

RESULTS 2024



A person with a prosthetic leg is hiking on a rocky trail. The person is wearing a dark green long-sleeved shirt and dark green pants. The prosthetic leg is dark grey with a white light strip on the side. The person is wearing a dark green sneaker. The background is a rocky, hilly landscape under a clear blue sky.

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1.1 Tire markets

1.1.1 A global market worth some \$190 billion in 2023

The global tire market edged up slightly year-on-year in 2023, 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 1.6 billion car and light truck tires and some 210 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

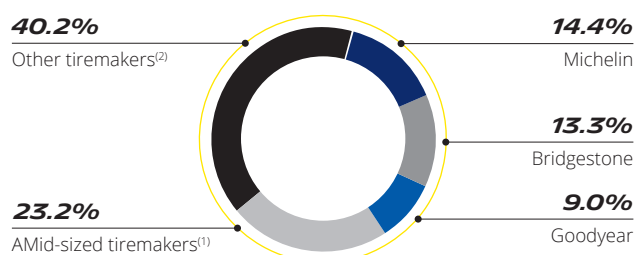
The main regulatory change impacting the tire market in 2024 was the entry into application on July 1 of the European R117-04 regulation, which mandates stricter wet grip standards for worn tires. It includes a regulatory test that will help to improve road safety while encouraging motorists to use trustworthy tires down to the legal minimum tread depth of 1.6 mm. Michelin supports the new regulation which, in addition to making roads safer, will also help to preserve both the planet and the purchasing power of European motorists.

The market is also regularly impacted by the introduction of standards that are indirectly related to tires. New emissions standards, for example, can spur sales of new vehicles (and with them Original Equipment tires) ahead of their entry into application, as happened in the North American Truck tire market in 2023. This is also the case for standards affecting tire components, such as the European Union Deforestation-free

Regulation (EUDR), which caused imports of Passenger car and Light truck tires from Asia to surge in September and October 2024 ahead of its scheduled application on January 1, 2025 (postponed at year-end to January 1, 2026).

Similar spikes in imports, particularly from Asia, are also observed in the months preceding the introduction of new or higher customs duties. In first-half 2024, for example, Truck tire imports from Thailand to North America rose sharply ahead of the introduction of anti-dumping duties by the United States over the summer.

THE GLOBAL TIRE MARKET BY MANUFACTURER IN 2023



Source: 2023 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 2024

Methodological note:

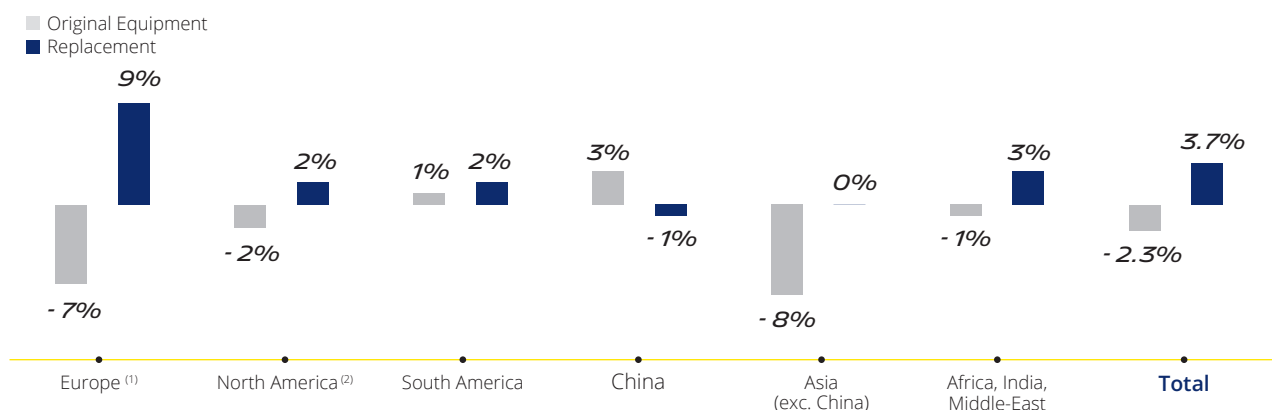
Tire market estimates reflect sell-in data published by local tiremaker associations (sales of manufacturers to dealers and vehicle manufacturers), plus Michelin's own estimates of sales by

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 2024

The global Passenger car and Light truck sell-in tire market grew by 2% over the year in 2024, as a 4% gain in Replacement sales offset a 2% decline in the Original Equipment segment.

THE GLOBAL PASSENGER CAR AND LIGHT TRUCK TIRE MARKET, 2024 VS. 2023



(1) Including Turkey and Eastern Europe.

(2) Including Central America.

Michelin estimates.

Original Equipment

In the Original Equipment segment, global demand ended 2024 down 2% year-on-year, with a steeper decline in Europe (down 7%) than in North America (down 2%) and a 3% increase in China.

Demand in Asia excluding China (mainly Japan and South Korea) also weakened over the year, declining by 8%.

Passenger car and Light truck tire markets Original Equipment <i>In millions of tires</i>									
	2024	2023	2024/2023	Second- half 2024/ 2023	Fourth- quarter 2024/2023	Third- quarter 2024/2023	First-half 2024/2023	Second- quarter 2024/2023	First- quarter 2024/2023
Europe ⁽¹⁾	76	83	-7%	-11%	-13%	-9%	-4%	-7%	-1%
North America ⁽²⁾	74	75	-2%	-4%	-3%	-5%	+1%	0%	+1%
South America	15	15	+1%	+10%	+11%	+9%	-8%	-10%	-7%
China	136	132	+3%	+2%	+7%	-4%	+4%	+3%	+6%
Asia (excl. China)	71	77	-8%	-8%	-8%	-7%	-8%	-5%	-10%
Africa/India/Middle East	36	37	-1%	-7%	+9%	-20%	+5%	+1%	+8%
TOTAL	409	418	-2%	-4%	-1%	-7%	-1%	-2%	0%

(1) Including Turkey and Eastern Europe.

(2) Including Central America.

Michelin estimates.

In **Europe**, the quarter-by-quarter market decline (down 1% in Q1, 7% in Q2 and 9% in Q3) gained momentum in the final three months, with a 13% drop tracking OEM output. New vehicle sales were impacted by pressure on purchasing power from persistently high interest rates. Moreover, uncertainties over the pace of the market's transition to EVs, exacerbated by reductions in EV purchase subsidies in certain countries, are leading consumers and fleets to push back new vehicle purchases.

The **North and Central American** market declined by 2% year-on-year. After holding relatively firm in the first half (up 1%), demand dropped 4% in the second six months, despite the favorable comparison with the prior-year period, when a strike in the fall slowed sales. As in Europe, EV takeup was slower than expected. In addition, the North American market saw a shift to

lower-trim models, with fewer features and less equipment, following the post-pandemic period when disrupted semiconductor and component supply chains prompted carmakers to focus on executive models.

The market in **China** improved by 3% over the year, with wide swings, however, from one quarter to the next. Demand steadily cooled quarter-by-quarter (up 6% in Q1 and 3% in Q2, then turning down 4% in Q3), as exports gradually failed to offset the increasingly steep decline in domestic demand, which sharpened over the summer. However, the market rebounded strongly in the final three months, gaining 7% thanks to the vast demand-led economic stimulus package announced by the central bank and the Chinese government in late September.

THE OE PASSENGER CAR AND LIGHT TRUCK MARKET IN EUROPE

(in millions of tires – moving 12 months)



Michelin estimates.

THE OE PASSENGER CAR AND LIGHT TRUCK MARKET IN NORTH AMERICA

(in millions of tires – moving 12 months)



Michelin estimates.

Replacement

In Replacement tires, the 4% year-on-year increase in global demand hid significant disparities by region, with robust 9% growth in Europe and a slight 1% slowdown in China.

Passenger car and Light truck tire markets Replacement									
	2024	2023	2024/2023	Second-half 2024/ 2023	Fourth-quarter 2024/2023	Third-quarter 2024/2023	First-half 2024/2023	Second-quarter 2024/2023	First-quarter 2024/2023
<i>In millions of tires</i>									
Europe ⁽¹⁾	403	371	+9%	+11%	+11%	+11%	+6%	+9%	+3%
North America ⁽²⁾	323	317	+2%	0%	-1%	+2%	+4%	+1%	+8%
South America	81	79	+2%	0%	+1%	0%	+5%	+3%	+6%
China	168	170	-1%	-2%	0%	-5%	+1%	-3%	+4%
Asia (excl. China)	143	142	0%	+4%	+4%	+3%	-3%	+1%	-7%
Africa/India/Middle East	117	114	+3%	+3%	+3%	+3%	+3%	+3%	+3%
TOTAL	1,236	1,192	+4%	+4%	+4%	+4%	+3%	+3%	+3%

(1) Including Turkey and Central Asia.

(2) Including Central America.

Michelin estimates.

After growing 6% in the first half, the **European** market further accelerated in the second six months, with an 11% gain, reflecting the net impact of:

- an increase in imports in September and October, ahead of the application of the European Union Deforestation-free Regulation (EUDR) initially scheduled for January 1, 2025, but finally postponed by a year;
- relatively weak OE demand;
- robust demand for winter tires. The gain was also lifted by the sustained move upmarket in the product mix, with faster growth in sales of 18-inch and larger tires.

Year-end dealer inventories were somewhat higher than normal due to the above-mentioned imports.

Demand in **North America** rose by 2% over the year, with the second half unchanged (0%) after a vibrant 4% increase in the first six months. In a resilient economy, the second-half slowdown

reflected the leveling off of Asian import sales, after a first half buoyed by the lowering of anti-dumping duties on tires imported from Thailand in January 2024. Year-end 2024 inventory levels had returned to normal.

In **China**, after a more or less stable first half (up 1%), the market ended the year down a slight 1%, with a steep 5% plunge in the third quarter as domestic demand faltered, and a return to stability (0%) in the final three months. Sluggish demand also reflected the shift in mobility patterns observed in recent years following the rapid improvement in rail infrastructure, as a decline in average kilometers driven offset the increase in the number of vehicles on the road.

In the **other operating regions**, demand edged up 2% in South America, with an upsurge in Asian imports, and remained unchanged in Asia excluding China. The Indian market rose by 4%, with faster growth in demand for 18-inch and larger tires.

THE REPLACEMENT PASSENGER CAR AND LIGHT TRUCK TIRE MARKET IN EUROPE

(in millions of tires – moving 12 months)



Michelin estimates.

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

(in millions of tires – moving 12 months)



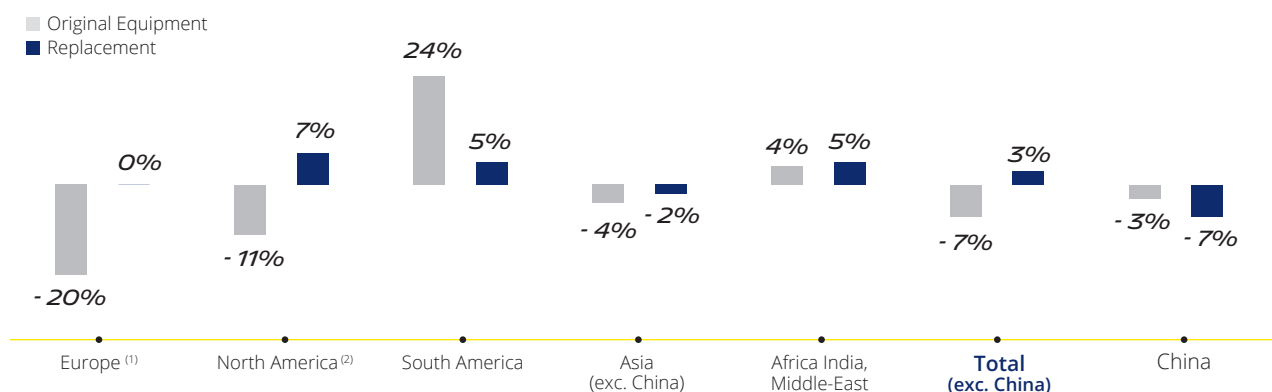
Michelin estimates.

1.1.4 Truck tire markets in 2024

The global Truck tire sell-in market (excluding China) improved by a slight 1% in 2024, with the 7% decline in Original Equipment sales outweighing the 3% growth in Replacement demand.

In China, where the Group's presence is negligible, markets contracted by 5% over the year, including declines of 3% in the OE segment and 7% in Replacement.

THE GLOBAL TRUCK TIRE MARKET, 2024 VS. 2023



(1) Including Turkey and Central Asia.

(2) Including Central America.

Michelin estimates – new tire market only.

Original Equipment

In the Original Equipment segment, the global market (excluding China) declined by 7%.

Truck tire markets Original equipment <i>In millions of tires</i>	2024	2023	2024/2023	Second- half 2024/ 2023	Fourth- quarter 2024/2023	Third- quarter 2024/2023	First-half 2024/2023	Second- quarter 2024/2023	First- quarter 2024/2023
Europe ⁽¹⁾	5.9	7.4	-20%	-22%	-22%	-23%	-19%	-20%	-17%
North America ⁽²⁾	5.7	6.4	-11%	-13%	-11%	-14%	-9%	-2%	-16%
South America	2.4	1.9	+24%	+21%	+15%	+28%	+27%	+35%	+18%
Asia (excl. China)	4.3	4.5	-4%	-7%	-8%	-7%	-1%	-2%	-1%
Africa/India/Middle East	6.1	5.8	+4%	+4%	+4%	+4%	+4%	+4%	+4%
TOTAL (EXCL. CHINA)	24.5	26.2	-7%	-8%	-8%	-8%	-5%	-4%	-7%
China	20.3	20.8	-3%	-8%	-6%	-10%	+2%	-2%	+6%

(1) Including Turkey and Central Asia.

(2) Including Central America.

Michelin estimates.

In **Europe**, the first-half trend (down 19%) continued through the second half (down 22%). The decline, which was expected, reflected a return to more normal levels after three years of strong growth in the wake of the health crisis and the difficulties in the auto industry. In 2024, the uncertain economy and more restrictive financing weighed on new vehicle demand.

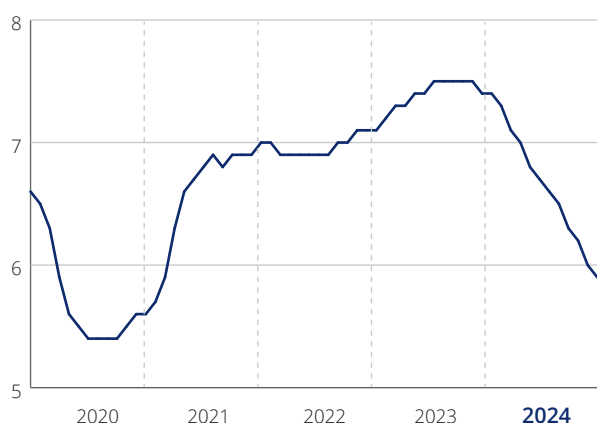
In **North and Central America**, the 11% drop in demand over the year stemmed from the January 1 introduction of the new

emissions standard that had spurred a wave of early buying in 2023, especially in the second half.

Market growth in **South America** surged 24% year-on-year, with demand comparing very favorably with 2023, which had been adversely impacted by a surge in new truck buying in 2022 ahead of the new emissions standard introduced in early 2023.

THE OE TRUCK TIRE MARKET IN EUROPE

(in millions of new tires – moving 12 months)



Michelin estimates.

THE OE TRUCK TIRE MARKET IN NORTH AMERICA

(in millions of new tires – moving 12 months)



Michelin estimates.

Replacement

The global Replacement sell-in market (excluding China) grew by 3% over the year.

Truck tire markets Replacement	2024	2023	2024/2023	Second- half 2024/ 2023	Fourth- quarter 2024/2023	Third- quarter 2024/2023	First-half 2024/2023	Second- quarter 2024/2023	First- quarter 2024/2023
<i>In millions of tires</i>									
Europe ⁽¹⁾	25.6	25.7	0%	+3%	+4%	+3%	-4%	-2%	-6%
North America ⁽²⁾	33.0	30.8	+7%	0%	-1%	+2%	+15%	+15%	+16%
South America	17.2	16.5	+5%	+6%	+2%	+10%	+3%	+3%	+3%
Asia (excl. China)	21.5	21.9	-2%	+2%	+4%	0%	-6%	-5%	-7%
Africa/India/Middle East	30.2	28.9	+5%	+5%	+5%	+5%	+5%	+5%	+5%
TOTAL (EXCL. CHINA)	127.5	123.7	+3%	+3%	+3%	+3%	+3%	+4%	+3%
China	38.6	41.3	-7%	-9%	-6%	-12%	-3%	+3%	-10%

(1) Including Turkey and Central Asia.

(2) Including Central America.

Michelin estimates.

Demand was stable year-on-year in **Europe**, where tonnes carried remained more or less unchanged. Demand rose by 6% in Western European markets, but declined in Central and Eastern Europe, dampened by the steep 18% contraction in the Turkish market.

Demand in **North America** was up 7% at the end of December, with seasonal fluctuations from inventory build-ups and drawdowns. The market was up by more than 15% as of end-July, buoyed by the massive buying of imports ahead of higher anti-

dumping duties on Thai tires. The market then flattened out to 2023 levels in the second half, with freight demand broadly unchanged year-on-year.

Lifted by the sustained growth in freight demand, particularly in Brazil, the **South American** market rose by 5% over the year. The market is also seeing greater penetration from Asian import brands.

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

THE REPLACEMENT TRUCK TIRE MARKET IN EUROPE

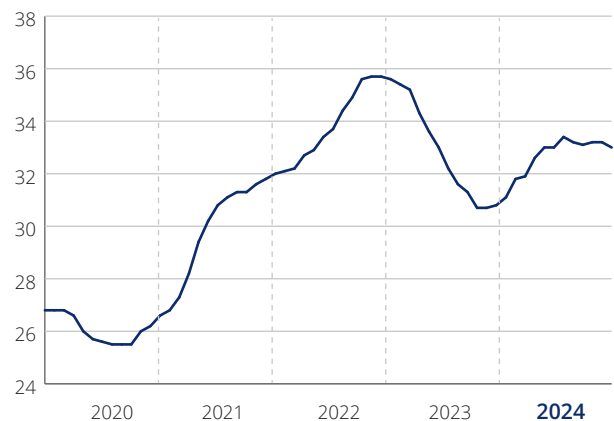
(in millions of new tires – moving 12 months)



Michelin estimates.

THE REPLACEMENT TRUCK TIRE MARKET IN NORTH AMERICA

(in millions of new tires – moving 12 months)



Michelin estimates.

1.1.5 Specialty tire markets in 2024

Mining tires: while mining tire demand remains robust over the long term, supported by ever-increasing ore mining needs, in 2024, the market was dampened by extensive inventory drawdowns as supply chains returned to normal and mine operators focused more sharply on cash flow discipline. Demand nevertheless firmed up in the final quarter, as inventories returned to normal by year-end.

Beyond-road tires: in these segments, where demand is almost equally divided between Original Equipment and Replacement sales, growth was mixed in 2024, with OE demand falling sharply across the board and Replacement demand demonstrating greater resilience.

In Agricultural tires, the highly cyclical OE markets, which account for the lion's share of demand, plummeted by more than 20% in both the Americas and Europe, dragged down by the reduction in average farming income due to farm commodity prices, adverse weather events and high interest rates. The Replacement market was slightly up year-on-year, but remained roiled by the growing penetration of budget brands, particularly in the Americas.

Demand for Construction tires contracted over the year, by around 15% in the OE segment and somewhat less in Replacement, due to the slowdown in homebuilding in both Europe and North America, where inflation and interest rates remain high. Infrastructure tire demand was more resilient in North America, supported by the growth in public spending.

The Materials Handling tire segment experienced a similar trend, with an almost 15% drop in OE sales and flat demand in the Replacement segment.

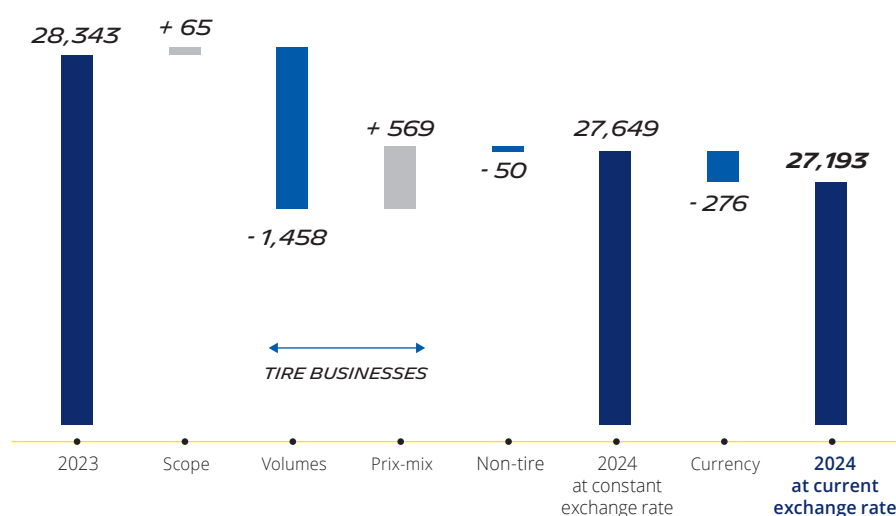
Two-wheel tires: in the Motorcycle and Scooter segment, after a first half hurt by poor weather conditions, the second half saw a rebound in demand for sport touring motorcycle and premium scooter tires. The Bicycle tire market remains vulnerable, particularly in the OE segment, which has been consolidating since 2023.

Aircraft tires: the commercial aviation market continued to expand, led by rising Chinese demand for international flights, which nevertheless remained a significant 30% lower than in 2019.

Fundamentals in the **Polymer Composite Solutions** market, which closely track mining industry demand over the long term, remain buoyant, but 2024 business was weighed down by comparison with the very high 2023 figures and by the financial imperatives pushing mine operators to postpone their capital projects. On the other hand, demand for service activities, which play a critical role in maintaining and optimizing mining facilities, is continuing to trend upwards.

In the other segments (belts, seals, high-tech fabrics and engineered polymers), which serve a variety of market verticals, global demand is still returning to normal levels as built-up inventory is reduced across the value chain.

1.2 Sales



Consolidated **sales** amounted to €27,193 million in 2024, representing a 4.1% decline from the €28,343 million reported in 2023. At constant exchange rates, the decline stood at 3.1% for the year.

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

- a 5.1% decline in sales volumes, stemming primarily from:
 - the very low output in all the Group's Original Equipment markets,
 - cyclical or one-off factors that particularly impacted the Specialty businesses, such as strict export controls, inventory drawdowns by certain mining operators and the closure of a large mine;
 - the Group's selective strategy of focusing on markets and segments that leverage the full value of its innovations and technologies;
- a 2.0% increase from the positive price-mix effect. Prices added a slightly favorable €31 million to full-year sales, overcoming the negative €105 million impact in the first half from applying raw materials-based and other contractual indexation clauses.

The highly positive €538 million mix effect reflected the priority focus on the highest value products (MICHELIN brand tires, 18-inch and larger Passenger car tires, agricultural tracks, etc.) and the efficient management of the geographic and the Replacement/Original Equipment market mixes;

- a 1.0% decrease from the negative currency impact, due to the increase in the average annual euro exchange rate against the Turkish lira, the Brazilian real, the Chilean peso and most other operating currencies except the US dollar, where it remained stable over the year;
- the lack of any impact from the non-tire businesses, as the 0.2% increase from changes in the scope of consolidation (mainly the inclusion of FCG on September 26, 2023) offset the slight decline in aggregate non-tire sales compared with the extremely high 2023 comparative (lifted by record sales of conveyors and other products and services).

