



## PRESS RELEASE

### GROUP

Paris – November 5, 2024 – 9:30 am

### **The Michelin Group announces its intention to close the CHOLET and VANNES sites, and commits to providing individual support to each employee and to revitalizing the two communities**

- The decision had become unavoidable given the structural transformation of the Passenger car & Light truck and Truck tire markets and worsening competitiveness of Europe.
- The Group is committed to assisting each affected employee by providing them personalized support. The Group will also support the two impacted communities by creating at least as many jobs as were suppressed.
- France is a core and strategic country for the Group, where Michelin invests continuously.

Michelin today announced to the 1,254 employees of the CHOLET and VANNES plants its intention to close down production by early 2026 at the latest. Both plants have been facing severe economic difficulties for several years.

Despite the teams' remarkable engagement and the Group's efforts, the viability of the two plants could not be preserved. The two sites have been severely impacted by the structural transformation of the Passenger car & Light truck and Truck tire markets and worsening competitiveness of Europe, notably due to inflation and rising energy prices. This decision has been made as a last resort, once all alternative solutions and scenarios have been analyzed and evaluated.

In recent years, European markets for Passenger car & Light truck and Truck tires have undergone a profound transformation, with a strong trend toward low-cost tires, mainly from Asia, that has been detrimental to premium segments. In fact, over a decade, market share of entry-level Passenger car & Light truck and Truck tires has increased by 9 and 11 points, respectively, taking away share from the corresponding premium segments, which have fallen by 11 and 8 points (*Source: Roland Berger: May 2023 for Truck tires and June 2024 for Passenger car & Light truck tires*). This situation has led to structural production overcapacity at some of Michelin's Passenger car & Light truck and Truck tire plants in Europe.

Acutely aware of the consequences of its decision, the Group is committing to mobilizing all available resources to individually support the 1,254 affected employees and the two communities impacted by these closures.

*Michelin group will record a provision of approximately 330 million euros in its consolidated financial results for the year 2024.*



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### **The Group's first commitment: personalized solutions to support each affected employee**

Acutely aware of the consequences of this decision, the Group's priority now is to provide individual support to each of the affected employees, to help them build a new future for their career.

At this time, Michelin has made the deliberate decision to halt production at both plants through November 11 to give management and the unions time to propose collective and individual discussions with employees. The objective is to set up an employee support system providing immediate assistance following the announcement.

As part of the employee representative bodies' consultation and of union negotiations concerning support measures, management has set the clear objective that, by the end of the support phase, each employee will have a personalized solution.

### **Reinforced, adapted support measures**

All affected employees will benefit from individual support to help them build a new future:

- Some would be eligible to early retirement.
- Others could choose support for internal transfers.
- Finally, for those who may choose to benefit from outplacement measures, which should be the case for a large majority of employees:
  - Individual, personalized support for employees will be provided by a specialized consultancy, guaranteeing a reliable solution for returning to work; along with an in-depth analysis concerning employees' employability: continuing education and personalized training courses, possibility of reconversion.
  - To create the best possible conditions to facilitate entry into a new external position:
    - the possibility of ongoing support following the trial period with a new employer, if the position is not confirmed;
    - compensation for any pay gap of up to €400 gross per month for three years.

A joint committee to monitor the support plan will be negotiated to enable the unions and management to jointly ensure that the plan is running smoothly for each of the affected employees.



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### **An approach that factors in the two sites' context**

The approach also factors in the workforce's strong competencies and the specificities of the CHOLET and VANNES plants. In particular: with respect to people, sought-after industry know-how, a large majority of production operators, often with strong ties to their region, with few employees nearing the end of their careers. And, with respect to the communities, rather dynamic labor markets.

### **The Group's second commitment to the CHOLET and VANNES communities: actively contributing to the creation of at least as many jobs of the same kind locally**

Michelin will mobilize all the expertise of Michelin Development, its entity dedicated to generating businesses and jobs, to support the revitalization of the CHOLET and VANNES labor markets. Michelin Development will analyze opportunities for future manufacturing or service-based operations, in collaboration with local officials and local economic development partners. These opportunities will be analyzed in light of the local communities' strategies for development.

Revitalization actions will aim to develop activities that bear future-oriented jobs for the benefit of the impacted communities, mainly in manufacturing and manufacturing-based services.

