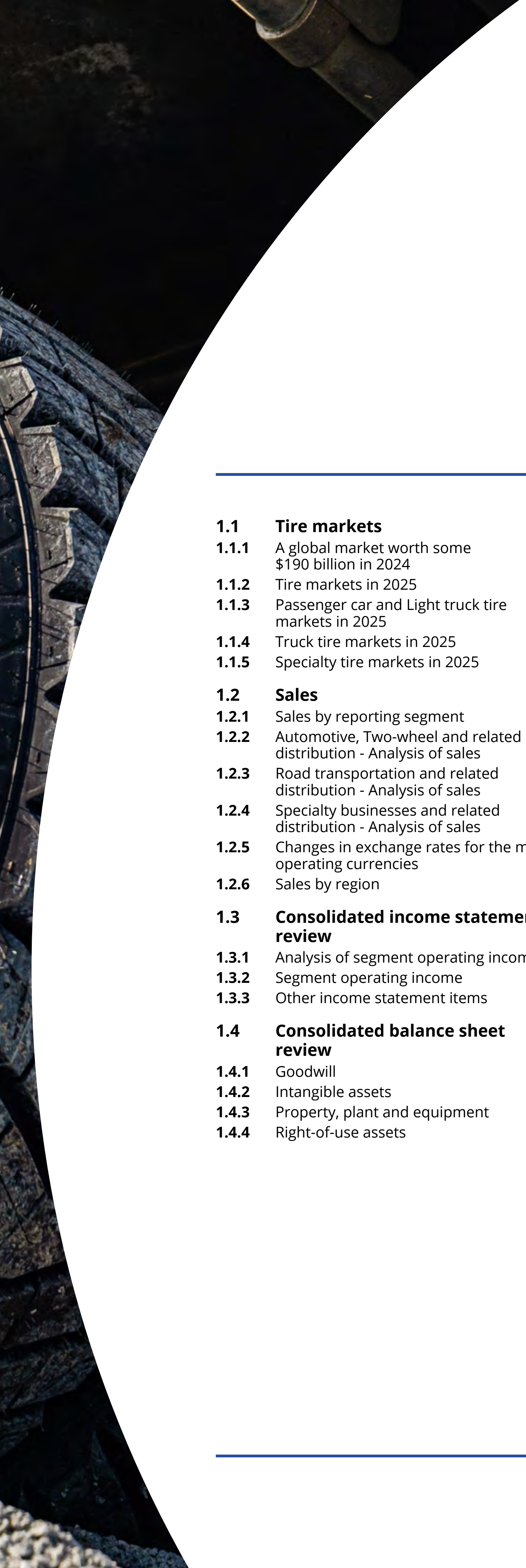
RESULTS 2025


X WORKS D2
RADIAL
REGROOVABLE
TUBELESS
MICHELIN
315/80 R 22.5

CONTENTS



CHAPTER 01

REPORT OF THE MANAGERS

1.1 Tire markets

1.1.1 A global market worth some $190 billion in 2024

The global tire market edged up slightly year-on-year in 2024, to just over $190 billion, with light-vehicle tires accounting for approximately 60% of the total and truck tires 30%. By volume, the market represented around 1.7 billion car and light truck tires and some 220 million truck and bus tires.

Around three out of four tires were sold in the Replacement market.

Longer term, tire demand is likely to expand by 0-2% a year on average in mature markets and by 2-4% a year on average in the new markets. In this environment, Michelin is targeting growing, high value-added market segments, with a focus on premium segments.

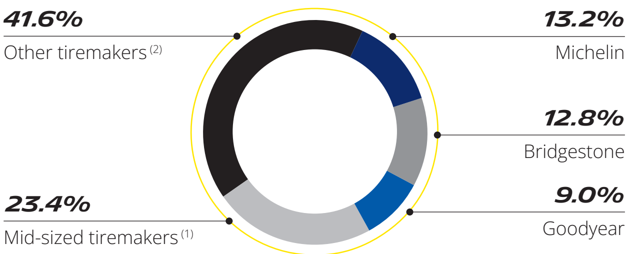
Changes in tire standards

Unlike in 2024, when EU Regulation R117-04 on worn tires came into force, no major new laws or regulations related to tires were introduced in 2025. However, tire markets were affected during the year, to varying degrees, by changes in other regulations.

In Europe, the EU Deforestation Regulation (EUDR), which was due to apply from January 2026, was postponed for one year for the second time by EU authorities. In May 2025, the EU Commission announced the launch of an anti-dumping investigation into imports of tires (for passenger cars and light trucks) from China, with the possibility of provisional measures being imposed by the end of 2025. This led to a significant increase in volumes of Chinese tire imports into Europe in the second and third quarters of the year. At the beginning of January 2026, the Commission announced that it had decided not to apply any provisional measures pending the final outcome of the case which is scheduled for mid-2026.

In the United States, imports of tires were heavily impacted by the US administration's decision to introduce tariffs in 2025. Imports into the country surged at the beginning of the year, ahead of the introduction of the tariffs that were still being negotiated at that time. Although the overall tariff situation stabilized during the year, these imports nevertheless remained high, with some countries taking advantage of differences in the tariff rates.

THE GLOBAL TIRE MARKET BY MANUFACTURER IN 2024



Source: 2024 sales in US dollars, published in Tire Business.

(1) Tiremakers with a 2-7% market share according to the Tire Business ranking.

(2) Tiremakers with less than a 2% market share according to the Tire Business ranking.

1.1.2 Tire markets in 2025

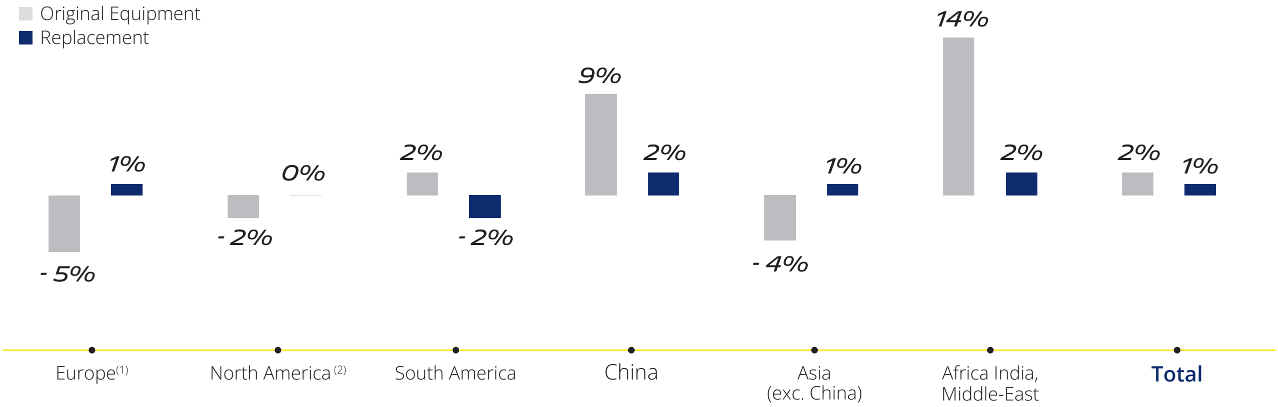
Methodological note:

Tire market estimates reflect sell-in data published by local tiremaker associations (sales of manufacturers to dealers and vehicle manufacturers), plus Michelin's own estimates of sales by tire manufacturers that do not belong to any association. These estimates are based primarily on import-export statistics and are expressed in the number of tires sold. They are regularly adjusted and may be updated following their initial publication.

1.1.3 Passenger car and Light truck tire markets in 2025

The global Passenger car and Light truck sell-in tire market grew by 1% over the year in 2025, with demand for Original Equipment and Replacement tires up by 2% and 1% respectively.

THE GLOBAL PASSENGER CAR AND LIGHT TRUCK TIRE MARKET, 2025 VS. 2024



(1) Including Turkey and Eastern Europe.
(2) Including Central America.
Michelin estimates.

1.1.3 a) Original Equipment

In the Original Equipment segment, global demand ended 2025 up 2% year-on-year. China was the main growth driver, with demand up 9%, whereas Europe and North America saw decreases of 5% and 2% respectively.

Demand in Asia excluding China (mainly Japan and South Korea) also weakened over the year, declining by 4%.

Passenger car and Light truck tire markets Original Equipment *In millions of tires*	**2025**	**2024**	**2025/2024**	**Second-half 2025/2024**	**Fourth-quarter 2025/2024**	**Third-quarter 2025/2024**	**First-half 2025/2024**	**Second-quarter 2025/2024**	**First-quarter 2025/2024**
Europe[(1)]	73	76	-5%	-1%	-2%	+1%	-8%	-4%	-12%
North America[(2)]	72	74	-2%	+1%	-2%	+5%	-5%	-4%	-6%
South America	15	15	+2%	0%	-3%	+4%	+5%	+6%	+3%
China	149	137	+9%	+7%	+3%	+13%	+11%	+10%	+13%
Asia (excl. China)	69	72	-4%	-6%	-9%	-2%	-2%	-2%	-1%
Africa/India/Middle East	40	36	+14%	+19%	+16%	+23%	+8%	+7%	+10%
TOTAL	**419**	**409**	**+2%**	**+3%**	**0%**	**+7%**	**+1%**	**+2%**	**+1%**

(1) Including Turkey and Eastern Europe.
(2) Including Central America.
Michelin estimates.

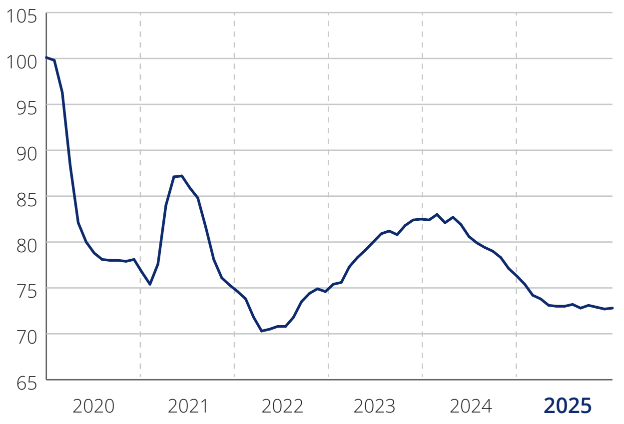
In **Europe,** the market contracted for 2025 as a whole, but leveled off in the second half after a steep 8% decline at the beginning of the year. The European automotive industry continued to be weighed down by the uncertainties surrounding its necessary transformation, as well as by competition from Asian players. However, the situation improved in the second half of the year thanks to a slight upturn in demand for new vehicles and a clearer picture of customs tariffs for exports to the United States.

The **North and Central American** market declined by 2% year-on-year. As in Europe, the slowdown was more pronounced in the first six months, with a 5% contraction triggered by the major uncertainty created by the risk of high customs tariffs. The second half saw slight growth of 1%, led by buyers taking action before the termination of the tax subsidies for EV purchases (set up under the Biden administration), and also spurred by the fact that customs tariffs had a lower-than-expected impact on prices.

In **China,** the market grew by 9% over the year, reaching a record high. This growth reflected several different factors: (i) a public subsidies program that strongly boosted domestic demand and whose effects continued to be felt through to the end of the year, even though the basis for comparison became less favorable from the third quarter onwards; (ii) a fast-changing domestic market, with electric and hybrid cars accounting for over half of total production, and local players gaining market share; and (iii) particularly buoyant levels of vehicle exports.

THE OE PASSENGER CAR AND LIGHT TRUCK MARKET IN EUROPE

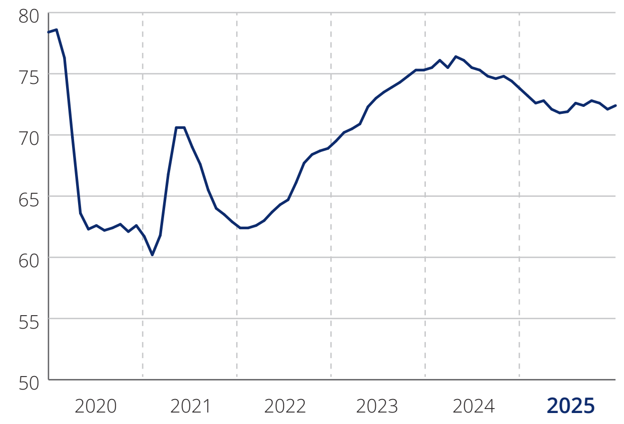
(in millions of tires – moving 12 months – including Turkey and Eastern Europe)



Michelin estimates.

THE OE PASSENGER CAR AND LIGHT TRUCK MARKET IN NORTH AMERICA

(in millions of tires - moving 12 months)



Michelin estimates.

THE OE PASSENGER CAR AND LIGHT TRUCK MARKET IN CHINA

(in millions of tires - moving 12 months)

Michelin estimates.

1.1.3 b) Replacement

Global demand for Replacement tires rose by 1% year-on-year, with relative stability across all regions.

Passenger car and Light truck tire markets Replacement *In millions of tires*	**2025**	**2024**	**2025/2024**	**Second-half 2025/2024**	**Fourth-quarter 2025/2024**	**Third-quarter 2025/2024**	**First-half 2025/2024**	**Second-quarter 2025/2024**	**First-quarter 2025/2024**
Europe(1)	417	412	+1%	-3%	-7%	+1%	+5%	+1%	+10%
North America(2)	322	323	0%	-1%	0%	-3%	+1%	0%	+1%
South America	82	83	-2%	+2%	+4%	0%	-6%	-8%	-5%
China	171	168	+2%	+4%	+4%	+4%	0%	0%	-1%
Asia (excl. China)	144	143	+1%	0%	-2%	+4%	+1%	+1%	+2%
Africa/India/Middle East	120	117	+2%	+2%	+2%	+2%	+2%	+2%	+2%
TOTAL	**1,256**	**1,247**	**+1%**	**0%**	**-1%**	**+1%**	**+2%**	**0%**	**+3%**

(1) Including Turkey and Central Asia.
(2) Including Central America.
Michelin estimates.

In **Europe**, demand was more or less stable for the year as a whole, with a 1% increase, having dropped by 7% in the fourth quarter. The structurally more dynamic segments of the market posted strong growth again in 2025, such as tires in the 18-inch and larger tires and all-season categories. Demand for winter tires increased slightly despite a high basis of comparison with 2024 and a slight slowdown in the fourth quarter. The regulatory environment in the region was uncertain during the year, with:

- the implementation of the European Deforestation Regulation (EUDR) postponed by a further year in December 2025, having already been postponed by a year in December 2024;
- the European Commission's announcement in May 2025 of an anti-dumping investigation into imports of tires (for passenger cars and light trucks) from China, with the possibility of provisional measures being imposed by the end of 2025 (which the Commission ultimately decided not to apply pending the final outcome of the case which is scheduled for mid-2026).

The rumors surrounding these two situations drove a surge in imports due to buyers taking action ahead of regulatory change, which led to high levels of imported tires in dealers' inventories. However, this inventory piling did not impact the Group's brands.

In **North America,** demand was stable for the year overall (0% growth). While there was a modest 1% increase in the first half, led mainly by imports of budget tires ahead of the introduction of additional tariffs, the second half saw a slight 1% contraction as well as continued high levels of imports, making the non-pool segment of the market much more dynamic than the pool segment.

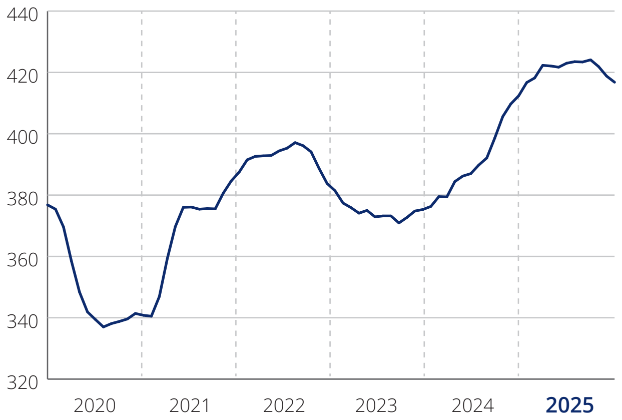
North America's dealers have high inventories of imported tires, as in Europe, but again this does not directly concern the Group's brands.

In **China**, the market edged up 2% in 2025, buoyed by a 4% increase in the second half when trends were much more dynamic than in the first six months. The government's public subsidies program helped boost domestic demand which was still lackluster at the start of the year. Another major market factor in 2025 was the fast-changing distribution structure, with a greater weighting of online sales. Lastly, China was the country that recorded the fastest growth for 18-inch and larger tires in 2025.

In the Group's **other operating regions**, demand was down slightly in South America, retreating 2% despite a rebound in Argentina. However it rose slightly in Asia excluding China (1%) and in India and the Middle East (2%).

THE REPLACEMENT PASSENGER CAR AND LIGHT TRUCK TIRE MARKET IN EUROPE

(in millions of tires – moving 12 months – including Turkey and Eastern Europe)



Michelin estimates.

THE REPLACEMENT PASSENGER CAR AND LIGHT TRUCK TIRE MARKET IN NORTH AMERICA

(in millions of tires - moving 12 months)

Michelin estimates.

THE REPLACEMENT PASSENGER CAR AND LIGHT TRUCK TIRE MARKET IN CHINA

(in millions of tires - moving 12 months)

Michelin estimates.

1.1.3 c) Two-Wheel Tires

Demand in the Motorcyle and Scooter segment remained buoyant for the year as a whole, despite slowing slightly in the second half. The main growth drivers were China – particularly for premium scooter tires – and Western Europe. Conversely, the market trended downwards in North America, hampered by dealer inventory piling.

The Bicycle tire market remained fragile, hampered by the financial difficulties experienced by a number of manufacturers since 2023.

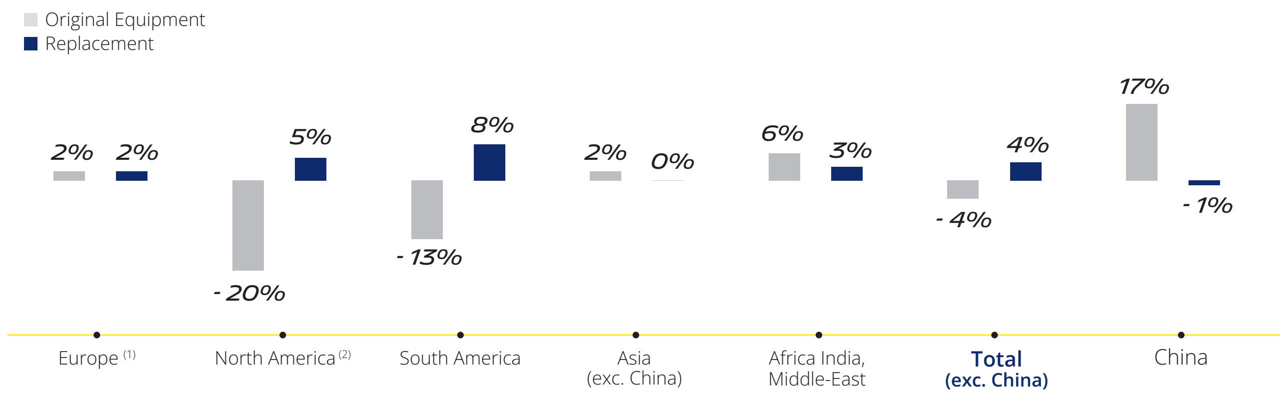
01

1.1.4 Truck tire markets in 2025

The global Truck tire sell-in market (excluding China) improved by a slight 3% in 2025, with Original Equipment sales declining by 4% and Replacement demand growing by 4%.

In China, where the Group's presence is negligible, markets grew by 5% over the year, including growth of 17% in the OE segment and decline of 1% in Replacement.

THE GLOBAL TRUCK TIRE MARKET, 2025 VS. 2024



(1) Including Turkey and Eastern Europe.
(2) Including Central America.
Michelin estimates - new tire market only.

1.1.4 a) Original Equipment

In the Original Equipment segment, the global market (excluding China) declined by 4%.

Truck tire markets Original equipment *In millions of tires*	**2025**	**2024**	**2025/2024**	**Second-half 2025/2024**	**Fourth-quarter 2025/2024**	**Third-quarter 2025/2024**	**First-half 2025/2024**	**Second-quarter 2025/2024**	**First-quarter 2025/2024**
Europe(1)	6.2	6.0	+2%	+9%	+8%	+9%	-4%	+4%	-12%
North America(2)	4.6	5.7	-20%	-23%	-22%	-23%	-19%	-23%	-14%
South America	2.1	2.4	-13%	-20%	-26%	-14%	-5%	-8%	-1%
Asia (excl. China)	4.3	4.2	+2%	+5%	+6%	+4%	-1%	-1%	-1%
Africa/India/Middle East	6.5	6.1	+6%	+7%	+4%	+11%	+5%	+9%	+2%
TOTAL (EXCL. CHINA)	**23.6**	**24.5**	**-4%**	**-2%**	**-3%**	**-2%**	**-6%**	**-4%**	**-6%**
China	23.7	20.3	+17%	+28%	+28%	+29%	+7%	+7%	+7%

(1) Including Turkey and Central Asia.
(2) Including Central America.
Michelin estimates.

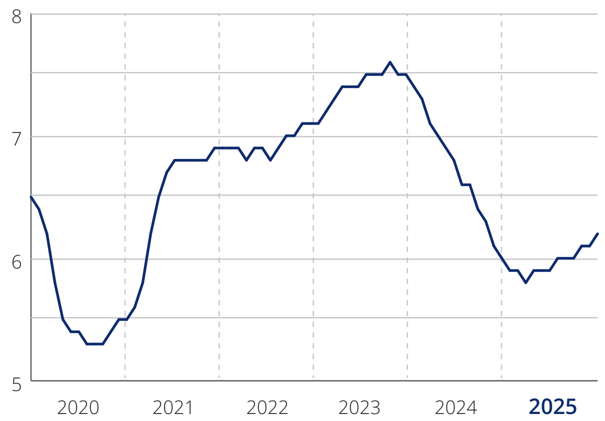
In **Europe,** the start of the year was marked by the end of the market normalization process that had shaped the whole of 2024. Demand reached its lowest point in the first quarter of 2025 before picking up again in the second quarter and accelerating in the second half with a 9% increase. Overall growth came in at 2% for the full twelve months, but this upturn was mainly due to a very low basis of comparison as the market remains weak in absolute terms.

In **North and Central America** the market reached an all-time low, plummeting 20% in 2025, with the pace of decline continuing steadily throughout the year. This downswing reflects two main factors: (i) numerous political uncertainties (including the reconsideration of planned environmental regulations) and economic uncertainties that made fleet managers reluctant to invest in new vehicles, and (ii) the fact that manufacturers have stockpiled trucks, which they need to sell off before they can increase their pace of output, particularly in the "Class 8" truck sub-segment. Although there were slight positive signs in December for pre-orders of new trucks, it is too early to draw any conclusions.

In **South America**, demand slid 13% in 2025, with the situation deteriorating significantly as the year progressed (26% slump in the fourth quarter). Brazil's economic situation, already dragged down by high interest rates and sharp depreciation of the real, deteriorated even more since the summer and the introduction of high customs tariffs on its exports to the United States. Also, declining demand for trailers is adding to the challenges faced by local manufacturers.

THE OE TRUCK TIRE MARKET IN EUROPE

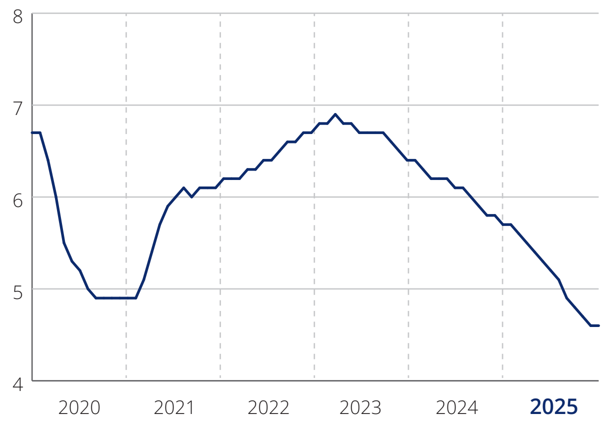
(in millions of radial and bias tires – moving 12 months – including Turkey and Eastern Europe)



Michelin estimates.

THE OE TRUCK TIRE MARKET IN NORTH AMERICA

(in millions of radial and bias tires – moving 12 months)



Michelin estimates.

1.1.4 b) Replacement

The global Replacement sell-in market (excluding China) grew by 4% over the year.

Truck tire markets Replacement *In millions of tires*	**2025**	**2024**	**2025/2024**	**Second-half 2025/2024**	**Fourth-quarter 2025/2024**	**Third-quarter 2025/2024**	**First-half 2025/2024**	**Second-quarter 2025/2024**	**First-quarter 2025/2024**
Europe(1)	26.6	26.0	+2%	+1%	+1%	+2%	+3%	+3%	+4%
North America(2)	34.6	33.0	+5%	+4%	-1%	+9%	+6%	+14%	-2%
South America	18.5	17.1	+8%	+16%	+20%	+11%	+1%	-2%	+4%
Asia (excl. China)	22.5	22.4	0%	-1%	-7%	+9%	+1%	+1%	+1%
Africa/India/Middle East	31.0	30.2	+3%	+2%	+3%	0%	+4%	+5%	+2%
TOTAL (EXCL. CHINA)	**133.2**	**128.7**	**+4%**	**+4%**	**+2%**	**+6%**	**+3%**	**+5%**	**+1%**
China	38.4	38.6	-1%	0%	+1%	0%	-2%	-3%	0%

(1) Including Turkey and Central Asia.
(2) Including Central America.
Michelin estimates.

In **Europe**, demand inched up 2% in 2025. The year started off well, boosted by a high level of tire imports, mainly due to the postponement of American shipments, as well as contained shipping costs and the weaker US dollar against the euro. Demand then gradually slowed, landing at a level more in line with the stagnant transportation activity seen in the region. Southern Europe delivered the highest growth rates, while Central and Eastern Europe lagged behind, held back by the economic situation in Turkey.

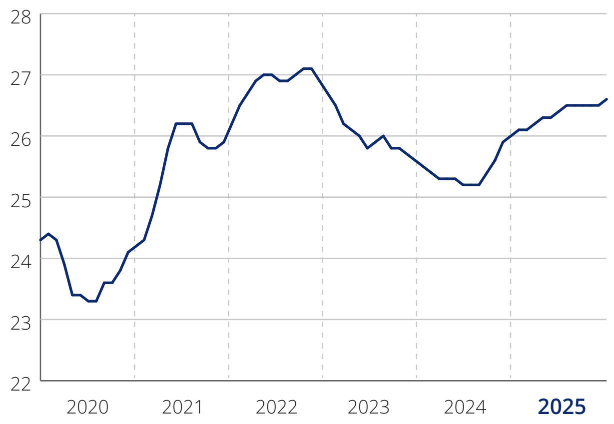
Demand in **North America** was up 5% year-on-year. Against a backdrop of subdued transportation activity, the market was buoyed by (i) the automatic carryover effect of weak demand in the Original Equipment segment and (ii) sell-in purchases made ahead of additional customs duties being introduced.

In **South America** demand climbed 8% over the year, lifted by the upturn in activity in Argentina. However, the benefits of this rebound are mainly being felt by Asian players, who are taking advantage of the market opening up and are increasing their penetration rates.

In the **other operating regions**, markets grew by 2% over the year, including a 3% gain in India/Middle East.

THE REPLACEMENT TRUCK TIRE MARKET IN EUROPE

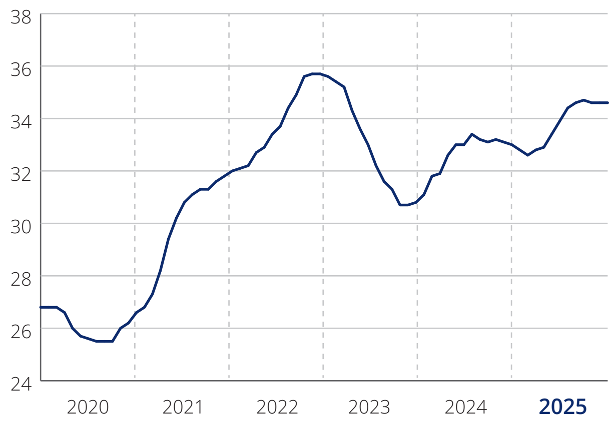
(in millions of radial and bias tires – moving 12 months – including Turkey and Eastern Europe)



Michelin estimates.

THE REPLACEMENT TRUCK TIRE MARKET IN NORTH AMERICA

(in millions of radial and bias tires – moving 12 months)



Michelin estimates.

1.1.5 Specialty tire markets in 2025

Specialty tires:

Mining tires: demand for Mining tires is expected to remain robust over the long term, thanks to ever-increasing ore mining needs to support the energy transition and technological advances. The position in 2025 reflected this structural trend, with growth of around 4% fueled by buoyant demand for copper and gold. Tire inventories at mining operators were at healthy levels, and even reduced slightly over the course of the year.

Beyond-road tires: in these segments, where demand is equally balanced overall between the Original Equipment and Replacement channels, growth was mixed in 2025, with OE demand down across the board and Replacement demand demonstrating greater resilience.

The OE markets all continued to trend downwards over the period. Regarding Agricultural tires, as many farmers have renewed their equipment in recent years, they were in a position to postpone their investment decisions during 2025 in view of the highly unstable regulatory and business environment and the fact that their margins were, to some extent, squeezed by the volatile agricultural prices during the year. However, the fourth quarter showed signs of a slight uptrend, particularly in Europe. Demand for Construction tires decreased overall in 2025, but the market gained momentum in the second half of the year following a downturn in the first half. Original Equipment sales for Materials Handling tires contracted throughout the year, both in Europe and North America.

The Replacement markets for specialty tires were slightly higher overall in 2025 than in 2024. The market for Agricultural tires edged up year-on-year, lifted by robust momentum in North America. The Construction tires market also trended upwards, propelled by the Infrastructure segment in North America, which was buoyed by high volumes of purchases by US dealers ahead of the introduction of additional customs tariffs. The market for Materials Handling tires contracted slightly, both in Europe and North America.

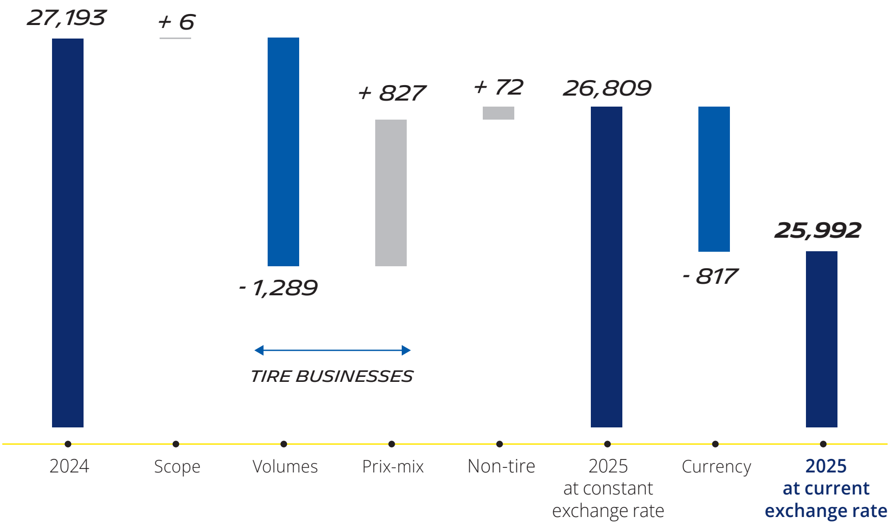
Aircraft tires: this market is expanding, especially in the commercial and regional aviation segments. Demand for international flights continued to rise in 2025, particularly in China (up 15% compared with 2024, but still 15% lower than in 2019). Deliveries of new aircraft by manufacturers increased in 2025, and the market continued to switch to radial tires, due mainly to new environmental standards that are prompting fleets to renew their equipment.

Polymer Composite Solutions:

Fundamentals in the **conveyor belt** market are structurally sound, given the fact that they closely track mining industry demand over the long term. From a short-term perspective however, the market remains hesitant, with mixed trends across the various regions: North America is holding up fairly well despite many uncertainties, whereas in Australia and South Africa mining operators are more hindered by commodity price trends.

In the **other Polymer Composite Solutions markets** – belts, seals, coated fabrics and technical films for a wide range of market verticals – global demand once again varied from one segment to another. More traditional segments, such as manufacturing and upstream energy, faced cyclical headwinds due to stagnating demand and the need for financial discipline, while “strategic” segments (aerospace, defense, mining of critical minerals, and medical technologies) were positively impacted by a growth cycle fueled by geopolitical tensions, carbon-reduction requirements and demographic change.

1.2 Sales



Consolidated **sales** amounted to €25,992 million in 2025, representing a 4.4% decline from the €27,193 million reported in 2024. At constant exchange rates, the decline stood at 1.4% for the year.

The year-on-year change reflected the combined impact of the following factors:

- a 4.7% decline in sales volumes, stemming primarily from:
  - another year of very low output in Original Equipment markets, especially in the Truck and Beyond-road segments, with North America particularly impacted,
  - a prolonged cyclical downturn in certain specialty businesses (agriculture, construction, materials handling), with these segments taking longer than expected to return to normal,
  - and, ongoing implementation of the Group's selectivity strategy, which entails moving away from less profitable business and focusing sales on markets, customers and segments that leverage the full value of its innovations and technologies.
- a 3.0% increase from the positive price-mix effect. Prices added €365 million to full-year sales, reflecting disciplined price management in an intensely competitive environment marked by the rise in imports of budget tires into certain markets. The highly positive €462 million mix effect was bolstered by the priority focus on higher value-added products (MICHELIN brand tires, 18-inch and larger Passenger car tires, etc.) and continued favorable geographic and Replacement/Original Equipment market mixes;
- a 3.0% decrease from the negative currency impact, mainly due to gains in the euro against several key currencies during the year, in particular the US dollar and the Canadian dollar as well as certain South American and Asian currencies (Brazilian real, Chinese yuan);
- a slight 0.3% favorable impact from the non-tire businesses, which together made a positive contribution to the Group's performance.

(in € millions and %)	2025	Second-half 2025	Fourth-quarter 2025	Third-quarter 2025	First-half 2025	Second-quarter 2025	First-quarter 2025
SALES	25,992	12,964	6,717	6,247	13,028	6,513	6,515
Change, year-on-year	**-1,201**	**-748**	**-305**	**-443**	**-453**	**-326**	**-127**
Volumes	-1,289	-469	-170	-299	-820	-334	-486
Price-mix	+827	+286	+184	+102	+542	+222	+320
Currency effect	-817	-616	-346	-270	-201	-244	+43
Scope of consolidation	+6	+2	+1	+2	+4	+3	+1
Non-tire sales	+72	+50	+27	+23	+22	+27	-5
Change, year-on-year	**-4.4%**	**-5.5%**	**-4.3%**	**-6.6%**	**-3.4%**	**-4.8%**	**-1.9%**
Volumes	-4.7%	-3.4%	-2.4%	-4.5%	-6.1%	-4.9%	-7.3%
Price-mix	+3.0%	+2.1%	+2.6%	+1.5%	+4.0%	+3.3%	+4.8%
Currency effect	-3.0%	-4.5%	-4.9%	-4.0%	-1.5%	-3.6%	+0.7%
Scope of consolidation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-tire sales	+0.3%	+0.4%	+0.4%	+0.3%	+0.2%	+0.4%	-0.1%

1.2.1 Sales by reporting segment

Segment information is presented according to the following three operating segments:

- Automotive, Two-wheel and related distribution;
- Road transportation and related distribution;
- Specialty businesses and related distribution.

Operating segment performance is measured primarily on the basis of sales and segment operating income, according to the same measurement principles used in the consolidated income statement.

(in € millions)	2025	Second-half 2025	Fourth-quarter 2025	Third-quarter 2025	First-half 2025	Second-quarter 2025	First-quarter 2025
GROUP	**25,992**	**12,964**	**6,717**	**6,247**	**13,028**	**6,513**	**6,515**
Automotive, Two-wheel and related distribution	14,306	7,194	3,802	3,392	7,112	3,553	3,559
Road transportation and related distribution	6,023	3,016	1,513	1,503	3,007	1,478	1,529
Specialty businesses and related distribution	5,663	2,754	1,402	1,352	2,909	1,482	1,427
Change, year-on-year	**-4.4%**	**-5.5%**	**-4.3%**	**-6.6%**	**-3.4%**	**-4.8%**	**-1.9%**
Automotive, Two-wheel and related distribution	-2.5%	-4.3%	-2.3%	-6.5%	-0.5%	-2.2%	+1.2%
Road transportation and related distribution	-8.7%	-10.4%	-10.5%	-10.4%	-7.0%	-10.3%	-3.5%
Specialty businesses and related distribution	-4.4%	-2.6%	-2.8%	-2.5%	-6.1%	-4.9%	-7.3%

1.2.2 Automotive, Two-wheel and related distribution - Analysis of sales

Sales in the Automotive, Two-wheel and related distribution segment retreated by 2.5% year-on-year to €14,306 million in 2025.

Volumes sold dipped 1.9%, mainly reflecting the contraction in the Original Equipment markets in mature regions. However, this impact was partly offset by a favorable mix effect, due to the resilience of Replacement sales, continued market upscaling, and a positive price effect. Price increases during the year were the result of applying contractual indexation clauses and targeted price adjustments, against a backdrop of rising costs, fueled in particular by new custom duty, especially in North America.

Exchange rates also had an unfavorable impact on this segment's sales in 2025, particularly due to the weaker US dollar and Brazilian real.

Automotive:

The MICHELIN brand continued to premiumize, with a steady increase in sales of 18-inch and larger tires, which now make up 68% of total Automotive tire sales. This trend illustrates how the Group has got its technological positioning right, as well as its ability to capture value in the most dynamic segments.

Original Equipment sales declined due to market contractions in Europe and North America, although this was partly offset by strong sales growth in China. The Group is strengthening its partnerships with the most demanding OEMs and consolidating its positions in high value-added markets, particularly in China and in electric powertrains, where its sales and market share are growing.

The performance of **Replacement** tires was driven by resilient demand and continued premiumization of its product portfolio. MICHELIN-brand sales were boosted by ongoing growth for 18-inch and larger tires and for winter and all-season tires. Lastly, 2025 saw the successful launch of new ranges, including MICHELIN Primacy 5, MICHELIN Primacy 5 Energy, MICHELIN CrossClimate 3 and MICHELIN Crossclimate 3 Sport – with a new market segment being created for the MICHELIN Crossclimate 3 Sport range.

The Group continued to actively and selectively manage its portfolio, focusing its sales on the most value-accretive segments and those that leverage the full value of its innovations and technologies. The adjustments made during the year mainly concerned some Tier 2 and 3 brands, in a competitive environment marked by an acceleration in imports of budget tires. This value-driven approach is enabling the Group to preserve the quality of its product mix, profitability and premium positioning.

Sales began to stage a recovery towards the end of the year, with most regions posting increases in volumes in the fourth quarter, illustrating the successful premium positioning of the MICHELIN brand.

The Group is continuing to deploy its distribution strategy based on a complementary mix between brick & mortar dealerships (integrated or franchised) and digital channels, with online retail platforms making a growing contribution.

In **Europe**, sales edged down over the year as a whole, reflecting mixed performances. Original Equipment sales fell steeply, whereas the Replacement market picked up after a bumpy start to the year and ended 2025 on an upward track, both in Southern and Northern Europe. This trend was driven by sales of winter and all-season tires, as well as by ongoing growth for 18-inch and larger tires. Sales of the Group's Tier 3 brands retreated in a competitive environment that saw high levels of budget tire imports up until the end of September.

In **North America,** sales decreased for the year as a whole, weighed down mainly by the contraction in the Original Equipment market, against a backdrop of macro-economic and regulatory uncertainties. The Group bolstered its positions in the premium segments of the Replacement market, particularly for 18-inch and larger and Off-Road tires through the BFGOODRICH brand. Third-quarter sales were adversely affected by the one-off impacts of the reorganization of the wholesale approach (narrowing down to two wholesalers from the previous three) and market disruptions caused by fluctuating customs tariffs (massive imports of competitor tires and eroded competitive positioning). These issues were dealt with swiftly, however, and sales performance swung back up in the fourth quarter.

In **China**, sales rose for the full year, in a market buoyed by measures to stimulate demand as well as by high activity levels of local OEMs. The Group recorded strong growth, particularly in the EV market, with sales to Chinese OEMs now accounting for the majority of Original Equipment volumes sold. Trends for Replacement tires were also positive, buoyed by the market's upscaling, the increase in sales of 18-inch and larger tires, higher volumes of sales through digital channels (online sales) and the Group's successful launches of new products such as the MICHELIN Primacy 5 range.

In **South America,** sales trends were mixed, in a volatile macro-economic and monetary environment. The Group reduced its exposure to the Original Equipment market and reaped the benefits of brisk growth for Replacement tires, propelled by robust sales momentum, a relative slowdown in imports of budget tires, and a good market fit for its premium offering. At the same time the Group increased its market share in high-value segments.