(in € millions and %)	2024	Second-half 2024	Fourth- quarter 2024	Third-quarter 2024	First-half 2024	Second- quarter 2024	First-quarter 2024
SALES	27,193	13,712	7,022	6,690	13,481	6,839	6,642
Change, year-on-year	-1,150	-552	-169	-383	-598	-279	-319
Volumes	-1,458	-838	-333	-505	-620	-333	-287
Price-mix	+569	+413	+205	+208	+156	+106	+50
Currency effect	-276	-110	-26	-84	-166	-34	-132
Scope of consolidation	+65	+6	+22	-16	+59	+7	+52
Non-tire sales	-50	-23	-37	+14	-27	-25	-2
Change, year-on-year	-4.1%	-3.9%	-2.4%	-5.4%	-4.2%	-3.9%	-4.6%
Volumes	-5.1%	-5.9%	-4.6%	-7.1%	-4.4%	-4.7%	-4.1%
Price-mix	+2.0%	+2.9%	+2.9%	+2.9%	+1.1%	+1.5%	+0.7%
Currency effect	-1.0%	-0.8%	-0.4%	-1.2%	-1.2%	-0.5%	-1.9%
Scope of consolidation	+0.2%	0.0%	+0.3%	-0.2%	+0.4%	+0.1%	+0.7%
Non-tire sales	-0.2%	-0.2%	-0.5%	+0.2%	-0.2%	-0.4%	0.0%

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.

In the following review, 2023 data have been restated to reflect changes in the scope of the reporting segments in 2024. These changes mainly concerned the Two-wheel tire business, which is now consolidated in the Automotive, Two-wheel and related distribution segment, in alignment with the Group organization.

The Specialty businesses segment includes the Mining, Beyond-road and Aircraft tire activities, as well as the Polymer Composite Solutions business. The Connected Solutions businesses are included for the most part in the Road transportation and related distribution segment.

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.

	New scope of reporting	Former scope of reporting						
(in € millions)	2024	2024	Second-half 2024	Fourth-quarter 2024	Third-quarter 2024	First-half 2024	Second-quarter 2024	First-quarter 2024
GROUP	27,193	27,193	13,712	7,022	6,690	13,481	6,839	6,642
Automotive, Two-wheel and related distribution	14,667	14,084	7,237	3,728	3,509	6,847	3,471	3,376
Road transportation and related distribution	6,599	6,663	3,400	1,730	1,670	3,263	1,668	1,595
Specialty businesses and related distribution	5,927	6,446	3,075	1,564	1,511	3,371	1,700	1,671
Change, year-on-year	-4.1%	-4.1%	-3.9%	-2.4%	-5.4%	-4.2%	-3.9%	-4.6%
Automotive, Two-wheel and related distribution ¹	-1.3%	-1.8%	-1.1%	+0.0%	-2.2%	-2.5%	-2.7%	-2.3%
Road transportation and related distribution	-4.9%	-4.5%	-5.0%	-4.0%	-6.0%	-3.9%	-1.9%	-6.0%
Specialty businesses and related distribution	-9.4%	-8.3%	-8.8%	-5.8%	-11.6%	-7.9%	-8.1%	-7.6%

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

Sales in the Automotive, Two-wheel and related distribution segment fell by 1.3% year-on-year to €14,667 million in 2024.

Volumes sold contracted by 1.6% over the year, reflecting a steeper decline in the Original Equipment segment than in Replacement, due to both external factors (particularly a downturn in the automotive market) and the Group's internal management of the balance between Original Equipment and Replacement sales.

Automotive:

The decline in **Original Equipment** sales primarily stemmed from the slowdown in automaker output in a global market down 2% year-on-year, with particularly softer demand in Europe and North America. Sales were also dampened by two market phenomena. First, sales growth temporarily slowed in the electric vehicle segment, where the Group is assertively over-exposed due to its technological leadership. Second, automotive demand shifted to less premium vehicles, which are less favorable for the Group, after a post-Covid period of shortages as automakers pushed their higher value-added models. Lastly, the Group's share of business with certain OEMs may have declined as a result of its commitment to ensuring that its technological expertise is fairly valued.

In the **Replacement** segment, volumes sold edged back slightly year-on-year, mainly as a result of the Group's focus on enhancing its positioning in the most value-accretive segments. This explains why sales primarily declined in the most commodified segments, such as small tires and Tier 2 and Tier 3 brands.

The percentage of 18-inch and larger tires in the sales mix continued to rise sharply, led by a fast growing market in which the Group maintained its positions. The Group also enjoyed robust sales in the winter tire segment, backed by the September launch of the new MICHELIN Alpin 7 benchmark range.

The Group is continuing to deploy its distribution strategy, both by developing its franchising model in brick & mortar dealerships and by broadening its presence in online retailing channels, led by Allopnus, Blackcircles and Tyroola, whose solid operating efficiency delivered significant sales gains in 2024.

Sales in **Europe** ended the year slightly lower, with a sharp disparity between the steep drop in Original Equipment sales and an increase in the Replacement segment. Growth was especially vibrant in Southern Europe (France, Spain, Italy) at year-end, driven by the winter and all-season segments. More generally, 18-inch and larger tires remained in high demand. Lastly, in the lower-value segments, KLEBER and our other Tier 2 brands leveraged their excellent positioning to sustain their growth momentum.

In **North America**, volumes sold contracted over the year as gains in 18-inch and larger Replacement tires and the successful launch of the BFGOODRICH KO3 all-terrain tire were overshadowed by the plunge in Original Equipment sales and the one-off difficulties encountered by the UNIROYAL brand (high year-end 2023 dealer inventories and insolvency issues at a key North American dealer).

Volumes also declined in **South America**, primarily due to competition in the smallest sizes from massive low-cost Asian imports and the wide swings in certain currency rates, which prompted the Group to adjust its pricing and/or credit policies to preserve its margins.

In **China**, Original Equipment sales declined less sharply than in most other regions, in a market buoyed by exports and government incentives. Replacement sales retreated overall, but the mix improved, as declines were concentrated in the smaller size segments and sales of premium models rose.

In **Southeast Asia**, Original Equipment volumes sold were adversely impacted by a steep falloff in demand, but Replacement volumes rose significantly, lifted by market share gains in the 18-inch and larger segment.

At a time of geopolitical tensions in a number of countries in the **Africa/India/Middle East** region, the Group continued to deploy its strategy of selectively focusing on the geographies and market segments capable of leveraging the full value of its technological leadership. Group sales in India remained hampered by import restrictions, despite significant easing in the wake of licensing agreements.

Two-wheel tires: in a global market environment that has not yet fully stabilized after the post-Covid bubble, particularly in the Bicycle tire value chain, the Group delivered an excellent performance, with volume gains in every segment and geography except Asia, where it has reduced its exposure to the least well positioned brands. This proactive response, coupled with greater selectivity in the Original Equipment segment, also resulted in a favorable price-mix effect.

Michelin Lifestyle reported strong sales growth for the year, primarily in the fine dining, hospitality and travel markets. It remains an unrivaled vehicle for promoting the MICHELIN brand and its premium positioning, generating considerable visitor streams to its online platforms.

1.2.3 Road transportation and related distribution – Analysis of sales

Sales in the Road transportation and related distribution segment totaled €6,599 million in 2024, down 4.9% from the prior year.

Premium truck tire manufacturers faced a complicated business environment in 2024, with Original Equipment markets cooling after expanding robustly in 2023 and Replacement markets reporting only slight growth that was in fact driven almost entirely by the waves of low-cost imports from Asia. In this context, volumes sold declined by 6.1% year-on-year, but disciplined management enabled the Group to deliver positive price and mix improvements.

Both of the Group's two main **Original Equipment** markets fell sharply in 2024, following the prior-year gains driven by the introduction of a new emissions standard in North America and the end of the post-Covid catch-up growth in Europe. This fed through to a decline in volumes sold, which were also impacted by the contract renegotiations undertaken with most of the partner OEMs to ensure that Michelin technology is fairly valued. In South America, the Group successfully captured all of the market rebound and maintained its market share.

The **Replacement** tire market, excluding China and adjusted for low-cost imports, was unchanged overall for the year. The Group managed to maintain almost all its share of the market, while pursuing its strategy of prioritizing the MICHELIN brand and its most state-of-the-art products, which offer fleets lower total cost of ownership. This was reflected in the launch of the new

MICHELIN X® MULTI ENERGY™ 2 and MICHELIN X® LINE ENERGY™ 3 lines, with their optimum energy performance, and in the sustained growth in the Connected Solutions business through the Michelin Connected Mobility offering.

Replacement sales in **Europe** were stable by volume and up in value, lifted by resilient demand in Southern Europe (France, Spain, Italy), which offset the downturn in Central Europe, and by growth in the light truck segment.

The sales mix was very favorable in **North America**, thanks to the increase in volumes sold under the MICHELIN brand and, to a lesser extent, the BFGOODRICH brand. By contrast, retreading sales contracted over the year, pushed down by increased competition from low-cost Asian tires, whose imports surged over the first half.

In **South America**, Original Equipment volumes sold rose as the Group maintained its share of a rebounding market, but sales ended the year down overall, primarily due to a decline in the replacement market. This was particularly the case in Brazil, where half the market is now served by low-cost imports. In this environment, the Group pursued its selective marketing strategy in a commitment to preserving its margins.

In **Asia (excluding China)** and in the **Africa/India/Middle East region**, the Group pursued its strategy of targeting market segments that fully appreciate MICHELIN solutions for their technological content.

1.2.4 Specialty businesses and related distribution – Analysis of sales

01

Mining tires: in an ore market that remains on a long-term growth trend impelled by rising demand for metals, particularly to support the energy transition, volumes sold were dampened by a number of short-term factors. The inventory drawdowns undertaken by certain mining companies in second-half 2023 continued in 2024 before gradually petering out at year-end. Business in Europe and Central Asia slowed considerably after export controls were further tightened. Lastly, Central American operations were hurt by the closure of a large mine in Panama. Despite the impact of these one-time factors, mining tire sales rose by volume and in value, led by a very positive operating performance and a product and service portfolio well aligned with customer priorities for the productivity and safety of their operations. This helped to drive market share gains and significant growth in service volumes sold.

Beyond-road tires: sales of agricultural, materials handling and construction tires were severely impacted by the steep decline in Original Equipment markets in every segment. This did not prevent the Group from launching new products demonstrating its technological leadership, such as the MICHELIN CEREXBIB 2 tire for New Holland's new CR11 combine, which significantly reduces soil compaction and helps to meet emerging farming challenges.

In the more mixed Replacement markets, the Group pursued its strategy of prioritizing key segments. In agricultural tires, for

example, it gained market share in Europe, primarily by targeting sales of tires for high-power tractors, while in the construction segment, it withdrew from bias tires and tracks for compact equipment to focus on radial technology and announced the sale of two production plants and the CAMSO brand.

Aircraft tires: in markets that were slightly up for the year, the Group increased its sales, particularly in mature regions. Operating difficulties encountered by airframe manufacturers slowed growth in Original Equipment demand, which improved the business line's sales mix by tilting it to Replacement.

Polymer Composite Solutions sales declined somewhat year-on-year, mainly due to comparison with the record highs reported in 2023, particularly in the conveyor belt business. In 2024, in an economy pressured by rising interest rates, mining companies postponed certain capital projects, which weighed on sales of new conveyor belt systems. However, this impact was partially offset by sales of maintenance services. The other segments (seals, belts, engineered fabrics, etc.) held sales firm overall, in markets that retain their medium- and long-term growth prospects despite temporary downturns.

In all, sales by the Specialty businesses reporting segment decreased by 9.4% year-on-year, to €5,927 million. Volumes sold, which only concern Specialty tires, declined by 9.1% over the year.

1.2.5 Changes in exchange rates for the main operating currencies

At current exchange rates, consolidated sales ended 2024 down 4.1%.

This reported decline includes the negative 1.0% (€276 million) impact of the decrease against the euro in the Chinese yuan, the Brazilian real and many other currencies over the year. The average euro exchange rate for the US dollar, which accounts for nearly 40% of consolidated sales, remained relatively unchanged versus 2023.

Average exchange rate	2024	2023	Change
Euro/USD	1.082	1.082	+0.1%
Euro/CNY	7.788	7.656	+1.7%
Euro/BRL	5.802	5.401	+7.4%
Euro/CAD	1.482	1.460	+1.5%
Euro/GBP	0.847	0.870	-2.7%
Euro/AUD	1.639	1.627	+0.7%
Euro/JPY	163.659	151.564	+8.0%
Euro/MXN	19.705	19.177	+2.8%
Euro/CLP	1,020.210	905.955	+12.6%
Euro/THB	38.152	37.617	+1.4%

Sales break down by currency as follows:

Currency	%	Currency	%
USD	39%	CLP	1%
EUR	32%	THB	1%
CNY	6%	TRY	1%
BRL	4%	SEK	1%
CAD	3%	TWD	1%
GBP	3%	CHF	1%
AUD	3%	Other	2%
JPY	1%		
MXN	1%		
TOTAL			100%

1.2.6 Sales by region

<i>(in € millions)</i>	2024	2024/2023	Second-half 2024	First-half 2024
GROUP	27,193	-4.1%	13,712	13,481
Europe	9,782	-1.1%	4,996	4,786
<i>of which France</i>	2,572	2.8%	1,345	1,227
North America (incl. Mexico)	10,493	-5.5%	5,254	5,239
Other regions	6,918	-5.9%	3,461	3,457

<i>(in € millions)</i>	2024	% of total	2023	% of total
GROUP	27,193		28,343	
Europe	9,782	36.0%	9,891	34.9%
<i>of which France</i>	2,572	9.5%	2,502	8.8%
North America (incl. Mexico)	10,493	38.6%	11,098	39.2%
Other regions	6,918	25.4%	7,354	25.9%

Overall, the breakdown of 2024 consolidated sales by major operating region remained the same as in 2023.

Around 65% of consolidated sales were generated outside Europe and more than 90% outside France.

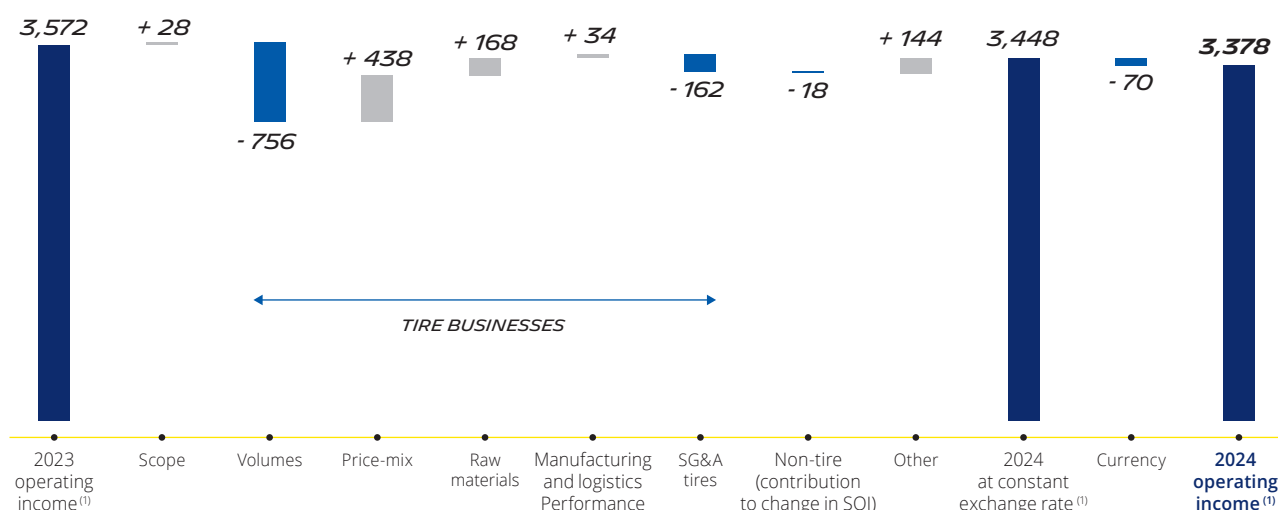
1.3 Consolidated income statement review

01

<i>(in € millions, except per share data)</i>	2024	2023	2024/2023	2024 (as a % of sales)	2023 (as a % of sales)
Sales	27,193	28,343	-4.1%		
Cost of sales	(19,445)	(20,395)	-4.7%	71.5%	72.0%
GROSS INCOME	7,748	7,948	-2.5%	28.5%	28.0%
Sales and marketing expenses	(1,204)	(1,210)	-0.5%	4.4%	4.3%
Research and development expenses	(786)	(756)	+4.0%	2.9%	2.7%
General and administrative expenses	(2,290)	(2,336)	-2.0%	8.4%	8.2%
Segment other income and expenses	(90)	(74)	+21.6%	0.3%	0.3%
SEGMENT OPERATING INCOME	3,378	3,572	-5.4%	12.4%	12.6%
Other operating income and expenses	(747)	(920)	-18.8%	2.7%	3.2%
OPERATING INCOME	2,631	2,652	-0.8%	9.7%	9.4%
Cost of net debt	(77)	(198)	-61.1%	0.3%	0.7%
Other financial income and expenses	19	2	+850.0%	0.1%	0.0%
Net interest on employee benefit obligations	(88)	(94)	-6.4%	0.3%	0.3%
Share of profit/(loss) from equity-accounted companies	(40)	128	-131.3%	0.1%	0.5%
INCOME BEFORE TAXES	2,445	2,490	-1.8%	9.0%	8.8%
Income tax	(555)	(507)	+9.5%	2.0%	1.8%
NET INCOME	1,890	1,983	-4.7%	7.0%	7.0%
■ Attributable to the shareholders of the Company	1,884	1,983	-5.0%	6.9%	7.0%
■ Attributable to the non-controlling interests	6	0	+100%		
EARNINGS PER SHARE (in €)					
■ Basic	2.65	2.77	-4.4%		
■ Diluted	2.62	2.75	-4.8%		

1.3.1 Analysis of segment operating income

(in € millions)



(1) Segment operating income.

Segment operating income amounted to €3,378 million or 12.4% of sales for the year ended December 31, 2024, compared with €3,572 million and 12.6% in 2023.

The €194 million decrease reflected the net impact of the following factors:

- a €28 million increase from changes in the scope of consolidation, corresponding primarily to the inclusion of Flex Composite Group since late September 2023;
- a €756 million decrease reflecting:
 - the decline in volumes sold;
 - the fixed cost shortfall resulting from the general under-utilization of production capacity as output declined and certain plants were ramped down over the year;
- a €438 million increase from the favorable price-mix effect, led by:
 - a slight net increase in prices, stemming primarily from the application of contractual indexation clauses, whose impact swung to positive in the second half from negative in the first due to the time lag in applying the changes in their underlying raw materials and other price indexes;
 - a very favorable mix, shaped by a combination of three factors: (i) higher sales of 18-inch and larger Passenger car tires and, more generally, premium products; (ii) faster growth in Replacement tire sales than in the OE markets, which weakened over the year; and (iii) a positive geographic mix, thanks in particular to the Group's careful management;

- a €168 million increase from the first-half decline in the cost of raw materials used in production, which offset the second-half rebound in these costs;
- a slight €34 million increase relating to manufacturing and logistics costs. The impact of inflation, particularly on payroll costs, and of the temporary closure of certain plants at year-end was partly cushioned by lower maritime shipping costs and improved operating performance;
- a €162 million decrease from the year-on-year growth in SG&A expenses (including research and development expenses) in the Tire operations, reflecting the impact of inflation, particularly on payroll costs;
- a €144 million increase from other favorable cost factors, primarily comprising an adjustment in the variable compensation paid in respect to 2024;
- a €70 million decrease from exchange rate movements, led by the unfavorable impact of the gains in the euro against the Turkish lira, the Chilean peso, the Japanese yen and most other operating currencies.

Other operating income and expenses unallocated to the operating segments represented a net expense of €747 million in 2024 versus a net expense of €920 million in 2023. The improvement primarily corresponded to the year-on-year reduction in provisions for industrial restructuring projects.

Other operating income and expenses are described in more detail in note 7 to the consolidated financial statements.

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.

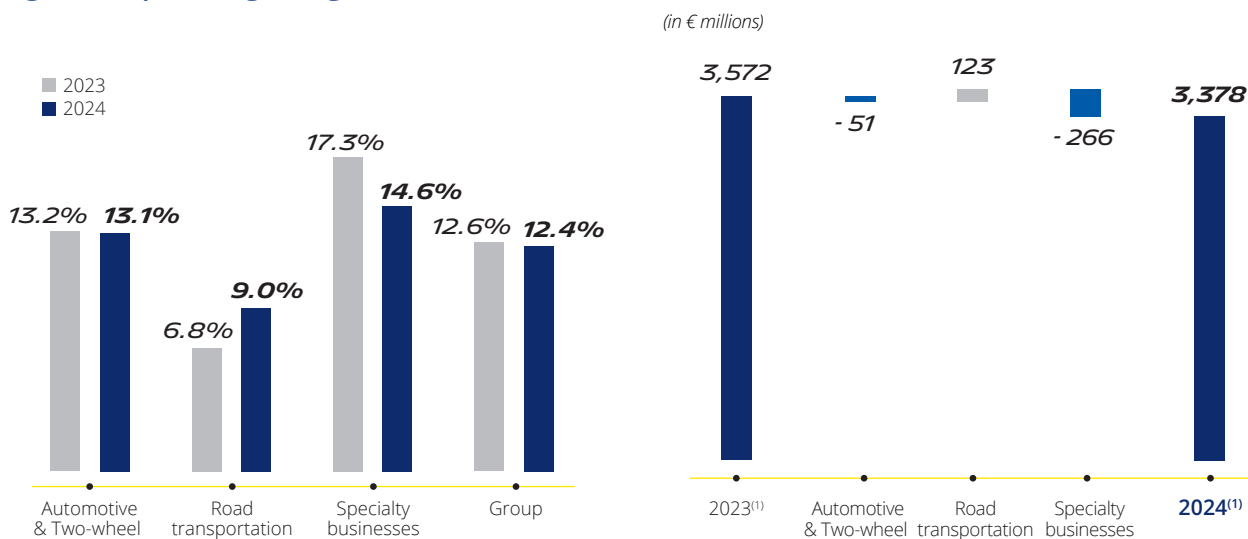
In the following review, 2023 data have been restated to reflect changes in the scope of the reporting segments in 2024. These changes mainly concerned the Two-wheel tire business, which is now consolidated in the Automotive, Two-wheel and related distribution segment, in alignment with the internal reporting process.

The Specialty businesses segment includes the Mining, Beyond-road and Aircraft tire activities, as well as the Polymer Composite Solutions business. The Connected Solutions businesses are included for the most part in the Road transportation and related distribution segment.

