



PRESS RELEASE

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Boulogne-Billancourt- October 5, 2022

Media Day 2022: Michelin presents the changes in tire markets and the transformation of its facilities

Michelin chose its industrial site in Cuneo, Italy, the largest car tire factory in Western Europe, and one of the most modern, in which to hold the 2022 edition of its Media Day, devoted to two of the Group's strategic transformations:

- **changes in tire markets** to meet motorists' emerging needs and climate change;
- **the transformation of its production facilities** to respond to new environmental, technological and human challenges.

On this occasion, and as a world premiere, Michelin presents two road-approved tires, with high percentages of sustainable materials.

Markets are going through unprecedented change

Over the last few years, automobile markets have witnessed a profound transformation. In 30 years, consumer usage and needs have changed significantly. The characteristics of ever heavier, more comfortable and safer vehicles, car sharing and the expansion of leasing, are the visible signs of this. Moreover, climate change and ever greater environmental demands are also having a major impact on these markets.

Against this backdrop, Michelin presents **the broad trends of the tire market:**

1- Tire sizes are increasing, as a result of ever heavier vehicles. This trend directly affects consumption and CO₂ emissions, in the midst of climate change and diminishing resources. Michelin is tackling this paradox with the help of technology. For example, reducing rolling resistance in its products helped save 3.4 billion liters of fuel throughout the lifespan of tires in 2021; thereby saving 8.7 million metric tons of CO₂ in comparison with 2010. Michelin will pursue these efforts up to 2030, further improving energy efficiency by 10% (Michelin data).

2- All-weather tires are expanding strongly: long snubbed by European motorists, over the last few years, all-weather tires have witnessed outstanding market success on the continent (sales have tripled), due to Michelin's technological developments.

This success is ascribable to several other factors:

- climate change and the occurrence of unforeseeable snowfall;
- changes to European regulations;
- benefits for consumers, who avoid purchasing two sets of tires;
- the development of vehicle fleets and leasing.



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3- The boom in electric vehicles. With the expansion of electric vehicles, tires are returning to center stage. The performance and constraints of electric vehicles puts much more of a strain on tires than combustion-powered vehicles. For high performance, electric vehicle tires must have four essential qualities:

- **longevity** due to the increase of torque during acceleration and deceleration,
- **rolling resistance**, which is of crucial importance for autonomy,
- **load capacity**, which is essential for carrying the weight of batteries,
- **noise** reduction, 70% of the noise generated by electric vehicles comes from rolling as opposed to the engine.

These requirements represent a unique opportunity for Michelin to showcase its technologies and know-how.

Facilities committed to far-reaching transformation

Media Day 2022 also takes stock of transformations currently taking place in the Group's plants. A few years ago, the Group initiated an ecological, technological and human challenge at its production sites.

Environmentally-conscious facilities: Michelin halved the environmental impact of its plants between 2005 and 2019. The Group hopes to go a lot further in order to reach Zero Net Emissions by 2050, with an intermediate target to reduce CO₂ emissions by 50% between 2010 and 2030. This challenge can only be met by stepping up the group's efforts in terms of conservancy and the transition to green energy.

Technological facilities: Michelin's industrial transformation also entails digitization and the use of artificial intelligence. For the last 5 years, data has been stored in order to be reused in a collaborative environment. Plant 4.0 combines robots with artificial intelligence, to heighten the scale of the transformation, allowing, in particular, to anticipate breakdowns, boost production and improve working conditions and the level of occupational qualifications. These innovations have enabled Michelin to generate almost 60 million euros of annual revenue. 100 million euros are expected in the next 3 years.

Human facilities: empowerment is central to the Group's social and human model. For the last 15 years, Michelin has developed ground-breaking managerial innovation at its plants to overhaul the work of production teams. This major transformation contributes to greater economic performance in the plants, and more importantly, helps to make industrial professions more attractive. In addition, the group continues to invest

Michelin operates more than **70 plants** on five continents, produces approximately **200 million** tires each year and employs almost **75,000 people**.



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in enhancing the quality of social dialogue, in particular through establishing a close working relationship with trade unions and employees, a method set to develop strongly over the coming decade.

As a world premiere, Michelin presents two tires containing high percentages of sustainable materials

On its Media Day, Michelin took a new step by unveiling two tires approved for road use, one for cars and the other for buses, containing 45% and 58% sustainable materials, respectively. A concrete illustration of the Group's ability to reach its goal of 100% sustainable materials in all its tire ranges by 2050, they prefigure the future production model technologies for 2025. These advances made possible thanks to Michelin's expertise in the field of materials, its R&D power, and its partnerships with innovative startups, will benefit all Michelin Group products. The inclusion of sustainable materials in the development of its tires is a real undertaking by the Group, in which no compromise on performance is made and care is taken not to worsen the environmental impact of every stage in the life cycle: design, manufacture, transport, use and recycling.

"Michelin is continually transforming. We will rise to the challenges of the changing tire markets thanks to an industrial tool that is ever more innovative, more environmentally friendly and in which humanity plays a major role. The innovative culture of the Michelin teams allows the Group to anticipate and invent solutions every day, in order to fulfil the expectations of its customers and society. We are confident of achieving our strategic goals: in, around and beyond tire".

About Michelin

Michelin, the leading mobility company, is dedicated to enhancing its clients' mobility, sustainably; designing, producing and distributing the most suitable tires for its clients' needs and uses; providing services and solutions to help enrich trips and travels and make them unique experiences; and developing high-technology materials that serve a variety of industries. Headquartered in Clermont-Ferrand, France, Michelin is present in 177 countries, has 124,760 employees and operates 68 tire production facilities which together produced around 173 million tires in 2021. (www.michelin.com).

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