

Boulogne-Billancourt, 26 May 2020

Michelin welcomes the government's support plan for the automotive industry in France

- **A necessary and ambitious support plan in response to the Covid-19 crisis**
- **Concrete measures in line with the Group's "all sustainable" strategy**
- **France at the heart of Michelin's strategy**

An essential support plan for the sector

The government has just announced an ambitious plan to support the automotive industry in France. Globally, the automotive industry has been severely impacted by the Covid-19 crisis, at a time when it was already facing the need for far-reaching structural changes associated with the environmental transition and the digital revolution.

In the midst of the crisis, in full cooperation with the industry and alongside government agencies, Michelin immediately took action: large-scale production of masks for the needs of the community and the Group; implementation of strict health protocols to protect employees and ensure a safe resumption of business; immediate measures for sound management in protecting the Group's cash flow.

The risk of business failures over the coming months makes it necessary to implement a massive support plan for the industry. Of course the Michelin Group supports this initiative, which will go some way to safeguarding know-how and jobs in France, while at the same time supporting the necessary changes in the sector.

Concrete measures in line with the Group's strategy

The future of the automotive industry in France rests on its ability to continue to innovate with regard to the major technological challenges of the ecological and digital transition: development of zero CO₂ emission electric vehicles via battery and hydrogen technology, the design and industrialization of new innovative materials helping to make vehicles lighter and, finally, connected cars that will pave the way for autonomous vehicles. Through its investments and Research & Development activities, the Michelin Group is fully committed to its strategy of introducing progressive measures:

- **Supporting the demand for clean vehicles**, with, among other things, the continuation of its development in the field of hydrogen. This technology is complementary to the use of batteries for powering electric vehicles, particularly in the commercial vehicle and bus segments and, in the future, for trucks and passenger vehicles. Michelin is convinced it has a key role to play in accelerating zero-emission mobility, and so is confirming its commitment to the Zero-Emission Valley project (1,200 hydrogen vehicles and 20 stations) in the Auvergne-Rhône Alpes region, through *Hympulsion* - the company tasked with deployment.

In addition to this project, Michelin intends to continue its active contribution to the transition towards even more sustainable mobility, i.e. mobility that is cleaner, safer and more accessible. In this respect, government support, through public procurement, will be an indispensable and effective lever for stimulating the production of battery and hydrogen fuel cell electric vehicles in France.

- Supply-side support with investments in strategic technologies and R&D support schemes.

The future of the automotive industry in France hinges on its ability to continue to innovate on the sector's key technological challenges. In the hydrogen sector, Michelin will, alongside Faurecia, continue to invest in the Symbio joint venture, which supplies hydrogen mobility systems. An initial investment of €140 million has been allocated. The two partners intend to pursue their project to build a hydrogen fuel cell plant in the Lyon region, which could eventually create several hundred sustainable jobs. In this respect, the authorities' support for breakthrough innovation projects and their pre-industrialization will be decisive in launching investments of several tens of millions of euros and generating an R&D budget in excess of €100 million.

In addition, the Group's investments in high-tech, bio-sourced and environmentally friendly materials remain significant, particularly in France. With an initial investment of more than €300 million, its Research & Development centre based in Clermont-Ferrand, France, is responsible for the development of more than 70% of the tyres sold worldwide. The Group intends to repatriate part of its fundamental research, currently based abroad, to this centre.

- Support for jobs and skills with a more ambitious emphasis on work-linked training, through apprenticeship and vocational training contracts, a key element in Michelin's culture and the strategic focus of its recruitment policy. In particular, the Group is supporting "Hall 32" in Clermont-Ferrand, a centre promoting industrial jobs financed through the Future Investment Plan 2; its €15 million contribution covers 50% of the project. This centre provides everyone (companies, trainers and apprentices) with innovative tools adapted to the needs of the players in the sector. In time, 300 students and 1,800 adults in training will be accommodated there every year. The industrial jobs centre, a €30 million project, combines information, work-linked training and continuing education. Thanks to the provision of state-of-the-art production facilities, it also constitutes a fab-lab for both the general public and companies.

France, at the heart of Michelin's strategy

Commenting the government's support plan for the automotive industry in France, Florent Menegaux, Michelin Group CEO, said: "For the past 130 years, France has been and is now more than ever at the heart of Michelin's strategy. The Group is helping to develop the job markets in the regions in which it operates. With 16 sites and 20,000 employees, France now represents the largest industrial base of any country in which Michelin operates. Although France accounts for less than 10% of the Group's sales, the proportion of investments in France is double that. The Group's investment strategy in France is designed to improve industrial competitiveness and develop growth segments. Michelin is constantly changing and developing new activities in the country, such as its projects relating to hydrogen mobility, high-tech materials and metal additive manufacturing".

About Michelin:

Michelin is dedicated to sustainably enhancing its clients' mobility. A leader in the mobility sector, Michelin designs, manufactures and distributes tyres best suited to its clients' needs and uses, as well as services and solutions to improve mobility efficiency. Michelin also offers its clients the opportunity for unique experiences during their trips and travels. In addition, Michelin develops high-tech materials for use in a number of sectors. Based in Clermont-Ferrand, Michelin is present in 170 countries, employs more than 127,000 people and operates 69 tyre plants, which together produced approximately 200 million tyres in 2019. (www.michelin.com).

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