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)	2024 (new scope of reporting)	2023 (new scope of reporting)	2023 (former scope of reporting)	2024/2023 (new scope of reporting)
AUTOMOTIVE, TWO-WHEEL AND RELATED DISTRIBUTION				
Sales	14,667	14,859	14,339	-1.3%
Segment operating income	1,917	1,968	1,959	-2.6%
Segment operating margin	13.1%	13.2%	13.7%	-0.2 pts
ROAD TRANSPORTATION AND RELATED DISTRIBUTION				
Sales	6,599	6,941	6,975	-4.9%
Segment operating income	597	474	456	+26.1%
Segment operating margin	9.0%	6.8%	6.5%	+2.2 pts
SPECIALTY BUSINESSES AND RELATED DISTRIBUTION				
Sales	5,927	6,543	7,029	-9.4%
Segment operating income	864	1,130	1,157	-23.5%
Segment operating margin	14.6%	17.3%	16.5%	-2.7 pts
GROUP				
Sales	27,193	28,343	28,343	-4.1%
Segment operating income	3,378	3,572	3,572	-5.4%
Segment operating margin	12.4%	12.6%	12.6%	-0.2 pts

Segment operating margin



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

Automotive, Two-wheel and related distribution (in € millions, for new scope of reporting)	2024	2023	2024/2023	2024 (% of consolidated total)	2023 (% of consolidated total)
Sales	14,667	14,859	-1.3%	54%	52%
Change in volumes	-1.6%				
Segment operating income	1,917	1,968	-2.6%	57%	55%
Segment operating margin	13.1%	13.2%	-0.1 pts		

Segment operating income amounted to €1,917 million or 13.1% of sales, versus €1,968 million and 13.2% in 2023 (at comparable scope of reporting).

The Automotive segment maintained its operating income and margin almost on a par with 2023 despite (i) a 1.6% decline in volumes sold, impacted by the downturn in Original Equipment markets and the one-off contraction in UNIROYAL-brand volumes in North America due to problems at a distributor; and (ii) a general decrease in prices due to the application of indexation clauses in OEM contracts. This was primarily thanks to the highly

favorable mix effect, driven by (i) the sustained growth in sales of 18-inch and larger tires and other outcomes of the priority focus on the most value-accretive market segments; and (ii) the faster momentum in Replacement tire sales compared with Original Equipment sales.

Distribution operations increased their percentage of the segment sales stream and maintained its generally neutral bottom-line contribution.

Exchange rate movements had a negative impact on segment operating income.

Road transportation and related distribution – Analysis of segment operating income

Road transportation and related distribution (in € millions, at new scope of reporting)	2024	2023	2024/2023	2024 (% of consolidated total)	2023 (% of consolidated total)
Sales	6,599	6,941	-4.9%	24%	24%
Change in volumes	-6.1%				
Segment operating income	597	474	+26.1%	18%	13%
Segment operating margin	9.0%	6.8%	+2.2 pts		

Segment operating income totaled €597 million or 9.0% of sales, versus €474 million and 6.8% in 2023 (at comparable scope of reporting).

The Road transportation segment sustained its first-half earnings rebound, despite an environment dampened by very unfavorable Original Equipment markets in Europe and North America and the extensive transformations in the production base following the announced restructuring projects in Germany, Poland and China.

Volumes sold contracted by 6.1%, mainly due to the cyclical downturn in Original Equipment demand and the Group's ongoing strategy of redeploying in the most value-accretive

segments and geographies. The latter factor nevertheless fed through to a very favorable mix effect, which was further enhanced by the positive price effect after OEM contracts were renegotiated to better reflect the technological value delivered by the Group's products.

The Connected Solutions business, combined under the MICHELIN Connected Fleets brand, continued to expand, thanks mainly to more disciplined management and improved operating efficiency. It made a positive contribution to segment operating income.

Exchange rate movements had a negative impact on segment operating income.

Specialty businesses and related distribution – Analysis of segment operating income

Specialty businesses and related distribution (in € millions, at new scope of reporting)	2024	2023	2024/2023	2024 (% of consolidated total)	2023 (% of consolidated total)
Sales	5,927	6,543	-9.4%	22%	23%
Change in volumes	-9.1%				
Segment operating income	864	1,130	-23.5%	26%	32%
Segment operating margin	14.6%	17.3%	-2.7 pts		

Segment operating income amounted to €864 million or 14.6% of sales, versus €1,130 million and 17.3% the year before (at comparable scope of reporting).

Tire volumes sold fell a sharp 9.1% over the year, dragged down by the steep decline in Beyond-road Original Equipment markets (led by Agriculture and Construction tires) and by one-off events impacting the mining tire segment (inventory drawdowns at certain mining companies, closure of a large mine in Panama and tightening of export controls). The price effect was slightly negative over the year, despite a favorable second half, due to the segment's relatively high proportion of contractual indexation clauses. On the other hand, there were positive effects from (i) the mix, thanks to the faster growth in Replacement sales than in Original Equipment sales and the priority focus on higher value-added segments, and (ii) the segment's operating performance.

Polymer Composite Solutions operating income edged back somewhat year-on-year, mainly due to comparison with the very strong earnings reported in 2023, particularly in the conveyor belt business. In line with first-half trends, sales were hurt by relatively low capital spending, particularly in the construction and mining infrastructure segments, and by a correction in the rigid inflatable boats and other leisure marine markets following the post-Covid boom. Nevertheless, operating margin integrity was preserved over the year, thanks to the business' flexible organization and the diversity of its destination markets.

Exchange rate movements had a negative impact on segment operating income.

1.3.3 Other income statement items

Raw materials

The cost of **raw materials** reported in cost of sales was estimated at €5.6 billion in 2024 versus €5.9 billion in 2023.

The decline in these costs over the year reflected:

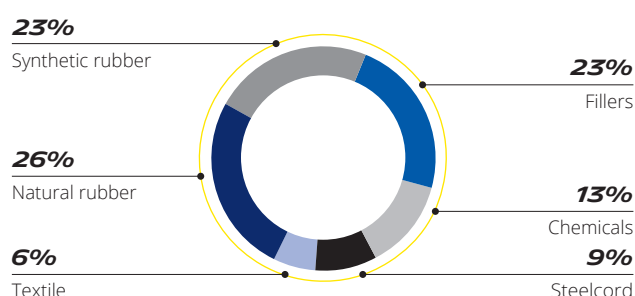
- the price and mix of the Group's raw materials purchases;
- the decrease in both volumes sold and output, accentuated by inventory drawdowns;
- the valuation of raw materials, semi-finished and finished product inventories using the weighted average cost method. This method tends to spread fluctuations 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;
- exchange rate movements, which correspond to (i) the impact of converting local currency purchasing costs into the consolidation currency; and (ii) a residual currency effect resulting from the difference between the purchasing companies' local currency and the currency used to purchase their raw materials.

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

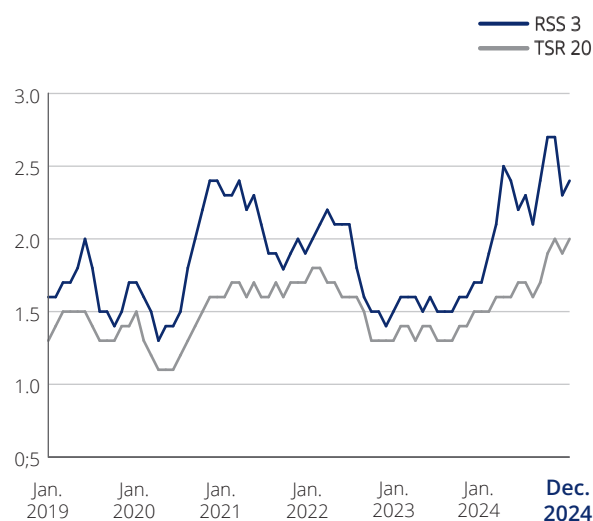
Based on estimated 2024 production volumes, the sensitivity of cash purchasing outlays to fluctuations in natural rubber and oil prices is as follows:

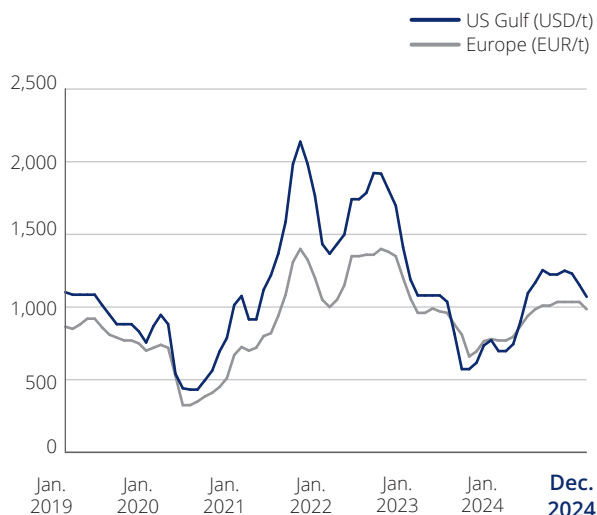
- a \$0.10 per kg decrease in natural rubber prices would feed through to around an \$87 million reduction in full-year purchasing costs;
- a \$1.00 per barrel decline in oil prices would feed through to a \$7 million decrease in full-year purchasing costs.

RAW MATERIALS RECOGNIZED IN 2024 COST OF SALES (€5.6 BILLION)



NATURAL RUBBER PRICES (SICOM) (USD/kg)



BUTADIENE PRICES**Employee benefit costs and number of employees**

Employee benefit costs came to €7,622 million or 28.0% of sales, up €221 million year-on-year. The increase was primarily attributable to the Group's dynamic salary adjustment policy in 2023 and 2024, given that raises are generally introduced in May and increase the corresponding benefit costs over the next twelve months. The process is aligned with the overall inflationary trend in recent years, which is now stabilizing.

The number of employees on payroll at year-end declined somewhat due to one-time movements (effective closure of certain operations in the final quarter, sale of the Euromaster business in Denmark) and to ongoing programs to streamline and reorganize the Group's corporate operations.

In 2024, €7,603 million in expenses were recognized in segment operating income and €19 million in other operating income and expenses (see notes 6 and 7 to the consolidated financial statements).

(in € millions and number of people)

	2024	2023	Change
Total employee benefit costs	7,622	7,401	+3.0%
As a % of sales	28.0%	26.1%	
Employees on payroll at December 31	129,800	132,500	-2.0%
Number of full-time equivalent employees at December 31	123,500	125,000	-1.2%
Average number of full-time equivalent employees	124,800	125,000	-0.2%

Depreciation and amortization

(in € millions)

	2024	2023	Change
Total depreciation and amortization	2,085	2,008	+3.8%
As a % of sales	7.7%	7.1%	

Depreciation and amortization charges rose by €77 million to €2,085 million for the year. The modest increase was in line with the upturn in capital expenditure committed over the past three years, which has now reached suitable levels.

Of the total, €1,983 million was recognized in segment operating income and €102 million in other operating income and expenses (see notes 6 and 7 to the consolidated financial statements).

Transportation costs

(in € millions)	2024	2023	Change
Transportation costs	1,370	1,485	-7.7%
As a % of sales	5.0%	5.2%	

Transportation costs came to €1,370 million in 2024, down 7.7% on 2023. The further year-on-year decrease was led by the same factors as in 2023: (i) the decline in volumes sold; (ii) the reduction in maritime shipping costs thanks to effective contract

negotiations; and (iii) the Group's performance in raising supply chain productivity, rationalizing finished product delivery modes and improving the proportion of local-to-local shipments.

Sales and marketing expenses

(in € millions)	2024	2023	Change
Sales and marketing expenses	1,204	1,210	-0.5%
As a % of sales	4.4%	4.3%	

Sales and marketing expenses stood at €1,204 million in 2024, virtually unchanged (down €6 million) from the year before, as the

increase in payroll costs offset the impact of the decline in volumes sold.

Research and development expenses

(in € millions)	2024	2023	Change
Research and development expenses	786	756	+4.0%
As a % of sales	2.9%	2.7%	

Research and development expenses rose by €30 million year-on-year to €786 million, attesting to the Group's unwavering commitment to maintaining its technological leadership in delivering long-lasting performance in its products and services. It also reflects the development of synergies between its tire manufacturing and Polymer Composite Solutions businesses, both of which leverage shared fundamental research.

General and administrative expenses

General and administrative expenses amounted to €2,290 million, a €46 million year-on-year decrease as their disciplined management amply offset the impact of wage inflation.

They represented 8.4% of sales for the year, up 0.2 points compared with 2023.

Segment other income and expenses

Segment other income and expenses represented a net expense of €90 million in 2024, up from a net expense of €74 million in 2023, mainly due to the successful implementation of the Bib'Action employee share ownership plan in 2024.

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 nature or their significant, unusual or abnormal characteristics.

Other operating income and expenses represented a net expense of €747 million in 2024, versus a net expense of €920 million in 2023.

These outlays mainly comprise the costs incurred in the industrial restructuring projects announced by the Group over the past two years. The €173 million year-on-year decrease reflects the fact that higher provisions were recognized in 2023 following the year-end announcements that certain production operations would be closed in the United States and Germany. In 2024, other operating income and expenses corresponded primarily to the provisions recognized following the announcement of the future closure of the plants in Cholet and Vannes, France.

Other operating income and expenses are described in more detail in note 7 to the consolidated financial statements.

Cost of net debt

(in € millions)	2024	2023	Change
Cost of net debt	77	198	-121

At €77 million, the **cost of net debt** was down €121 million compared with 2023, mainly as a result of the following factors:

- a significant €94 million reduction in net interest expense to €77 million, reflecting the net impact of:
 - a sharp €83 million decrease in interest expense, mainly due to the favorable impact of converting euro-denominated debt into the various currencies used by the Group;

- a slight €11 million increase in interest income, attributable to favorable interest rates on cash investments;

- a €25 million reduction in income from exchange-rate derivatives, due mainly to a decline in the number of currency swaps and lower interest-rate volatility.

Financial expenses represented a cost corresponding to 2.1% of the Group's net debt.

Other financial income and expenses

(in € millions)	2024	2023	Change
Other financial income and expenses	19	2	+17

Despite net exchange losses, due in part to unhedged currencies, **other financial income and expenses** represented a gain of €19 million in 2024, up €17 million on 2023. The increase was led partly by the sharp year-on-year decline in net exchange losses

on unhedged currencies, in particular the Argentine peso, and partly by a €15 million improvement in net income from financial assets, following the grant of a loan to the UK pension fund in 2023.

Income tax

(in € millions)	2024	2023	Change
Income before taxes	2,445	2,490	-45
Income tax	(555)	(507)	-48
Current tax	(698)	(816)	+118
Withholding tax	(55)	(33)	-22
Deferred tax	198	342	-144

Income tax amounted to €555 million in 2024, a €48 million year-on-year increase due in part to the introduction of the Pillar Two reform in France in January 2024, which resulted in a limited €16 million increase in the Group's total income tax expense for the year.

Current tax came to €753 million in 2024.

The effective tax rate rose to 22.7%, from 20.4% the year before, as a result of (i) the non-recognition in 2024 of deferred tax assets (mainly relating to UK operations) and (ii) the decrease during the year in profit from equity-accounted companies from the very high 2023 baseline, which had been lifted by the TBC joint venture's disposal of its retail outlets.

Consolidated net income and earnings per share

(in € millions)	2024	2023	Change
Net income	1,890	1,983	-93
As a % of sales	7.0%	7.0%	0.0 pts
■ Attributable to the shareholders of the Company	1,884	1,983	-99
■ Attributable to the non-controlling interests	6	0	+6
Earnings per share (in €)			
■ Basic	2.65	2.77	-0.12
■ Diluted	2.62	2.75	-0.13

Net income came to €1,890 million for the year, or 7.0% of sales, compared with €1,983 million in 2023, also 7.0% of sales.

The €93 million decline reflected the following factors:

■ favorable factors:

- the €173 million decrease in other operating expenses unallocated to the operating segments, corresponding primarily to a decline in provisions for restructuring over the year;
- the €121 million reduction in the cost of net debt;

■ unfavorable factors:

- the €194 million decrease in segment operating income;
- the €168 million reduction in profit from equity-accounted companies compared with 2023, when this item was boosted by disposal gains realized by two joint ventures, TBC (sale of retail operations) and Symbio (sale of a one-third equity stake);
- the €48 million increase in income tax expense.

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

<i>(in € millions)</i>	December 31, 2024	December 31, 2023	Total change	Translation adjustments	Movement
Goodwill	2,829	2,982	-153	+66	-219
Intangible assets	2,120	1,794	+326	+28	+297
Property, plant and equipment	12,750	12,260	+490	+281	+209
Right-of-use assets	1,232	1,082	+150	+29	+121
Non-current financial assets and other non-current assets	1,151	1,605	-454	+38	-492
Investments in equity-accounted companies	849	871	-22	+33	-55
Deferred tax assets	1,081	932	+149	+11	+138
Non-current assets	22,013	21,526	+487	+488	-1
Inventories	5,699	5,447	+252	+103	+149
Trade receivables	3,595	3,850	-255	+45	-299
Current financial assets	544	512	+32	+4	+29
Other current assets	1,564	1,345	+219	+29	+189
Cash and cash equivalents	3,936	2,515	+1,421	-9	+1,430
Current assets	15,339	13,669	+1,670	+171	+1,498
TOTAL ASSETS	37,352	35,195	+2,157	+658	+1,497

Equity and liabilities

(in € millions)	December 31, 2024	December 31, 2023	Total change	Translation adjustments	Movement
Share capital	353	357	-4		-4
Share premiums	2,326	2,702	-376		-376
Reserves	15,946	14,896	+1,050	+273	+777
Non-controlling interests	9	3	+6		+6
Total equity	18,634	17,958	+676	+273	+402
Non-current financial liabilities	4,934	4,672	+262	-1	+263
Non-current lease liabilities	872	738	+134	+19	+114
Provisions for employee benefit obligations	2,730	2,726	+4	+41	-36
Provisions and other non-current liabilities	928	860	+68	+5	+63
Deferred tax liabilities	544	497	+47	+19	+28
Non-current liabilities	10,008	9,493	+515	+83	+433
Current financial liabilities	1,375	591	+784	+173	+611
Current lease liabilities	258	241	+17	+5	+12
Trade payables	3,086	3,075	+9	+49	-38
Trade payables under reverse factoring agreements	689	530	+159	+29	+130
Provisions and other current liabilities	3,302	3,307	-5	+36	-41
Current liabilities	8,710	7,744	+964	+292	+674
TOTAL EQUITY AND LIABILITIES	37,352	35,195	+2,155	+648	+1,508

1.4.2 Goodwill

Goodwill declined by €219 million in the year to December 31, 2024, before translation adjustments, primarily due to the updating, as part of the purchase price allocation process, of the €576 million in provisional goodwill recognized on the acquisition

of Flex Composite Group (FCG), Europe's leading manufacturer of high-tech fabrics and films. The allocation process reduced the provisional amount by €249 million, with the result that final goodwill of €327 million was recognized at year-end 2024.

1.4.3 Intangible assets

Intangible assets stood at €2,120 million for the year, a €297 million increase from December 31, 2023 before translation adjustments that reflected the recognition, as part of the above-

mentioned FCG purchase price allocation process, of the value of brands and related customer relationships as intangible assets.

1.4.4 Property, plant and equipment

Property, plant and equipment stood at €12,750 million at December 31, 2024, up €209 million before translation adjustments. The modest increase reflected the Group's strategy since 2022 of restoring capital expenditure to suitable levels, following the years of slowdown caused by the Covid-19 health crisis.

Additions to property, plant and equipment amounted to €1,901 million for the year, compared with €2,004 million in 2023. Three quarters of total outlays were committed to production equipment and facilities (for more details, see note 12.2 to the consolidated financial statements).

1.4.5 Right-of-use assets

Right-of-use assets, which are recognized separately from property, plant and equipment, came to €1,232 million at December 31, 2024, up €121 million year-on-year before

translation adjustments. New leases on land and buildings exceeded depreciation on prior-year leases, in part due to the launch of a new distribution center in Ontario (Canada).

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

Non-current financial assets and other non-current assets stood at €1,151 million at year-end, a €492 million decrease (before translation adjustments) stemming mainly from two factors:

- a net decrease in loans and deposits due to:
 - the withdrawal of substantially all the funds held in escrow for the UK pension plans as part of the project to buy back the assets of the current plan,

- the reclassification in current financial assets of the remaining tranche of the TBC dividend distributed in 2023;
- a reduction in pension plan surpluses, primarily after the liabilities of the defined-benefit plans of the Michelin Group's UK companies were transferred to the Aviva insurance company under a buy-in policy.

1.4.7 Investments in equity-accounted companies

Excluding translation adjustments, **investments in equity-accounted companies** declined by €55 million over the year to €849 million. The slight decrease was led by the change in the

method of consolidating Watèa following the acquisition of exclusive control by the Michelin Group.

1.4.8 Deferred tax

At December 31, 2024, the Group held a **net deferred tax asset** of €537 million, representing a year-on-year increase of €110 million, before translation adjustments, that primarily

reflected the restructuring operations announced during the year and the recognition of deferred tax assets in Mexico.

1.4.9 Trade working capital

(in € millions)	December 31, 2024	December 31, 2023	Change	2024 (as a % of sales)	2023 (as a % of sales)
Inventories	5,699	5,447	+252	21.0%	19.2%
Trade receivables	3,595	3,850	-255	13.2%	13.6%
Trade payables	(3,086)	(3,075)	-11	(11.3)%	(10.8)%
Trade payables under reverse factoring agreements	(689)	(530)	-159	(2.5)%	(1.9)%
TRADE WORKING CAPITAL	5,519	5,692	-173	20.3%	20.1%

Trade working capital decreased by €173 million over the year, as the decline in trade receivables and trade payables (in the broadest sense) more than offset the rise in the value of inventories.

Inventories rose by €252 million year-on-year to €5,699 million at December 31, 2024, mainly due to the following factors:

- a €103 million unfavorable currency effect;
- higher average raw material costs in 2024, which fed through to an unfavorable price effect across every inventory class;
- these factors were partially offset by efficient inventory management, which reduced both raw materials and semi-finished product volumes from year-end 2023 levels.

Despite the €45 million increase from translation adjustments, **trade receivables** declined by €255 million year-on-year to €3,595 million at December 31, 2024. In addition to the decline in volumes sold, the substantial reduction reflected the effective initiatives undertaken to shorten payment terms and limit past-due payments.

Trade payables, including those covered by **reverse factoring contracts**, rose by €170 million year-on-year to €3,775 million, due partly to the €78 million increase from translation adjustments and partly to the impact of inflation on unit costs of purchased inputs.

1.4.10 Cash and cash equivalents

Cash and cash equivalents stood at €3,936 million at December 31, 2024, a sharp €1,430 million increase from a year earlier (before translation adjustments) that was due to the net impact of the following factors:

- increases from:
 - the exceptionally favorable €2,226 million in free cash flow,
 - a €650 million increase in new debt, raised mainly through a €1 billion bond issue in May 2024;

- decreases from:
 - the payment of €961 million in dividends;
 - the implementation of a share buyback program for a total cost of €502 million.

1.4.11 Total equity

Including the €273 million change in translation adjustments, **total equity** rose by €675 million over the year to represent €18,634 million at December 31, 2024.

The €402 million increase excluding translation adjustments was primarily due to the following factors:

- the €1,617 million contribution from comprehensive income for the year, including:
 - €1,890 million in net income,
 - the €138 million unfavorable impact from post-employment benefit obligations,
 - the €44 million unfavorable impact of changes in the fair value of unconsolidated equity investments;

- the €966 million impact from dividends and other payments;
- the €502 million impact from the cancellation of bought-back shares;
- the €122 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 performance share plans.

