

EDITO

**WE'RE GOING TO TAKE
THE MICHELIN GROUP
TO THE NEXT LEVEL BY
CAPITALIZING ON ALL OUR**

SUSTAINABLE INNOVATION CAPABILITIES

**AND STAKING OUT POSITIONS IN
NEW FUTURE-FACING MARKETS.**

Michelin delivered very good results in extremely difficult circumstances in 2021, while maintaining its priority focus on protecting its employees.

Despite volatile markets, supply chain disruptions, labor shortages and rising logistics, raw materials and energy costs, we strengthened our positions, improved our operating margins and preserved our financial strength.

Sales rose by 16% over the year to €23.8 billion, while segment operating margin improved to 12.5%, back in line with 2019 levels. Net income exceeded €1.8 billion.

Our global footprint and diversified business base enabled us to capture the rebound in local economies.

Our productivity gains, assertive pricing management and higher value product mix successfully offset the approximately €1.2 billion in additional costs.

I would like to express my deepest thanks to all our employees for these results, which once again demonstrated the strength and resilience of our business model. We plan to reward their engagement in these exceptional circumstances, in particular with a substantial increase in their bonuses for the year.

We would also like to thank our shareholders for their support by recommending the payment of a dividend of €4.50 per share, compared with €2.30 in respect of 2020.

This fair sharing of our created value among employees, shareholders and our sustainable growth investments is in line with Michelin in Motion, our All-Sustainable strategy.

**More than
ever, we're
leveraging
collective
intelligence
to find better
ways forward.**




Unveiled in 2021, Michelin in Motion is based on constantly seeking the right balance between People, Planet and Profit, i.e., between developing individuals, safeguarding the planet and driving business and financial performance.

I firmly believe that tomorrow's prosperity can only be sustainable. That's why we are committed to addressing the legitimate demands of all our stakeholders, by supporting the transition to a greener, more inclusive economy while generating strong, sustainable, profitable growth.

We're going to take the Group to a whole new level by fully expressing all our green innovation capabilities, our expertise and our skills:

- with tires, where increasingly strict environmental and road safety standards and the growing popularity of electric mobility are opening up new opportunities for our technologies;
- around tires, where connected mobility is enabling us to develop innovative services based on a deep understanding of usage practices and extensive data analytics;
- beyond tires, in high-tech materials (high-performance flexible composites; biobased



Our All Sustainable approach positions us well for achieving the transition to a greener, more inclusive economy.

FLORENT MENEGAUX

and recycled materials), medical applications, metal 3D printing and hydrogen mobility. In all these segments, we will pursue our strategy of acquisitions and partnerships to do things better and faster, by combining capabilities and capitalizing on synergies and complementary strengths.

2023 and 2030 targets have been set for our three People, Planet, Profit pillars and ambitious objectives have been specified for 2050⁽¹⁾. Progress towards them will be supported by the transformations now under way.

- We are aligning our organizations and training programs to ensure that everyone feels capable of playing an active role in the corporate community.
- We are constantly making it easier and more satisfying for our customers to work with Michelin.
- We are simplifying everything we can to increase our agility, reduce our costs and optimize our operations in ways that benefit all our stakeholders.
- We are stepping up the pace of innovation, particularly in high-tech materials that create

competitive advantage and offer attractive growth prospects.

- We are unlocking all the value in our data to improve our decision-making process and deliver better solutions to our customers and partners.
- We are shrinking the environmental footprint of our operations and products, while engaging our suppliers and customers in meeting this objective; we are investing in the circular economy and in zero-emission solutions; and we are strengthening our positive impact on the planet.

More than ever, we are leveraging collective intelligence and an ecosystem approach to find better ways forward.

At a time when Europe and the entire world are facing an extremely serious crisis, the Michelin Group is totally dedicated to supporting all its employees and to meeting the challenges the crisis poses for its global business.

I am fully confident in Michelin's ability to weather this new crisis and to fulfill its ambitions. **Florent Menegaux**

(1) Find out more on pages 13, 46, 47, 48 and 50.