In **Southeast Asia**, sales of MICHELIN-brand tires advanced year on year, boosted by the market's upscaling. This positive momentum was partly mitigated by a voluntary reduction in volumes for certain regional brands following decisions to streamline the portfolio and focus on the most value-accretive segments. The product and market mix improved overall during the year.

In the **Africa/India/Middle East** region, despite a complex geopolitical context, sales were up on 2024, lifted by the Group's strategy of focusing on high value-added geographies and offerings. In India, growth was spurred by the start-up of local production and new tranches of import licenses obtained.

Sales of **two-wheel tires** held up well overall. Motorcycle tire sales were stable over the year. Business was particularly brisk in Europe, and was also buoyant in China where the Group strengthened its positions in a commuting segment that is rapidly moving upmarket.

In South America, however, sales were hampered by fiercer competition due to large-scale budget tire imports, as well as temporary operating constraints.

In a Bicycle tire market still affected by the financial difficulties of several players in the value chain, the Group increased its market share in mature regions, led by a strong showing from the premium segment.

The **Michelin Lifestyle** business continued its strong growth momentum, mainly led by the fine dining, hospitality and travel sectors which all actively contribute to the MICHELIN brand's premium positioning by generating high streams of visitors to the Group's online platforms.

1.2.3 Road transportation and related distribution - Analysis of sales

Sales in the Road transportation and related distribution segment totaled €6,023 million in 2025, down 8.7% from the prior year.

Volumes sold fell by 8.8% over the year, mainly due to the contraction of the Original Equipment markets in North America and Europe. Replacement sales were hampered by high levels of imports of budget tires from Asia, particularly in the Americas as a result of uncertainties surrounding customs tariffs.

However, the negative impacts were partly offset by a favorable mix effect, and a positive price effect due to the application of contractual indexation clauses and the contract renegotiations undertaken with OEMs to ensure that the Group's technological leadership is fairly valued. Exchange rates also weighed on this segment's sales in 2025, particularly the US dollar and Brazilian real.

In the Original Equipment markets (excluding China), sales fell steeply, due to the combined impacts of market slowdowns and the Group's portfolio selectivity strategy. The order books of OEMs were dragged down by uncertainty surrounding implementation of the new EPA 2027 tailpipe emissions standards in North America, which led to a sharp drop in sales volumes for the Group. This decline was accentuated by the fact that the Group reduced its exposure to the Original Equipment market in 2024-2025 via price adjustments. The Group continued to work very closely with its partner automakers in 2025, focusing on projects and applications that fully leverage its technological leadership.

Sales of **Replacement tires** edged down year on year, with contrasting trends across the various regions, as the Group focused its efforts on defending value and addressing the most profitable segments.

Broken down by geography, sales for the Automotive, Two-wheel and related distribution segment were as follows:

In **Europe,** Original Equipment sales volumes were softer, as expected, despite picking up during the course of the year. Trends in the Replacement segment were mixed: the Group increased its market share in the premium segment in Southern Europe (France, Spain and Italy), while countries in Central and Northern Europe were more heavily impacted by the economic slowdown. Sales of new tires fared better than retread sales.

In **North America,** Original Equipment sales fell sharply year-on-year, due to the combined impacts of lower levels of OEM activity and the Group's deliberate strategy of reducing its exposure to this market via price adjustments aimed at preserving value. Replacement tire sales trended down, due to (i) a temporary erosion of the Group's competitiveness caused by price adjustments made as a result of the introduction of customs tariffs, and (ii) a sharp downturn in retread sales against a backdrop of fierce competition and high imports of budget tires.

In **South America,** volumes sold increased year-on-year, with buoyant Replacement sales more than offsetting ongoing weak Original Equipment sales to trailer manufacturers, in a context marked by lower imports from Asia.

In **Africa, India and the Middle East,** the Group's sales rose in 2025, buoyed by its focus on segments that leverage the technological content of the MICHELIN offering and by disciplined sales execution, despite contrasting macro-economic and geopolitical environments depending on the regions.

In **Asia,** the Group's sales declined in markets marked by fierce competition from low-cost products.

The Group continued to develop its connected services and solutions proposed under the Michelin Connected Mobility brand, supported by continuous improvements in operating performance. This connected offering is helping to strengthen the Group's overall value proposition for fleets.

1.2.4 Specialty businesses and related distribution - Analysis of sales

In 2025, sales generated by the Specialty businesses declined by 4.4% year-on-year, to €5,663 million.

The year-on-year decrease was chiefly triggered by lower volumes sold in segments exposed to Original Equipment markets, partly offset by the resilience of Replacement sales in several businesses, and by a favorable mix effect.

The high exposure of the Specialties business to the US dollar also held back sales during the year.

Mining tires: In a structurally buoyant mining market, the Group's sales volumes rose in 2025. This performance was achieved following a return to more normal business conditions after several one-off factors that weighed sales in 2024. Momentum gained pace as the year progressed, led by volume growth, and the good market fit of the Group's product and service offering.

The Group reaped the benefits of its new product solutions, which offer significant gains in terms of mileage lifespan and value delivered to customers.

Beyond-road tires:

Overall sales for agricultural, infrastructure and materials handling tires trended downwards in 2025, hindered by their significant exposure to Original Equipment markets, where sales volumes remained low. Sales picked up slightly in the fourth quarter, with volumes sold staging a recovery in Europe, but this was not enough to offset the impact on the segment of the slowdown in OE markets, particularly in North America.

In the **Agricultural** tires segment, sales volumes continued to be restrained by bottom-of-the-cycle OE market trends, with volumes still well below their previous peak. In the Replacement segment, the Group held onto its market share in an overall stable European market, while sales were down in a severely deteriorated environment.

In the **Infrastructure** tires segment, which is a growth area for the Group, the stand-out technological leadership of the Group's offerings – with new products such as the X Crane 2 – fueled market share gains in the Original Equipment markets, which were globally stable. Replacement sales were up in Europe, with the Group winning significant market share, but they were down in North America in a fiercely competitive environment.

This segment's operations were marked by two key events during the year: (i) Michelin's sale to the CEAT group of its two Sri Lanka-based plants dedicated to bias tires and compact construction equipment tracks, and (ii) the phasing out of bias tire production at the Olsztyn plant in Poland, as announced in 2024.

The **Materials Handling** tires segment was impacted by a steep decline in Original Equipment activity, although the Group held onto its market shares. Sales of Replacement tires decreased, although volumes of MICHELIN-brand tires rose, reflecting the Group's premium positioning and selectivity.

The Group recorded an increase in its sales of **Aircraft** tires over the year, in a growing aviation market that is continuing to gradually shift to radials. This performance was driven by commercial and business air travel. All of the Group's regions contributed to the year-on-year growth, fueled by Michelin's stand-out, innovation-led offering.

Sales volumes of ***Polymer Composite Solutions*** grew in 2025 on an organic basis, led by favorable long-term market fundamentals, particularly in the industrial and energy segments.

This momentum was further tractioned by the consolidation of two bolt-on businesses (Pronal & Aston Seals) that strengthened the Group's portfolio and broadened its offering in targeted markets.

The performance delivered by this segment in 2025 supports the Group's goal of expanding its presence and growth in Polymer Composite Solutions over the long term.

1.2.5 Changes in exchange rates for the main operating currencies

At current exchange rates, consolidated sales ended 2025 down 4.4%.

This reported decline includes the 3.0% (€817 million) negative impact of the decrease against the euro in most currencies over the period. Unfavorable currency effects primarily stemmed from:

- the 4.3% appreciation of the euro against the US dollar, which accounts for nearly 40% of Group sales;
- the 8.7% appreciation of the euro against the Brazilian real;
- and, the appreciation of the euro against other significant currencies, such as the Mexican peso, the Canadian dollar, and the Australian dollar.

Average exchange rate	2025	2024	Change
EUR / USD	1.130	1.082	+4.3%
EUR / CNY	8.120	7.788	+4.3%
EUR / BRL	6.308	5.802	+8.7%
EUR / CAD	1.578	1.482	+6.5%
EUR / GBP	0.857	0.847	+1.2%
EUR / AUD	1.752	1.639	+6.9%
EUR / JPY	168.834	163.659	+3.2%
EUR / MXN	21.670	19.705	+10.0%
EUR / CLP	1,074.690	1,020.210	+5.3%
EUR / THB	37.129	38.152	-2.7%

Sales break down by currency as follows:

Currency	%	Currency	%
USD	38%	CLP	1%
EUR	32%	THB	1%
CNY	6%	TRY	1%
BRL	4%	SEK	1%
CAD	3%	TWD	1%
GBP	3%	CHF	1%
AUD	3%	PLN	1%
JPY	1%	Other	2%
MXN	1%		
TOTAL			**100%**

1.2.6 Sales by region

(in € millions)	2025	2025/2024	Second-half 2025	First-half 2025
GROUP	**25,992**	**-4.4%**	**12,965**	**13,028**
Europe	9,632	-1.5%	4,957	4,675
of which France	*2,559*	*-0.5%*	*1,327*	*1,232*
North America (incl. Mexico)	9,543	-9.1%	4,616	4,927
Other regions	6,818	-1.5%	3,392	3,425

(in € millions)	2025	% of total	2024	% of total
GROUP	**25,992**		**27,193**	
Europe	9,632	37.1%	9,782	36.0%
of which France	*2,559*	*9.8%*	*2,572*	*9.5%*
North America (incl. Mexico)	9,543	36.7%	10,493	38.6%
Other regions	6,818	26.2%	6,918	25.4%

Overall, the breakdown of 2025 consolidated sales by major operating region remained the same as in 2024.

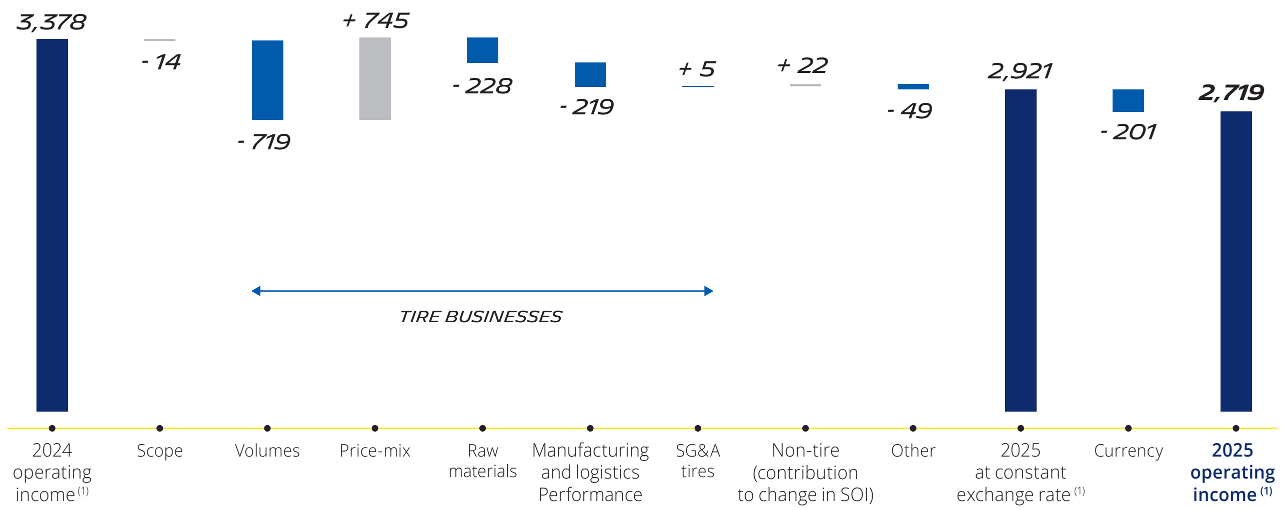
Around 63% of consolidated sales were generated outside Europe and more than 90% outside France.

1.3 Consolidated income statement review

(in € millions, except per share data)	2025	2024	2025/2024	2025 (as a % of sales)	2024 (as a % of sales)
Sales	**25,992**	**27,193**	**-4.4%**		
Cost of sales	(18,973)	(19,445)	-2.4%	73.0%	71.5%
Gross income	**7,019**	**7,748**	**-9.4%**	**27.0%**	**28.5%**
Sales and marketing expenses	(1,176)	(1,204)	-2.4%	4.5%	4.4%
Research and development expenses	(788)	(786)	+0.2%	3.0%	2.9%
General and administrative expenses	(2,265)	(2,290)	-1.1%	8.7%	8.4%
Segment other income and expenses	(70)	(90)	-21.7%	0.3%	0.3%
Segment operating income	**2,719**	**3,378**	**-19.5%**	**10.5%**	**12.4%**
Other operating income and expenses	(353)	(747)	**-52.7%**	1.4%	2.7%
Operating income	**2,366**	**2,631**	**-10.1%**	**9.1%**	**9.7%**
Cost of net debt	(154)	(77)	+99.8%	0.6%	0.3%
Other financial income and expenses	35	19	+80.6%	0.1%	0.1%
Net interest on employee benefit obligations	(99)	(88)	+11.6%	0.4%	0.3%
Share of profit/(loss) from equity-accounted companies	109	(40)	-375.8%	0.4%	0.1%
Income before taxes	**2,258**	**2,445**	**-7.7%**	**8.7%**	**9.0%**
Income tax	(594)	(555)	+6.9%	2.3%	2.0%
NET INCOME	**1,664**	**1,890**	**-12.0%**	**6.4%**	**7.0%**
■ Attributable to the shareholders of the Company	1,665	1,884	-11.7%	6.4%	6.9%
■ Attributable to the non-controlling interests	(1)	6	-111.5%		
EARNINGS PER SHARE (IN €)					
■ Basic	2.36	2.65	-10.9%		
■ Diluted	2.33	2.62	-11.1%		

1.3.1 Analysis of segment operating income

(in € millions)



(1) Segment operating income.

Segment operating income amounted to €2,719 million or 10.5% of sales for the year ended December 31, 2025, compared with €3,378 million and 12.4% in 2024.

The €659 million year-on-year decrease reflects the net impact of the following factors:

- a €719 million unfavorable volume effect mainly due to:
  - another year of very low output in Original Equipment markets, especially in the Truck and Beyond-road segments, with North America particularly impacted,
  - under-utilization of production capacity, automatically leading to reduced absorption of fixed manufacturing costs.
- a €745 million increase stemming from the favorable price-mix effect, due to the combined impacts of:
  - a €365 million positive price effect, deriving from (i) contractual indexation clauses, (ii) upward price revisions related to the EU Deforestation Regulation (EUDR), (iii) customs tariffs, and (iv) price renegotiations for several Original Equipment contracts. This price effect was softer in the second half of the year,
  - a highly positive €380 million mix effect, backed by the Group's value-driven approach (focused in particular on MICHELIN brand tires and 18-inch and larger Passenger car tires), and continued efficient management of the geographic and Replacement/Original Equipment market mixes,
  - a €228 million decrease related to higher raw materials costs, mainly in the first part of the year, although the trend improved in the second half with lower costs for natural rubber and butadiene in particular,
  - a €219 million decrease as a result of higher manufacturing and logistics costs, mainly reflecting the impact of inflation, particularly on payroll costs, and under-utilized production capacity, which hide the favorable impact of the restructuring measures implemented since late 2023. These effects were partly offset by operational performance initiatives and cost control actions,
  - a positive effect from SG&A expenses (mainly including general and administrative expenses, selling expenses and research and development expenses) of €5 million versus 2024,
  - a favorable €22 million impact from the non-tire businesses, all of which made a positive contribution to the Group's performance,
  - an aggregate €49 million decrease from other unfavorable cost factors, mainly consisting of an increase in variable compensation payable in respect of 2025 compared with 2024,
  - a €201 million decrease from exchange rate movements, mainly due to gains in the euro against several key currencies during the year, in particular the US dollar and the Turkish lira.

Other operating income and expenses unallocated to the operating segments represented a net expense of €353 million in 2025 versus a net expense of €747 million in 2024.

This year-on-year increase was primarily attributable to much lower provisions for business restructurings, as several large-scale restructuring plans were carried out in 2024.

1.3.2 Segment operating income

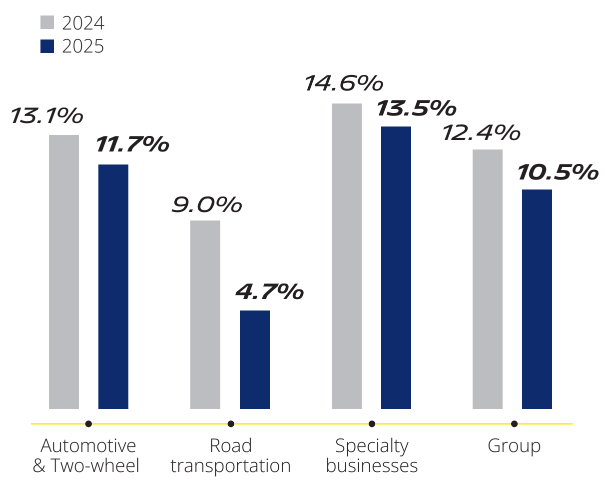
Segment information is presented according to the following three operating segments:

- Automotive, Two-wheel and related distribution;
- Road transportation and related distribution;
- Specialty businesses and related distribution.

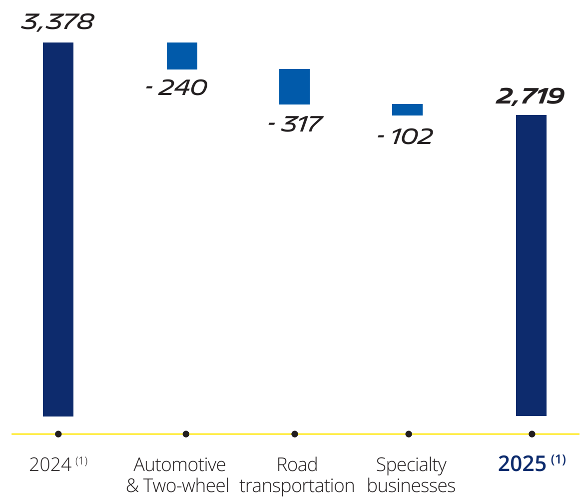
Operating segment performance is measured primarily on the basis of sales and segment operating income, according to the same measurement principles used in the consolidated income statement.

(in € millions)	2025	2024	2025 vs. 2024
AUTOMOTIVE AND RELATED DISTRIBUTION			
Sales	14,306	14,667	-2.5%
Segment operating income	1,677	1,917	-12.5%
Segment operating margin	**11.7%**	**13.1%**	**-1.4 pts**
ROAD TRANSPORTATION AND RELATED DISTRIBUTION			
Sales	6,023	6,599	-8.7%
Segment operating income	280	597	-53.1%
Segment operating margin	**4.7%**	**9.0%**	**-4.3 pts**
SPECIALTY BUSINESSES AND RELATED DISTRIBUTION			
Sales	5,663	5,927	-4.4%
Segment operating income	762	864	-11.8%
Segment operating margin	**13.5%**	**14.6%**	**-1.1 pts**
GROUP			
Sales	25,992	27,193	-4.4%
Segment operating income	2,719	3,378	-19.5%
Segment operating margin	**10.5%**	**12.4%**	**-1.9 pts**

Segment operating margin



(in € millions)



(1) Segment operating income

Automotive, Two-wheel and related distribution - Analysis of segment operating income

Automotive and related distribution *(in € millions)*	**2025**	**2024**	**2025/2024**	**2025 (% of consolidated total)**	**2024 (% of consolidated total)**
Sales	14,306	14,667	-2.5%	55%	54%
Change in volumes	*-1.9%*				
Segment operating income	1,677	1,917	-12.5%	62%	57%
Segment operating margin	11.7%	13.1%	-1.4 pts		

Segment operating income amounted to €1,677 million or 11.7% of sales, versus €1,917 million and 13.1% in 2024.

This segment's performance was impacted by lower absorption of fixed costs, in an operating context marked by contracting Original Equipment markets in mature regions and a 1.9% year-on-year decrease in volumes sold. It was, however, lifted by a favorable mix effect thanks to the resilience of Replacement tire sales, the market's ongoing upscaling, and continued growth for 18-inch and larger tires, which now account for 68% of MICHELIN-brand Automotive tire sales. The segment was also buoyed by a positive price effect, attributable to the application of contractual clauses and targeted price adjustments, against a backdrop of rising costs, due mainly to the implementation of new trade measures, particularly in North America.

Unfavorable currency trends, especially the weaker US dollar and depreciation of several of the Group's other key currencies, negatively impacted segment operating income during the year.

Road transportation and related distribution - Analysis of segment operating income

Road transportation and related distribution *(in € millions)*	**2025**	**2024**	**2025/2024**	**2025 (% of consolidated total)**	**2024 (% of consolidated total)**
Sales	6,023	6,599	-8.7%	23%	24%
Change in volumes	*-8.8%*				
Segment operating income	280	597	-53.1%	10%	18%
Segment operating margin	4.7%	9.0%	-4.3 pts		

Segment operating income amounted to €280 million or 4.7% of sales, versus €597 million and 9.0% in 2024.

This segment was hit hard by the 8.8% slide in volumes sold over the year, which was primarily attributable to the Group's lower Original Equipment sales in North America, which reduced its ability to absorb fixed costs and has so far prevented it from reaping the benefits of the restructuring measures carried out in 2024 and 2025.

These negative impacts were partly offset by a favorable mix effect, and a positive price effect thanks to the application of contractual indexation clauses and the contract renegotiations undertaken with OEMs to ensure that the Group's technological leadership is fairly valued.

Connected services and solutions continued down the growth path, helping to enhance the Group's value proposition for fleets.

Unfavorable exchange rate movements – particularly for the US dollar – adversely impacted segment operating income for Road transportation and related distribution during the year.

Specialty businesses and related distribution - Analysis of segment operating income

Specialty businesses and related distribution *(in € millions)*	**2025**	**2024**	**2025/2024**	**2025 (% of consolidated total)**	**2024 (% of consolidated total)**
Sales	5,663	5,926	-4.4%	22%	22%
Change in volumes	*-3.1%*				
Segment operating income	762	864	-11.8%	28%	26%
Segment operating margin	13.5%	14.6%	-1.1 pts		

Segment operating income amounted to €762 million or 13.5% of sales, versus €864 million and 14.6% in 2024.

This segment's performance reflects a mixed market environment. Sales of Beyond-road tires continued to be hampered by a prolonged cyclical downturn, especially in sectors heavily exposed to Original Equipment (agriculture, construction, materials handling), which weighed on volumes sold and the ability to absorb fixed costs. Conversely, sales of Mining tires were up in 2025, led by a return to more normal business conditions following one-off unfavorable impacts in 2024, as well as by robust momentum for sales volumes. Aircraft tire sales also trended upwards, in a growing aviation market that is continuing to gradually shift to radials. Polymer Composite Solutions recorded organic growth, boosted by the integration of two bolt-on acquisitions (Pronal and Aston Seals).

The segment saw a positive mix effect in 2025, although this was partly offset by the negative impact of exchange rate movements, with the segment's high exposure to the US dollar dampening its operating income.

1.3.3 Other income statement items

Raw materials

The cost of **raw materials** reported in cost of sales was estimated at approximately €5.1 billion in 2025, representing a decrease versus the prior year.

The change in these costs reflects the combined impact of:

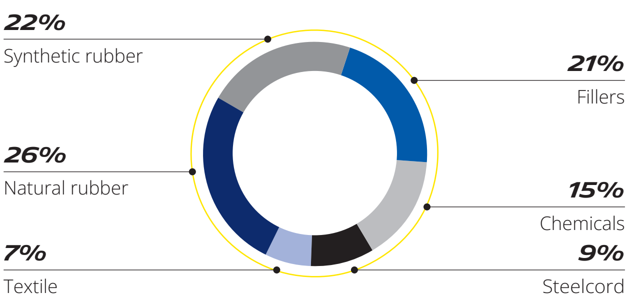
- the price and mix of the Group's raw materials purchases;
- the decrease in both volumes sold and output, accentuated by inventory drawdowns;
- the valuation of raw materials, semi-finished and finished product inventories using the weighted average cost method. This method tends to spread fluctuations in purchase costs over time and delay their recognition in cost of sales, due to timing differences between the purchase of the raw materials and the sale of the finished product;
- the negative effects from regulatory and trade measures, including (i) EUDR compliance regarding purchases of natural rubber supplies and (ii) customs tariffs on raw materials and semi-finished products imported for tires that are manufactured in the United States;
- the positive currency effect on the cost of raw materials, primarily stemming from changes in the exchange rates of the Group's procurement currencies against the euro.

Changes in natural rubber and butadiene prices feed through to the income statement around three to six months later.

Based on estimated 2025 production volumes, the sensitivity of cash purchasing outlays to fluctuations in natural rubber and oil prices is as follows:

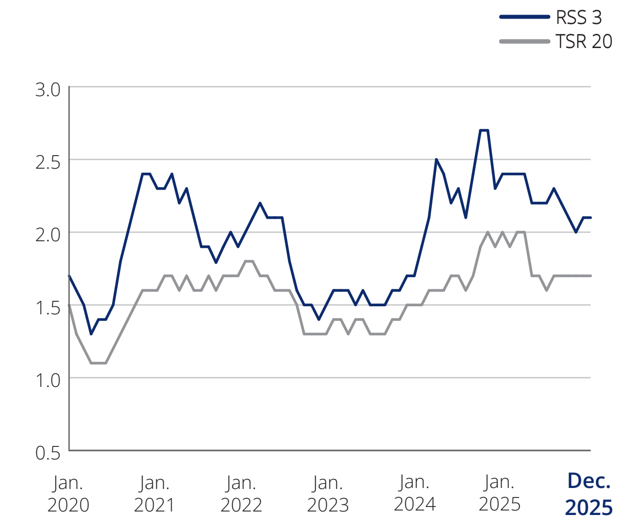
- a $0.10 per kilogram decrease in natural rubber prices would feed through to around an $86 million reduction in full-year purchasing costs;
- a $1.00 per barrel decline in oil prices would feed through to around an $8 million decrease in full-year purchasing costs.

RAW MATERIALS RECOGNIZED IN 2025 COST OF SALES (€5.1 BILLION)

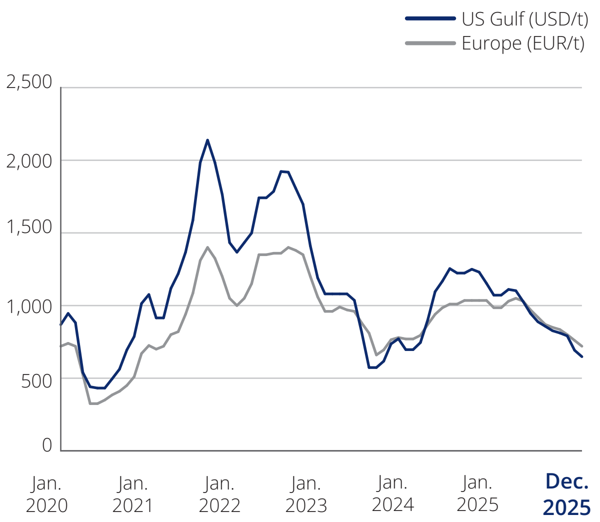


NATURAL RUBBER PRICES (SICOM)

(USD/kg)



BUTADIENE PRICES



Employee benefit costs and number of employees

Employee benefit costs came to €7,491 million in 2025, down €131 million, or 1.7%, year-on-year, and represented 28.8% of sales, up 0.8 percentage points from the 28.0% recorded for 2024.

The absolute-value decrease was mainly attributable to the lower average number of employees resulting from the Group's ongoing measures to streamline, restructure, and adapt its capacities to a persistently muted market environment. Up until May 2025, the lower number of employees more than offset the impact of the payroll adjustments carried out in 2024.

The increase in employee benefit costs as a percentage of sales was essentially attributable to the year-on-year decline in sales, combined with the short-term rigidity of some payroll costs.

At December 31, 2025, the Group had 122,600 employees on its payroll. This 5.5% decrease compared with end-2024

reflects ongoing industrial restructuring measures, portfolio selectivity, and continued efforts to streamline and reorganize the Group's operations.

In 2025, €7,476 million in expenses were recognized in segment operating income and €16 million in other operating income and expenses (see notes 6 and 7 to the consolidated financial statements).

(in € millions and number of people)	**2025**	**2024**	**Change**
Total employee benefit costs	7,491	7,622	-1.7%
As a % of sales	*28.8%*	*28.0%*	*+0.8 pts*
Employees on payroll at December 31	122,600	129,800	-5.5%
Number of full-time equivalent employees at December 31	115,800	123,500	-6.2%
Average number of full-time equivalent employees	119,800	124,800	-4.0%

Depreciation and amortization

(in € millions)	**2025**	**2024**	**Change**
Total depreciation and amortization	2,036	2,085	-2.4%
As a % of sales	*7.8%*	*7.7%*	

Depreciation and amortization charges amounted to €2,036 million in 2025, down €49 million, year-on-year, and represented 7.8% of sales versus 7.7% in 2024.

This trend is consistent with the Group's level of investment, which remains strong but stable overall, particularly in support of industrial transformation, product upgrading, and the investments needed to support the energy transition, improve working conditions, and develop non-tire activities.

€1,943 million was recognized in segment operating income and €93 million in other operating income and expenses (see notes 6 and 7 to the consolidated financial statements).

Transportation costs

(in € millions)	2025	2024	Change
Transportation costs	1,254	1,370	-8.5%
As a % of sales	*4.8%*	*5.0%*	

Transportation costs came to €1,254 million in 2025, down 8.5% year-on-year, and represented 4.8% of sales versus 5.0% in 2024.

The main reasons for these decreases were (i) lower volumes sold in 2025, and (ii) a further reduction in sea freight costs thanks to logistics productivity gains, primarily resulting from streamlining distribution networks and a higher local-to-local ratio.

Sales and marketing expenses

(in € millions)	2025	2024	Change
Sales and marketing expenses	1,176	1,204	-2.4%
As a % of sales	*4.5%*	*4.4%*	

Sales and marketing expenses lessened by €28 million, or 2.4%, to €1,176 million in 2025, and represented 4.5% of sales versus 4.4% in 2024.

This reduction chiefly reflects the year-on-year contraction in sales, but this effect was partly offset by the impact of payroll increases and ongoing targeted marketing expenditure in the Group's strategic segments and markets.

Research and development expenses

(in € millions)	2025	2024	Change
Research and development expenses	788	786	+0.2%
As a % of sales	*3.0%*	*2.9%*	

At €788 million, **research and development expenses** remained stable over the year, and represented 3.0% of sales versus 2.9% in 2024.

This stability reflects the Group's determination to keep up its strong innovation drive in order to protect its technological leadership in terms of performance, durability and services, while reinforcing synergies between its tire operations and its Polymer Composite Solutions business.

General and administrative expenses

General and administrative expenses decreased by €25 million, or 1.1%, to €2,265 million in 2025, and represented 8.7% of sales versus 8.4% in 2024.

The absolute-value reduction reflects rigorous cost discipline, which more than offset the impact of payroll increases.

The increase as a percentage of sales was mainly due to the Group's lower sales in 2025.

Segment other income and expenses

Segment other income and expenses represented a net expense of €70 million in 2025, versus a net expense of €90 million in 2024.

This year-on-year decrease is mainly attributable to lower costs related to the employee share ownership plan.

Other operating income and expenses

Other operating income and expenses correspond to items that are not taken into account by Management when measuring the performance of the operating segments due to their significant, unusual or non-recurring nature.

In 2025, they represented a net expense of €353 million, versus a €747 million net expense in 2024.

This sharp drop principally reflects a much lower level of provisions recognized for industrial restructuring projects than in 2024, when the future closures of the plants in Cholet and Vannes in France were announced.

Cost of net debt

(in € millions)	2025	2024	Change
Cost of net debt	154	77	+77

The **cost of net debt** stood at €154 million in 2025, compared with €77 million in 2024. The year-on-year increase was mainly due to:

- a €42 million rise in interest expense; comprising €26 million increase in conversion costs related to cross currency swaps due to the continuous falls in the 3-month Euribor since April 2024;
- and, €37 million decrease in interest income, due to lower yields on euro investments despite higher average cash holdings.

Other financial income and expenses

(in € millions)	2025	2024	Change
Other financial income and expenses	35	19	+15

Other financial income and expenses represented net income of €35 million in 2025, versus €19 million in 2024.

This increase was primarily led by :

- improved foreign exchange results;
- and, higher income from financial assets, in a context of higher interest rates.

Income tax

(in € millions)	2025	2024	Change
Income before taxes	2,258	2,445	-188
Income tax	**(594)**	**(555)**	**+38**
Current tax	(509)	(816)	-307
Withholding tax	(37)	(55)	-18
Deferred tax	(48)	198	+246

At €594 million, **income tax** was €38 million higher than in 2024. The 2025 figure breaks down as:

- current taxes of €509 million;
- withholding taxes of €37 million;
- deferred taxes of €48 million.

The effective tax rate rose to approximately 26% from 23% the year before, essentially as a result of (i) the geographical breakdown of net income, with a greater proportion of profits generated in high-tax jurisdictions, and (ii) the sharp rise in deferred taxes, due in particular to the recognition or non-recognition of deferred tax assets for certain entities.

Consolidated net income and earnings per share

(in € millions)	2025	2024	Change
Net income	1,664	1,890	-226
As a % of sales	*6.4%*	*7.0%*	*-0.5 pts*
▪ Attributable to the shareholders of the Company	1,665	1,884	-220
▪ Attributable to the non-controlling interests	(1)	6	-6
Earnings per share (in €)			
▪ Basic	2.36	2.65	-0.29
▪ Diluted	2.33	2.62	-0.29

Net income came to €1,664 million in 2025, or 6.4% of sales, compared with €1,890 million and 7.0% in 2024.

The €226 million decline reflected the following factors:

- favorable factors:
  - the €394 million decrease in other operating expenses unallocated to the operating segments, corresponding primarily to a lower amount of provisions recognized in 2024 for industrial restructuring projects,
  - the €149 million increase in profit from equity-accounted companies, particularly due to TBC's sale of Midas.
- unfavorable factors:
  - the 659 million decrease in segment operating income, deriving from the combined impact of lower volumes sold and higher supply costs,
  - the €77 million increase in the cost of net debt, attributable to higher interest expense costs and currency conversion costs related to debt, partly offset by lower net foreign exchange losses,
  - the €38 million increase in income tax expense, which resulted in a higher effective tax rate (26.3%, versus 22.7% in 2024).

1.4 Consolidated balance sheet review

Methodological note: translation adjustments in the balance sheet primarily stem from the translation into euros of prior-year assets and liabilities at the closing exchange rate.

Assets

(in € millions)	December 31, 2025	December 31, 2024	Total change	Translation adjustments	Movement
Goodwill	2,657	2,829	-173	-186	+13
Intangible assets	1,944	2,120	-176	-67	-109
Property, plant and equipment	12,120	12,750	-630	-670	+39
Right-of-use assets	1,092	1,232	-140	-74	-66
Non-current financial assets and other non-current assets	1,032	1,151	-119	-51	-67
Investments in equity-accounted companies	931	849	+82	-67	+149
Deferred tax assets	971	1,081	-110	-47	-63
Non-current assets	**20,747**	**22,013**	**-1,266**	**-1,162**	**-104**
Inventories	5,093	5,699	-606	-356	-250
Trade receivables	3,459	3,595	-136	-186	+50
Current financial assets	371	544	-173	-8	-165
Other current assets	1,471	1,564	-93	-11	-82
Cash and cash equivalents	3,877	3,936	-59	-28	-32
Current assets	**14,271**	**15,339**	**-1,068**	**-589**	**-478**
TOTAL ASSETS	**35,018**	**37,352**	**-2,334**	**-1,751**	**-583**

Equity and liabilities

(in € millions)	December 31, 2025	December 31, 2024	Total change	Translation adjustments	Movement
Share capital	344	353	-9		-9
Share premiums	1,747	2,326	-579		-579
Reserves	15,981	15,946	+35	-883	+918
Non-controlling interests	4	9	-4		-4
Total equity	**18,076**	**18,634**	**-557**	**-883**	**+326**
Non-current financial liabilities	5,050	4,934	+116	-3	+119
Non-current lease liabilities	726	872	-146	-48	-98
Provisions for employee benefit obligations	2,440	2,730	-290	-92	-199
Provisions and other non-current liabilities	713	928	-215	-25	-190
Deferred tax liabilities	509	544	-35	-30	-5
Non-current liabilities	**9,438**	**10,008**	**-570**	**-198**	**-372**
Current financial liabilities	612	1,375	-763	-340	-423
Current lease liabilities	257	258	0	-14	+14
Trade payables	2,811	3,086	-276	-149	-127
Trade payables under reverse factoring agreements	536	689	-152	-54	-98
Provisions and other current liabilities	3,287	3,302	-15	-131	+116
Current liabilities	**7,503**	**8,710**	**-1,206**	**-689**	**-517**
TOTAL EQUITY AND LIABILITIES	**35,018**	**37,352**	**-2,334**	**-1,770**	**-563**

1.4.1 Goodwill

Goodwill amounted to €2,657 million at December 31, 2025, €13 million higher than at December 31, 2024 before translation adjustments. This increase was due to minor acquisitions in the Polymer Composite Solutions segment in 2025 and the divestment of the Sri Lanka-based bias tire and track activities for compact equipment intended for the construction market.

1.4.2 Intangible assets

Intangible assets stood at €1,944 million, down €109 million on December 31, 2024 before translation adjustments. This decrease reflects amortization and impairment of brands and customer relationships and a decrease in the balance of CO_2 emission allowances.

1.4.3 Property, plant and equipment

Property, plant and equipment edged up by €39 million (before translation adjustments) in 2025 to €12,120 million. This relative stability is due to the capital expenditure incurred during the year being more or less the same as the amount of depreciation and impairment recognized (notably relating to the closure of production plants).

Additions to property, plant and equipment amounted to €1,714 million for the year, compared with €1,901 million in 2024. Three quarters of total outlays were committed to production equipment and facilities (for more details, see note 12.2 to the consolidated financial statements).

1.4.4 Right-of-use assets

Right-of-use assets**, which are recognized separately from property,** plant and equipment, amounted to €1,092 million at December 31, 2025, down €66 million year-on-year before translation adjustments. New leases on land and buildings are lower than depreciation on prior-year leases.

1.4.5 Non-current financial assets and other non-current assets

Non-current financial assets and other non-current assets stood at €1,032 million, down €67 million year-on-year (before translation adjustments). This reduction primarily stems from a decrease in loans and deposits, following the partial repayment in 2025 of a loan to the UK pension fund set up in 2023. The outstanding amount of this loan was €155 million at December 31, 2025.

1.4.6 Investments in equity-accounted companies

Excluding **translation adjustments**, investments in equity-accounted companies rose by €149 million over the year to €931 million. This increase was mainly due to (i) the positive contribution of TBC (€204 million share of profit), part of which derived from the sale of its Midas franchise network and (ii) a structural improvement in the earnings of equity-accounted companies.

These factors offset the negative €138 million impact of Symbio – a company specializing in hydrogen fuel cell systems – including a €121 million impairment loss recognized against the Group's outstanding loans and commitments to Symbio following Stellantis' decision to discontinue its hydrogen-related activities.

1.4.7 Deferred tax

At December 31, 2025, the Group held a net deferred tax asset of €461 million, representing a year-on-year decrease of €58 million, before translation adjustments. This reduction was primarily due to the lower amount of deferred tax assets recognized for tax loss carryforwards in Mexico.

1.4.8 Trade working capital

(in € millions)	December 31, 2025	December 31, 2024	Change	2025 (as a % of sales)	2024 (as a % of sales)
Inventories	5,093	5,699	-606	19.6%	21.0%
Trade receivables	3,459	3,595	-136	13.3%	13.2%
Trade payables	(2,811)	(3,086)	+276	-10.8%	-11.3%
Trade payables under reverse factoring agreements	(536)	(689)	+152	-2.1%	-2.5%
TRADE WORKING CAPITAL	**5,205**	**5,519**	**-314**	**20.0%**	**20.3%**

Trade **working capital** decreased by €314 million year-on-year, as the decline in value of inventories and trade receivables more than offset the rise in trade payables (in the broadest sense).

Inventories declined by €606 million year-on-year to €5,093 million at December 31, 2025, mainly due to the following factors:

- a €356 million favorable currency effect;
- efficient inventory management, which significantly reduced both raw materials and semi-finished product volumes from year-end 2024 levels;
- this volume effect overcompensating for an unfavorable price effect, impacted in particular by the increase in customs tariffs in 2025.

As a result of favorable translation adjustments (a €186 million decrease), **trade receivables** were €136 million lower year-on-year, coming in at €3,459 million at December 31, 2025. Adjusted for this effect, trade receivables were only €50 million higher than the December 31, 2024 figure, with a very slight erosion in the number of Days Sales Outstanding (DSO) compared with end-2024.

Trade payables, including those covered by **reverse factoring contracts,** declined by €428 million year-on-year to €3,347 million, due partly to the €203 million increase from translation adjustments and partly to volume and price effects related to purchased raw materials.