As a result, at December 31, 2024, the **share capital** of Compagnie Générale des Établissements Michelin stood at €352,873,636, comprising 705,747,272 shares outstanding corresponding to 998,581,514 voting rights.

1.4.12 Net debt

Net debt stood at €3,112 million at December 31, 2024, down €169 million from December 31, 2023, mainly as a result of the following factors:

- the positive €2,226 million in free cash flow;
- €965 million in distributions, of which €961 million in dividends;

- the outlay of €502 million as part of the share buyback program;
- €37 million in proceeds from the employee share ownership plan;
- a €414 million increase from the recognition of new leases;
- a €208 million increase from translation adjustments.

Changes in net debt

(in € millions)	December 31, 2024	December 31, 2023
AT JANUARY 1	3,281	4,320
Free cash flow before acquisitions and financing of joint ventures and associates	-2,214	-2,804
Acquisitions and disposals	-1	+666
Net financing of joint ventures and associates	-8	-205
Free cash flow after acquisitions	-2,225	-2,343
Dividends and other distributions	+965	+896
Share buybacks	+502	0
New leases	+414	+363
Translation adjustments	+208	+25
Other	-33	+20
AT DECEMBER 31	3,112	3,281
CHANGE	-169	-1,039

Gearing

Gearing declined to 16.7% at December 31, 2024 from 18.3% at end-2023, primarily due to the year-on-year reduction in net debt combined with the highly favorable contribution from free cash flow, even as equity rose more slowly 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-2	A-2	A-2
	Fitch	F2	F2	F2
	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

On July 12, 2024, European rating agency Scope Ratings published ratings for the Group for the first time.

Moody's, whose rating has not been solicited since July 1, 2020, nevertheless raised CGEM's long-term credit rating to A2 with a Stable outlook on July 11, 2024.

1.4.13 Provisions

Provisions and other non-current liabilities rose by €68 million over the year as reported, to €928 million from €860 million at December 31, 2023. Excluding translation adjustments, the €63 million increase was attributable to the recognition in 2024 of new provisions for the restructuring programs announced during

the year, which mainly concerned the plants in Cholet and Vannes, France. At the same time, payments out of restructuring provisions set aside in prior years, notably in Germany, were lower than the new provisions written in 2024.

1.4.14 Employee benefit obligations

Change in the fair value of the net defined benefit obligation

<i>(in € millions)</i>	Pension plans	Other plans	2024	2023
At January 1	1,013	1,408	2,421	2,330
Contributions paid to the funds	(8)	(8)	(16)	(11)
Benefits paid directly to the beneficiaries	(42)	(66)	(108)	(96)
Other movements	-	(3)	(3)	3
ITEMS RECOGNIZED IN OPERATING INCOME				
Current service cost	18	61	79	70
Actuarial (gains) or losses recognized on other long-term benefit plans	-	3	3	1
Effect of plan amendments, curtailments or settlements	(1)	(26)	(27)	(1)
Other items	19	-	19	18
ITEMS RECOGNIZED OUTSIDE OPERATING INCOME				
Net interest on employee benefit obligations	32	52	84	95
ITEMS RECOGNIZED IN OTHER COMPREHENSIVE INCOME				
Translation adjustments	8	23	31	(38)
Actuarial (gains) or losses	183	(39)	144	58
Unrecognized assets due to the effect of the asset ceiling	(3)	(3)	(6)	(8)
AT DECEMBER 31	1,219	1,402	2,621	2,421

The net defined benefit obligation recognized at December 31, 2024 stood at €2,621 million, a year-on-year increase of €200 million as reported and of €169 million excluding translation adjustments.

The change reflected the following main factors:

- the total €124 million in contributions and benefits paid in 2024 (2023: €107 million), of which:
 - €16 million in contributions paid to fund management institutions (2023: €11 million),
 - €108 million in benefits paid directly to employees (2023: €96 million);
- a €79 million expense recognized in operating income in 2024 (2023: €70 million), which resulted from the cost of defined benefit plans;
- the €84 million in net interest expense on the net defined benefit obligation, recognized outside of operating income (2023: €95 million);
- the €144 million in actuarial losses recorded in 2024 (2023: actuarial losses of €58 million), which corresponded to:
 - €309 million in actuarial gains on defined benefit obligations, resulting mainly from increases in discount rates,
 - €453 million in actuarial losses on plan assets, stemming largely from the buy-in agreement signed with the Aviva insurance company in the United Kingdom, which generated a loss when the assets were transferred.

In addition, contributions paid by the Group to defined contribution plans amounted to €288 million in 2024, compared with €256 million in 2023.

1.5 Consolidated cash flow statement review

01

1.5.1 Cash flows from operating activities

(in € millions)	2024	2023	Change
Segment EBITDA	5,361	5,489	-128
Change in net inventories	-165	+775	-940
Change in net trade receivables	+236	+254	-18
Change in net trade payables	+121	-276	+397
Restructuring cash costs	-246	-188	-58
Other changes in provisions	0	-30	+30
Interest and other financial income and expenses received and paid, net	-42	-193	+151
Income tax paid	-806	-776	-30
Other	-123	+232	-355
NET CASH FROM OPERATING ACTIVITIES	4,336	5,287	-951

At €5,361 million, or 19.7% of sales, segment EBITDA improved by 0.3 points year-on-year as a percentage of sales, but edged back €128 million in absolute value, primarily due to the €194 million contraction in segment operating income over the year.

Cash flows from operating activities came to €4,336 million, down €951 million from the prior year's all-time high. In addition to the contraction in EBITDA, the year-on-year decline was attributable to:

- a €561 million decrease from the reduction in trade working capital, mainly due to the impact of inflation on the value of inventory, despite its decline in volume;

- a €355 million decrease from the change in other receivables and payables;
- a €151 million increase from the reduction in net interest paid;
- a €30 million decrease from the increase in income tax paid.

Restructuring-related outlays rose by €58 million over the year.

1.5.2 Capital expenditure

(in € millions)	2024	2023	Change	2024 (as a % of sales)	2023 (as a % of sales)
Additions to intangible assets and PP&E	2,182	2,236	-54	8.0%	7.9%
Investment grants received and change in capital expenditure payables	68	32	+36	0.3%	0.1%
Proceeds from sales of intangible assets and PP&E	(35)	(47)	+12	(0.1)%	(0.2)%
NET ADDITIONS TO INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	2,215	2,221	-6	8.1%	7.8%

Additions to intangible assets and property, plant and equipment amounted to €2,182 million in 2024, compared with €2,236 million in 2023.

Capital expenditure committed during the year was on a par with 2023, marking the third year that it has held steady at suitable levels, following a period shaped by the Covid-19 crisis and its impact on the global economy.

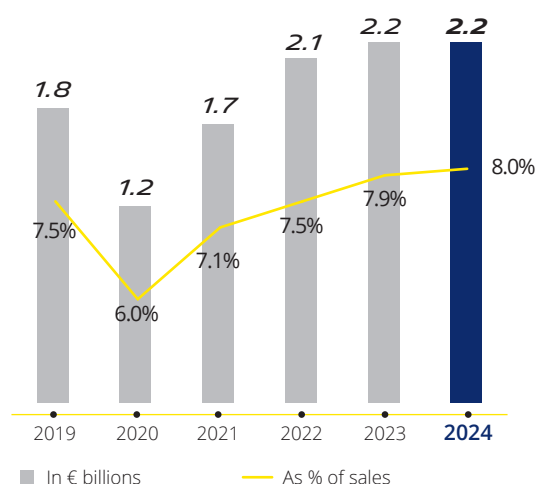
The main capital projects completed during the year or still underway as part of competitiveness and growth investment programs are as follows:

- **Automotive tires**, to align facilities with new product mixes in Mexico, North America, China and Europe;
- **Beyond-road tires**, to increase agricultural track production capacity in North America.

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

CAPITAL EXPENDITURE

(in € billions)



"Investment grants received and change in capital expenditure payables" corresponds mainly to changes in capital expenditure payables.

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)	2024	2023	Change
Net cash from operating activities	4,336	5,287	(951)
Routine capital expenditure (maintenance, IT, dealerships, etc.)	(951)	(933)	-18
Competitiveness and growth investments	(1,036)	(1,108)	+72
Investments in new ventures	(195)	(195)	0
Other	71	(42)	113
FREE CASH FLOW BEFORE ACQUISITIONS	2,225	3,009	-784
Acquisitions	1	(666)	+667
FREE CASH FLOW AFTER ACQUISITIONS	2,225	2,343	-117

Free cash flow before acquisitions ended 2024 at a positive €2,225 million, compared to €3,009 million a year earlier. This was after €2,182 million in capital expenditure and investments, of which €1,036 million was earmarked for competitiveness and growth projects.

Free cash flow after acquisitions was virtually unchanged at €2,225 million, as the disposals and acquisitions completed during the year resulted in a total net impact close to zero.

1.6 Return on capital employed (ROCE)

01

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.

For 2024, the theoretical tax liability was calculated at a rate of 23%, or two points lower than in prior years (for which the rate was 25%). This aligned the theoretical rate with the Group's effective tax rate, which has averaged close to 23% over the past four years.

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 0.9 points year-on-year to 10.5% in 2024, as a result of the following factors:

- the reduction in segment operating income;
- the decline in the Group's share of loss/(profit) from equity-accounted companies compared with 2023, when it was boosted by non-recurring gains from TBC's disposal of its retail operations and the sale of a one-third equity stake in Symbio;
- the positive impact of using a lower average tax rate in the calculation.

<i>(in € millions)</i>	2024	2023
Segment operating income restated for ROCE calculation	3,280	3,608
Average standard income tax rate used for ROCE calculation	23%	25%
Segment operating income after tax (NOPAT)	2,516	2,706
Economic assets at December 31	24,169	23,584
Average economic assets	23,883	23,836
Consolidated ROCE	10.5%	11.4%

1.7 Trend information

Outlook

2025 tire markets are expected with slight growth over the year, but declining in the first half due to lower OE demand.

In a highly uncertain context, Michelin is expecting to improve its segment operating income at constant exchange rates on 2024, and to generate more than €1.7 billion in free cash flow before acquisitions.

This outlook has been established and prepared on a basis comparable to historical financial information and in accordance with the accounting methods described following this chapter.

Recent events

No material events occurred between the reporting date and the date when the consolidated financial statements were authorized for issue by the Managing Chairman.

1.8 Highlights

Corporate

- For the third time running, Michelin is identified as **one of the world's most innovative companies in the Top 100 Global Innovators** 2024 ranking.
- Michelin, IFPEN and Axens inaugurate the **first industrial-scale demonstrator unit capable of producing bio-based butadiene**, representing a major milestone in the creation of a new industry. Built on the Michelin site in Bassens, France, the demonstrator is part of the BioButterfly project, which aims to develop and bring to market butadiene using ethanol derived from plant biomass to replace butadiene made from petrochemical feedstocks.
- The cornerstone for the **Collaborative Innovation Hub (PIC)** is laid in Clermont-Ferrand, as part of the Cataroux Park project to transform the Group's historic production plant into a vibrant arena for innovation and development. Another cluster in the Park, the **Sustainable Materials Center**, will triple its capacity, creating 700 jobs and supporting 20 startups by 2030. Its role is to help startups to develop their industrial demonstrators faster and more cost effectively.
- **NASA selects the Moon RACER team**, which includes Michelin, AVL, Boeing and the Northrop Grumman Corporation, for the first phase of the ARTEMIS project to develop a new Lunar Terrain Vehicle. The phase 1 contract gives the selected teams one year to complete a feasibility study for the proposed solution. Leveraging in particular its expertise in airless technology and high-tech materials, Michelin has designed a wheel capable of withstanding extreme temperatures and radiation, while delivering optimum traction on lunar soil.
- Michelin reaffirms its innovative brand DNA with the new "On the road and beyond!" **brand campaign**, which showcases its powerful capacity for innovation and unrivaled expertise. Debuted in France, the new campaign will soon be rolled out in other countries around the world.
- Michelin, the French national research institute CNRS and the University of Strasbourg inaugurate SpinLab, a new joint research laboratory dedicated to electrospinning, thereby strengthening their combined expertise in this innovative process for **manufacturing nanofibrous materials**. The collaborative venture will also open new pathways to developing innovative materials for critical uses, with applications in mobility as well as in medicine, the environment and energy. These uses are central to the Michelin Group's goal: to manufacture high value-added composites that change our daily lives.
- Michelin, Danone, US startup DMC Biotechnologies and Crédit Agricole Centre France join forces to create **Biotech Open Platform**, a next-generation industrial biotechnology platform that further illustrates Michelin's All-Sustainable vision. In particular, it will help to drive the wider use of bio-based materials, a core challenge for both the industry of tomorrow and resource preservation. It also demonstrates Michelin's unflagging commitment to developing innovation and supporting its host communities.
- At the China International Import Expo (CIIE), attended by nearly a million visitors and more than 4,000 accredited journalists, Michelin exhibits its **prototype moon wheel**, made from 71% recycled and renewable materials.

- Michelin chooses Microsoft to support the deployment of **innovative digital solutions** to optimize energy use management in its production plants around the world. The partnership will help the Group to reduce its carbon emissions and fulfill its commitment to reaching net zero by 2050.
- Michelin and Brembo sign a global agreement to develop **intelligent braking systems**. Michelin will contribute its expertise in designing advanced algorithms, its outstanding knowledge of tire physics and its simulation and modeling capabilities. Initial tests show a reduction in braking distances of up to four meters, regardless of tire wear or road conditions.
- The Group is continuing to **realign its tire manufacturing base**, announcing the forthcoming conversion of the plants in Olsztyn, Poland and Shenyang, China to Passenger car tire production and the shutdown of tire operations in Cholet, France and metal reinforcements production at the facilities in Shanghai, China and Vannes, France. During each of these projects, Michelin's priority is to **support the people impacted** by the transition, by consistently applying the principles of respect, transparency and fairness throughout the process.
- **Michelin sells its two Sri Lanka-based plants** dedicated to bias tires and compact construction equipment tracks to the CEAT Group. **The Camso brand will also be sold** at the end of a three-year licensing period. The Group will refocus on marketing its radial tires in the addressed market, while also ceasing production of bias tires in its plant in Olsztyn, Poland. These transactions, which will strengthen the financial performance of the Specialty tire businesses, are aligned with the Michelin in Motion 2030 strategy, which is redirecting the Group's activities towards the most profitable markets and offerings.
- European rating agency **Scope Ratings** assigns Michelin a **long-term credit rating of A** with a stable outlook. At the same time, Moody's upgrades its credit rating from A3 to A2. Both ratings recognize the Group's financial strength and the quality of its strategy.
- The Michelin Group releases its first **Tax Transparency Report**, marking a significant milestone in its history. The Report outlines the Group's tax policy and strategy, specifying its tax contribution by country and worldwide, which stood at nearly 40% of 2023 segment operating income.
- The French Federation of Employee Shareholders (FAS) awards Michelin its **CAC All-Tradable Grand Prize**, in recognition of the Group-wide employee shareholding initiatives that have been an integral part of the Group's value-sharing commitment for more than 20 years.
- **The Michelin Guide continues its international expansion** with new curated selections for Mexico, Lithuania, Fujian Province (China) and Doha, Qatar, bringing the total collection to more than 40 destinations.
- In 2024, **the MICHELIN Guide introduces the MICHELIN Keys** honoring hotels in a number of countries for their hospitality excellence, including 189 establishments in France, 271 in Germany, Austria and Switzerland, and others in the United States, Spain and Japan. The award attests to the MICHELIN Guide's commitment to becoming the leading global booking platform for outstanding hotels and restaurants.
- ViaMichelin launches its **new website and mobile application**, available in seven languages in 11 European countries. ViaMichelin enhances the user experience by bringing together the best routes, the finest MICHELIN Guide selections and rich, inspiring editorial content for planning road trips across Europe.
- Set up in 2014, the **Michelin Corporate Foundation** has defined new objectives for the 2024-2028 period, to help pursue the Group's commitment to acting for the common good in seven areas of action: future-facing jobs, equal opportunity and inclusion, healthy living and eating, sustainable mobility, forest biodiversity, collaborative social models and regional development.
- The Michelin Man becomes our **enthusiastic TikTok influencer**, sharing inspiring, unexpected innovation content for Gen Z and beyond.
- Michelin supports the **new European R117-04 regulation** in force since July 1, 2024, which mandates performance tests on worn tires to **improve safety**. These rules are designed to ensure that tires deliver safe performance throughout their useful lives. Worldwide, 400 million tires are prematurely removed from cars every year, which means that the regulation could avoid the release of 35 million tonnes of CO₂ emissions.
- In May 2024, Michelin carried out a €1 billion euro-denominated **bond issue** in two €500 million tranches with maturities of 7 and 12 years. The seven-year tranche pays interest at 3.125% and the 12-year tranche at 3.375%. The net issue proceeds have been used for general corporate financing requirements.
- In February 2024, as part of its capital management and optimization policy, the Group announced the launch of a **multi-year share buyback program** in a maximum amount of €1 billion over the three-year period from 2024 to 2026. The Group signed two agreements with investment service providers covering €500 million worth of share buybacks. The agreements were executed in full during the year and the purchased shares were subsequently canceled.

People

- Following an assessment by the Fair Wage Network, a globally recognized NGO, Michelin is **certified as a “Global Living Wage Employer,”** attesting to the ability of the Group's fair compensation policies and practices to guarantee a living wage for every employee in more than 60 countries.
- At the **Michelin Media Day 2024** event, the Group announces three major innovations to support its transformation and to foster social and societal cohesion in France and around the world: the guarantee of a living wage and a universal social protection floor for all Michelin Group employees; the creation of an ambitious lifelong learning program; and the official presentation of Cataroux Park, a revitalization project unlike any other in Europe and a powerful accelerator of innovation.
- The **updated Diversity, Equity and Inclusion policy** is posted on the corporate website, attesting to the importance the Group attaches to the multi-faceted challenges and growing social expectations surrounding these issues.
- Michelin launches a new **BIB'Action employee shareholding plan open to 127,000 employees in 46 countries**, with the intention of renewing such plans every year so that employees rank among its leading shareholders. The 2024 plan is a resounding success, with **more than 56% of employees taking up the offer**, for a total of more than 66,000 investors in 46 countries.
- Prestigious magazine HR Asia names **Michelin Thailand one of the “Best Companies to Work For in Asia 2024 – Thailand.”** The award recognizes Michelin's commitment to its employees and their well-being, in particular by nurturing a quality workplace environment, offering career development opportunities and championing an inclusive corporate culture.
- Michelin and Porsche renew their partnership to **support Indonesian natural rubber farmers in deploying sustainable farming, environmental and social practices.** Known as Cascade, the training project will benefit 6,500 smallholders over the next three years. It is seamlessly aligned with the Group's long-standing commitment to encouraging eco-responsible, deforestation-free natural rubber sourcing.

Planet

- The Group announces its intention to **apply the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD)**, in alignment with the targets defined at COP15 in Montreal. The announcement expands on Michelin's commitments to biodiversity already expressed in 2018 through the act4nature international initiative.
- At Tire Technology Expo 2024, Michelin unveils a new **light particle analysis system** that will deepen knowledge of tire and road wear particles (TRWPs). This major new step forward is aligned with the challenges of the Euro 7 standard, which will define regulatory tire abrasion thresholds. For nearly 20 years, Michelin has been actively engaged in reducing tire abrasion and conducting research on TRWPs.
- For the 2024 MotoE™ World Championship round in Portimão, Portugal, Michelin presents its **new tires for MotoGP™ electric class bikes containing more than 50% renewable and recycled materials.** In line with the Group's commitment to making tires all-sustainable by 2050, motorsports remain a key testing ground and an accelerator for technological innovations.
- The **CDP rating organization once again finds that Michelin is demonstrating leadership** in tackling the challenges of both climate change, with an A- rating, and water security, with a B rating.
- As head of the UN Global Compact France Network, Florent Menegaux presents the **new strategic vision** for the next six years at its Annual Meeting. Companies will be encouraged to undertake results-oriented commitments to address five priority issues: a living wage, gender equality, climate change, water and financing the UN Sustainable Development Goals (SDGs).
- Michelin joins Antin and Enviro to announce the construction of their **first end-of-life tire-recycling plant** in Uddevalla, Sweden. The project will be based on Enviro's unique pyrolysis technology, which is capable of extracting carbon black, pyrolysis oil and other raw materials from end-of-life tires.
- For the fourth year in a row, Michelin is recognized by international non-profit CDP as a **“Supplier Engagement Leader”** for the initiatives undertaken with suppliers to measure and reduce their carbon footprints.
- The EU-funded BlackCycle project, coordinated by Michelin and aimed at developing a tire circular economy, wins the **Environmental Achievement of the Year** award at Tire Technology Expo 2024.
- For the third consecutive year, Michelin is ranked No. 1 in the tiremaker category by SPOTT, a natural rubber ESG disclosure platform. Its score of 80.9% attests to the Group's **leadership and transparency in responsibly helping to drive progress across the natural rubber value chain.**

- As part of the act4nature international initiative, **Michelin strengthens its biodiversity commitments for 2030**. For example, the Group now aims to use only deforestation-free natural rubber in its products, in accordance with the definitions and standards of the European Union Deforestation Regulation (EUDR), and to reduce pesticide use in rubber farming by 70% on rubber tree farms operated by the Michelin Group and its joint ventures.
- Created in 2004 in Bahia, Brazil, the vast, nearly 4,000-hectare **Michelin Ecological Reserve (REM)** has in just 20 years become one of the best protected, most species-rich ecosystems in the world. Reflecting the Group's All-Sustainable vision, the reserve compellingly demonstrates that rubber tree farming can be made environmentally

friendly. Its success has been supported by an extensive research program involving more than 140 projects and 167 scientific publications.

- The **Science-Based Targets initiative (SBTi)** confirms that **the Group's new targets are aligned with a 1.5°C pathway** and are consistent with achieving net zero greenhouse gas emissions by 2050. The new targets have strengthened Michelin's engagement in the fight against global warming.
- Michelin is leading the Tyre Digital Product Passport initiative as part of the EU-funded CIRPASS-2 project, in line with the **European Ecodesign for Sustainable Products Regulation**. Introduced in July 2024, the passport is designed to drive faster deployment of circular economy practices in Europe.

Business operations

- **Michelin is selected as the exclusive supplier to shoe the Ferrari F80**. This latest collaboration with the Italian carmaker showcases Michelin's powerful innovation and unparalleled simulation and modeling expertise. Leveraging its patented state-of-the-art algorithms and unique C3M manufacturing process, the Group developed the outstanding F80 tire in just 15 months.
- Michelin, the leading tire manufacturer in the United States, surpasses **100 J.D. Power awards** with the 2024 rankings, more than all its competitors combined. The awards, based on responses from more than 31,000 vehicle owners, illustrate the Group's high standards of quality and safety for its customers.
- Exclusive MotoGP™ tire supplier **Michelin becomes title sponsor for the French Grand Prix**, which will be officially renamed the Michelin® Grand Prix de France in 2024. MotoGP™ events offer opportunities to test advanced technologies in extreme conditions, thereby helping to improve the consumer tire lines. Among these technological advances, Michelin has developed tires for the fully electric MotoE™ bikes, which are made with an average of 50% renewable and recycled materials.

