2024

FIRST-HALF FINANCIAL REPORT

MICHELIN


FENDT

CONTENTS

1 2024 FIRST-HALF BUSINESS REVIEW

1.1 Market review

The Group's operating markets turned in a mixed performance in the first six months of 2024.

Both the Passenger car and Light truck and the Truck tire segments (excluding China) trended upwards over the period, by 3% and 2% respectively. Growth was impacted by a sharp increase in low-cost imports from Asia, particularly in Europe and the Americas.

Specialty tire markets were down overall, due to the ongoing destocking in the mining segment and a steep fall-off in Original Equipment demand in the Agricultural, Material Handling and Infrastructure tire segments.

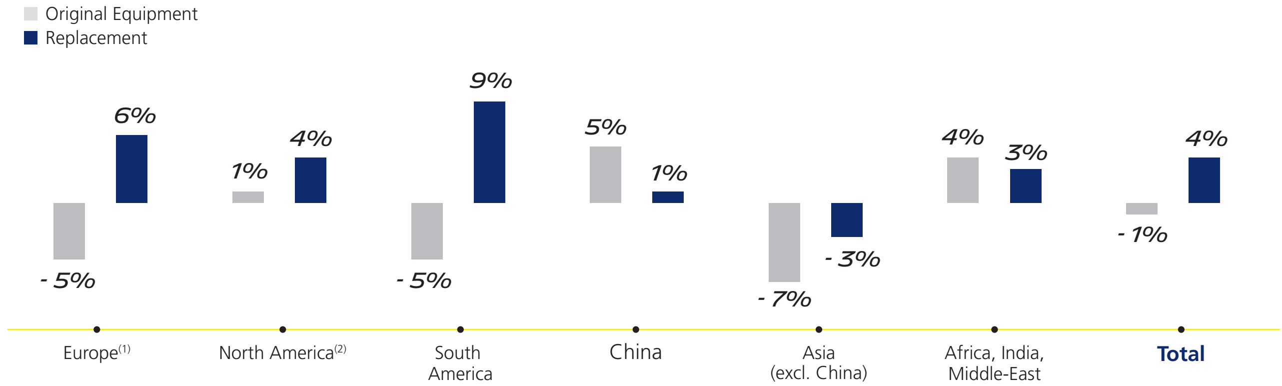
The Polymer Composite Solutions market also edged back slightly after two years of very strong demand across every value chain, which led to inventory drawdowns and slower growth in new equipment purchases.

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.

1.1.1 Passenger car and Light truck tire markets

The global Original Equipment and Replacement **Passenger car and Light truck** tire market grew by 3% overall in the first half of 2024, as a 4% gain in Replacement sales offset a 1% decline in the OE segment.

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



(1) Including Turkey.
(2) Including Central America.
Michelin estimates.

1.1.1 a) Original Equipment

In the Original Equipment segment, **global demand** varied by region but ended the period flat overall year-on-year (down 1%). The stability reflected a return to normal conditions after a year of robust growth in 2023, when automakers generally took advantage of easing supply chain restrictions to steadily rebuild vehicle inventory. Sales of electric vehicles rose over the period, albeit more slowly than expected.

Passenger car and Light truck tire markets Original equipment *(in millions of tires)*	First-half 2024	First-half 2023	First-half 2024/2023	Second-quarter 2024/2023	First-quarter 2024/2023
Europe[1]	41.1	43.2	-5%	-9%	-1%
North America[2]	38.7	38.3	+1%	+1%	+1%
South America	6.7	7.0	-5%	-7%	-2%
China	60.7	57.8	+5%	+5%	+5%
Asia (excl. China)	35.6	38.3	-7%	-4%	-10%
Africa/India/Middle East	18.6	17.9	+4%	0%	+8%
TOTAL	**201.4**	**202.5**	**-1%**	**-1%**	**0%**

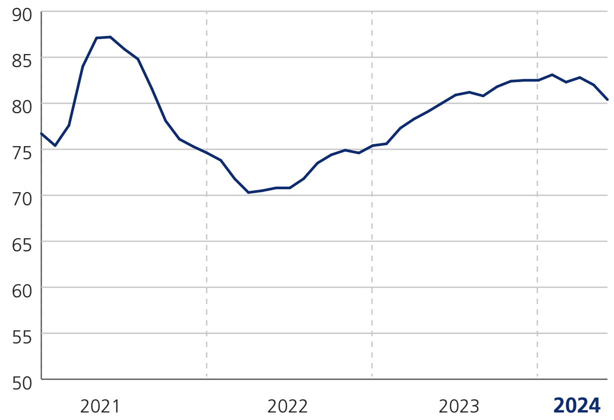
(1) Including Turkey.
(2) Including Central America.
Michelin estimates.

The **European market** contracted by 5% over the period, with demand holding fairly steady in the first quarter (down 1% overall) before falling a sharp 9% in the second three months of 2024. New vehicle sales were impacted by tightening purchasing power, rising interest rates and reductions in subsidies for the purchase of electric vehicles in certain countries.

In a still-improving economic environment in **North America**, demand ticked up a slight 1%, supported primarily by automaker inventory rebuilding, which continued apace over the first half following the strikes in the fall of 2023.

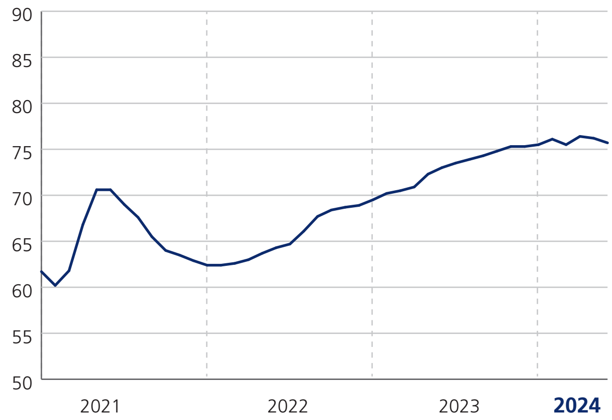
Demand in **China** rose by 5% versus first-half 2023, led by electric vehicle exports. Domestic demand was flat year-on-year in an uncertain economy.

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.

1.1.1 b) Replacement

Global demand for Replacement tires climbed by 4% year-on-year. Except Asia (excluding China), all regions contributed to this trend, in a context of sharply rising Asian imports and Distribution inventories generally at norm at the start of the year.

Passenger car and Light truck tire markets Replacement *(in millions of tires)*	First-half 2024	First-half 2023	First-half 2024/2023	Second-quarter 2024/2023	First-quarter 2024/2023
Europe[1]	192	181	+6%	+9%	+4%
North America[2]	154	148	+4%	+1%	+8%
South America	42	39	+9%	+6%	+12%
China	82	81	+1%	-3%	+4%
Asia (excl. China)	66	69	-3%	+1%	-7%
Africa/India/Middle East	56	54	+3%	+3%	+3%
TOTAL	**593**	**571**	**+4%**	**+3%**	**+4%**

(1) Including Turkey.
(2) Including Central America.
Michelin estimates.

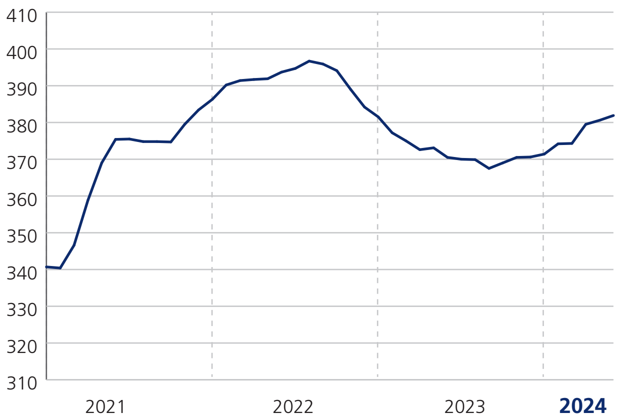
Sell-in demand in **Europe** rose by 6% over the first half of the year, with imports from Asia significantly higher than in the first half of 2023.

The rise in the market, supported by the relative weakness of OE, was also accompanied by an enrichment of the mix in the premium segment, with more marked growth in 18-inch and above sizes.

The **North American** sell-in market gained 4% year-on-year. The overall growth was driven by the non-pool market in the first quarter, boosted by the reduction in customs duties on Thai imports since January 2024, with demand in the second quarter broadly on a par with the prior-year period.

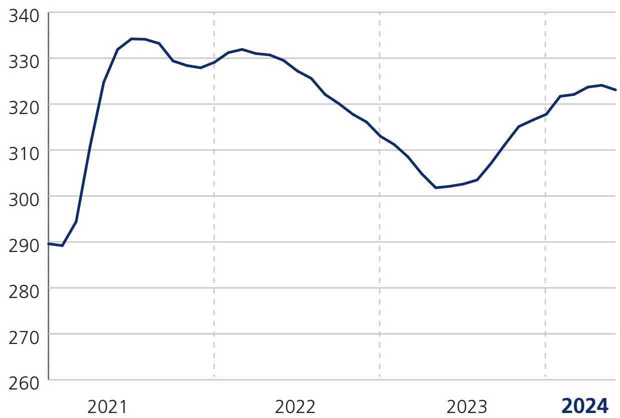
In **China**, the market ended the first half up a slight 1%, with a gain in the first quarter due to the favorable comparison with the prior-year period, when demand was still dampened by health restrictions, and a decline in the second quarter due to higher comparatives, lifted by the robust upturn in business in spring 2023.

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)



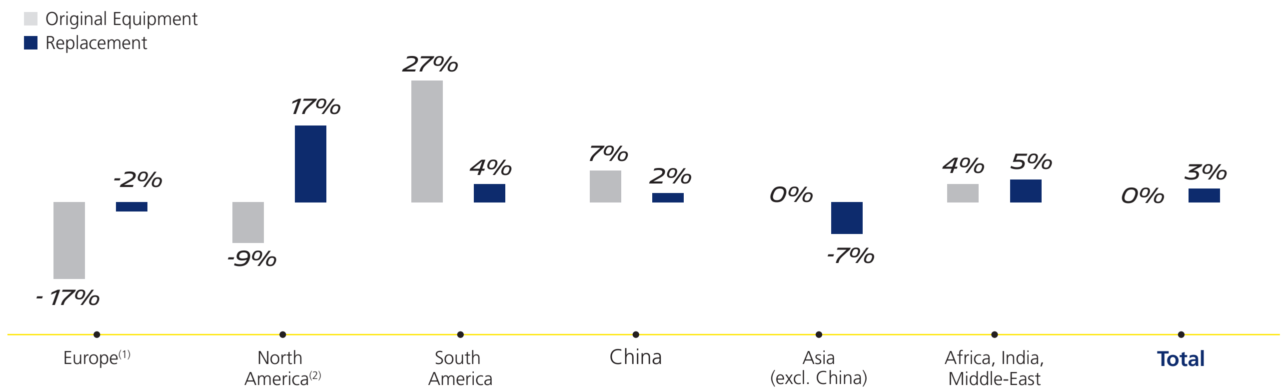
Michelin estimates.

1.1.2 Truck tire markets

The worldwide **Truck** tire sell-in market (excluding China) grew by 2% compared with first-half 2023.

In China, where the Group's presence is negligible, demand increased by 3% over the period overall, including by 7% in the OE segment (led by exports) and 2% in the Replacement segment.

THE GLOBAL TRUCK TIRE MARKET, 2024 VS. 2023



(1) Including Turkey.
(2) Including Central America.
Michelin estimates – new tire market only.

1.1.2 a) Original Equipment

In the Original Equipment segment, the **global market (excluding China)** declined by 5% overall year-on-year, reflecting trends that varied widely from one region to another.

Truck tire markets Original Equipment *(in millions of tires)*	First-half 2024	First-half 2023	First-half 2024/ 2023	Second-quarter 2024/2023	First-quarter 2024/ 2023
Europe[1]	3.3	3.9	-17%	-19%	-16%
North America[2]	3.1	3.5	-9%	-2%	-16%
South America	1.1	0.9	+27%	+35%	+18%
Asia (excl. China)	2.2	2.2	0%	0%	0%
Africa/India/Middle East	3.0	2.9	+4%	+4%	+4%
TOTAL (EXCL. CHINA)	**12.7**	**13.4**	**-5%**	**-3%**	**-7%**
China	11.4	10.7	+7%	+9%	+5%

(1) Including Turkey.
(2) Including Central America.
Michelin estimates.

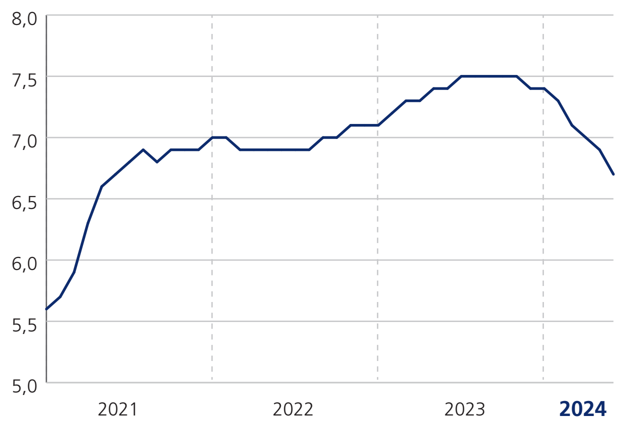
Demand dropped sharply year-on-year in the first half, in both **Europe** (down 17%) and **North and Central America** (down 9%).

The decline in Europe reflected a return to more normal levels after three years of strong post-Covid growth, exacerbated by the still uncertain economy and more difficult access to financing, which are weighing on new vehicle output. In North and Central America, demand slipped following the introduction on January 1, 2024 of the new emissions standard that had spurred a wave of early buying throughout 2023.

Demand in **South America** surged 27% year-on-year, lifted by the highly favorable comparison with first-quarter 2023, which had been adversely impacted by new truck buying in 2022 ahead of the new emissions standard introduced in early 2023.

THE OE TRUCK TIRE MARKET IN EUROPE

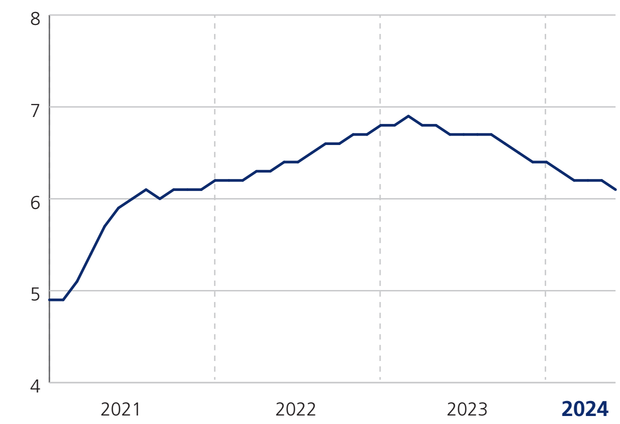
(in millions of new tires – moving 12 months)



Michelin estimates.

THE OE TRUCK TIRE MARKET IN NORTH AMERICA

(in millions of new tires – moving 12 months)



Michelin estimates.

1.1.2 b) Replacement

The **global Replacement** sell-in market (excluding China) grew by 4% over the first half of the year.

Truck tire markets Replacement *(in millions of tires)*	First-half 2024	First-half 2023	First-half 2024/2023	Second-quarter 2024/2023	First-quarter 2024/2023
Europe(1)	12.2	12.4	-2%	0%	-4%
North America(2)	16.4	14.0	+17%	+18%	+16%
South America	8.5	8.2	+4%	+2%	+7%
Asia (excl. China)	9.8	10.6	-7%	-6%	-7%
Africa/India/Middle East	14.9	14.3	+5%	+5%	+5%
TOTAL (EXCL. CHINA)	**61.8**	**59.4**	**+4%**	**+5%**	**+4%**
China	20.1	19.8	+2%	+10%	-7%

(1) Including Turkey.
(2) Including Central America.
Michelin estimates.