1.4.9 Cash and cash equivalents

Cash and cash equivalents were overall stable and stood at €3,877 million at December 31, 2025, a minimal decrease of €32 million from a year earlier (before translation adjustments) that was due to the net impact of the following factors:

- increases from:
  - the favorable €2,181 million in free cash flow,
- decreases from:
  - the payment of €980 million in dividends and other payments,
  - a €637 million decrease in debt, mainly resulting from the redemption of €750 million worth of notes in September 2025,
  - the implementation of a share buyback program for a total cost of €668 million.

1.4.10 Total equity

Including the positive €883 million in translation adjustments, **total equity** decreased by €557 million over the year to €18,076 million at December 31, 2025.

The €326 million increase excluding translation adjustments was primarily due to the following factors:

- the €964 million contribution from comprehensive income for the year, including:
  - €1,664 million in net income,
  - the €165 million favorable impact from post-employment benefit obligations.
- the €980 million impact from dividends and other payments;
- the €668 million impact from the cancellation of bought-back shares;
- the €89 million impact from the issuance of new shares, particularly in connection with the BiB'Action employee share ownership plan;
- the €61 million impact from service costs on mainly free share plans.

As a result, at December 31, 2025, the **share capital** of Compagnie Générale des Établissements Michelin stood at €343,798,120, comprising 687,596,240 shares outstanding corresponding to 1,002,098,920 voting rights.

1.4.11 Net debt

Net debt stood at €2,345 million at December 31, 2025, down €767 million from December 31, 2024, mainly as a result of the following factors:

- the positive €2,181 million in free cash flow;
- €980 million in distributions, of which €974 million in dividends;
- the outlay of €668 million as part of the share buyback program;
- €72 million in capital increases paid in 2025, notably in connection with the employee share ownership plan;
- a €213 million increase from the recognition of new leases;
- a €378 million decrease in translation adjustments.

Changes in net debt

(in € millions)	December 31, 2025	December 31, 2024
AT JANUARY 1	**3,112**	**3,281**
Free cash flow before acquisitions and financing of joint ventures and associates	-2,066	-2,214
Acquisitions and disposals	-56	-1
Net financing of joint ventures and associates	-59	-8
Free cash flow after M&A	**-2,181**	**-2,225**
Dividends and other distributions	+980	+965
Share buybacks	+668	+502
New leases	+213	+414
Translation adjustments	-378	+208
Other	-69	-33
AT DECEMBER 31	**2,345**	**3,112**
CHANGE	**-767**	**-169**

Gearing

Gearing declined to 13.0% at December 31, 2025 from 16.7% at end-2024, due to the year-on-year reduction in net debt combined with the highly favorable contribution from free cash flow, even as equity declined by 3% over the period.

Credit ratings

The solicited corporate credit ratings of Compagnie Générale des Établissements Michelin (CGEM), Compagnie Financière Michelin (CFM) and Compagnie Financière Michelin (CFM) Suisse SA are as follows:

		CGEM	Compagnie Financière Michelin	CFM Suisse SA
Short term	Standard & Poor's	A-1	A-1	A-1
	Fitch	F1	F1	F1
	Scope	S-1	S-1	S-1
Long term	Standard & Poor's	A	A	A
	Fitch	A	A	A
	Scope	A	A	A
Outlook	Standard & Poor's	Stable	Stable	Stable
	Fitch	Stable	Stable	Stable
	Scope	Stable	Stable	Stable

Moody's, whose rating has not been solicited since July 1, 2020, nevertheless reaffirmed CGEM's "A2" long-term issuer credit rating with a Stable outlook on July 9, 2025.

1.4.12 Provisions

Provisions and other non-current liabilities declined by €215 million over the year as reported, to €713 million from €928 million at December 31, 2024. Excluding translation adjustments, the €190 million decrease was due to the impact of payments out of restructuring provisions set aside in prior years, particularly in France, Germany and the United States. New provisions were recognized in 2025, but their amount was lower than the payments made.

1.4.13 Employee benefit obligations

Change in the fair value of the net defined benefit obligation

(in € millions)	Pension plans	Other plans	2025	2024
At January 1	**1,219**	**1,402**	**2,621**	**2,421**
Contributions paid to the funds	(52)	(4)	(56)	(16)
Benefits paid directly to the beneficiaries	(54)	(85)	(139)	(108)
Other movements	11	(2)	9	(3)
ITEMS RECOGNIZED IN OPERATING INCOME				
Current service cost	19	58	77	79
Actuarial (gains) or losses recognized on other long-term benefit plans	-	9	9	3
Effect of plan amendments, curtailments or settlements	2	(2)	-	(27)
Other items	14	-	14	19
ITEMS RECOGNIZED OUTSIDE OPERATING INCOME				
Net interest on employee benefit obligations	44	55	99	84
ITEMS RECOGNIZED IN OTHER COMPREHENSIVE INCOME				
Translation adjustments	(29)	(57)	(86)	31
Actuarial (gains) or losses	(106)	(78)	(184)	144
Unrecognized assets due to the effect of the asset ceiling	(18)	0	(18)	(6)
AT DECEMBER 31	**1,051**	**1,296**	**2,346**	**2,621**

The net defined benefit obligation recognized at December 31, 2025 stood at €2,346 million, a year-on-year decrease of €275 million as reported and of €189 million excluding translation adjustments.

The change reflected the following main factors:

- the total €195 million in contributions and benefits paid in 2025 (2024: €124 million), of which:
  - €56 million in contributions paid to fund management institutions (2024: €16 million),
  - €139 million in benefits paid directly to employees (2024: €108 million).
- a €77 million expense recognized in operating income in 2025 (2024: €79 million), which resulted from the cost of defined benefit plans;
- the €99 million in net interest expense on the net defined benefit obligation, recognized outside of operating income (2024: €84 million);
- the €184 million in actuarial gains recorded in 2025 (2024: actuarial losses of €144 million), which corresponded to:
  - €176 million in actuarial gains on defined benefit obligations, resulting mainly from increases in discount rates,
  - €7 million in actuarial gains on plan assets.

In addition, contributions paid by the Group to defined contribution plans amounted to €258 million in 2025, compared with €288 million in 2024.

1.5 Consolidated cash flow statement review

1.5.1 Cash flows from operating activities

(in € millions)	2025	2024	Change
Segment EBITDA	**4,663**	**5,361**	**-698**
Change in net inventories	+253	-165	+418
Change in net trade receivables	-29	+236	-265
Change in net trade payables	-120	+121	-241
Restructuring cash costs	-430	-246	-184
Other changes in provisions	-42	0	-42
Interest and other financial income and expenses received and paid, net	-51	-42	-9
Income tax paid	-593	-806	+213
Other	+168	-123	+291
NET CASH FROM OPERATING ACTIVITIES	**3,819**	**4,336**	**-517**

At €4,663 million, or 17.9% of sales, **segment EBITDA** declined by 1.8 points year-on-year as a percentage of sales, but edged back €698 million in absolute value, primarily due to the €659 million contraction in segment operating income over the year.

Cash flows from operating activities came to €3,819 million, down €517 million from 2024. In addition to the contraction in EBITDA, the year-on-year decline was attributable to:

- the €88 million negative change in trade working capital, with the decrease in the value of inventories not fully offsetting the rise in trade receivables and payables;
- a €291 million increase from the change in other receivables and payables;
- a €213 million increase from the increase in income tax paid.

Restructuring-related outlays rose by €184 million over the year.

1.5.2 Capital expenditure

(in € millions)	2025	2024	Change	2025 (as a % of sales)	2024 (as a % of sales)
Additions to intangible assets and PP&E	**1,967**	**2,182**	**-215**	**7.6%**	**8.0%**
Investment grants received and change in capital expenditure payables	50	68	-18	0.2%	0.3%
Proceeds from sales of intangible assets and PP&E	(137)	(35)	-102	(0.5)%	(0.1)%
NET ADDITIONS TO INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	**1,880**	**2,215**	**-335**	**7.2%**	**8.1%**

Additions to intangible assets and property, plant and equipment amounted to €1,967 million in 2025, compared with €2,182 million in 2024.

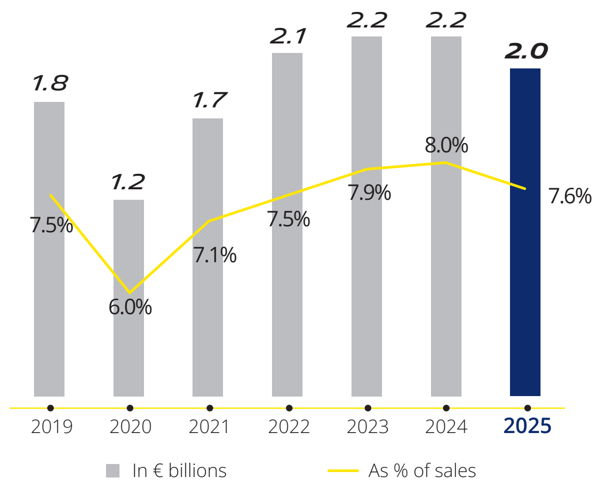
The years between 2022 and 2024 were a catch-up period following the Covid-19 crisis and its impact on the global economy. 2025 saw a return to more normal business conditions, but was favorably impacted by exchange rates (in particular the US dollar).

The main capital projects completed during the year or still underway as part of the competitiveness and growth investment programs relate to the Automotive segment, with projects to align facilities with new product mixes in North America, Europe and, to a lesser extent, India and China.

All these capital projects were supported by the commitments presented opposite.

CAPITAL EXPENDITURE

(in € billions)



1.5.3 Free cash flow

Free cash flow, which is stated before dividend payments and financing transactions, corresponds to net cash from operating activities less net cash used in investing activities, adjusted for net cash flows relating to cash management financial assets and borrowing collaterals.

(in € millions)	2025	2024	Change
Net cash from operating activities	**3,819**	**4,336**	**-517**
Routine capital expenditure (maintenance, IT, dealerships, etc.)	(778)	(951)	+173
Competitiveness and growth investments	(986)	(1,036)	+51
Investments in new ventures	(204)	(195)	-9
Other	273	71	+202
FREE CASH FLOW BEFORE M&A	**2,126**	**2,225**	**-99**
M&A	56	1	+55
FREE CASH FLOW AFTER M&A	**2,181**	**2,225**	**-44**

Free cash flow before M&A ended 2025 at a positive €2,126 illion, compared to €2,225 million a year earlier. This was after €1,967 million in capital expenditure and investments, of which €986 million was earmarked for competitiveness and growth projects.

Free cash flow after M&A stood at €2,181 million, as the disposals and acquisitions completed during the year resulted in a limited total net impact.

1.6 Return on capital employed (ROCE)

The return on capital employed by the Group is measured by dividing net operating profit after tax (NOPAT) by the average economic assets employed during the year.

In calculating NOPAT, amortization of acquired intangible assets, the Group's share of profit/(loss) from equity-accounted companies and interest on loans to partner companies (excluding pension funds) are added to segment operating income.

Non-euro currencies are translated at year-end rates for balance sheet items and average rates for income statement items.

If ROCE is greater than the weighted average cost of capital (WACC) for the year, then the Group has created value during the period.

Based on a theoretical balance between equity and debt, depending on the financed assets, the Group's weighted average cost of capital (WACC) has been estimated at 9% since 2022, which is in line with external benchmarks. The rates used are determined (i) for equity capital, based on the yield on Michelin shares expected by the stock markets; and (ii) for debt capital, on the market risk-free rate plus the risk premium applied to Michelin by the markets, as adjusted for the tax effect.

ROCE narrowed by 1.3 points year-on-year to 9.2%, primarily due to lower segment operating income. This is only partially offset by certain favorable factors, such as the positive contribution of share of profit from equity-accounted companies and lower average economic assets.

(in € millions)	**2025**	**2024**
Segment operating income restated for ROCE calculation	2,760	3,280
Average standard income tax rate used for ROCE calculation	23%	23%
Segment operating income after tax (NOPAT)	**2,150**	**2,516**
Economic assets at December 31	22,477	24,169
Average economic assets	**23,323**	**23,883**
Consolidated ROCE	**9.2%**	**10.5%**

1.7 Trend information

Outlook

Regardless of unpredictable fluctuations in international trade rules, tire markets are expected to remain stable over 2026, contracting slightly in the first half, followed by a relative improvement in the B2B Original Equipment markets in the second half of the year.

Alongside its tire business, the Group is accelerating its growth in the field of Polymer Composite Solutions, which will form a new reporting segment in the Group's financial communication as from Q1 2026.

Michelin is targeting growth in segment operating income at iso-forex and iso-scope in 2026 compared with 2025, and over €1.6 billion in free cash flow before M&A.

Recent events

On January 22, 2026, Michelin completed its acquisition of Cooley Group, a specialist in industrial coated fabrics, after receiving anti-trust clearance in the relevant jurisdictions.

On February 3, 2026, Michelin announced the acquisition of Flexitallic to develop its leadership in the Sealing segment. Based in Houston, Texas, Flexitallic is a global leader in sealing solutions providing high-performance gaskets to critical sectors such as energy and chemical industry. The transaction is expected to close in first semester 2026, subject to customary closing adjustments and merger control clearance.

1.8 Highlights

Corporate

- The Group announces plans to acquire Cooley Group and Tex Tech Industries, two leaders in coated fabrics and specialty textiles, to reinforce its Polymer Composite Solutions business. These acquisitions, financed by available cash, are expected to close in the first half of 2026 and should add approximately 20% in sales to this business. The Group plans to create a dedicated reporting segment for Polymer Composite Solutions from 2026 onwards. These acquisitions are in line with the "Michelin in Motion 2030" plan to accelerate growth in high value-added markets.
- Following the share buyback programs carried out in 2025, the Group canceled 22,919,400 treasury shares on December 30, 2025, representing 3.23% of the Company's share capital.
- The Group opens the "Michelin Innovation Park - Cataroux" dedicated to sustainable and collaborative innovation, covering a total of 42 hectares at its historic Cataroux site in the heart of Clermont-Ferrand. As part of this project, the Quartier des Pistes, where Michelin's famous test tracks used to be based, is being redeveloped into a new space open to the city and its residents and offering a blend of culture, leisure and innovation. This large-scale project is a testament to the Group's commitment to preserving its industrial heritage while enhancing the appeal of the local region.
- The Group celebrates 25 years of working with the video game industry, marked by flagship partnerships with major titles such as Gran Turismo, for which Michelin has been the official tire supplier and a technical partner since 2019, and its commitment to e-sport, particularly in its role as entitlement partner of the IMSA Esports Global Championship.
- The BIB'Action 2025 employee shareholding plan is launched, illustrating the Group's aim of making its employees key Michelin shareholders. Rolled out in 44 countries and accessible to over 115,000 employees, the plan has proved a real success, with a 51% take-up rate. This strong buy-in clearly demonstrates the engagement of the Group's teams, and their trust and confidence in its overall strategy.
- The divestment of bias tire and track activities for compact equipment intended for the construction market, announced in December 2024, is finalized. This sale concerns two factories in Sri Lanka and the Camso brand (after three years of licensing). The Group maintains its radial offering and refocuses its efforts on high-value segments.
- Scope Ratings and Moody's confirm their long-term credit ratings for Michelin at "A" and "A2", respectively, with a stable outlook. These ratings reflect the financial solidity and confidence in the Group's future performance, following upgrades by Fitch and Standard & Poor's in the first quarter to "A / Stable" also.
- Michelin is named as one of the world's 100 most innovative companies by Clarivate, a company specialized in intellectual property and the production of scientific knowledge, recognizing the impact of the Group's 6,000–strong R&D team. For over 130 years, innovation has been part of Michelin's DNA, contributing to human progress and a sustainable world.

- In North America, the TBC Corporation joint venture sold its Midas franchise network to Mavis Tire Express Service Corp. This allows TBC to focus on its core activities and strengthen their growth. The transaction will have a favorable impact of approximately USD 200 million on the Michelin Group's net result in 2025.
- Michelin remains the world's most valued and powerful tire brand: according to Brand Finance 2025, brand value increased to USD 8.8 billion, and Michelin ranks in the global top 10 of the most powerful B2B brands, at the 15th rank across all sectors.
- During the 2025 General Meeting held by the Group in Clermont Ferrand with nearly 1,000 shareholders, all resolutions were approved, including a dividend raised to €1.38 per share. Florent Menegaux reaffirmed the relevance and continuation of the "Michelin in Motion 2030" strategy.
- Michelin announces the progressive closure of its Querétaro (Mexico) and Guarulhos (Brazil) sites by the end of 2025. These decisions respond to changes in the tire market and overcapacity due to an influx of low-priced products. The Group will individually support the 830 affected employees, in consultation with social partners. Michelin reaffirms its sustainable commitment in both countries, where its other activities continue.
- Michelin publishes its very first sustainability report, marking a key step in its "All Sustainable" strategy. In line with the EU's CSRD directive, this report details the Group's commitments regarding the environment, social responsibility, and governance. It demonstrates Michelin's intention to actively contribute to a more sustainable and transparent future.
- The publication of the second tax transparency report illustrates a strengthened commitment to fiscal responsibility. The document details the applied tax policy and worldwide contributions while integrating recent regulatory developments, particularly concerning transfer pricing, minimum tax rates of 15%, customs, and export control.

People

- The employee engagement rate at the Michelin group reaches 84% in 2025, reflecting a high level of trust in the company. This result illustrates the strength of the bond between the Group and its teams in a challenging economic and social context.
- Following the assessment carried out by the international NGO Fair Wage Network, Michelin has had its "Global Living Wage Employer" certification renewed for 2025 & 2026. This distinction confirms the Group's commitment to fair wage policies, ensuring a "decent wage" for all its employees in over 60 countries.
- After the announcement at the end of 2024 of the closure of Michelin's Cholet and Vannes sites, a social support measures agreement was signed by representative employee unions, including internal or external mobility, and career closures. Meanwhile, buyer search led by Michelin Development has attracted numerous companies interested in establishing themselves on these sites, thus offering opportunities for employees. Finally, Michelin and the State have concluded two revitalization agreements for employment areas in Cholet and Vannes, aiming to recreate a number of jobs equivalent to those lost following the closures.
- 13 international French companies, including Michelin, join forces and create the "Engage & Care Corporate Coalition" to promote fair and decent living and working conditions for their employees, thus fostering social justice worldwide.

Planet

- Although the European Parliament has voted to postpone the application of the EUDR by one year, Michelin is continuing to apply its deforestation-free natural rubber sourcing policy that has been in place since 2015.
- EcoVadis awards Michelin gold medal status for its commitment and continuous progress in its "All-Sustainable" approach. Its overall ESG score was 84/100, up five points on 2024, with increases in all four of the areas assessed: "Sustainable Procurement", "Environment", "Ethics" and "Labor and Human Rights".
- The Group's Duty of Care Plan wins a prize at the Transparency Awards for Ethics & Compliance of companies in the SBF 120 index. This award illustrates Michelin's long-standing commitment to carefully and closely managing risks related to human rights, and health, safety and the environment, both in its operations and in its supply chain.
- The Carbon Disclosure Project (CDP) affirms Michelin's "A" rating – the highest score achievable – for its climate strategy and actions. This "Corporate A List" membership reflects the outstanding and steadfast commitment of the Group's teams to its carbon-reduction and climate change adaptation plans.

- Michelin starts its mining tire recycling activities at its plant in Chile, located in the Antofagasta region. Collected used tires are shredded, ground, and transformed into raw material usable again in the manufacturing of new tires and other products. This is a further demonstration of the Group's approach to end-of-life tire recycling and circularity.
- Michelin inaugurates a new collaborative project with French research institute CNRS and three French universities to develop low-carbon hydrogen production technology using water electrolysis. This is the third laboratory run jointly by Michelin and CNRS dedicated to deploying green hydrogen production technologies.
- For the fourth consecutive year, Michelin is ranked first among tire manufacturers in SPOTT's natural rubber sector evaluation, an online platform that assesses ESG practices of raw material producers, processors, and traders, with a score exceeding 80%. The Group also stands out as the only tire maker capable of proving that its supply chain does not cause deforestation.
- Michelin announces the construction of the world's first industrial demonstrator of bio-based 5-HMF (5–Hydroxymethylfurfural), a key molecule to replace fossil components in many industrial sectors. The unit, located in France, will have a capacity of 3,000 tonnes per year starting in 2026. This project marks a major step in the industrialization of solutions developed by Michelin ResiCare and illustrates the Group's breakthrough innovation capabilities and its ambition to develop the use of renewable or recycled materials.
- Michelin demonstrates its commitment to sustainable development by decarbonizing its factory in Olsztyn (Poland), transitioning from coal to natural gas. This change has reduced CO_2 emissions from the site by over 90% thanks to modern equipment. It is part of the Group's strategy for net zero emissions by 2050, with an intermediate goal of 47.2% by 2030.
- Michelin came out on top in a large independent study conducted by ADAC, Germany's primary auto club with 22 million members. The analysis of 160 models of summer, winter, and all-season tires, evaluated based on wear and environmental impact, highlights the low abrasion of MICHELIN tires, outperforming the premium competitors' average by 26%. This result underscores the "MICHELIN Total Performance" commitment: safety, durability, fuel savings, and reduced environmental impact, without compromise.
- Michelin inaugurated a Hydraloop system at its Montceau-les-Mines factory, enabling the recycling of industrial water and reducing withdrawals by 80%. This project aligns with the Group's objective to decrease water withdrawals by 30% by 2030 relative to 2019. Similar projects are ongoing in other drought-affected countries like Mexico and Spain.
- Michelin Motorsport launches a recycling program for competition tires in partnership with Enviro. This program utilizes pyrolysis to extract raw materials such as carbon black and oils, which will be reused in industrial applications, including future Michelin tires. The initiative aims to reduce the environmental footprint and promote a circular economy. Michelin plans to expand this initiative to several championships, such as IMSA in the United States.
- The Euro 7 regulation introduces limits on tire wear particle emissions in the EU for the first time. Michelin fully supports the environmental goals of this regulation. It believes that a demanding and real-world on-road testing method is the only way to identify the lowest-emitting tires. For over 20 years, Michelin has been innovating to reduce wear particles.
- After six years of collaborative research, the BioImpulse project confirms the competitiveness of industrial biotechnologies and paves the way for a new generation of high-performance bio-based adhesive resins, free from substances of concern for human health. Launched by Michelin and its ResiCare brand, the BioImpulse project brings together public and private partners.
- The Tire Industry Project (TIP) celebrates its 20th anniversary. TIP unites global tire leaders around a common commitment: to understand and limit the impacts of our industry on the environment and health through independent, rigorous, and shared scientific research. This initiative stands as a model of sector cooperation, expanding its ambition to ESG issues and collective action for more sustainable mobility.
- During his speech at the United Nations in New York during Climate Week, Florent Menegaux, President of the Global Compact Network France, emphasized the urgency of collective action to put the world back on track towards the Paris Agreement. He also highlighted the progress made by Michelin - notably a 37% reduction in its CO_2 emissions since 2019 - and stressed that the ecological transition relies on the ability to combine technological innovation with social progress.

Business operations

- At the Solutrans 2025 trade show for customers and partners in the transportation industry, the Group showcased its stand-out offering (tires, connected solutions, dedicated community application) and asserted itself more than ever as a key player in green fleet solutions.
- The MICHELIN Guide extends its recommendation expertise and launches a new distinction in the world of wine. The MICHELIN Grape (One, Two or Three Grapes) will now spotlight wine estates and producers across different regions of the world. The project will be launched in 2026 in the two iconic terroirs of Bordeaux and Burgundy.
- "Around the Earth in less than 8 days": Michelin and Mercedes-AMG set an endurance record by covering 40,075 km at 300 km/h with the electric concept AMG GT XX and the new MICHELIN Pilot Sport 5 Energy tires. These innovative tires, featuring a dual-compound architecture and RFID chips, are set to be marketed in 2026. This partnership illustrates the commitment of both brands to sustainable and high-performance mobility.
- Michelin integrates its sailing wing WISAMO into the yacht concept "AQUA," a 100% French project supported by Michelin, NOVEM Nautical Design, and JFA Yachts, embodying a sustainable and innovative vision of yachting. This is a concrete step toward decarbonized maritime mobility.
- The 6 Hours of Fuji 2025 marks a historic milestone: the 100th race of the FIA WEC World Endurance Championship. A partner since the first edition, Michelin demonstrated unwavering commitment that symbolizes the brand's DNA: lasting performance, constant innovation, and environmental responsibility.
- Truckfly by Michelin innovates and launches a GPS specifically designed to simplify the daily lives of truck drivers, a premiere on the market. This strategic tool enables transportation companies to enhance safety, optimize operational efficiency, and improve their attractiveness.
- Michelin innovates and unveils its new generation of regional and urban truck tires, demonstrating its technological expertise. The new MICHELIN X® MULTI Z2 & D2 range in 19.5 inches delivers a high level of safety and versatility, regardless of traffic areas or weather and seasonal conditions.
- The MICHELIN Guide, celebrating its 125th anniversary this year, organized a media event to share its history, strategy, and ambitions. During this event, Michelin also revealed its very first global selection of MICHELIN Keys. Having become a global media entity of the art of living, the MICHELIN Guide reaffirms its role as a worldwide reference in gastronomy and hospitality.
- Michelin extends its partnership with IMSA (International Motor Sports Association) until 2035, serving as the exclusive tire supplier for the leading endurance competitions in the United States, including the iconic "24 Hours of Daytona" and "12 Hours of Sebring." These competitions provide Michelin with an ideal environment to test its innovations under extreme conditions and accelerate their transfer to series tires.
- A decade after the launch of the MICHELIN CrossClimate, which led to the emergence of a European all-season tire market, the Group launches the third generation of this range. It also innovates by launching MICHELIN CrossClimate 3 Sport, the first all-season tire dedicated to sports cars, already approved on the new Alpine 390.
- Michelin launches the MICHELIN Primacy 5 range and widens its technological lead. The new tire delivers an 18% increase in tread life, while maintaining superior wet grip safety performance, reducing noise and improving fuel efficiency by 5% compared with its predecessor. With a 6% smaller environmental footprint, it is also perfectly aligned with Michelin's all-sustainable strategy.
- The new MICHELIN X-CRANE 2 and X-Works Z2 & D2 address challenges in the lifting, construction, and waste sectors. They offer more load, longer life, and lower fuel consumption. With these two launches, Michelin reinforces its commitment to sustainable mobility.
- Michelin confirms its commitment to truck tire retreading with the extension of the REMIX® 2 offering, providing a second premium hot retread for the MICHELIN X MULTI range. Michelin REMIX® 2 tires offer a lifespan close to that of new tires, with the same levels of grip, traction and safety.

- Michelin launches the MICHELIN City Touring tire, ideal for city bikes and weekend bike rides. Designed for both on- and off-road use, it offers enhanced safety on wet surfaces and better protection against punctures, while also being 31% lighter than conventional tires.
- Michelin signed its first commercial contract for the WISAMO sail, addressing decarbonization challenges in transportation, to equip a new patrol vessel for the French Directorate of Maritime Affairs of Fisheries and Aquaculture (DGAMPA), uniquely combining hybrid propulsion and sail assistance.
- Michelin becomes the exclusive supplier of the FIM Superbike World Championship from 2027 to 2031. This strategic partnership strengthens its presence in motorcycle competitions after years of experience in MotoGP and MotoE, deploying its innovative power to machines closer to series motorcycles.
- In Metz, the MICHELIN Guide celebrates the excellence of French gastronomy and the 125th anniversary of its famous red book, a global reference offering unforgettable experiences in exceptional restaurants and hotels.
- After unveiling the MICHELIN Keys selections in numerous countries like France, Greece, the USA, Canada, and Japan, the MICHELIN Guide honors Portugal. Similarly to MICHELIN Stars for gastronomy, the Keys now distinguish hotels offering the most remarkable stay experiences.
- The MICHELIN Guide continues to expand across the globe, with new curated selections, notably for China with the new Jiangsu Province Guide, and Greece, with the first MICHELIN Keys selections, and the MICHELIN Guide to the Czech Republic due to be published shortly.
- For the first time, MICHELIN Guide distinctions are integrated into Apple Maps in the United States, facilitating access to exceptional establishments. This world first marks the beginning of a global expansion, asserting the MICHELIN Guide’s ambition to become the independent reference in gastronomic and hotel reservations.

1.9 Information concerning payment terms

Trade receivables	0 days	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
	Article D. 441-6°: invoices issued and past due at December 31, 2025					
(A) Breakdown of past due payments:						
Number of invoices					1	1
Total amount of invoices (including tax) (in € thousands)					3	3
Percentage of total sales for the period (including tax)					0.00%	0.00%
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables						-
Number of invoices excluded						-
Total amount of invoices excluded (in € thousands)						-
(C) Reference payment terms used (contractual or statutory pursuant to Article L. 441-6 or L. 443-1 of the French Commercial Code)						30
Reference payment terms used to calculate past due payments	Contractual terms agreed at initial recognition of the trade receivable					30

Trade payables	0 days	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
	Article D. 441-6°: invoices received and past due at December 31, 2025					
(A) Breakdown of past due payments:						
Number of invoices		217	122	12	30	381
Total amount of invoices (including tax) (in € thousands)		547	218	110	2	878
Percentage of total purchases for the period (including tax)		0.03%	0.01%	0.01%	0.00%	0.04%
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables						
Number of invoices excluded						-
Total amount of invoices excluded (including tax) (in € thousands)						-

1.10 Five-year summary of consolidated key figures and ratios

(in € millions)	2025	2024	2023	2022	2021
Sales	25,992	27,193	28,343	28,590	23,795
% change	-4.4%	-4.1%	-0.9%	+20.2%	+16.3%
Total employee benefit costs	7,491	7,622	7,401	6,950	6,445
As a % of sales	28.8%	28.0%	26.1%	24.3%	27.1%
Number of full-time equivalent employees at period-end	115,800	123,500	125,000	124,900	118,400
Research and development expenses	788	786	756	698	682
As a % of sales	3.0%	2.9%	2.7%	2.4%	2.9%
SEGMENT EBITDA[(1)]	**4,663**	**5,361**	**5,489**	**5,262**	**4,700**
Segment operating income	2,719	3,378	3,572	3,396	2,966
Segment operating margin	10.5%	12.4%	12.6%	11.9%	12.5%
Operating income	2,366	2,631	2,652	3,021	2,777
Operating margin	9.1%	9.7%	9.4%	10.6%	11.7%
Cost of net debt	154	77	198	239	192
Other financial income and expenses	35	19	2	(22)	(4)
Income before taxes	2,258	2,445	2,490	2,656	2,471
Income tax	594	555	507	647	626
Effective tax rate	26.3%	22.7%	20.4%	24.4%	25.3%
Net income	1,664	1,890	1,983	2,009	1,845
As a % of sales	6.4%	7.0%	7.0%	7.0%	7.8%
Dividends	974	961	893	803	410
Net cash from operating activities	**3,819**	**4,336**	**5,287**	**1,931**	**2,906**
As a % of sales	14.7%	15.9%	18.7%	6.8%	12.2%
Gross purchases of intangible assets and PP&E	1,967	2,182	2,236	2,141	1,705
As a % of sales	7.6%	8.0%	7.9%	7.5%	7.2%
Net debt[(1)]	2,345	3,112	3,281	4,320	2,789
Total equity	18,076	18,634	17,958	17,116	14,971
Gearing[(1)]	13.0%	16.7%	18.3%	25.2%	18.6%
Net debt[(1)] divided by segment EBITDA[(1)]	0.50	0.58	0.60	0.82	0.59
Segment operating income/net interest expense[(2)]	17.4	43.8	20.8	11.5	13.7
Free cash flow[(3)]	2,181	2,225	2,343	(180)	1,357
ROE[(4)]	9.1%	10.3%	11.3%	12.5%	13.4%
Operating ROCE[(5)]	9.2%	10.5%	11.4%	10.8%	10.3%
PER-SHARE DATA* *(in €)*					
Net assets per share[(6)]	26.3	26.4	25.1	24.0	20.9
Basic earnings per share	2.36	2.65	2.77	2.81	2.58
Diluted earnings per share	2.33	2.62	2.75	2.79	2.56
Price-earnings ratio[(7)]	12.0	12.0	11.7	9.3	14.0
Dividend per share[(8)]	1.38	1.38	1.35	1.25	1.125
Payout ratio[(9)]	57%	52%	49%	44%	44%
Yield[(10)]	4.9%	4.3%	4.2%	4.8%	3.1%

(1) As defined in note 2.6 to the consolidated financial statements.

(2) Net interest expense: interest financing expenses less interest income from cash and equivalents.

(3) Free cash flow: net cash from operating activities less net cash used in investing activities (adjusted for net cash flows relating to cash management financial assets and borrowing collaterals), as defined in section 5.1.5.

(4) ROE: as from 2022, return on equity is defined as net income divided by average equity for the year (calculated as the average of year-end equity and prior year-end equity) instead of net income divided by equity at December 31. The 2021 figures have been restated for comparison purposes.

(5) Operating ROCE: based on the method in use since 2021 as explained in section 5.1.6.

(6) Net assets per share: net assets divided by the number of shares outstanding at period-end.

(7) Price-earnings ratio: share price at period-end divided by basic earnings per share.

(8) Dividend subject to approval by the Annual Shareholders Meeting on May 22, 2026.

(9) Payout ratio: dividend divided by net income.

(10) Yield: dividend per share divided by the December 31 share price.

* The 2021 per-share data have been restated to reflect the four-for-one stock split on June 16, 2022.

1.11 Share information

1.11.1 The Michelin share

Traded on the Euronext Paris stock exchange

- Compartment A;
- Eligible for the SRD deferred settlement system;
- ISIN: FR001400AJ45;
- Par value: €0.50;
- Traded in units of: 1.

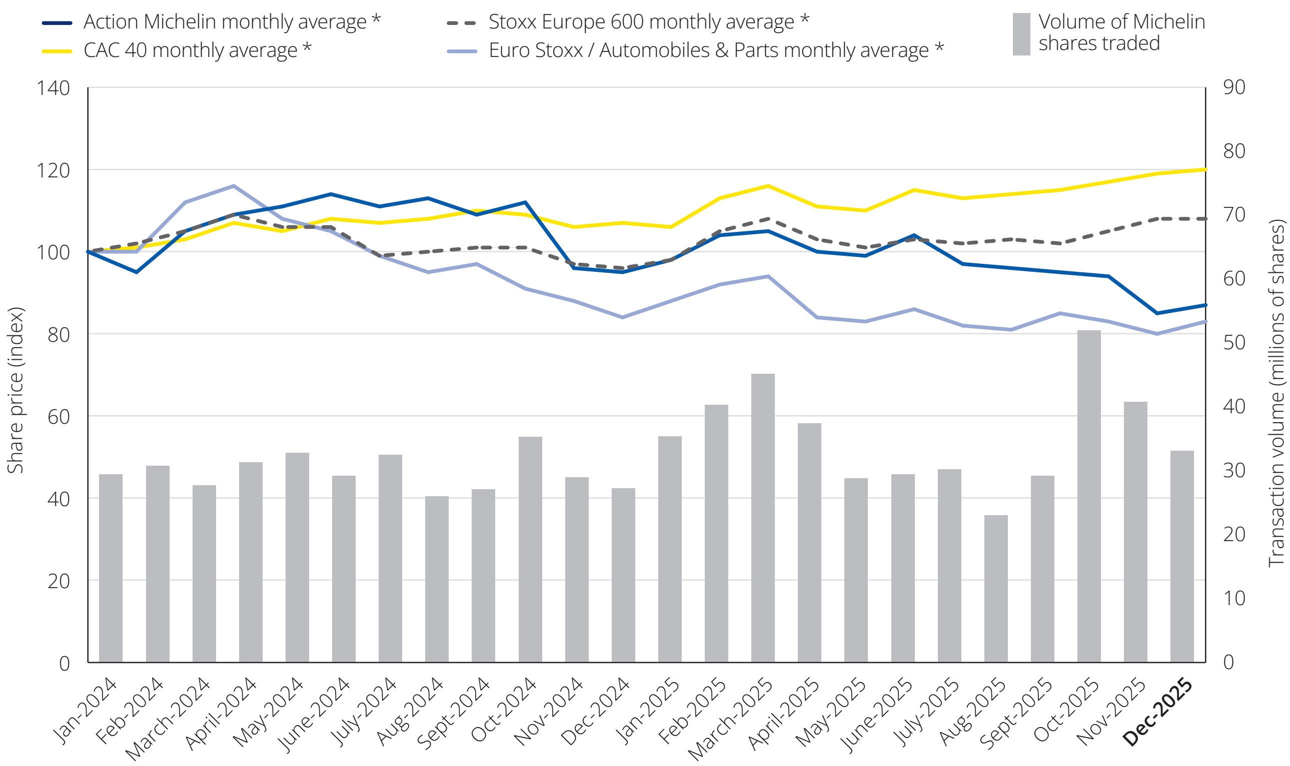
Indices

The Michelin share is included in two leading stock market indices:

- CAC 40: 1.10% of the index at December 31, 2025;
- Stoxx Europe 600.

MICHELIN SHARE PERFORMANCE AND TRADING VOLUMES

According to statistical data collected by Euronext Paris.



* *Standardized monthly averages (base 100 = January 1, 2024).*

1.11.2 Detailed share data

According to statistical data collected by Euronext Paris.

Share price (in €)	2025	2024	2023	2022	2021[1] (restated)	2021 (reported)
Session high	35.70	38.52	32.65	38.93	36.50	146.00
Session low	25.51	30.06	25.60	21.99	25.83	103.30
High/low ratio	1.40	1.28	1.28	1.77	1.41	1.41
Closing price, end of period	28.31	31.80	32.46	25.99	36.04	144.15
Average closing price over the period	31.30	34.26	28.87	28.53	32.44	129.75
Change in the Michelin share price over the period	-10.97%	-2.03%	24.92%	-27.89%	37.35%	37.35%
Change in the CAC 40 index over the period	10.42%	-2.15%	16.52%	-9.50%	28.85%	28.85%
Change in the Stoxx Europe 600 index over the period	16.66%	5.98%	12.73%	-12.90%	22.25%	22.25%
Average daily Stoxx Europe 600 index	549.43	507.51	457.04	434.40	449.58	449.58
Market capitalization (at period-end, in € billions)	**19.47**	**22.44**	**23.21**	**18.56**	**25.74**	**25.74**
Average daily trading volume over the period[2]	1,666,021	1,408,288	1,419,300	1,844,574	1,743,820	435,955
Average shares outstanding	704,969,648	712,283,891	714,258,055	713,400,033	713,512,772	178,378,193
Volume of shares traded over the period	424,835,390	360,521,846	366,179,447	475,900,118	449,905,428	112,476,357

(1) Only the 2021 share data have been restated (“2021 restated”) to reflect the four-for-one stock split on June 16, 2022.
(2) Volumes traded on the Euronext platform.

1.11.3 Per-share data

(in € per share, except ratios)	2025	2024	2023	2022	2021 (restated)	2021 (reported)
Net assets per share	26.3	26.4	25.1	24.0	20.9	83.9
Basic earnings per share	2.36	2.65	2.77	2.81	2.58	10.31
Diluted earnings per share[1]	2.33	2.62	2.75	2.79	2.56	10.24
PRICE EARNINGS RATIO	**12.0**	**12.0**	**11.7**	**9.3**	**14.0**	**14.0**
Dividend per share[2]	1.38	1.38	1.35	1.25	1.125	4.50
Payout ratio	57%	52%	49%	44%	44%	44%
Yield[3]	4.9%	4.3%	4.2%	4.8%	3.1%	3.1%

(1) Earnings per share adjusted for the impact of the exercise of outstanding dilutive instruments on net income and average shares outstanding.
(2) 2025 dividend subject to approval by the Annual Shareholders Meeting on May 22, 2026.
Only the 2021 share data have been restated (“2021 restated”) to reflect the four-for-one stock split on June 16, 2022. Prior-year figures correspond to the reported dividend.
(3) Yield: dividend per share divided by the December 31 share price.

1.11.4 Capital and ownership structure

At December 31, 2025, Michelin's share capital amounted to €343,798,120.

	At December 31, 2025			At December 31, 2024			At December 31, 2023		
	Number of shareholders	% of shares outstanding[2]	% of voting rights[2]	Number of shareholders	% of shares outstanding[2]	% of voting rights[2]	Number of shareholders	% of shares outstanding[2]	% of voting rights[2]
French institutional investors	5,040	17.9%	20.5%	4,311	20.6%	23.6%	4,497	20.4%	24.0%
Non-resident institutional investors		68.4%	65.1%		65.8%	61.5%		67.0%	61.8%
Individual shareholders (including former employees)[1]	169,402	10.7%	11.5%	173,611	11.0%	12.2%	170,391	10.5%	11.9%
Employee share ownership plan	77,755	3.1%	2.9%	80,261	2.6%	2.7%	71,621	2.1%	2.3%
TOTAL	**252,197**	**687,596,240 SHARES[3]**	**1,002,098,920 VOTING RIGHTS**	**258,183**	**705,747,272 SHARES[3]**	**998,581,514 VOTING RIGHTS**	**246,509**	**714,958,226 SHARES[3]**	**990,275,053 VOTING RIGHTS**

(1) The **1.3% of outstanding shares owned by former employees** at December 31, 2025 has been included in the percentage of shares held by individual shareholders**.**
(2) Percentages rounded to the nearest tenth.
(3) All fully paid up.