- Michelin scores its **33rd win in the Le Mans 24 Hours** and its 27th straight victory since 1998. The ideal laboratory for testing technologies under the most extreme conditions, endurance racing has played a major role in establishing Michelin's reputation and demonstrating its superiority in delivering long-lasting performance. In one example, Michelin has enabled Hypercars to cover up to 750 kilometers at an average speed of 240 kph, or the equivalent of two Formula 1 Grand Prix races, all on a single set of tires.
- The IAA Transportation Trade Fair in Hanover offers Michelin the opportunity to reaffirm its **position as an indispensable partner to the trucking industry**, with two innovative new tire lines and a broadened range of connected solutions further demonstrating the benefits of the Group's All Sustainable vision for its fleet management customers.
- 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.

1.9 Information concerning payment terms

Article D. 441-6°: invoices issued and past due at December 31, 2024

Trade receivables	0 day	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
(A) Breakdown of past due payments:						
Number of invoices		2				2
Total amount of invoices (including tax)		218				218
Percentage of total sales for the period (including tax)		0.01%				0.01%
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables						
Number of invoices excluded						-
Total amount of invoices excluded						-
(C) Reference payment terms used (contractual or statutory pursuant to Article L. 441-6 or L. 443-1 of the French Commercial Code)						
Reference payment terms used to calculate past due payments						30
			Contractual terms agreed at initial recognition of the trade receivable			30

Article D. 441-6°: invoices received and past due at December 31, 2024

Trade payables	0 day	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
(A) Breakdown of past due payments:						
Number of invoices		192	112	5	74	383
Total amount of invoices (including tax)		-20,012	232	19	368	-19,393
Percentage of total purchases for the period (including tax)		-1.02%	0.01%	0.00%	0.02%	-0.98%
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables						
Number of invoices excluded						-
TOTAL AMOUNT OF INVOICES EXCLUDED (INCLUDING TAX)						-

1.10 Five-year summary of consolidated key figures and ratios

(in € millions)	2024	2023	2022	2021	2020
Sales	27,193	28,343	28,590	23,795	20,469
% change	-4.1%	-0.9%	+20.2%	+16.3%	-15.2%
Total employee benefit costs	7,622	7,401	6,950	6,445	5,996
As a % of sales	28.0%	26.1%	24.3%	27.1%	29.3%
Number of full-time equivalent employees at period-end	123,500	125,000	124,900	118,400	117,500
Research and development expenses	786	756	698	682	646
As a % of sales	2.9%	2.7%	2.4%	2.9%	3.2%
SEGMENT EBITDA⁽¹⁾	5,361	5,489	5,262	4,700	3,631
Segment operating income	3,378	3,572	3,396	2,966	1,878
Segment operating margin	12.4%	12.6%	11.9%	12.5%	9.2%
Operating income	2,631	2,652	3,021	2,777	1,403
Operating margin	9.7%	9.4%	10.6%	11.7%	6.9%
Cost of net debt	77	198	239	192	242
Other financial income and expenses	19	2	(22)	(4)	(14)
Income before taxes	2,445	2,490	2,656	2,471	979
Income tax	555	507	647	626	354
Effective tax rate	22.7%	20.4%	24.4%	25.3%	36.2%
Net income	1,890	1,983	2,009	1,845	625
As a % of sales	7.0%	7.0%	7.0%	7.8%	3.1%
Dividends	961	893	803	410	357
Net cash from operating activities	4,336	5,287	1,931	2,906	3,366
as a % of sales	15.9%	18.7%	6.8%	12.2%	16.4%
Gross purchases of intangible assets and PP&E	2,182	2,236	2,141	1,705	1,221
As a % of sales	8.0%	7.9%	7.5%	7.2%	6.0%
Net debt ⁽²⁾	3,112	3,281	4,320	2,789	3,531
Total equity	18,634	17,958	17,116	14,971	12,631
Gearing	16.7%	18.3%	25.2%	18.6%	28.0%
Net debt ⁽²⁾ divided by segment EBITDA ⁽¹⁾	0.58	0.60	0.82	0.59	0.97
Segment operating income/net interest expense ⁽³⁾	43.8	20.8	11.5	13.7	7.9
Free cash flow ⁽⁴⁾	2,225	2,343	(180)	1,357	2,004
ROE ⁽⁵⁾	10.3%	11.3%	12.5%	13.4%	4.8%
Operating ROCE ⁽⁶⁾	10.5%	11.4%	10.8%	10.3%	6.0%
PER-SHARE DATA* (in €)					
Net assets per share ⁽⁷⁾	26.4	25.1	24.0	20.9	17.7
Basic earnings per share	2.65	2.77	2.81	2.58	0.88
Diluted earnings per share	2.62	2.75	2.79	2.56	3.51
Price-earnings ratio ⁽⁸⁾	12.0	11.7	9.3	14.0	29.8
Dividend per share ⁽⁹⁾	1.38	1.35	1.25	1.125	0.575
Payout ratio ⁽¹⁰⁾	52%	49%	44%	44%	65%
Yield ⁽¹¹⁾	4.3%	4.2%	4.8%	3.1%	2.2%

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

(2) Net debt: financial liabilities less cash and cash equivalents (excluding cash flows from cash management assets and borrowing collaterals) plus/less derivative assets, as defined in note 17 to the consolidated financial statements.

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

(4) 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 1.5.3.

(5) 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 2020 and 2021 figures have been restated for comparison purposes.

(6) Operating ROCE: based on the method in use since 2021 as explained in section 1.6. 2020 ROCE has been remeasured using this method.

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

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

(9) Dividend subject to approval by the Annual Shareholders Meeting on May 16, 2025.

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

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

* The 2020 and 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.

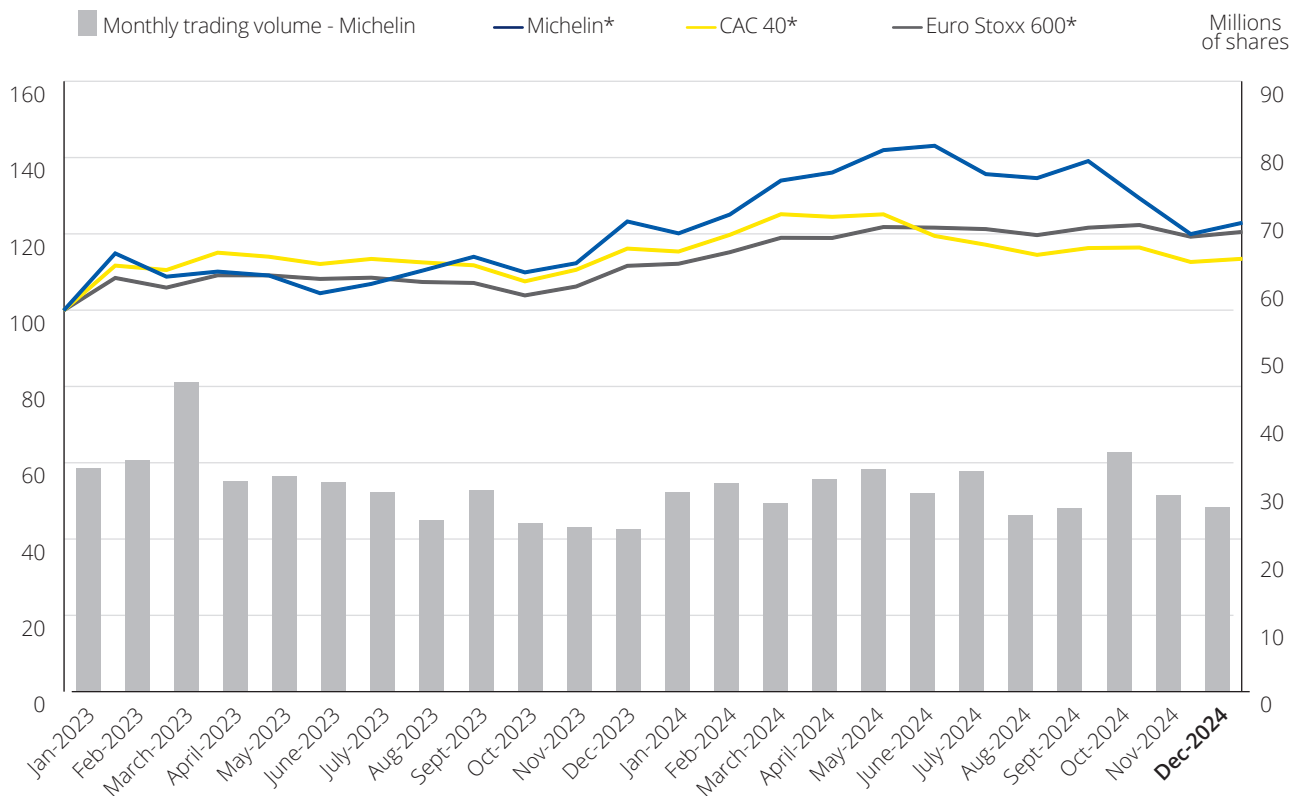
Indices

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

- CAC 40: 1.36% of the index at December 31, 2024;
- Stoxx Europe 600: 0.21% of the index at December 31, 2024

MICHELIN SHARE PERFORMANCE AND TRADING VOLUMES

According to statistical data collected by Euronext Paris.



* Standardized monthly averages (base 100 = January 1, 2023).

1.11.2 Detailed share data

According to statistical data collected by Euronext Paris.

Share price (in €)	2024	2023	2022	2021 ⁽¹⁾ (restated)	2021 (reported)	2020
Session high	38.52	32.65	38.93	36.50	146.00	112.80
Session low	30.06	25.60	21.99	25.83	103.30	68.00
High/low ratio	1.28	1.28	1.77	1.41	1.41	1.66
Closing price, end of period	31.8	32.46	25.99	36.04	144.15	104.95
Average closing price over the period	34.26	28.87	28.53	32.44	129.75	95.49
Change in the Michelin share price over the period	-2.03%	24.92%	-27.89%	37.35%	37.35%	-3.80%
Change in the CAC 40 index over the period	-2.15%	16.52%	-9.50%	28.85%	28.85%	-7.14%
Change in the Stoxx Europe 600 index over the period	5.98%	12.73%	-12.90%	22.25%	22.25%	-4.04%
Average daily Stoxx Europe 600 share price	507.51	457.04	434.40	449.58	449.58	369.26
Market capitalization (at period-end, in € billions)	22.44	23.21	18.56	25.74	25.74	18.72
Average daily trading volume over the period ⁽²⁾	1,408,288	1,419,300	1,844,574	1,743,820	435,955	548,883
Average shares outstanding	712,283,891	714,258,055	713,400,033	713,512,772	178,378,193	178,497,159
Volume of shares traded over the period	360,521,846	366,179,447	475,900,118	449,905,428	112,476,357	141,062,953

(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)	2024	2023	2022	2021 (restated)	2021 (reported)	2020
Net asset value per share	26.4	25.1	24.0	20.9	83.9	70.8
Basic earnings per share	2.65	2.77	2.81	2.58	10.31	3.52
Diluted earnings per share ⁽¹⁾	2.62	2.75	2.79	2.56	10.24	3.51
PRICE EARNINGS RATIO	12.0	11.7	9.3	14.0	14.0	29.8
Dividend per share ⁽²⁾	1.38	1.35	1.25	1.125	4.50	2.30
Payout ratio	52 %	49%	44%	44%	44%	65%
Yield ⁽³⁾	4.3 %	4.2%	4.8%	3.1%	3.1%	2.2%

(1) Earnings per share adjusted for the impact of the exercise of outstanding dilutive instruments on net income and average shares outstanding.

(2) 2024 dividend subject to approval by the Annual Shareholders Meeting on May 16, 2025. 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) Dividend divided by the December 31 share price.

1.11.4 Capital and ownership structure

At December 31, 2024, Michelin's share capital amounted to €352,873,636.

	At December 31, 2024			At December 31, 2023			At December 31, 2022		
	Number of shareholders	Shares outstanding	Voting rights outstanding	Number of shareholders	Shares outstanding	Voting rights outstanding	Number of shareholders	Shares outstanding	Voting rights outstanding
French institutional investors	4,311	20.6%	23.6%	4,497	20.4%	24.0%	4,509	22.8%	25.7%
Non-resident institutional investors		65.8%	61.5%		67.0%	61.8%		64.7%	59.7%
Individual shareholders (including former employees)	173,611	11.0% ⁽¹⁾	12.2%	170,391	10.5%	11.9%	156,694	10.3%	12.1%
Employee share ownership plan	80,261	2.6%	2.7%	71,621	2.1%	2.3%	77,557	2.2%	2.5%
TOTAL	258,183	705,747,272 SHARES⁽²⁾	998,581,514 VOTING RIGHTS	246,509	714,958,226 SHARES⁽²⁾	990,275,053 VOTING RIGHTS	238,760	714,117,414 SHARES⁽²⁾	978,544,459 VOTING RIGHTS

(1) The 1.16% of outstanding shares owned by former employees at December 31, 2024 has been included in the percentage of shares held by individual shareholders.

(2) All fully paid up.

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.



CHAPTER 2

2024 CONSOLIDATED FINANCIAL STATEMENTS

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2024 consolidated financial statements

Consolidated income statement

<i>(in € millions, except per-share data)</i>	Note	2024	2023
Sales	5	27,193	28,343
Cost of sales		(19,445)	(20,395)
Gross income		7,748	7,948
Sales and marketing expenses		(1,204)	(1,210)
Research and development expenses		(786)	(756)
General and administrative expenses		(2,290)	(2,336)
Segment other income and expenses	6	(90)	(74)
Segment operating income	7	3,378	3,572
Other operating income and expenses	7	(747)	(920)
Operating income		2,631	2,652
Cost of net debt	9	(77)	(198)
Other financial income and expenses	9	19	2
Net interest on employee benefit obligations	8	(88)	(94)
Share of profit/(loss) from equity-accounted companies	14	(40)	128
Income before taxes		2,445	2,490
Income tax	11	(555)	(507)
NET INCOME		1,890	1,983
Attributable to the shareholders of the Company		1,884	1,983
Attributable to the non-controlling interests		6	-
EARNINGS PER SHARE (in €)	15		
Basic		2.65	2.77
Diluted		2.62	2.75

Consolidated statement of comprehensive income

<i>(in € millions)</i>	Note	2024	2023
Net income		1,890	1,983
Post-employment benefits	8	(138)	(50)
Tax effect – post-employment benefits	11	4	18
Equity instruments at fair value through OCI – changes in fair value	11	(44)	2
Tax effect – equity instruments at fair value through OCI	11	8	2
Other		-	-
Other comprehensive income/(loss) that will not be reclassified to the income statement		(170)	(28)
Cash flow hedges – changes in fair value		(7)	2
Currency translation differences		273	(316)
Other		(24)	67
Other comprehensive income/(loss) that may be reclassified to the income statement		242	(247)
Other comprehensive income/(loss)		72	(275)
TOTAL COMPREHENSIVE INCOME		1,962	1,708
Attributable to the shareholders of the Company		1,956	1,708
Attributable to the non-controlling interests		6	-

Consolidated statement of financial position

(in € millions)	Note	December 31, 2024	December 31, 2023
Goodwill	12	2,829	2,982
Intangible assets	12	2,120	1,794
Property, plant and equipment (PP&E)	12	12,750	12,260
Right-of-use assets	13	1,232	1,082
Non-current financial assets and other non-current assets	9.4	1,151	1,605
Investments in equity-accounted companies	14	849	871
Deferred tax assets	11.2	1,081	932
Non-current assets		22,013	21,526
Inventories	6.3	5,699	5,447
Trade receivables	6.4	3,595	3,850
Current financial assets	9.5	544	512
Other current assets	7	1,564	1,345
Cash and cash equivalents	10	3,936	2,515
Current assets		15,339	13,669
TOTAL ASSETS		37,352	35,195
Share capital	15	353	357
Share premiums	15	2,326	2,702
Reserves	15	15,946	14,896
Non-controlling interests		9	3
Total equity		18,634	17,958
Non-current financial liabilities	9.3	4,934	4,672
Non-current lease liabilities	13	872	738
Provisions for employee benefit obligations	8	2,730	2,726
Provisions and other non-current liabilities	7.3	928	860
Deferred tax liabilities	11.2	544	497
Non-current liabilities		10,008	9,493
Current financial liabilities	9.3	1,375	591
Current lease liabilities	13	258	241
Trade payables	6.5	3,086	3,075
Trade payables under reverse factoring agreements	6.5	689	530
Provisions and other current liabilities	7.3	3,302	3,307
Current liabilities		8,710	7,744
TOTAL EQUITY AND LIABILITIES		37,352	35,195

Consolidated statement of changes in equity

<i>(in € millions)</i>	Share capital (note 15)	Share premiums (note 15)	Reserves (note 15)	Non-controlling interests	Total equity
At January 1, 2023	357	2,702	14,051	6	17,116
Net income	-	-	1,983	-	1,983
Other comprehensive income/(loss)	-	-	(275)	-	(275)
Total comprehensive income	-	-	1,708	-	1,708
Issuance of shares	-	-	-	-	-
Share buybacks	-	-	-	-	-
Cancellation of shares	-	-	-	-	-
Dividends and other appropriations	-	-	(894)	(2)	(896)
Share-based payments – current service cost	-	-	30	-	30
Sales of treasury shares	-	-	-	-	-
Other	-	-	1	(1)	-
At December 31, 2023	357	2,702	14,896	3	17,958
Net income	-	-	1,884	6	1,890
Other comprehensive income	-	-	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

Consolidated statement of cash flows

(in € millions)	Note	2024	2023
Net income		1,890	1,983
Adjustments			
■ Cost of net debt	10	77	198
■ Other financial income and expenses	10	(19)	(2)
■ Net interest on employee benefit obligations	8.1	88	94
■ Income tax	11.1	555	507
■ Amortization and depreciation of intangible assets and PP&E	6	1,983	1,917
■ Other operating income and expenses	7.1	747	920
■ Share of loss/(profit) from equity-accounted companies	14	40	(128)
Segment EBITDA	2.6	5,361	5,489
Other operating income and expenses (cash) and changes in provisions	10	(246)	(218)
Interest and other financial income and expenses received and paid, net	10	(42)	(193)
Income tax paid	11.3	(806)	(776)
Change in working capital, net of impairment	10	69	985
Net cash from operating activities		4,336	5,287
Purchases of intangible assets and PP&E	10	(2,250)	(2,268)
Proceeds from sales of intangible assets and PP&E		35	47
Equity investments in consolidated companies, net of cash acquired		(7)	(793)
Disposals of equity investments in consolidated companies, net of cash sold		5	142
Purchases of equity instruments at fair value		(9)	(15)
Disposals of equity instruments at fair value		12	-
Cash flows relating to other financial assets	10	103	(43)
Net cash from/(used in) investing activities		(2,111)	(2,930)
Proceeds from issuance of shares	15	37	-
Dividends paid to the shareholders of the Company	15	(961)	(893)
Cash flows relating to financial liabilities	10	650	(1,455)
Share buybacks	15	(502)	-
Other		(18)	12
Net cash from/(used in) financing activities		(794)	(2,336)
Effect of changes in exchange rates		(10)	(90)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,421	(69)
Cash and cash equivalents at January 1		2,515	2,584
Cash and cash equivalents at December 31	9.2	3,936	2,515

Notes to the consolidated financial statements

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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 12, 2025.

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, 2024 in the European Union

The following new standards and amendments to IFRS are effective from January 1, 2024; they have no material impact for the Group:

Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback

The amendment, which was published on September 22, 2022, clarifies the subsequent treatment of the right-of-use asset and lease liability arising from a leaseback transaction (notably in the case of a lease with variable payments not based on an index or a rate).

Amendments to IAS 1 – Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendment published on January 23, 2020 clarifies the principles to be applied to classify liabilities as current or

non-current. On October 31, 2022, the IASB published a new amendment to IAS 1 clarifying the classification of debt with covenants or conversion features.

Amendments to IAS 7 and IFRS 7 – Reverse Factoring – Supplier Finance Arrangements

These amendments, published on May 25, 2023, introduce new disclosure requirements for reverse factoring arrangements, to help understand the effects of these arrangements on the liabilities, cash flows and liquidity risk exposure of the preparer of the financial statements.

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, 2024, are not expected to have a material impact on the consolidated financial statements at their application date:

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.

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.

IFRS 18 – Presentation and Disclosure in Financial Statements

This standard, published on April 9, 2024, will replace the current IAS 1 – Presentation of Financial Statements and will amend IAS 7 – Statement of Cash Flows. It introduces a defined structure for the income statement, based on three categories of income and expenses (Operating, Investment and Financing) and requires the presentation of two subtotals (Operating income and Income before financing and income taxes). Alternative performance measures are clearly defined and the standard requires their disclosure in a single note to the financial statements. The standard also includes enhanced guidance on the principles of aggregation and disaggregation.

There are no other new standards, updates or interpretations published but not yet effective whose impact could be material for the Group.

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 Translation

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

Against the euro (EUR):	Closing rates		Average rates	
	2024	2023	2024	2023
US dollar (USD)	1.043	1.111	1.082	1.082
Canadian dollar (CAD)	1.501	1.466	1.482	1.460
Mexican peso (MXN)	21.248	18.787	19.705	19.177
Brazilian real (BRL)	6.463	5.364	5.802	5.401
Pound sterling (GBP)	0.829	0.868	0.847	0.870
Chinese yuan (CNY)	7.612	7.899	7.788	7.656
Indian rupee (INR)	89.122	92.508	90.558	89.331
Thai baht (THB)	35.433	37.950	38.152	37.617

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 €107 million was invested in the plan to reduce Scope 1 and 2 carbon emissions in 2024, with over €400 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 2024, €119 million was invested in this plan, 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).

Concerning measures to adapt to climate change, an analysis of these manufacturing sites and office facilities was initiated in 2023 to assess the medium- and long-term risks of extreme climate phenomena (intense heat, floods, etc.). These analyses of site vulnerabilities during the period to 2030 will be used to identify any necessary adaptation measures and incorporate them progressively 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 CO₂ emission allowances to be acquired by the Group in compliance with European Union regulations (Emissions Trading Scheme – ETS).

Emissions from sites subject to these European regulations represent around one-tenth of the Group's Scope 1 and 2 emissions. 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 (2023: €2,500 million, see note 17.2) depends on its performance in relation to its environmental and employee-related objectives (CO₂ 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 and the assets' estimated useful lives and 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. 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 Bond issue

On May 7, 2024, the Michelin Group carried out a €1 billion euro-denominated bond issue in two €500 million tranches with maturities of 7 and 12 years.

The 7-year tranche pays interest at 3.125% and the 12-year tranche at 3.375%.

The net issue proceeds have been used for general corporate financing requirements.

3.2 Share buyback program

As part of its capital management policy, on February 12, 2024 the Group announced the launch of a multi-year share buyback program. Up to €1 billion will be invested in the program, which will be carried out over a three-year period from 2024 to 2026.

On February 29, 2024, the Group signed two agreements with investment service providers covering €500 million worth of share buybacks.

The agreements were executed in full during the year, with 14,476,942 shares bought back at an average price of €34.6 per share and subsequently canceled.

3.3 Closure of the Vannes and Cholet plants

On November 5, 2024, the Michelin Group announced its intention to close the Vannes and Cholet plants in France.

This decision was necessary due to:

- the structural transformation of the Passenger Car & Light Truck and Truck tire markets, which are moving away from premium segments towards low-cost tires, mainly from Asia;
- the worsening competitiveness of Europe, notably due to inflation and rising energy prices.

