



PRESS RELEASE

GROUP

Clermont-Ferrand, April 26, 2022

COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN

Financial information for the three months ended March 31, 2022

In a challenging business environment, sales stood at €6.5 billion in the first three months of 2022, a rise of 19%

During the first three months of the year, existing operational disruptions and inflationary pressures were exacerbated by the conflict in Ukraine and the resurgence of Covid-19 in China.

In this context, markets continued to grow over the quarter:

- Passenger car and Light truck tire markets edged up 2% year-on-year, as growth in Replacement demand offset the operational difficulties faced by automakers,
- Truck tire markets rose by 4% excluding China, where demand fell 37% year-on-year,
- Demand trended upwards in all the Specialty tire markets, in an environment constricted by the ability to fulfill customer orders, especially for Mining tires,
- Growth varied within the quarter, with robust gains in January and February and a sudden cooling in March with the conflict in Ukraine and the rebound in Covid-19 cases in China, as well as the impact of high prior-year comparatives.

Quarterly sales totaled €6,481 million, up 19.0% of which a 3.4% positive currency effect:

- A sharp 11.9% gain from higher tire prices as the Group pursued its dynamic price management in response to steeply rising energy, logistics and raw material prices,
- A 1.6% increase from the tire mix effect, led by faster growth in Replacement sales (vs. Original Equipment sales) in the Passenger car and Light truck segments, and the steady enhancement in the product mix,
- A 0.5% growth in tire volumes, limited by multiple operational disruptions,
- A 0.8% gain from changes in scope, mainly reflecting the first-time consolidation of Allopneus.com,
- A strong 11.9% growth in the non-tire businesses.

Guidance maintained

In 2022, in a highly uncertain environment, markets are still expected to see growth yet at the low end of the initially indicated ranges: 0% to 4% in Passenger car and Light truck tires, 3% to 7% in Truck tires (excluding China) and 6% to 10% in the Specialty businesses.

In this scenario, and barring any increase in systemic impacts¹, Michelin maintains its guidance, with full-year segment operating income above €3.2 billion at constant exchange rates and structural free cash flow² of more than €1.2 billion.

¹ Serious supply chain disruptions or restrictions on freedom of movement that would result in a significant drop in the tire markets.

² Structural free cash flow corresponds to free cash flow before acquisitions, adjusted for the impact of changes in raw material costs on trade payables, trade receivables and inventories.

GROUP

First-quarter sales

Sales (in € millions)	First- quarter 2022	First- quarter 2021	% change (at current exchange rates)
RS1: Automotive and related distribution	3,254	2,694	+20.8%
RS2: Road transportation and related distribution	1,674	1,388	+20.6%
RS3: Specialty businesses and related distribution	1,553	1,366	+13.7%
Group Total	6,481	5,448	+19.0%

Market Review

- PASSENGER CAR AND LIGHT TRUCK TIRES

First-quarter 2022/2021 (in number of tires)	WESTERN & CENTRAL EUROPE*	CIS**	NORTH & CENTRAL AMERICA	SOUTH AMERICA	CHINA	ASIA (EXCLUDING INDIA & CHINA)	AFRICA/ INDIA/ MIDDLE EAST	TOTAL
Original Equipment	-15%	-25%	-3%	-3%	+2%	-8%	-6%	-6%
Replacement	+10%	-7%	+5%	+3%	-9%	+13%	+1%	+4%

*Including Turkey

**Commonwealth of Independent States

The global Original Equipment and Replacement Passenger car and Light truck tire market ended the first quarter of 2022 up 2% in number of tires sold, reflecting robust growth in the first two months (up 2% in January and 10% in February) followed by a global drop in March (-7%).



GROUP

○ ORIGINAL EQUIPMENT

Worldwide Original Equipment tire demand declined by 6% over the period, dragged down by the 14% drop in March caused by the initial repercussions of the conflict in Ukraine, particularly in Europe, at a time when components were already in short supply.