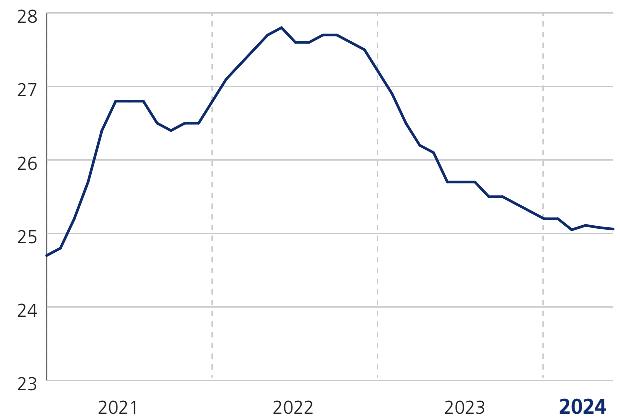
Sell-in demand in **Europe** slipped by 2% compared with first-half 2023.

The contraction was caused by the year-on-year decline in manufacturing output, which dragged down freight demand. However, there was an improvement in the second quarter, which ended at 2023 levels. Demand in Europe was also hurt by the situation in Turkey, where the pool market plunged 20% year-on-year.

The **North American** market climbed by 17%, fueled by the surge in Asian imports ahead of the increase in anti-dumping duties expected in summer 2024.

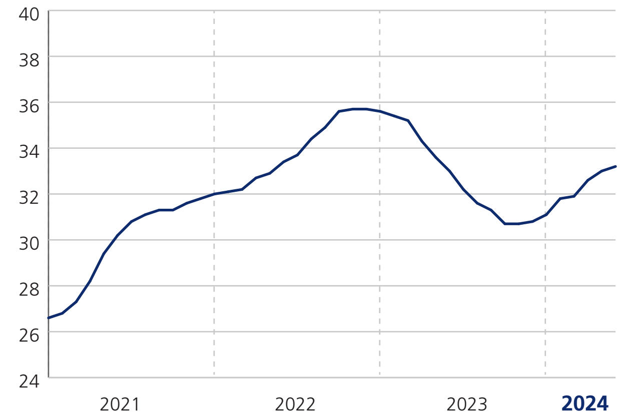
Demand in **South America** rose by 4% over the first half, led by robust growth in manufacturing output in Brazil. The market share held by Asian imports continued to increase sharply over the period.

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.

1.1.3 Specialty tire and Polymer Composite Solutions markets

Mining tires: while the mining tire market is expected to remain robust over the long term, supported by ever-increasing ore mining needs, first-half 2024 fell slightly short of demand fundamentals due to inventory drawdowns by mining operators against a backdrop of higher interest rates and the resulting sharper focus on cash flow. Destocking is expected to continue through the end of the year.

Agricultural, Infrastructure and Material Handling tires: demand in this business is evenly balanced between the Original Equipment and Replacement channels, which turned in contrasting performances in the first half.

OE markets ended the period down significantly, particularly in the Agricultural segment, which is more cyclical and adversely impacted by the decline in average farming income. Note, however, that the fall-off was less steep in the market for high-powered tractor tires. Demand also contracted in the OE Infrastructure and Material Handling tire segments, dampened by the slowdown in homebuilding and cuts in public spending at a time of uncertain global economic growth.

Replacement demand in all three segments was stable overall compared with first-half 2023.

Two-wheel tires: after falling sharply in 2023, Motorcycle tire demand was stable in Europe, hampered by unfavorable weather conditions, but rose in the Americas.

After a strong decrease in 2023 and causing a wave of business failures and a steep buildup of manufacturer and dealer inventory, Bicycle tire demand returned to normal with a slight gain in first-half 2024.

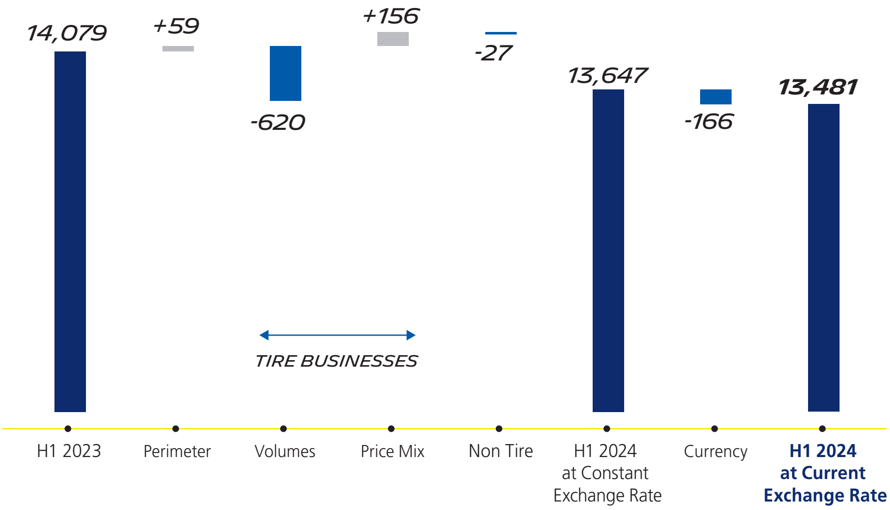
Aircraft tires: after returning to pre-Covid levels in 2023, the commercial aviation market continued to expand in first-half 2024, led by international air traffic, while Chinese domestic traffic eased back somewhat over the period. The general aviation market was negatively impacted by the slowdown in fleet leasing demand.

Polymer Composite Solutions:

Fundamentals in the **conveyor belt** market, which closely track mining industry demand over the long term, remain buoyant, but first-half demand was weighed down by comparison with very high 2023 figures and the need among mine operators to postpone some 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 Polymer Composite Solutions markets, which concern a variety of verticals, global demand was stable overall, albeit in a phase of relative destocking. In the engineered films and fabrics segment, for example, the luxury leisure marine market is seeing a sharp slowdown from the very strong demand experienced in the two post-Covid years.

1.2 Sales



Sales totaled €13,481 million in the first six months of 2024, a decrease of 4.2% from the €14,079 million reported for the same period in 2023.

The decline was attributable to the net impact of the following factors:

- a 4.4% decline in tire volumes, stemming primarily from the Group's strategy of selectively focusing on the product segments, regions and partners most capable of leveraging the full value of its technological leadership;
- a 1.1% increase from the positive price-mix effect, as the €105 million negative price impact of applying contractual indexation clauses was offset by the highly favorable €261 million impact from the mix. The latter was driven mainly by an increase in the percentage of high value-added products in the sales stream, such as 18-inch and larger Passenger car tires and agricultural tracks, and to a lesser extent by a favorable shift in the geographic and market mix (Replacement versus Original Equipment sales);
- stable non-tire sales, primarily reflecting high prior-year comparatives, which were driven by record conveyor sales in first-half 2023. The Lifestyle and Connected Solutions activities maintained their growth momentum over the period;
- a 1.2% decrease from the negative currency effect, due in particular to the decline against the euro in the Chinese yuan, Turkish lira, Japanese yen and several other currencies;
- a 0.4% increase from changes in the scope of consolidation, primarily attributable to the inclusion of FCG on September 26, 2023.

(in € millions and %)	First-half 2024	Second-quarter 2024	First-quarter 2024
SALES	**13,481**	**6,839**	**6,642**
Change, year-on-year	**-598**	**-279**	**-319**
Volumes	-620	-333	-287
Price-mix	+156	+106	+50
Currency effect	-166	-34	-132
Scope of consolidation	+59	+7	+52
Non-tire sales	-27	-25	-2
Change, year-on-year	**-4.2%**	**-3.9%**	**-4.6%**
Volumes	-4.4%	-4.7%	-4.1%
Price-mix	+1.1%	+1.5%	+0.7%
Currency effect	-1.2%	-0.4%	-1.9%
Scope of consolidation	+0.4%	+0.1%	+0.7%
Non-tire sales	-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 and related distribution;
- Road transportation and related distribution;
- Specialty businesses and related distribution.

The Specialty businesses include the Mining, Beyond-road, Two-wheel and Aircraft tire activities, as well as the Polymer Composite Solutions activities. 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)	First-half 2024	Second-quarter 2024	First-quarter 2024
GROUP	**13,481**	**6,839**	**6,642**
Change, year-on-year	**-598**	**-279**	**-319**
Automotive and related distribution	6,847	3,471	3,376
Road transportation and related distribution	3,263	1,668	1,595
Specialty businesses and related distribution	3,371	1,700	1,671
Change, year-on-year	**-4.2%**	**-3.9%**	**-4.6%**
Automotive and related distribution	-2.5%	-2.7%	-2.3%
Road transportation and related distribution	-3.9%	-1.9%	-6.0%
Specialty businesses and related distribution	-7.9%	-8.1%	-7.6%

1.2.1 a) Automotive and related distribution – Analysis of sales

Sales in the Automotive and related distribution segment decreased by 2.5% to €6,847 million in the first half of 2024, from €7,024 million in the prior-year period.

Volumes sold ended the period down 1.9%, with a slightly steeper decline in the Original Equipment segment than in the Replacement segment, particularly in the second quarter, which had a favorable impact on the mix.

The mix was also improved by sales growth in value-accretive segments, such as 18-inch and larger tires, as well as by the geographic mix, with brisker sales in the most profitable regions.

Prices had a slightly negative impact, following downward adjustments over the period in application of contractual indexation clauses in the OE businesses.

Original Equipment volumes sold declined over the first half. The Group is pursuing its targeted strategy, with a priority focus on manufacturers who value the performance of its products. In addition, the first half of 2024 was shaped by two short-term trends in the automotive market that adversely impacted Group sales. The first was a reduction in government incentives for the purchase of electric vehicles, which caused a slowdown in sales in the segment where the Group has the most exposure. The second was a shift in the automotive market to less high-end vehicles, which are less favorable for the Group, following shortages in the post-Covid period when automakers pushed their higher value-added lines.

Similarly, volumes sold were down year-on-year in the Replacement segment, where the Group is also continuing to deploy its selective marketing strategy focused on the MICHELIN brand and the 18-inch and larger segment. The latter, whose market is enjoying strong, sustainable growth, increased its percentage contribution to consolidated sales by five points compared with first-half 2023. On the other hand, growth in the Chinese market was somewhat slower than expected. Lastly, the Group's other brands turned in robust performances in certain targeted markets. This was particularly the case for KLEBER and BF GOODRICH sales in Europe.

In the retail operations, the integration of e-tailer Tyroola, acquired in late 2023 shortly after the disposal of Euromaster Denmark, is proceeding as planned.

Volumes declined overall in **Europe**. Original Equipment volumes were impacted by the difficulties encountered by some European OEMs, while Replacement volumes held firm, with growth in sales of MICHELIN brand 18-inch and larger tires offsetting the planned reduction in Tier 3 brand volumes.

In **North America**, volumes sold declined due to a cyclical shift in the automotive market towards lower-trim models and an unfavorable automaker mix over the period.

In the **South American** market, which was severely disrupted by large-scale imports of low-cost tires, volumes turned downwards during the first half, particularly for the smaller tire sizes.

Group sales in **China** rose from favorable prior-year comparatives, which were impacted by the lockdowns that dampened demand until early 2023. Volumes were also lifted by a fast-growing OE market. The Group continued to support the market's move up the value chain, by increasing volumes sold in the 18-inch and larger segment.

In **Southeast Asia**, where demand contracted year-on-year, the Group broadened its share of the 18-inch and larger segment. This favorable product mix was supported by an equally favorable market mix, with OE sales declining faster than Replacement sales.

In the **Africa/India/Middle East** region, the Group continued to apply its strategic focus on the most value-accretive products and sales regions, which led to lower volumes but more favorable price and mix effects for the period.

Michelin Lifestyle reported robust sales growth for the period, primarily in the fine dining, hospitality and travel markets. Michelin Lifestyle remains a powerful vehicle for promoting the MICHELIN brand and its premium positioning.

1.2.1 b) Road transportation and related distribution – Analysis of sales

Sales in the Road transportation and related distribution segment declined by 3.9% in the first half of 2024, to €3,263 million from €3,397 million in the year-earlier period.

The environment was unfavorable overall in the first half of 2024, with softer Original Equipment markets in Europe and North America, and slightly favorable Replacement markets, which were however occasionally roiled by Asian tire imports, particularly in North America.

Against this backdrop and with the Group continuing to deploy its "choose and focus" strategy, volumes sold declined by 4.7% over the first half of 2024. The price and mix effects were positive, however, supported by the marketing strategy and a favorable shift in the OE versus Replacement mix.

Original Equipment volumes were down, tracking the fall-off in demand following the introduction of new emissions standards in North America and Europe. The Group nevertheless increased sales by focusing on partnerships with automakers capable of leveraging the full value of its technological leadership.

In the **Replacement** market, which was fairly stable except for Asian tire imports into North America, the Group defended its share in its preferred playing fields. Volumes sold were sometimes dampened by economic conditions in certain countries. On the other hand, the price and mix effects were positive, thanks in particular to efforts to focus on the MICHELIN brand. Connected Solutions services continued to be rolled out under the Michelin Connected Mobility brand, supported by improved operating performance.

In **Europe**, volumes sold declined as expected in the OE segment and had a mixed performance in Replacement, with the MICHELIN brand holding up well, particularly in Southern Europe (France, Spain and Italy). Sales in Central Europe, on the other hand, were dragged down by the economic situation in Turkey.

Group volumes sold rose in **North America**, led by the MICHELIN brand and OE market share gains.

In **South America**, tonnages were stable year-on-year, as an upturn in OE sales in Brazil after the post-emissions standards downturn offset, in particular, the economic slowdown in Argentina.

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

1.2.1 c) Specialty businesses and related distribution – Analysis of sales

Sales in the Specialty businesses fell by 7.9% over the period, to €3,371 million from €3,658 million in first-half 2023.

Mining tires: while the ore market remains structurally well positioned for long-term growth, driven by rising demand for metals, in particular to support the energy transition, certain short-term factors dulled first-half performance and impacted Group sales:

- an unfavorable basis of comparison, reflecting the clearing of back orders in first-half 2023 after supply chain restrictions eased;
- slow but steady inventory drawdowns by a large number of mining operators, as supply chains stabilized and interest rates rose;
- one-off difficulties experienced by certain customers or in certain geographies, such as Central Asia. Note that the Group has terminated all marketing & sales activities related to the Russian market.

In this environment, mining tire sales volumes declined, but the business was able to maintain its market share in larger tires and gain new share in certain regions, such as North America.

Beyond-road tires: OE sales volumes broadly tracked the markets downwards, with the notable exception of agricultural tracks and systems in North America, which had a positive impact on the business line's mix.

Replacement markets showed greater resistance. Overall, volumes sold ended the period lower, particularly in the construction segment. The Group was resilient in Agricultural tires, gaining market share in Europe, while the expansion of the Solideal-on-Site business, which provides forklift fleet maintenance services, helped to drive value creation in the Material Handling tire segment.

Two-wheel tires: after the wave of destocking in 2023, volumes sold rose in the first half of 2024. The rebound was particularly visible in Replacement channels, which had a positive impact on the market mix, and in the Sport Touring Motorcycle tire segment, where sales were lifted by the successful launch of the Anakee and Power 6 lines.

Aircraft tires: the commercial aviation segment capitalized on the airline industry's sustained post-Covid growth momentum to increase its tonnages compared with first-half 2023. Delivery delays at certain airframe manufacturers are weighing somewhat on the OE market in the short term, but are unlikely to jeopardize the segment's solid results.

Lastly, Polymer Composite Solutions sales slowed in the first half of 2024. As in the mining tire business, market fundamentals remain favorable over the long term, but these activities are currently facing a number of headwinds:

- a generally sluggish business environment, with a decline in manufacturing output in Europe and a temporary slowdown in capital spending in mining infrastructure, which is having a negative impact on conveyor sales;
- unfavorable comparatives, particularly in the conveyor business, which enjoyed record sales in first-half 2023;
- temporary difficulties in certain markets, such as construction in Southern Europe and maritime sector, where absorption of the post-Covid growth bubble is dampening sales in the marine segment.

1.2.2 Changes in exchange rates for the main operating currencies

At current exchange rates, consolidated sales contracted by 4.2% in the first half of 2024.