Prior revitalization experiences demonstrate that actual job creation exceeds the number of jobs impacted by plant closures. In the Joué-Les-Tours labor market, over four years 1,054 jobs were created for 706 suppressed jobs. In the La Roche-sur-Yon labor market, over four years more than 635 jobs were created for 613 suppressed jobs, with a potential to reach 825 job creations given the revitalization agreement that was signed, but not yet activated.

### **France is a core and strategic country for the Group**

France is a core and strategic country for Michelin, home to its global headquarters in Clermont-Ferrand, and to its worldwide R&D center at the Ladoux Campus, where every day, nearly 3,000 international researchers develop the next technological breakthroughs in composite materials, to serve new markets around the globe. With nearly 2,000 new hires and more than 2,000 apprenticeship and internship opportunities over the past three years, Michelin is a leading player in terms of recruiting and apprenticeship.

With respect to manufacturing, Michelin has been actively engaged in modernizing its production sites, whenever possible, to orient them on ultra-high value-added activities, thus consolidating its production sites in the country.

Among all European tire manufacturers, Michelin is the only one to have maintained a strong industrial footprint in Western Europe, particularly in France.



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The Michelin Group currently employs nearly 19,000 people in France, including 9,000 in manufacturing in 15 production plants. Even with the CHOLET and VANNES production close down, France will remain the Group's first industrial country in Europe, in both the number of sites and employees.

### **France is where the Group is more particularly implementing its *Michelin in Motion 2030 strategy*, in positioning a wide range of ultra-high value-added activities in the country**

- Manufacturing high-tech, large and specialty tires (Aircraft, Agricultural, Ultra-High Performance Passenger car and Mining tires).
- Accelerating the development of Michelin's activities in connected solutions for fleet management, through new businesses like Watèa by Michelin.
- Developing new composite businesses. These non-tire activities are leveraging dynamic markets as varied as construction, aeronautics, the maritime sector and healthcare. They represent a significant part of the Group's revenues and growth over the coming years. In France, several first concrete implementations have already occurred:
  - In integrated hydrogen systems, with Symbio. In 2023, the Group and its partners opened a new gigafactory in Saint Fons, the largest hydrogen fuel cell manufacturing site in Europe, several hundred new jobs are being created.
  - In developing innovative inflatable solutions, with Michelin Inflatable Solutions.
  - In producing new bio-sourced adhesive resins, that respect both health and the environment, with Michelin ResiCare.

### **Michelin pursues major efforts and continued investments in France**

Over the past 10 years, Michelin has invested more than €2.6 billion in France, of which €1.5 billion to modernize production sites, in the following areas:

- Modernization and digitalization (revamped production lines, use of artificial intelligence, etc.).
- An ambitious environmental policy (plants' decarbonation, water conservation policy, waste management, etc.).
- Ongoing training and quality of work life (launch of the *Talent Campus*, quality of work life agreements, workstation ergonomics, etc.).

Finally, in Clermont-Ferrand, the Group has engaged with local stakeholders to launch one of the largest revitalization projects in Europe: Parc Cataroux, on Michelin's former Cataroux production site. This unprecedented €300 million project, combining private and public investment, could lead to creating 1,000 new jobs by 2030, specifically in state-of-the-art training for manufacturing crafts and in future biomaterials.