In **Europe**, markets contracted sharply in March due to the conflict in Ukraine, which weighed on automaker output. After these falloffs, of 60% in CIS and 22% in Western and Central Europe, demand ended the quarter down 25% and 15% respectively year-on-year.

American markets dropped slightly by 3%, as auto semiconductor supply remained tight, yet to a lesser extent than in Europe.

Demand in **China** rose by a slight 2% over the quarter, as surging growth in the first two months slowed significantly in March with a 15% year-on-year decline as the resurgence of Covid-19 cases forced the temporary closure of many automotive plants.

Demand in **Southeast Asia** and in the **Africa/India/Middle East** region turned downwards, mainly due to semiconductor supply issues.

○ REPLACEMENT

In the first quarter of 2022, worldwide demand for Replacement tires rose by 4%, with dynamic growth in the first two months followed by a general contraction in March (down 2%).

Markets in **Western and Central Europe** continued to expand, gaining 10% over the quarter including 6% in March, reflecting the gradual return to normal mobility, as well as the active rebuilding of dealer inventories in a context of frequent price increases. Growth was mainly led by the Southern Europe countries (France, Spain, Italy). Demand in Central Europe remained strong, particularly in Poland, while the Turkish market was unchanged compared to first-quarter 2021.

In **CIS**, demand was very robust in the first two months, but plunged 54% in March after the conflict began in Ukraine and several Western carmakers suspended their production in Russia as well as exports to the country. In all, the market ended the quarter down 7%.

Replacement demand in **North and Central America**, climbed 5% over the period, in a similar import duties environment as last year. In March, demand softened somewhat in the United States, easing 2% year-on-year, but remained strong in Canada and Mexico, gaining 8%.

Demand in **South America** increased by 3% over the quarter, led by a return to normal mobility as wider access to vaccines helped to attenuate the impact of the pandemic.

In **China**, Replacement tire demand declined by 9% year-on-year, as robust gains in January and February were erased by a 20% year-on-year drop in March, caused by the resurgence of Covid-19 and the strict lockdowns enforced in certain provinces.

Demand in **Asia (excluding China and India)** ended first-quarter 2022 up 13%, lifted by growth in every market, especially Japan-South Korea (up 18%). In every country across the region, Covid-19 is no longer curbing mobility, which is still expanding.

In the **Africa/India/Middle East** region, the market was virtually flat year-on-year (up 1%) as rising demand in the Middle East and Africa offset a 6% decline in India.



GROUP

- TRUCK TIRES (radial and bias)

First-quarter 2021/2020 (in number of tires)	WESTERN & CENTRAL EUROPE*	CIS**	NORTH & CENTRAL AMERICA	SOUTH AMERICA	CHINA	ASIA (EXCLUDING INDIA & CHINA)	AFRICA/ INDIA/ MIDDLE EAST	TOTAL
Original Equipment	+0%	+10%	+2%	+11%	-52%	-0%	+52%	-28%
Replacement	+8%	+11%	+2%	+5%	-25%	+7%	-6%	-5%

*Including Turkey

**Commonwealth of Independent States. Markets as of February 28, 2022. Due to the situation in Eastern Europe, market data for March are not available.

The number of new Truck tires sold worldwide declined by 12% overall in the first quarter of 2022, but rose by 4% excluding sales in China.

- ORIGINAL EQUIPMENT

The global Original Equipment Truck tire market, as measured by the number of new tires sold, fell by a considerable 28% overall, dragged down by the slump in China.

In **Western and Central Europe**, Original Equipment demand was stable over all three months of the quarter.

Markets in **CIS** were trending upwards until the outbreak of the conflict in Ukraine, March data are not available.

OE demand in **North and Central America** ended the period up 2%.

In **China**, demand plunged 52% from extremely unfavorable comparatives: in 2021, the introduction in July of the new China 6 emissions standards boosted the market throughout the first semester.