This reported decline includes the 1.2% (€166 million) negative impact of the decrease against the euro in a large number of currencies over the period.

Average exchange rate	First-half 2024	First-half 2023	Change
Euro/USD	1.082	1.081	+0.1%
Euro/CNY	7.805	7.484	+4.3%
Euro/BRL	5.487	5.485	0.0%
Euro/GBP	0.855	0.877	-2.5%
Euro/CAD	1.469	1.458	+0.8%
Euro/AUD	1.642	1.598	+2.7%
Euro/JPY	164.226	145.454	+12.9%
Euro/THB	39.108	36.940	+5.9%
Euro/MXN	18.483	19.662	-6.0%
Euro/CLP	1015.890	871.903	+16.5%

First-half 2024 sales by currency were as follows:

Currency	%	Currency	%
USD	39.7%	AUD	2.8%
EUR	31.6%	JPY	1.1%
CNY	5.8%	THB	1.0%
BRL	3.8%	MXN	1.0%
GBP	3.1%	CLP	1.0%
CAD	2.9%	Other	6.2%
TOTAL			**100%**

1.2.3 Sales by region

(in € millions)	First-half 2024	First-half 2023	First-half 2024/2023
GROUP	**13,481**	**14,079**	**-4.2%**
Europe	4,786	4,901	-2.4%
of which France	*1,227*	*1,220*	*+0.6%*
North America (incl. Mexico)	5,239	5,413	-3.2%
Other regions	3,457	3,765	-8.2%

(in € millions)	First-half 2024	% of total	First-half 2023	% of total
GROUP	**13,481**		**14,079**	
Europe	4,786	35.5%	4,901	34.8%
of which France	*1,227*	*9.1%*	*1,220*	*8.7%*
North America (incl. Mexico)	5,239	38.9%	5,413	38.4%
Other regions	3,457	25.6%	3,765	26.7%

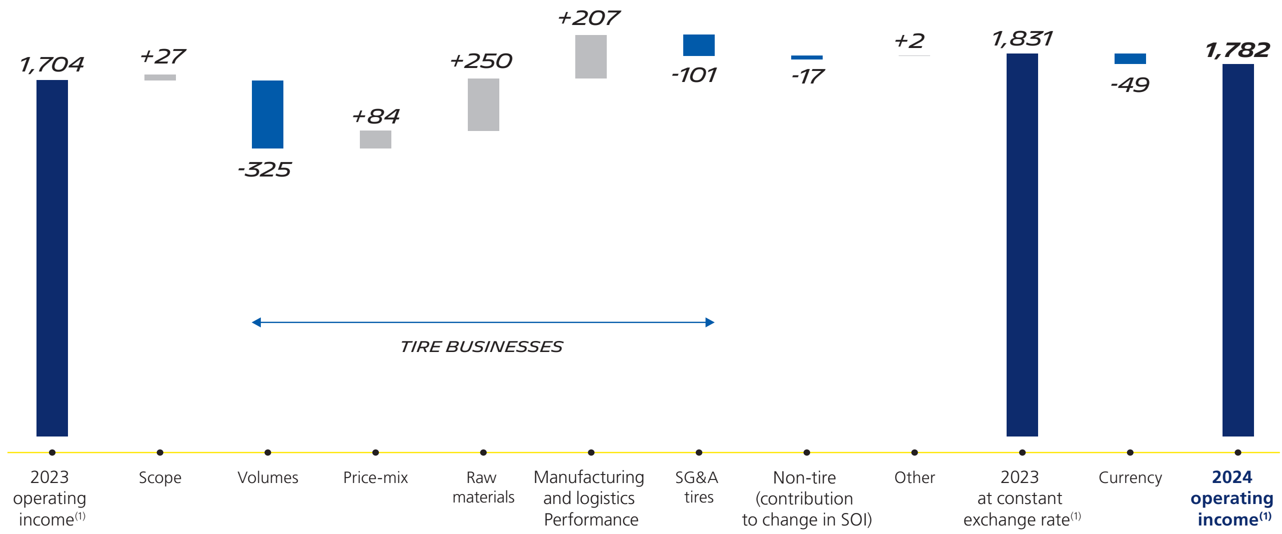
Around 65% of consolidated sales were generated outside Europe and more than 90% outside France.

1.3 Consolidated income statement review

(in € millions, except per share data)	First-half 2024	First-half 2023	First-half 2024/2023	First-half 2024 (as a % of sales)	First-half 2023 (as a % of sales)
Sales	**13,481**	14,079	**-4.2%**		
Cost of sales	(9,444)	(10,209)	-7.5%	70.1%	72.5%
GROSS INCOME	**4,037**	3,870	**+4.3%**	**29.9%**	27.5%
Sales and marketing expenses	(594)	(557)	+6.6%	4.4%	4.0%
Research and development expenses	(385)	(367)	+4.9%	2.9%	2.6%
General and administrative expenses	(1,244)	(1,238)	+0.5%	9.2%	8.8%
Segment other income and expenses	(32)	(4)	+700.0%	0.2%	0.0%
SEGMENT OPERATING INCOME	**1,782**	1,704	**+4.6%**	**13.2%**	12.1%
Other operating income and expenses	(211)	(90)	**+134.4%**	1.6%	0.6%
OPERATING INCOME	**1,571**	1,614	**-2.7%**	**11.7%**	11.5%
Cost of net debt	(10)	(100)	-90.0%	0.1%	0.7%
Other financial income and expenses	4	(8)	-150.0%	0.0%	0.1%
Net interest on employee benefit obligations	(44)	(47)	-6.4%	0.3%	0.3%
Share of profit/(loss) from equity-accounted companies	(33)	83	-139.8%	0.2%	0.6%
INCOME BEFORE TAXES	**1,488**	1,542	**-3.5%**	**11.0%**	11.0%
Income tax	(325)	(322)	+0.9%	2.4%	2.3%
NET INCOME	**1,163**	1,220	**-4.7%**	**8.6%**	8.7%
• Attributable to the shareholders of the Company	1,157	1,218	-5.0%	8.6%	8.7%
• Attributable to the non-controlling interests	6	2	+200.0%		
EARNINGS PER SHARE *(in €)*					
• Basic	1.62	1.70	-4.9%		
• Diluted	1.60	1.69	-5.1%		

1.3.1 Analysis of segment operating income

(in € millions)



(1) Segment operating income.

Segment operating income amounted to €1,782 million or 13.2% of sales, versus €1,704 million and 12.1% in first-half 2023.

The €78 million improvement reflected the net impact of the following factors:

- a €27 million increase from changes in the scope of consolidation, primarily in the non-tire businesses, most notably the acquisition of Flex Composite Group in late September 2023;
- a €325 million decrease reflecting:
  - the decline in volumes sold,
  - the fixed cost shortfall resulting from the decline in output and the general under-utilization of production capacity;
- an €84 million increase from the positive price-mix effect, comprising:
  - an unfavorable impact from prices, which were adjusted downwards in application of contractual indexation clauses following the prior-period decline in the related price indexes,
  - a favorable mix effect, led by the growth in sales of 18-inch and larger Passenger car tires and by the Group's strategy of selectively focusing on the most value-accretive segments;
- a €250 million increase stemming from the decline in the cost of raw materials used in production in late 2023 and early 2024;
- a €207 million increase from the reduction in manufacturing and logistics costs, as lower shipping and energy costs and operating efficiencies offset the impact of inflation on payroll;
- a €101 million decrease from the year-on-year growth in SG&A expenses (including research and development outlays) in the Tire operations, reflecting the impact of inflation, particularly on payroll costs;
- an aggregate €15 million decrease from other unfavorable factors, including a slight decline in non-tire segment operating income, in line with sales trends;
- a €49 million decrease from unfavorable exchange rate movements, reflecting the impact of the decline in the Turkish lira and other currencies against the euro.

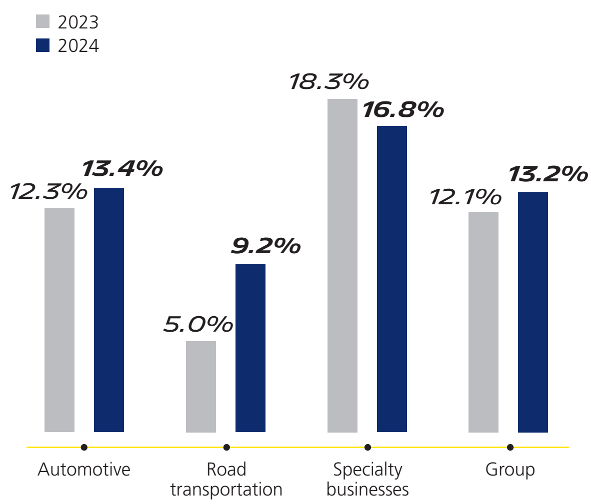
1.3.2 Segment operating income by reporting segment

Segment information is presented according to the following three operating segments:

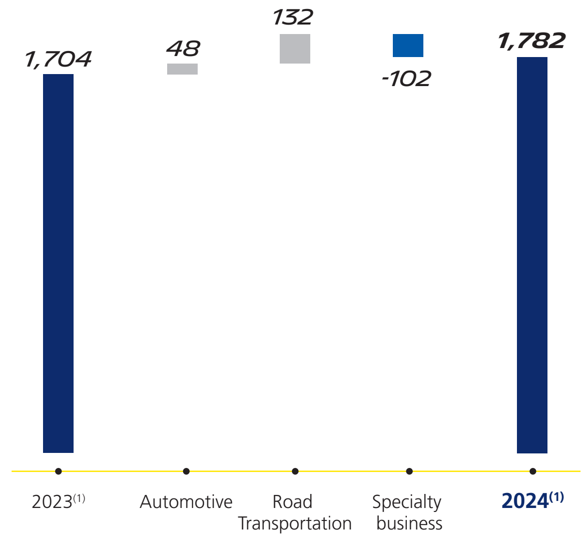
- Automotive and related distribution;
- Road transportation and related distribution;
- Specialty businesses and related distribution.

The Specialty businesses include the Mining, Beyond-road, Two-wheel and Aircraft tire activities as well as the Polymer Composite Solutions activities. The Services & 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)



(1) Segment operating income.

1.3.2 a) Automotive and related distribution – Analysis of segment operating income

Automotive and related distribution *(in € millions)*	First-half 2024	First-half 2023	First-half 2024/2023	First-half 2024 (% of consolidated total)	First-half 2023 (% of consolidated total)
Sales	6,847	7,024	-2.5%	51%	50%
Change in volumes	-1.9%				
Segment operating income	914	866	+5.6%	51%	51%
Segment operating margin	13.4%	12.3%	+1.1 pts		

Automotive segment operating income amounted to €914 million or 13.4% of sales, versus €866 million and 12.3% in first-half 2023.

Despite the 1.9% decline in volumes and the negative price effect stemming from downward adjustments in application of contractual indexation clauses in the OE market, segment operating income rose by a robust 5.6% over the first half of 2024. It was lifted by the highly positive product mix, thanks to the steady increase in sales of 18-inch and larger tires, and by the favorable impact of raw material costs over the first six months of the year.

Distribution's contribution to both the segment's sales and operating margin slightly improved over the period.

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

1.3.2 b) Road transportation and related distribution – Analysis of segment operating income

Road transportation and related distribution *(in € millions)*	First-half 2024	First-half 2023	First-half 2024/2023	First-half 2024 (% of consolidated total)	First-half 2023 (% of consolidated total)
Sales	3,263	3,397	-3.9%	24%	24%
Change in volumes	-4.7%				
Segment operating income	300	168	+78.3%	17%	10%
Segment operating margin	9.2%	5.0%	+4.2 pts		

Road transportation segment operating income totaled €300 million or 9.2% of sales, versus €168 million and 5.0% in first-half 2023.

Volumes sold declined by 4.7%, reflecting the cyclical slowdown in the OE Truck tire markets and the segment's selective marketing strategy.

On the other hand, the price-mix improved over the period. Despite the unfavorable impact of contractual indexation clauses, the OE business successfully maintained a positive price effect by leveraging its technological expertise and strengthening its development partnerships. The mix also saw an enhancement, led both by the market mix, with an increase in the percentage of Replacement sales in the total since the second quarter, and the geographic mix, supported by growth in North America.

The connected solutions activities (Michelin Connected Fleets) also reaped the benefits of a value-driven strategy, as streamlining the business portfolio and improving operating efficiency fed through to a significant increase in operating income.

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

1.3.2 c) Specialty businesses and related distribution – Analysis of segment operating income

Specialty businesses and related distribution *(in € millions)*	First-half 2024	First-half 2023	First-half 2024/2023	First-half 2024 (% of consolidated total)	First-half 2023 (% of consolidated total)
Sales	3,371	3,658	-7.9%	25%	26%
Change in volumes	-7.2%				
Segment operating income	568	670	-15.3%	32%	39%
Segment operating margin	16.8%	18.3%	-1.5 pts		

Segment operating income from the Specialty businesses amounted to €568 million or 16.8% of sales, versus €670 million and 18.3% in first-half 2023.

Volumes for the tire businesses contracted rather sharply over the first half of 2024, hampered by destocking in the mining industry, depressed OE off-road tire markets and difficulties in serving certain customers in Eastern Europe. The price effect was also negative, under the impact of indexation clauses in both the Mining and Beyond-road segments. On the other hand, the mix was favorable, supported by the priority focus on the most value-accretive products, and more generally, the economic equation was positive.

The overall operating income of the Polymer Composite Solutions activities was down slightly year-on-year, mainly due to unfavorable comparatives, which were driven by record conveyor sales in first-half 2023. First-half 2024 sales were dampened by the slowdown in capital spending on certain mining infrastructure projects and by one-off difficulties impacting a number of major customers. These adverse factors were partially offset by growth in sales of on-site services. The engineered films and fabrics business also had to contend with a few cyclical slowdowns (key markets trending downwards over the period, supercar model changeovers, etc.), but the medium-term outlook remains favorable.

The Aircraft segment, thanks to its strong volumes, and the Two-wheels segment, especially through mix, achieved solid results over the period.

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

1.3.3 Other income statement items

1.3.3 a) Raw materials

The cost of **raw materials** used in production, which is recognized in the income statement under cost of sales, has been estimated at €2.8 billion in first-half 2024, versus €3.2 billion in the year-earlier period.

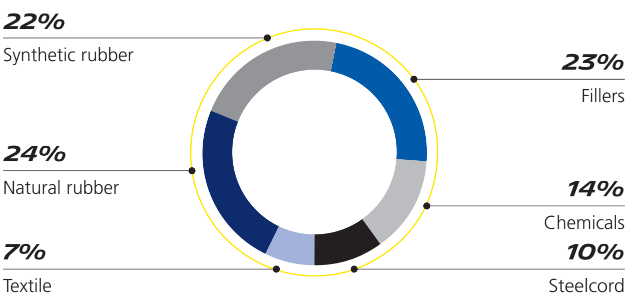
It is calculated on the basis of:

- the price and mix of raw materials purchases;
- changes in sales and production volumes;
- 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.

A little more than half of the €420 million year-on-year reduction in raw material costs was attributable to the price-mix effect and a little less than half to the decline in volumes.

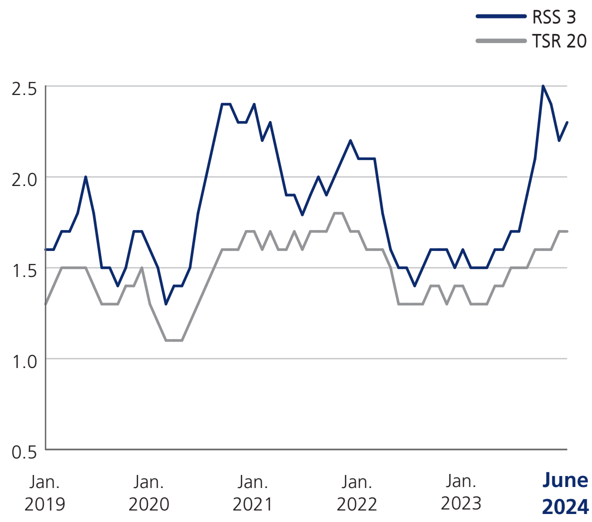
Changes in natural rubber and butadiene prices feed through to the income statement around three to six months later.