In accordance with the Company Bylaws, shares held in the same name for at least four years carry double voting rights.

To the Company's knowledge, no material portion of its issued capital has been pledged.


ANAKEE ADVENTURE 2
170/60 R 17 M/C 72V
TUBELESS
REAR
M+S

CHAPTER 02

2025 CONSOLIDATED FINANCIAL STATEMENTS

2025 consolidated financial statements

Consolidated income statement

(in € millions, except per share data)	Note	2025	2024
Sales	5	25,992	27,193
Cost of sales		(18,973)	(19,445)
Gross income		**7,019**	**7,748**
Sales and marketing expenses		(1,176)	(1,204)
Research and development expenses		(788)	(786)
General and administrative expenses		(2,265)	(2,290)
Segment other income and expenses	6	(70)	(90)
Segment operating income	**5**	**2,719**	**3,378**
Other operating income and expenses	7	(353)	(747)
Operating income		**2,366**	**2,631**
Cost of net debt	9	(154)	(77)
Other financial income and expenses	9	35	19
Net interest on employee benefit obligations	8	(99)	(88)
Share of profit/(loss) from equity-accounted companies	14	109	(40)
Income before taxes		**2,258**	**2,445**
Income tax	11	(594)	(555)
NET INCOME		**1,664**	**1,890**
Attributable to the shareholders of the Company		1,665	1,884
Attributable to the non-controlling interests		(1)	6
EARNINGS PER SHARE (IN €)	**15**		
Basic		2.36	2.65
Diluted		2.33	2.62

Consolidated statement of comprehensive income

(in € millions)	Note	2025	2024
Net income		**1,664**	**1,890**
Post-employment benefits	8	202	(138)
Equity instruments at fair value through OCI - changes in fair value	9	8	(44)
Tax effect – Other items that will not be reclassified to the income statement	11	(32)	12
Other		-	-
Other comprehensive income/(loss) that will not be reclassified to the income statement		***178***	***(170)***
Cash flow hedges - changes in fair value		(4)	(6)
Tax effect – Other items likely to be reclassified to the income statement		1	(1)
Currency translation differences		(884)	273
Other		9	(24)
Other comprehensive income/(loss) that may be reclassified to the income statement		***(878)***	***242***
Other comprehensive income/(loss)		**(700)**	**72**
TOTAL COMPREHENSIVE INCOME		**964**	**1,962**
Attributable to the shareholders of the Company		965	1,956
Attributable to the non-controlling interests		(1)	6

Consolidated statement of financial position

(in € millions)	Note	December 31, 2025	December 31, 2024
Goodwill	12	2,657	2,829
Intangible assets	12	1,944	2,120
Property, plant and equipment (PP&E)	12	12,120	12,750
Right-of-use assets	13	1,092	1,232
Non-current financial assets and other non-current assets	9	1,032	1,151
Investments in equity-accounted companies	14	931	849
Deferred tax assets	11	971	1,081
Non-current assets		**20,747**	**22,013**
Inventories	6.3	5,093	5,699
Trade receivables	6.4	3,459	3,595
Current financial assets	9	371	544
Other current assets	7.2	1,471	1,564
Cash and cash equivalents	9.2	3,877	3,936
Current assets		**14,271**	**15,339**
TOTAL ASSETS		**35,018**	**37,352**
Share capital	15	344	353
Share premiums	15	1,747	2,326
Reserves	15	15,981	15,946
Non-controlling interests		4	9
Total equity		**18,076**	**18,634**
Non-current financial liabilities	9	5,050	4,934
Non-current lease liabilities	9	726	872
Provisions for employee benefit obligations	8	2,440	2,730
Provisions and other non-current liabilities	7.3	713	928
Deferred tax liabilities	11	509	544
Non-current liabilities		**9,438**	**10,008**
Current financial liabilities	9	612	1,375
Current lease liabilities	9	257	258
Trade payables	6.5	2,811	3,086
Trade payables under reverse factoring agreements	6.5	536	689
Provisions and other current liabilities	7.3	3,287	3,302
Current liabilities		**7,503**	**8,710**
TOTAL EQUITY AND LIABILITIES		**35,018**	**37,352**

Consolidated statement of changes in equity

(in € millions)	Share capital (note 15)	Share premiums (note 15)	Reserves (note 15)	Non-controlling interests	Total equity
At January 1, 2024	**357**	**2,702**	**14,896**	**3**	**17,958**
Net income	-	-	1,884	6	1,890
Other comprehensive income/(loss)	-	-	72	-	72
Total comprehensive income	-	-	1,956	6	1,962
Issuance of shares	3	119	-	-	122
Share buybacks	-	-	(502)	-	(502)
Cancellation of shares	(7)	(495)	502	-	-
Dividends and other appropriations	-	-	(964)	(2)	(966)
Share-based payments - current service cost	-	-	61	-	61
Sales of treasury shares	-	-	-	-	-
Other	-	-	(2)	2	-
At December 31, 2024	**353**	**2,326**	**15,946**	**9**	**18,634**
Net income	-	-	1,665	(1)	1,664
Other comprehensive income/(loss)	-	-	(700)	-	(700)
Total comprehensive income	-	-	965	(1)	964
Issuance of shares	2	86	-	-	89
Share buybacks	-	-	(668)	-	(668)
Cancellation of shares	(11)	(656)	668	-	-
Dividends and other appropriations	-	-	(977)	-	(977)
Share-based payments - current service cost	-	-	61	-	61
Sales of treasury shares	-	-	-	-	-
Other	-	(9)	(15)	(4)	(27)
AT DECEMBER 31, 2025	**344**	**1,747**	**15,981**	**4**	**18,076**

Consolidated statement of cash flows

(in € millions)	Note	2025	2024
Net income		1,664	1,890
Adjustments			
■ Cost of net debt	9	154	77
■ Other financial income and expenses	9	(35)	(19)
■ Net interest on employee benefit obligations	8.1	99	88
■ Income tax	11	594	555
■ Amortization and depreciation of intangible assets and PP&E	6.1	1,943	1,983
■ Other operating income and expenses	7.1	353	747
■ Share of loss/(profit) from equity-accounted companies	14	(109)	40
Segment EBITDA	2.6	4,663	5,361
Other operating income and expenses (cash) and changes in provisions	10	(473)	(246)
Interest and other financial income and expenses received and paid, net	10	(51)	(42)
Income tax paid	11	(593)	(806)
Change in working capital, net of impairment	10	273	69
Net cash from operating activities		**3,819**	**4,336**
Purchases of intangible assets and PP&E	10	(2,017)	(2,250)
Proceeds from sales of intangible assets and PP&E		137	35
Equity investments in consolidated companies, net of cash acquired		(58)	(7)
Disposals of equity investments in consolidated companies, net of cash sold		125	5
Purchases of equity instruments at fair value		(14)	(9)
Disposals of equity instruments at fair value		3	12
Cash flows relating to other financial assets	10	217	103
Net cash from/(used in) investing activities		**(1,607)**	**(2,111)**
Proceeds from issuance of shares	15	72	37
Dividends paid to the shareholders of the Company	15	(974)	(961)
Cash flows relating to financial liabilities	10	(637)	650
Share buybacks	15	(668)	(502)
Other		(38)	(18)
Net cash from/(used in) financing activities		**(2,245)**	**(794)**
Effect of changes in exchange rates		**(27)**	**(10)**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(59)**	**1,421**
Cash and cash equivalents at January 1		3,936	2,515
Cash and cash equivalents at December 31	9.2	3,877	3,936

Notes to the consolidated financial statements

DETAILED SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

Compagnie Générale des Établissements Michelin (CGEM or the "Company") and its subsidiaries (together "the Group") design, manufacture and market tires throughout the world. The Group also provides its customers with tire- and vehicle-related services and solutions, mobility experiences and expertise in Polymer Composite Solutions.

The Company is a partnership limited by shares (société en commandite par actions) incorporated in Clermont-Ferrand (France).

The Company is listed on Euronext Paris (Eurolist Compartment A).

After a review by the Supervisory Board, these consolidated financial statements were authorized for issue by the Managing Chairman on February 11, 2026.

Except as otherwise stated, all amounts are presented in millions of euros (€ millions). Amounts in the consolidated financial statements are rounded to the nearest million and include individually rounded amounts. Arithmetic calculations based on rounded amounts may differ from the reported totals and subtotals.

NOTE 2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements:

- have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union as of the reporting date and applicable to the period then ended;
- also comply with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB); and
- have been prepared using the historical cost convention, with the exception of unconsolidated equity investments and financial assets and liabilities (including derivatives), which are measured at fair value through profit and loss or other comprehensive income.

2.2 Accounting policies

The accounting policies applied in the preparation of the Group's consolidated financial statements are set out in the following notes. Aside from the exceptions described in section 2.3 below, these policies have been consistently applied to all the years presented.

2.3 New standards, amendments to existing standards and interpretations effective from January 1, 2025 in the European Union

The following new standards and amendments to IFRS are effective from January 1, 2025; they have no material impact for the Group:

Amendments to IAS 21 - Lack of Exchangeability

These amendments, published on August 15, 2023, specify how to assess whether a currency is exchangeable, how to determine the exchange rate for a currency that is not exchangeable, and the related disclosure requirements.

2.4 New standards, amendments to existing standards and interpretations that are not yet effective

The following new IFRS standards, amendments and interpretations, which were not applicable at December 31, 2025, are not expected to have a material impact on the consolidated financial statements at their application date:

Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments

These amendments, published on May 30, 2024, clarify the classification of financial assets with environmental, social and corporate governance (ESG) linked features. They also provide clarifications concerning the derecognition of liabilities settled through electronic payment systems.

Annual improvements - Volume 11

These amendments are applicable prospectively. They consist of narrow-scope amendments designed to clarify certain provisions of IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.

IFRS 18 - Presentation and Disclosure in Financial Statements

This standard, published on April 9, 2024, replaces the current IAS 1 - Presentation of Financial Statements and introduces consequential amendments to IAS 7 - Statement of Cash Flows. IFRS 18 sets out new principles on how items should be aggregated and disaggregated on the face of the primary financial statements and in the notes. The Group is currently assessing the anticipated impact of this new standard on its financial statements.

There are no other new standards, amendments or interpretations that have been published but are not yet effective which could have a material impact on the Group's financial statements.

2.5 Foreign currency

2.5.1 Presentation and functional currency

The financial statements of the Group entities are measured using their functional currency, which is the currency of the primary economic environment in which they operate and corresponds for most of them to their local currency.

The consolidated financial statements are presented in euros (presentation currency), which is the Company's functional currency.

2.5.2 Transactions

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the revaluation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Exchange differences on unconsolidated equity investments are included in other comprehensive income until the investment is sold.

2.5.3 Conversions

The financial statements of the Group entities whose functional currency is different from the Group's presentation currency are translated into euros as follows: assets and liabilities are translated at the closing rate at the date of the consolidated statement of financial position, income and expenses are translated at the average rate for the period (as it is considered a reasonable approximation to actual rates at the transaction date), and all resulting exchange differences are recognized in other comprehensive income.

Cash flows are also translated at the average rate for the period. When an entity is disposed of, the translation differences accumulated in other comprehensive income are recycled to the income statement as part of the gain or loss on disposal.

On the acquisition of an entity, goodwill and fair value adjustments recognized are treated as assets and liabilities of the acquired entity and translated at the spot rate on the transaction date.

2.5.4 Exchange rates of major currencies

	Closing rates		Average rates	
Against the euro (EUR):	**2025**	**2024**	**2025**	**2024**
US dollar (USD)	1.178	1.043	1.130	1.082
Canadian dollar (CAD)	1.612	1.501	1.578	1.482
Mexican peso (MXN)	21.162	21.248	21.670	19.705
Brazilian real (BRL)	6.562	6.463	6.308	5.802
Pound sterling (GBP)	0.871	0.829	0.857	0.847
Chinese yuan (CNY)	8.235	7.612	8.120	7.788
Indian rupee (INR)	105.888	89.122	98.389	90.558
Thai baht (THB)	37.116	35.433	37.129	38.152

2.6 Definition of certain indicators presented in the consolidated financial statements

2.6.1 Net debt

Net debt is made up of current and non-current financial liabilities (including lease liabilities), as they appear on the consolidated statement of financial position, less:

- cash and cash equivalents as they appear on the consolidated statement of financial position;
- derivative instruments included in "Current financial assets and Non-current financial assets" on the consolidated statement of financial position;
- cash management financial assets included in "Current financial assets" on the consolidated statement of financial position (these assets are highly liquid, little affected by interest rate risk and foreign currency risk); and
- borrowing collateral included in "Current financial assets and Non-current financial assets" on the consolidated statement of financial position.

2.6.2 Segment operating income

Segment operating income measures the performance of the operating segments and is one of the Group's management indicators.

2.6.3 Segment EBITDA

The Group defines Segment EBITDA as segment operating income less depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets allocated to segments.

2.7 Climate risk

Climate risk and the Group's stated ambitions in this area were taken into account for the preparation of the financial statements.

As part of its 2030 roadmap, the Group has identified four types of levers to reduce its Scope 1 and 2 carbon emissions: (i) energy efficiency, (ii) electrification of industrial processes, (iii) decarbonization of boilers, and (iv) purchase of renewable energy. A total of €86 million was invested in the transition plan to reduce Scope 1 and 2 carbon emissions in 2025 (2024: €107 million), with more than €300 million to be invested over the period covered by the strategic plan.

As part of the drive to reduce Scope 3 carbon emissions, the Group plans to introduce technologies to improve its products' rolling resistance. In 2025, €151 million was invested (2024: €119 million) , with over €600 million to be invested over the period covered by the strategic plan.

All of this expenditure has been taken into account in the cash flow forecasts used as a basis for impairment testing (note 12.1 "Goodwill"). Beyond the period covered by the strategic plan, the rate at which the programs are implemented will depend on the actual energy performance of the initial investments.

Concerning measures to adapt to climate change, the effects on cash flows beyond the period covered by the five-year strategic plan are difficult to predict. They could arise, for example, from business interruption at sites exposed to natural disasters, or from regulatory compliance costs in certain countries (taxes or other) designed to encourage the energy transition. Given the difficulty of preparing reliable cash flow projections taking these risks into account, a simulated impairment test was carried out, limiting estimates of future cash flows to the next 20 years based on constant cash flows after the fifth year (note 12.1).

Also regarding measures to adapt to climate change, in 2024 and 2025 the Group carried out analyses to assess the exposure of its manufacturing sites and office facilities to future climate conditions (intense heat, floods, etc.), and subsequently developed methods for quantitatively assessing site vulnerability and identifying any necessary adaptation measures. In the period up to 2030, the necessary adaptation measures identified will be gradually incorporated into the Group's capex plans and operating costs.

Additional costs of regulatory compliance are taken into account in the future cash flows used as a basis for impairment testing (note 12.1), to the extent that the regulations affecting the cash flows are known. This mainly concerns the CO_2 emission allowances to be acquired by the Group in compliance with European Union regulations (Emissions Trading Scheme - ETS).

Emissions from sites that fall under the requirements of the ETS represent around one-fifth of the Group's Scope 1 and 2 emissions (market-based calculation). The accounting policies applied to ETS emission allowances are described in note 12, and the balance sheet amounts at the reporting date are shown in note 12.1.

The interest rate on the Group's €2,500 million syndicated line of credit (2024: €2,500 million, see note 17.2) depends on its performance in relation to its environmental and employee-related objectives (CO_2 emissions, an industrial environmental performance indicator and the employee engagement rate across the Group).

2.8 Critical accounting estimates and judgments

The preparation of the consolidated financial statements in accordance with IFRS requires that management uses assumptions and estimates to calculate the value of assets and liabilities at the date of the consolidated statement of financial position and the amount of income and expenses for the reporting period. Actual results could differ from those estimates.

The main sources of uncertainty relating to key assumptions and judgments concern impairment of non-financial assets, employee benefit obligations, income taxes, goodwill, intangible assets acquired in business combinations as well as the assets' estimated useful lives, the definition of the enforceable period of a lease and the effect on revenue recognition of deferred customer discounts.

2.8.1 Impairment of non-financial assets

The cash generating units' (CGU) future cash flows used to calculate value in use are derived mainly from forecasts set out in the Group's five-year business plan. The forecasts are prepared by the Business Departments and Lines based on the strategic objectives validated by the Managers. The process requires using critical estimates and judgments, especially to determine market trends, raw material costs and pricing policies. The estimates for the 2025 impairment tests were established in an unsettled economic and geopolitical environment, characterized in particular by international trade tensions. Consequently, actual cash flows may differ from the estimates used to calculate the CGUs' value in use (see in particular the comments in note 2.7 concerning the recognition of climate risk). Quantitative information is provided in note 12.

2.8.2 Employee benefit obligations

The Group uses defined contribution plans which generally require, on top of the portion financed by the Group, a contribution from each salaried employee, defined as a percentage of their compensation.

Some subsidiaries also recognize liabilities for pension plans, jubilees and other post-employment benefits linked to rights acquired by the employees through plans specific to these subsidiaries or resulting from certain legal obligations.

The valuation of these benefits is carried out annually with the assistance of independent actuaries. The actuarial method used is the projected unit credit method.

In accordance with this method, statistical information and various assumptions are used in calculating the expenses, liabilities and assets related to the benefit plans. Assumptions mainly include the discount rate, the inflation rate, the long-term salary increase rate and the expected rate of growth in future medical costs. Statistical information is mainly related to demographic assumptions such as mortality, employee turnover, disability and retirement age.

Assumptions and statistical information are determined based on internal guidelines, in consultation with the actuaries.

Discount rates are determined with the assistance of independent actuaries based on the same maturities as the liabilities.

The rate of salary increases is determined by each country based on a long-term salary policy and takes into consideration all of the relevant factors including market practices, as well as career development, promotion and seniority, among other inputs.

The inflation rates, calculated over standard durations, are determined using several methods:

- by using actuarial models based on target rates published by Central Banks, forecasts from Consensus Economics and inflation swap curves;
- by taking the spread between inflation-linked bonds and conventional securities. The rates are then adjusted with a spread which represents the liquidity and risk premium embedded in the inflation-linked bonds;
- based on historical averages.

The other assumptions (retirement age, employee turnover, healthcare cost trend, mortality and disability) reflect the demographic and economic situation of the countries and subsidiaries in which the plans are in force.

The actual data (such as inflation, mortality and real return on assets) may differ from the long-term actuarial assumptions used. The resulting difference is recognized as a gain or loss in other comprehensive income.

Quantitative information is provided in note 8.

2.8.3 Income tax

Judgments and estimates are required to determine the amount of the deferred tax assets resulting from tax loss carryforwards or deductible temporary differences.

The expected reversal of tax losses is based on the forecast of future results validated by the local management and reviewed by the Group Tax and Accounting Departments. Analyses are also performed in order to ensure the consistency of the forecasts with the Group's strategic plans validated by management. Analyses to support the deferred tax positions are performed periodically, at a date as close as possible to the reporting date.

The period over which tax loss carryforwards are reversed is based on a reasonable time horizon, taking into account the specific circumstances of each Group company, such as:

- the origin of the historical tax losses (generally exceptional and non-recurrent: restructuring, significant increases in production capacity...);
- forecast future results;
- confirmed reorganization projects that will eliminate sources of losses;
- the time limit for recovering historical tax losses; and
- the maximum utilization rate of tax loss carryforwards in a given year.

Quantitative information is provided in note 11.

The companies that make up the Group operate in different, and sometimes uncertain, legal and regulatory environments, including tax environments. They may be involved, in the normal course of business, in various types of litigation, disputes or other proceedings.

Each of the known disputes or ongoing proceedings in which the Group or one of the Group companies is involved was examined at the reporting date, where appropriate with the assistance of external consultants, and provisions have, if necessary, been booked to cover the estimated risks.

2.8.4 Goodwill, intangible assets acquired in business combinations and their estimated remaining useful life

As part of its acquisitions, the Group identifies, measures and recognizes intangible assets (trademarks and customer relationships, for example) and determines their residual useful lives. The difference between the fair value of assets acquired and liabilities assumed, on the one hand, and the consideration transferred, on the other, represents goodwill, which is allocated to the CGUs or to the groups of CGUs benefiting from the synergies expected from the business combination. In order to perform the purchase price allocation, the Group takes into account the various strategic and operational objectives underlying the acquisition and relies on the expertise of valuation firms.

The value of assets and liabilities recognized on business combinations may be impacted in the future if judgments, estimates and key assumptions made at the time of the acquisition, such as revenue growth rate, operating margin or discount rates, should differ from reality.

2.8.5 Enforceable period of a lease

When the Group enters into a lease, it determines the enforceable period by taking into account all the economic facts and circumstances, as well as the options to extend and terminate the lease. This information is used to determine the most economically relevant end date for the lease.

For certain categories of leased assets (mainly vehicles), the Group considers that there is no reasonably certain extension option. Consequently, the duration is selected to coincide with the initial term of the lease. For real estate leases, the Group defines the reasonable end date of the lease, based on the enforceable period, in line with the asset's expected period of use. Accordingly, for leases with a residual term of more than ten years, the first enforceable exit option is chosen unless specific information and economic circumstances lead the Group to define a longer period.

NOTE 3 HIGHLIGHTS

3.1 Share buyback programs

On February 12, 2024, as part of its capital management policy, the Group announced the launch of a multi-year share buyback program representing a maximum amount of €1 billion over a three-year period from 2024 to 2026.

In connection with this program, in 2025 the Group therefore signed three agreements with investment service providers covering €665 million worth of share buybacks:

- an initial agreement on July 29, 2025 for €265 million. The agreement was executed in full during the year, with 8,600,106 shares bought back at an average price of €30.80 per share.
- two further agreements, on October 23, 2025 for an aggregate amount of €400 million. The agreements were executed in full during the year, with 14,318,467 shares bought back at an average price of €27.94 per share.

The 22,918,573 shares repurchased under these agreements were canceled on December 24, 2025.

3.2 TBC – Disposal of the Midas franchise business

On June 16, 2025, the TBC joint venture sold its Midas service business to Mavis. The transaction was carried out in the form of a share deal involving the sale of 100% of the shares in Midas International, which owns subsidiaries in the United States and Canada. TBC will continue to focus on growth and innovation in its wholesale and distribution businesses, as well as on expanding its Big O Tires franchise.

The sale gave rise to the recognition of a €358 million disposal gain in TBC's financial statements, of which the share attributable to the Group was €179 million, reported under “Share of profit/(loss) from equity-accounted companies”.

3.3 Symbio

Stellantis, joint-owner and main customer of the Symbio joint venture, announced on July 16, 2025 that it was terminating its fuel cell technology development program. This decision has irreversible financial and operational consequences for Symbio.

In light of this announcement, the Group recognized a €121 million impairment loss against its outstanding loans to Symbio and the financing commitments it had given alongside Forvia for the next three years. This impairment loss was recorded in “Share of profit/loss from equity-accounted companies”.

3.4 Closure of the Group’s plants in Querétaro, Mexico and Guarulhos, Brazil

On June 9, 2025, the Group informed its employees and customers, the local authorities and all other stakeholders that it was scaling down production at the Querétaro complex, with a view to closing the plant at the end of 2025. The decision to close this plant was made following a detailed review of its activities and was based on the fact that (i) demand for passenger car and light truck tires has evolved towards larger tires, which the Querétaro plant is unable to produce, and (ii) the plant has become economically and technologically obsolete and cannot be transformed into a competitive manufacturing facility meeting today's market requirements. The Group has committed to providing individual support for each of the plant's 480 employees.

On June 26, 2025, the Group announced the closure of its Guarulhos plant in the state of São Paulo, Brazil, which manufactured motorcycle and bicycle inner tubes as well as semi-finished products. This decision was made due to overcapacity in the local market. The Group has committed to providing individual support for each of the plant's 350 employees.

The costs related to the closure of the two sites and plant and equipment write-downs were recognized in the balance sheet under "Other operating income and expenses" in the amount of €58 million.

3.5 Divestment of bias tire and track activities for compact equipment intended for the construction market

On September 1, 2025, the Group completed the divestment of its bias tire and track activities for compact equipment intended for the construction market, which it had announced in December 2024. This sale to the CEAT Group related to two plants in Sri Lanka and the Camso brand (after three years of licensing). The Group intends to continue its radial tire production activities in Sri Lanka and to refocus its efforts on high-value segments of the market.

In the consolidated financial statements, this transaction resulted in a disposal gain of €11 million, recorded under "Other operating income and expenses".

NOTE 4 CHANGES IN THE SCOPE OF CONSOLIDATION

ACCOUNTING POLICIES

The Group's consolidated financial statements include all subsidiaries, joint ventures and associates of Compagnie Générale des Établissements Michelin.

The Group treats transactions with non-controlling interests, as long as they do not result in a change of control over the entities in question (no loss nor gain of control), as equity transactions having no impact on comprehensive income. Expenses relating to these transactions are directly accounted for in equity. At the date the Group gains control of an entity, the carrying amount of previously held non-controlling interests, if any, is adjusted to fair value and the difference is recognized in the income statement. All other related items previously recognized in other comprehensive income are reclassified to the income statement. When the Group loses control over an entity but keeps some non-controlling interests in the entity, the transaction is analyzed as an exchange, i.e., the disposal of a controlling interest and the acquisition of a non-controlling interest.

Shareholdings in companies which are not subsidiaries, joint ventures or associates are not consolidated. They are accounted for as non-derivative financial assets (note 9.4).

Subsidiaries

The Group controls an entity when it has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intercompany transactions and balances, as well as unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless an impairment loss on the transferred asset arises on the transaction.

Group accounting policies are applied consistently by all subsidiaries.

Joint ventures and associates

Joint ventures are joint arrangements (arrangements over which the Group has joint control with one or more other parties) in which the Group has rights to the net assets. Joint control is defined as the contractually agreed sharing of control over an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Associates are all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Generally, associates are entities in which the Group has a shareholding representing between 20% and 50% of the voting rights.

Investments in joint ventures and associates are initially recognized at their acquisition cost and are subsequently accounted for using the equity method. The Group's investments in joint ventures and associates include goodwill identified at the acquisition date and are presented net of any accumulated impairment losses.

4.1 Transactions in 2025

Apart from the transaction described in note 3 regarding Sri Lanka, there were no other significant changes in the scope of consolidation during the year.

During 2025, the Group completed several investments and acquisitions that were individually not material, representing a total investment of €51 million. The companies and controlling interests acquired contributed €29 million to consolidated sales and €2 million to segment operating income for the year.

4.2 Transactions in 2024

4.2.1 Flex Composite Group – Purchase price allocation completed in 2024

On September 26, 2023, the Group acquired all the outstanding shares of Flex Composite Group, Europe's leading manufacturer of high-tech fabrics and films, for an enterprise value of €700 million. This acquisition marks a significant step forward in developing the Group beyond mobility and positioning it as a player in polymer composite solutions.

Following this final allocation, goodwill of €327 million was recognized at December 31, 2024, as shown in the following table:

(in € millions)	**At the acquisition date**
Fair value of consideration transferred	554
Consolidated net assets	22
Fair value of net assets acquired	(249)
of which customer relationships	*(310)*
of which trademarks	*(39)*
of which deferred tax liabilities	*100*
FINAL GOODWILL	**327**

Acquired trademarks and customer relationships are amortized over periods ranging from 10 to 20 years.

4.2.2 Other transactions

On October 10, 2024, the Group sold its stake in AddUp, and in 2024, the Group's equity-accounted share of the joint venture's loss amounted to €35 million including the disposal loss.

NOTE 5 SEGMENT REPORTING

5.1 Financial information by reporting segment

ACCOUNTING POLICIES

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Managers.

The Managers regularly examine segment operating income to assess segment performance and have therefore been identified as the chief operating decision makers of the Group.

Segment information is presented according to the following three operating segments:

- Automotive, Two-wheel and related distribution;
- Road transportation and related distribution;
- Specialty businesses and related distribution.

The specialty businesses and related distribution segment combines the specialty tires (Mining, Beyond-road and Aircraft tires) and Polymer Composite Solutions segments (formerly High-Tech Materials). These businesses have been combined in a single segment in recognition of their similar economic characteristics and shared qualitative criteria.

Operating segment performance is measured primarily on the basis of sales and segment operating income, according to the same measurement principles used in the consolidated income statement.

Segment assets consist of property, plant and equipment, right-of-use assets, goodwill, other intangible assets, finished product inventories and trade receivables. Corporate intangible assets and property, plant and equipment are allocated to each segment in proportion to the amount of their directly attributed assets. The amounts provided to the Group's management in respect of operating segment assets are measured in a manner consistent with the consolidated financial statements. Capital expenditure consists of additions of property, plant and equipment and intangible assets.

No liabilities are allocated to the segments in the internal reports provided to the Group's Managers.

Segment information is as follows:

	2025				2024			
(in € millions)	**Automotive, Two-wheel and related distribution**	**Road transportation and related distribution**	**Specialty businesses and related distribution**	**Total**	**Automotive, Two-wheel and related distribution**	**Road transportation and related distribution**	**Specialty businesses and related distribution**	**Total**
PROFIT AND LOSS INFORMATION								
Sales	14,306	6,023	5,663	25,992	14,667	6,599	5,927	27,193
Depreciation and amortization	1,072	469	402	1,943	1,078	482	423	1,983
Segment operating income	1,677	280	762	2,719	1,917	597	864	3,378
As a percentage of sales	*11.7%*	*4.6%*	*13.5%*	*10.5%*	*13.1%*	*9.0%*	*14.6%*	*12.4%*
SEGMENT ASSETS								
Goodwill, other intangible assets, PP&E and right-of-use assets	8,680	3,682	5,451	17,813	9,040	3,852	6,040	18,932
Finished product inventories	1,558	735	855	3,148	1,761	829	907	3,497
Trade receivables	1,755	919	785	3,459	1,848	992	755	3,595
Segment assets	**11,993**	**5,336**	**7,091**	**24,420**	**12,649**	**5,673**	**7,702**	**26,024**
OTHER INFORMATION								
Capital expenditure	1,160	469	339	1,967	1,294	535	353	2,182

Segment reporting assets are reconciled to total Group assets as follows:

(in € millions)	December 31, 2025	December 31, 2024
Segment assets	**24,420**	**26,024**
Non-current financial assets and other non-current assets	1,032	1,151
Investments in equity-accounted companies	931	849
Deferred tax assets	971	1,081
Other net inventories (raw materials and supplies, work in progress)	1,945	2,202
Current financial assets	371	544
Other current assets	1,471	1,564
Cash and cash equivalents	3,877	3,936
TOTAL GROUP ASSETS	**35,018**	**37,352**

5.2 Sales by region

ACCOUNTING POLICIES

The sale of tires, in the original equipment or replacement market, constitutes the major part of Group income. In the replacement market, tires are sold to distributors (wholesalers, specialist dealers, etc.) who are customers of the Group. These distributors have the full and complete possibility to use the tires for their own benefit, or to market them, and in this case, to fix the resale price. Furthermore, they carry the inventory risk.

The terms of sale offered by Group companies, in line with normal market practice, vary according to the customer category and the country in which the sales are made. They provide however, that the payment for the goods sold will be made in a period appreciably less than one year and there is therefore no reason to adjust the amount of consideration received from customers to take into account the effects of a financing component.

Each delivery of tires, either in the original equipment market with car manufacturers or in the replacement market, represents a distinct and separate performance obligation to be fulfilled at a point in time and which corresponds to the loading of goods or their delivery, in accordance with the underlying contract.

The warranties offered to the buyers cover design or manufacturing defects, which may appear as irregular or excessive tire wear under normal conditions of use. These warranties, which do not provide the customer with any supplementary guarantee, apart from the fact that the tire is exempt from defects, continue to be accounted for in accordance with IAS 37 "Provisions, Contingent Liabilities, and Contingent Assets".

The Group agrees, under certain conditions, to give trade concessions or to reimburse unsatisfied customers. Occasionally and under special circumstances, it also grants the right to return products already sold. This right gives rise to the recognition of a liability and a reduction in income, as well as an asset representing the Group's right to recover the goods that customers will return. In addition, the amount that the Group effectively receives for the tires delivered, as well as the revenue from sales recognized in the income statement, can vary as a result of deferred rebates stipulated in contractual agreements and/or at the start of marketing campaigns, which will be paid to the customers at the end of the reference period and depending on the achievement of qualitative or quantitative objectives set for that period. Their value is determined using the expected value method. The Group relies on the analysis of historical data and its accumulated experience to estimate the probable amount of rebates and discounts to be given to customers. Income from ordinary activities is therefore recognized taking into account the uncertainty surrounding the different components of variable consideration and to the extent that it is highly probable that the outcome of this uncertainty will not give rise to a significant reduction in the amount of sales already recognized, once the uncertainty is resolved. The difference between the amounts invoiced to the customers and the level of income recorded from ordinary activities results in the recognition of a liability in respect of the future reimbursement under "Other current liabilities" in the consolidated statement of financial position.

The other sales categories essentially comprise the management of tires for commercial fleets and the supply of telematics services, where the main objective is greater fuel economy and fleet efficiency. The services supplied under these contracts consist of a single performance obligation satisfied over time for which the sales revenue is recognized according to the stage of completion, measured on the basis of the work performed and the costs incurred.

The Group may enter into multi-year agreements with customers, which include a commitment regarding its capacity to supply the products, in exchange for a specific amount of consideration. This is to be paid in advance of fulfillment of the obligations to supply the products, which will be spread over the duration of the contract. As such, this commitment is considered to be linked to the supply of the products and will be recognized as revenue as and when the supply obligations are fulfilled. When the payment is received, a contract liability is recognized and split between the line items "Provisions and other non-current liabilities" and "Provisions and other current liabilities" in the consolidated statement of financial position, depending on the date the performance obligations are fulfilled.

Information by region breaks down as follows:

	2025				2024			
(in € millions)	Europe	North America	Other	Total	Europe	North America	Other	Total
Sales	9,632	9,543	6,818	**25,992**	9,782	10,493	6,918	**27,193**

Europe includes the countries of Western and Central Europe and Central Asia. North America includes Mexico. Asian, South American, Middle-Eastern, Oceanic and African countries are included in Other.

The Group sales information is based on the location of the customer.

Sales generated in France amounted to €2,559 million in 2025 (2024: €2,572 million). Goodwill, intangible assets and PP&E located in France amounted to €2,809 million in 2025 (2024: €2,850 million).

Sales generated in the United States totaled €8,020 million in 2025 (2024: €8,827 million). Goodwill, intangible assets and PP&E located in the United States represented €3,475 million at December 31, 2025 (December 31, 2024: €3,897 million).

No single external customer accounted for 10% or more of the Group's sales in 2025 and 2024.

In 2025, 97.1% of consolidated sales were recognized when control of the goods or services was transferred to the customer (2024: 97.2%), representing a total of €25,244 million (2024: €26,431 million). They mainly include sales of tires for the original equipment market or the replacement market and sales of Fenner conveyor belts.

In 2025, the amount recognized in sales for performance obligations satisfied over time stood at €749 million, representing 2.9% of total sales for the year (2024: €762 million and 2.8%). This amount corresponds for the most part to revenue derived from commercial fleet tire management contracts and contracts for the supply of telematics services.

5.3 Other information by region

Information by region breaks down as follows:

(in € millions)	2025				2024			
Assets	Europe	North America	Other	Total	Europe	North America	Other	Total
Goodwill, other intangible assets, PP&E and right-of-use assets	8,119	5,371	4,323	**17,813**	8,062	6,096	4,774	**18,932**
Capital expenditure	1,015	531	422	**1,967**	1,110	629	443	**2,182**

NOTE 6 OPERATING ITEMS

6.1 Expenses by nature

ACCOUNTING POLICIES

Cost of sales

Cost of sales for the Group's manufacturing activities comprises the costs of manufacturing products and the cost of goods purchased for resale.

It includes the purchase cost of raw materials, production costs directly related to the manufactured products, customs duties and all production overheads, based on the normal capacity of manufacturing facilities.

Production overheads include depreciation of property, plant and equipment, amortization of intangible assets relating to production and write-downs of inventories.

Cost of sales also includes a relevant portion of general overheads to the extent that they are directly attributable to bringing the manufactured products to their present location and condition.

For non-manufacturing activities, especially customer services, cost of sales includes all the costs incurred to produce, administer or execute a service delivered in the distribution network. Cost of sales for these activities mainly comprises employee benefits expense, depreciation of facilities and equipment, energy costs and the cost of acquiring and processing the data needed to produce the service.

Research and development expenses

Research costs cannot be capitalized. Development costs are capitalized as intangible assets when the conditions relating to the commercial and technical feasibility of the project, the ability to allocate the costs reliably and the probability of generating future economic benefits are fulfilled.

Development costs are reviewed annually in order to determine whether the criteria for recognition as intangible assets are met.

The following segment operating costs are allocated by function to the appropriate expense headings in the income statement:

(in € millions)	2025	2024
Raw materials and consumables used and changes in finished product inventories	(9,461)	(9,468)
Employee benefit costs	(7,476)	(7,603)
Transportation of goods	(1,254)	(1,370)
Depreciation and amortization[(1)]	(1,943)	(1,983)
Other expenses	(3,139)	(3,390)
EXPENSES BY NATURE	**(23,273)**	**(23,814)**

(1) Excluding amortization of trademarks and customer relationships acquired through business combinations.

6.2 Segment other income and expenses

Segment other income and expenses are recognized in the income statement as follows:

(in € millions)	2025	2024
Share-based payments - current service cost (note 8)	(39)	(34)
Employee share ownership plan cost (note 8)	(36)	(68)
Other income/(expenses)	5	12
SEGMENT OTHER INCOME AND EXPENSES	**(70)**	**(90)**

6.3 Inventories

ACCOUNTING POLICIES

Inventories are carried at the lower of cost and net realizable value.

The cost of raw materials, supplies and purchased finished goods includes the purchase price and other costs directly attributable to the acquisition. The cost of work in progress and manufactured finished goods comprises direct labor costs, other direct costs and production overheads based on the normal capacity of production facilities. Borrowing costs are expensed as incurred. The measurement of inventories and cost of sales using the standard cost method put in place by the Group, taking variances into account, is close to what would be obtained using the actual cost method.

Net realizable value is the estimated selling price less the estimated costs of completion and sale.

An impairment loss is recognized when net realizable value is lower than cost and is reversed when it becomes apparent that the circumstances which previously caused inventories to be written down below cost no longer exist. Indications of impairment include physical damage, obsolescence, slow-moving items, and market changes.

Inventories include the following:

(in € millions)	December 31, 2025	December 31, 2024
Raw materials and work in progress	1,484	1,700
Supplies	514	584
Finished products	3,268	3,602
Total gross inventory	**5,266**	**5,886**
Impairment of raw materials and work in progress	(27)	(24)
Impairment of supplies	(26)	(58)
Impairment of finished products	(120)	(105)
Total impairment	**(173)**	**(187)**
NET INVENTORIES	**5,093**	**5,699**

Changes in impairment losses on inventory are as follows:

(in € millions)	2025	2024
At January 1	**(187)**	**(148)**
Translation adjustments and other	11	(3)
Changes in scope of consolidation	(3)	-
Impairment of inventories recognized as an expense in the period	(97)	(101)
Impairment reversals	103	65
AT DECEMBER 31	**(173)**	**(187)**

6.4 Trade receivables

ACCOUNTING POLICIES

Trade receivables are initially recognized at the amount unconditionally due by the customer. The Group manages its trade receivables in order to collect the contractual cash flows and measures its receivables at amortized cost, according to the effective interest rate method, after deduction of any impairment losses.

When payment terms are less than one year, the initial fair value and the subsequent amortized cost are equal to the nominal amount to the extent that the receivable does not include a significant financial component.

The Group applies the simplified approach provided under IFRS 9, which consists of calculating the expected credit loss over the life of the trade receivable. This model makes it possible to determine a credit loss expected at maturity for all trade receivables, as soon as they are recognized.

Expected credit losses are based on customer payment patterns that have been observed over 36 months, and trade credit losses historically recorded during this period.

An impairment loss is also recognized whenever there are objective indications that the Group will not be able to recover all amounts due under the terms of the original transaction. Bankruptcies, the use of legal procedures to protect against creditors, cases of known insolvency or disappearance of the debtor, late payments of more than six months, economic or political risks in the country of residence of the debtor, as well as the deterioration of the latter's solvency are all indicators that suggest that a trade receivable must be impaired. The amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash inflows at the initial effective interest rate. Before recognizing an impairment loss, the quality of the guarantees potentially obtained must be assessed, as well as the capacity to implement them. The impairment loss is recognized in "Sales and marketing expenses".

When the receivable is irrecoverable, it is canceled by offsetting it against the previously recognized impairment loss. Any subsequent cash inflows corresponding to previously derecognized receivables are recorded by reducing "Sales and marketing expenses" in the income statement.

The carrying amount of trade receivables is analyzed in the table below:

(in € millions)	**December 31, 2025**	**December 31, 2024**
Gross trade receivables	3,553	3,689
Impairment	(94)	(94)
TRADE RECEIVABLES	**3,459**	**3,595**

All trade receivables are due within 12 months.