In the rest of the world, the **South American** market expanded by 11% and demand shot up 52% in the **Africa/India/Middle East** region, including a 63% gain in India led by the Indian government's policy of scrapping vehicles older than 15 years.

The **Asian** market was unchanged year-on-year.

- REPLACEMENT

The global Replacement Truck tire market declined by 5% in the first quarter of 2022, with a 25% downturn in China.

In **Western and Central Europe**, the market rose by 8% over the period, lifted by strong freight demand that drove growth in both France-Benelux (up 12%) and Germany (up 15%).



GROUP

Demand in **North and Central America** ended the period up 2% year-on-year, with a 3% increase in North America and an 8% decline in Mexico.

In **CIS**, the market was up by around 11% over the first two months of the year, before the conflict began in Ukraine; data for March are not available.

Markets in **South America** expanded by 5% overall in first-quarter 2022, led by very strong 29% growth in demand in Argentina from a favorable basis of comparison. The Brazilian market also enjoyed robust growth, with a 7% increase.

In **China**, Replacement tire demand declined by 25% over the period, reflecting both very unfavorable comparatives and the mobility restrictions introduced in March following the resurgence of Covid-19.

Asian markets grew by 7%, with particularly strong gains in Japan-South Korea (up 14%) and Indonesia-Malaysia (up 9%).

Markets in the rest of the world were mixed over the period, with 8% growth in the **Africa/Middle East** region and a 15% contraction in **India** from a more favorable basis of comparison.

- SPECIALTY TIRES

- **MINING TIRES:** demand for ore remains very high, but the mining tire market is still being held back by production constrictions and downstream logistics issues.
- **AGRICULTURAL AND CONSTRUCTION TIRES:** Agricultural tire markets are still expanding at a time of rising farm commodity prices. The Construction and Infrastructure segments are enjoying sustained demand, particularly for Original Equipment.
- **TWO-WHEEL TIRES:** with two-wheel vehicles offering an increasingly popular alternative to public transportation, demand remains buoyant, particularly in the OE motorcycle and bicycle segments.
- **AIRCRAFT TIRES:** demand rose from favorable comparatives in the first quarter, particularly in the Commercial Aviation segment, which rebounded sharply at the beginning of the year. The recovery remains fragile, however, due to geopolitical instability and the health situation in China.
- **CONVEYOR BELTS:** the market for conveyor belts, related to Construction and Mining markets, expanded over the first quarter.

GROUP

Michelin sales

- CONSOLIDATED SALES EVOLUTION

(in € millions)	First quarter 2022	
Sales	6,481	
Q1 2022 vs. Q1 2021		
Total change	+1,033	+19.0%
Of which		
Tire volumes*	+28	+0.5%
Tire price-mix	+736	+13.5%
Non-tire businesses	+39	+0.7%
Currency effect	+186	+3.4%
Changes in scope of consolidation	+44	+0.8%

*In tonnes

Sales for the first three months of 2022 totaled €6,481 million, an increase of 19.0% from the year-earlier period that was attributable to the net impact of the following factors:

- A very slight 0.5% (€28 million) increase from the growth in tire volumes, led by robust demand in January and February, before a slowdown in March, due to operational disruptions caused by the conflict in Ukraine and the resurgence of Covid-19 in China.

- A 13.5% increase from the very favorable price-mix effect, combining (i) a very solid 11.9% gain from the successive price increases introduced since second-quarter 2021 to offset rising costs and (ii) a 1.6% increase from the positive mix effect stemming from:

- a favorable mix between Original Equipment and Replacement sales in the Automotive segment,
- sustained enhancement in the product mix, led by growth in the 18-inch and larger tire segment.

- A 0.7% increase from the strong 12% growth in non-tire sales, driven both by higher Fenner sales and by ongoing expansion in the fleet management business.

- A 3.4% increase from exchange rate movements, primarily the gains in the US dollar and Brazilian real against the euro.