RAW MATERIALS RECOGNIZED IN FIRST-HALF 2024 COST OF SALES (€2.8 BILLION)

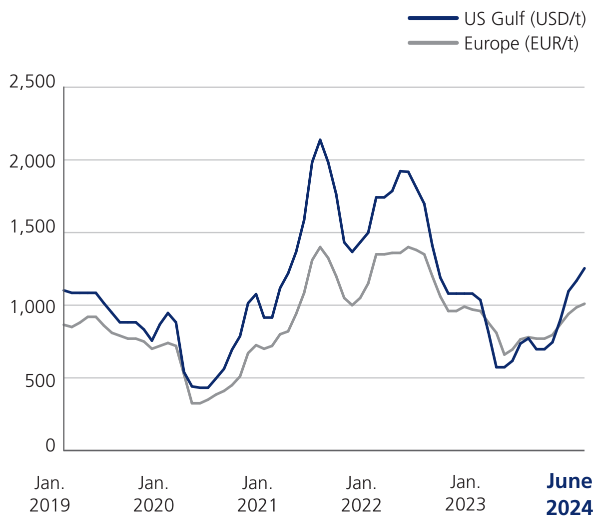


NATURAL RUBBER PRICES (SICOM)

(USD/kg)



BUTADIENE PRICES



1.3.3 b) Employee benefit costs and number of employees

At €3,890 million, **employee benefit costs** represented 28.9% of sales in first-half 2024, up €223 million from the year-earlier period. The increase reflected the wider scope of consolidation following the acquisition of Flex Composite Group in September 2023, as well as the Group's responsive compensation policies, which have been regularly adjusted to keep up with inflation.

The same changes in scope were the primary source of the limited year-on-year growth in the workforce.

In first-half 2024, €3,879 million was recognized in segment operating income, and €11 million was recognized in other operating income and expenses.

(in € millions and number of people, employee data rounded to the nearest hundred)	First-half 2024	First-half 2023	Change
Total employee benefit costs	3,890	3,667	+6.1%
As a % of sales	28.9%	26.0%	+2.9 pts
Employees on payroll at June 30	132,300	132,300	0.0%
Number of full-time equivalent employees at June 30	125,600	124,900	+0.6%
Average number of full-time equivalent employees	125,400	125,000	+0.3%

1.3.3 c) Depreciation and amortization

(in € millions)	First-half 2024	First-half 2023	Change
Total depreciation and amortization	1,016	979	+3.8%
As a % of sales	7.5%	7.0%	+0.5 pts

Depreciation and amortization charges rose by €37 million year-on-year to €1,016 million in first-half 2024. This modest growth tracked the pace of capital expenditure outlays, which were in line with forecasts for the period.

Of the total charges for the period, €974 million was recognized in segment operating income and €42 million in other operating income and expenses.

1.3.3 d) Transportation costs

(in € millions)	First-half 2024	First-half 2023	Change
Transportation costs	688	798	-13.8%
As a % of sales	5.1%	5.7%	-0.6 pts

Transportation costs came to €688 million or 5.1% of interim sales, representing a year-on-year decrease of €110 million or 0.6 points as a percentage of sales. The reduction was led by the Group's operating performance, in a context marked by numerous disturbances such as the Red Sea crisis, as well as by the decrease in maritime shipping and other freight costs and the decline in volumes sold.

1.3.3 e) Sales and marketing expenses

Sales and marketing expenses amounted to €594 million, or 4.4% of sales, compared with €557 million and 4.0% of sales in first-half 2023. The slight increase, marking a return to first-half 2022 levels, stemmed from the impact of inflation on these expenses, even as selling prices remained relatively stable year-on-year.

1.3.3 f) Research and development expenses

(in € millions)	First-half 2024	First-half 2023	Change
Research and development expenses	385	367	+4.9%
As a % of sales	2.9%	2.6%	+0.3 pts

Research and development expenses rose by €18 million year-on-year to €385 million, attesting to the Group's commitment to widening its technological lead in Polymer Composite Solutions, building in particular on the fundamental research that feeds into all of its businesses. Programs dedicated to sustainable materials are also helping to strengthen the Group's differentiation.

1.3.3 g) General and administrative expenses

General and administrative expenses amounted to €1,244 million in first-half 2024, relatively unchanged (up €6 million) year-on-year. As a percentage of sales, they rose by 0.4 points, to 9.2%, due to the slight decline in sales.

1.3.3 h) Segment other income and expenses

Segment other income and expenses represented a net expense of €32 million for the period, versus a net expense of €4 million a year earlier.

1.3.3 i) 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.

In first-half 2024, they represented a net expense of €211 million, primarily due to business restructuring provisions and impairments. These included (i) an adjustment to provisions recognized in second-half 2023 on restructuring projects announced in the United States and Germany; and (ii) new provisions and impairments recognized on restructuring projects in China and Poland, announced in first-half 2024.

Other operating income and expenses are described in more detail in note 4 to the consolidated financial statements.

1.3.3 j) Cost of net debt

(in € millions)	First-half 2024	First-half 2023	Change
Cost of net debt	10	100	-90

At €10 million, the **cost of net debt** was down by €90 million compared with first-half 2023, mainly due to the following factors:

- a significant €84 million reduction in net interest expense to €25 million, reflecting the net impact of:
  - a €57 million decrease in interest expense, with the main part resulting from the decline in interest rates and another part from a favorable currency mix,
  - a €27 million increase in interest income, attributable to the high interest rates on cash investments;
- a €5 million increase in gains on interest rate derivatives;
- an aggregate €1 million decrease from movements in other factors.

1.3.3 k) Other financial income and expenses

(in € millions)	First-half 2024	First-half 2023	Change
Other financial income and expenses	4	(8)	+12

Other financial income and expenses represented a gain of €4 million in first-half 2024, up €12 million year-on-year. The improvement stemmed from the net impact of a decline in net exchange losses, primarily on unhedged currencies, and an increase in net income from financial assets, lifted by higher interest rates.

1.3.3 l) Income tax

(in € millions)	First-half 2024	First-half 2023	Change
Income before taxes	1,488	1,542	-54
Income tax	**(325)**	**(322)**	**-3**
Current tax	(314)	(359)	+45
Withholding tax	(34)	(5)	-29
Deferred tax	23	42	-19

Income tax rose by €3 million year-on-year to €325 million in the first half of 2024, corresponding to an effective tax rate of 21.8%, compared with 20.9% a year earlier. The slight increase was mainly due to the non-recognition of deferred tax assets over the period. Details may be found in note 6 to the consolidated financial statements.

1.3.3 m) Consolidated net income and earnings per share

(in € millions)	First-half 2024	First-half 2023	Change
Net income	1,163	1,220	-57
As a % of sales	8.6%	8.7%	-0.1 pts
• Attributable to the shareholders of the Company	1,157	1,218	-61
• Attributable to the non-controlling interests	6	2	+4
Earnings per share (in €)			
• Basic	1.62	1.70	-0.08
• Diluted	1.60	1.69	-0.09

Net income came to €1,163 million, or 8.6% of sales, compared with €1,220 million and 8.7% of sales in first-half 2023.

The €57 million decline reflected the following factors:

- favorable factors:
  - the €78 million increase in segment operating income,
  - the €90 million reduction in the cost of net debt;
- unfavorable factors:
  - the €121 million increase in other operating expenses unallocated to the operating segments, corresponding primarily to restructuring provisions and impairment,
  - the €116 million decline in profit from equity-accounted companies, impacted by the unfavorable comparison with first-half 2023, when this item was boosted by the disposal of the TBC joint venture's retail operations.

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

(in € millions)	June 30, 2024	December 31, 2023	Total change	Translation adjustments	Movement
Goodwill	3,013	2,982	+31	+28	+3
Intangible assets	1,776	1,794	-18	+17	-35
Property, plant and equipment	12,230	12,260	-30	+97	-127
Right-of-use assets	1,063	1,082	-19	+16	-35
Non-current financial assets and other non-current assets	1,531	1,605	-74	+26	-100
Investments in equity-accounted companies	903	871	+32	+19	+13
Deferred tax assets	906	932	-26	+6	-32
Non-current assets	**21,422**	**21,526**	**-104**	**+209**	**-313**
Inventories[1]	5,851	5,447	+404	+51	+353
Trade receivables	4,001	3,850	+151	+31	+120
Current financial assets	495	512	-17	+3	-20
Other current assets	1,518	1,345	+173	-4	+177
Cash and cash equivalents	3,082	2,515	+567	-5	+572
Current assets	**14,947**	**13,669**	**+1,278**	**+76**	**+1,202**
TOTAL ASSETS	**36,369**	**35,195**	**+1,174**	**+285**	**+889**

Equity and liabilities

(in € millions)	June 30, 2024	December 31, 2023	Total change	Translation adjustments	Movement
Share capital	357	357	0		0
Share premiums	2,702	2,702	0		0
Reserves	14,787	14,896	-109	+114	-223
Non-controlling interests	10	3	+7	0	+7
Total equity	**17,856**	**17,958**	**-102**	**+114**	**-216**
Non-current financial liabilities	5,661	4,672	+989	0	+989
Non-current lease liabilities	715	738	-23	+10	-33
Provisions for employee benefit obligations	2,648	2,726	-78	+22	-100
Provisions and other non-current liabilities	811	860	-49	+5	-54
Deferred tax liabilities	482	497	-15	+11	-26
Non-current liabilities	**10,317**	**9,493**	**+824**	**+48**	**+776**
Current financial liabilities	1,130	591	+539	+70	+469
Current lease liabilities	239	241	-2	+3	-5
Trade payables	2,812	3,075	-263	+19	-282
Trade payables under reverse factoring agreements	681	530	+151	+12	+139
Provisions and other current liabilities[1]	3,334	3,307	+27	+19	+8
Current liabilities	**8,196**	**7,744**	**+452**	**+123**	**+329**
TOTAL EQUITY AND LIABILITIES	**36,369**	**35,195**	**+1,174**	**+285**	**+889**

1.4.1 Goodwill

At €3,013 million, **goodwill** at June 30, 2024 was relatively unchanged from December 31, 2023, with the lack of any material acquisitions during the first half of 2024 holding the increase to just €3 million before translation adjustments.

1.4.2 Intangible assets

Intangible assets stood at €1,776 million, a €35 million decrease from December 31, 2023 before translation adjustments. The stability reflected the fact that additions to intangible assets were more or less in line with amortization charges for the year, particularly for software.

1.4.3 Property, plant and equipment

Property, plant and equipment amounted to €12,230 million at June 30, 2024, down €127 million before translation adjustments. Capital expenditure remained stable overall, but depreciation, amortization and net impairment charges increased somewhat, primarily due to the projects of reorganization and adaptation of Group operations in China and Poland announced during the period.

1.4.4 Right-of-use assets

Right-of-use assets, which are recognized separately from property, plant and equipment, came to €1,063 million at June 30, 2024, down €35 million before translation adjustments, primarily because depreciation on prior-year leases slightly exceeded new leases over the period.

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

Non-current financial assets and other non-current assets stood at €1,531 million at period-end, a €100 million decrease before translation adjustments that stemmed mainly from the net decline in other loans following the reclassification in current financial assets of the €92 million balance of a shareholder loan to TBC.

1.4.6 Investments in equity-accounted companies

At €903 million, **investments in equity-accounted companies** were relatively unchanged over the period, with just a €13 million increase before translation adjustments.

1.4.7 Deferred tax

At June 30, 2024, the Group held a **net deferred tax asset** of €424 million, representing a decrease of €6 million before translation adjustments compared with December 31, 2023. The slight decline mainly resulted from the recognition of timing differences.

1.4.8 Trade working capital

(in € millions)	June 30, 2024	June 30, 2023	Change	2024 (as a % of sales, moving 12 months)	2023 (as a % of sales, moving 12 months)
Inventories	5,851	6,093	-242	21.1%	20.7%
Trade receivables	4,001	4,184	-183	14.4%	14.2%
Trade payables	(2,812)	(2,829)	+17	-10.1%	-9.6%
Trade payables under reverse factoring agreements	(681)	(478)	-203	-2.5%	-1.6%
TRADE WORKING CAPITAL	**6,359**	**6,970**	**-611**	**22.9%**	**23.7%**

Trade working capital decreased by €611 million, thanks to an across-the-board improvement in inventories, trade receivables and trade payables (in the broadest sense).

Inventories ended the period at €5,851 million or 21.1% of sales, down €242 million year-on-year. The decrease was mainly attributable to:

- efficient inventory management, which reduced volumes from June 2023 levels, particularly for raw materials and semi-finished products;
- lower average raw material costs over the trailing twelve months, which fed through to a favorable price effect across every inventory class.

Trade receivables declined by €183 million year-on-year to €4,001 million or 14.4% of sales. The decline was primarily due to the decrease in volumes sold over the year and, to a lesser extent, the disposal of certain receivables following the introduction of off-balance sheet factoring programs.

Trade payables, including those covered by **reverse factoring contracts**, declined by €186 million year-on-year to €3,493 million, representing 12.6% of sales. The reduction reflected the decline in output over the period.

1.4.9 Cash and cash equivalents

Cash and cash equivalents stood at €3,082 million at June 30, 2024, a €572 million increase from December 31, 2023 (before translation adjustments) that was due to the net impact of the following factors:

- increases from:
  - the proceeds from the May 16, 2024 €1 billion bond issue,
  - the highly favorable €659 million in free cash flow;
- decreases from:
  - the payment of €965 million in dividends and other distributions,
  - the outlay of €186 million as part of the share buyback program.

1.4.10 Total equity

At €17,856 million, **total equity** before translation adjustments was €216 million lower than at December 31, 2023.

This was primarily due to the following factors:

- €1,231 million in comprehensive income before translation adjustments for the period, which may be analyzed as follows:
  - €1,163 million in net income,
  - the €122 million favorable impact from post-employment benefit obligations,
  - a €29 million favorable tax impact relating to those obligations,
  - a negative €25 million in other unfavorable items;
- the €965 million impact from dividends and other payments;
- the €186 million in proceeds during the period as part of the €502 million share buyback program;
- the €18 million favorable impact from service costs on performance share plans.

At June 30, 2024, the **share capital** of Compagnie Générale des Établissements Michelin stood at €357,479,113, comprising 714,958,226 shares outstanding, corresponding to 991,176,638 voting rights.

1.4.11 Net debt

Net debt stood at €4,260 million at June 30, 2024, down €365 million from June 30, 2023, mainly as a result of the following factors:

- the positive €659 million in free cash flow;
- the payment of €965 million in dividends and other distributions;
- the €502 million share buyback program, out of which €186 million have already been realized;
- the recognition of €103 million in new leases;
- a €23 million increase arising on changes in the scope of consolidation;
- a €25 million increase from translation adjustments.

CHANGES IN NET DEBT

(in € millions)	First-half 2024	First-half 2023
At January 1	**3,281**	**4,320**
Free cash flow[1] before M&A and financing of joint ventures and associates	-623	-741
Investments in new ventures	+10	+152
Net financing of joint ventures and associates	-46	-181
Free cash flow[1]	**-659**	**-770**
Distributions and other	+965	+895
Share buyback commitments	+502	0
New leases	+103	+159
Changes in scope of consolidation	+2	+18
Translation adjustments	+90	+30
Other	-24	-26
AT JUNE 30	**+4,260**	**+4,626**
CHANGE	**+979**	**+306**

(1) See definition in section 1.5.3.

1.4.11 a) Gearing

Gearing stood at 23.9% at June 30, 2024, versus 26.6% a year earlier, due to both the decline in net debt and the increase in total equity.

1.4.11 b) Credit ratings

The solicited corporate credit ratings of Compagnie Générale des Établissements Michelin (CGEM), Compagnie Financière Michelin and Compagnie Financière Michelin 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.

1.4.12 Provisions

Provisions and other non-current liabilities declined by €55 million excluding translation adjustments, to €811 million from €860 million at December 31, 2023. The decrease stemmed mainly from the payments out of restructuring provisions set aside in prior years, particularly in France.