The following table presents an aging analysis of trade receivables at December 31, 2025:

(in € millions)	**Gross**	**Impairment**	**Net**
Trade receivables not yet due	**3,191**	**(17)**	**3,174**
Overdue			
▪ from less than three months	252	(3)	**249**
▪ between three and six months	35	(5)	**30**
▪ from more than six months	75	(69)	**6**
Overdue trade receivables	**362**	**(77)**	**285**
TRADE RECEIVABLES	**3,553**	**(94)**	**3,459**

Movements in impairment are analyzed in the table below:

(in € millions)	2025	2024
At January 1	**(94)**	**(89)**
Translation adjustments and other	3	(1)
Changes in scope of consolidation	-	(2)
Impairment of inventories recognized as an expense in the period	(63)	(42)
Impairment reversals	59	40
AT DECEMBER 31	**(94)**	**(94)**

Reversals of impairment provisions include receivables written off for €27 million (2024: €15 million).

6.5 Trade payables

ACCOUNTING POLICIES

Trade payables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method.

Financing agreements with suppliers (reverse factoring)

The Group has put in place paying agent agreements with several financial institutions. Under these agreements, the financial institution acts as a paying agent with respect to invoices due to suppliers who have entered into a bilateral agreement with the financial institution in order to be in position to factor their trade receivables from the Group.

The agreements' classification in trade payables is supported by a multi-criteria analysis. In particular:

- the factoring transaction is completely independent from the commercial relationship;
- the supplier has full discretion to decide - on a case-by-case basis - whether to factor its receivables;
- the initial payment terms are unchanged, with the date of payment to the supplier or the bank, whichever is the case, corresponding to the payment date indicated on the invoice;
- the Group is not affected by the factoring cost because the discount is borne by the supplier and is paid directly to the bank.

Trade payables concerned by the program are presented separately in the consolidated statement of financial position under "Trade payables covered by reverse factoring contracts". In the consolidated statement of cash flows, these transactions are included in cash flows from operating or investing activities (note 10).

Trade payables are analyzed in the following tables:

(in € millions)	December 31, 2025	December 31, 2024
Trade payables	2,811	3,086
Trade payables under reverse factoring agreements	536	689
TRADE PAYABLES	**3,347**	**3,775**

Trade payables under reverse factoring agreements amounted to €536 million at December 31, 2025.

The Group has two reverse factoring programs:

- The Bib Factor program available to all suppliers in 13 countries on three continents. The reverse factoring debt under this program amounted to €334 million at December 31, 2025, of which €195 million had already been paid to suppliers by the member financial institutions. The payment ranges granted to these suppliers vary widely according to their nature and local regulations in the countries concerned;
- Specific program for rubber suppliers in Indonesia. The reverse factoring debt under this program amounted to €202 million at December 31, 2025, of which €154 million had already been paid to suppliers by the member financial institutions.

The payment ranges granted to these suppliers are equivalent to those granted to comparable suppliers that are not members of the program.

NOTE 7 OTHER OPERATING ITEMS

7.1 Other operating income and expenses

ACCOUNTING POLICIES

Other operating income and expenses records items that are not taken into account by management when measuring the performance of the operating segments due to their nature or their significant, unusual or abnormal characteristics. They include, in particular, the costs related to the reorganization and adaptation of activities and those related to major litigation (and the adjustments in the corresponding provisions), as well as impairment of goodwill and acquisition-related costs. The amortization of trademarks and customer relationships recognized as part of a business combination is also included in "Other operating income and expenses". They also include gains and losses on disposals and changes in impairment of property, plant and equipment and intangible assets, acquisition price adjustments, as well as gains and losses related to post-employment benefit plan amendments, curtailments or settlements.

Other operating income and expenses are detailed in the table below:

(in € millions)	2025	2024
Amortization of acquired trademarks and customer relationships	(93)	(102)
Reorganizations and adaptation of activities	(155)	(382)
Impairment of non-current assets	(103)	(174)
Employee benefit obligations	(16)	(19)
Other	13	(70)
OTHER OPERATING INCOME AND EXPENSES	**(353)**	**(747)**

7.1.1 Amortization of acquired trademarks and customer relationships

Amortization of intangible assets recognized in the course of a business combination amounted to €93 million in 2025 (2024: €102 million):

- €29 million related to amortization of brands or trademarks (2024: €33 million);
- €64 million related to amortization of customer relationships (2024: €69 million).

7.1.2 Reorganizations and adaptation of activities

The amount reported for reorganizations and adaptation of activities in 2025 mainly comprises:

- €55 million in closure costs for the Vannes and Cholet plants in France and the Ardmore plant in the United States;
- €32 million in closure costs for the Querétaro plant in Mexico (see note 3) and the Guarulhos plant in Brazil;
- The remainder of these costs corresponds to various provisions recognized to maintain the competitiveness of the Group's manufacturing and administrative activities in several countries.

The €382 million cost recorded in 2024 corresponded mainly to the recognition of provisions for closure costs for the Vannes and Cholet sites in France (€251 million), the costs of business adaptation projects in China and Poland (€34 million), and changes in the estimates of provisions linked to the closures announced in 2023 of sites in the United States and Germany (€38 million).

Impairment losses recognized on assets affected by reorganization projects are presented below.

7.1.3 Impairment of non-current assets

The impairment losses recognized in 2025 mainly related to plants undergoing restructuring in France, Mexico, Brazil and the United States.

The impairment losses recognized in 2024 mainly related to the restructuring of the Vannes and Cholet plants in France for €81 million and the adaptation of activities in China and Poland for €45 million.

7.1.4 Employee benefit obligations

No material events occurred in 2025 or 2024.

7.1.5 Other

No material events occurred in 2025 or 2024.

7.2 Other current assets

The carrying amount of other current assets is analyzed in the table below:

(in € millions)	December 31, 2025	December 31, 2024
Prepayments to suppliers	137	187
Income tax payable	407	408
Other taxes receivable	489	542
Other	439	428
Impairment	(1)	(1)
OTHER CURRENT ASSETS	**1,471**	**1,564**

Other taxes receivable mainly concern value-added tax.

7.3 Provisions and other current and non-current liabilities

ACCOUNTING POLICIES

Provisions

Provisions are recognized when a legal or constructive obligation has been incurred that will probably lead to an outflow of resources that can be reasonably estimated.

Provisions for reorganizations and adaptation of activities are recognized when the Group has a detailed formal plan that has been announced.

Provisions are recorded at the net present value of the estimated cash outflows.

	December 31, 2025			December 31, 2024		
(in € millions)	Non-current	Current	Total	Non-current	Current	Total
Provisions	527	433	**960**	749	440	**1,188**
Employee benefit obligations	20	858	**879**	23	834	**857**
Payroll tax liabilities	-	377	**377**	-	368	**368**
Customers - Deferred rebates and other liabilities	-	808	**808**	-	822	**822**
Income tax payable	-	205	**205**	-	247	**247**
Other taxes	-	286	**286**	-	300	**300**
Other	166	320	**485**	157	291	**448**
PROVISIONS AND OTHER LIABILITIES	**713**	**3,287**	**4,000**	**928**	**3,302**	**4,230**

7.3.1 Change in provisions

Changes in provisions during the period are presented below:

(in € millions)	Reorganizations and adaptation of activities	Litigation, warranties and other provisions	Total
At January 1, 2025	**806**	**382**	**1,188**
Additional provisions	164	275	439
Provisions utilized during the period	(376)	(188)	(564)
Unused provisions reversed during the period	(64)	(9)	(73)
Translation adjustments	(12)	(20)	(32)
Other effects	-	1	1
AT DECEMBER 31, 2025	**518**	**442**	**960**
Of which short-term portion	332	102	434

7.3.2 Reorganizations and adaptation of activities

At December 31, the remaining provisions for reorganizations and adaptation of activities relate to the following countries:

(in € millions)	December 31, 2025	December 31, 2024
France(1)	290	376
Germany(2)	123	286
United States(3)	52	84
Other countries	53	59
TOTAL	**518**	**805**

(1) The total includes the provision booked in 2024 for site closure costs at Vannes and Cholet, and the provisions set aside in 2022 for phase 3 of the simplification and competitiveness plan.
(2) The total includes the provision set aside in 2023 and 2024 in connection with the winding down of production at the Karlsruhe, Hamburg and Trier sites.
(3) The total includes the provision set aside in 2023 for the winding down of passenger car tire production at the Ardmore plant.

7.3.3 Provisions for claims and litigation, warranties and other provisions

Provisions at December 31 concern the following risks:

(in € millions)	December 31, 2025	December 31, 2024
Provisions for claims and litigation	72	54
Provisions for product warranties (note 5)	96	75
Provisions for product liability claims	86	75
Other provisions for contingencies	188	178
TOTAL	**442**	**382**

No individual provision has a material impact on the Group's financial position or profitability.

NOTE 8 WORKFORCE, COMPENSATION AND BENEFITS

Employee benefit costs are allocated by function to the appropriate expense headings in the income statement:

(in € millions)	2025	2024
Wages and salaries	(5,932)	(6,027)
Payroll taxes	(1,127)	(1,102)
Defined benefit plan costs	(99)	(103)
Defined contribution plan costs	(258)	(288)
Share-based payments - current service cost (note 15)	(75)	(102)
EMPLOYEE BENEFIT COSTS[1]	**(7,491)**	**(7,622)**

(1) Of which €7,476 million recognized in "Segment operating income" (note 6.1) and €16 million in "Other operating income and expenses" (note 7.1).

The average number of employees on payroll in 2025 was 126,376 (2024: 131,528).

8.1 Provisions for employee benefit obligations

ACCOUNTING POLICIES

Wages, salaries, social security contributions, payments to defined contribution plans, annual leave and sick leave payments, bonuses and non-monetary benefits are recognized in the year in which the associated services are rendered by the employees.

Where employee benefits, such as certain pension plans, other post-employment benefits and other long-term benefits, are provided by the Group, a liability or an asset and the related costs are recognized.

Pension and other post-employment benefits

Post-employment benefits are benefits payable after employment ceases. The Group provides retirement benefits for most of its employees, either directly or by contributing to independently administered funds. The benefits provided by the Group vary according to the legal, tax and economic situation in each country and are usually based on one or more factors such as employees' compensation, age and years of service. The obligations relate both to current retirees and to the entitlements of future retirees.

The Group provides post-employment benefits under defined contribution plans and defined benefit plans.

In the case of defined contribution plans, the Group pays fixed contributions to fund managers or insurance companies. Once the contributions have been paid, the Group has no legal or constructive obligation to make further contributions if the fund does not hold sufficient assets to pay the benefits expected by the beneficiaries.

The regular contributions are recognized as an expense for the year in which they are due and, as such, are included in cost of sales, sales and marketing expenses, research and development expenses or general and administrative expenses.

Group management policies regarding post-employment benefits have led to the transformation of defined benefit plans into defined contribution benefit plans since the early 2000s. Nevertheless, a significant portion of the post-employment benefit plans provided by the Group are still defined benefit plans. They are either externally funded plans (mainly pension plans), for which the plan assets are held separately in independently administered funds, or unfunded plans such as healthcare plans and end-of-service benefit plans.

Post-employment benefit obligations, and the related current service cost, are measured using the projected unit credit method.

A defined benefit plan is a plan that defines an amount of benefits that the Group is committed to pay to current and former employees.

All defined benefit plans are subject to actuarial valuations carried out annually for the largest plans and on a regular basis for other plans. These actuarial valuations are carried out with the help of independent actuaries. Actuarial assumptions, primarily discount rates, projected salary increase rates, inflation rates and expected growth in healthcare costs are incorporated into the actuarial valuations and reviewed annually.

The liabilities or assets recognized in the consolidated statement of financial position in respect of defined benefit plans correspond to the present value of the defined benefit obligation at the reporting date, less the fair value of plan assets. They take into account any unrecognized assets not available in the form of refunds or a reduction in future contributions.

The present value of the defined benefit obligation corresponds to the estimated future cash outflows, calculated using a discount rate established by reference to a market rate based on interest rates of high-quality corporate bonds that have maturities approximating the duration of the related post-employment benefit obligation.

A net asset is recognized only to the extent that it represents a future economic benefit that is actually available to the Group in the form of refunds from the plan or reductions in future contributions.

When a defined benefit plan is subject to a minimum funding requirement (MFR), the Group determines whether paying these contributions may give rise to a surplus in that defined benefit plan. To the extent that the surplus in the plan exceeds the available economic benefits, the Group immediately recognizes a decrease in the defined benefit asset or an increase in the defined benefit liability.

Actuarial gains and losses arising from experience, adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise.

Past service costs may arise when new defined benefit plans are set up, when changes to benefits payable under an existing defined benefit plan are introduced or when curtailments occur. They are recognized immediately in the income statement.

The Group's net benefit plan cost recognized in the income statement includes the current service cost for the period, curtailment and settlement gains and losses, past service cost, as well as actuarial gains and losses arising under other long-term benefit plans. Net interest on the net defined benefit liability (asset) is recognized outside operating income.

In accordance with the laws and regulations applicable in each country, and in application of its social responsibility policy, the Group takes part mainly in pension, death and disability, medical insurance and end-of-service benefit plans.

They are either defined benefit plans or defined contribution plans.

Since 2003, the Group has closed its defined benefit plans to new entrants and, in some cases, to future accruals, in order to reduce the risk on the Group's consolidated statement of financial position. New defined contribution plans have correspondingly been put in place or existing ones improved.

The Group has a governance body, the Global Employee Benefit Board, that monitors benefits. Its role is to define Group policies on employee benefits and ensure that local benefit programs comply with them (approval of amendments, introduction of new benefits, etc.). At the same time, it monitors asset returns and benchmarks, as well as the de-risking policies put in place by local boards or committees, and proposes an audit plan. The Committee is assisted by two teams, the Global Benefits Policy Team composed of members from the accounting, finance and human resources departments and the Global Benefits Investment Team composed of the chairs of the investment committees or Chief Investment Officers of the main funded pension plans and Group experts. In countries with substantial benefit obligations, a similar organization exists.

8.1.1 Defined benefit plans

The Group's defined benefit plans are retirement plans and retiree healthcare plans, the vast majority of which are now closed to new entrants, and in some cases to future accruals, as well as some minor plans such as long-service awards or end-of-service benefits.

Projected benefit obligations are measured with the assistance of independent actuaries who help the Group to determine demographic and financial assumptions according to a rigorous process.

The financial position of the main defined benefit plans is summarized below:

(in € millions)	Pension plans	Other plans	December 31, 2025	December 31, 2024
Present value of fully or partly funded obligations	4,347	14	4,361	4,927
Fair value of plan assets	(4,260)	(5)	(4,264)	(4,788)
Funded status deficit/(surplus)	**87**	**10**	**96**	**139**
Present value of unfunded obligations	909	1286	2,194	2,407
Unrecognized assets due to the effect of the asset ceiling	55	-	55	75
NET DEFINED BENEFIT OBLIGATION	**1,051**	**1,296**	**2,346**	**2,621**
Amounts recognized in the consolidated statement of financial position:				
▪ As assets in Non-current financial assets and other assets (note 9.4)	(94)	-	(94)	(109)
▪ Provisions for employee benefit obligations	1,145	1,296	2,440	2,730
NET LIABILITY	**1,051**	**1,296**	**2,346**	**2,621**

At December 31, 2025, the projected defined benefit obligation comprised €1,882 million for active members (current employees), €769 million for members who have deferred their vested benefits and €3,904 million for retired members (2024: respectively €2,092 million, €804 million and €4,438 million).

Most pension plans are vested plans.

Other plans, consisting mainly of end-of-service benefit plans and plans covering medical costs, are generally unvested.

The mortality tables used are official national tables that may be adapted to better reflect the populations concerned.

	December 31, 2025				December 31, 2024			
Main life expectancies by country	**United States**	**Canada**	**United Kingdom**	**Germany**	**United States**	**Canada**	**United Kingdom**	**Germany**
Life expectancy for males at 65 at the end of the reporting period	18.6	22.0	20.7	20.2	18.5	22.9	20.6	20.2
Life expectancy for males who will be 65 in 15 years' time	19.6	23.1	21.8	22.3	19.5	22.1	21.8	22.3
Life expectancy for females at 65 at the end of the reporting period	20.6	24.5	23.3	23.7	20.5	25.3	23.3	23.7
Life expectancy for females who will be 65 in 15 years' time	21.6	25.5	24.5	25.4	21.5	24.6	24.5	25.4

The movements in net defined benefit obligations recognized in the consolidated statement of financial position are shown below:

(in € millions)	2025			2024		
	Pension plans	Other plans	Total, defined benefit plans	Pension plans	Other plans	Total, defined benefit plans
AT JANUARY 1	**1,219**	**1,402**	**2,621**	**1,013**	**1,408**	**2,421**
Contributions paid to the funds	**(52)**	**(4)**	**(56)**	**(8)**	**(8)**	**(16)**
Benefits paid to the beneficiaries	**(54)**	**(85)**	**(139)**	**(42)**	**(66)**	**(108)**
Other movements	**11**	**(2)**	**9**	**-**	**(3)**	**(3)**
ITEMS RECOGNIZED IN OPERATING INCOME						
Current service cost	19	58	77	18	61	79
Actuarial (gains) or losses	-	9	9	-	3	3
Plan modifications, curtailments or settlements	2	(2)	-	(1)	(26)	(27)
Other items	14	-	14	19	-	19
Total recognized in operating income	**35**	**65**	**100**	**36**	**38**	**74**
ITEMS RECOGNIZED OUTSIDE OPERATING INCOME						
Net interest on employee benefit obligations	**44**	**55**	**99**	**32**	**52**	**84**
ITEMS RECOGNIZED IN OTHER COMPREHENSIVE INCOME						
Translation adjustments	**(29)**	**(57)**	**(86)**	**8**	**23**	**31**
Actuarial (gains) or losses						
■ *Due to changes in demographic assumptions:*						
– Due to changes in assumptions	(21)	(24)	(45)	(11)	(3)	(14)
– Due to experience adjustments	(2)	10	8	5	(1)	4
■ *Due to changes in financial assumptions*:						
– Due to changes in assumptions	(60)	(53)	(113)	(295)	(46)	(341)
– Due to experience adjustments	(22)	(11)	(33)	484	11	495
Total actuarial (gains) or losses	**(106)**	**(78)**	**(184)**	**183**	**(39)**	**144**
Unrecognized assets due to the effect of the asset ceiling	**(18)**	**-**	**(18)**	**(3)**	**(3)**	**(6)**
AT DECEMBER 31	**1,051**	**1,296**	**2,346**	**1,219**	**1,402**	**2,621**

The Group's main pension plans are as follows:

United States

The defined benefit plan in the United States is the Michelin Retirement Plan (MRP).

The plan was closed to new entrants as of January 1, 2004. Accruals were frozen under the plan as of December 31, 2016. All employees are enrolled in a defined contribution plan.

The plan provides for a guaranteed monthly annuity at retirement based on a set formula that takes into consideration the years of plan membership and average pensionable earnings. Only employees who have voluntarily joined the defined contribution plan may receive a lump sum payment.

The plan includes a cost-of-living adjustment clause applicable to the pensions of employees hired before January 1, 1991.

The plan is funded solely by employer contributions.

Canada

There is one major defined benefit plan in Canada, the Pension Plan for the Employees of Michelin North America (Canada) Inc. and Participating Employers (MR Plan).

The MR Plan was closed to new entrants as from January 1, 2005. Accruals for most of the participants were frozen under the plan as of December 31, 2015. All employees are enrolled in a defined contribution plan.

The plan provides a guaranteed monthly annuity at retirement based on a defined formula that takes into consideration the years of plan membership and total pensionable recurring earnings.

The plan includes an indexation clause applicable to the benefits, based on the increase in the Consumer Price Index less a deduction.

The plan is funded solely by employer contributions.

United Kingdom

The defined benefit retirement plan in the UK is the Michelin Pension and Life Assurance Plan.

This plan was closed to new entrants as from March 31, 2005. It was closed to all future accruals as of January 1, 2009 and has been replaced by a defined contribution plan.

Accruals up to December 31, 2008 are frozen but pensions are still linked to the average final salary at retirement.

The amount of the annual pension is based on the employee's pensionable earnings. Most employees opt to receive the maximum amount allowed by tax legislation in the form of a lump sum.

The amount of the pension benefit is indexed to a capped inflation rate for members who did not choose the pension increase exchange option.

On September 20, 2024, a buy-in policy was purchased from an insurance company.

Germany

The main defined benefit retirement plan in Germany is the "Versorgungsordnung 1979" (VO 1979).

The plan was closed to new entrants as from January 1, 2000. Since this date, new entrants have been enrolled in defined contribution plans.

The plan provides for a lifetime monthly annuity which is based on the employee's pensionable earnings.

There is a legal obligation to adjust the pension annuity every three years for inflation up to the average increase in the employees' salaries.

France

The main defined benefit pension plan is "Régime de retraite supplémentaire MFPM". Benefits are payable under this plan only if the beneficiary is still a Group employee or officer on retirement.

Benefits have been reduced gradually since January 1, 2013. In accordance with government order 201-697 dated July 3, 2019, this plan was closed to new members on July 3, 2019 and the vesting period was frozen at December 31, 2019. The plan has now been replaced by defined contribution plans.

The Group's other main defined benefit plans are as follows:

United States

Some retirees and their dependents are also covered by medical insurance.

For the most part, the retirees concerned were hired before January 1, 2004. This plan is not pre-funded.

Canada

Some retirees and their dependents are also covered by medical insurance.

This plan has been closed to new entrants since January 1, 2005 and is not funded.

France

The main plan is a mandatory rubber division end-of-service benefit plan. The plan provides for the payment of a lump sum to employees who are present at their retirement date. The normal retirement age is set at 65. The amount of the lump sum corresponds to a number of months of salary based on years of service at the time of retirement. This plan is not pre-funded.

The following table analyzes changes in the financial position of the Group's defined benefit plans:

	2025					2024				
	Pension plans					Pension plans				
(in € millions)	United Kingdom (UK)	Europe excluding UK	North America and Other	Other defined benefit plans	Total	United Kingdom (UK)	Europe excluding UK	North America and Other	Other defined benefit plans	Total
Obligations at the beginning of the year	**1,684**	**1,155**	**3,091**	**1,404**	**7,334**	**1,786**	**1,157**	**3,188**	**1,423**	**7,554**
Translation adjustments	(82)	1	(307)	(58)	**(446)**	80	-	114	23	**217**
Changes in scope of consolidation	-	1	-	(1)	**-**	-	-	-	-	**-**
Current service cost	-	16	3	58	**77**	-	16	2	61	**79**
Interest expense	86	36	146	55	**324**	83	36	150	52	**321**
Administrative costs and other	4	-	10	-	**14**	4	-	15	-	**19**
Plan modifications, curtailments or settlements	4	-	(2)	(2)	**-**	(1)	-	-	(26)	**(27)**
Benefits paid during the year	(125)	(60)	(312)	(87)	**(583)**	(121)	(44)	(267)	(90)	**(522)**
Other items	-	3	-	-	**3**	(1)	3	-	(3)	**(1)**
Actuarial (gains) or losses	(33)	(101)	36	(69)	**(167)**	(146)	(13)	(111)	(36)	**(306)**
Obligations at the end of the year (A)	**1,539**	**1,050**	**2,666**	**1,300**	**6,555**	**1,684**	**1,155**	**3,091**	**1,404**	**7,334**
Fair value of plan assets at the beginning of the year	**1,792**	**157**	**2,837**	**2**	**4,788**	**2,090**	**143**	**2,961**	**18**	**5,212**
Translation adjustments	(87)	1	(278)	-	**(364)**	90	-	94	-	**184**
Changes in scope of consolidation	-	-	-	-	**-**	-	-	-	-	**-**
Interest income	92	4	132	-	**229**	97	5	137	1	**240**
Contributions paid to the funds	-	7	45	4	**56**	-	7	1	8	**16**
Benefits paid by the plans	(125)	(9)	(310)	(2)	**(445)**	(121)	(5)	(263)	(25)	**(414)**
Other items	(10)	3	-	-	**(7)**	-	2	1	-	**3**
Actuarial (gains) or losses	(31)	(1)	40	-	**7**	(364)	5	(94)	-	**(453)**
Fair value of plan assets at the end of the year (B)	**1,632**	**161**	**2,467**	**4**	**4,264**	**1,792**	**157**	**2,837**	**2**	**4,788**
Deficit/(surplus) (A-B)	**(93)**	**889**	**199**	**1,296**	**2,291**	**(108)**	**998**	**254**	**1,402**	**2,546**
Deferred items at the beginning of the year	-	-	(75)	-	**(75)**	-	-	(76)	(3)	**(79)**
Translation adjustments	-	-	5	-	**5**	-	-	2	-	**2**
Unrecognized assets	-	-	15	-	**15**	-	-	(1)	3	**2**
Deferred items at the end of the year	**-**	**-**	**(55)**	**-**	**(55)**	**-**	**-**	**(75)**	**-**	**(75)**
NET LIABILITY/(ASSET) AT THE END OF THE YEAR	**(93)**	**889**	**254**	**1,296**	**2,346**	**(108)**	**998**	**329**	**1,402**	**2,621**

On September 20, 2024, the liabilities of the Michelin Pension and Life Assurance Plan in the United Kingdom were transferred to an insurance company under a buy-in policy, leading to the recognition of a loss of €170 million in other comprehensive income in 2024.

For Canadian pension plans, the Group does not have any rights to a refund of the plan surplus. The available economic benefits are measured as the present value of the future service cost.

These pension plans are subject to a minimum funding requirement. The surplus recognized as an asset is the sum of:

- any prepaid amount that would reduce the future minimum funding requirement; and
- the estimated future service cost in each period less the estimated minimum funding requirement contributions that would be required for future service.

Any amount exceeding this limit is immediately recognized within other comprehensive income.

In 2025, the amount recognized resulting from the effect of the asset ceiling was €20 million.

The main actuarial weighted average assumptions used to measure projected benefit obligations are as follows:

	December 31, 2025			December 31, 2024		
	United Kingdom (UK)	Europe excluding UK	North America	United Kingdom (UK)	Europe excluding UK	North America
Discount rate	5.45%	3.89%	5.06%	5.50%	3.33%	5.22%
Inflation rate	2.90%	1.94%	2.18%	3.25%	1.96%	2.18%
Rate of salary increases[(1)]	2.90%	3.02%	3.50%	3.25%	3.07%	3.50%
Weighted average duration of the defined benefit obligation	9.6	11.9	8.5	10.5	12.7	9.0

(1) North America: only the Canadian pension plan is concerned by this assumption, for a negligible group of members.

Assumptions concerning healthcare cost trends are as follows:

	December 31, 2025		December 31, 2024	
	United States	Canada	United States	Canada
Expected growth in healthcare costs in the first year	9.15%	5.30%	9.15%	5.12%
Minimum long-term rate of annual growth in healthcare costs	4.50%	4.05%	4.50%	4.05%
Year in which the minimum growth rate will be achieved	2035	2040	2034	2040

Regarding the sensitivity of the fair market value of plan assets due to interest rate movements, it is considered that the entire yield curve moves up or down by 0.5 point and that only the values of the bonds are impacted, with the values of all other assets remaining unchanged. The level of sensitivity indicated corresponds to the change in the total value of the portfolio due to the change in interest rates.

A 0.5-point change in these rates compared with those used for 2025, all else being equal, would have the following effect:

(in € millions)	0.5-point increase	0.5-point decrease
Change in consolidated statement of financial position		
Discount rate on the defined benefit obligation (DBO)	(301)	325
Inflation rate on the defined benefit obligation (DBO)	188	(178)
Salary increase rate on the defined benefit obligation (DBO)	73	(67)
Healthcare cost trend rate on the healthcare defined benefit obligation (DBO)	4	(4)
Interest rates on the fair market value of plan assets	(171)	182
Impact on consolidated income statement		
Discount rate on the aggregate of current service cost and interest cost on the obligation	11	(13)
Inflation rate on the aggregate of current service cost and interest cost on the obligation	12	(12)
Salary increase rate on the aggregate of current service cost and interest cost on the obligation	7	(6)
Healthcare cost trend rate on the aggregate of the current service cost and interest cost on the healthcare plan obligation	(1)	-

The asset allocation of fully and partly funded pension plans is as follows:

	December 31, 2025					December 31, 2024				
	Canada	United States	United Kingdom	Other	Total	Canada	United States	United Kingdom	Other	Total
Equities	3%	14%	-	-	**6%**	5%	12%	-	-	**6%**
Government bonds	63%	26%	1%	17%	**23%**	62%	25%	-	17%	**23%**
Investment-grade corporate bonds	12%	43%	-	-	**19%**	11%	46%	-	-	**20%**
Other bonds, credit and cash	12%	4%	-	4%	**4%**	13%	5%	-	2%	**5%**
Funds managed by insurance companies	-	-	91%	79%	**39%**	-	-	91%	81%	**37%**
Real assets	7%	6%	-	-	**4%**	7%	6%	-	-	**4%**
Alternatives	3%	7%	8%	-	**6%**	3%	5%	9%	-	**6%**
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Duration in years of bonds and cash	**10.7**	**11.6**	**N/A**	**10.9**	**11.3**	**10.9**	**11.4**	**N/A**	**11.2**	**11.2**

In the above allocation, "Equities" may include local and global listed equities and private equities; "Alternatives" may include hedge funds, mezzanine and distressed private debts; "Government bonds" may include government-like bonds as well as derivatives used to hedge interest rates and/or inflation; "Investment grade corporate bonds" correspond solely to those corporate bonds also used to hedge interest rates; "Other bonds, credit and cash" mainly includes high yield, senior private debt and cash; "Real assets" may include equity investments in real estate or infrastructure; "Funds managed by insurance companies" may include multi-employer funds. Each manager's assets are assigned in their entirety to one of the available categories which represents its main investment/mandate.

An internal group of experts, composed of the chairs or Chief Investment Officers of the main investment committees and Group specialists, has issued investment guidelines for the local investment committees presenting investment best practices. In particular, the guidelines state that direct investments should not be made in Michelin securities or properties used by the Group. Fund managers are not subject to such restrictions. The Group has not invested material amounts in its own securities. Michelin does not occupy or use any of the real estate assets included in the various portfolios. The Group is not in possession of comprehensive information on the underlying assets held in insurance funds or alternative investments.

In most countries assets are managed by local independent boards which are required under local pension laws. The boards are required by their bylaws as well as by law to act in the best interest of the fund and all relevant stakeholders, i.e., current and future beneficiaries as well as employers.

Asset allocation analyses are performed periodically, generally every three to five years, by an independent fiduciary body (Investment Board, Board of Trustees) based on recommendations made by independent advisors (actuaries, consultants, banks or investment management firms). The asset allocation takes into account the structure of employee-related liabilities and their terms. In the event of a sharp increase in the funding ratio, an asset allocation analysis should be performed to ensure the target allocation is still appropriate.

Government and investment-grade corporate bonds are used to hedge the interest rate risk as well as, in some cases, the credit spread and inflation risks. The larger plans also use completion managers to implement custom solutions in order to hedge key rates in accordance with the policy set by each pension fund. These assets are in the "Government bonds" category.

Foreign exchange risks may be hedged when the exposure to a foreign currency is considered to be non-negligible.

Group contributions to pension plans and benefit payments made by these plans in 2025 and to be made over the following ten years are as follows:

	Pension plans			Other plans			
(in € millions)	United Kingdom (UK)	Europe excluding UK	North America and Other[1]	United Kingdom (UK)	Europe excluding UK	North America and Other[1]	Group Total
CONTRIBUTIONS PAID AND BENEFITS PAID DIRECTLY BY THE GROUP							
2025	-	58	47	-	32	58	**195**
ESTIMATES OF CONTRIBUTIONS TO BE PAID AND BENEFITS TO BE PAID DIRECTLY BY THE GROUP							
2026	-	87	2	-	32	43	**164**
2027	-	79	19	-	22	43	**163**
2028	-	66	40	-	32	43	**181**
2029	-	71	39	-	45	41	**196**
2030	-	71	36	-	35	42	**184**
2031-2035	-	352	130	2	242	189	**915**

(1) Payments for "Other" are not material.

8.1.2 Defined contribution plans

Some companies support their employees in building up retirement savings through defined contribution plans.

In 2025, the contributions paid to defined contribution plans and expensed amounted to €258 million (2024: €288 million).

The main defined contribution plans are in the United States, France and Canada.

United States

The defined contribution plans in the United States include the Michelin Retirement Account Plan (MRAP) and various 401(k) plans. The 401(k) plans are voluntary and are funded by employee contributions with employer matching contributions.

Canada

The defined contribution plans in Canada include the Defined Contribution Plan for the Employees of Michelin North America (Canada) Inc. as well as a registered retirement savings plan (RRSP). The defined contribution plan is funded by employer contributions and optional employee contributions with employer matching.

United Kingdom

The main defined contribution pension plan in the United Kingdom is the Michelin Pension and Life Assurance Plan, DC Section.

The plan is funded by employee and employer contributions. Employees may also make optional contributions to the plan, which will be partly matched by the Group.

France

There are two defined contribution pension schemes in France for the majority of employees: PERO (former Article 83) and PERCOL (former PERCO). The PERO is a mandatory retirement savings plan that is funded by contributions from employees and the employer. The PERCOL is a voluntary retirement savings plan. Employee contributions to the plan are matched by capped employer contributions.

8.2 Share-based payments

ACCOUNTING POLICIES

Share grants and performance share plans

The Group may adopt plans to grant free shares of the Company to certain employees or to its Managers.

The grant date is the date when the Managing Chairman decides on the list of plan beneficiaries and the number of performance shares granted to them.

The fair value of the performance shares granted corresponds to the Company's share price on the grant date less:

- the present value of dividends that will not be received by the grantees during the vesting period;
- the value of the stock market performance condition on the grant date, which depends on the probability of the condition being fulfilled.

The number of shares that will ultimately be issued at the end of the vesting period depends on the extent to which the service conditions and any Group-related performance conditions are met.

The total benefit cost is based on the fair value of the performance shares and the estimated number of shares that will ultimately be issued. This cost is recognized over the vesting period and is recognized in “Segment other income and expenses”.

Employee share ownership plan

The Group may offer most of its employees the opportunity to participate in a share ownership plan allowing them to purchase Company shares.

These shares, which are subject to certain restrictions relating to their sale or transfer, may be purchased by the employees at a subscription price based on the Michelin share price, less a discount. The benefit granted to the employees equals the difference between the fair value of the shares acquired and the price paid by the employees, multiplied by the number of shares acquired.

It is expensed immediately by the Group, as no vesting period applies, and is recognized under "Employee benefit costs - share-based payments", within "Segment other income and expenses".

8.2.1 Share grants and performance share plans

Changes in the number of share grants and performance share rights are as follows:

	2025	2024
	Number of share grants or performance share rights outstanding	Number of share grants or performance share rights outstanding
At January 1	**8,858,553**	**7,303,830**
Granted	3,260,649	3,107,516
Forfeited	(868,912)	(621,054)
Shares delivered	(728,748)	(931,739)
AT DECEMBER 31	**10,521,542**	**8,858,553**

Excellence Plan

2025 Plan

In November 2025, 2,714,681 rights to performance shares were granted to Group employees and the Managers. The rights are subject to a four-year vesting period ending in November 2029 without any lock-up period. The shares will vest at the end of this period if the performance objectives are met (based on stock market performance, improvement in tire rolling resistance, the proportion of renewable and recycled materials, employee engagement rate, growth in revenue excluding tires and ROCE). The fair value of each performance share right is estimated at €18.52. This fair value is based on the share price at the grant date, less the present value of expected dividends that will not be received by grantees during the vesting period. The estimated value of the stock market performance condition is deducted from the grant-date fair value of the performance share rights based on the probability of this condition being met. The €36 million estimated total cost of the 2025 Excellence Plan will be recognized over the vesting period.

2024 Plan

In November 2024, 2,589,138 rights to performance shares were granted to Group employees and the Managers. The rights are subject to a four-year vesting period ending in November 2028 without any lock-up period. The shares will vest at the end of this period if the performance objectives are met (based on stock market performance, industrial environmental performance, employee engagement rate, growth in revenue excluding tires and ROCE). The fair value of each performance share right is estimated at €22.44. This fair value is based on the share price at the grant date, less the present value of expected dividends that will not be received by grantees during the vesting period. The estimated value of the stock market performance condition is deducted from the grant-date fair value of the performance share rights based on the probability of this condition being met. The €42 million estimated total cost of the 2024 Excellence Plan will be recognized over the vesting period.

The share grants and performance share plans have the following characteristics:

Grant date	Vesting date France	Vesting date Other countries	Fair value at grant date France	Fair value at grant date Other countries	December 31, 2025 Number of share grants or performance share rights outstanding	December 31, 2024 Number of share grants or performance share rights outstanding
2021	2025	2025	27.40	27.40	-	739,796
2022	2026	2026	16.14	16.14	1,090,125	1,816,589
2023	2027	2027	20.34	20.34	2,570,583	2,634,989
2023	2027	2027	24.48	24.48	543,165	559,663
2024	2028	2028	22.44	22.44	2,556,937	2,589,138
2024	2028	2028	25.64	25.64	500,083	518,378
2025	2029	2029	18.52	18.52	2,714,681	-
2025	2029	2029	24.09	24.09	545,968	-
NUMBER OF SHARE GRANTS OR PERFORMANCE SHARE RIGHTS OUTSTANDING					**10,521,542**	**8,858,553**

The expense recognized in 2025 for performance share plans amounts to €36 million (2024: €34 million). It is included in "Segment other income and expenses".

Recognition Plan

2025 Plan

In November 2025, the Group granted 545,968 free share rights to employees, with a four-year vesting period ending in November 2029 and no lock-up period. The shares will vest automatically at the end of the period provided that the employees concerned are still employed by the Group at that date. As the allocation per employee does not exceed 230 shares, the Group has not attached performance conditions to rights granted under the plan. The fair value of each free share right is estimated at €24.09. The €12 million estimated total cost of the Recognition Plan will be recognized over the vesting period.

2024 Plan

In November 2024, the Group granted 518,378 free share rights to employees, with a four-year vesting period ending in November 2028 and no lock-up period. The shares will vest automatically at the end of the period provided that the employees concerned are still employed by the Group at that date. As the allocation per employee does not exceed 250 shares, the Group has not attached performance conditions to rights granted under the plan. The fair value of each free share right is estimated at €25.64. The €13 million estimated total cost of the Recognition Plan will be recognized over the vesting period.

Employee share issues

2025 Plan

In 2025, the Group launched a share offer for all its employees located in countries where the legal and tax requirements were met. This share purchase plan (BiB'Action), carried out under the Company savings plan (Plan d'Épargne Groupe), is a standard plan allowing employees to invest in Michelin shares at a discounted price. The shares acquired by the employees participating in the plan cannot be sold or transferred during a five-year period. The purchase price was set at €22.19 per share, representing a 30% discount on the reference price of €31.69 corresponding to the average of the opening prices for Michelin shares over the 20 trading days preceding the pricing date. In addition, employee contributions were matched, with the Group contributing 15 shares for each of the first 55 shares purchased, thus increasing the number of shares received by participating employees. 4,039,620 shares were purchased under this plan or received matching contributions from the Group. The expense recognized in the consolidated income statement in relation to this plan amounted to €39 million.

2024 Plan

In 2024, the Group launched a share offer for all its employees located in countries where the legal and tax requirements were met. This share purchase plan (BiB'Action), carried out under the Company savings plan (Plan d'Épargne Groupe), is a standard plan allowing employees to invest in Michelin shares at a discounted price. The shares acquired by the employees participating in the plan cannot be sold or transferred during a five-year period. The purchase price was set at €28.08 per share, representing a 20% discount on the reference price of €35.11 corresponding to the average of the opening prices for Michelin shares over the 20 trading days preceding the pricing date. In addition, employee contributions were matched, with the Group contributing 30 shares for each of the first 65 shares purchased, thus increasing the number of shares received by participating employees. 4,334,410 shares were purchased under this plan or received matching contributions from the Group. The expense recognized in the consolidated income statement in relation to this plan amounted to €68 million.

NOTE 9 FINANCIAL ASSETS, LIABILITIES, INCOME AND EXPENSES

ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with initial maturities not exceeding three months. Term deposits maturing in more than three months, but with early withdrawal terms of less than three months with guaranteed capital and negligible withdrawal costs are also classified as cash and cash equivalents.

Non-derivative financial liabilities

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date.

Non-derivative financial liabilities are recognized initially at fair value, net of transaction costs, and subsequently at amortized cost. Any difference between the issue proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest method. To the extent that borrowings are hedged by qualifying fair value hedges, the carrying amount of the hedged item is adjusted for the change in fair value attributable to the risk being hedged.

Non-derivative financial assets

Asset categories

The Group classifies and measures its debt instruments in the following categories depending on their alignment with "Solely Payment of Principal and Interest" (SPPI) criteria and with its “Held to Collect” (HTC) business model:

- amortized cost: held to maturity financial assets in order to collect repayments from principal and interest;
- fair value through profit or loss: financial assets that do not meet the criteria to be classified as amortized costs (SPPI and HTC).