- A 0.8% increase from changes in the scope of consolidation, primarily the inclusion of Allopneus.com since December 30, 2021.



GROUP

- SALES BY REPORTING SEGMENT

Automotive and related distribution

Sales in the Automotive segment amounted to €3,254 million in first-quarter 2022, up 20.8% on the year-earlier period.

While markets rose 2%, Group volumes were stable over the period (up 0.2%), a lag attributable to inventory build-ups among some dealers ahead of announced price increases and production disruptions in Russia and Europe relating to the Ukraine conflict. Business benefited from a very favorable price-mix effect, reflecting (i) still sluggish Original Equipment sales, particularly in Europe due to the crisis in Ukraine, and (ii) highly disciplined price management in the Replacement business, supported by sustained enhancement of the mix in the expanding 18-inch and larger tire segment.

Segment sales were also positively impacted by the consolidation of Allopneus.com operations, as well as by currency rate movements.

Road transportation and related distribution

Sales in the Road Transportation segment rose by 20.6% year-on-year to €1,674 million in first-quarter 2022.

In markets up 4% (excluding China), Group volumes rose by 2.6% over the period, a lag attributable to inventory build-ups among some dealers ahead of announced price increases and production disruptions in Russia and Europe relating to the Ukraine conflict. In addition, the segment enjoyed a robust price-mix effect, reflecting price increases introduced in 2021 and January 2022 and a selective management approach focused on creating value.

Segment sales were favorably impacted by currency rate movements.

Specialty businesses and related distribution

First-quarter sales in the Specialty businesses totaled €1,553 million, up 13.7% on the same period of 2021.

Volumes dropped by 0.9% year-on-year, mainly due to persistent supply chain issues in the Mining segment caused by shortages of maritime shipping capacity, which slowed shipments from Group plants.

Segment sales were also lifted by a positive price effect resulting from sustained pricing discipline in the non-indexed businesses.

- **Off-the-road tires:** Sales benefited from steadily rising demand for agricultural tires and tracks and for construction tires, which was especially strong in the Original Equipment markets, as well as from price increases rolled out since the second half of 2021.
- **Mining tires:** In still expanding markets, sales remained adversely impacted by downstream supply chain disruptions, even as the operational and production issues were being resolved.
- **Two-wheel tires:** Business continued to be driven by fast growing demand and high capacity utilization, with a very favorable price-mix effect.
- **Aircraft tires:** Sales continued to trend upwards, particularly in the General Aviation segment, while the Commercial Aviation business enjoyed a sharp upturn early in the year before slowing in March due to geopolitical events and the resurgence of Covid-19 in China.
- **Fenner's** conveyor belt, precision polymers and engineered seals businesses are experiencing steady growth.
- Segment sales were favorably impacted by currency rate movements.



GROUP

Michelin's "All Sustainable" vision

Fostering a diversity-friendly working environment

Michelin firmly believes that the variety of people's backgrounds and experiences enhances creativity, spurs innovation and fosters mutual fulfillment, while contributing to the Group's economic and social performance. This commitment is notably reflected in the Group's score in the gender equality index, an indicator created in 2019 by the French government to support progress in gender wage and workplace equality. In 2021, Michelin's score in France, as measured at Manufacture Française des Pneumatiques Michelin, rose sharply to 99/100 from 93/100.

Supporting safer mobility

Michelin is pursuing its commitment to safer mobility through a three-year partnership with the Global Alliance of NGOs for Road Safety in Latin America, where road accidents are a major concern. By supporting training and coaching initiatives for local NGOs, Michelin will help advance the United Nations' global road safety plan to reduce the number of road fatalities and injuries by at least 50% by 2030.