1.4.13 Employee benefit obligations

CHANGE IN THE FAIR VALUE OF THE NET DEFINED BENEFIT OBLIGATION

(in € millions)	Pension plans	Other plans	First-half 2024	First-half 2023
At January 1	1,013	1,408	**2,421**	2,330
Contributions paid to the funds	(3)	(2)	(5)	(3)
Benefits paid directly to the beneficiaries	(20)	(30)	(50)	(51)
Other movements	-	-	-	(1)
ITEMS RECOGNIZED IN OPERATING INCOME				
Current service cost	10	29	39	37
Actuarial (gains) or losses recognized on other long-term benefit plans	-	-	-	-
Effect of plan amendments, curtailments or settlements	-	-	-	(12)
Other items	9	-	9	10
ITEMS RECOGNIZED OUTSIDE OPERATING INCOME				
Net interest on employee benefit obligations	16	27	43	47
Other	-	-	-	1
ITEMS RECOGNIZED IN OTHER COMPREHENSIVE INCOME				
Translation adjustments	3	12	15	(23)
Actuarial (gains) or losses	(60)	(64)	(124)	(42)
Unrecognized assets due to the effect of the asset ceiling	2	-	2	(3)
AT JUNE 30	**970**	**1,380**	**2,350**	**2,290**

The net defined benefit obligation recognized at June 30, 2024 stood at €2,350 million, a decrease of €71 million as reported and of €86 million excluding the €15 million in translation adjustments.

The decline reflected the following main factors:

- the total €55 million in contributions and benefits paid in first-half 2024 (first-half 2023: €54 million), of which:
  - €5 million in contributions paid to fund management institutions (first-half 2023: €3 million),
  - €50 million in benefits paid directly to employees (first-half 2023: €51 million);
- €122 million in actuarial gains recognized in equity at June 30, 2024, versus a gain of €45 million a year earlier. These gains comprised:
  - €340 million in actuarial gains on the obligation, mainly resulting from the use of higher discount rates in the United States and the United Kingdom,
  - €216 million in actuarial losses on plan assets, stemming primarily from negative returns in the United Kingdom and North America;
- a €91 million expense recognized in respect of defined benefit plan costs.

In addition, contributions paid by the Group into defined contribution plans totaled €145 million in first-half 2024 (first-half 2023: €126 million).

1.5 Consolidated cash flow statement review

1.5.1 Cash flows from operating activities

(in € millions)	First-half 2024	First-half 2023	Change
Segment EBITDA	**2,756**	**2,643**	**+113**
Change in net inventories	-360	+165	-525
Change in net trade receivables	-177	-84	-93
Change in net trade payables	+168	-304	+472
Change in other receivables and payables	-256	+2	-258
Restructuring cash costs	-64	-106	+42
Tax and interest paid	-337	-449	+112
Other	+13	-28	+41
NET CASH FROM OPERATING ACTIVITIES	**1,743**	**1,839**	**-96**

At €2,756 million, or 20.4% of sales, segment **EBITDA** was up €113 million compared with first-half 2023 (18.8% of sales), lifted by the €78 million year-on-year improvement in segment operating income.

Net cash from operating activities declined by a slight €96 million to €1,743 million. In particular, the growth in segment EBITDA was offset by the €404 million decrease in working capital resulting from the rise in inventories, primarily by volume in line with the usual tire industry cycle, and from the Group bonus, which was paid in first-half 2024 after its targets were met in 2023.

1.5.2 Capital expenditure

(in € millions)	First-half 2024	First-half 2023	First-half 2024/2023	First-half 2024 (as a % of sales)	First-half 2023 (as a % of sales)
Additions to intangible assets and PP&E	**805**	772	+33	**6.0%**	5.5%
Investment grants received and change in capital expenditure payables	327	353	-26	2.4%	2.5%
Proceeds from sales of intangible assets and PP&E	(12)	(33)	+21	-0.1%	-0.2%
NET ADDITIONS TO INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	**1,120**	**1,092**	**+28**	**8.3%**	**7.8%**

Additions to intangible assets and property, plant and equipment amounted to €805 million in first-half 2024, up €33 million year-on-year.

Capital expenditure committed to date has been in line with the Group's 2024 objectives.

"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)	First-half 2024	First-half 2023	Change
Net cash from operating activities	**1,743**	1,839	-96
Routine capital expenditure (maintenance, IT, dealerships, etc.)	(288)	(291)	+3
Competitiveness and growth investments	(441)	(419)	-22
Investments in new ventures	(76)	(62)	-14
Other	(269)	(145)	-124
FREE CASH FLOW BEFORE ACQUISITIONS	**669**	**922**	**-253**
Acquisitions	(10)	(152)	+142
FREE CASH FLOW AFTER ACQUISITIONS	**659**	**770**	**-111**

Free cash flow before acquisitions ended the first half at a positive €669 million, compared with a positive €922 million a year earlier.

It included €805 million in capital expenditure, around two-thirds of which was dedicated to competitiveness and growth investments, including in new ventures.

Given that the Group did not make any material acquisitions during the first half of the year, free cash flow after acquisitions stood at €659 million, largely unchanged year-on-year.

1.6 Outlook for 2024

Outlook

Market projections have been adjusted as follows:

- the Passenger car and Light truck tire and Truck tire markets are expected to remain stable overall for the year, within a range maintained between -2% and +2%;
- the Specialties market growth outlook has been revised downwards, to between -4% and 0% for the year, compared with -2% to +2% previously.

Based on this adjusted scenario, the Group maintains its guidance and expects to deliver full-year segment operating income in excess of €3.5 billion at constant exchange rates and free cash flow before acquisitions of more than €1.5 billion.

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

On July 11, 2024, Moody's upgraded the Group's long-term rating from A3 to A2, with a Stable outlook.

On July 12, 2024, Scope Ratings published Michelin's A/Stable long term issuer rating and S-1 short-term debt rating.

1.7 Related parties

There were no new material related-party transactions during the first half of 2024, nor any material changes in the related-party transactions described in the 2023 Universal Registration Document.

1.8 Risk management

The Michelin Group's main risks have been identified and are described in the 2023 Universal Registration Document, Chapter 2.

1.9 Consolidated key figures and ratios

(in € millions)	First-half 2024	First-half 2023	2023	2022	2021	2020
Sales	**13,481**	**14,079**	28,343	28,590	23,795	20,469
% change	-4.2%	+5.9%	-0.9%	+20.2%	+16.3%	-15.2%
Total employee benefit costs	3,890	3,667	7,401	6,950	6,445	5,996
As a % of sales	28.9%	26.0%	26.1%	24.3%	27.1%	29.3%
Number of full-time equivalent employees at period-end	125,400	125,000	125,000	124,900	118,400	117,500
Research and development expenses	385	367	756	698	682	646
As a % of sales	2.9%	2.6%	2.7%	2.4%	2.9%	3.2%
SEGMENT EBITDA(1)	**2,756**	**2,643**	**5,489**	**5,262**	**4,700**	**3,631**
Segment operating income	1,782	1,704	3,572	3,396	2,966	1,878
Segment operating margin	13.2%	12.1%	12.6%	11.9%	12.5%	9.2%
Operating income	1,571	1,614	2,652	3,021	2,777	1,403
Operating margin	11.7%	11.5%	9.4%	10.6%	11.7%	6.9%
Cost of net debt	10	100	198	239	192	242
Other financial income and expenses	4	-8	2	-22	-4	-14
Income before taxes	1,488	1,542	2,490	2,656	2,471	979
Income tax	325	322	507	647	626	354
Effective tax rate	21.8%	20.9%	20.4%	24.4%	25.3%	36.2%
Net income	1,163	1,220	1,983	2,009	1,845	625
As a % of sales	8.6%	8.7%	7.0%	7.0%	7.8%	3.1%
Dividends	965	895	893	803	410	357
Net cash from operating activities	**1,743**	**1,839**	**5,287**	**1,931**	**2,906**	**3,366**
As a % of sales	12.9%	13.1%	18.7%	6.8%	12.2%	16.4%
Gross purchases of intangible assets and PP&E	805	772	2,236	2,141	1,705	1,221
As a % of sales	6.0%	5.5%	7.9%	7.5%	7.2%	6.0%
Net debt(2)	4,260	4,626	3,281	4,320	2,789	3,531
Total equity	17,856	17,369	17,958	17,116	14,971	12,631
Gearing(2)	24%	27%	18%	25%	19%	28%
Net debt(2)/segment EBITDA(1)	1.55	1.75	0.60	0.82	0.59	0.97
Segment operating income/net interest expense(3)	71.3	15.6	20.8	11.5	13.7	7.9
Free cash flow(4)	659	770	2,343	-180	1,357	2,004
ROE(5)			11.3%	12.5%	13.4%	4.8%
Operating ROCE(6)			11.4%	11.4%	10.3%	6.0%
PER-SHARE DATA* ***(in €)***						
Net asset value per share(7)	25.0	24.3	25.1	24.0	20.9	17.7
Basic earnings per share	1.62	1.70	2.77	2.81	2.58	0.88
Diluted earnings per share	1.60	1.69	2.75	2.79	2.56	3.51
Price-earnings ratio(8)			11.7	9.3	14.0	29.8
Dividend per share			1.35	1.25	1.13	0.58
Payout ratio(9)			49%	44%	44%	65%
Yield(10)			4.2%	4.8%	3.1%	2.2%

(1) As defined in note 3.7.2 to the 2023 consolidated financial statements.
(2) As calculated in section 1.4.11
(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 2019 to 2021 figures have been restated for comparison purposes.
(6) Operating ROCE: based on the method in use since 2021, as explained in section 5.1.6 of the 2023 Universal Registration Document. Full-year 2019 and 2020 ROCE have been remeasured using this method.
(7) Net assets per share: total equity/number of shares outstanding at the end of the period.
(8) Price-earnings ratio: share price at period-end divided by basic earnings per share.
(9) Payout ratio: dividend divided by net income.
(10) Yield: dividend per share divided by the December 31 share price.
** The 2019 to 2021 per-share data have been restated to reflect the four-for-one stock split on June 16, 2022.*

1.10 Share information

1.10.1 The Michelin share

1.10.1 a) 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.

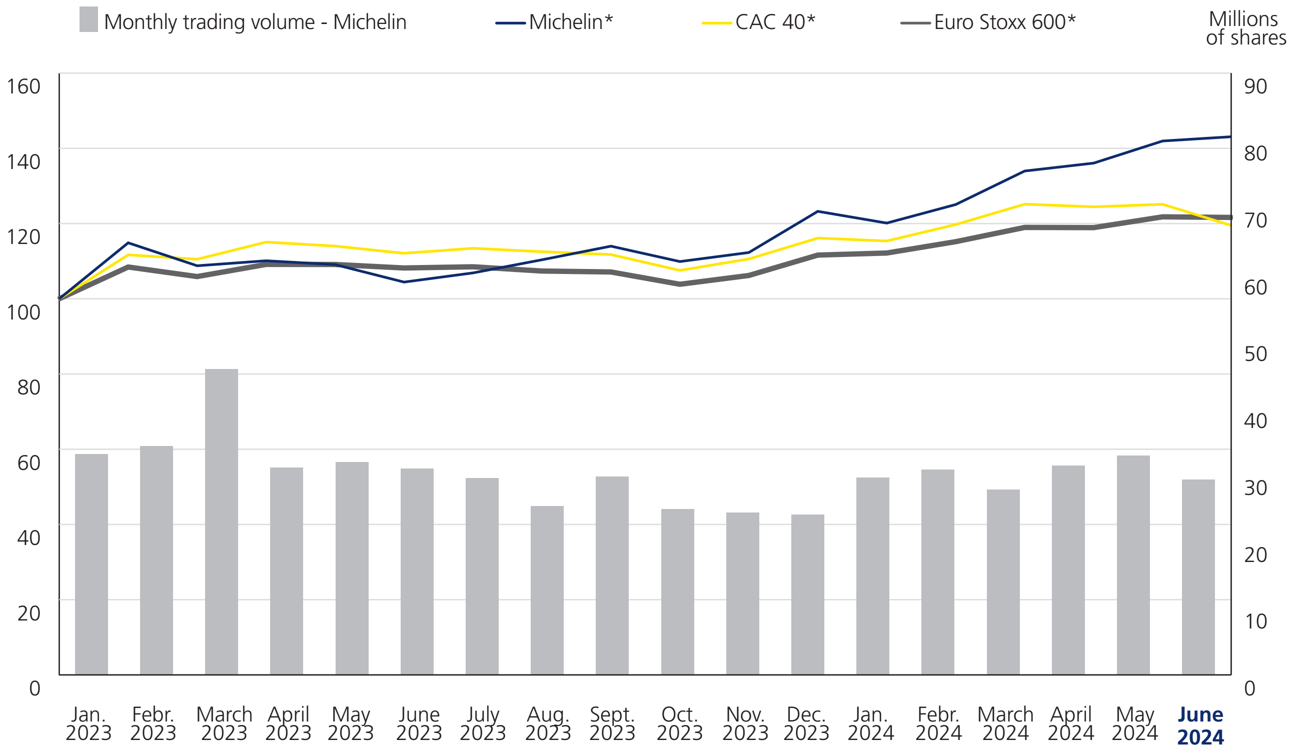
1.10.1 b) Indices

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

- CAC 40: 1.50% of the index at June 30, 2024;
- Stoxx Europe 600.

MICHELIN SHARE PERFORMANCE AND TRADING VOLUMES

According to statistical data collected by Euronext Paris.



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

1.10.2 Detailed share data

According to statistical data collected by Euronext Paris.

Share price (in €)	First-half 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	36.11	32.46	25.99	36.04	144.15	104.95
Average closing price over the period	34.67	28.87	28.53	32.44	129.75	95.49
Change in the Michelin share price over the period	*+10.73%*	+24.92%	-27.89%	+37.35%	+37.35%	-3.80%
Change in the CAC 40 index over the period	*-0.68%*	+16.52%	-9.50%	+28.85%	+28.85%	-7.14%
Change in the Stoxx Europe 600 index over the period	*+6.88%*	+12.73%	-12.90%	+22.25%	+22.25%	-4.04%
Average daily Stoxx Europe 600 index	501.88	457.04	434.40	449.58	449.58	369.26
Market capitalization (at period-end, in € billions)	**25.82**	**23.21**	**18.56**	**25.74**	**25.74**	**18.72**
Average daily trading volume over the period[(2)]	1,442,809	1,419,300	1,844,574	1,743,820	435,955	548,883
Average number of shares outstanding	714,958,226	714,258,055	713,400,033	713,512,772	178,378,193	178,497,159
Volume of shares traded over the period	183,236,695	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.

1.10.3 Per-share data

(in € per share, except ratios)	First-half 2024	2023	2022	2021 (restated)	2021 (reported)	2020
Net asset value per share	25.0	25.1	24.0	20.9	83.9	70.8
Basic earnings per share	1.62	2.77	2.81	2.58	10.31	3.52
Diluted earnings per share[(1)]	1.60	2.75	2.79	2.56	10.24	3.51
PRICE EARNINGS RATIO		**11.7**	**9.3**	**14.0**	**14.0**	**29.8**
Dividend per share		1.35	1.25	1.125	4.50	2.30
Payout ratio		49%	44%	44%	44%	65%
Yield		4.2%	4.8%	3.1%	3.1%	2.2%

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

1.10.4 Capital and ownership structure

At June 30, 2024, Michelin's share capital amounted to €357,479,113.00.

	At June 30, 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	4,396	20.9%	24.4%	4,497	20.4%	24.0%	4,509	22.8%	25.7%
Non-resident institutional investors		66.1%	61.6%		67.0%	61.8%		64.7%	59.7%
Individual shareholders	171,652	10.3%	11.9%	170,391	10.5%	11.9%	156,694	10.3%	12.1%
Employee share ownership plan	69,100	2.0%	2.1%	71,621	2.1%	2.3%	77,557	2.2%	2.5%
Treasury shares(1)		0.7%	0.0%						
TOTAL	**245,148**	**714,958,226 SHARES**	**991,176,638 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) *Company shares purchased under successive shareholder-approved share buyback programs and held in treasury. They will be canceled upon completion of the 2024 structured buyback program.*

(2) *All fully paid up.*

Shares held in the same name for at least four years carry voting rights.