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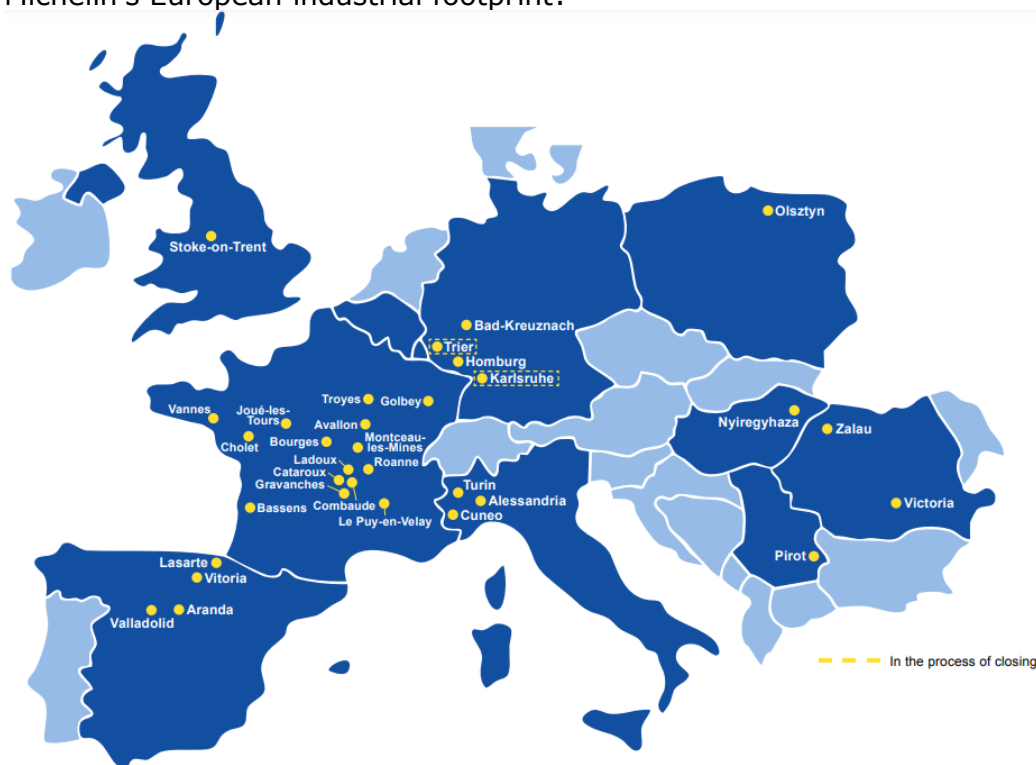
**Social dialog and looking to the future: “Michelin France Manufacturing 2030” project**

Michelin’s ambition is to build strong manufacturing in France. As such, the company will continue the work toward it. This is why Michelin offer the unions to work on creating the conditions to allow its sites and employees in France to better project toward the future.

The Group is convinced that with the “Michelin France Manufacturing 2030” project, through collective and co-constructed work with the unions, levers will emerge concerning competency development and career paths, work organization, the sites’ competitiveness particularly for small ones, defining a protection and support floor for employees when activities need to be shifted, with a view to help prepare Michelin’s future and that of its employees in France.

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Michelin’s European industrial footprint:





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### **About Michelin's Cholet plant**

The CHOLET plant, which employs 955 people, mainly manufactures 17-inch and smaller Light truck tires. These products represent 85% of its operations. The plant also has a semi-finished products workshop (mainly rubber compounds).

In recent years, the Light truck segment has contracted significantly in Europe, with a major impact on the CHOLET plant's production volumes, which fell from around 4.375 million units in 2019 to around 2.625 million in 2024, with no prospects for recovery.

### **About Michelin's Vannes plant**

The VANNES plant, which employs 299 people, mainly produces metal reinforcements, i.e., cables, handling all of the steps in the manufacturing process. Its production is used to manufacture Truck and Passenger car tires in Michelin customer sites located in Spain, Italy and the rest of Europe.

In recent years, production volumes at the VANNES plant have been continuously falling, notably due to changes in demand from the Group's Truck tire plants in Europe. Output has fallen from 41,000 tonnes in 2019 to the 34,000 tonnes forecast for 2024, a trend with no prospects for recovery.

Photos available on:

<https://contentcenter.michelin.com:443/portal/shared-board/d5acb55e-8d1d-4797-9c0a-dc70a0ca799d>

### **About Michelin:**

Michelin is building a world-leading manufacturer of life-changing composites and experiences. Pioneering engineered materials for more than 130 years, Michelin is uniquely positioned to make decisive contributions to human progress and to a more sustainable world. Drawing on its deep know-how in polymer composites, Michelin is constantly innovating to manufacture high-quality tires and components for critical applications in demanding fields as varied as mobility, construction, aeronautics, low-carbon energies, and healthcare. The care placed in its products and deep customer knowledge inspire Michelin to offer the finest experiences. This spans from providing data- and AI-based connected solutions for professional fleets to recommending outstanding restaurants and hotels curated by the MICHELIN Guide. ([www.michelin.com](http://www.michelin.com))



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