Both plants had also been facing economic difficulties.

The Group has announced that it will close down production by early 2026 at the latest. It has committed to individually supporting each of the 1,254 affected employees at the two plants, through early retirement measures, internal transfers or outplacement solutions.

The two communities affected by these decisions will also be supported.

The plant closure costs and plant and equipment write-downs were recognized in the balance sheet at December 31, 2024 under "Other operating income and expenses" in the amount of €339 million.

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 2024

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.

During 2024, the Group completed several investments and acquisitions that were individually not material, representing a total investment of €2 million. The companies and controlling interests acquired in 2024, including Watèa, contributed €6 million to consolidated sales for the year and reduced segment operating income by €4 million and other operating income and expenses by €16 million.

4.2 Transactions in 2023

4.2.1 Flex Composite Group – Acquired in 2023, purchase price allocation completed in 2024

On September 26, 2023, the Group completed the acquisition of 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:

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

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

4.2.2 Other transactions

The main transactions in 2023 were as follows:

- acquisition in January 2023 of all outstanding shares in US company EGC Enterprises Inc., a manufacturer of graphite-based sealing products with facilities in Ohio and North Carolina in the United States, for €49 million;
- sale of the Group's two Russian subsidiaries in May 2023, leading to the recognition of an additional loss of €54 million during the year;
- buyout in April 2023 of the 50% stake in Blacksmith held by the Group's partner for €39 million and sale of the entire 100% interest in December 2023 for €60 million, leading to the recognition of a €5 million disposal loss;
- loss of control of Watèa, leading to the recognition of a €68 million positive fair value adjustment to the retained interest.

NOTE 5 SEGMENT REPORTING**5.1 Financial information by reporting segment****02****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:

	2024				2023 (restated) ⁽¹⁾			
	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
<i>(in € millions)</i>								
PROFIT AND LOSS INFORMATION								
Sales	14,667	6,599	5,927	27,193	14,859	6,941	6,543	28,343
Depreciation and amortization	1,078	482	423	1,983	1,024	484	409	1,968
Segment operating income	1,917	597	864	3,378	1,968	474	1,130	3,572
<i>As a percentage of sales</i>	<i>13.1%</i>	<i>9.0%</i>	<i>14.6%</i>	<i>12.4%</i>	<i>13.2%</i>	<i>6.8%</i>	<i>17.3%</i>	<i>12.6%</i>
SEGMENT ASSETS								
Goodwill, other intangible assets, PP&E and right-of-use assets	9,040	3,852	6,040	18,932	8,422	3,918	5,779	18,118
Finished product inventories	1,761	829	907	3,497	1,656	817	864	3,337
Trade receivables	1,848	992	755	3,595	1,922	1,092	835	3,850
Segment assets	12,649	5,673	7,702	26,024	12,000	5,827	7,478	25,305
OTHER INFORMATION								
Capital expenditure	1,294	535	353	2,182	1,272	577	387	2,236

(1) In the following review, 2023 data have been restated to reflect changes in the scope of the reporting segments in 2024. These changes mainly concerned the Two-wheel tire business, which is now consolidated in the Automotive, Two-wheel and related distribution segment, in alignment with the internal reporting process.

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

(in € millions)	December 31, 2024	December 31, 2023
Segment assets	26,024	25,305
Non-current financial assets and other non-current assets	1,151	1,605
Investments in equity-accounted companies	849	871
Deferred tax assets	1,081	932
Other net inventories (raw materials and supplies, work in progress)	2,202	2,110
Current financial assets	544	512
Other current assets	1,564	1,345
Cash and cash equivalents	3,936	2,515
TOTAL GROUP ASSETS	37,352	35,195

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:

(in € millions)	2024				2023			
	Europe	North America	Other	Total	Europe	North America	Other	Total
Sales	9,782	10,493	6,918	27,193	9,891	11,098	7,354	28,343

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 €2,572 million in 2024 (2023: €2,502 million). Goodwill, intangible assets and PP&E located in France amounted to €2,850 million in 2024 (2023: €3,200 million).

Sales generated in the United States totaled €8,827 million in 2024 (2023: €9,396 million). Goodwill, intangible assets and PP&E located in the United States represented €3,897 million at December 31, 2024 (December 31, 2023: €3,649 million).

No single external customer accounted for 10% or more of the Group's sales in 2024 and 2023.

In 2024, 97.2% of consolidated sales were recognized when control of the goods or services was transferred to the customer (2023: 97.3%), representing a total of €26,431 million (2023: €27,565 million). They mainly include sales of tires for the original equipment market or the replacement market and sales of Fenner conveyor belts.

In 2024, the amount recognized in sales for performance obligations satisfied over time stood at €762 million, representing 2.8% of total sales for the year (2023: €778 million and 2.7%). 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)	2024				2023			
	Europe	North America	Other	Total	Europe	North America	Other	Total
Sales								28,343
Goodwill, other intangible assets, PP&E and right-of-use assets	8,062	6,096	4,774	18,932	7,776	5,563	4,779	18,118
Capital expenditure	1,110	629	443	2,182	1,118	659	459	2,236

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 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:

<i>(in € millions)</i>	2024	2023
Raw materials and consumables used and changes in finished product inventories	(9,468)	(10,684)
Employee benefit costs	(7,603)	(7,397)
Transportation of goods	(1,370)	(1,485)
Depreciation and amortization ⁽¹⁾	(1,983)	(1,917)
Other expenses	(3,390)	(3,288)
EXPENSES BY NATURE	(23,814)	(24,771)

(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:

<i>(in € millions)</i>	2024	2023
Share-based payments – current service cost (note 8)	(34)	(30)
Employee share ownership plan cost (note 8)	(68)	-
Other income/(expenses)	12	(44)
SEGMENT OTHER INCOME AND EXPENSES	(90)	(74)

6.3 Inventories

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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:

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Raw materials and work in progress	1,700	1,594
Supplies	584	567
Finished products	3,602	3,434
Total gross inventory	5,886	5,595
Impairment of raw materials and work in progress	(24)	(22)
Impairment of supplies	(58)	(28)
Impairment of finished products	(105)	(97)
Total impairment	(187)	(148)
NET INVENTORIES	5,699	5,447

Changes in impairment losses on inventory are as follows:

<i>(in € millions)</i>	2024	2023
At January 1	(148)	(145)
Translation adjustments and other	(3)	5
Changes in scope of consolidation	(0)	11
Impairment of inventories recognized as an expense in the period	(101)	(69)
Impairment reversals	65	50
AT DECEMBER 31	(187)	(148)

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:

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Gross trade receivables	3,689	3,939
Impairment	(94)	(89)
TRADE RECEIVABLES	3,595	3,850

All trade receivables are due within 12 months.

The following table presents an aging analysis of trade receivables at December 31, 2024:

<i>(in € millions)</i>	Gross	Impairment	Net
Trade receivables not yet due	3,359	(13)	3,346
Overdue			
■ from less than three months	220	(7)	213
■ between three and six months	26	(5)	21
■ from more than six months	84	(69)	15
Overdue trade receivables	330	(81)	249
TRADE RECEIVABLES	3,689	(94)	3,595

Movements in impairment are analyzed in the table below:

(in € millions)	2024	2023
At January 1	(89)	(94)
Translation adjustments and other	(1)	2
Changes in scope of consolidation	(2)	5
Impairment of inventories recognized as an expense in the period	(42)	(21)
Impairment reversals	40	19
AT DECEMBER 31	(94)	(89)

Impairment provisions of €15 million were reversed during the period following the write-off of the underlying receivables (2023: €14 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, 2024	December 31, 2023
Trade payables	3,086	3,075
Trade payables under reverse factoring agreements	689	530
TRADE PAYABLES	3,775	3,605

Trade payables under reverse factoring agreements amounted to €689 million at December 31, 2024.

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 €379 million at December 31, 2024, of which €217 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 stood at €309 million at December 31, 2024, of which €264 million had already been paid to suppliers by 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:

<i>(in € millions)</i>	2024	2023
Amortization of acquired trademarks and customer relationships	(102)	(91)
Reorganizations and adaptation of activities	(382)	(522)
Impairment of non-current assets	(174)	(272)
Employee benefit obligations	(19)	(4)
Other	(70)	(31)
OTHER OPERATING INCOME AND EXPENSES	(747)	(920)

7.1.1 Amortization of acquired trademarks and customer relationships

Amortization of intangible assets recognized in the course of a business combination amounted to €102 million in 2024 (2023: €91 million):

- €33 million related to amortization of brands or trademarks (2023: €39 million);
- €69 million related to amortization of customer relationships (2023: €52 million).

7.1.2 Reorganizations and adaptation of activities

The amount reported for reorganizations and adaptation of activities in 2024 mainly comprises:

- €251 million in closure costs for the Vannes and Cholet plants in France (note 3);
- a €38 million increase in the estimated closure costs for the Ardmore site in the United States and the Trier, Karlsruhe and Hamburg sites in Germany;
- adaptation projects in China and Poland for €34 million.

The €522 million cost recorded in 2023 corresponded mainly to the recognition of provisions for closure costs at the Karlsruhe, Hamburg and Trier sites in Germany for €316 million and at the Ardmore site in the United States for €122 million.

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

7.1.3 Impairment of non-current assets

Impairment losses were recognized in 2024 on assets concerned by 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.

In 2023, recognized impairment losses mainly concerned the restructuring of the Ardmore site in the United States and the German sites, for a total of €168 million. The Group also booked €92 million in impairment losses on property, plant and equipment, mainly on its plantations.

7.1.4 Employee benefit obligations

No material events occurred in 2024 or 2023.

7.1.5 Other

No individually material events occurred in 2024.

In 2023, €68 million was recognized in other operating income on reclassification of Watèa as a joint venture and an additional loss of €54 million was recognized in other operating expense on disposal of the Group's Russian operations.

7.2 Other current assets

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

(in € millions)	December 31, 2024	December 31, 2023
Prepayments to suppliers	187	128
Income tax payable	408	295
Other taxes receivable	542	539
Other	428	384
Impairment	(1)	(1)
OTHER CURRENT ASSETS	1,564	1,345

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.

(in € millions)	December 31, 2024			December 31, 2023		
	Non-current	Current	Total	Non-current	Current	Total
Provisions	749	440	1,188	674	365	1,038
Employee benefit obligations	23	834	857	28	976	1,004
Payroll tax liabilities	-	368	368	-	381	381
Customers – Deferred rebates and other liabilities	-	822	822	-	777	777
Income tax payable	-	247	247	-	193	193
Other taxes	-	300	300	-	267	267
Other	157	291	448	158	349	507
PROVISIONS AND OTHER LIABILITIES	928	3,302	4,230	860	3,307	4,167

7.3.1 Changes in provisions

Changes in provisions during the period are presented below:

<i>(in € millions)</i>	Reorganizations and adaptation of activities	Litigation, warranties and other provisions	Total
At January 1, 2024	634	405	1,038
Additional provisions	443	174	617
Provisions utilized during the period	(250)	(173)	(424)
Unused provisions reversed during the period	(28)	(27)	(55)
Translation adjustments	7	4	11
Other effects	-	-	1
AT DECEMBER 31, 2024	805	382	1,188
Of which short-term portion	358	82	440

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:

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
France ⁽¹⁾	376	159
Germany ⁽²⁾	286	340
United States ⁽³⁾	84	107
Other countries	59	28
TOTAL	805	634

(1) The total includes the provision booked in 2024 for site closure costs at Vannes and Cholet (notes 3 and 7.1), 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 in connection with the winding down of production at the Karlsruhe, Hamburg and Trier sites (note 7.1).

(3) The total includes the provision set aside in 2023 for the winding down of passenger car tire production at the Ardmore plant (note 7.1).

7.3.3 Provisions for claims and litigation, warranties and other provisions

Provisions at December 31 concern the following risks:

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Provisions for claims and litigation	54	57
Provisions for product warranties (note 5)	75	78
Provisions for product liability claims	75	68
Other provisions for contingencies	178	202
TOTAL	382	405

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)	2024	2023
Wages and salaries	(6,027)	(5,939)
Payroll taxes	(1,102)	(1,098)
Defined benefit plan costs	(103)	(78)
Defined contribution plan costs	(288)	(256)
Share-based payments – current service cost (note 15)	(102)	(30)
EMPLOYEE BENEFIT COSTS⁽¹⁾	(7,622)	(7,401)

(1) Of which €7,603 million recognized in “Segment operating income” (note 6.1) and €19 million in “Other operating income and expenses” (note 7.1).

The average number of employees on payroll in 2024 was 131,528 (2023: 132,276).

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, 2024	December 31, 2023
Present value of fully or partly funded obligations	4,916	11	4,927	5,119
Fair value of plan assets	(4,786)	(2)	(4,788)	(5,212)
Funded status deficit/(surplus)	130	9	139	(93)
Present value of unfunded obligations	1,014	1,393	2,407	2,435
Unrecognized assets due to the effect of the asset ceiling	75	-	75	79
NET DEFINED BENEFIT OBLIGATION	1,219	1,402	2,621	2,421
Amounts recognized in the consolidated statement of financial position:				
■ As assets in Non-current financial assets and other assets (note 9.4)	(109)	-	(109)	(305)
■ Provisions for employee benefit obligations	1,328	1,402	2,730	2,726
NET LIABILITY	1,219	1,402	2,621	2,421

At December 31, 2024, the projected defined benefit obligation comprised €2,092 million for active members (current employees), €804 million for members who have deferred their vested benefits and €4,438 million for retired members (2023: respectively €2,170 million, €839 million and €4,545 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.

Main life expectancies by country	December 31, 2024				December 31, 2023			
	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	18.5	22.9	20.6	20.2	18.5	21.9	20.6	20.2
Life expectancy for males who will be 65 in 15 years' time	19.5	22.1	21.8	22.3	19.5	23.0	21.8	22.3
Life expectancy for females at 65 at the end of the reporting period	20.5	25.3	23.3	23.7	20.4	24.4	21.2	23.7
Life expectancy for females who will be 65 in 15 years' time	21.5	24.6	24.5	25.4	21.4	25.4	22.5	25.4

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

(in € millions)	2024			2023		
	Pension plans	Other plans	Total, defined benefit plans	Pension plans	Other plans	Total, defined benefit plans
AT JANUARY 1	1,013	1,408	2,421	1,005	1,325	2,330
Contributions paid to the funds	(8)	(8)	(16)	(11)	-	(11)
Benefits paid to the beneficiaries	(42)	(66)	(108)	(39)	(57)	(96)
Other movements	-	(3)	(3)	-	3	3
ITEMS RECOGNIZED IN OPERATING INCOME						
Current service cost	18	61	79	18	52	70
Actuarial (gains) or losses	-	3	3	-	1	1
Plan modifications, curtailments or settlements	(1)	(26)	(27)	(13)	12	(1)
Other items	19	-	19	18	-	18
Total recognized in operating income	36	38	74	23	65	88
ITEMS RECOGNIZED OUTSIDE OPERATING INCOME						
Net interest on employee benefit obligations	32	52	84	37	58	95
ITEMS RECOGNIZED IN OTHER COMPREHENSIVE INCOME						
Translation adjustments	8	23	31	(15)	(23)	(38)
Actuarial (gains) or losses						
■ Due to changes in demographic assumptions:						
– Due to changes in assumptions	(11)	(3)	(14)	(81)	(7)	(88)
– Due to experience adjustments	5	(1)	4	(82)	(13)	(95)
■ Due to changes in financial assumptions:						
– Due to changes in assumptions	(295)	(46)	(341)	165	52	217
– Due to experience adjustments	484	11	495	18	6	24
Total actuarial (gains) or losses	183	(39)	144	20	38	58
Unrecognized assets due to the effect of the asset ceiling	(3)	(3)	(6)	(7)	(1)	(8)
AT DECEMBER 31	1,219	1,402	2,621	1,013	1,408	2,421

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:

	2024					2023				
	Pension plans					Pension plans				
	United Kingdom (UK)	Europe excluding UK	North America and Other	Other defined benefit plans	Total equity	United Kingdom (UK)	Europe excluding UK	North America and Other	Other defined benefit plans	Total equity
<i>(in € millions)</i>										
Obligations at the beginning of the year	1,786	1,157	3,188	1,423	7,554	1,843	1,084	3,372	1,341	7,640
Translation adjustments	80	-	114	23	217	32	2	(119)	(23)	(108)
Changes in scope of consolidation	-	-	-	-	-	-	-	-	3	3
Current service cost	-	16	2	61	79	-	16	2	52	70
Interest expense	83	36	150	52	321	89	38	163	58	348
Administrative costs and other	4	-	15	-	19	3	-	15	-	18
Plan modifications, curtailments or settlements	(1)	-	-	(26)	(27)	-	(17)	4	12	(1)
Benefits paid during the year	(121)	(44)	(267)	(90)	(522)	(120)	(37)	(298)	(59)	(514)
Other items	(1)	3	-	(3)	(1)	-	3	-	1	4
Actuarial (gains) or losses	(146)	(13)	(111)	(36)	(306)	(61)	68	49	38	94
Obligations at the end of the year (A)	1,684	1,155	3,091	1,404	7,334	1,786	1,157	3,188	1,423	7,554
Fair value of plan assets at the beginning of the year	2,090	143	2,961	18	5,212	2,074	132	3,168	20	5,394
Translation adjustments	90	-	94	-	184	34	3	(107)	-	(70)
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-	-
Interest income	97	5	137	1	240	101	4	151	1	257
Contributions paid to the funds	-	7	1	8	16	3	8	-	-	11
Benefits paid by the plans	(121)	(5)	(263)	(25)	(414)	(120)	(1)	(296)	(1)	(418)
Other items	-	2	1	-	3	-	3	1	(1)	3
Actuarial (gains) or losses	(364)	5	(94)	-	(453)	(2)	(6)	44	(1)	35
Fair value of plan assets at the end of the year (B)	1,792	157	2,837	2	4,788	2,090	143	2,961	18	5,212
Deficit/(surplus) (A-B)	(108)	998	254	1,402	2,546	(304)	1,014	227	1,405	2,342
Deferred items at the beginning of the year	-	-	(76)	(3)	(79)	-	-	(80)	(4)	(84)
Translation adjustments	-	-	2	-	2	-	-	1	-	1
Unrecognized assets	-	-	(1)	3	2	-	-	3	1	4
Deferred items at the end of the year	-	-	(75)	-	(75)	-	-	(76)	(3)	(79)
NET LIABILITY/(ASSET) AT THE END OF THE YEAR	(108)	998	329	1,402	2,621	(304)	1,014	303	1,408	2,421

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 France, the pension reform of April 14, 2023 (Act 2023-270) had the effect of reducing the Group's employee benefit obligations by €13 million in 2023. This amount was recorded as a deduction from the related provision under "Plan modifications, curtailments or settlements".

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 2024, the amount recognized resulting from the effect of the asset ceiling was €4 million.

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

	December 31, 2024			December 31, 2023		
	United Kingdom (UK)	Europe excluding UK	North America	United Kingdom (UK)	Europe excluding UK	North America
Discount rate	5.50%	3.33%	5.22%	4.65%	3.20%	4.76%
Inflation rate	3.25%	1.96%	2.18%	3.15%	2.02%	2.18%
Rate of salary increases ⁽¹⁾	3.25%	3.07%	3.50%	3.23%	3.12%	3.50%
Weighted average duration of the defined benefit obligation	10.5	12.7	9.0	11.2	13.0	9.1

(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, 2024		December 31, 2023	
	United States	Canada	United States	Canada
Expected growth in healthcare costs in the first year	9.15%	5.12%	7.95%	4.91%
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	2034	2040	2033	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 2024, 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)	(353)	378
Inflation rate on the defined benefit obligation (DBO)	216	(211)
Salary increase rate on the defined benefit obligation (DBO)	82	(74)
Healthcare cost trend rate on the healthcare defined benefit obligation (DBO)	4	(4)
Interest rates on the fair market value of plan assets	(198)	210
Impact on consolidated income statement		
Discount rate on the aggregate of current service cost and interest cost on the obligation	11	(14)
Inflation rate on the aggregate of current service cost and interest cost on the obligation	14	(13)
Salary increase rate on the aggregate of current service cost and interest cost on the obligation	7	(7)
Healthcare cost trend rate on the aggregate of the current service cost and interest cost on the healthcare plan obligation	-	-

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

	December 31, 2024					December 31, 2023				
	Canada	United States	United Kingdom	Other	Total	Canada	United States	United Kingdom	Other	Total
Equities	5%	12%	-	-	6%	4%	10%	-	-	4%
Government bonds	62%	25%	-	17%	23%	66%	29%	34%	19%	37%
Investment-grade corporate bonds	11%	46%	-	-	20%	12%	45%	32%	-	32%
Other bonds, credit and cash	13%	5%	-	2%	5%	10%	4%	13%	3%	9%
Funds managed by insurance companies	-	-	91%	81%	37%	-	-	7%	78%	6%
Real assets	7%	6%	-	-	4%	7%	7%	1%	-	4%
Alternatives	3%	5%	9%	-	6%	2%	5%	14%	-	8%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Duration in years of bonds and cash	10.9	11.4	N/A	11.2	11.2	11.9	12.1	14.2	11.2	12.9

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 2024 and to be made over the following ten years are as follows:

	Pension plans			Other plans			Group Total
	United Kingdom (UK)	Europe excluding UK	North America and Other ⁽¹⁾	United Kingdom (UK)	Europe excluding UK	North America and Other ⁽¹⁾	
(in € millions)							
CONTRIBUTIONS PAID AND BENEFITS PAID DIRECTLY BY THE GROUP							
2024	-	46	5	-	18	55	124
ESTIMATES OF CONTRIBUTIONS TO BE PAID AND BENEFITS TO BE PAID DIRECTLY BY THE GROUP							
2025	-	77	3	-	21	56	157
2026	-	72	47	-	31	49	199
2027	-	84	48	-	23	48	203
2028	-	67	46	-	35	48	196
2029	-	73	45	-	48	47	213
2030-2034	-	379	184	2	234	223	1,022

(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 2024, the contributions paid to defined contribution plans and expensed amounted to €288 million (2023: €256 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:

	2024	2023
	Number of share grants or performance share rights outstanding	Number of share grants or performance share rights outstanding
At January 1	7,303,830	5,949,494
Granted	3,107,516	3,257,003
Forfeited	(621,054)	(1,061,855)
Shares delivered	(931,739)	(840,812)
AT DECEMBER 31	8,858,553	7,303,830

Excellence Plan

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 (stock market performance, environmental performance of manufacturing operations, employee engagement rate, sales growth 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		Fair value at grant date		December 31, 2024	December 31, 2023
	France	Other countries	France	Other countries	Number of share grants or performance share rights outstanding	Number of share grants or performance share rights outstanding
2020	2024	2024	18.91	18.91	-	948,984
2020	2022	N/A	25.39	N/A	-	-
2021	2025	2025	27.40	27.40	739,796	1,228,236
2022	2026	2026	16.40	16.40	1,816,589	1,869,607
2023	2027	2027	20.34	20.34	2,634,989	2,679,985
2023	2027	2027	24.48	24.48	559,663	577,018
2024	2028	2028	22.44	22.44	2,589,138	-
2024	2028	2028	25.64	25.64	518,378	-
NUMBER OF SHARE GRANTS OR PERFORMANCE SHARE RIGHTS OUTSTANDING					8,858,553	7,303,830

The expense recognized in 2024 for performance share plans amounts to €34 million (2023: €30 million). It is included in "Segment other income and expenses".