1.11 Highlights

January 16, 2024 [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.

January 19, 2024 [Group] – 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.

January 20-25, 2024 [People] – The Michelin Volunteers program encourages employees to get involved in local community engagement initiatives addressing a broad array of issues, including health, education, emergency relief, safe mobility, the environment, diversity and inclusion. In 2023, 15.7% of Group employees, or 19,700 people, took part in a volunteer program, with a target of 20% set for 2030. Their engagement is helping to support the Group's deeply held social responsibility commitment to acting in the common good.

February 5, 2024 [Planet] – 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.

February 6, 2024 [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.

February 12, 2024 [Group] – Michelin reports a record €3.6 billion in segment operating income and €3.0 billion in free cash flow for 2023. Despite adverse market conditions and exchange rates, Michelin demonstrated the strength of its strategy and the quality of its business model. The Group also improved employee engagement and stepped up progress on sustainable development, while capturing the full value of its differentiated solutions to meet the growing needs of its customers.

February 22, 2024 [Planet] – 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.

March 6, 2024 [Planet] – 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.

March 7, 2024 [Group] – 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.

March 14, 2024 [Group] – A full slate of new members has been elected to the Michelin Shareholders' Committee, whose deliberations actively contribute to enhancing communication with individual and employee shareholders. The new members began their terms on March 14 at a meeting with the former members, which was attended by Yves Chapot, the Group's General Manager and Chief Financial Officer. Half of the Committee's ten members are individual shareholders and the other half employee shareholders.

March 14, 2024 [Tires] – 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.

March 20, 2024 [Planet] – 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.

March 23, 2024 [Tires] – For the 2024 MotoE™ World Championship round in Portimão, Portugal, Michelin presents its new tires, designed 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.

March 26, 2024 [Group] – 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.

March 26, 2024 [Planet] – 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.

April 3, 2024 [Group] – In Clermont-Ferrand, the cornerstone is laid on the new Collaborative Innovation Hub (PIC), one of the four clusters in the Cataroux Park project undertaken by the Group to convert its historic production plant into an arena for innovation and a vector of economic, social and cultural development. The Hub is scheduled to open in late 2025.

April 4, 2024 [Group] – 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. Michelin will leverage the experience gained from previous collaborations with NASA and its expertise in airless technology and polymer composite solutions.

April 8, 2024 [Lifestyle] – The Michelin Guide unveils its first selection of Michelin Key honorees in France, celebrating the talent of hospitality professionals in 189 acclaimed hotels across the country. Carefully curated by the MICHELIN Guide teams, the establishments offer an outstanding experience and will now be bookable on the Guide's digital platforms. This initial selection will be followed by awards in other major tourist destinations.

April 15, 2024 [Group] – 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.

April 18, 2024 [Group] – 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.

First-quarter 2024 [Group] – The Group continues to realign its manufacturing base for truck tires and related semi-finished products, announcing the forthcoming conversion of the plants in Olsztyn, Poland and Shenyang, China to passenger car tire production and the shutdown of metal reinforcement operations at the Shanghai, China facility. Michelin's priority is to support people during these transitions, by consistently applying the principles of respect, transparency and fairness throughout the process.

April 24, 2024 [Group] – First-quarter 2024 consolidated sales down 2.7% at constant exchange rates, on soft volumes as expected. Strong mix development reflecting Group performance in the most value-accretive segments. 2024 full-year guidance unchanged.

May 14, 2024 [Group] – Michelin reaffirms its innovative brand DNA with the new "On the road and beyond!" 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.

May 17 2024 [Group] – Nearly 920 people attend the Annual Meeting of Michelin shareholders, held in Clermont-Ferrand, France under the chairmanship of Florent Menegaux, Managing Chairman.

May 22, 2024 [Planet] – 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.

May 23, 2024 [Lifestyle] – Michelin launches its brand new ViaMichelin 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.

May 28, 2024 [Group] – At the 2024 Michelin Capital Markets Day event held in Clermont-Ferrand, the Group further demonstrates the validity of its Michelin in Motion 2030 strategy and reaffirms its commitment to building a world-leading manufacturer of life-changing composites and experiences.

May 30, 2024 [Group] – 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).

May 31, 2024 [Group] – To commemorate the 80th anniversary of D-Day, Michelin partners with the Best Defense Foundation and Delta Air Lines to arrange for 60 World War II veterans from the Battle of Normandy to return to France for the ceremonies. In addition, Michelin Éditions printed a reproduction of the 1939 MICHELIN Guide given to the commanding officers of the landing units, whose maps played an invaluable role in helping the Allies find their bearings throughout the historical operation.

June 2, 2024 [Group] – Exclusive MotoGP™ tire suppler 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.

April 17/June 3, 2024 [Group] – 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.

June 3, 2024 [Group] – The Michelin Man becomes our enthusiastic influencer on TikTok, sharing inspiring, unexpected innovation content for Gen Z and beyond.

June 5, 2024 [Planet] – 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.

June 13, 2024 [Group] – Michelin, Danone, US start-up DMC Biotechnologies and Crédit Agricole join forces to create Biotech Open Platform, a leading-edge 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.

June 14, 2024 [Lifestyle] – Following a first selection of restaurants for the MICHELIN Guide Mexico, Michelin debuts its first selection of restaurants in Lithuania, completing the Baltic trilogy.

June 16, 2024 [Group] – 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.

June 16, 2024 [Planet] – 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.

June 17, 2024 [Group] – Michelin announces the start-up of the COSMOS machine at its Troyes plant, which currently accounts for 40% of the Group's worldwide agricultural tire production capacity. The innovative new unit will significantly improve workstation ergonomics, as well as the plant's financial and environmental performance.

June 18, 2024 [Group] – 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.

July 4, 2024 [Lifestyle] – After the announcements for France, the United States and Spain, Michelin unveils its first selection of hotels awarded MICHELIN Keys in Japan. Hotels now enjoy their own distinction, much like the outstanding restaurants honored with a MICHELIN Star. The MICHELIN Guide is committed to becoming the leading independent global booking platform for outstanding restaurants and hotels.

July 10, 2024 [Group] – The new European R117-04 regulation, in force since July 1, 2024, has improved safety standards with the introduction of performance tests on worn car tires. Michelin supports these stricter rules 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 prevent 35 million tons of CO_2 emissions.

July 11-12, 2024 [Group] – 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.

2 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Condensed interim consolidated financial statements – Six months ended June 30, 2024

Consolidated income statement

(in € millions, except per-share data)	Note	First-half 2024	First-half 2023
Sales	3	13,481	14,079
Cost of sales		(9,444)	(10,209)
Gross income		**4,037**	**3,870**
Sales and marketing expenses		(594)	(557)
Research and development expenses		(385)	(367)
General and administrative expenses		(1,244)	(1,238)
Segment other income and expenses		(32)	(4)
Segment operating income	**3**	**1,782**	**1,704**
Other operating income and expenses	4	(211)	(90)
Operating income		**1,571**	**1,614**
Cost of net debt	5	(10)	(100)
Other financial income and expenses	5	4	(8)
Net interest on employee benefit obligations	15	(44)	(47)
Share of profit/(loss) from equity-accounted companies	9	(33)	83
Income before taxes		**1,488**	**1,542**
Income tax	6	(325)	(322)
NET INCOME		**1,163**	**1,220**
• Attributable to the shareholders of the Company		1,157	1,218
• Attributable to the non-controlling interests		6	2
EARNINGS PER SHARE (IN €)	7		
• Basic		**1.62**	1.70
• Diluted		**1.60**	1.69

Notes 1 to 19 are an integral part of the condensed interim consolidated financial statements.

Consolidated statement of comprehensive income

(in € millions)	Note	First-half 2024	First-half 2023
Net income		**1,163**	**1,220**
Post-employment benefits	15	122	45
Tax effect – post-employment benefits		(29)	(11)
Equity instruments at fair value through OCI – Changes in fair value		(6)	4
Tax effect – Equity instruments at fair value through OCI		2	(4)
Other comprehensive income that will not be reclassified to the income statement		***89***	**34**
Cash flow hedges – changes in fair value		(7)	4
Currency translation differences		114	(124)
Other		(14)	8
Other comprehensive income/(loss) that may be reclassified to the income statement		***93***	**(112)**
OTHER COMPREHENSIVE INCOME/(LOSS)		**182**	**(78)**
TOTAL COMPREHENSIVE INCOME		**1,345**	**1,142**
• Attributable to the shareholders of the Company		1,339	1,140
• Attributable to the non-controlling interests		6	2

Notes 1 to 19 are an integral part of the condensed interim consolidated financial statements.

Consolidated statement of financial position

(in € millions)	Note	June 30, 2024	December 31, 2023
Goodwill	8	3,013	2,982
Intangible assets		1,776	1,794
Property, plant and equipment (PP&E)		12,230	12,260
Right-of-use assets		1,063	1,082
Non-current financial assets and other non-current assets		1,531	1,605
Investments in equity-accounted companies	9	903	871
Deferred tax assets		906	932
Non-current assets		**21,422**	**21,526**
Inventories	10	5,851	5,447
Trade receivables	11	4,001	3,850
Current financial assets		495	512
Other current assets		1,518	1,345
Cash and cash equivalents	12	3,082	2,515
Current assets		**14,947**	**13,669**
TOTAL ASSETS		**36,369**	**35,195**
Share capital	13	357	357
Share premiums	13	2,702	2,702
Reserves	14	14,787	14,896
Non-controlling interests		10	3
Total equity		**17,856**	**17,958**
Non-current financial liabilities	12	5,661	4,672
Non-current lease liabilities		715	738
Provisions for employee benefit obligations	15	2,648	2,726
Provisions and other non-current liabilities	16	811	860
Deferred tax liabilities		482	497
Non-current liabilities		**10,317**	**9,493**
Current financial liabilities	12	1,130	591
Current lease liabilities		239	241
Trade payables		2,812	3,075
Trade payables under reverse factoring agreements		681	530
Provisions and other current liabilities		3,334	3,307
Current liabilities		**8,196**	**7,744**
TOTAL EQUITY AND LIABILITIES		**36,369**	**35,195**

Notes 1 to 19 are an integral part of the condensed interim consolidated financial statements.

Consolidated statement of changes in equity

(in € millions)	Share capital (note 13)	Share premiums (note 13)	Reserves (note 14)	Non-controlling interests	Total equity
At January 1, 2023	**357**	**2,702**	**14,051**	**6**	**17,116**
Net income/(loss)	-	-	1,218	2	1,220
Other comprehensive income/(loss)	-	-	(78)	-	(78)
Total comprehensive income/(loss)	**-**	**-**	**1,140**	**2**	**1,142**
Issuance of shares	-	-	-	-	-
Share buybacks	-	-	-	-	-
Cancellation of shares	-	-	-	-	-
Dividends and other appropriations	-	-	(894)	(1)	(895)
Share-based payments – current service cost	-	-	6	-	6
Other	-	-	-	-	-
At June 30, 2023	**357**	**2,702**	**14,303**	**7**	**17,369**
Net income/(loss)	-	-	765	(2)	763
Other comprehensive income/(loss)	-	-	(197)	-	(197)
Total comprehensive income/(loss)	**-**	**-**	**568**	**(2)**	**566**
Issuance of shares	-	-	-	-	**-**
Share buybacks	-	-	-	-	**-**
Cancellation of shares	-	-	-	-	**-**
Dividends and other appropriations	-	-	-	(1)	(1)
Share-based payments – current service cost	-	-	24	-	24
Other	-	-	1	(1)	-
At December 31, 2023	**357**	**2,702**	**14,896**	**3**	**17,958**
Net income/(loss)	-	-	1,157	6	1,163
Other comprehensive income/(loss)	-	-	182	-	182
Total comprehensive income/(loss)	**-**	**-**	**1,339**	**6**	**1,345**
Issuance of shares	-	-	-	-	-
Share buybacks	-	-	(502)	-	(502)
Cancellation of shares	-	-	-	-	-
Dividends and other appropriations	-	-	(964)	(1)	(965)
Share-based payments – current service cost	-	-	18	-	18
Other	-	-	-	2	2
AT JUNE 30, 2024	**357**	**2,702**	**14,787**	**10**	**17,856**

Notes 1 to 19 are an integral part of the condensed interim consolidated financial statements.

Consolidated statement of cash flows

(in € millions)	Note	First-half 2024	First-half 2023
Net income		1,163	1,220
Adjustments			
• Cost of net debt	5	10	100
• Other financial income and expenses	5	(4)	8
• Net interest on employee benefit obligations	15	44	47
• Income tax	6	325	322
• Amortization and depreciation of intangible assets and PP&E		974	939
• Other operating income and expenses	4	211	90
• Share of loss/(profit) from equity-accounted companies	9	33	(83)
Segment EBITDA		**2,756**	**2,643**
Other operating income and expenses (cash) and changes in provisions	17	(51)	(134)
Interest and other financial income and expenses received and paid, net	17	(2)	(105)
Income tax paid		(335)	(344)
Change in working capital, net of impairment	17	(625)	(221)
Net cash from operating activities		**1,743**	**1,839**
Purchases of intangible assets and PP&E	17	(1,132)	(1,125)
Proceeds from sales of intangible assets and PP&E		12	33
Equity investments in consolidated companies, net of cash acquired		(6)	(97)
Disposals of equity investments in consolidated companies, net of cash sold		(5)	(50)
Purchases of equity instruments at fair value		(3)	(5)
Disposals of equity instruments at fair value		4	-
Cash flows relating to other financial assets	17	81	176
Net cash from/(used in) investing activities		**(1,049)**	**(1,068)**
Proceeds from issuance of shares	13	-	-
Dividends paid to the shareholders of the Company	13	(961)	(893)
Cash flows relating to financial liabilities	17	1,022	417
Share buybacks	14	(186)	-
Other		3	11
Net cash from/(used in) financing activities		**(122)**	**(465)**
Effect of changes in exchange rates		**(5)**	**(32)**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**567**	**274**
Cash and cash equivalents at January 1		2,515	**2,584**
Cash and cash equivalents at June 30		3,082	**2,858**

Notes 1 to 19 are an integral part of the condensed interim consolidated financial statements.

Notes to the condensed interim consolidated financial statements

DETAILED SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENTS

Note 1. GENERAL INFORMATION

Compagnie Générale des Établissements Michelin (CGEM or the "Company") and its subsidiaries (together the "Group") design, manufacture and market tires and polymer-based components for critical applications, as well as connected fleet solutions and mobility experiences.

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 condensed interim consolidated financial statements were authorized for issue by the Managers on July 24, 2024.

Except as otherwise stated, all amounts in the consolidated financial statements are presented in millions of euros, which is the functional currency of the Group's parent company. 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 condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – *Interim Financial Reporting*. They do not include all the information required for full annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2023, which were prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union as of the reporting date and applicable to the period then ended.

2.2 Accounting policies

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied by the Group in its consolidated financial statements for the year ended December 31, 2023.

The net post-retirement benefit obligation and the related net provision are measured based on the latest actuarial valuations available at the end of the previous period. For the main benefit plans (United States, Canada, United Kingdom, Germany and France), the actuarial assumptions are reviewed and the main assumptions are adjusted in the event of a material change during the six-month period. For these benefit plans, the fair value of the plan assets is measured at the interim reporting date.

2.3 New standards, amendments to existing standards and interpretations effective from January 1, 2024 in the European Union

The following amendments to IFRSs 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, updates and interpretations have been published by the IASB and adopted by the European Union, but were not effective as of January 1, 2024:

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, 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.

2.5 Critical accounting assumptions and estimates

The preparation of condensed interim 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.

2.6 Changes in the scope of consolidation

2.6.1 Transactions in the first half of 2024

No material transactions impacting the scope were carried out during the period.