Taking action to prevent global warming

In accordance with the principles of the Task Force on Climate-Related Financial Disclosures (TCFD), the Michelin Group published its climate strategy in its 2021 Universal Registration Document. The strategy is organized around two key outcomes (i) a transition plan to decarbonize direct and indirect activities (Scopes 1, 2 and 3) and foster a low-carbon economy; and (ii) an adaptation plan to prepare for the physical impacts of climate change.

Supporting sustainable natural rubber

ESG rating: In a recent assessment, ZSL SPOTT, an ESG rating platform focused on agricultural commodities, ranked Michelin number one, with a score of 81.8%. The assessed sample included around 30 natural rubber companies, including producers, processors, tire makers and glove manufacturers. The ranking is a real reward that attests to the Group's transparency and commitment to improving the sustainability of the entire natural rubber value chain.

Support for Sri Lankan natural rubber producers: Michelin is pursuing its involvement via a three-year public-private project, co-funded by a grant from the French Ministry of Economy and Finance, designed to improve the skills of 6,000 farmers thanks to a digital-enabled innovative training model. This new initiative, which will start operating in 2022, reflects the Group's ongoing support for local communities as they transition to sustainable, mutually beneficial social and environmental practices.

The Green Gold Bahia project's Michelin Ecological Reserve in Brazil: In 2021, Michelin decided to increase the size of the reserve by 30%, to 3,900 ha from an initial 3,096 ha, to accommodate growing wildlife populations in the Atlantic Forest's most biodiversity-rich region. Thanks to programs deployed over the past eighteen years to protect and restore one of the world's most endangered forests, the ecosystem has regenerated and wildlife populations have increased. Some 108,000 trees of 275 different varieties have been planted in the region and more than 2,000 plant and animal species have been identified, including 20 newly discovered species native to the region. To create a high-quality habitat for wildlife and support the development of endangered tree species, Michelin plans to plant 40,000 trees over the next decade, covering at least 100 different species.



GROUP

First-quarter 2022 highlights

January 7, 2022 – Michelin launches the new MICHELIN Road 6/Road 6 GT motorcycle tire. Leveraging the latest technologies developed by Michelin's R&D, the new tire differentiates in both wet grip and tire life improvement.

January 13, 2022 – Michelin is continuing to develop WISAMO, the prototype wing sail system designed to help decarbonize maritime shipping. The innovative solution will be fitted on a Compagnie Maritime Nantaise - MN ro-ro container ship, which in late 2022 will begin operating two weekly rotations between Spain and the United Kingdom with a WISAMO wing sail.

January 28, 2022 – Michelin introduces two new summer tires, the MICHELIN Pilot Sport 5 and the MICHELIN Primacy 4+. With their long-lasting performance, they can be used for more kilometers, thereby helping to reduce mobility's environmental impact.

February 3, 2022 – Michelin launches its new MICHELIN City Extra commuter tire, with fitments available for scooters, step-throughs and small motorcycles. By offering a larger range of sizes, Michelin aims to broaden its global market coverage.

February 22, 2022 – Michelin, Air France's exclusive tire supplier for the next ten years, has been selected, via its Michelin Editions subsidiary, to produce travel-related content for the airline's new "EnVols" media platform.

February 23, 2022 – Michelin redesigns its MICHELIN EVOBIB tire to optimize longevity, reduce soil compaction and improve fuel economy. With this new addition, Michelin now has a complete range of solutions for powerful tractors.

March 7, 2022 – Michelin is chosen by Ferrari as an official tire supplier for its new 296 GTB. The new fittings are the product of Michelin's innovation capabilities and co-design work by Michelin and Ferrari teams.

March 10, 2022 – Michelin introduces its new MICHELIN STARCROSS 6 tire, the first MICHELIN motocross tire to use MICHELIN Silica Technology for superior long-lasting performance.

March 15, 2022 - The Michelin Group suspends its industrial operations in Russia as well as its exports to the country. Michelin is dedicated to helping address the humanitarian needs of the people impacted by the conflict, both in Ukraine and abroad. Through the Michelin Corporate Foundation and its facilities in Central Europe, the Group has donated funding to support local humanitarian organizations, as well as initiatives undertaken by the Red Cross and the Red Crescent.

