



PRESS RELEASE

GROUP

Boulogne-Billancourt, October 27th 2022

Michelin's site in Bourges celebrates its 70th anniversary with a revival

- The plant, which was founded in 1952 in a time of strong growth, faced a number of crises from the 1980s onwards and had to reinvent itself.
- A decision was made to specialize the business in manufacturing tires for the aeronautics industry, which was decisive in order to successfully carry out the site's industrial mutation.
- With the AirCaptif project and the development of new businesses, the site has strong assets for the years to come.

Today, Michelin celebrates the 70th anniversary of its Bourges Saint-Doulchard industrial site. The ceremony took place in the presence of the plant's employees as well as François Bonneau, President of the Centre-Val de Loire region; Maurice Barate, Prefect of the Cher department; Richard Boudet, Mayor of Saint-Doulchard; Jean-Christophe Guérin, member of the Michelin Executive Committee and Industrial Director; Serge Lafon, member of the Michelin Executive Committee and Business Specialty Director; and Mauro Sponza, Director of the Group's Aeronautics Business.

Story of an industrial reinvention

Since the foundation stone was laid on April 20th 1952, Michelin's Bourges Saint-Doulchard plant has faced multiple industrial and human challenges. The plant is Michelin's oldest site in France besides the Clermont-Ferrand site. At first, it was designed as a multi-business, multi-product plant in keeping with the prevailing production model at the time. Between 1952 and 2007, the site manufactured tires for heavy goods vehicles, for tourist vans, for motorbikes and for agricultural machines, as well as semi-finished products.

In the mid-1980s, the site, which employed nearly 4,000 people, didn't escape the crises and restructuring affecting French industries at the time. Michelin chose to progressively specialize its plants in high added-value productions and to concentrate the Bourges site's business on aeronautics. In 1998, the retreading workshop was installed, a process used to renew the tire tread to increase longevity. During that time, the site developed remarkable innovations. In 2001, the Concorde was able to fly once again thanks to a more resistant and lighter



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technology, the NZG tire. The technology rapidly extended to all ranges. In 2005, the first A380 took off equipped with 22 Michelin tires manufactured in Bourges.

In 2007, the site finalized its specializing plan. Michelin would now have three production plants worldwide dedicated to aircraft tires: the Bourges site for Europe, the Nong Khae site in Thailand for Asia and the Norwood site in the United States for America. The plant entered a new phase and started recruiting in 2010. There were further technological breakthroughs, such as the Solar Impulse equipment, an aircraft powered by solar energy, in 2009 and the launch of PresSense by Michelin and Safran in 2019, the first connected aircraft tire.

Renewed vitality

A reference plant on the aircraft tire market

It took fifteen years for the plant to complete its industrial transformation. Today, Michelin's site in Bourges, the group's only aeronautics site in Europe, stands as the flagship of Michelin's ambitions in aeronautics.

The plant employs 578 people permanently and manufactures about 130,000 tires every year for the civil, military and business aviation. The site is a "vital point of interest for national defense". It has in its portfolio the most demanding clients including Air France, the French Air and Space Force, the American Air Force, Airbus, Dassault, Lockheed Martin, Boeing, Lufthansa, Easyjet, Emirates, Avioarts, Takhzeen Aerospace...

The Bourges plant now includes a new-tire manufacturing workshop, a retreading workshop, and a semi-finished-product workshop (beads, bias or radial plies). Thanks to its design office, its methods department and delegation for product R&D business, the site is in charge of industrializing new tires and creating new processes for the three aeronautics sites. With the establishment of customer service for the Europe Middle East Africa zone, it has become an Operations Center managing all sales actions, from order placing to invoicing, including manufacturing, storage and shipping.

A dynamic site

The site has now overcome the 2020 crisis, which had slowed down the plant. Air traffic recovery, which occurred earlier and was stronger than anticipated, boosted business from mid-2021 onwards. Today demand is high. Recruiting has resumed: 103 new employees have been recruited on a permanent contract since the start of 2022, including 20% women, and 45 positions have yet to be filled by the end of the year.



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In this context, the site has implemented a pro-active policy to reinforce training of new employees and develop multi-skilling with the creation of an innovative tool in 2020: the École du Pneu Avion (Aircraft Tire School), which includes learning machines used to train new employees before they are integrated to the workshop (50 employees have been trained since the inauguration for the positions of Tire builder). The site relies on an empowering organization, where employees are encouraged to prioritize, take initiatives and cooperate.

Additionally, the plant continues to invest to improve working conditions and ergonomics. In 2022, with the support of France Relance, the site inaugurated a new modern, partially automated control workshop. Old buildings gave way to large green spaces planted with trees, an approach which was awarded the Eco Jardin Label this year. A leader in the energy transition, the site installed a biomass boiler as early as 2011. In 5 years' time, energy savings will make it possible to avoid using gas, leading the way towards carbon neutrality.

The site's environmental footprint has been halved in the last 5 years (water, energy, waste, solvents).

A forward-looking site

The Bourges site's industrial vitality means it now actively falls within the Group's transformation. The pursuit of Michelin's industrial plant streamlining process in France and Michelin's development in businesses related to tires and beyond have offered the plant new opportunities which have been boosted by the site's integration in its territory.

Two new businesses: mounted assemblies and a subway production line

The site was chosen by the Michelin group to harbor new businesses in 2023: mounted assemblies for heavy goods vehicles and vans will be transferred from the Poitiers site to the Bourges site, representing about forty jobs. The plant will also harbor the mounted assembly business for Civil and Agricultural Engineering, which were located in Gosselies in Belgium (4 jobs). Starting in 2023, Michelin Bourges will also industrialize and manufacture steer tires for the subway, in addition to the Cataroux site in Clermont-Ferrand.



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AirCaptif: industrial implantation planned for 2024

The manufacture of AirCaptif solutions will reinforce the site's aeronautics dimension. AirCaptif, which specializes in ultra light inflatable structure, joined the Michelin group a year ago. The Bourges site was chosen to harbor upcoming productions from the Trappes-based startup (in the Yvelines department). The decision was motivated by strong synergies between AirCaptif's business and that of Michelin's Bourges site: the site's industrial experience, its active implication in the Aeronautics and Defense ecosystem and a geographical location which is close to both the Trappes-based teams and Michelin's R&D teams in Clermont-Ferrand.

As Jean-Christophe Guérin, Industrial Director of the Michelin group, says, *"Michelin's Bourges site proves it is possible to maintain industrial productions in Europe and in France, provided a highly demanding strategy is put in place: positioning on very high-end markets, team excellence, integration in a stimulating ecosystem. The plant, which is now firmly established in its core business, aeronautics, can confidently face the development of its new lines of business."*

About Michelin

Michelin's ambition is to sustainably improve its clients' mobility. A leader in the mobility sector, Michelin designs, manufactures and distributes tires adapted to their needs and uses, as well as services and solutions to improve transport efficiency. Michelin also provides offers bringing unique experiences to its clients during their journeys and travels. Michelin also develops high-technology materials for numerous fields. Michelin is based in Clermont-Ferrand, operates in 177 countries, employs 124,760 people and runs 68 tire plants, manufacturing about 173 million tires in 2021. (www.michelin.com).

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