The Group measures all its unconsolidated equity investments at their fair value. The Group chooses to use the irrevocable option to record fair value adjustments in other comprehensive income and the realized gains or losses on disposal are not recycled in the income statement. The impairment losses recognized on equity investments are not shown separately from the other changes in fair value.

Initial recognition and derecognition

Purchases and sales of non-derivative financial assets are recognized on the trade-date, i.e., the date on which the Group commits to purchase or sell the asset. Non-derivative financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Non-derivative financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

Loans and receivables are measured at amortized cost using the effective interest rate method.

Financial assets at fair value are valued by direct reference to a price quoted in an active market or on the basis of market assumptions (note 17.3). Gains and losses, realized or unrealized, arising from changes in the fair value of financial assets at fair value through profit or loss are recognized immediately in other financial income and expenses.

Gains and losses, realized or unrealized, arising from changes in the fair value of financial assets at fair value through comprehensive income are recorded in other comprehensive income and never impact the income statement.

Impairment

At each reporting date, the Group looks for any objective indication of impairment of financial assets recorded at amortized cost.

The model for calculating the expected credit loss is determined on the basis of the counterparty rating and the associated default probability. The impairment loss is calculated over a period of 12 months given the non-deterioration of the credit risk of the counterparties. It is recognized in the income statement.

When the credit risk of a financial asset at amortized cost increases significantly, the expected credit loss is calculated over the life of the asset.

If there is no longer a reasonable expectation to recover the value of a financial asset at amortized cost, the asset is derecognized from the consolidated statement of financial position and impacts the income statement.

9.1 Cost of net debt and other financial income and expenses

Cost of net debt and other financial income and expenses are broken down in the table below:

(in € millions)	2025	2024
Interest expense	(207)	(169)
Interest expense on lease liabilities	(53)	(49)
Interest income on cash, cash equivalents and cash management financial assets	104	141
Interest rate derivatives	2	(4)
Fees on credit lines	(5)	(6)
Capitalized borrowing costs	5	11
COST OF NET DEBT	**(154)**	**(77)**
Net income from financial assets (other than cash and cash equivalents and cash management financial assets)	44	67
Currency remeasurement (including currency derivatives)	-	(37)
Other	(9)	(11)
OTHER FINANCIAL INCOME AND EXPENSES	**35**	**19**

As shown in the table in note 17.2.3, most of the Group's borrowings are denominated in euros. Some of these borrowings are subsequently swapped into foreign currencies to finance the Group's subsidiaries, and derivatives are set up to manage the interest-rate risk on these currencies. The associated transformation costs are recognized in interest expense.

The cost of net debt amounted to €154 million in 2025, compared with €77 million in 2024. The year-on-year increase was due to a rise in the above-mentioned conversion costs, as well as lower market yields on investments.

The ineffectiveness recognized on derivatives qualifying as hedges, calculated as explained in note 17, is not material.

9.2 Cash and cash equivalents

The carrying amount of cash and cash equivalents is analyzed in the table below:

(in € millions)	December 31, 2025	December 31, 2024
Money-market funds	2,407	2,675
Bank deposits subject to up to a three-month notice period	1,176	1,047
Cash at bank and in hand	294	214
CASH AND CASH EQUIVALENTS	**3,877**	**3,936**

The average effective interest rate on cash and cash equivalents was 2.68% in 2025 (2024: 4.00%). Cash and cash equivalents are mainly held in euros (2025: 90%, and 2024: 93%).

Cash and cash equivalents include restricted cash of €195 million whose use is governed by prudential insurance regulations related to operations in Ireland (2024: €199 million).

9.3 Financial liabilities

The carrying amount of financial liabilities is presented in the table below:

(in € millions)	December 31, 2025	December 31, 2024
Bonds	4,822	4,838
Loans from financial institutions and other	206	59
Derivative instruments	21	37
Non-current financial liabilities excluding leases	**5,050**	**4,934**
Non-current lease liabilities	**726**	**872**
Bonds	-	749
Commercial paper	292	297
Loans from financial institutions and other	305	296
Derivative instruments	15	33
Current financial liabilities excluding leases	**612**	**1,375**
Current lease liabilities	**257**	**258**
FINANCIAL LIABILITIES	**6,645**	**7,438**

Group net debt is analyzed in the table below:

(in € millions)	December 31, 2025	December 31, 2024
Financial liabilities	6,645	7,438
Derivatives recognized as assets (note 17.1.1)	(124)	(60)
Borrowing collaterals (note 16.3)	(9)	(40)
Cash management financial assets	(290)	(290)
Cash and cash equivalents	(3,877)	(3,936)
NET DEBT	**2,345**	**3,112**

The fair value of non-current financial liabilities, calculated in accordance with the accounting policy described in note 17.3, is presented in the table below:

(in € millions)	December 31, 2025	December 31, 2024
Bonds	4,354	4,361
Loans from financial institutions and other	206	59
Lease liabilities	719	855
Derivative instruments	21	37
FAIR VALUE OF NON-CURRENT FINANCIAL LIABILITIES	**5,300**	**5,312**

Changes in financial liabilities and derivatives are detailed by flow in the table below:

(in € millions)	At January 1, 2025	Cash flows from financial liabilities	Non-cash movements: Conversions	Non-cash movements: Other	At December 31, 2025
Bonds, loans from financial institutions and other	4,897	155	(3)	(20)	5,029
Lease liabilities	872	-	(48)	(98)	726
Derivative instruments	37	(32)	-	16	21
Non-current financial liabilities	**5,806**	**123**	**(51)**	**(102)**	**5,776**
Bonds, loans from financial institutions and other	1,342	(400)	(340)	(5)	597
Lease liabilities	258	(280)	(14)	294	257
Derivative instruments	33	(20)	-	2	15
Current financial liabilities	**1,633**	**(699)**	**(355)**	**291**	**869**
TOTAL FINANCIAL LIABILITIES	**7,438**	**(576)**	**(405)**	**189**	**6,645**
Derivatives recognized as assets	(60)	(63)	1	(2)	(124)
Net impact in the consolidated statement of cash flows		**(639)**			

9.3.1 Bonds and commercial paper

The table below provides detailed information about the bonds and commercial paper issued by the Group:

(in € millions)	Issue date	Due date	Nominal value	Nominal interest rate	Effective interest rate	December 31, 2025 Current	December 31, 2025 Non-current	December 31, 2024 Current	December 31, 2024 Non-current
COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN									
Bonds	Sept. 2015 and Sept. 2016	Sept. 2045	302	3.25%	3.02% (2.62% after hedging[2])	-	306	-	313
Bonds	Oct. 2020	Nov. 2040	500	0.625%	0.68%	-	496	-	496
Bonds	August 2018	Sept. 2038	750	2.50%	2.56% (2.21% after hedging[2])	-	737	-	745
Bonds	May 2024	May 2036	500	3.375%	3.41% (3.16% after hedging[1][2])	-	494	-	497
Bonds	Oct. 2020	Nov. 2032	500	0.25%	0.32%	-	498	-	497
Bonds	May 2024	May 2031	500	3.125%	3.22% (3.12% after hedging[1][2])	-	495	-	495
Bonds	August 2018	Sept. 2030	1,000	1.75%	1.84% (2.00% after hedging[1])	-	996	-	995
Bonds	Oct. 2020	Nov. 2028	500	0.00%	0.06%	-	499	-	499
Bonds	May 2015	May 2027	300	1.75%	1.86% (1.80% after hedging[1])	-	300	-	299
Bonds	August 2018	Sept. 2025	750	0.88%	1.04% (1.17% after hedging[1])	-	-	749	-
Commercial paper in USD	NA	NA	€ equivalent: 42 (2024: 48)	NA	4.05% at December 31, 2025	292	-	297	-
Commercial paper in €	NA	NA	250 (2024: 250)	NA	2.06% at December 31, 2025				
ASM CLERMONT AUVERGNE									
Bonds	June 2008	June 2033	1.5	5.50%	5.50%	-	2	-	2
TOTAL						**292**	**4,822**	**1,046**	**4,838**

(1) Pre-hedged bond issues (see note 17.1.3)
(2) Bond issues covered by interest rate hedges (see note 17.1.3)

At December 31, 2025, the weighted average nominal interest rate for bonds and commercial paper was 1.85% (1.77% after hedging).

During the year, the Group redeemed the €750 million worth of notes issued in August 2018 that were due in September 2025.

9.3.2 Loans from financial institutions and other

Loans from financial institutions and other consist mainly of bank overdrafts and drawdowns on the Group's credit lines.

At December 31, 2025, loans from financial institutions totaled €512 million (2024: €354 million). Most of the loans were denominated in EUR, CNY and USD, and most were at variable interest rates.

The contractual re-pricing of the interest rates of these loans is generally less than six months.

9.4 Non-current financial assets and other non-current assets

The carrying amount of the non-current financial assets and other non-current assets is analyzed in the table below:

(in € millions)	December 31, 2025	December 31, 2024
Equity investments	373	373
Loans and deposits	233	356
Solesis preferred shares	261	282
Derivatives (note 17.1.1)	60	19
Pension plan surpluses (note 8.1.1)	94	109
Other	13	12
NON-CURRENT FINANCIAL ASSETS AND OTHER NON-CURRENT ASSETS	**1,032**	**1,151**

9.4.1 Equity investments

Unconsolidated equity investments consist primarily of a portfolio of shares in unlisted companies (note 17.3.1).

Movements in the portfolio during the year are presented in the table below:

(in € millions)	2025	2024
At January 1	**373**	**412**
Translation adjustments	(13)	7
Acquisitions	55	11
Disposals	(43)	(12)
Changes in scope of consolidation	(7)	(1)
Fair value changes	8	(44)
AT DECEMBER 31	**373**	**373**

9.4.2 Loans and deposits

The carrying amount of loans and deposits is analyzed in the table below:

(in € millions)	December 31, 2025	December 31, 2024
Gross loans and deposits	274	397
Impairment	(42)	(41)
TOTAL	**233**	**356**

Loans and deposits mainly include loans to companies accounted for by the equity method and various loans to customers, pension funds and employees.

The decrease in loans and deposits in 2025 primarily reflects the partial repayment a loan to the UK pension fund set up in 2023. The outstanding amount of this loan was €155 million at December 31, 2025.

9.5 Current financial assets

The carrying amount of current financial assets is analyzed in the table below:

(in € millions)	December 31, 2025	December 31, 2024
Loans and deposits	17	212
Cash management financial assets	290	290
Derivatives (note 17.1.1)	64	42
CURRENT FINANCIAL ASSETS	**371**	**544**

Although cash pool assets are highly liquid and their exposure to interest rate risk is very limited, they do not strictly fulfill the criteria for classification as cash and cash equivalents (note 9.2). They are measured at amortized cost.

Loans and deposits include collateral transferred to financial institutions in an amount of €9 million (2024: €40 million) that is not freely available (note 17.1).

NOTE 10 NOTES TO THE STATEMENT OF CASH FLOWS

Cash flows are presented in detail in the table below:

(in € millions)	2025	2024
Investment grants recognized in profit or loss	(18)	(14)
Change in employee benefit obligations	(108)	(40)
Change in litigation and other provisions	43	(29)
Restructuring costs	(430)	(246)
Other	41	83
Other operating income and expenses (cash) and changes in provisions	**(473)**	**(246)**
Interest and other financial expenses paid	(290)	(251)
Interest and other financial income received	126	185
Dividends received	113	24
Interest and other financial income and expenses received and paid, net	**(51)**	**(42)**
Change in inventories	253	(165)
Change in trade receivables and advances	(29)	236
Change in trade payables and advances	(25)	(6)
Change in trade payables under reverse factoring agreements	(95)	127
Change in other receivables and payables	168	(123)
Change in working capital, net of impairment	**273**	**69**
Purchases of intangible assets (note 12.1)	(254)	(278)
Purchases of PP&E (note 12.2)	(1,714)	(1,904)
Government grants received	15	12
Change in capital expenditure payables	(61)	(83)
Change in capital expenditure payables under reverse factoring agreements	(3)	3
Purchases of intangible assets and PP&E	**(2,017)**	**(2,250)**
Increase in other non-current financial assets	(25)	(45)
Decrease in other non-current financial assets	148	141
Net cash flows from cash management financial assets	-	(5)
Net cash flows from borrowing collaterals	31	3
Net cash flows from other current financial assets	63	9
Cash flows relating to other financial assets	**217**	**103**
Increase in non-current financial liabilities	165	1,002
Decrease in non-current financial liabilities	(10)	(24)
Repayment of lease liabilities	(280)	(270)
Net cash flows from current financial liabilities	(400)	(153)
Derivatives	(112)	95
Cash flows relating to financial liabilities	**(637)**	**650**
Details of non-cash transactions:		
▪ New leases (note 13)	213	414
▪ New emission allowances granted	7	9
▪ Change in payment commitments for non-consolidated equity investments	(6)	-

NOTE 11 TAXES

ACCOUNTING POLICIES

Current and deferred taxes, plus any withholding tax on royalties and on distributions of retained earnings within the Group, are recorded in the consolidated income statement except if they relate to items recognized either in other comprehensive income or directly in equity, in which case they are also recognized, respectively, in other comprehensive income or directly in equity.

Current tax is based on the results of Group companies and is calculated according to local rules, including any adjustments to tax payable in respect of previous years.

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements, using enacted or substantially enacted tax rates that are expected to prevail when the temporary differences reverse.

A deferred tax asset or liability is recognized on initial recognition of transactions arising from business combinations and impacting the accounting or taxable profit or loss.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the tax loss carryforwards and the temporary differences can be offset.

Deferred tax is calculated on temporary differences arising from investments in subsidiaries, joint ventures, and associates: deferred tax assets are recognized if the reversal is under the entity's control and is also probable. Deferred tax liabilities are recognized unless their reversal is controlled and not probable.

Tax positions are analyzed periodically and, if any positions are considered unlikely to be accepted by the tax authorities, a provision is booked for the most probable amount in order to cover the risk. Assets/liabilities resulting from uncertain tax treatments are included in current or deferred tax assets or liabilities in the consolidated statement of financial position.

11.1 Income tax expense

(in € millions)	2025	2024
Current tax expense	(546)	(753)
Deferred tax benefit/(expense)	(48)	198
INCOME TAX	**(594)**	**(555)**

Current tax includes €37 million of withholding tax on royalties and retained earnings distributed between Group companies (2024: €55 million).

The Group's tax proof is presented in the table below:

(in € millions)	2025	2024
Income before taxes	**2,258**	**2,445**
Tax calculated using domestic tax rates applicable to income in the respective countries	(424)	(510)
Tax effect of:		
▪ untaxed transactions	(46)	(67)
▪ deferred tax assets not recognized during the year	(21)	(20)
▪ net change in unrecognized deferred tax assets	4	36
▪ changes in tax rates	(22)	23
▪ taxes with no tax base (tax credits, withholding tax, etc.)	(51)	(34)
▪ Other items	(35)	19
INCOME TAX	**(594)**	**(555)**
Effective tax rate	*26.3%*	*22.7%*

The Group has operations in various countries that have different tax laws and rates. The weighted average domestic tax rate of Group companies may therefore vary from year to year depending on the relative size of taxable incomes.

In 2025, the effective tax rate stood at 26.3% (2024: 22.7%). The year-on-year increase in this rate was mainly attributable to a surtax in France for 2025 and the change in deferred taxes in Mexico. On December 14, 2022, the European Union adopted a directive implementing the OECD's Pillar Two reform. France voted for the transposition of this directive into domestic law as part of the Finance Bill for 2024. The Pillar Two rules therefore apply to all entities effectively controlled by Compagnie Générale des Établissements Michelin as of January 1, 2024. The impact of applying Pillar Two amounted to €8 million in 2025, versus €16 million in 2024.

The difference between effective tax rates and theoretical rates (18.8%) is particularly due to unrecognized deferred tax assets, withholding taxes, tax credits and other taxes not based on income.

The utilization of deferred tax assets is periodically reviewed at the tax entity level and may lead to the recognition of previously unrecognized deferred tax assets.

11.2 Deferred tax

Deferred taxes in the consolidated statement of financial position are as follows:

(in € millions)	December 31, 2025	December 31, 2024
Deferred tax assets	971	1,081
Deferred tax liabilities	(509)	(544)
NET DEFERRED TAX ASSET	**461**	**537**

Deferred tax assets and liabilities at the end of the period, before netting, are as follows:

(in € millions)	December 31, 2025	December 31, 2024
Employee benefit obligations	356	438
Inventories	142	137
Financial instruments	78	68
Provisions	83	84
Unused tax losses	224	304
Goodwill and intangible assets	(264)	(295)
Lease liabilities	168	188
Right-of-use assets	(153)	(172)
Property, plant and equipment	(388)	(439)
Other	215	226
NET DEFERRED TAX ASSET	**461**	**537**

Deferred tax assets have been recognized for tax loss carryforwards to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized, taking into account the restrictions applicable in local tax jurisdictions. The probability that unused tax losses will be utilized is assessed according to the entity and its taxable profit projections. These projections are prepared using assumptions that are consistent with the short- and medium-term budgets prepared by Group entities.

The change in the net deferred tax asset over the period is as follows:

(in € millions)	2025	2024
At January 1	**537**	**435**
Translation adjustments	(17)	(8)
Deferred tax benefit/(expense)	(48)	198
Tax recognized in other comprehensive income	(32)	12
Changes in scope of consolidation	21	(100)
Other	-	(1)
AT DECEMBER 31	**461**	**537**

The decrease in the net deferred tax asset in 2025 was primarily due to the year-on-year change in employee benefit obligations and the utilization of tax loss carryforwards during the year.

The deferred income tax recognized in other comprehensive income is as follows:

(in € millions)	December 31, 2025	December 31, 2024
Post-employment benefits	80	117
Unconsolidated equity investments and other financial instruments	(25)	(30)
Financial instruments	1	1
Energy derivatives	1	-
TOTAL DEFERRED TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME	**57**	**89**

Unrecognized deferred tax assets break down as follows:

(in € millions)	December 31, 2025	December 31, 2024
Deductible temporary differences	**61**	**79**
Tax losses:		
▪ of which expiring in less than one year	7	5
▪ of which expiring between one to five years	32	40
▪ of which expiring in more than five years	11	13
▪ of which no expiration	413	430
Total tax losses	**463**	**489**
Tax credits	**9**	**10**
TOTAL UNRECOGNIZED DEFERRED TAX ASSETS	**533**	**578**

Unrecognized deferred tax assets in the amount of €533 million mainly concern the tax losses of companies in the United Kingdom and India that are not certain of generating sufficient taxable profit in the coming years, and that are subject to restrictions concerning the use of the losses:

- United Kingdom: tax losses can be carried forward indefinitely but only 50% of the loss can be set off against taxable profit in excess of £5 million;
- India: operating tax loss carryforwards expire after eight years but there is no limit on the remaining balance.

Deferred taxes in France are measured using the French statutory rate (25.83% for 2025) and are recognized based on projections of future taxable profits.

11.3 Current taxes

Current taxes in the consolidated statement of financial position are as follows:

(in € millions)	2025	2024
Taxes receivable (note 7.2)	408	295
Taxes payable (note 7.3)	(247)	(193)
Net total at January 1	**161**	**102**
Current tax expense (note 11.1)	(546)	(753)
Income tax paid	593	806
Changes in scope of consolidation	(1)	5
Translation adjustments and other	(5)	2
Total changes	**41**	**59**
Taxes receivable (note 7.2)	407	408
Taxes payable (note 7.3)	(205)	(247)
NET TOTAL AT DECEMBER 31	**202**	**161**

NOTE 12 INTANGIBLE ASSETS AND PP&E

ACCOUNTING POLICIES

Business combinations and goodwill

When the Group obtains control of an entity, the business combination is valued and accounted for by applying the acquisition method. Goodwill is calculated at the acquisition date as the difference between:

- the fair value of the consideration transferred including, if any, the fair value of contingent consideration; and
- the fair value at the acquisition date of the identifiable acquired assets, the liabilities and contingent liabilities assumed.

The valuation period for a business combination does not exceed 12 months after the acquisition date. Goodwill is allocated to cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the combination and that reflect the level at which the Group manages goodwill. Goodwill is tested for impairment annually.

Intangible assets

Intangible assets are recognized at cost. The cost of an intangible asset acquired as part of a business combination is its fair value at the acquisition date.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment at least once a year. Those with finite useful lives are amortized on a straight-line basis over their estimated useful life:

- software 3-7 years
- brands and trademarks: 5-20 years
- customer relationships 5-20 years

CO_2 emission allowances

The Group participates in the European Union's Emissions Trading System. The emission allowances received or purchased are recognized as an intangible asset at their price on the transaction date. For emission allowances that are received rather than purchased, a government grant is recognized in liabilities for the same amount. The cost and liability corresponding to actual emissions and the income corresponding to the use of the government grant are accounted for using the price on the grant date.

Property, plant and equipment (PP&E)

Property, plant and equipment are measured at cost less accumulated depreciation and, when necessary, impairment.

The gross carrying amount includes the cost of acquisition or production cost and other costs directly attributable to the acquisition or the construction of the asset (including borrowing costs). Investment grants are initially accounted for as deferred income and are subsequently recognized as income over the useful life of the related asset.

Repair and maintenance costs are expensed as incurred. Other subsequent expenditures are included in the asset's carrying amount or recognized as a separate asset if the recognition criteria are met.

Property, plant and equipment are depreciated on a straight-line basis, except land, which is not depreciated.

Depreciation of property, plant and equipment reflects the pattern in which the asset's future economic benefits are expected to be consumed. Depreciation is allocated to cost of sales, sales and marketing expenses, research and development expenses or general and administrative expenses.

The following depreciation periods, based on the expected useful lives of the respective assets, are applied throughout the Group:

- buildings and general installations of land and buildings: 25 years
- petrochemical equipment: 25 years
- industrial and commercial equipment: 2-12 years
- computer and telecommunication equipment: 5 years
- vehicles: 5 years
- other: 5-12 years

The useful lives of the assets and their respective residual values are reviewed annually.

When assets are sold or otherwise disposed of, the difference between the net proceeds and the net carrying amounts of the assets is recognized in "Other operating income and expenses".

Impairment of non-financial assets

When there is any indication that the recoverable amount of an asset (goodwill, intangible assets or property, plant and equipment) may be lower than its carrying amount, the recoverable amount of the asset is measured and if needed, an impairment is recognized. Whether there is an indication of impairment or not, an annual impairment test is performed for goodwill, intangible assets with an indefinite useful life and intangible assets not ready for use, by comparing their carrying amount with their recoverable amount.

At individual asset level, indications of impairment generally relate to a fall in market value, technical obsolescence or an anticipated change of use. The recoverable amount is usually based on the market value.

At Group level, non-financial assets (including right-of-use assets, note 13) are combined for impairment testing purposes in the smallest identifiable group of assets that generates cash flows that are largely independent of cash flows from other assets or groups of assets (cash-generating units - CGUs).

For the tire business, CGUs are based on industrial asset groups, generally production plants, working together to manufacture and provide product offerings that meet the needs of customers with similar expectations in homogeneous markets or market segments.

CGUs related to non-tire businesses (Services and Solutions, Experiences, Polymer Composite Solutions and Distribution) generally cover the scope of each of these activities.

CGUs to which goodwill has been allocated are tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment loss. For the purpose of impairment testing, goodwill is allocated to a CGU or group of CGUs on the same basis as that used by the Group's management to monitor the performance of the businesses and assess synergies deriving from business combinations.

CGUs to which no goodwill is allocated are tested for impairment only if there is an indication that they may be impaired. In assessing whether there is any indication that a CGU may be impaired, the Group has defined three indicators for the tire business CGUs. They measure respectively the trends (i) in the market served by the CGU, (ii) in financial performance through the cost of sales margin and (iii) in the use of the installed production capacity. For the non-tire business CGUs, as well as for the distribution CGUs, the indicator used to measure trends in financial performance serves as the triggering indicator for an impairment test.

Recoverable amount is the higher of value in use and fair value less costs of disposal.

For most CGUs, recoverable amount is based on value in use, which is equal to estimated future cash flows calculated using the weighted average cost of capital (WACC) as a discount rate. Future cash flows are mainly based on the CGUs' five-year cash flow forecasts plus a terminal value, measured by discounting projected cash flows using the WACC. The discount rate is based on the cost of equity capital derived from the market-expected return on the Company's shares, the cost of debt and a risk premium reflecting the risks associated with the countries where the assets are located. The gearing and the beta are based on data from comparable segments and take into account the specificities of certain activities.

The recoverable amount of the distribution CGUs is measured at fair value less costs of disposal. Since most of these assets are land and buildings, external appraisals or other real estate valuation techniques are applied to measure their fair value.

Any impairment loss is recognized first against goodwill, and any remaining amount is allocated among the other non-current assets, proportionally to their net carrying amounts at the closing date.

When the circumstances which previously caused non-financial assets to be impaired no longer apply, the impairment losses are reversed accordingly. However, goodwill impairment can never be reversed.

Changes in impairment losses, including any reversals, are recognized in "Other operating income and expenses".

12.1 Goodwill and intangible assets

Changes in goodwill and intangible assets are as follows:

(in € millions)	Goodwill	Intangible assets	Total
Gross carrying amounts at January 1, 2024	**3,139**	**4,473**	**7,612**
Translation adjustments	72	49	121
Additions (including new emission allowances: €12 million)	-	290	290
Disposals	-	(97)	(97)
Changes in scope of consolidation	(221)	350	129
Transfers and other	-	(16)	(16)
Gross carrying amounts at December 31, 2024	**2,990**	**5,049**	**8,039**
Translation adjustments	(197)	(166)	(363)
Additions (including new emission allowances: €4 million)	-	258	258
Disposals	-	(106)	(106)
Changes in scope of consolidation	16	(18)	(2)
Transfers and other	-	(24)	(24)
Gross carrying amounts at December 31, 2025	**2,809**	**4,993**	**7,802**
Amortization and impairment at January 1, 2024	**(157)**	**(2,679)**	**(2,836)**
Translation adjustments	(6)	(21)	(27)
Amortization	-	(316)	(316)
Net impairment	(1)	(4)	(5)
Disposals	-	93	93
Changes in scope of consolidation	3	-	3
Transfers and other	-	(2)	(2)
Amortization and impairment at December 31, 2024	**(161)**	**(2,929)**	**(3,090)**
Translation adjustments	11	99	110
Amortization	-	(313)	(313)
Net impairment	(3)	(16)	(19)
Disposals	-	104	104
Changes in scope of consolidation	-	8	8
Transfers and other	1	(2)	(1)
Amortization and impairment at December 31, 2025	**(152)**	**(3,049)**	**(3,201)**
NET CARRYING AMOUNTS AT DECEMBER 31, 2025	**2,657**	**1,944**	**4,601**
Net carrying amounts at December 31, 2024	2,829	2,120	4,949

12.1.1 Goodwill

At December 31, 2025, goodwill allocated to the CGUs or groups of CGUs is as follows:

(in € millions)	December 31, 2025	December 31, 2024
Passenger car tires - global brands CGU group	431	454
Passenger car tires - regional brands CGU	156	175
Light truck and Truck tires CGU group	616	647
Mining tires CGU	215	248
Two-wheel tires CGU	17	18
Beyond-road tires CGU	637	753
Polymer Composite Solutions CGU group	585	534
GOODWILL	**2,657**	**2,829**

Goodwill has been tested for impairment using the following two main assumptions:

- the terminal value takes into account an annual growth rate which depends on the nature of the activities and the countries where the assets are located;
- the CGUs' future cash flows are discounted using the after-tax weighted average cost of capital (WACC) applied to after-tax cash flows. They are determined by geographical region taking into account the features of the business.

After-tax discount rates and perpetual growth rates used in 2025 for terminal value calculations are presented in the table below:

	December 31, 2025		December 31, 2024	
(%)	WACC	Perpetual growth rate	WACC	Perpetual growth rate
Passenger car tires - global brands CGU group	8.6	1.5	8.9	1.5
Passenger car tires - regional brands CGU	8.4	1.2	8.8	1.2
Light truck and Truck tires CGU group	9.1	1.1	9.3	1.1
Mining tires CGU	10.5	1.5	10.2	1.5
Two-wheel tires CGU	8.9	1.6	9.2	1.6
Beyond-road tires CGU	8.6	1.8	8.8	1.8
Polymer Composite Solutions CGU group	9.1	2.5	9.4	2.5

A 50-basis point increase in WACC combined with a 100-basis point decrease in the perpetual growth rate applied to the groups of CGUs would not lead the Group to recognize any amount of impairment.

Projected future cash flows used for impairment testing of fixed assets include capital expenditure to be made to fulfill the Group's energy transition ambitions (note 2.7).

Internal analyses of the effects of climate change have not led to the identification of any significant risk that could lead to an impairment in value of the Group's assets.

For CGUs or groups of CGUs to which goodwill has been allocated, a simulated impairment test has been carried out by limiting estimates of future cash flows to the next 20 years based on constant cash flows after the fifth year for all CGUs. Under this unfavorable scenario, total future cash flows would represent around €130 million less than the value of the Group's assets.

To take into account the effect of applying IFRS 16, right-of-use assets have been included in the assets to be tested, the corresponding lease liabilities have been deducted from the value of the CGUs concerned and values in use include lease payments determined in accordance with IFRS 16.

12.1.2 Intangible assets

In 2025, additions to intangible assets, amounted to €258 million (2024: €290 million), breaking down as follows:

- software: €232 million;
- CO_2 emission allowances: €4 million;
- other: €21 million.

Software

The net carrying amount of software at December 31, 2025 was €776 million (2024: €775 million). Software is initially recognized at cost, including the cost of acquisition or production and other costs directly attributable to the acquisition or production of the software.

Brands and trademarks

At December 31, 2025 the net carrying amount of brands and trademarks was €264 million (2024: €303 million). These amounts correspond mainly to the value of brands and trademarks recognized as part of business combinations less cumulative amortization.

Customer relationships

At December 31, 2025, the net carrying amount of customer relationships in the consolidated statement of financial position was €761 million (2024: €866 million). These amounts correspond primarily to the value of customer lists recognized in connection with business combinations (mainly Fenner, Camso and Flex Composite Group).

CO_2 emission allowances (EU ETS)

At December 31, 2025 the net carrying amount of emission allowances was €69 million (2024: €89 million) for 1.5 million tonnes (2024: 1.8 million tonnes).

Development costs

No tire development costs were capitalized in 2025 or 2024 as the criteria for recognition as intangible assets were not met. To be recognized as an asset, the development costs incurred for a new product or a significant product renewal project must fulfill six criteria. One of these criteria requires the entity to demonstrate the existence of a market for the output of the intangible asset. The existence of a market is demonstrated only when the Group has obtained OEM approval and when the margin generated by the purchase volumes proposed by the manufacturers is in line with Group objectives. In practice, the corresponding development costs are incurred at a stage of the project which is prior to OEM approval.

12.2 Property, plant and equipment

Changes in property, plant and equipment are as follows:

(in € millions)	Land and buildings	Plant and industrial equipment	Other equipment	Total
Gross carrying amounts at January 1, 2024	**7,672**	**23,536**	**1,900**	**33,108**
Translation adjustments	155	457	44	656
Acquisitions	270	1,494	137	1,901
Disposals	(43)	(397)	(65)	(505)
Changes in scope of consolidation	8	(6)	2	4
Transfers and other	(3)	(7)	16	6
Gross carrying amounts at December 31, 2024	**8,059**	**25,077**	**2,034**	**35,170**
Translation adjustments	(383)	(1,336)	(100)	(1,819)
Acquisitions	358	1,229	127	1,714
Disposals	(125)	(896)	(110)	(1,131)
Changes in scope of consolidation	(12)	(91)	(1)	(104)
Transfers and other	14	(24)	9	(1)
Gross carrying amounts at December 31, 2025	**7,911**	**23,959**	**1,959**	**33,829**
Amortization and impairment at January 1, 2024	**(3,727)**	**(15,845)**	**(1,276)**	**(20,848)**
Translation adjustments	(58)	(292)	(24)	(374)
Amortization	(213)	(1,204)	(100)	(1,517)
Net impairment	(29)	(117)	(7)	(153)
Disposals	19	378	62	459
Changes in scope of consolidation	1	5	1	7
Transfers and other	(13)	23	(4)	6
Depreciation and impairment at December 31, 2024	**(4,020)**	**(17,052)**	**(1,348)**	**(22,420)**
Translation adjustments	181	905	65	1,150
Amortization	(216)	(1,165)	(97)	(1,478)
Net impairment	(17)	(43)	(13)	(73)
Disposals	88	846	103	1,037
Changes in scope of consolidation	3	62	1	67
Transfers and other	(7)	18	(3)	8
Depreciation and impairment at December 31, 2025	**(3,987)**	**(16,429)**	**(1,293)**	**(21,709)**
NET CARRYING AMOUNTS AT DECEMBER 31, 2025	**3,924**	**7,530**	**666**	**12,120**
Net carrying amounts at December 31, 2024	4,039	8,025	686	12,750

PP&E in progress amount to €2,349 million (2024: €2,553 million).

Accumulated impairment losses included in total "Depreciation and impairment" at December 31, 2025 amounted to €696 million (2024: €774 million).

NOTE 13 RIGHT-OF-USE ASSETS

ACCOUNTING POLICIES

A contract is, or contains, a lease if it conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. The Group assesses whether a contract is or contains a lease on the inception of the lease, which is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease.

Substantially all of the Group's leases are leases where the Group is the lessee. Leased assets are mainly real estate assets (points of sale for the Group's integrated distribution network, sales and administrative offices), passenger cars and forklifts.

Lease liabilities

Lease liabilities correspond to the present value of future lease payments, excluding variable lease payments that do not depend on an index or a rate.

For contracts that include a lease component and non-lease components (such as services), only the lease component is taken into account in calculating the present value.

The interest rate implicit in the lease is used as the discount rate if it can be readily determined. If the implicit rate cannot be readily determined, each Group entity uses its incremental borrowing rate reflecting its specific credit risk, the currency of the lease and the weighted average maturity of the outstanding lease liability.

Over the life of the contract, the interest expense increases the lease liability while the lease payments reduce it.

The carrying amount of the lease liability and the corresponding right-of-use asset is adjusted to reflect any change in the lease term, any change in the assessment of an option to purchase the underlying asset, any change in the amount that the lessee expects to have to pay to the lessor under the residual value guarantee or any change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Right-of-use assets

Right-of-use assets corresponding to leased property, plant and equipment are initially measured at cost, corresponding to the sum of the present value of the outstanding lease payments at the commencement date. Any lease payments made at or before the commencement date, any initial direct costs and an estimate of costs to be incurred by the Group in dismantling or restoring the underlying asset, are included in the value of the right-of-use asset, less any lease incentives.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the leased asset if the transfer of ownership of the leased asset is uncertain or is not provided for in the contract.

Enforceable period

The enforceable period of a lease is determined by taking into account all the economic facts and circumstances (such as contractual terms and conditions for the optional periods compared with market rates, significant leasehold improvements, costs relating to the termination of the lease, such as negotiation costs, relocation costs, costs associated with returning the underlying asset in a contractually specified condition or to a contractually specified location), and contractual options to extend or terminate the lease. Consequently, for leases that are automatically renewable and the 3/6/9-year commercial leases that are common in France, the enforceable period can be longer than the period to the contractual end date. This information is used to determine the most economically relevant end date for the lease. For certain categories of leased assets (mainly vehicles), the Group considers that there is no reasonably certain extension option. Consequently, the duration is selected to coincide with the initial term of the lease. For real estate leases, the Group defines the reasonable end date of the lease, based on the enforceable period, in line with the asset's expected period of use. Accordingly, for leases with a residual term of more than ten years, the first enforceable exit option is chosen unless specific information and economic circumstances lead the Group to define a longer period.

Exceptions

Leases with a term not exceeding 12 months or concerning low-value assets (mainly computers, printers and tools) are not recognized in the consolidated statement of financial position.

The payments related to these leases are expensed on a straight-line basis over the duration of the contracts. Variable lease payments are expensed in the period in which the triggering event or situation occurs.

Right-of-use assets can be analyzed as follows:

(in € millions)	Right-of-use assets Land and buildings	Right-of-use assets Plant and industrial equipment	Right-of-use assets Other equipment	Total
Gross carrying amounts at January 1, 2024	**1,552**	**115**	**329**	**1,996**
Translation adjustments	42	1	7	50
New leases	320	33	61	414
Disposals	(57)	(29)	(37)	(123)
Changes in scope of consolidation	(5)	-	3	(2)
Transfers and other	(31)	(2)	(7)	(40)
Gross carrying amounts at December 31, 2024	**1,821**	**118**	**356**	**2,295**
Translation adjustments	(105)	(6)	(17)	(128)
New leases	138	24	51	213
Disposals	(89)	(21)	(26)	(136)
Changes in scope of consolidation	1	-	-	1
Transfers and other	(15)	(1)	(8)	(24)
Gross carrying amounts at December 31, 2025	**1,751**	**114**	**356**	**2,221**
Depreciation and impairment at January 1, 2024	**(671)**	**(65)**	**(178)**	**(914)**
Translation adjustments	(16)	(1)	(4)	(21)
Amortization	(168)	(28)	(56)	(252)
Net impairment	(15)	-	-	(15)
Disposals	57	29	36	122
Changes in scope of consolidation	4	-	-	4
Transfers and other	2	5	6	13
Depreciation and impairment at December 31, 2024	**(807)**	**(60)**	**(196)**	**(1,063)**
Translation adjustments	42	3	9	55
Amortization	(170)	(23)	(52)	(245)
Net impairment	(4)	(1)	(4)	(8)
Disposals	85	21	26	132
Changes in scope of consolidation	-	-	-	-
Transfers and other	(5)	3	3	1
Depreciation and impairment at December 31, 2025	**(858)**	**(56)**	**(214)**	**(1129)**
NET CARRYING AMOUNTS AT DECEMBER 31, 2025	**893**	**58**	**142**	**1,092**
Net carrying amounts at December 31, 2024	1,014	58	160	1,232

Some leases are recorded directly as an expense in the income statement on a straight-line basis over the life of the lease.

This is the case for:

- Short-term leases, representing an expense of €71 million in 2025 (2024: €60 million);
- leases of low-value assets, representing an expense of €53 million in 2025 (2024: €46 million);
- variable lease payments not taken into account to determine the lease liability, representing an expense of €19 million in 2025 (2024: €18 million).

Undiscounted future lease payments are analyzed by maturity in note 9.

NOTE 14 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

ACCOUNTING POLICIES

From the acquisition date to the date that significant influence ceases, the Group's share of its joint ventures' and associates' profits and losses is recognized in the income statement, and its share of movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in a joint venture or associate equals or exceeds its interest in the investee, the Group recognizes its share of the investee's negative net worth and, where appropriate, the carrying amount of any loans to the joint venture or associate is reduced by the amount of that negative net worth.

Unrealized gains on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in the investee. Unrealized losses are also eliminated unless an impairment loss on the transferred asset arises on the transaction.

The profit resulting from downstream transactions carried out with a joint venture or an associate is deducted from the Group's proportionate share in profit of equity-accounted company.

In the consolidated income statement, the line "Share of profit/(loss) from equity-accounted companies" also includes the impact of other transactions relating to equity-accounted companies, such as the recognition of a gain or loss resulting from a reduction in the Group's percentage interest in the investee, or an impairment loss on securities and loans.

14.1 Investments in equity-accounted companies

Changes in investments in equity-accounted companies are as follows:

(in € millions)	Investments in associates	Investments in joint ventures	Total investments in equity-accounted companies
At January 1, 2024 restated[(3)]	**251**	**620**	**871**
Share of profit/(loss) from equity-accounted companies	31	(70)	(39)
Impairment[(1)]	-	-	-
Dividends	(10)	(8)	(18)
Changes in scope of consolidation and changes in percentage interest	(9)	(14)	(23)
Translation adjustments	1	32	33
Other/reclassifications[(2)]	(14)	39	25
At December 31, 2024 restated[(3)]	**250**	**599**	**849**
Share of profit from equity-accounted companies	35	200	235
Impairment[(1)]	-	(126)	(126)
Dividends	(7)	(101)	(108)
Changes in scope of consolidation and changes in percentage interest	2	(1)	1
Translation adjustments	(2)	(65)	(67)
Other/reclassifications[(2)]	8	138	146
AT DECEMBER 31, 2025	**287**	**644**	**931**

(1) Impairment losses and provisions relating to investments in equity-accounted companies are included in the income statement under "Share of profit/loss from equity-accounted companies".
(2) Mainly comprising the reclassification of impairment losses on loans and provisions booked on investments in equity-accounted companies with a nil value.
(3) Reclassifications of SIPH and SAPH from "Investments in joint ventures" to "Investments in associates".

The main equity-accounted companies are TBC, Solesis and SIPH. All of the other equity-accounted companies represent less significant investments.