Recognition Plan

2024 Plan

In November 2024, the Group granted 518,378 free share rights to employees, with a 4-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.

8.2.2 Employee share issues

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.

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 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:

<i>(in € millions)</i>	2024	2023
Interest expense	(169)	(259)
Interest expense on lease liabilities	(49)	(43)
Interest income on cash, cash equivalents and cash management financial assets	141	130
Interest rate derivatives	(4)	(29)
Fees on credit lines	(6)	(6)
Capitalized borrowing costs	11	9
COST OF NET DEBT	(77)	(198)
Net income from financial assets (other than cash and cash equivalents and cash management financial assets)	67	52
Currency remeasurement (including currency derivatives)	(37)	(87)
Other	(11)	37
OTHER FINANCIAL INCOME AND EXPENSES	19	2

The cost of net debt includes an expense of €4 million (2023: expense of €29 million) corresponding to negative fair value adjustments to interest rate derivatives recorded during the year due to changes in interest rates. This accounting treatment reflects the fact that these derivatives do not qualify as hedging instruments, as explained in note 17.

Most of the Group's borrowings are denominated in euros. Some of these borrowings are subsequently swapped into foreign currencies to finance foreign subsidiaries and derivatives are purchased to manage the interest-rate risk of these currencies, as illustrated in note 17.2.3.

The ineffectiveness recognized on derivatives qualifying as cash flow 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:

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Money-market funds	2,675	911
Bank deposits subject to up to a three-month notice period	1,047	1,233
Cash at bank and in hand	214	371
CASH AND CASH EQUIVALENTS	3,936	2,515

The average effective interest rate on cash and cash equivalents was 4.00% in 2024 (2023: 4.01%). Cash and cash equivalents are mainly held in euros (2024: 93%, and 2023: 82%).

Cash and cash equivalents include restricted cash of €199 million whose use is governed by prudential insurance regulations related to operations in Ireland (2023: €159 million).

9.3 Financial liabilities

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

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Bonds	4,838	4,591
Loans from financial institutions and other	59	77
Derivative instruments	37	4
Non-current financial liabilities excluding leases	4,934	4,672
Non-current lease liabilities	872	738
Bonds	749	-
Commercial paper	297	295
Loans from financial institutions and other	296	280
Derivative instruments	33	16
Current financial liabilities excluding leases	1,375	591
Current lease liabilities	258	241
FINANCIAL LIABILITIES	7,438	6,242

Group net debt is analyzed in the table below:

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Financial liabilities	7,438	6,242
Derivatives recognized as assets (note 17.1.1)	(60)	(118)
Borrowing collaterals (note 16.3)	(40)	(43)
Cash management financial assets	(290)	(285)
Cash and cash equivalents	(3,936)	(2,515)
NET DEBT	3,112	3,281

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:

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Bonds	4,361	4,122
Loans from financial institutions and other	59	77
Lease liabilities	855	665
Derivative instruments	37	4
FAIR VALUE OF NON-CURRENT FINANCIAL LIABILITIES	5,312	4,868

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

<i>(in € millions)</i>	At January 1, 2024	Cash flows from financial liabilities	Non-cash movements		At December 31, 2024
			Conversions	Other	
Bonds, loans from financial institutions and other	4,668	978	-	(749)	4,897
Lease liabilities	738	-	19	115	872
Derivative instruments	4	34	-	(1)	37
Non-current financial liabilities	5,410	1,012	19	(635)	5,806
Bonds, loans from financial institutions and other	575	(153)	173	747	1,342
Lease liabilities	241	(270)	5	282	258
Derivative instruments	16	11	-	6	33
Current financial liabilities	832	(412)	178	1,035	1,633
TOTAL FINANCIAL LIABILITIES	6,242	600	197	399	7,438
Derivatives recognized as assets	(118)	55	3	-	(60)
Net impact in the consolidated statement of cash flows		655			

9.3.1 Bonds and commercial paper

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

<i>(in € millions)</i>	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Bonds repayable by Compagnie Générale des Établissements Michelin				
■ nominal value of €302 million				
■ issued in September 2015 and September 2016 and due in September 2045				
■ nominal interest rate of 3.25%				
■ effective interest rate of 3.02%	-	313	-	313
Bonds repayable by Compagnie Générale des Établissements Michelin				
■ nominal value of €500 million				
■ issued in October 2020 and due in November 2040				
■ nominal interest rate of 0.625%				
■ effective interest rate of 0.68%	-	496	-	496
Bonds repayable by Compagnie Générale des Établissements Michelin				
■ nominal value of €750 million				
■ issued in August 2018 and due in September 2038				
■ nominal interest rate of 2.50%				
■ effective interest rate of 2.56%	-	745	-	744

(in € millions)	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Bonds repayable by Compagnie Générale des Établissements Michelin				
■ nominal value of €500 million				
■ issued in May 2024 and due in May 2036				
■ nominal interest rate of 3.375%				
■ effective interest rate of 3.41% (3.50% after hedging)	-	497	-	-
Bonds repayable by Campus SAS				
■ nominal amount of €1.5 million				
■ issued in June 2008 and due in June 2033				
■ nominal interest rate of 5.50%				
■ effective interest rate of 5.50%	-	2	-	2
Bonds repayable by Compagnie Générale des Établissements Michelin				
■ nominal value of €500 million				
■ issued in October 2020 and due in November 2032				
■ nominal interest rate of 0.25%				
■ effective interest rate of 0.32%	-	497	-	497
Bonds repayable by Compagnie Générale des Établissements Michelin				
■ nominal value of €500 million				
■ issued in May 2024 and due in May 2031				
■ nominal interest rate of 3.125%				
■ effective interest rate of 3.22% (3.31% after hedging)	-	495	-	-
Bonds repayable by Compagnie Générale des Établissements Michelin				
■ nominal value of €1,000 million				
■ issued in August 2018 and due in September 2030				
■ nominal interest rate of 1.75%				
■ effective interest rate of 1.84% (2.00% after hedging)	-	995	-	994
Bonds repayable by Compagnie Générale des Établissements Michelin				
■ nominal value of €500 million				
■ issued in October 2020 and due in November 2028				
■ nominal interest rate of 0.00%				
■ effective interest rate of 0.06%	-	499	-	498
Bonds repayable by Compagnie Générale des Établissements Michelin				
■ nominal value of €300 million				
■ issued in May 2015 and due in May 2027				
■ nominal interest rate of 1.75%				
■ effective interest rate of 1.86% (1.80% after hedging)	-	299	-	299
Bonds repayable by Compagnie Générale des Établissements Michelin				
■ nominal value of €750 million				
■ issued in August 2018 and due in September 2025				
■ nominal interest rate of 0.875%				
■ effective interest rate of 1.04% (1.17% after hedging)	749	-	-	748
Commercial paper repayable by Compagnie Générale des Établissements Michelin				
■ in \$, euro-equivalent nominal amount: €48 million (2023: €45 million).				
■ effective interest rate of 4.88% at December 31, 2024				
■ in €, nominal amount: €250 million (2023: €250 million).				
■ effective interest rate of 3.10% at December 31, 2024	297	-	295	-
TOTAL	1,046	4,838	295	4,591

At December 31, 2024, the weighted average nominal interest rate for bonds and commercial paper is 1.78% (1.83% after hedging).

The €751 million increase in current bond debt stemmed mainly from the reclassification as current of the €750 million worth of bonds issued in August 2018 that mature in September 2025.

9.3.2 Loans from financial institutions and other

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

At December 31, 2024, loans from financial institutions totaled €354 million (2023: €357 million). Most of the loans were denominated in EUR, THB 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:

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Equity investments	373	412
Loans and deposits	356	540
Soleis preferred shares	282	250
Derivatives (note 17.1.1)	19	83
Pension plan surpluses (note 8.1.1)	109	305
Other	12	15
NON-CURRENT FINANCIAL ASSETS AND OTHER NON-CURRENT ASSETS	1,151	1,605

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:

<i>(in € millions)</i>	2024	2023
At January 1	412	387
Translation adjustments	7	(5)
Acquisitions	11	28
Disposals	(12)	-
Changes in scope of consolidation	(1)	-
Fair value changes	(44)	2
AT DECEMBER 31	373	412

9.4.2 Loans and deposits

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

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Gross loans and deposits	397	618
Impairment	(41)	(78)
TOTAL	356	540

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

The decrease in loans and deposits in 2024 was mainly due to the withdrawal of substantially all of the funds held in escrow for the UK pension plans in connection with transfer of the current plan's assets to an insurance company, and the reclassification as current financial assets of the balance of the TBC dividend approved in 2023 (note 14.2).

9.5 Current financial assets

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

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Loans and deposits	212	192
Cash management financial assets	290	285
Derivatives (note 17.1.1)	42	35
CURRENT FINANCIAL ASSETS	544	512

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 €40 million (2023: €43 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)	2024	2023
Investment grants recognized in profit or loss	(14)	(12)
Change in employee benefit obligations	(40)	(35)
Change in litigation and other provisions	(29)	10
Restructuring costs	(246)	(188)
Other	83	7
Other operating income and expenses (cash) and changes in provisions	(246)	(218)
Interest and other financial expenses paid	(251)	(407)
Interest and other financial income received	185	194
Dividends received	24	20
Interest and other financial income and expenses received and paid, net	(42)	(193)
Change in inventories	(165)	775
Change in trade receivables and advances	236	254
Change in trade payables and advances	(6)	(231)
Change in trade payables under reverse factoring agreements	127	(45)
Change in other receivables and payables	(123)	232
Change in working capital, net of impairment	69	985
Purchases of intangible assets (note 12.1)	(278)	(232)
Purchases of PP&E (note 12.2)	(1,904)	(2,004)
Government grants received	12	6
Change in capital expenditure payables	(83)	(34)
Change in capital expenditure payables under reverse factoring agreements	3	(4)
Purchases of intangible assets and PP&E	(2,250)	(2,268)
Increase in other non-current financial assets	(45)	(303)
Decrease in other non-current financial assets	141	273
Net cash flows from cash management financial assets	(5)	-
Net cash flows from borrowing collaterals	3	14
Net cash flows from other current financial assets	9	(27)
Cash flows relating to other financial assets	103	(43)
Increase in non-current financial liabilities	1,002	23
Decrease in non-current financial liabilities	(24)	(33)
Repayment of lease liabilities	(270)	(279)
Net cash flows from current financial liabilities	(153)	(1,134)
Derivatives	95	(32)
Cash flows relating to financial liabilities	650	(1,455)
Details of non-cash transactions:		
■ New leases (note 13)	414	363
■ New emission allowances granted	9	14
■ Change in payment commitments for non-consolidated equity investments	-	(2)

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

<i>(in € millions)</i>	2024	2023
Current tax expense	(753)	(849)
Deferred tax benefit/(expense)	198	342
INCOME TAX	(555)	(507)

Current tax includes €55 million of withholding tax on royalties and retained earnings distributed between Group companies (2023: €33 million).

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

<i>(in € millions)</i>	2024	2023
Income before taxes	2,445	2,490
Tax calculated using domestic tax rates applicable to income in the respective countries	(510)	(472)
Tax effect of:		
■ untaxed transactions	(67)	(13)
■ deferred tax assets not recognized during the year	(20)	(41)
■ net change in unrecognized deferred tax assets	36	11
■ changes in tax rates	23	-
■ taxes with no tax base (tax credits, withholding tax, etc.)	(34)	(2)
■ Other items	19	10
INCOME TAX	(555)	(507)
<i>Effective tax rate</i>	22.7%	20.4%

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 2024, the effective tax rate stood at 22.7% (2023: 20.4%). The increase in the effective rate primarily reflected the change in the Group's share of the profits and losses of equity-accounted companies from a net profit to a net loss, and the recognition of withholding taxes paid.

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 €16 million in 2024.

The difference between effective tax rates and theoretical rates (20.9%) 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:

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Deferred tax assets	1,081	932
Deferred tax liabilities	(544)	(497)
NET DEFERRED TAX ASSET	537	435

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

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Employee benefit obligations	438	438
Inventories	137	146
Financial instruments	68	(37)
Provisions	84	45
Unused tax losses	304	258
Goodwill and intangible assets	(295)	(223)
Lease liabilities	188	111
Right-of-use assets	(172)	(110)
Property, plant and equipment	(439)	(400)
Other	226	207
NET DEFERRED TAX ASSET	537	435

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:

<i>(in € millions)</i>	2024	2023
At January 1	435	89
Translation adjustments	(8)	(1)
Deferred tax benefit/(expense)	198	342
Tax recognized in other comprehensive income	12	20
Changes in scope of consolidation	(100)	(15)
Other	(1)	-
AT DECEMBER 31	537	435

In 2024, the increase in the net deferred tax asset was due mainly to the restructuring operations announced during the year and the recognition of deferred tax assets on Mexican tax loss carryforwards.

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

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Post-employment benefits	117	113
Unconsolidated equity investments and other financial instruments	(30)	(37)
Financial instruments	1	2
Energy derivatives	-	-
TOTAL DEFERRED TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME	89	78

In 2024, the change in deferred tax recognized in other comprehensive income primarily reflected increased pension benefit obligations and reduced investment in equities and other financial instruments.

Unrecognized deferred tax assets break down as follows:

<i>(in € millions)</i>	December 31, 2024	December 31, 2023
Deductible temporary differences	79	111
Tax losses:		
■ of which expiring in less than one year	5	3
■ of which expiring between one to five years	40	38
■ of which expiring in more than five years	13	23
■ of which evergreen	430	420
Total tax losses	489	484
Tax credits	10	9
TOTAL UNRECOGNIZED DEFERRED TAX ASSETS	578	604

Unrecognized deferred tax assets in the amount of €578 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.

11.3 Current taxes

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

(in € millions)	2024	2023
Taxes receivable (note 7.2)	295	347
Taxes payable (note 7.3)	(193)	(195)
Net total at January 1	102	152
Current tax expense (note 11.1)	(753)	(849)
Income tax paid	806	776
Changes in scope of consolidation	5	3
Translation adjustments and other	2	20
Total changes	59	(50)
Taxes receivable (note 7.2)	408	295
Taxes payable (note 7.3)	(247)	(193)
NET TOTAL AT DECEMBER 31	161	102

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

CO₂ 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:

<i>(in € millions)</i>	Goodwill	Intangible assets	Total
Gross carrying amounts at January 1, 2023	2,588	4,277	6,865
Translation adjustments	(50)	(17)	(67)
Additions (including new emission allowances: €44 million).	-	276	276
Disposals	-	(122)	(122)
Changes in scope of consolidation	601	47	648
Transfers and other	-	12	12
Gross carrying amounts at December 31, 2023	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
Amortization and impairment at January 1, 2023	(158)	(2,474)	(2,632)
Translation adjustments	3	17	20
Amortization	-	(304)	(304)
Net impairment	(11)	1	(10)
Disposals	-	82	82
Changes in scope of consolidation	9	3	12
Transfers and other	-	(4)	(4)
Amortization and impairment at December 31, 2023	(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)
NET CARRYING AMOUNTS AT DECEMBER 31, 2024	2,829	2,120	4,949
Net carrying amounts at December 31, 2023	2,982	1,794	4,776

12.1.1 Goodwill

At December 31, 2024, goodwill allocated to the CGUs or groups of CGUs is as follows:

(in € millions)	December 31, 2024	December 31, 2023
Passenger car tires – global brands CGU group	454	435
Passenger car tires – regional brands CGU	175	165
Light truck and Truck tires CGU group	647	641
Mining tires CGU ⁽²⁾	248	278
Two-wheel tires CGU	18	21
Beyond-road tires CGU	753	707
Polymer Composite Solutions CGU group ⁽¹⁾⁽²⁾⁽³⁾	534	159
Other CGUs ⁽¹⁾	-	576
GOODWILL	2,829	2,982

(1) Including goodwill recognized on acquisition of Flex Composite Group (note 4.2), which was presented separately in 2023.

(2) The conveyor belts business has been transferred from the Mining tires CGU to the Polymer Composite Solutions CGU group.

(3) Previously named High-Tech Materials CGU group.

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 2024 for terminal value calculations are presented in the table below:

(%)	December 31, 2024		December 31, 2023	
	WACC	Perpetual growth rate	WACC	Perpetual growth rate
Passenger car tires – global brands CGU group	8.9	1.5	8.7	1.5
Passenger car tires – regional brands CGU	8.8	1.2	8.1	1.2
Light truck and Truck tires CGU group	9.3	1.1	9.1	1.1
Mining tires CGU ⁽¹⁾	10.2	1.5	10.2	1.5
Two-wheel tires CGU	9.2	1.6	9.0	1.4
Beyond-road tires CGU	8.8	1.8	8.5	1.8
Polymer Composite Solutions CGU group ⁽¹⁾	9.4	2.5	9.5	2.5

(1) The 2023 figures have been restated to permit meaningful comparisons.

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 significant 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 €60 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 2024, additions to intangible assets, amounted to €290 million (2023: €276 million), breaking down as follows:

- software: €251 million;
- CO₂ emission allowances: €12 million;
- other: €27 million.

Software

The net carrying amount of software at December 31, 2024 was €775 million (2023: €704 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, 2024 the net carrying amount of trademarks was €303 million (2023: €294 million), of which €7 million related to trademarks with indefinite useful lives. These amounts correspond mainly to the value of brands and trademarks recognized as part of business combinations.

Customer relationships

At December 31, 2024, the net carrying amount of customer relationships in the consolidated statement of financial position

was €866 million (2023: €602 million). These amounts correspond primarily to the value of customer lists recognized in connection with business combinations (mainly Fenner, Camso and Flex Composite Group).

CO₂ emission allowances (EU ETS)

At December 31, 2024 the net carrying amount of emission allowances was €89 million (2023: €105 million) for 1.8 million tonnes (2023: 2.1 million tonnes).

Development costs

No tire development costs were capitalized in 2024 or 2023 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 (PP&E)

Changes in property, plant and equipment are as follows:

<i>(in € millions)</i>	Land and buildings	Plant and industrial equipment	Other equipment	Total
Gross carrying amounts at January 1, 2023	7,577	22,974	1,830	32,381
Translation adjustments	(107)	(410)	(30)	(547)
Acquisitions	350	1,511	143	2,004
Disposals	(94)	(534)	(49)	(677)
Changes in scope of consolidation	(21)	(27)	5	(43)
Transfers and other	(33)	22	1	(10)
Gross carrying amounts at December 31, 2023	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
Depreciation and impairment at January 1, 2023	(3,643)	(15,417)	(1,185)	(20,245)
Translation adjustments	67	305	21	393
Depreciation	(205)	(1,160)	(91)	(1,456)
Net impairment	(30)	(150)	(78)	(258)
Disposals	48	521	45	614
Changes in scope of consolidation	40	49	11	100
Transfers and other	(4)	7	1	4
Depreciation and impairment at December 31, 2023	(3,727)	(15,845)	(1,276)	(20,848)
Translation adjustments	(58)	(292)	(24)	(374)
Depreciation	(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)
NET CARRYING AMOUNTS AT DECEMBER 31, 2024	4,039	8,025	686	12,750
Net carrying amounts at December 31, 2023	3,945	7,691	624	12,260

PP&E in progress amount to €2,553 million (2023: €2,589 million).

Accumulated impairment losses included in total "Depreciation and impairment" at December 31, 2024 amounted to €774 million (2023: €645 million).

NOTE 13 RIGHT-OF-USE ASSETS**02****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:

<i>(in € millions)</i>	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, 2023	1,403	117	314	1,834
Translation adjustments	(28)	(2)	(6)	(36)
New leases	270	27	66	363
Disposals	(84)	(27)	(24)	(135)
Changes in scope of consolidation	8	1	(11)	(2)
Transfers and other	(17)	(1)	(10)	(28)
Gross carrying amounts at December 31, 2023	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
Depreciation and impairment at January 1, 2023	(597)	(65)	(162)	(824)
Translation adjustments	10	1	3	14
Depreciation	(168)	(28)	(52)	(248)
Net impairment	(2)	-	-	(2)
Disposals	84	27	24	135
Changes in scope of consolidation	4	-	1	5
Transfers and other	(2)	-	8	6
Depreciation and impairment at December 31, 2023	(671)	(65)	(178)	(914)
Translation adjustments	(16)	(1)	(4)	(21)
Depreciation	(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)
NET CARRYING AMOUNTS AT DECEMBER 31, 2024	1,014	58	160	1,232
Net carrying amounts at December 31, 2023	881	50	151	1,082

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 €60 million in 2024 (2023: €51 million);

- leases of low-value assets, representing an expense of €46 million in 2024 (2023: €49 million);
- variable lease payments not taken into account to determine the lease liability, representing an expense of €18 million in 2024 (2023: €14 million).

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

NOTE 14 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES**02****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:

<i>(in € millions)</i>	Investments in associates	Investments in joint ventures	Total investments in equity-accounted companies
At January 1, 2023	57	1,045	1,102
Share of profit from equity-accounted companies	2	58	60
Impairment	-	-	-
Dividends	(1)	(364)	(365)
Changes in scope of consolidation and changes in percentage interest	6	81	87
Translation adjustments	(1)	(28)	(29)
Other	-	16	16
At December 31, 2023	63	808	871
Share of profit/(loss) from equity-accounted companies	7	(46)	(39)
Impairment	-	-	-
Dividends	(2)	(16)	(18)
Changes in scope of consolidation and changes in percentage interest	2	(25)	(23)
Translation adjustments	1	32	33
Other	-	25	25
AT DECEMBER 31, 2024	71	778	849

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

The effect of changes in the scope of consolidation in 2024 corresponds mainly to the change of consolidation method of Watèa and the disposal of AddUp (note 4.1).

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:

(in € millions)	2024			2023		
	TBC	Solesis	SIPH	TBC	Solesis	SIPH
Country	United States	United States	France	United States	United States	France
% interest	50%	49%	39.26%	50%	49%	41.97%
Sales	3,976	109	610	4,403	105	470
Segment EBITDA	199	29	114	144	34	58
Depreciation, amortization and impairment	(110)	(16)	(28)	(137)	(15)	(25)
Other operating income and expenses	(18)	(15)	-	374	(7)	-
Net financial income/(expense)	(60)	(10)	(1)	(60)	(11)	2
Taxes	(6)	-	(22)	(80)	-	(14)
NET INCOME/(LOSS)	5	(12)	63	241	2	22
Current assets	1,650	49	264	2,311	51	250
■ of which cash and cash equivalents	14	7	9	14	7	59
Non-current assets	1,050	735	455	1,046	685	450
■ of which goodwill	149	212	159	135	199	159
TOTAL ASSETS	2,700	784	719	3,357	736	700
Current liabilities	1,249	133	142	1,994	133	116
■ of which other current financial liabilities	328	118	65	395	111	54
Non-current liabilities	681	296	82	645	253	91
■ of which non-current financial liabilities	531	11	61	506	3	68
Total equity	770	355	495	718	350	493
TOTAL LIABILITIES AND EQUITY	2,700	784	719	3,357	736	700
Share of net assets	385	174	154	359	172	163
Elimination of profit from downstream transactions	(39)	-	-	(41)	-	-
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES	346	174	154	318	172	163

■ TBC, a joint venture with Sumitomo Corporation, distributes tires in the United States. TBC sold its NTB and Tire Kingdom retail outlets to Mavis Tire Express Service Corp. on June 1, 2023, to concentrate on its wholesale and franchise activities. The transaction led to the recognition in TBC's accounts of a disposal gain of €304 million (\$328 million). In 2023, TBC also approved the distribution of \$750 million in dividends, including \$350 million paid in 2023 and \$200 million in 2024. The balance, which is payable no later than March 2025, was recorded under "Current financial assets" in the consolidated statement of financial position.