2.6.2 Transactions in the first half of 2023

The main transactions in the first half of 2023 were as follows:

- acquisition of EGC Enterprises Inc. in January, for €50 million;
- sale of the Group's operations in Russia in May, leading to the recognition of an additional loss of €54 million during the period;
- acquisition of 50% of the capital of Blacksmith in April, for €39 million;
- loss of control of Watèa, leading to the recognition during the period of a €68 million positive fair value adjustment to the retained interest.

Note 3. CONDENSED SEGMENT REPORTING

Segment information is presented according to the following three operating segments:

- automotive 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, Two-wheel and Aircraft tires) and polymer composite solutions segments.

Operating segment performance is measured primarily on the basis of sales and segment operating income, calculated according to the same measurement principles used in the consolidated income statement.

Segment information is as follows:

	First-half 2024				First-half 2023			
(in € millions)	Automotive and related distribution	Road transportation and related distribution	Specialty businesses and related distribution	Total	Automotive and related distribution	Road transportation and related distribution	Specialty businesses and related distribution	Total
Sales	6,847	3,263	3,371	**13,481**	7,024	3,397	3,658	**14,079**
Segment operating income	914	300	568	**1,782**	866	168	670	**1,704**
As a percentage of sales	*13.4%*	*9.2%*	*16.8%*	***13.2%***	*12.3%*	*5.0%*	*18.3%*	***12.1%***

Segment assets are as follows:

	June 30, 2024				December 31, 2023			
(in € millions)	Automotive and related distribution	Road transportation and related distribution	Specialty businesses and related distribution	Total	Automotive and related distribution	Road transportation and related distribution	Specialty businesses and related distribution	Total
Segment assets	11,900	5,710	8,171	**25,781**	11,512	5,835	7,958	**25,305**

Segment assets consist of goodwill and intangible assets, property, plant and equipment, finished product inventories, and trade receivables. The amounts reported to the Group's management in respect of operating segment assets are measured in a manner consistent with the consolidated financial statements.

No liabilities are allocated to the operating segments in the internal reports provided to the Group's management.

Corporate intangible assets and property, plant and equipment are allocated to each segment in proportion to the amount of their directly attributed assets.

Information breaks down as follows by region:

	First-half 2024				First-half 2023			
(in € millions)	Europe	North America	Other	Total	Europe	North America	Other	Total
Sales	4,786	5,239	3,457	**13,481**	4,901	5,413	3,765	**14,079**

Sales by geographic area are based on the location of the customer.

Sales for the six months ended June 30, 2024 amounted to €1,227 million in France (first-half 2023: €1,220 million) and €4,434 million in the United States (first-half 2023: €4,615 million).

Sales recognized at the time when control of the goods or services is transferred to the customer represented 97.2% of Group sales in the first half of 2024 (first-half 2023: 97.4%). These sales totaled €13,104 million (2023: €13,707 million). They mainly consisted of tire sales and sales of polymer-based components for critical applications.

In first-half 2024, the amount recognized in sales for performance obligations satisfied over time stood at €377 million, representing 2.8% of total sales for the year (first-half 2023: €372 million and 2.6%).

This amount corresponds for the most part to revenue derived from commercial fleet tire management contracts and contracts for the supply of telematics services, as described in note 3.8 to the consolidated financial statements for the year ended December 31, 2023.

	June 30, 2024				December 31, 2023			
(in € millions)	Europe	North America	Other	Total	Europe	North America	Other	Total
Goodwill, other intangible assets, PP&E and right-of-use assets	7,777	5,707	4,598	**18,082**	7,776	5,563	4,779	**18,118**

At June 30, 2024, goodwill, other intangible assets, property, plant and equipment, and right-of-use assets totaled €3,225 million in France and €3,746 million in the United States.

Note 4. OTHER OPERATING INCOME AND EXPENSES

(in € millions)	First-half 2024	First-half 2023
Amortization of trademarks and customer relationships acquired	(41)	(40)
Reorganizations and adaptation of activities	(90)	(18)
Impairment of non-current assets	(54)	(23)
Loss on disposal of Russian operations (note 2.6.2)	-	(54)
Changes in scope of consolidation	-	68
Other	(26)	(23)
OTHER OPERATING INCOME AND EXPENSES	**(211)**	**(90)**

Based on a status review of the planned closure of the Ardmore site in the United States and the Trier, Karlsruhe and Hamburg sites in Germany, the related cost estimates were adjusted by a total of €33 million in the first half of 2024.

In addition, €63 million in new provisions were set aside during the period for the reorganization and adaptation of Group operations in China and Poland, including €43 million in provisions for impairment.

As explained in note 2.6.2, in the first half of 2023, the Group recorded a €54 million loss on the sale of its Russian operations, and income of €68 million on the reclassification of Watèa as a joint venture.

Note 5. 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:

(in € millions)	First-half 2024	First-half 2023
Interest expense	(78)	(140)
Interest expense on lease liabilities	(23)	(18)
Interest income on cash, cash equivalents and cash management financial assets	76	49
Interest rate derivatives	12	7
Fees on credit lines	(3)	(3)
Capitalized borrowing costs	6	5
COST OF NET DEBT	**(10)**	**(100)**
Net income from financial assets (other than cash and cash equivalents and cash management financial assets)	37	29
Currency remeasurement (including currency derivatives)	(27)	(34)
Other	(6)	(3)
OTHER FINANCIAL INCOME AND EXPENSES	**4**	**(8)**

The cost of net debt amounted to €10 million in first-half 2024. The €90 million decrease compared to the year-earlier period was mainly due to interest rate and currency mix effects.

Note 6. INCOME TAX

(in € millions)	First-half 2024	First-half 2023
Current tax expense	(348)	(364)
Deferred tax benefit/(expense)	23	42
INCOME TAX	**(325)**	**(322)**

Current tax includes €34 million of withholding tax on royalties, interest and retained earnings distributed between Group companies (first-half 2023: €5 million).

The Group's effective tax rate for first-half 2024 was 21.8% (first-half 2023: 20.9%). In the first half of 2024, unrecognized deferred tax assets had an unfavorable impact on the effective tax rate that was partly offset by the favorable impact on deferred tax liabilities of a lower tax rate in Sri Lanka.

The effective tax rate for the first half of 2023 rate was adversely affected by the loss recognized on the disposal of the Group's operations in Russia in first-half 2023 (note 2.6.2). Conversely, the disposal gain recognized by TBC on the sale of its retail outlets (note 9.2), and the Watèa transaction (note 2.6.2) had a favorable impact on the effective tax rate.

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 Etablissements Michelin as of January 1, 2024.

The impact of applying Pillar Two amounted to €4 million in the first half of 2024.

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. Effective tax rates may differ from theoretical rates, 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. There were no material adjustments to recognized deferred tax assets during first-half 2024.

Note 7. EARNINGS PER SHARE

Components of the basic and diluted earnings per share calculations are presented in the table below:

	First-half 2024	First-half 2023
Net income *(in € millions)*, excluding non-controlling interests	1,157	1,218
• Less, estimated General Partners' profit shares	(1)	(2)
Net income attributable to the shareholders of the Company used to calculate basic earnings per share	**1,156**	**1,216**
Weighted average number of shares outstanding *(thousands of shares)* **used to calculate basic earnings per share**	**713,719**	**714,118**
• Plus, adjustment for share grants and performance share plans	7,124	5,594
Weighted average number of shares used to calculate diluted earnings per share	**720,844**	**719,712**
EARNINGS PER SHARE *(IN €)*		
• Basic	**1.62**	1.70
• Diluted	**1.60**	1.69

Diluted earnings per share are calculated by adjusting net income attributable to shareholders and the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. As of June 30, 2024, the only potentially dilutive financial instruments consisted of share grants and performance share plans.

Note 8. GOODWILL

At June 30, 2024, goodwill allocated to the cash-generating units, "CGUs", or groups of CGUs is as follows:

(in € millions)	June 30, 2024	December 31, 2023
Passenger car tires – global brands CGU group	436	435
Passenger car tires – regional brands CGU	171	165
Light truck and Truck tires CGU group	625	641
Mining CGU group	284	278
Two-wheel tires CGU	19	21
Beyond-road tires CGU	734	707
Composite Polymer Solutions CGU group*	164	159
Flex Composite Group**	580	576
GOODWILL	**3,013**	**2,982**

** Previously named High-Tech Materials CGU group*

*** Pending completion of the allocation.*

Following the acquisition of Flex Composite Group on September 26, 2023, the identification and fair value measurement of the assets acquired and liabilities assumed began in the second half of 2023 and will be completed no later than September 2024.

Excluding the currency effect, goodwill was stable at June 30, 2024 versus December 31, 2023.

At June 30, 2024, no indications of impairment had been identified based on available information that could affect the long-term value of the Group's cash-generating units (CGUs) or groups of CGUs as determined at December 31, 2023.

Note 9. INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

9.1 Investments in equity-accounted companies

Changes in investments in equity-accounted companies are as follows:

(in € millions)	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/(loss) from equity-accounted companies	1	91	92
Impairment	-	(9)	(9)
Dividends	-	(352)	(352)
Change in scope of consolidation/capital increases	1	88	89
Currency translation differences	(1)	(9)	(10)
Other/reclassifications	-	(6)	(6)
At June 30, 2023	**58**	**848**	**906**
Share of profit/(loss) from equity-accounted companies	1	(33)	(32)
Impairment	-	9	9
Dividends	(1)	(12)	(13)
Change in scope of consolidation/capital increases	5	(7)	(2)
Currency translation differences	-	(19)	(19)
Other/reclassifications	-	22	22
At December 31, 2023	**63**	**808**	**871**
Share of profit/(loss) from equity-accounted companies	(1)	(26)	(27)
Impairment	-	-	-
Dividends	-	(3)	(3)
Change in scope of consolidation/capital increases	2	-	2
Currency translation differences	-	20	20
Other/reclassifications	-	40	40
AT JUNE 30, 2024	**64**	**839**	**903**

The main equity-accounted companies are TBC (note 9.2) and Solesis (note 9.3); the other companies representing less significant investments.

The change in investments in joint ventures in the first half of 2024 was mainly due to the recognition of €32 million in losses related to the planned right-sizing of the AddUp joint venture.

9.2 TBC joint venture (with Sumitomo Corporation)

During the first half of 2023, TBC sold its NTB and Tire Kingdom retail outlets to Mavis Tire Express Service Corp. to concentrate on its core wholesale and franchise activities. The transaction led to the recognition in TBC's accounts of a disposal gain of €304 million ($328 million). TBC also approved the distribution of $750 million in dividends, including $350 million paid in the first half of 2023 and $200 million in the first half of 2024. The Group's share of the balance, which is payable no later than March 2025, is reported under "Current financial assets" in the consolidated statement of financial position.

Summarized financial data for the TBC joint venture are set out in the table below:

(in € millions)	June 30, 2024	December 31, 2023
Current assets	1,983	2,311
• *of which cash and cash equivalents*	*17*	*14*
Non-current assets	1,056	1,046
• *of which goodwill*	*140*	*135*
TOTAL ASSETS	**3,039**	**3,357**
Current liabilities	1,609	1,994
• *of which current financial liabilities*	*293*	*395*
Non-current liabilities	683	645
• *of which non-current financial liabilities*	*535*	*506*
Equity	747	718
TOTAL LIABILITIES AND EQUITY	**3,039**	**3,357**

(in € millions)	First-half 2024	First-half 2023
Sales	1,855	2,285
EBITDA	98	82
Other operating income and expenses	(9)	384
Interest income	-	3
Interest expense	(27)	(37)
Depreciation, amortization and impairment	(56)	(109)
Income tax	(4)	(81)
NET INCOME	**2**	**242**

(in € millions)	June 30, 2024	December 31, 2023
Net assets (including goodwill)	**747**	**718**
Share of net assets (including goodwill)	374	359
Elimination of profit from downstream transactions (net of tax)	(33)	(41)
CARRYING AMOUNT OF NET INTEREST IN THE JOINT VENTURE	**341**	**318**

The equity-accounted share of TBC included in the Group's consolidated income statement for the first half of 2024 (including elimination of downstream transactions, net of taxes) is a profit of €11 million in first-half 2024 (first-half 2023: profit of €120 million).

9.3 Solesis joint venture (with Altaris)

Summarized financial data in respect of Solesis are set out in the table below:

(in € millions)	June 30, 2024	December 31, 2023
Current assets	49	51
• *of which cash and cash equivalents*	*4*	*7*
Non-current assets	720	685
• *of which goodwill*	*207*	*199*
• *of which cash allocated to preferred stock*	*270*	*250*
TOTAL ASSETS	**769**	**736**
Current liabilities	128	133
• *of which current financial liabilities*	*116*	*111*
Non-current liabilities	280	253
• *of which non-current financial liabilities*	*10*	*3*
• *of which preferred stock*	*270*	*250*
Total equity	361	350
TOTAL LIABILITIES AND EQUITY	**769**	**736**

(in € millions)	First-half 2024	First-half 2023
Sales	55	51
EBITDA	15	16
Other operating income and expenses	(6)	(8)
Interest expense	(5)	(5)
Depreciation, amortization and impairment	(2)	(2)
Income tax		-
NET INCOME	**2**	**1**

(in € millions)	June 30, 2024	December 31, 2023
Net assets (including goodwill)	361	350
CARRYING AMOUNT OF NET INTEREST IN THE JOINT VENTURE	**177**	**172**

The equity-accounted share of Solesis' results included in the Group's first-half 2024 income statement represented a profit of €1 million (first-half 2023: profit of €1 million).

Note 10. INVENTORIES

Inventories include the following:

(in € millions)	June 30, 2024	December 31, 2023
Raw materials and work in progress	1,635	1,594
Supplies	586	567
Finished products	3,791	3,434
Total gross inventory	**6,011**	**5,595**
Impairment of raw materials and work in progress	(27)	(22)
Impairment of supplies	(40)	(28)
Impairment of finished products	(92)	(97)
Total impairment	**(161)**	**(148)**
NET INVENTORIES	**5,851**	**5,447**

Changes in net inventories in the first half of the year reflect mainly the seasonal nature of the Group's business.

Note 11. TRADE RECEIVABLES

The carrying amount of trade receivables is analyzed in the table below:

(in € millions)	June 30, 2024	December 31, 2023
Gross trade receivables	4,090	3,939
Impairment	(89)	(89)
TRADE RECEIVABLES	**4,001**	**3,850**

All trade receivables are due within 12 months.

Concerning credit risk, if a customer becomes insolvent or files for bankruptcy, it may default on the receivables held by the Group and this may have a negative impact on the Group's income statement.

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 responsible for credit and collection processes.

Note 12. FINANCIAL INSTRUMENTS

12.1 Net debt

Group net debt is analyzed in the table below:

(in € millions)	June 30, 2024	December 31, 2023
Financial liabilities	7,745	6,242
Derivatives recognized as assets	(110)	(118)
Borrowing collaterals	(3)	(43)
Cash management financial assets	(290)	(285)
Cash and cash equivalents	(3,082)	(2,515)
NET DEBT	**4,260**	**3,281**

12.2 Financial liabilities

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

(in € millions)	June 30, 2024	December 31, 2023
Bonds	5,586	4,591
Loans from financial institutions and other	71	77
Derivative instruments	4	4
Non-current financial liabilities	**5,661**	**4,672**
Non-current lease liabilities	**715**	**738**
Bonds	-	-
Commercial paper	401	295
Loans from financial institutions and other	717	280
Derivative instruments	12	16
Current financial liabilities	**1,130**	**591**
Current lease liabilities	**239**	**241**
FINANCIAL LIABILITIES	**7,745**	**6,242**

The increase in financial liabilities chiefly reflects the May 16, 2024 bond issue for €1 billion, comprising two €500 million tranches due in May 2031 and May 2036 respectively. The 7-year tranche pays interest at 3.125% and the 12-year tranche at 3.375%.

The increase in commercial paper reflects the Group's active cash management strategy.