The Group's share of profit/(loss) from equity-accounted companies and impairment losses recognized on the Group's investments in these companies relate mainly to the following:

- TBC, which contributed a positive €204 million, including the Group's share of the profit generated from the disposal of the Midas business (note 3);
- Symbio, a company specializing in hydrogen fuel cell systems, whose net contribution was a negative €138 million, including a €121 million impairment loss recognized against the Group's outstanding loans and commitments to Symbio following Stellantis' decision to discontinue its hydrogen-related activities (note 3).

14.2 Information on the main equity-accounted companies

The table below shows the condensed financial statements of the main equity-accounted companies, prepared on a 100% basis:

	2025			2024		
(in € millions)	**TBC**	**Solesis**	**SIPH**	**TBC restated[(1)]**	**Solesis**	**SIPH**
Country	United States	United States	France	United States	United States	France
% interest	50%	49%	39.26%	50%	49%	41.97%
Sales	2,348	109	704	2,676	109	610
Segment EBITDA	188	29	120	199	29	114
Depreciation, amortization and impairment	(107)	(7)	(26)	(110)	(16)	(28)
Other operating income and expenses	451	(12)	(4)	(18)	(15)	-
Net financial income/(expense)	(23)	(9)	(5)	(60)	(10)	(1)
Taxes	(125)	-	(28)	(6)	-	(22)
NET INCOME/(LOSS)	**386**	**0**	**56**	**5**	**(12)**	**63**
Current assets	1,447	49	313	1,650	49	264
▪ *of which cash and cash equivalents*	*51*	*11*	*41*	*14*	7	9
Non-current assets	693	656	461	1,050	735	455
▪ *of which goodwill*	*90*	*188*	*159*	*149*	212	159
TOTAL ASSETS	**2,140**	**704**	**774**	**2,700**	**784**	**719**
Current liabilities	921	121	130	1,249	133	142
▪ *of which other current financial liabilities*	*114*	*106*	*53*	*328*	118	65
Non-current liabilities	339	272	76	681	296	82
▪ *of which non-current financial liabilities*	*243*	*9*	*63*	*531*	11	61
Total equity	879	311	568	770	355	495
TOTAL LIABILITIES AND EQUITY	**2,140**	**704**	**774**	**2,700**	**784**	**719**
Share of net assets	**440**	**152**	**176**	385	174	154
Elimination of profit from downstream transactions	(23)	-	-	(39)	-	-
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES	**417**	**152**	**176**	**346**	**174**	**154**

(1) Following a review of TBC's revenue presentation methods, its financial statements for 2024 have been restated. These restatements did not impact segment EBITDA.

- TBC, a joint venture with Sumitomo Corporation, distributes tires in the United States. On June 16, 2025, TBC sold its Midas service business to Mavis, realizing a disposal gain of €358 million (note 3). TBC also approved the distribution of a $200 million dividend, paid in June 2025. The equity-accounted share of TBC's results included in the Group's consolidated net income for 2025 (after eliminating downstream transactions, net of tax) was a profit of €204 million (2024: €10 million profit).
- Solesis, a joint venture with Altaris, is a leading specialist in biomaterials and components for the medical sector. The equity-accounted share of Solesis' results included in the Group's consolidated net income for 2025 was break-even (2024: €6 million loss). Cash corresponding to preference shares is recorded under non-current assets for an amount of €264 million.
- SIPH is an associate that owns and operates rubber plantations in West Africa. The equity-accounted share of SIPH's results included in the Group's consolidated net income for 2025 was a profit of €21 million after deducting income attributable to minority shareholders of subsidiaries (2024: profit of €19 million).

14.3 Financial information about equity-accounted companies

The financial statements of equity-accounted companies other than TBC, Solesis and SIPH, which are not material taken individually, include the following amounts (information presented on a 100% basis):

(in € millions)	2025	2024
Assets	1,724	1,779
Liabilities	1,476	1,442
Sales	2,261	1,856
Net income/(loss)	(60)	(59)

14.4 Transactions with equity-accounted companies (related parties)

Transactions and balances between the Group and its associates and joint ventures are presented in the table below:

(in € millions)	2025	2024
INCOME STATEMENT		
Income for the sale of goods or supply of services	452	632
Expenses for the purchase of products or supply of services	(364)	(338)
STATEMENT OF FINANCIAL POSITION		
Financial liabilities	(8)	(7)
Trade payables	(31)	(33)
Financial assets	262	444
Accounts receivable	281	253

NOTE 15 TOTAL EQUITY

ACCOUNTING POLICIES

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares are presented separately in reserves. The amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. When treasury shares are sold, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within retained earnings.

Earnings per share

Basic earnings per share are calculated by dividing income attributable to the shareholders of the Company by the weighted average number of shares outstanding during the year, excluding shares bought back by the Group and held as treasury shares.

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

15.1 Share capital and share premiums

Changes in share capital and share premiums are analyzed in the table below:

(in € millions)	Share capital	Share premiums	Total
At January 1, 2024	**357**	**2,702**	**3,059**
Issuance of shares	3	119	122
Cancellation of shares	(7)	(495)	(502)
Other	-	-	-
At December 31, 2024	**353**	**2,326**	**2,679**
Issuance of shares	2	86	89
Cancellation of shares	(11)	(656)	(668)
Other	-	(9)	(9)
AT DECEMBER 31, 2025	**344**	**1,747**	**2,091**

The €89 million reported under "Issuance of shares" for 2025 mainly concerned the October 28, 2025 BiB'Action employee share ownership plan (note 8.2.2). At December 31, 2025, initial employment payments received for shares purchased under the plan amounted to €38 million. This amount is shown in the consolidated statement of cash flows under "Proceeds from issuance of shares". The balance corresponds for €14 million to matching payments by the Group and for €38 million to the balance payable by employees in 2026.

Changes in outstanding shares are analyzed in the table below:

(number of shares)	Shares issued	Treasury shares	Shares outstanding
At January 1, 2024	**714,958,065**	**161**	**714,958,226**
Issuance of shares	5,266,149	-	5,266,149
Share buybacks	-	(14,476,942)	(14,476,942)
Sales of treasury shares	-	-	-
Cancellation of shares	(14,477,103)	14,476,942	(161)
Other	161	(161)	-
At December 31, 2024	**705,747,272**	**-**	**705,747,272**
Issuance of shares	4,765,751	-	4,765,751
Share buybacks	-	(22,955,073)	(22,955,073)
Sales of treasury shares	-	35,673	35,673
Cancellation of shares	(22,919,400)	22,919,400	-
Other	2,617	-	2,617
AT DECEMBER 31, 2025	**687,596,240**	**-**	**687,596,240**

The 2024 dividend paid to shareholders in 2025 was €1.38 per share. The dividend was paid in full in cash for a net amount of €974 million (2024: €961 million).

The Managing Chairman will propose that shareholders approve the payment of a 2025 dividend in 2026 of €1.38 per share.

15.2 Reserves

(in € millions)	Translation adjustments	Treasury shares	Other reserves	Retained earnings	Total
At January 1, 2024	**(521)**	**-**	**173**	**15,244**	**14,896**
Dividends and other appropriations	-	-	-	(964)	(964)
Share-based payments - current service cost (notes 7 and 8)	-	-	-	61	61 (1)
Share buybacks	-	(502)	-	-	502
Sale/cancellation of shares	-	502	-	-	(502)
Other		-	-	(2)	(2)
Transactions with the shareholders of the Company	-	-	-	**(905)**	**(905)**
Net income attributable to the shareholders of the Company	-	-	-	**1,884**	**1,884**
Post-employment benefits	-	-	-	*(138)*	(138)
Tax effect - post-employment benefits	-	-	-	*4*	*4*
Equity instruments at fair value through OCI - changes in fair value	-	-	*(44)*	-	*(44)*
Tax effect - equity instruments at fair value through OCI	-	-	*8*	-	*8*
Other	-	-	-	-	-
Other comprehensive income/(loss) that will not be reclassified to the income statement	**-**	**-**	**(36)**	**(134)**	**(170)**
Cash flow hedges - changes in fair value	-	-	*(6)*	-	*(6)*
Tax effect – Cash flow hedges	-	-	*(1)*	-	*(1)*
Currency translation differences	*273*	-		-	*273*
Other	*(39)*	-	*(2)*	*15*	*(26)*
Other comprehensive income/(loss) that may be reclassified to the income statement	**234**	**-**	**(9)**	**15**	**240**
Total comprehensive income	**234**	**-**	**(45)**	**1,765**	**1,954**
At December 31, 2024	**(287)**	**-**	**128**	**16,105**	**15,946**
Dividends and other appropriations	-	-	-	(977)	(977)
Share-based payments - current service cost (notes 6 and 8)	-	-	-	61	61
Share buybacks	-	(668)	-	-	(668)
Sale/cancellation of shares	-	668	-	-	668
Other	-	-	-	(15)	(15)
Transactions with the shareholders of the Company	-	-	-	**(931)**	**(931)**
Net income attributable to the shareholders of the Company	-	-	-	**1,665**	**1,665**
Post-employment benefits	-	-	-	*202*	*202*
Tax effect - post-employment benefits	-	-	-	*(37)*	*(37)*
Equity instruments at fair value through OCI - changes in fair value	-	-	*8*	-	*8*
Tax effect - equity instruments at fair value through OCI	-	-	*5*	-	*5*
Other	-	-	-	-	-
Other comprehensive income/(loss) that will not be reclassified to the income statement	**-**	**-**	**13**	**165**	**178**
Cash flow hedges - changes in fair value	-	-	*(4)*	-	*(4)*
Tax effect – Cash flow hedges	-	-	*1*	-	*1*
Currency translation differences	*(884)*	-	-	-	*(884)*
Other	-	-	-	9	9
Other comprehensive income/(loss) that may be reclassified to the income statement	**(884)**	**-**	**(3)**	**9**	**(878)**
Total comprehensive income	**(884)**	**-**	**10**	**1,839**	**965**
AT DECEMBER 31, 2025	**(1,171)**	**-**	**138**	**17,014**	**15,981**

(1) The difference between the €75 million share-based payment expense (note 8) and the €61 million shown in the table corresponds to the portion of Plan BiB'action matching contributions recognized as proceeds from the issuance of shares.

The Group announced and implemented two share buyback programs for a total of €668 million, taxes on financial transactions included, in the first half of 2025. All of the shares bought back under the agreement were canceled before the end of 2025.

15.3 Earnings per share

	2025	2024
Net income *(in € millions)*, excluding non-controlling interests	1,665	1,884
■ Less, estimated General Partners' profit shares	(3)	(3)
Net income attributable to the shareholders of the Company used to calculate basic earnings per share	**1,662**	**1,882**
Weighted average number of shares outstanding *(thousands of shares)* used to calculate basic earnings per share	**704,018**	**709,850**
■ Plus, adjustment for performance shares	9,075	7,110
Weighted average number of shares used to calculate diluted earnings per share	**713,093**	**716,960**
EARNINGS PER SHARE *(in €)*		
■ Basic	**2.36**	2.65
■ Diluted	**2.33**	2.62

At December 31, 2025, the only potentially dilutive financial instruments consisted of performance shares (note 8.2.1).

No share transactions affecting the weighted average number of shares used to calculate basic earnings per share and diluted earnings per share occurred after the end of the 2025 reporting period.

NOTE 16 COMMITMENTS AND CONTINGENCIES

16.1 Commitments

16.1.1 Capital expenditure commitments

Capital expenditure on the main projects which were contracted but not delivered before December 31, 2025, amounts to €283 million (of which €246 million is likely to be delivered in 2026).

Michelin has signed agreements to acquire Cooley Group, a specialist in industrial coated fabrics, and Tex Tech Industries, a designer and manufacturer of specialty textiles and fabrics, for an aggregate amount of €637 million. The acquisition of Cooley Group closed on January 22, 2026 – the date on which Michelin acquired control – and that of Tex Tech Industries is due to complete later in 2026, subject to the customary adjustments and to anti-trust clearance in the relevant jurisdictions. These acquisitions are being entirely financed from available cash.

16.1.2 Commitments given to joint ventures

At December 31, 2025, guarantees given by the Group to Symbio amounted to €26 million.

16.1.3 Other commitments

The Group has many purchase commitments for goods and services. These commitments are in line with the level of activity expected in the first half of 2026. They are entered into on arm's length terms in the normal course of business.

16.2 Contingencies

16.2.1 Michelin Pension Trust Limited and Fenner Pension Scheme Trustee Limited

Following adoption of the Pensions Act 2004 in the United Kingdom, a multi-annual plan of contributions to UK pension funds (the "Recovery Plan") was established between the Group's UK companies and their pension funds. In order to limit the amount of contributions, the Group issued guarantees to the pension funds to cover the potential contributions to be made by its subsidiaries.

The last Recovery Plan calculations were performed at March 31, 2023 and the next ones will be performed at March 31, 2026.

The amount of the Group's guarantee is equal to the difference, if positive, between the present value of future contributions and the amount of the provision booked in the accounts. At December 31, 2025, the plans were held under buy-in policies and were in surplus, meaning that no future contributions are required. Consequently, the amount of the guarantees given to Michelin Pensions Trust Limited and Fenner Pension Scheme Trustee Limited was equal to zero at that date.

For Michelin Pensions Trust Limited, contributions are payable to the plan if it is underfunded, and if the plan is overfunded, the contributions are deposited in an escrow account.

16.2.2 Other contingencies

In the normal course of business, the Group companies may be involved in administrative proceedings, litigation and claims. Although provisions have been recognized when the risks are established and an outflow of financial resources is probable, there exist uncertainties concerning some of these administrative proceedings, litigation and claims.

In January 2024, the European Commission launched a competition inquiry into the tire industry in Europe. Michelin is one of the manufacturers concerned by the inquiry. In 2024, class actions were filed in the USA and Canada as a direct consequence of this inquiry. However, in April 2024, the Group lodged an appeal with the European Court of First Instance to have the decision authorizing the inspection annulled. On July 9, 2025, the Court partly annulled the European Commission's decision to conduct an inspection by reducing the inspection period.

As a reminder, the Group applies a strict policy of compliance with competition law across all of its businesses and in all of its host countries. In its public communication, the Commission has clearly stated that the opening of this inquiry does not prejudge the inquiry's outcome. At the same time, Michelin has reiterated its right to be presumed innocent. No provision was set aside for this matter at December 31, 2025.

In the opinion of Group management, there are no other governmental, judicial or arbitration proceedings likely to have a material impact on the Group's financial position or cash position.

16.3 Assets pledged as collateral

16.3.1 Property, plant and equipment

PP&E pledged as collateral for debt amounted to €33 million (2024: €33 million).

16.3.2 Financial assets

The €16 million held in an escrow account linked to the pension plan in the United Kingdom (2024: €4 million) is pledged to the pension plans and is therefore not freely available (note 9.4).

Loans and deposits amounting to €9 million (2024: €40 million) are pledged as collateral for debt (note 9.5).

16.3.3 Trade receivables

The Group runs a program whereby certain North American subsidiaries have transferred ownership interests in portfolios of eligible trade receivables. The maximum financing that can be raised from these programs amounts to €424 million (2024: €492 million). Since the Group has substantially retained all the risks and rewards of ownership, the ownership interests in the trade receivable portfolios sold by the North American subsidiaries have not been derecognized. No financing was received from the financial institutions in 2025 under this program. In 2024, €15 million was received and recognized under “Loans from financial institutions and other” (note 9.3) under the European receivables securitization program, which ended in November 2025.

NOTE 17 DERIVATIVES, FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

17.1 Derivative instruments

ACCOUNTING POLICIES

Derivative instruments

Derivative instruments are used to manage financial exposures.

All derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged (see hedging policy below).

All changes in fair value of derivatives not qualifying as hedges are recorded as financial income or expense in the period in which they arise.

The fair values of listed instruments are based on their market values.

For unlisted instruments, fair values are determined using mathematical models, such as option pricing models, or methods based on discounted future cash flows. These models take into account market data.

Embedded derivatives are recognized separately if they are not closely related to the host contract.

Hedging

Some derivative instruments may be eligible for hedge accounting and designated as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges);
- hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategies. The Group also documents its assessment, both at inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

Changes in the fair value of derivatives are accounted for differently depending on the type of hedge.

Fair value hedges

Changes in fair value of derivatives are recorded in financial income and expenses, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives is recognized in other reserves. The ineffective portion of the gain or loss is recognized immediately in the income statement, in operating income (energy and commodity price hedges) or financial income and expenses (interest and exchange rate hedges).

The effectiveness of the hedge is determined at the beginning of the hedging relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument. A hedging relationship may become ineffective if the timing of the planned transaction changes from the original estimate.

When options are used to hedge future transactions, only the changes in the options' intrinsic value are designated as hedging instruments. Changes in the intrinsic value and the time value in relation to the hedged item ("aligned time value") are recorded in other reserves.

For forward contracts used to hedge future transactions, the Group designates all the changes in fair value (including the forward points) as hedging instruments. These changes in fair value are recorded in other reserves.

For contingent forward contracts used to hedge future transactions, the instrument qualifies as a cash flow hedge when it can be demonstrated that the underlying future transaction is highly probable.

Amounts accumulated in other reserves are recognized in the income statement over the period during which the hedged item affects the profit and loss, as follows:

- when the hedged item is a non-financial asset (for example, a consolidated investment or an inventory), deferred gains or losses, as well as deferred gains or losses on the time value of the option or contract forward points are included in the initial cost of the asset;

- gains or losses resulting from interest rate hedges are recognized in financial income or expense in the same period as the interest on the hedged loans;
- gains or losses resulting from energy and commodity hedges are recognized in operating income or expense in the same period as the underlying hedged items affect profit or loss.

When a hedging instrument is sold or expires, or when a hedging instrument no longer meets the criteria required to qualify for hedge accounting, the amount accumulated in other reserves at that date is immediately recognized in profit or loss.

Derivatives not qualifying for hedge accounting

The other derivative instruments, while offering effective economic hedging in terms of the Group's financial policy, do not meet the criteria for hedge accounting or have not been treated as hedging instruments (refer to the policy relating to derivative instruments, above). Changes in the market value of these derivatives must therefore be recognized in financial income and expenses. For example, foreign exchange derivatives used to hedge the currency exposure of financial assets and liabilities recognized in the consolidated statement of financial position are not designated as hedging instruments.

17.1.1 Summary of derivative instruments

Derivatives recognized as assets

	December 31, 2025			December 31, 2024		
(in € millions)	Current	Non-current	Total	Current	Non-current	Total
Currency derivatives	64	58	122	42	18	60
Interest rate derivatives	-	1	1	-	-	-
Other	-	-	-	-	-	-
Derivatives not qualifying for hedge accounting	**64**	**59**	**123**	**42**	**18**	**60**
Interest rate derivatives	-	-	-	-	-	-
Derivatives qualifying as fair value hedges	**-**	**-**	**-**	**-**	**-**	**-**
Currency derivatives	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
Other	-	-	-	-	1	1
Derivatives qualifying as cash flow hedges	**-**	**1**	**1**	**-**	**1**	**1**
TOTAL DERIVATIVES RECOGNIZED AS ASSETS	**64**	**60**	**124**	**42**	**19**	**61**

The Group holds cash collateral covering its counterparty risk on derivatives with a negative fair value. The amount of collaterals received was €69 million as of December 31, 2025 (2024: €7 million).

Derivatives recognized as liabilities

	December 31, 2025			December 31, 2024		
(in € millions)	Current	Non-current	Total	Current	Non-current	Total
Currency derivatives	11	4	15	33	35	68
Interest rate derivatives	-	1	1	-	-	-
Other	-	-	-	-	-	-
Derivatives not qualifying for hedge accounting	**11**	**5**	**16**	**33**	**36**	**69**
Interest rate derivatives	-	16	16	-	-	-
Derivatives qualifying as fair value hedges	**-**	**16**	**16**	**-**	**-**	**-**
Currency derivatives	3	-	3	-	1	1
Interest rate derivatives	1	-	1	-	-	-
Other	4	3	7	-	-	-
Derivatives qualifying as cash flow hedges	**7**	**3**	**11**	**-**	**1**	**1**
TOTAL DERIVATIVES RECOGNIZED AS LIABILITIES	**18**	**24**	**43**	**33**	**37**	**70**

The Group grants cash collateral to cover counterparty risk on derivatives with a positive fair value. The amount of collaterals transferred was €9 million as of December 31, 2025 (2024: €40 million).

17.1.2 Contractual amounts of derivatives

The contractual amounts of derivative instruments are presented in the table below:

	December 31, 2025			December 31, 2024		
(in € millions)	Current	Non-current	Total	Current	Non-current	Total
Currency derivatives	7,372	1,048	8,421	4,629	1,295	5,924
Interest rate derivatives	145	550	696	152	102	254
Other	-	-	-	-	-	-
Derivatives not qualifying for hedge accounting	**7,518**	**1,598**	**9,116**	**4,781**	**1,397**	**6,178**
Interest rate derivatives	-	1,026	1,026	-	-	-
Derivatives qualifying as fair value hedges	**-**	**1,026**	**1,026**	**-**	**-**	**-**
Currency derivatives	219	-	219	3	77	80
Interest rate derivatives	-	776	776	-	-	-
Other	23	30	53	4	15	19
Derivatives qualifying as cash flow hedges	**243**	**806**	**1,049**	**7**	**92**	**99**
TOTAL	**7,760**	**3,431**	**11,191**	**4,788**	**1,489**	**6,277**

17.1.3 Hedge accounting

Summarized financial data for hedging instruments are set out in the table below:

(in € millions)	Notional amount of the hedging instrument	Carrying amount of the hedging instrument in assets/(liabilities)	Cash flow hedge reserve	Amount recognized in profit or loss	Line item affected in profit or loss
DERIVATIVES QUALIFYING AS FAIR VALUE HEDGES					
Interest rate swaps	1,026	(16)	-	1	Cost of net debt
DERIVATIVES QUALIFYING AS CASH FLOW HEDGES					
Energy and commodity price risk – forward contracts	53	(7)	(7)	-	Operating income
Interest rate swaps	776	-	(12)	(3)	Cost of net debt
Hedges of currency risk on raw materials purchases	3	-	-	-	Operating income
Forward foreign exchange contracts on acquisitions or disposals denominated in foreign currencies	217	(3)	(3)	1	Other operating income/ (expenses)
CURRENT AND NON-CURRENT HEDGING INSTRUMENTS	**2,075**	**(25)**	**(22)**	**(3)**	

In 2025, the Group entered into interest rate swaps representing a total nominal amount of €1 billion to hedge some of its bonds (note 9.3). These swaps, which swap the fixed rate for a variable rate (ESTR), qualify as fair value hedges. At December 31, 2025, the fair value of these swaps recognized in the balance sheet corresponded to a liability of €16 million, and related interest income in an amount of €1 million was recorded in the 2025 income statement.

Gains and losses on cash flow hedges are recorded in equity, under "Other reserves" (note 15). The gains and losses accumulated in the reserve are subsequently reclassified as part of the initial cost of a non-financial asset or transferred to the income statement. At December 31, 2025, the cash flow hedge reserve amounted to a negative €22 million and mainly related to:

- advance hedging of interest rate risks on bond issues for a negative amount of €14 million (note 9.3). These gains and losses are reclassified to the income statement when the interest affects profit or loss.
- interest-rate hedging transactions to swap fixed rates to variable rates (ESTR), corresponding to a positive €2 million.
- hedging transactions to reduce the volatility of energy and raw materials supply costs, corresponding to a negative €7 million (note 17.2.7).

17.2 Financial risk management

17.2.1 Organization of financial risk management

The Corporate Financing Department controls, measures and supervises financial risks for each company and region, as well as at Group level. The Corporate Financing Department reports directly to the Group Finance Department.

One of the Corporate Financing Department's ongoing missions is the formulation of financial risk management policies, monitored on the basis of a full array of internal standards, procedures and authoritative literature. Regional finance managers oversee the implementation of the Group's financial risk management policies by the regional treasury centers. Compliance with financial risk policies is assessed through internal audit reviews to evaluate risk control efficiency and identify areas of improvement.

All strategic decisions regarding Group financial risk hedging policy are made by the Group Finance Department. As a general rule, the Group strictly limits the use of derivatives to the sole purpose of hedging clearly identified exposures.

A Financial Risks Committee is responsible for establishing and validating financial risk management policies, identifying and measuring these risks and validating and monitoring hedging programs. The Financial Risks Committee, which is chaired by a Manager, meets on a monthly basis and includes members of the Group Finance Department and the Corporate Financing Department.

17.2.2 Currency risk management

Currency risk

RISK FACTORS

Currency risk is defined as the impact on financial indicators of fluctuations in the exchange rates of foreign currencies used in the normal course of business. The Group is exposed to currency risks on its foreign currency transactions (transaction risk) and also on the translation of its net investment in foreign subsidiaries (translation risk).

Foreign currency transaction risk arises from the monetary assets and liabilities of the company and its subsidiaries (mainly cash and cash equivalents, receivables, payables and borrowings) that are denominated in foreign currencies. It corresponds to the risk of a change in the exchange rate between the date when these monetary assets and liabilities are recorded in the accounts and the date when they are recovered or settled.

Foreign currency translation risk arises from the Group's net investment in foreign subsidiaries. It corresponds to the risk of a change in the exchange rate used to translate the net investment in the foreign subsidiary into euros during the consolidation process.

During certain operations, the Group may face foreign exchange exposures not recognized in the accounts but which can have a significant impact on the cash flow of the Group. These are future transactions such as the payment of internal Group dividends and internal Group capital increases, or company acquisitions and disposals. In this case, the Group may put in place hedging of its economic foreign exchange risk.

RISK MANAGEMENT RESPONSE

Foreign currency transaction risk

Foreign currency transaction risk is monitored locally by the Company and its subsidiaries.

Each Group company continually calculates its accounting foreign exchange exposure in relation to its functional currency and hedges it systematically. A number of temporary exemptions can, however, be granted by the Group Financial Department when it is not possible to hedge a currency or when it is justified under exceptional market conditions.

Foreign currency payables and receivables of the same type and with equivalent maturities are netted off and only the net exposure is hedged. This is normally carried out through Compagnie Financière Michelin Suisse SA, or, alternatively, through a bank. Compagnie Financière Michelin Suisse SA in turn assesses its own resulting net exposure and hedges it with its banking partners. The main hedging instruments used are forward currency contracts. The structural part of the exposure is hedged with long term instruments (four years maturity maximum) and the operating part is hedged with short term instruments (generally maturity is shorter than or equal to three months). Currency risk monitoring and hedging is based on Group internal standards and procedures. A system to closely monitor foreign currency transaction risk is implemented throughout the Group under the responsibility of the Corporate Financing Department. Gains and losses on foreign currency transactions are tracked on a monthly basis in a detailed management report.

Currency translation risk

The Group does not use hedging instruments to actively manage this risk.

Investments in foreign subsidiaries are booked in the functional currency of the parent company and are not included in the latter's foreign exchange position.

Foreign currency economic risk

The risk is hedged as soon as the transaction is highly probable and is above certain thresholds determined by the Group risk management policy, approved by the Financial Risks Committee. The instruments used are mainly currency options and contingent forward exchange contracts.

Currency risks - quantitative and qualitative data

Foreign currency transaction risk

Net currency hedging positions are presented in the table below:

	December 31, 2025					December 31, 2024				
(in € millions)	EUR	USD	THB	CAD	Other	EUR	USD	THB	GBP	Other
Hedges	254	(2,869)	(589)	(375)	(321)	141	(3,270)	(540)	(400)	(298)

"Other" currencies mainly include currency hedges in GBP, AUD and CNY in 2025, and in CAD, AUD and CNY in 2024.

A 1% unfavorable change in exchange rates for the above currencies would not have a material adverse effect on the consolidated income statement. This relatively low sensitivity to foreign currency transaction risk is consistent with the objective described in the foreign currency transaction risk management system.

Because of the low volume of cash flow hedges (note 17.1.1), the sensitivity of equity to currency risk is not material.

Currency translation risk

A breakdown of equity by currency is provided in the following table:

(in € millions)	December 31, 2025	December 31, 2024
EUR	9,409	8,721
USD	4,466	5,060
GBP	1,025	1,138
CNY	791	1,090
BRL	756	827
THB	759	853
CAD	339	397
AUD	153	154
Other	379	394
TOTAL	**18,076**	**18,634**

17.2.3 Interest rate risk management

Interest rate risk

RISK FACTORS

The Group's income statement may be affected by interest rate risk. An unfavorable change in interest rates may adversely affect future finance costs and cash flows. The Group is in a net debt position and is exposed to the risk of an increase in interest rates on the portion of its debt that is at variable rates It may also be exposed to an opportunity risk in the case of a fall in interest rates, if too great a proportion of debt is at fixed rates, as well as on financial investments, depending on their interest terms.

RISK MANAGEMENT RESPONSE

The objective of interest rate management is to minimize financing costs whilst protecting future cash flows against unfavorable movements in interest rates. For this purpose, the Group uses various derivative instruments available in the market, but restricts itself to the use of "plain vanilla" instruments (mainly interest rate swaps).

Interest rate exposure is analyzed and monitored by the Financial Risks Committee using monthly performance indicators and management reports.

The interest rate position is centralized by currency by the Corporate Financing Department, which is the only department permitted to undertake hedging operations. Interest rate hedging is concentrated on the main currencies. The Financial Risks Committee sets hedging limits by currency, taking into consideration the Group's gearing as hedging needs change in line with this ratio.

Interest rate risk - Quantitative and qualitative data

Net debt at December 31, 2025 breaks down as follows by type of hedge and by currency:

	Net debt before hedging			Currency hedging	Net debt after currency hedging but before interest rate hedging			Interest rate hedging		Net debt after hedging		
(in € millions)	Fixed	Variable	Total		Fixed	Variable	Total	Fixed	Variable	Fixed	Variable	Total
USD	248	54	**302**	2,186	248	2,240	**2,488**	1,095	(1,095)	1,343	1,145	**2,488**
THB	46	(11)	**36**	376	46	365	**412**	194	(194)	240	171	**412**
CAD	22	140	**161**	191	22	330	**352**	144	(144)	166	186	**352**
GBP	44	(4)	**40**	230	44	226	**270**	47	(47)	91	179	**270**
AUD	32	(19)	**13**	200	32	181	**213**	69	(69)	101	112	**213**
EUR	5,007	(3,226)	**1,781**	(3,628)	5,007	(6,854)	**(1,847)**	(350)	350	4,657	(6,504)	**(1,847)**
Other currencies	105	(6)	**99**	446	105	439	**545**	132	(132)	237	308	**545**
Total before derivatives	**5,505**	**(3,072)**	**2,433**	**-**	**5,505**	**(3,072)**	**2,433**	**1,332**	**(1,332)**	**6,836**	**(4,403)**	**2,433**
Fair value of derivatives included in net debt			**(87)**				**(87)**					**(87)**
NET DEBT (NOTE 9.3)			**2,345**				**2,345**					**2,345**

The main reference rates to which the Group is exposed are Euribor, ESTR and SOFR.

A 1-point parallel shift in the yield curves applied to the net debt components would have the following impact at December 31, 2025:

		Fair value impact			
(in € millions)	Annualized cash impact recognized in the income statement	Recognized in the income statement(1)	Recognized in other comprehensive income(2)	Not recognized(3)	Total equity
1-point downward shift	**(44)**	(21)	(16)	(213)	**(250)**
1-point increase	**44**	20	16	213	**249**

(1) The Group interest rate policy aims at hedging perfectly identified future cash flows. However, some derivative instruments do not qualify for hedge accounting under IFRS and are measured at fair value through profit or loss.
(2) For derivatives qualifying for hedge accounting (cash flow hedges).
(3) Some fair value impacts are not accounted for since the underlying net debt component is not booked at fair value but at amortized cost.

17.2.4 Liquidity risk management

Liquidity risk

RISK FACTORS

Liquidity is defined as the ability to repay borrowings when they fall due and to find new stable sources of financing so that there is always sufficient money to cover expenses. In the course of its business, the Group is exposed to the risk of having insufficient liquid resources to finance its operations and make the investments needed to drive its growth. It must therefore manage its cash reserves and confirmed lines of credit on a continuous basis.

RISK MANAGEMENT RESPONSE

The Corporate Financing Department is responsible for ensuring that the Group has access to adequate financing and liquidity at the lowest cost. The Group raises financing through long-term debt issues (bonds) on the capital markets, as well as through bank facilities (loans and credit lines), commercial paper programs and receivables securitization programs. The Group has also negotiated confirmed back-up credit lines and maintains cash reserves that are calibrated in order to meet short-term debt refinancing needs. Long-term financing and confirmed back-up credit lines are essentially concentrated at the level of the Group financial holding companies.

Except in the case of particular restrictions or opportunities due to the specific features of local financial markets, the Group companies are financed in accordance with the following model:

- cash pooling with the Group for the management of day-to-day liquidity requirements;
- intercompany credit lines and loans to meet medium and long-term requirements.

For subsidiaries that do not participate in the cash pool, short-term financing is the responsibility of the local treasurer.

The management of liquidity risk is supported by a forecasting system of short-, medium- and long-term financing requirements based on business forecasts and the strategic plans of the operating entities.

As a matter of prudent financial policy, the Group guards against the inclusion in its financial contracts of hard covenants or material adverse change clauses that could affect its ability to draw down credit lines or the facilities' term. At the reporting date, none of the Group's loan agreements included any clauses of this type. Concerning default and acceleration clauses included in the Group's loan agreements, the probability of trigger events occurring is low and the possible impact on the Group's financial position would not be material.

Liquidity risk - Quantitative and qualitative data

At December 31, 2025, the debt repayment schedule (principal and interest) and the maturities of undrawn confirmed credit lines are as follows:

(in € millions)	2026	2027	2028	2029	2030	2031	2032 and beyond
Bonds	92	389	586	87	1,076	552	2,893
Commercial paper	296	-	-	-	-	-	-
Loans from financial institutions and other	319	37	42	38	38	30	36
Lease liabilities	298	220	162	114	83	65	232
Derivative instruments	(49)	(26)	(24)	(1)	(2)	1	15
DEBT REPAYMENT SCHEDULE	**956**	**620**	**766**	**238**	**1,195**	**648**	**3,176**
LONG-TERM UNDRAWN CONFIRMED CREDIT LINES				**2,500**			

This table analyzes principal and interest payments on debt by payment date, as projected using available market data at the reporting date (interest is calculated in each currency on the basis of market rates, and converted into euros at period-end rates). The amounts shown are not discounted.

On May 23, 2022, an addendum to the agreement for the €2,500 million syndicated credit lines was signed. The new agreement provided for a new five-year maturity (2027) with two one-year extension options at the lenders' discretion. These options were exercised in 2023 and 2024, extending the lines' maturity to 2029.

The Group considers that at December 31, 2025 its sources of financing were sufficient to meet the needs of the business:

- cash and cash equivalents for €3,877 million;
- cash management financial assets for €290 million;
- a €2,500 million commercial paper program, of which €250 million had been utilized at December 31, 2025;
- a €594 million (US$700 million) commercial paper program, of which €42 million (US$50 million) had been utilized at December 31, 2025;
- a €424 million (US$500 million) receivables securitization program, utilized based on the availability of sufficient receivables of the required quality, which had not been used at December 31, 2025;
- €2,500 million in confirmed, undrawn lines of credit.

17.2.5 Counterparty risk management

Counterparty risk

RISK FACTORS

Counterparty risk is the risk of a debtor refusing or being unable to fulfill all or part of its obligations. The Group is exposed to counterparty risk on its contracts and financial instruments. Counterparty risk may lead to an impairment loss or a loss of liquidity. The Group is exposed to the risk of impairment losses arising from the investment of available cash in money market instruments and other marketable securities, as well as on finance receivables, derivative instruments and third-party guarantees. It is exposed to the risk of a loss of liquidity on its undrawn confirmed lines of credit.

RISK MANAGEMENT RESPONSE

The Group chooses its banks extremely carefully, particularly when it comes to the management of its cash investments. As it would be inappropriate to add financial risk to the other risks that are associated with its operations, the Group gives priority to the security and the liquidity of its cash investments. Cash investments consist of (i) financial instruments that are subject to no risk or an insignificant risk of changes in value purchased from a sufficiently diversified group of leading banks, and (ii) unrestricted units in diversified money market funds or short-term bond funds.

The Group is also exposed to counterparty risk on derivative instruments used for hedging purposes that have a positive fair value. These hedging instruments and the level of concentration by bank are tracked weekly by Group Treasury and monitored monthly by the Financial Risks Committee.

To limit counterparty risk on hedging instruments, the Group enters into two-way collateral agreements with its main banks.

Counterparty risk - Quantitative and qualitative data

At December 31, 2025, 58% of cash and cash equivalents (including cash management financial assets and borrowing collateral) was invested in money market or short term bond funds to allow for a maximum diversification of the counterparty risk. The balance is invested directly with international banks that meet the counterparty risk management criteria defined by the Group.

Furthermore, most derivatives are contracted with the same banks.

17.2.6 Credit risk management

Credit risk

RISK FACTORS

Credit risks may arise when the Group grants credit to its customers. If a customer becomes insolvent or files for bankruptcy, it may default on the receivables due to the Group and this may have a negative impact on the Group's earnings and cash flows.

RISK MANAGEMENT RESPONSE

The Credit Department, which is part of the Group Financial Department, sets the maximum payment terms and customer credit limits to be applied by the operating companies. It manages and controls credit activity, risk and results, and is also responsible for managing and collecting trade receivables (with the Service to customer team). The main policies and procedures are defined at Group level and are monitored and controlled at both regional and Group level.

Credit risk - Quantitative and qualitative data

At December 31, 2025, net receivable balances from the ten largest customers amounted to €600 million (2024: €410 million). Out of these, five were located in North America, four in Europe and one in Asia and Oceania. At the same date, 86 customers (2024: 97) had been granted credit limits in excess of €10 million. Out of these, 45 were located in Europe, 28 in North America, six in Asia and Oceania, one in South America, four in the Africa, India, Middle East region and two in Central America. No material collateral has been received to limit the related credit risk. In 2025, credit losses represented 0.11% of sales (2024: 0.06%).

17.2.7 Energy and commodity derivatives

The Group's activities expose it to energy and commodity price volatility. In 2025, the Group entered into hedging agreements and set up hedges to reduce the volatility of its energy and commodity purchase costs (note 17.1.2).

The derivatives put in place to hedge energy costs had a nominal value of €49 million at December 31, 2025 and their fair value in the balance sheet represented a €7 million liability. They mature between 2026 and 2030.

The Group did not have any significant hedging contracts in place for other commodities in 2025.

17.2.8 Equity risk management

Equity risk

RISK FACTORS

The Group holds non-controlling interests in companies whose share price fluctuates, among other things, in line with changes in the global stock markets, the multiples applied by the markets to the industries in which these companies operate and their specific economic and financial metrics. Equity investments are made for strategic rather than trading purposes. Equities are held under a medium- or long-term strategy, and not for short-term trading portfolio management. Equity investments are made for strategic rather than trading purposes. Equities are held under a medium- or long-term strategy, and not for short-term trading portfolio management.

RISK MANAGEMENT RESPONSE

The Group Investments Committee, which comprises representatives from the Finance, Legal Affairs, Mergers & Acquisitions and Strategy Departments, is responsible for ensuring that investment management and monitoring rules are properly applied for its non-controlling interests. To this end, it reviews investments at annual intervals to assess the risk level and actual results compared to defined targets.

Equity risk - Quantitative and qualitative data

Equity risk is the risk of a 10% unfavorable change in the price of equities held by the Group.

(in € millions)	December 31, 2025	December 31, 2024
Carrying amount (note 9.4)	373	373
IMPACT ON EQUITY OF A 10% UNFAVORABLE CHANGE IN THE PRICE OF EQUITIES HELD BY THE GROUP	**(31)**	**(30)**

17.2.9 Capital risk management

The Group's objectives when managing its capital are to protect its ability to continue as a going concern and to ensure its development, so that it can provide returns for shareholders and benefits for other stakeholders.

The main indicator used for capital management purposes is gearing. Gearing corresponds to the ratio of net debt to equity.

(in € millions)	December 31, 2025	December 31, 2024
Net debt (note 9.3)	2,345	3,112
Total equity	18,076	18,634
GEARING	**0.13**	**0.17**

17.3 Classification and fair values of financial assets and liabilities

ACCOUNTING POLICIES

Fair value of financial instruments

Fair value measurements are disclosed by level in the following fair value measurement hierarchy:

- level 1: quoted prices in active markets. The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the consolidated statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments, essentially cash and cash equivalents, as well as quoted unconsolidated equity investments, are included in level 1;
- level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value these instruments are observable, these instruments, essentially cash management financial assets and derivative instruments, are included in level 2;
- level 3: inputs for assets or liabilities that are not based on observable market data (i.e., unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument, essentially non-quoted unconsolidated equity investments, is included in level 3.

Specific valuation techniques used to value, generally internally, financial instruments include:

- quoted market prices or dealer quotes for similar instruments (level 1);
- the fair value of interest rate swaps calculated internally as the present value of the estimated future cash flows based on observable yield curves (level 2); and
- the fair value of forward foreign exchange contracts determined internally using spot exchange rates at the date of the consolidated statement of financial position, applied to discounted future cash flows (level 2).

Other techniques, such as discounted cash flow analysis, are used internally to determine fair value for the remaining financial instruments (level 3).