The equity-accounted share of TBC's results included in the Group's consolidated net income for 2024 (after eliminating downstream transactions, net of tax) was a profit of €10 million (2023: €113 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 2024 was a loss of €6 million (2023: €1 million profit). Cash corresponding to preference shares is recorded under non-current assets for an amount of €285 million.

■ The SIPH Group, a joint venture with SIFCA, 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 2024 was a profit of €19 million after deducting income attributable to minority shareholders of subsidiaries (2023: profit of €6 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)	2024	2023 ⁽¹⁾
Assets	1,779	2,551
Liabilities	1,442	2,121
Sales	1,856	2,256
Net income/(loss)	(59)	(120)

(1) Data for fiscal 2023 has been restated to reflect the fact that SIPH is now presented separately.

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)	2024	2023
INCOME STATEMENT		
Income for the sale of goods or supply of services	632	608
Expenses for the purchase of products or supply of services	(338)	(248)
STATEMENT OF FINANCIAL POSITION		
Financial liabilities	(7)	(22)
Trade payables	(33)	(10)
Financial assets	444	479
Accounts receivable	253	242

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:

<i>(in € millions)</i>	Share capital	Share premiums	Total
At January 1, 2023	357	2,702	3,059
Issuance of shares	-	-	-
Cancellation of shares	-	-	-
Other	-	-	-
At December 31, 2023	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

The €122 million reported under "Issuance of shares" for 2024 mainly concerned the October 29, 2024 Bib'Action employee share ownership plan (note 8.2.2). At December 31, 2024, initial employment payments received for shares purchased under the plan amounted to €37 million. This amount is shown in the consolidated statement of cash flows under "Proceeds from issuance of shares". The balance corresponds for €41 million to matching payments by the Group and for €43 million to the balance payable by employees in 2025.

Changes in outstanding shares are analyzed in the table below:

<i>(number of shares)</i>	Shares issued	Treasury shares	Shares outstanding
At January 1, 2023	714,117,414	-	714,117,414
Issuance of shares	840,651	-	840,651
Share buybacks	-	34,529	34,529
Sales of treasury shares	-	(34,368)	(34,368)
Cancellation of shares	-	-	-
Other	-	-	-
At December 31, 2023	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

The 2023 dividend paid to shareholders in 2024 was €1.35 per share. The dividend was paid in full in cash for a net amount of €961 million (2023: €893 million).

The Managing Chairman will propose that shareholders approve the payment of a 2024 dividend in 2025 of €1.38 per share.

15.2 Reserves

<i>(in € millions)</i>	Translation adjustments	Treasury shares	Other reserves	Retained earnings	Total
At January 1, 2023	(262)	-	167	14,146	14,051
Dividends and other appropriations	-	-	-	(894)	(894)
Share-based payments – current service cost (notes 7 and 8)	-	-	-	30	30
Share buybacks	-	-	-	-	-
Sale/cancellation of shares	-	-	-	-	-
Other	-	-	-	1	1
Transactions with the shareholders of the Company	-	-	-	(863)	(863)
Net income/(loss) attributable to the shareholders of the Company	-	-	-	1,983	1,983
Post-employment benefits	-	-	-	(50)	(50)
Tax effect – post-employment benefits	-	-	-	18	18
Equity instruments at fair value through OCI – changes in fair value	-	-	2	-	2
Tax effect – equity instruments at fair value through OCI	-	-	2	-	2
Other	-	-	-	-	-
Other comprehensive income/(loss) that will not be reclassified to the income statement	-	-	4	(32)	(28)
Cash flow hedges – changes in fair value	-	-	2	-	2
Currency translation differences	(316)	-	-	-	(316)
Other	57	-	-	10	67
Other comprehensive income/(loss) that may be reclassified to the income statement	(259)	-	2	10	(247)
Total comprehensive income/(loss)	(259)	-	6	1,961	1,708
At December 31, 2023	(521)	-	173	15,244	14,896
Dividends and other appropriations	-	-	-	(964)	(964)
Share-based payments – current service cost (notes 6 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/(loss) 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	-	-	(7)	-	(7)
Currency translation differences	273	-	-	-	273
Other	-	-	-	(26)	(26)
Other comprehensive income/(loss) that may be reclassified to the income statement	273	-	(7)	(26)	240
Total comprehensive income/(loss)	273	-	(43)	1,724	1,954
AT DECEMBER 31, 2024	(248)	-	173	16,021	15,946

(1) The difference between the €102 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 a €500 million share buyback program in the first half of 2024. All of the shares bought back under the agreement were canceled before the end of 2024.

15.3 Earnings per share

	2024	2023
Net income (in € millions), excluding non-controlling interests	1,884	1,983
■ Less, estimated General Partners' profit shares	(3)	(3)
Net income attributable to the shareholders of the Company used to calculate basic earnings per share	1,882	1,980
Weighted average number of shares outstanding (thousands of shares) used to calculate basic earnings per share	709,850	714,188
■ Plus, adjustment for performance shares	7,110	5,450
Weighted average number of shares used to calculate diluted earnings per share	716,960	719,638
EARNINGS PER SHARE (in €)		
■ Basic	2.65	2.77
■ Diluted	2.62	2.75

At December 31, 2024, 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 2024 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, 2024, amounts to €375 million (of which €304 million is likely to be delivered in 2025).

16.1.2 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 2025. They are entered into on arm's length terms in the normal course of business.

16.2 Contingencies

16.2.1 Michelin Pension Trust Ltd UK and Fenner Pension Scheme Trustee Limited

Following adoption of the Pensions Act 2004 in the United Kingdom, a multi-annual plan of contributions to the UK pension fund (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 contributions to be made by its subsidiaries. Michelin Pensions Trust Ltd has also received an additional guarantee covering the possible insolvency of the participating entities. The risk is considered unlikely and the guarantee is capped at £100 million.

The last Recovery Plan calculations were performed at March 31, 2023 and the next ones will be performed at March 31, 2026. The actuarial assumptions used to measure the Recovery Plan liability are generally more conservative than the ones used to measure defined benefit obligations under IAS 19.

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. However, at December 31, 2024, the plans had a surplus and the present value of future contributions did not exceed the provision booked in the Group's accounts. Consequently, the amount of the guarantees given to the Michelin Pensions Trust Ltd UK and the Fenner Pension Scheme Trustee Limited was equal to zero at that date.

For the Michelin Pension Trust Ltd, contributions are payable to the plan if the plan is underfunded. If the plan is overfunded, the contributions are deposited in an escrow account up to a certain level of overfunding, after which a contributions holiday is granted. When the amount in escrow exceeds a certain level, the local entity may apply for a refund.

For Fenner UK Pension Scheme Trustee Limited, a contributions holiday is granted once a certain funding level is met.

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. 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 prejudice 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, 2024.

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)

PP&E pledged as collateral for debt amounted to €33 million (2023: €33 million).

16.3.2 Financial assets

The €4 million held in an escrow account linked to the pension plan in the United Kingdom (2023: €125 million) is pledged to the pension plans and is therefore not freely available (note 9.4).

Loans and deposits amounting to €40 million (2023: €43 million) are pledged as collateral for debt (note 9.5).

16.3.3 Trade receivables

The Group runs two separate programs whereby certain European and 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 €492 million (2023: €390 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 European and North American subsidiaries have not been derecognized and the financing received from the financial institutions, amounting to €15 million as at December 31, 2024 (2023: €15 million), has been recorded under "Loans from financial institutions and other" (note 9.3).

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 (commodity price hedges) or financial income and expenses (interest 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.

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;
- the gains or losses resulting from the interest rate hedge are recognized in financial income at the same time as the interest on the loans that are hedged.

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

Certain 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

(in € millions)	December 31, 2024			December 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Currency derivatives	42	18	60	34	83	117
Interest rate derivatives	-	-	-	1	-	1
Other	-	-	-	-	-	-
Derivatives not qualifying for hedge accounting	42	18	60	35	83	118
Derivatives qualifying as fair value hedges	-	-	-	-	-	-
Currency derivatives	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
Other	-	1	1	-	-	-
Derivatives qualifying as cash flow hedges	-	1	1	-	-	-
TOTAL DERIVATIVES RECOGNIZED AS ASSETS	42	19	61	35	83	118

The Group grants cash collateral to cover counterparty risk on derivatives with a positive fair value. The amount of collaterals transferred was €40 million as of December 31, 2024 (2023: €43 million).

Derivatives recognized as liabilities

(in € millions)	December 31, 2024			December 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Currency derivatives	33	35	68	16	4	20
Interest rate derivatives	-	-	-	-	-	-
Other	-	-	-	-	-	-
Derivatives not qualifying for hedge accounting	33	36	68	16	4	20
Derivatives qualifying as fair value hedges	-	-	-	-	-	-
Currency derivatives	-	1	1	-	-	-
Interest rate derivatives	-	-	-	-	-	-
Other	-	-	-	-	-	-
Derivatives qualifying as cash flow hedges	-	1	1	-	-	-
TOTAL DERIVATIVES RECOGNIZED AS LIABILITIES	33	37	70	16	4	20

The Group holds cash collateral covering its counterparty risk on derivatives with a negative fair value. The amount of collaterals received was €7 million as of December 31, 2024 (2023: €51 million).

17.1.2 Contractual amounts of derivatives

The contractual amounts of derivative instruments are presented in the table below:

(in € millions)	December 31, 2024			December 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Currency derivatives	4,629	1,295	5,924	5,084	1,752	6,836
Interest rate derivatives	152	102	254	76	237	313
Other	-	-	-	-	-	-
Derivatives not qualifying for hedge accounting	4,781	1,397	6,178	5,160	1,989	7,149
Derivatives qualifying as fair value hedges	-	-	-	-	-	-
Currency derivatives	3	77	80	7	-	7
Interest rate derivatives	-	-	-	-	-	-
Other	4	15	19	3	1	4
Derivatives qualifying as cash flow hedges	7	92	99	10	1	11
TOTAL	4,788	1,489	6,277	5,170	1,990	7,160

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 CASH FLOW HEDGES					
Commodity price risk - forward purchase contracts	19	1	1	-	Operating income
Interest rate swaps	-	-	(17)	(3)	Cost of net debt
Hedges of currency risk on raw materials purchases	3	-	-	-	Operating income
Forward foreign exchange contracts on disposals denominated in foreign currencies	77	(1)	(1)	-	Other operating income/ (expenses)
CURRENT AND NON-CURRENT HEDGING INSTRUMENTS	99	(1)	(17)	(3)	

Gains and losses on cash flow hedges are recorded in equity, under "Other reserves" (note 15). These reserves are used to recognize the effective portion of derivatives that qualify for hedge accounting (note 17). 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.

Cash flow hedge reserves correspond mainly to advance hedging of interest rate risks on the August 2018 and May 2024 bond issues for a negative amount of €17 million (note 9.3). The gains and losses are reclassified to the income statement when the interest affects profit or loss.

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.

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.

RISK MANAGEMENT RESPONSE

Foreign currency transaction risk

Foreign currency transaction risk is monitored locally by the Company and its subsidiaries and at Group level by the Corporate Financing Department.

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

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.

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.

hedged with long term instruments (three 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:

(in € millions)	December 31, 2024					December 31, 2023				
	EUR	USD	THB	GBP	Other	EUR	USD	THB	GBP	Other
Hedges	141	(3,270)	(540)	(400)	(298)	62	(3,495)	(597)	(491)	(351)

"Other" currencies mainly include currency hedges in CAD, AUD and CNY in 2024, and in AUD and CAD in 2023.

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, 2024	December 31, 2023
EUR	8,721	8,537
USD	5,060	4,305
GBP	1,138	1,286
CNY	1,090	1,117
BRL	827	942
THB	853	763
CAD	397	429
MXN	33	(9)
Other	515	588
TOTAL	18,634	17,958

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, 2024 breaks down as follows by type of hedge and by currency:

(in € millions)	Net debt before hedging			Currency hedging	Net debt after currency hedging but before interest rate hedging			Interest rate hedging		Net debt after hedging		
	Fixed	Variable	Total		Fixed	Variable	Total	Fixed	Variable	Fixed	Variable	Total
USD	289	80	369	2,714	289	2,794	3,083	800	(800)	1,089	1,994	3,083
THB	49	80	129	279	49	359	408	254	(254)	303	105	408
GBP	34	(5)	29	366	34	361	395	142	(142)	176	219	395
CAD	20	167	187	111	20	278	298	52	(52)	72	226	298
AUD	39	(5)	34	207	39	202	241	93	(93)	132	109	241
EUR	5,899	(3,509)	2,390	(3,991)	5,899	(7,500)	(1,601)	-	-	5,899	(7,500)	(1,601)
Other currencies	111	(147)	(36)	314	111	167	278	183	(183)	294	(16)	278
Total before derivatives	6,441	(3,339)	3,102	-	6,441	(3,339)	3,102	1,524	(1,524)	7,965	(4,863)	3,102
Fair value of derivatives included in net debt			10				10					10
NET DEBT (NOTE 9.3)			3,112				3,112					3,112

The main reference rates to which the Group is exposed are Euribor, ESTR and SOFR.

Financial instruments that are backed by a benchmark rate subject to the Libor reform have no significant impact on the Group's consolidated financial statements.

A 1-point parallel shift in the yield curves applied to the net debt components would have the following impact at December 31, 2024:

(in € millions)	Annualized cash impact recognized in the income statement	Fair value impact				Total equity
		Recognized in the income statement ⁽¹⁾	Recognized in other comprehensive income ⁽²⁾	Not recognized ⁽³⁾		
1-point downward shift	(49)	(15)	-	(343)		(358)
1-point increase	49	14	-	343		357

(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, 2024, the debt repayment schedule (principal and interest) and the maturities of undrawn confirmed credit lines are as follows:

(in € millions)	2025	2026	2027	2028	2029	2030	2031 and beyond
Bonds	848	93	389	586	87	1,076	3,467
Commercial paper	303	-	-	-	-	-	-
Loans from financial institutions and other	305	20	9	7	17	-	6
Lease liabilities	301	260	191	140	97	74	282
Derivative instruments	(9)	9	10	-	-	-	-
DEBT REPAYMENT SCHEDULE	1,748	382	599	733	201	1,150	3,755
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, 2024 its sources of financing were sufficient to meet the needs of the business:

- cash and cash equivalents for €3,936 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, 2024;

- a \$700 million (€671 million) commercial paper program, of which \$50 million (€48 million) had been utilized at December 31, 2024;
- two €492 million receivables securitization programs that are utilized based on the availability of sufficient receivables of the required quality, with securitization debt at December 31, 2024 amounting to €15 million (note 16.3.3);
- €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, 2024, 63% 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. 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, 2024, net receivable balances from the ten largest customers amounted to €410 million (2023: €541 million). Out of these, five were located in North America, four in Europe and one in Asia and Oceania. At the same date, 97 customers (2023: 78) had been granted credit limits in excess of €10 million.

Out of these, 47 were located in Europe, 33 in North America, ten in Asia and Oceania, two in South America, two in the Africa, India, Middle East region and three in Central America. No material collateral has been received to limit the related credit risk. In 2024, credit losses represented 0.06% of sales (2023: 0.05%).

17.2.7 Commodities derivatives

In 2024, the Group did not have any significant hedges of commodities purchases (note 17.1.2).

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, 2024	December 31, 2023
Carrying amount (note 9.4)	373	412
IMPACT ON EQUITY OF A 10% UNFAVORABLE CHANGE IN THE PRICE OF EQUITIES HELD BY THE GROUP	(30)	(33)

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, 2024	December 31, 2023
Net debt (note 9.3)	3,112	3,281
Total equity	18,634	17,958
GEARING	0.17	0.18

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, 2024:

(in € millions)	FVTPL	FVOCI	Amortized cost	Total 2024
Trade receivables	-	-	3,595	3,595
Current financial assets	82	-	462	544
Cash and cash equivalents	2,889	-	1,047	3,936
Non-current financial assets	314	374	463	1,151
TOTAL FINANCIAL ASSETS	3,285	374	5,568	9,227

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, 2024 and 2023 by level in the fair value measurement hierarchy:

(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

(in € millions)	Level 1	Level 2	Level 3	Total 2023
Cash and cash equivalents	1,282	-	-	1,282
Current financial assets (including derivatives)	43	35	-	78
Non-current financial assets (including derivatives)	159	334	387	880
TOTAL ASSETS	1,484	369	387	2,240
Derivative instruments	-	20	-	20
TOTAL LIABILITIES	-	20	-	20

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, 2024:

(in € millions)	
At January 1, 2024	387
Acquisitions	10
Disposals	(12)
Gains or losses for the year recognized in other comprehensive income	(36)
Other	7
AT DECEMBER 31, 2024	356

NOTE 18 RELATED-PARTY TRANSACTIONS**Management and Supervisory Bodies**

In 2024, Florent Menegaux, Managing Chairman and Managing General Partner of Compagnie Générale des Établissements Michelin, received a statutory distribution of €1.7 million in 2023 based on 2023 net income (2023 based on 2022 net income: €0.9 million). He was also awarded compensation of €1.5 million (payroll taxes included) as Chairman of Manufacture Française des Pneumatiques Michelin (2023: €1.5 million). The benefits that vested during the period in respect of a post-employment defined benefit plan amounted to €0.3 million (2023: €0.4 million). In addition, an expense of €1.1 million (2023: €0.8 million) was recognized in the Company's financial statements, corresponding to performance shares granted to Florent Menegaux in respect of years after 2019.

Yves Chapot received compensation of €2.4 million (payroll taxes included) in 2023 as General Manager of Compagnie Générale des Établissements Michelin (2023: €1.9 million). The benefits that vested during the period in respect of a post-employment defined benefit plan amounted to €0.5 million (2023: €0.6 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 €0.7 million (2023: €0.5 million) was recorded in the Company's financial statements, corresponding to performance shares granted to Yves Chapot in respect of years after 2019.

At December 31, 2024, the Group Executive Committee had nine members (2023: nine members). Employee benefits costs for members of the Group Executive Committee break down as follows:

<i>(in € millions)</i>	2024	2023
Short-term and termination benefits	14.2	9.2
Post-employment benefits	2.2	1.5
Other long-term benefits	-	-
Share-based payments	1.8	1.5
COMPENSATION GRANTED TO MEMBERS OF THE GROUP EXECUTIVE COMMITTEE	18.1	12.2

The compensation paid in 2024 to the members of the Supervisory Board for their services in 2023 amounted to €0.9 million.

NOTE 19 EVENTS AFTER THE REPORTING DATE

No material events occurred between the reporting date and the date when the consolidated financial statements were authorized for issue by the Managing Chairman.

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
Camso Spain, SL	Full consolidation method	Saragossa	Commercial	100
Masternaut Iberica, SL	Full consolidation method	Madrid	Commercial	100

Companies	Consolidation method	Registered office	Type	% interest
ESTONIA				
Michelin Rehvide OÜ	Full consolidation method	Tallinn	Miscellaneous	100
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
Simorep et Cie – Société du Caoutchouc Synthétique Michelin	Full consolidation method	Bassens	Manufacturing	100
		Montbonnot-Saint-Martin		
Euromaster France	Full consolidation method	Clermont-Ferrand	Commercial	100
Michelin Aircraft Tyre	Full consolidation method	Clermont-Ferrand	Commercial	100
Spika	Full consolidation method	Clermont-Ferrand	Financial	100
Michelin Air Services	Full consolidation method	Clermont-Ferrand	Miscellaneous	100
Tyredating	Full consolidation method	Lyon	Commercial	100
Ihle France	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
		Montbonnot-Saint-Martin		
Oxymore	Full consolidation method	Saint-Martin	Commercial	95
Teleflow SAS	Full consolidation method	Mably	Miscellaneous	100
Michelin Middle East	Full consolidation method	Clermont-Ferrand	Financial	100
MMM !	Full consolidation method	Paris	Miscellaneous	100
Allopnus	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
Hypulsion	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
		Boulogne-Billancourt		
Masternaut SAS	Full consolidation method	Billancourt	Commercial	100
Runa	Equity method	Lyon	Miscellaneous	48.99
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
Campus	Full consolidation method	Clermont-Ferrand	Miscellaneous	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	Collesalveti	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
Fait Plast Développement SpA	Full consolidation method	Cellatica	Financial	100
FCG Composite Italy S.p.A.	Full consolidation method	Venice	Financial	100
Fait plast S.p.A.	Full consolidation method	Cellatica	Manufacturing & commercial	100
Angeloni Group S.r.l.	Full consolidation method	Venice	Manufacturing & commercial	100
Selcom S.r.l.	Full consolidation method	Fregona	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
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

Companies	Consolidation method	Registered office	Type	% interest
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
Old World Limited	Full consolidation method	London	Miscellaneous	100
Canopy Technologies Ltd.	Full consolidation method	Southampton	Financial	100
Canopy Simulations Ltd.	Full consolidation method	Southampton	Miscellaneous	100
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 s.r.o. Slovakia	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	16.28
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 Finanz Gesellschaft für Beteiligungen S.A.	Full consolidation method	Granges-Paccot	Financial	100
Michelin Invest SA	Full consolidation method	Granges-Paccot	Financial	100
Ihle Service & Logistik Schweiz AG	Full consolidation method	Bülach	Commercial	100
Michelin Global Mobility S.A.	Full consolidation method	Granges-Paccot	Miscellaneous	100
Camso Schweiz AG	Full consolidation method	Schaffhouse	Commercial	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	99.64
The Wine Advocate, Inc.	Full consolidation method	Parkton	Miscellaneous	100
Tablet, LLC	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
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
PANAMA				
Michelin Panama Corp.	Full consolidation method	Panama	Miscellaneous	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
Sociedade Tyreplus Brasil Ltda.	Full consolidation method	Rio de Janeiro	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
SOUTHEAST 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 (Pacific) Pty Limited	Full consolidation method	West Footscray	Financial	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
BBV Partnership	Full consolidation method	West Footscray	Manufacturing & commercial	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
Conveyor Pulleys & 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	99.64
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	99.64
PT Kawasan Industri Multistrada	Full consolidation method	Bekasi	Miscellaneous	99.63
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
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 Pte. Ltd.	Full consolidation method	Singapore	Miscellaneous	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
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	
	Amount	%	Amount	%	Amount	%	Amount	%
<i>(in € thousands)</i>								
STATUTORY AUDIT AND HALF-YEAR REVIEW OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS								
■ Issuer ⁽¹⁾	1,427	53%	-	0%	1,384	55%	-	0%
■ Fully consolidated subsidiaries	1,274	47%	4,382	100%	1,128	45%	4,669	100%
Sub-total	2,701	100%	4,382	100%	2,512	100%	4,669	100%
NON-AUDIT SERVICES								
■ Issuer ⁽²⁾	68	68%	-	0%	113	48%	-	0%
■ Fully consolidated subsidiaries ⁽²⁾	32	32%	220	100%	124	52%	585	100%
Sub-total	100	100%	220	100%	237	100%	585	100%
TOTAL	2,801		4,602		2,749		5,254	

(1) Fees for the certification of the 2024 sustainability report are included in statutory audit services and amount to €1,370 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.

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