12.3 Liquidity risk

To meet its future cash needs, the Group had the following sources of financing in place as of June 30, 2024:

- cash and cash equivalents for €3,082 million;
- cash management financial assets for €290 million;
- a €2,500 million commercial paper program, of which €355 million had been utilized at June 30, 2024;
- a $700 million (€654 million) US commercial paper program, of which $50 million (€47 million) had been utilized at June 30, 2024;
- two €487 million receivables securitization programs that are utilized based on the availability of sufficient receivables of the required quality, with securitization debt at June 30, 2024 amounting to €15 million;
- €2,500 million in undrawn syndicated lines of credit.

12.4 Cash and cash equivalents

(in € millions)	June 30, 2024	December 31, 2023
Money-market funds	1,863	911
Bank deposits subject to up to a three-month notice period	896	1,233
Cash at bank and in hand	323	371
CASH AND CASH EQUIVALENTS	**3,082**	**2,515**

The Group is very careful in its choice of banks to manage 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.

Cash and cash equivalents include restricted cash of €186 million in Ireland, whose use is regulated under local rules (December 31, 2023: €159 million).

12.5 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 June 30, 2024:

(in € millions)	FVTPL	FVOCI	Amortized cost	Total
Trade receivables	-	-	4,001	4,001
Current financial assets	35	-	460	495
Cash and cash equivalents	2,186	-	896	3,082
Non-current financial assets	486	415	630	1,531
TOTAL FINANCIAL ASSETS	**2,707**	**415**	**5,987**	**9,109**

12.6 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. 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). If all significant inputs required to fair value these instruments are observable, these instruments (essentially 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.

The following tables present the Group's financial assets and liabilities measured at fair value at June 30, 2024 and December 31, 2023 by level in the fair value measurement hierarchy:

(in € millions)	Level 1	Level 2	Level 3	June 30, 2024	December 31, 2023
Cash and cash equivalents	2,186	-	-	2,186	1,282
Current financial assets (including derivatives)	2	33	-	35	78
Non-current financial assets (including derivatives)	164	344	393	901	880
TOTAL ASSETS	**2,352**	**377**	**393**	**3,122**	**2,240**
Derivative instruments	-	16	-	16	20
TOTAL LIABILITIES	**-**	**16**	**-**	**16**	**20**

There were no material transfers between level 1 and level 2 during first-half 2024.

Note 13. SHARE CAPITAL AND SHARE PREMIUMS

(in € millions)	Share capital	Share premiums	Total
At January 1, 2023	**357**	**2,702**	**3,059**
Issuance of shares upon exercise of stock options and performance share rights	-	-	-
Cancellation of shares	-	-	-
Other	-	-	-
At June 30, 2023	**357**	**2,702**	**3,059**
Issuance of shares upon exercise of stock options and performance share rights	-	-	-
Cancellation of shares	-	-	-
Other	-	-	-
At December 31, 2023	**357**	**2,702**	**3,059**
Issuance of shares upon exercise of stock options and performance share rights	-	-	-
Cancellation of shares	-	-	-
Other	-	-	-
AT JUNE 30, 2024	**357**	**2,702**	**3,059**

(number of shares)	Shares outstanding	Treasury shares	Shares issued
At January 1, 2023	**714,117,414**	**-**	**714,117,414**
Issuance of shares upon exercise of stock options and performance share rights	704	-	704
Share buybacks	-	-	-
Sales of treasury shares	-	-	-
Cancellation of shares	-	-	-
Other	-	-	-
At June 30, 2023	**714,118,118**	**-**	**714,118,118**
Issuance of shares upon exercise of stock options and performance share rights	840,108	-	840,108
Share buybacks	(34,529)	34,529	-
Sales of treasury shares	-	-	-
Cancellation of shares	34,368	(34,368)	-
Other	-	-	-
At December 31, 2023	**714,958,065**	**161**	**714,958,226**
Issuance of shares upon exercise of stock options and performance share rights	-	-	-
Share buybacks	(5,330,632)	5,330,632	-
Sales of treasury shares	-	-	-
Cancellation of shares	-	-	-
Other	-	-	-
AT JUNE 30, 2024	**709,627,433**	**5,330,793**	**714,958,226**

The dividend approved at the Annual Shareholders Meeting of May 17, 2024 was €1.35 per share (2023: €1.25 per share). The cash-only dividend was paid on May 19, 2024 for a net amount of €961 million (2023: €893 million).

Note 14. RESERVES

(in € millions)	Translation reserve	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	-	-	-	6	6
Share buybacks	-	-	-	-	-
Sale/cancellation of shares	-	-	-	-	-
Other	-	-	-	-	-
Transactions with the shareholders of the Company	**-**	**-**	**-**	**(888)**	**(888)**
Net income/(loss) attributable to the shareholders of the Company	**-**	**-**	**-**	***1,218***	***1,218***
Post-employment benefits	-	-	-	45	45
Tax effect – Post-employment benefits	-	-	-	(11)	(11)
Equity instruments at fair value through OCI – changes in fair value	-	-	4	-	4
Tax effect – Equity instruments at fair value through OCI	-	-	(4)	-	(4)
Other	-	-	-	-	-
Other comprehensive income/(loss) that will not be reclassified to the income statement	**-**	**-**	**-**	***34***	***34***
Cash flow hedges – changes in fair value	-	-	4	-	4
Currency translation differences	(124)	-	-	-	(124)
Other	-	-	-	8	8
Other comprehensive income/(loss) that may be reclassified to the income statement	***(124)***	**-**	***4***	***8***	***(112)***
Total comprehensive income/(loss)	**(124)**	**-**	**4**	**1,260**	**1,140**
AT JUNE 30, 2023	**(386)**	**-**	**171**	**14,518**	**14,303**
Dividends and other appropriations	-	-	-	-	-
Share-based payments – current service cost	-	-	-	24	24
Share buybacks	-	-	-	-	-
Sale/cancellation of shares	-	-	-	-	-
Other	-	-	-	1	1
Transactions with the shareholders of the Company	**-**	**-**	**-**	**25**	**25**
Net income/(loss) attributable to the shareholders of the Company	**-**	**-**	**-**	***765***	***765***
Post-employment benefits	-	-	-	(95)	(95)
Tax effect – Post-employment benefits	-	-	-	29	29
Equity instruments at fair value through OCI – changes in fair value	-	-	(2)	-	(2)
Tax effect – Equity instruments at fair value through OCI	-	-	6	-	6
Other	-	-	-	-	-
Other comprehensive income/(loss) that will not be reclassified to the income statement	**-**	**-**	***4***	***(66)***	***(62)***
Cash flow hedges – changes in fair value	-	-	(2)	-	(2)
Currency translation differences	(192)	-	-	-	(192)
Other	57	-	-	2	59
Other comprehensive income/(loss) that may be reclassified to the income statement	***(135)***	**-**	***(2)***	***2***	***(135)***
Total comprehensive income/(loss)	**(135)**	**-**	**2**	**701**	**568**
AT DECEMBER 31, 2023 (Carried forward to next page)	**(521)**	**-**	**173**	**15,244**	**14,896**

(in € millions)	Translation reserve	Treasury shares	Other reserves	Retained earnings	Total
AT DECEMBER 31, 2023 (Brought forward from previous page)	**(521)**	**-**	**173**	**15,244**	**14,896**
Dividends and other appropriations	-	-	-	(964)	(964)
Share-based payments – current service cost	-	-	-	18	18
Share buybacks	-	(502)	-	-	(502)
Sale/cancellation of shares	-	-	-	-	-
Other	-	-	-	-	-
Transactions with the shareholders of the Company	**-**	**(502)**	**-**	**(946)**	**(1,448)**
Net income/(loss) attributable to the shareholders of the Company	**-**	**-**	**-**	***1,157***	***1,157***
Post-employment benefits	-	-	-	122	122
Tax effect – Post-employment benefits	-	-	-	(29)	(29)
Equity instruments at fair value through OCI – changes in fair value	-	-	(6)	-	(6)
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)***	***93***	***89***
Cash flow hedges – changes in fair value	-	-	(7)	-	(7)
Currency translation differences	114	-	-	-	114
Other	-	-	-	(14)	(14)
Other comprehensive income/(loss) that may be reclassified to the income statement	***114***	**-**	***(7)***	***(14)***	***93***
Total comprehensive income/(loss)	114	-	(11)	1,236	1,339
AT JUNE 30, 2024	**(407)**	**(502)**	**162**	**15,534**	**14,787**

The Group announced and implemented a €502 million share buyback program in the first half of 2024. Buybacks under the program totaled €186 million, for a total of 5,330,632 shares delivered. The €502 million debt recognized when the program was launched in February has been reduced accordingly, standing at €316 million at June 30, 2024.

Note 15. PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS

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

(in € millions)	Pension plans	Other plans	2024	2023
AT JANUARY 1	**1,013**	**1,408**	**2,421**	**2,330**
Contributions paid to the funds	(3)	(2)	(5)	(3)
Benefits paid directly to the beneficiaries	(20)	(30)	(50)	(51)
Other movements	-	-	-	(1)
ITEMS RECOGNIZED IN OPERATING INCOME				
Current service cost	10	29	39	37
Actuarial (gains) or losses recognized on other long-term benefit plans	-	-	-	-
Plan modifications, curtailments or settlements	-	-	-	(12)
Other items	9	-	9	10
ITEMS RECOGNIZED OUTSIDE OPERATING INCOME				
Net interest on employee benefit obligations	16	27	43	47
Other	-	-	-	1
ITEMS RECOGNIZED IN OTHER COMPREHENSIVE INCOME				
Translation adjustments	3	12	15	(23)
Actuarial (gains) or losses	(60)	(64)	(124)	(42)
Unrecognized assets due to the effect of the asset ceiling	2	-	2	(3)
AT JUNE 30	**970**	**1,380**	**2,350**	**2,290**
Amounts recognized in the statement of financial position:				
As assets under non-current financial assets and other non-current assets			299	*241*
As liabilities under provisions for employee benefit obligations			2,648	2531

Actuarial gains and losses recorded in equity are primarily explained by changes in discount rates and by the experience adjustments to plan assets located in the following countries:

(in € millions)	United Kingdom (UK)	Europe excluding UK	North America	Total equity
Discount rate at June 30, 2024	5.25%	3.60%	5.20%	n/a
Discount rate at December 31, 2023	4.65%	3.16%	4.76%	n/a
Inflation rate at June 30, 2024	3.25%	2.00%	2.18%	n/a
Inflation rate at December 31, 2023	3.15%	2.06%	2.18%	n/a
Actuarial (gains)/losses arising from changes in assumptions	(99)	(97)	(144)	(340)
Experience (gains)/losses on plan assets	118	-	98	216
ACTUARIAL (GAINS) OR LOSSES	**19**	**(97)**	**(46)**	**(124)**

Rates and amounts shown in the above table relate to benefit plans for which an actuarial valuation has been carried out for the interim period (note 2.2). The inflation rates used reflect the long term weighted average duration of the Group's plans.

Note 16. PROVISIONS AND OTHER NON-CURRENT LIABILITIES

Provisions and other non-current liabilities amount to €811 million (December 31, 2023: €860 million) and include provisions for reorganizations and adaptation of activities, provisions for claims and litigation, warranties and other contingencies, and contract liabilities as described in note 3.8 to the consolidated financial statements at December 31, 2023 on "Revenue recognition".

16.1 Changes in provisions (current and non-current)

Changes in provisions during the period are presented below:

(in € millions)	Reorganizations and adaptation of activities	Litigation, warranties and other provisions	Total
At January 1, 2024	634	405	1,038
Additional provisions	105	92	197
Provisions utilized during the period	(60)	(57)	(118)
Unused provisions reversed during the period	(20)	(6)	(26)
Translation adjustments	4	3	7
Other effects	-	-	-
AT JUNE 30, 2024	**663**	**437**	**1,099**
Of which short-term portion	*359*	*111*	*470*

Provisions used during the period mainly reflect payments made under the plan to improve the competitiveness of the Group's manufacturing and office-based activities in France.

16.2 Provisions for claims and litigation, warranties and other provisions

Provisions concern the following risks:

(in € millions)	June 30, 2024	December 31, 2023
Provisions for claims and litigation	60	57
Provisions for product warranties	82	78
Provisions for product liability claims	74	68
Other provisions for contingencies	221	202
TOTAL	**437**	**405**

Note 17. NOTES TO THE STATEMENT OF CASH FLOWS

Cash flows are presented in detail in the table below:

(in € millions)	First-half 2024	First-half 2023
Investment grants recognized in profit or loss	(5)	(4)
Change in employee benefit obligations	(15)	(17)
Change in litigation and other provisions	17	5
Restructuring costs	(64)	(106)
Other	16	(12)
Other operating income and expenses (cash) and changes in provisions	**(51)**	**(134)**
Interest and other financial expenses paid	(105)	(172)
Interest and other financial income received	95	62
Dividends received	8	5
Interest and other financial income and expenses received and paid, net	**(2)**	**(105)**
Change in inventories	(360)	165
Change in trade receivables and advances	(177)	(84)
Change in trade payables and advances	8	(227)
Change in trade payables under reverse factoring agreements	160	(77)
Change in other receivables and payables	(256)	2
Change in working capital, net of impairment	**(625)**	**(221)**
Purchases of intangible assets	(121)	(103)
Purchases of PP&E	(684)	(669)
Government grants received	9	1
Change in capital expenditure payables	(336)	(354)
Purchases of intangible assets and PP&E	**(1,132)**	**(1,125)**
Increase in other non-current financial assets	(3)	(42)
Decrease in other non-current financial assets	3	266
Net cash flows from cash management financial assets	(5)	-
Net cash flows from borrowing collaterals	40	2
Net cash flows from other current financial assets	46	(50)
Cash flows relating to other financial assets	**81**	**176**
Increase in non-current financial liabilities	999	4
Decrease in non-current financial liabilities	(14)	(12)
Repayment of lease liabilities	(132)	(140)
Net cash flows from current financial liabilities	160	586
Derivatives	9	(21)
Cash flows relating to financial liabilities	**1,022**	**417**
Details of non-cash transactions:		
• New leases	103	159
• New emission allowances granted	3	12
• Change in payment commitments for non-consolidated equity investments	3	(2)

Note 18. LITIGATION AND CONTINGENT LIABILITIES

The Group is involved in litigation arising in the normal course of business.

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. However, in April 2024, the Group filed 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 prejudge 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 in the first half of 2024.

There were no material developments in other litigation during the period between December 31, 2023 and June 30, 2024.

Taken as a whole, the resulting liabilities are not expected to be material in relation to the Group's business or consolidated financial position.

Note 19. EVENTS AFTER THE REPORTING DATE

On July 11, 2024, Moody's upgraded the Group's long-term rating from A3 to A2, with a Stable outlook.

On July 12, 2024, Scope Ratings published Michelin's A/Stable long-term issuer rating and S-1 short-term debt rating.

3

STATUTORY AUDITORS' REVIEW REPORT

Statutory Auditors' review report on the half-year financial information

(For the period from January 1st to June 30, 2024)

To the Shareholders,

This is a free translation into English of the Statutory Auditors' review report on the half-year financial information issued in French and is provided solely for the convenience of English-speaking readers. This report includes information relating to the specific verification of information given in the Group's half-year management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

In compliance with the assignment entrusted to us by your Annual General Shareholders' Meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code (*"Code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Compagnie Générale des Etablissements Michelin, for the six-months ended June 30,2024;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Managing Chairman. Our role is to express our conclusion on these financial statements based on our review.

I. CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France.

A review of half-year financial information consists of making inquiries primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. This work is substantially less extensive than that required for an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRS as adopted by the European Union applicable to interim financial information.

II. SPECIFIC VERIFICATION

We have also verified the information presented in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, July 24, 2024

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Itto El Hariri	Frédéric Gourd

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STATEMENT BY THE PERSON RESPONSIBLE

Statement by the person responsible for the first-half 2024 financial report

I hereby declare that, to the best of my knowledge, (i) the condensed financial statements for the past six-month period have been prepared in accordance with generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and results of the Company and the undertakings included in the consolidation, and (ii) the first-half business review on pages 5 to 39 presents a fair review of the material events that occurred in the first six months of the financial year, of their impact on the interim accounts, and of the main related-party transactions, and also describes the principal risks and uncertainties for the remaining six months of the year.

Florent Menegaux

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