The Group assesses the counterparty risk included in the fair value of its over-the-counter derivatives for which there is no exchange of collateral. The Group includes the effect of its exposure to the credit risk of the counterparty or the counterparty's exposure to the credit risk of the Group. The valuation for long-term derivatives with no exchange of collateral is based on discounted cash flows using a rate including the counterparty credit risk.

17.3.1 Classification of financial assets

Group financial assets break down as follows between the categories "at fair value through profit or loss (FVTPL)", "at fair value through other comprehensive income (FVOCI)" and "at amortized cost" at December 31, 2025:

(in € millions)	FVTPL	FVOCI	Amortized cost	Total 2025
Trade receivables	-	-	3,459	3,459
Current financial assets	74	-	297	371
Cash and cash equivalents	2,701	-	1,176	3,877
Non-current financial assets	345	373	314	1,032
TOTAL FINANCIAL ASSETS	**3,120**	**373**	**5,246**	**8,739**

Non-current financial assets at fair value through profit or loss consist mainly of Solesis preference shares.

Investments in non-consolidated companies are measured at fair value through other comprehensive income (note 9.4).

17.3.2 Fair value measurement hierarchy

The following tables present Group assets and liabilities measured at fair value at December 31, 2025 and 2024 by level in the fair value measurement hierarchy:

(in € millions)	Level 1	Level 2	Level 3	Total 2025
Cash and cash equivalents	2,701	-	-	2,701
Current financial assets (including derivatives)	9	64	-	74
Non-current financial assets (including derivatives)	39	321	359	719
TOTAL ASSETS	**2,750**	**385**	**359**	**3,493**
Derivative instruments	-	36	-	36
TOTAL LIABILITIES	**-**	**36**	**-**	**36**

(in € millions)	Level 1	Level 2	Level 3	Total 2024
Cash and cash equivalents	2,889	-	-	2,889
Current financial assets (including derivatives)	40	42	-	82
Non-current financial assets (including derivatives)	31	301	356	688
TOTAL ASSETS	**2,960**	**343**	**356**	**3,659**
Derivative instruments	-	70	-	70
TOTAL LIABILITIES	**-**	**70**	**-**	**70**

There has been no significant transfer during these two years between level 1 and level 2.

The following table presents the changes in level 3 instruments for the year ended December 31, 2025:

(in € millions)	
At January 1, 2025	**356**
Acquisitions	7
Disposals	(2)
Gains or losses for the year recognized in other comprehensive income	11
Other	(13)
AT DECEMBER 31, 2025	**359**

NOTE 18 RELATED-PARTY TRANSACTIONS

Management and Supervisory Bodies

In 2025, Florent Menegaux, Managing Chairman and Managing General Partner of Compagnie Générale des Établissements Michelin, received a statutory distribution of €1.2 million in 2024 based on 2024 net income (2024 based on 2023 net income: €1.7 million). He was also awarded compensation of €1.5 million (payroll taxes included) as Chairman of Manufacture Française des Pneumatiques Michelin (2024: €1.5 million). The benefits that vested during the period in respect of a post-employment defined benefit plan amounted to €0.3 million (2024: €0.3 million). In addition, an expense of €1.0 million (2024: €1.1 million) was recognized in the Company's financial statements, corresponding to performance shares granted to Florent Menegaux in respect of years after 2020.

Yves Chapot received compensation of €1.9 million (payroll taxes included) in 2025 as General Manager of Compagnie Générale des Établissements Michelin (2024: €2.4 million). The benefits that vested during the period in respect of a post-employment defined benefit plan amounted to €0.6 million (2024: €0.5 million). A provision of €0.6 million (including payroll taxes) was recognized based on vested rights under the annual variable compensation plan. In addition, an expense of €0.6 million (2024: €0.7 million) was recorded in the Company's financial statements, corresponding to performance shares granted to Yves Chapot in respect of years after 2020.

At December 31, 2025, the Group Executive Committee had nine members (2024: nine members). Employee benefits costs for members of the Group Executive Committee break down as follows:

(in € millions)	2025	2024
Short-term and termination benefits	9.9	14.2
Post-employment benefits	2.1	2.2
Share-based payments	1.7	1.8
COMPENSATION GRANTED TO MEMBERS OF THE GROUP EXECUTIVE COMMITTEE	**13.7**	**18.1**

The aggregate compensation received in 2025 by the members of the Supervisory Board for their duties totaled €1.2 million, of which an aggregate €0.9 million related to their duties carried out in 2024.

NOTE 19 EVENTS AFTER THE REPORTING DATE

On January 22, 2026, Michelin completed its acquisition of Cooley Group, a specialist in industrial coated fabrics, after receiving anti-trust clearance in the relevant jurisdictions.

On February 3, 2026, Michelin announced the acquisition of Flexitallic to develop its leadership in the Sealing segment. Based in Houston, Texas, Flexitallic is a global leader in sealing solutions providing high-performance gaskets to critical sectors such as energy and chemical industry. The transaction is expected to close in first semester 2026, subject to customary closing adjustments and merger control clearance.

NOTE 20 LIST OF CONSOLIDATED COMPANIES

Countries are presented based on the Michelin geographical regions and are listed within each region according to the alphabetical order of the French names.

Companies	Consolidation method	Registered office	Type	% interest
EUROPE				
GERMANY				
Michelin Reifenwerke AG & Co. Kommanditgesellschaft auf Aktien	Full consolidation method	Karlsruhe	Manufacturing & commercial	100
Euromaster GmbH	Full consolidation method	Mannheim	Commercial	100
Euromaster Reifenservice Deutschland GmbH	Full consolidation method	Mannheim	Commercial	100
Advantico GmbH	Full consolidation method	Mannheim	Commercial	60
Michelin Deutschland GmbH	Full consolidation method	Karlsruhe	Financial	100
PTG Reifendruckregelsysteme GmbH	Full consolidation method	Neuss	Commercial	100
Michelin Finanz Gesellschaft für Beteiligungen AG & Co. OHG	Full consolidation method	Karlsruhe	Financial	100
Ihle Tires GmbH	Full consolidation method	Muggensturm	Commercial	100
Tirecorp GmbH	Full consolidation method	Muggensturm	Commercial	100
ProServ Produktionsservice und Personaldienste GmbH	Equity method	Karlsruhe	Miscellaneous	35
Dichtelemente Hallite GmbH	Full consolidation method	Hamburg	Manufacturing & commercial	100
Camso Deutschland GmbH	Full consolidation method	Duisbourg	Commercial	100
Masternaut GmbH	Full consolidation method	Munich	Commercial	100
AUSTRIA				
Michelin Reifenverkaufsgesellschaft m.b.H.	Full consolidation method	Vienna	Miscellaneous	100
Euromaster Reifenservice GmbH	Full consolidation method	Vienna	Commercial	100
Camso Austria GmbH	Full consolidation method	Korneubourg	Commercial	100
BELGIUM				
Michelin Belux SA	Full consolidation method	Zellik	Commercial	100
Michelin R&D Belgium NV	Full consolidation method	Ghent	Financial	100
Eurowheel BVBA	Full consolidation method	Herenthout	Manufacturing	100
ITC International Tire NV	Full consolidation method	Wommelgem	Commercial	100
Industrial International Tire Company NV	Full consolidation method	Wommelgem	Commercial	100
Pennel & Flippo	Full consolidation method	Mouscron	Financial	100
BULGARIA				
Michelin Bulgaria EOOD	Full consolidation method	Sofia	Miscellaneous	100
CROATIA				
Michelin Hrvatska d.o.o.	Full consolidation method	Zagreb	Commercial	100
DENMARK				
Michelin Gummi Compagni A/S	Full consolidation method	Frederiksberg	Miscellaneous	100
SPAIN				
Michelin España Portugal, S.A.	Full consolidation method	Valladolid	Manufacturing & commercial	99.81
Euromaster Automoción y Servicios, SA	Full consolidation method	Madrid	Commercial	100
Nex Tyres, SL	Full consolidation method	Lleida	Commercial	50
Lehigh Spain, SL	Full consolidation method	Barcelona	Miscellaneous	100
Servicios y Asistencia OK24, SL	Full consolidation method	Madrid	Commercial	51
Fundación Michelin España Portugal	Full consolidation method	Valladolid	Miscellaneous	99.81
Rodi Metro, SL	Equity method	Lleida	Miscellaneous	20
Fenner Dunlop SL	Full consolidation method	Esparreguera	Manufacturing & commercial	100
Masternaut Iberica, SL	Full consolidation method	Madrid	Commercial	100

Companies	Consolidation method	Registered office	Type	% interest
ESTONIA				
Technobalt Eesti OÜ	Full consolidation method	Peetri	Manufacturing & commercial	100
FINLAND				
Oy Suomen Michelin Ab	Full consolidation method	Espoo	Miscellaneous	100
Suomen Euromaster Oy	Full consolidation method	Pori	Commercial	100
FRANCE				
Compagnie Générale des Établissements Michelin	Full consolidation method	Clermont-Ferrand	Parent	-
Compagnie Financière Michelin	Full consolidation method	Clermont-Ferrand	Financial	100
Manufacture Française des Pneumatiques Michelin	Full consolidation method	Clermont-Ferrand	Manufacturing & commercial	100
Pneu Laurent	Full consolidation method	Avallon	Manufacturing & commercial	100
Société du Caoutchouc Synthétique Michelin	Full consolidation method	Bassens	Manufacturing	100
Euromaster SNC	Full consolidation method	Montbonnot-Saint-Martin	Commercial	100
Michelin Aircraft Tyre	Full consolidation method	Clermont-Ferrand	Commercial	100
Spika S.A.	Full consolidation method	Clermont-Ferrand	Financial	100
Michelin Air Services	Full consolidation method	Clermont-Ferrand	Miscellaneous	100
Tyredating SAS	Full consolidation method	Lyon	Commercial	100
Ihle France SAS	Full consolidation method	Schiltigheim	Commercial	100
Euromaster Services et Management	Full consolidation method	Clermont-Ferrand	Commercial	100
GIE Michelin Placements	Full consolidation method	Clermont-Ferrand	Financial	100
Société d'Investissements et de Mécanique	Full consolidation method	Montagny	Miscellaneous	100
Michelin Ventures SAS	Full consolidation method	Clermont-Ferrand	Financial	100
Oxymore	Full consolidation method	Montbonnot-Saint-Martin	Commercial	95
Teleflow SAS	Full consolidation method	Mably	Miscellaneous	100
MMM !	Full consolidation method	Paris	Miscellaneous	100
Allopneus	Full consolidation method	Aix-en-Provence	Commercial	100
Call For You	Full consolidation method	Aix-en-Provence	Commercial	100
Log For You	Full consolidation method	Aix-en-Provence	Commercial	100
Watèa SAS	Full consolidation method	Clermont-Ferrand	Commercial	70
Société Internationale de Plantations d'Hévéas	Equity method	Courbevoie	Miscellaneous	39.26
Symbio	Equity method	Fontaine	Miscellaneous	33.33
Taquipneu	Equity method	Montauban	Miscellaneous	22.92
Hympulsion	Equity method	Lyon	Manufacturing & commercial	22.78
Fenner Dunlop SARL	Full consolidation method	Elancourt	Manufacturing & commercial	100
Camso France SAS	Full consolidation method	Le Malesherbois	Commercial	100
Masternaut SAS	Full consolidation method	Boulogne-Billancourt	Commercial	100
Michelin Engineered Polymers	Full consolidation method	Clermont-Ferrand	Manufacturing	100
Michelin Inflatable Solutions	Full consolidation method	Trappes	Miscellaneous	100
Michelin Editions SAS	Equity method	Paris	Miscellaneous	40
SAS Foncière Le Pic	Equity method	Clermont-Ferrand	Miscellaneous	22
Flex Composite Group SA	Full consolidation method	Lille	Financial	100
Orca Sales	Full consolidation method	Lille	Commercial	100
Foncière Centre des Matériaux Durables	Equity method	Clermont-Ferrand	Miscellaneous	22
ASM Clermont Auvergne	Full consolidation method	Clermont-Ferrand	Miscellaneous	100
Michelin Finanz Gesellschaft für Beteiligungen S.A.	Full consolidation method	Clermont-Ferrand	Financial	100
Michelin Invest SA	Full consolidation method	Clermont-Ferrand	Financial	100
Evrest SAS	Full consolidation method	Leers	Financial	100
Pronal France	Full consolidation method	Leers	Manufacturing & commercial	100

Companies	Consolidation method	Registered office	Type	% interest
GREECE				
Elastika Michelin Single Member S.A.	Full consolidation method	Athens	Commercial	100
HUNGARY				
Michelin Hungaria Tyre Manufacture Ltd.	Full consolidation method	Nyíregyháza	Manufacturing & commercial	100
Ihle Magyarország Kft.	Full consolidation method	Komárom	Commercial	100
IRELAND				
Miripro Insurance Company DAC	Full consolidation method	Dublin	Miscellaneous	100
Async Technologies Limited	Equity method	Ennis	Miscellaneous	25
ITALY				
Società per Azioni Michelin Italiana	Full consolidation method	Turin	Manufacturing & commercial	100
Fondazione Michelin Sviluppo	Full consolidation method	Turin	Miscellaneous	100
Euromaster Italia S.r.l.	Full consolidation method	Milan	Commercial	100
MAV S.p.A.	Full consolidation method	Bosentino	Manufacturing & commercial	100
Hallite Italia S.r.l.	Full consolidation method	Collesalvetti	Manufacturing & commercial	100
Fenner Dunlop Italia S.r.l.	Full consolidation method	Milan	Manufacturing & commercial	100
Camso Manufacturing Italy S.r.l.	Full consolidation method	Milan	Manufacturing	100
Camso Italy S.p.A.	Full consolidation method	Ozzero	Commercial	100
Webraska Italia S.r.l.	Full consolidation method	Milan	Miscellaneous	100
TRK S.r.l.	Full consolidation method	Milan	Commercial	100
Black Circles Italy	Full consolidation method	Milan	Commercial	100
FCG Composite Italy S.p.A.	Full consolidation method	Venice	Financial	100
Fait plast SpA	Full consolidation method	Cellatica	Manufacturing & commercial	100
Angeloni Group S.r.l.	Full consolidation method	Venice	Manufacturing & commercial	100
AS Aston Seals	Full consolidation method	Carpi	Manufacturing & commercial	100
LATVIA				
TB Industry SIA	Full consolidation method	Riga	Manufacturing & commercial	100
LITHUANIA				
Technobalta UAB	Full consolidation method	Vilnius	Manufacturing & commercial	100
NORWAY				
Norsk Michelin Gummi AS	Full consolidation method	Oslo	Miscellaneous	100
Fenner Mandals AS	Full consolidation method	Mandal	Manufacturing & commercial	100
NETHERLANDS				
Euromaster Bandenservice BV	Full consolidation method	Deventer	Commercial	100
Michelin Nederland N.V.	Full consolidation method	Drunen	Commercial	100
Transityre BV	Full consolidation method	Breda	Commercial	100
Michelin Distribution BV	Full consolidation method	Breda	Commercial	100
Actor BV	Full consolidation method	Deventer	Commercial	100
MC Projects BV	Equity method	Maastricht	Miscellaneous	50
Dunlop Service BV	Full consolidation method	Klazienaveen	Manufacturing & commercial	100
Fenner Dunlop BV	Full consolidation method	Drachten	Manufacturing & commercial	100
Dunlop Enerka Netherlands B.V.	Full consolidation method	Drachten	Financial	100
Dunlop Service International B.V.	Full consolidation method	Drachten	Financial	100
Camso Nederland BV	Full consolidation method	Nieuwegein	Commercial	100
Masternaut BV	Full consolidation method	Rotterdam	Commercial	100

Companies	Consolidation method	Registered office	Type	% interest
POLAND				
Michelin Polska sp. z o.o.	Full consolidation method	Olsztyn	Manufacturing & commercial	100
Euromaster Polska sp. z o.o.	Full consolidation method	Olsztyn	Commercial	100
Michelin Development Foundation (Fundacja Rozwoju Michelin)	Full consolidation method	Olsztyn	Miscellaneous	100
Dunlop Conveyor Belting Polska sp. z.o.o.	Full consolidation method	Mikołów	Manufacturing & commercial	100
Camso Polska SA	Full consolidation method	Warsaw	Commercial	100
Michelin Speciality Materials Recovery Poland sp. z o.o.	Full consolidation method	Olsztyn	Manufacturing & commercial	100
PORTUGAL				
Michelin-Companhia Luso-Pneu, Limitada	Full consolidation method	Lisbon	Miscellaneous	100
Euromaster Portugal - Sociedade Unipessoal, LDA	Full consolidation method	Lisbon	Commercial	100
Strucflex by Pronal	Full consolidation method	Rio de Moinhos	Manufacturing	100
CZECH REPUBLIC				
Euromaster Česká republika s.r.o.	Full consolidation method	Prague	Commercial	100
Michelin Česká republika s.r.o.	Full consolidation method	Prague	Miscellaneous	100
Ihle Czech, s.r.o.	Full consolidation method	Plzen	Commercial	100
Cemat trading spol s.r.o.	Full consolidation method	Bohumín	Commercial	100
ROMANIA				
Michelin Romania SA	Full consolidation method	Voluntari	Manufacturing & commercial	99.86
Euromaster Tyre & Services Romania S.A.	Full consolidation method	Voluntari	Commercial	100
Ihle Anvelope SRL	Full consolidation method	Pitesti	Commercial	100
UNITED KINGDOM				
Michelin Tyre Public Limited Company	Full consolidation method	Stoke-on-Trent	Manufacturing & commercial	100
ATS Euromaster Limited	Full consolidation method	Birmingham	Commercial	100
Associated Tyre Specialists (Investment) Limited	Full consolidation method	Birmingham	Commercial	100
ATS Property and Real Estate Limited	Full consolidation method	Birmingham	Commercial	100
Blackcircles.com Limited	Full consolidation method	Edinburgh	Commercial	100
Michelin Finance (UK) Limited	Full consolidation method	London	Financial	100
Michelin Lifestyle Limited	Full consolidation method	Stoke-on-Trent	Commercial	100
Michelin Development Limited	Full consolidation method	Stoke-on-Trent	Miscellaneous	100
TFM Holdings Limited	Full consolidation method	Eastleigh	Commercial	100
Fenner Group Holdings Limited	Full consolidation method	Stoke-on-Trent	Financial	100
Fenner International Limited	Full consolidation method	Stoke-on-Trent	Financial	100
J.H. Fenner & Co. Limited	Full consolidation method	Stoke-on-Trent	Manufacturing & commercial	100
Hallite Seals International Limited	Full consolidation method	Stoke-on-Trent	Manufacturing & commercial	100
James Dawson & Son Limited	Full consolidation method	Stoke-on-Trent	Manufacturing & commercial	100
Dunlop Conveyor Belting Investments Limited	Full consolidation method	Stoke-on-Trent	Financial	100
Hall & Hall Limited	Full consolidation method	Stoke-on-Trent	Financial	100
J.H. Fenner & Co (Advanced Engineering Products) Limited	Full consolidation method	Stoke-on-Trent	Financial	100
J.H. Fenner & Co. (India) Limited	Full consolidation method	Stoke-on-Trent	Financial	100
James Dawson (China) Limited	Full consolidation method	Stoke-on-Trent	Financial	100
Fenner Pension Scheme Trustee Limited	Full consolidation method	Stoke-on-Trent	Miscellaneous	100
Vulcanisers International Limited	Full consolidation method	Hull	Financial	100
Camso UK Limited	Full consolidation method	Cowbridge	Commercial	100
Masternaut Group Holdings Limited	Full consolidation method	Marlow	Financial	100
Masternaut Limited	Full consolidation method	Aberford	Commercial	100
Masternaut Bidco Limited	Full consolidation method	London	Financial	100
Masternaut Holdings Limited	Full consolidation method	Marlow	Commercial	100
Masternaut Risk Solutions Limited	Full consolidation method	Marlow	Commercial	100
Canopy Technologies Ltd.	Full consolidation method	Southampton	Financial	100
Canopy Simulations Ltd.	Full consolidation method	Southampton	Miscellaneous	100

Companies	Consolidation method	Registered office	Type	% interest
SERBIA				
Tigar Tyres d.o.o.	Full consolidation method	Pirot	Manufacturing & commercial	100
SLOVAKIA				
Michelin Slovensko, s.r.o.	Full consolidation method	Bratislava	Miscellaneous	100
Ihle Slovakia s.r.o.	Full consolidation method	Bratislava	Commercial	100
Ihle Slovakia Logistic a Servis s.r.o.	Full consolidation method	Bratislava	Commercial	100
CEMAT SRO	Full consolidation method	Martin-Priekopa	Commercial	100
SLOVENIA				
Michelin Slovenija, pnevmatike, d.o.o.	Full consolidation method	Ljubljana	Miscellaneous	100
Ihle pnevmatike, d.o.o.	Full consolidation method	Maribor	Commercial	100
SWEDEN				
Euromaster AB	Full consolidation method	Varberg	Commercial	100
Michelin Nordic AB	Full consolidation method	Stockholm	Commercial	100
Masternaut AB	Full consolidation method	Stockholm	Commercial	100
Scandinavian Enviro Systems AB	Equity method	Gothenburg	Manufacturing & commercial	13.78
SWITZERLAND				
Euromaster (Suisse) SA	Full consolidation method	Givisiez	Commercial	100
Nitor SA	Full consolidation method	Granges-Paccot	Financial	100
Michelin Suisse SA	Full consolidation method	Givisiez	Commercial	100
Compagnie Financière Michelin Suisse S.A.	Full consolidation method	Granges-Paccot	Financial	100
Michelin Recherche et Technique SA	Full consolidation method	Granges-Paccot	Miscellaneous	100
Michelin Mexico Properties Sàrl	Full consolidation method	Granges-Paccot	Financial	100
Michelin Global Mobility S.A.	Full consolidation method	Granges-Paccot	Miscellaneous	100
Camso Schweiz AG	Full consolidation method	Schaffhouse	Commercial	100
TUNISIA				
Strucflex Tunisia	Full consolidation method	Ben Arous	Miscellaneous	100
TURKEY				
Michelin Lastikleri Ticaret A.S.	Full consolidation method	Istanbul	Commercial	100
Euromaster Lastik Ve Servis Limited Sirketi	Full consolidation method	Istanbul	Commercial	100
Camso Lastik Ticaret Limited Sirketi	Full consolidation method	Istanbul	Commercial	100
UKRAINE				
Michelin Ukraine LLC	Full consolidation method	Kyiv	Commercial	100

Companies	Consolidation method	Registered office	Type	% interest
AFRICA/INDIA/MIDDLE EAST				
SOUTH AFRICA				
Michelin Tyre Company South Africa Proprietary Limited	Full consolidation method	Boksburg	Commercial	100
Fenner (South Africa) (Pty) Limited	Full consolidation method	Isando	Financial	100
Fenner Conveyor Belting (South Africa) (Pty) Limited	Full consolidation method	Isando	Manufacturing & commercial	100
Michelin Connected Fleet South Africa (Pty) Limited	Full consolidation method	Boksburg	Miscellaneous	100
ALGERIA				
Société d'Applications Techniques Manufacturings	Full consolidation method	Algiers	Commercial	100
SAUDI ARABIA				
Juffali Tyres Co. Ltd.	Equity method	Jeddah	Commercial	50
CDI Products Arabia Industrial LLC	Full consolidation method	Al Khobar	Manufacturing & commercial	50
CAMEROON				
Société Moderne du Pneumatique Camerounais	Full consolidation method	Douala	Commercial	100
IVORY COAST				
Société Africaine de Plantations d'Hévéas	Equity method	Abidjan	Miscellaneous	18
UNITED ARAB EMIRATES				
Michelin AIM FZCO	Full consolidation method	Dubai	Miscellaneous	100
GHANA				
Dunlop Conveyor Belting Ghana Limited	Full consolidation method	Accra	Manufacturing & commercial	100
INDIA				
Michelin India Private Limited	Full consolidation method	Chennai	Manufacturing	100
Fenner Conveyor Belting Private Limited	Full consolidation method	Madurai	Manufacturing & commercial	100
Hallite Sealing Solutions India Private Limited	Full consolidation method	Bangalore	Manufacturing & commercial	100
Camso India LLP	Full consolidation method	Gurgaon	Commercial	100
KENYA				
Tyre Distribution Africa Limited	Equity method	Nairobi	Miscellaneous	49
MOROCCO				
Fenner Dunlop Maroc SARL	Full consolidation method	Casablanca	Manufacturing & commercial	100
Michelin Maroc SARL	Full consolidation method	Casablanca	Commercial	100
NIGERIA				
Michelin Tyre Services Company Ltd.	Full consolidation method	Lagos	Commercial	95.83
SRI LANKA				
Michelin Lanka (Private) Limited	Full consolidation method	Ja-Ela	Manufacturing	100
Camso Trading (Private) Limited	Full consolidation method	Ja-Ela	Commercial	100
Michelin Business Services Lanka (private) Limited	Full consolidation method	Colombo	Financial	100
NORTH AMERICA				
CANADA				
Michelin North America (Canada) Inc.	Full consolidation method	Laval	Manufacturing & commercial	100
Michelin Retread Technologies (Canada) Inc.	Full consolidation method	New Glasgow	Commercial	100
Michelin Development (Canada) Inc.	Full consolidation method	New Glasgow	Miscellaneous	100
Oliver Rubber Canada Limited	Full consolidation method	Granton, Nova Scotia	Commercial	100
Fenner Dunlop (Bracebridge), Inc.	Full consolidation method	Bracebridge	Manufacturing & commercial	100
Hallite Seals (Canada) Ltd	Full consolidation method	Mississauga	Manufacturing & commercial	100
Camso Inc.	Full consolidation method	Magog	Financial	100
Camso Distribution Canada Inc.	Full consolidation method	Mississauga	Commercial	100
Klinge Tire Management Consultants CA Ltd	Full consolidation method	Toronto	Miscellaneous	100

Companies	Consolidation method	Registered office	Type	% interest
UNITED STATES OF AMERICA				
Michelin North America, Inc.	Full consolidation method	New York	Manufacturing & commercial	100
Michelin Retread Technologies, Inc.	Full consolidation method	Wilmington	Commercial	100
CR Funding Corporation	Full consolidation method	Wilmington	Financial	100
Michelin Corporation	Full consolidation method	New York	Financial	100
Oliver Rubber Company, LLC	Full consolidation method	Wilmington	Manufacturing	100
NexTraq, LLC	Full consolidation method	Wilmington	Commercial	100
Tire Centers West, LLC	Full consolidation method	Wilmington	Commercial	100
Lehigh Technologies, Inc.	Full consolidation method	Wilmington	Commercial	100
TBC Corporation	Equity method	Palm Beach Gardens	Commercial	50
T & W Tire, LLC	Equity method	Oklahoma City	Commercial	25
Snider Tire, Inc.	Equity method	Greensboro	Commercial	25
Fenner Inc.	Full consolidation method	Harrisburg	Manufacturing & commercial	100
Fenner America, Inc.	Full consolidation method	Wilmington	Financial	100
Fenner Advanced Sealing Technologies, LLC	Full consolidation method	Wilmington	Financial	100
American Industrial Plastics, LLC	Full consolidation method	Plantation	Manufacturing & commercial	100
CDI Energy Products, LLC	Full consolidation method	Dallas	Manufacturing & commercial	100
Hallite Seals Americas, LLC	Full consolidation method	Plymouth	Manufacturing & commercial	100
Fenner Medical Holdings Inc.	Full consolidation method	Harrisburg	Financial	100
Fenner Dunlop Conveyor Systems and Services, LLC	Full consolidation method	Harrisburg	Manufacturing & commercial	100
Fenner Dunlop Americas, LLC	Full consolidation method	Harrisburg	Manufacturing & commercial	100
Fenner Dunlop (Port Clinton), LLC	Full consolidation method	Columbus	Manufacturing & commercial	100
Fenner Dunlop (Toledo), LLC	Full consolidation method	Columbus	Manufacturing & commercial	100
Mandals US, LLC	Full consolidation method	Dallas	Manufacturing & commercial	100
Solesis Holdings, LLC	Equity method	Charlotte	Miscellaneous	49
Camso Holding USA, LLC	Full consolidation method	Wilmington	Financial	100
Camso Manufacturing USA, Ltd.	Full consolidation method	Wilmington	Manufacturing	100
Camso USA Inc.	Full consolidation method	Tallahassee	Commercial	100
Industrial Tire/DFW, LLC	Full consolidation method	Irving	Commercial	67
Airflash, Inc.	Full consolidation method	Saratoga	Miscellaneous	100
Achilles Tires USA, Inc.	Full consolidation method	Los Angeles	Commercial	99.97
The Wine Advocate, Inc.	Full consolidation method	Parkton	Miscellaneous	100
Tablet, Inc.	Full consolidation method	Wilmington	Miscellaneous	100
Klinge Tire Management Consultants, Inc.	Full consolidation method	Carson City	Miscellaneous	100
Michelin Mobility Intelligence, Inc.	Full consolidation method	Pittsburgh	Miscellaneous	100
Pennel USA, Inc.	Full consolidation method	Wando	Commercial	100
EGC Operating Company, LLC	Full consolidation method	Chardon	Manufacturing & commercial	100
Pronal (USA)	Full consolidation method	South Daytona	Commercial	60
MEXICO				
Industrias Michelin, SA de CV	Full consolidation method	Querétaro	Manufacturing & commercial	100
Michelin Sascar Mexico SA de CV	Full consolidation method	Querétaro	Commercial	100
Michelin Mexico Services, SA de CV	Full consolidation method	Querétaro	Miscellaneous	100
Camso Distribución México, SA de CV	Full consolidation method	Tultitlan	Commercial	100

Companies	Consolidation method	Registered office	Type	% interest
SOUTH AMERICA				
ARGENTINA				
Michelin Argentina Sociedad Anónima, Industrial, Comercial y Financiera	Full consolidation method	Buenos Aires	Commercial	100
Rodaco Argentina SAU	Full consolidation method	Buenos Aires	Commercial	100
BRAZIL				
Sociedade Michelin de Participações, Indústria e Comércio Ltda.	Full consolidation method	Rio de Janeiro	Manufacturing & commercial	100
Plantações Michelin da Bahia Ltda.	Full consolidation method	Rio de Janeiro	Miscellaneous	100
Plantações E. Michelin Ltda.	Full consolidation method	Rio de Janeiro	Miscellaneous	100
Sascar Tecnologia e Segurança Automotiva S.A.	Full consolidation method	Barueri	Miscellaneous	100
Seva Engenharia Eletrônica S.A.	Full consolidation method	Contagem	Miscellaneous	100
CVB Produtos Industriais Ltda.	Full consolidation method	São Paulo	Manufacturing	100
CHILE				
Michelin Chile Ltda.	Full consolidation method	Santiago	Commercial	100
Conveyor Services SA	Full consolidation method	Antofagasta	Manufacturing & commercial	100
Michelin Specialty Materials Recovery SpA	Full consolidation method	Santiago	Manufacturing & commercial	100
CPS Conveyors SpA	Full consolidation method	Santiago	Commercial	100
COLOMBIA				
Industria Colombiana de Llantas SA	Full consolidation method	Bogotá	Commercial	99.96
ECUADOR				
Michelin del Ecuador S.A.	Full consolidation method	Quito	Commercial	100
PERU				
Michelin del Perú S.A.	Full consolidation method	Lima	Commercial	100
Conveyor Pulleys & Solutions SAC	Full consolidation method	Lima	Commercial	100
VENEZUELA				
Michelin Venezuela, SA	Equity method	Valencia	Commercial	100
SOUTH EAST ASIA/AUSTRALIA/CENTRAL ASIA				
AUSTRALIA				
Michelin Australia Pty Ltd	Full consolidation method	Melbourne	Commercial	100
Klinge Holdings Pty Ltd	Full consolidation method	Brisbane	Miscellaneous	100
Hallite Seals Australia Pty Limited	Full consolidation method	Wetherill Park	Manufacturing & commercial	100
Fenner Dunlop Australia Pty Limited	Full consolidation method	West Footscray	Manufacturing & commercial	100
Fenner Australia Financing Pty Limited	Full consolidation method	West Footscray	Financial	100
Australian Conveyor Engineering Pty Limited	Full consolidation method	West Footscray	Manufacturing & commercial	100
Agile Maintenance Services Pty Limited	Full consolidation method	West Footscray	Financial	100
Belle Banne Conveyor Services Pty Limited	Full consolidation method	West Footscray	Manufacturing & commercial	100
Bearcat Tyres Pty Ltd	Full consolidation method	Girraween	Commercial	100
Conveyor Products & Solutions Pty Ltd	Full consolidation method	Victoria	Manufacturing & commercial	100
Wilvic Australia Pty Ltd	Full consolidation method	Victoria	Manufacturing & commercial	50
Michelin Connected Fleet Australia PTY Ltd.	Full consolidation method	Melbourne	Commercial	100
Tyroola PTY Ltd.	Full consolidation method	Sydney	Commercial	100
Tyroola Holding	Full consolidation method	Sydney	Financial	100
Tyroola International Limited	Full consolidation method	Sydney	Commercial	100

Companies	Consolidation method	Registered office	Type	% interest
INDONESIA				
PT Michelin Indonesia	Full consolidation method	Jakarta	Commercial	99.97
PT Synthetic Rubber Indonesia	Full consolidation method	Jakarta	Manufacturing	55
PT Royal Lestari Utama	Full consolidation method	Jakarta	Miscellaneous	100
PT Lestari Asri Jaya	Full consolidation method	Jakarta	Manufacturing	100
PT Multi Kusuma Cemerlang	Full consolidation method	Jakarta	Manufacturing	100
PT Wanamukti Wisasa	Full consolidation method	Jakarta	Manufacturing	100
PT Multistrada Arah Sarana Tbk	Full consolidation method	Bekasi	Manufacturing & commercial	99.97
PT Kawasan Industri Multistrada	Full consolidation method	Bekasi	Miscellaneous	99.96
KAZAKHSTAN				
Michelin Kazakhstan Limited Liability Partnership	Full consolidation method	Amalty	Commercial	100
MALAYSIA				
Michelin Malaysia Sdn. Bhd.	Full consolidation method	Petaling Jaya	Commercial	100
Michelin Services (S.E.A.) Sdn. Bhd.	Full consolidation method	Petaling Jaya	Miscellaneous	100
Pronal (Malaysia)	Full consolidation method	Kuala Lumpur	Commercial	100
NEW ZEALAND				
Tyreline Distributors Limited	Equity method	Hamilton	Commercial	25
Beau Ideal Limited	Equity method	Te Awamutu	Commercial	25.01
Camso New Zealand Limited	Full consolidation method	Auckland	Commercial	100
Tyroola Limited	Full consolidation method	Auckland	Miscellaneous	100
SINGAPORE				
Michelin Asia (Singapore) Co. Pte. Ltd.	Full consolidation method	Singapore	Commercial	100
Michelin Asia-Pacific Import (SG) Pte. Ltd.	Full consolidation method	Singapore	Commercial	100
Michelin Asia-Pacific Export (SG) Pte. Ltd.	Full consolidation method	Singapore	Commercial	100
Michelin Asia-Pacific Import-Export (SG) Pte. Ltd.	Full consolidation method	Singapore	Commercial	100
Société des Matières Premières Tropicales Pte. Ltd.	Full consolidation method	Singapore	Miscellaneous	100
Wine Advocate Pte. Ltd.	Full consolidation method	Singapore	Commercial	100
Fenner Singapore Pte. Ltd.	Full consolidation method	Singapore	Financial	100
CDI Energy Products Pte. Ltd.	Full consolidation method	Singapore	Manufacturing & commercial	100
THAILAND				
Michelin Siam Company Limited	Full consolidation method	Bangkok	Manufacturing & commercial	100
Michelin Roh Co., Ltd.	Full consolidation method	Bangkok	Miscellaneous	100
NTeq Polymer Co., Ltd.	Equity method	Surat Thani	Miscellaneous	45
VIETNAM				
Michelin Vietnam Company Limited	Full consolidation method	Ho Chi Minh City	Commercial	100
Camso Vietnam Co., Ltd	Full consolidation method	Tan Uyen	Manufacturing	100

Companies	Consolidation method	Registered office	Type	% interest
CHINA				
CHINA				
Michelin Shenyang Tire Co., Ltd.	Full consolidation method	Shenyang	Manufacturing	100
Shanghai Michelin Tire Co., Ltd.	Full consolidation method	Shanghai	Manufacturing	100
Michelin Asia (Hong Kong) Limited	Full consolidation method	Hong Kong	Commercial	100
Michelin (China) Investment Co., Ltd.	Full consolidation method	Shanghai	Commercial	100
Shanghai Suisheng Information Technology Co., Ltd.	Full consolidation method	Shanghai	Commercial	100
Michelin Tyre Research and Development Center	Full consolidation method	Shanghai	Miscellaneous	100
Tyre Plus (Shanghai) Auto Accessories Trading Co., Ltd.	Full consolidation method	Shanghai	Commercial	100
Michelin (Shanghai) Aircraft Tires Trading Co., Ltd.	Full consolidation method	Shanghai	Commercial	100
Dawson Polymer Products (Shanghai) Company Limited	Full consolidation method	Shanghai	Manufacturing & commercial	100
Hallite Shanghai Company Limited	Full consolidation method	Shanghai	Manufacturing & commercial	100
Camso Enterprise Management (China) Co., Ltd.	Full consolidation method	Shanghai	Commercial	100
Wine Advocate (HK) Ltd.	Full consolidation method	Hong Kong	Miscellaneous	100
Fait plast Hong Kong Ltd	Full consolidation method	Hong Kong	Commercial	100
Michelin Engineered Polymers (Shanghai), Co., Ltd.	Full consolidation method	Shanghai	Miscellaneous	100
AS Aston Seals Trading	Full consolidation method	Shanghai	Manufacturing & commercial	100
TAIWAN				
Michelin Tire Taiwan Co., Ltd.	Full consolidation method	Taipei	Commercial	100
JAPAN/KOREA				
JAPAN				
Nihon Michelin Tire Co., Ltd.	Full consolidation method	Tokyo	Commercial	100
SOUTH KOREA				
Michelin Korea Co., Ltd.	Full consolidation method	Seoul	Commercial	100

NOTE 21 STATUTORY AUDITORS' FEES

	Deloitte				PricewaterhouseCoopers			
	Statutory Auditor (Deloitte & Associés)		Network		Statutory Auditor (PricewaterhouseCoopers Audit)		Network	
(in € thousands)	Amount	%	Amount	%	Amount	%	Amount	%
STATUTORY AUDIT AND HALF-YEAR REVIEW OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS								
■ Issuer (1)	1,357	51%	-	-	1263	55%	-	-
■ Fully consolidated subsidiaries	1311	49%	4,600	100%	1,045	45%	4,662	100%
Sub-total	**2,668**	**100%**	**4,600**	**100%**	**2,308**	**100%**	**4,662**	**100%**
NON-AUDIT SERVICES								
■ Issuer (2)	71	70%	-	-	90	33%	-	-
■ Fully consolidated subsidiaries (2)	30	30%	603	100%	179	67%	892	100%
Sub-total	**101**	**100%**	**603**	**100%**	**269**	**100%**	**892**	**100%**
TOTAL	**2,769**		**5,203**		**2,577**		**5,554**	

(1) Fees for the certification of the 2025 sustainability report are included in statutory audit services and amount to €1,200 thousand for the co-auditors.

(2) Corresponding chiefly to procedures performed in connection with acquisitions or planned acquisitions, diagnostic reviews, tax compliance reviews and certifications issued at the request of the audited companies. Corresponding chiefly to procedures performed in connection with acquisitions or planned acquisitions, diagnostic reviews, tax compliance reviews and certifications issued at the request of the audited companies.

Design and production: KPMG
Photo credits: @ Michelin 2025 - Terminal 33, Alexis Goure.

COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN

+33 (0) 4 73 32 20 00
23, Place des Carmes Déchaux – 63000 Clermont-Ferrand – France
www.michelin.com

INVESTOR RELATIONS

GUILLAUME JULLIENNE
BENJAMIN MARCUS
NADIA AIT-MOKHTAR
Business Center Paris Trocadero - 112, avenue Kléber - 75116 Paris - France
23, Place des Carmes-Déchaux - 63000 Clermont-Ferrand - France
investor-relations@michelin.com

INDIVIDUAL SHAREHOLDER RELATIONS

GUILLAUME JULLIENNE
ELISABETE ANTUNES
MURIEL COMBRIS-BATTUT
+33 (0) 4 73 32 23 05
23, Place des Carmes Déchaux – 63000 Clermont-Ferrand – France
Toll-free calls in France: 0 800 716 161
actionnaires-individuels@michelin.com

SUSTAINABILITY AND IMPACT

PIERRE-MARTIN HUET
+33 (0) 4 73 32 20 00
23, Place des Carmes Déchaux – 63000 Clermont-Ferrand – France

MEDIA RELATIONS

PAUL-ALEXIS BOUQUET
+3 (0) 1 45 66 22 22
Business Center Paris Trocadero – 112, avenue Kléber – 75116 Paris – France