March 21, 2022 – At a time when soft mobility is becoming increasingly popular with consumers, Michelin is launching the new MICHELIN Power Cup premium road bicycle tire range, designed for racers and optimized for highly demanding cyclists.

March 2022 – Michelin is participating with French National Railways (SNCF), Milla Group and the Railenium Technology Research Institute in a project to develop a fully electric shuttle. Known as Flexy, the hybrid concept will be able to run on roads and rails, with the goal of revitalizing smaller transit lines in France.

March 22, 2022 – Michelin presents the 2022 restaurant selection of the MICHELIN Guide France and, demonstrating its strategic focus on its "All Sustainable" commitment, celebrates the environmentally responsible engagement of 87 chefs by awarding them a Green Star.



GROUP

April 12, 2022 – The California Energy Commission (CEC) has selected Symbio, Faurecia and Michelin, along with other industry partners, to develop and demonstrate a hydrogen-fueled, regional-haul Class 8 truck, as leading contributors to a state-supported, zero-emission hydrogen mobility project.

A full description of highlights for the first three months of 2022 may be found on the Michelin website: <http://www.michelin.com/>



GROUP

PRESENTATION AND CONFERENCE CALL

First-quarter 2022 sales will be reviewed with analysts and investors during a presentation in English on Tuesday, April 26, 2022 at 6:30 p.m. CEST.

WEBCAST

The presentation will be webcast live on: www.michelin.com/en/finance.

CONFERENCE CALL

Please dial-in on one of the following numbers from 6:20 pm CEST:

- | | | |
|----------------------|----------------------|----------------|
| • From France | +33 (1) 72 72 74 03 | PIN: 23693241# |
| • From the UK | +44 (0) 207 194 3759 | PIN: 23693241# |
| • From North America | (+1) 646 722 4916 | PIN: 23693241# |
| • From anywhere else | +44 (0) 207 194 3759 | PIN: 23693241# |

The presentation of financial information for the three months ended March 31, 2022 (press release, presentation) may also be viewed at <http://www.michelin.com/en>, along with practical information concerning the conference call.

INVESTOR CALENDAR

- **Annual Shareholders Meeting:** Friday, May 13, 2022
- **Ex-dividend date:** Tuesday, May 17, 2022
- **Payment date:** Thursday, May 19, 2022
- **Results for the six months ending June 30, 2022:** Tuesday, July 26, 2022 after close of trading
- **Financial information for the nine months ending September 30, 2022:** Tuesday, October 25, 2022 after close of trading
- **Michelin in Motion progress report (digital event):** Tuesday, November 29, 2022

Investor Relations	Media Relations
Guillaume Jullienne +33 (0) 7 86 09 68 01 guillaume.jullienne@michelin.com	+33 (0) 1 45 66 22 22 groupe-michelin.service.de.presse@michelin.com
Pierre Hassairi +33 (0) 6 84 32 90 81 pierre.hassairi@michelin.com	Individual Shareholders +33 (0) 4 73 32 23 05
Flavien Huet +33 (0) 7 77 85 04 82 flavien.huet@michelin.com	Muriel Floc Hlay muriel.floc-hlay@michelin.com
	Clémence Rodriguez clemence.daturi-rodriquez@michelin.com

DISCLAIMER

This press release is not an offer to purchase or a solicitation to recommend the purchase of Michelin shares. To obtain more detailed information on Michelin, please consult the documents filed in France with Autorité des Marchés Financiers, which are also available from the www.michelin.com/eng website.

This press release may contain a number of forward-looking statements. Although the Company believes that these statements are based on reasonable assumptions at the time of publishing this document, they are by nature subject to risks and contingencies liable to translate into a difference between actual data and the forecasts made or inferred by these statements.