

Stellantis Full Year Results 2025

Thursday, February 26th 2026

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Operator: Hello and welcome to the Stellantis Full Year Results 2025 call. You will have the opportunity to ask questions at the end of the call by typing #5 on your telephone keypad. Please do not exceed one question per person and if necessary, an additional one. I now give the floor to Mr. Ed Ditmire, Head of Investor Relations, to begin today's conference. Sir, the floor is yours.

Ed Ditmire: Thank you. Hello, everyone, and thank you for joining us today as we review Stellantis' full year 2025 results. Earlier today, the presentation material for this call, along with the related press release, were posted under the investors section of the Stellantis Group website. Today, our call is hosted by Antonio Filosa, Chief Executive Officer, and Joao Laranjo, Chief Financial Officer. After their prepared remarks, Antonio and Joao will be available to answer questions from the analysts.

Before we begin, I want to point out that any forward-looking statements we might make during today's call are subject to risks and uncertainties mentioned in the Safe Harbour statement, included on page two of today's presentation. As customary, the call will be governed by that language. Now I'll hand over the call to Antonio Filosa, Chief Executive Officer, Stellantis. Thank you.

Antonio Filosa: Thank you very much, and thank you all for joining us today. What we will discuss today will be familiar to you from our preliminary results announcement on February 6th. In summary, first, our return top line growth in H2 2025. Second, the decisive reset we announced on February 6th, which by putting the customer back at the center of everything we do, will enable our return to profitable growth. And third, after this reset, 2026 is our year of execution. What we are committed to deliver is progressive performance improvements on all of our business KPIs. As you can see, we have a very full agenda. So let's get started.

First, just a quick summary of what we will talk about. 2025 was a year of reset, with results that reflect the considerable cost of needed changes. But H2 2025 also showed encouraging first signs of the benefits of that reset. We returned to top line growth in H2 2025, and that momentum has carried over into early 2026. For example, in January 26th, our US market share was up year over year, and European share saw a sequential increase compared to H2 2025.

Our decisive reset around our customer preferences will drive profitable growth. And let me give you just two examples of what this means in practice.

Number one, after the return to the muscle car segment, this week, we have started production on three new Dodge Charger six pack variants. Those will represent 90% of the expected volumes. Number two, our global offensive to improve quality started very strong. With one month in service, over 50% improved in North America, over 30% improved in Europe, and 20% improved in South America since start of 2025.

Let me ask now, Joao, to walk you through the numbers.

Joao Laranjo: Thank you, Antonio. Good afternoon and good morning, everyone. Let me start with the financial figures for full year 2025 on page seven, which reflect a time of reset for the

Company. Consolidated shipments of 5.5 million units were up 1%, with increases in South America, North America and Middle East and Africa. Net revenues of €153 billion were 2% lower year over year. AOI margin was negative at 0.5%. This reflected the early stage of our recovery and substantial net tariff expenses, as well as a number of specific items. Our adjusted diluted earnings per share reflect our decline in AOI. And our Industrial Free Cash Flow saw outflows of €4.5 billion for the full year.

For Net revenues overall, a challenging picture for the full year, with a -2% year over year comparison, but an encouraging second half at plus 10%, particularly where it comes down to two elements most under our control, volume and pricing. The H2 net pricing improvement is driven by increases in North America and Middle East and Africa, partially offset by negative net pricing in Europe. And as you can see here, FX headwinds were even stronger in the second half, especially due to the Turkish Lira.

Keeping our focus on the second half, we look at the AOI walk. Here we see the beginnings of improved results. First, in the form of top line bridge factors like volume and net pricing. At the same time, on the cost side, H2 results were subject to a list of specific items which more than offset both the top line positives of volume and pricing, as well as improvement of other, more foundational industrial costs which were moving in a positive direction. Most of these items called out in orange are not expected to be repeated. Next, FX headwinds were nearly €1 billion, negative to AOI. This was driven overwhelmingly by the Turkish Lira Devaluation, which was partially offset in the period by net price improvement in that region.

Turning to the industrial free cash flow, both full year and H2 showed improvements. This was largely due to improved working capital and lower capital expenditures. H2 industrial free cash flow of -€1.5 billion represented a 50% sequential improvement compared to H1 2025 and 73% year over year improvement. Our cash flow is now moving in the right direction, but of course, returning it to positive is the objective moving forward. Now our new vehicle inventory. 2025 was a year of strong inventory discipline in terms of the relationship between stocks and sales. Stock levels increased in absolute terms towards year end, aligned with sales growth, plus new white space products that began shipping to dealers. Lastly, I would mention here North America and European order books, both finishing 2025 at three months of sales.

Now, turning to our regional review, where I will focus on the second half. In H2 2025, shipments saw increases in all regions year over year. North America posted the strongest contribution at 39% increase in shipments and a 31% increase in revenues, reflecting the benefits of normalized inventory dynamics as well as higher sales.

North America H2 AOI improvement versus prior year was driven by higher volumes and pricing, partially offset by higher industrial costs, mainly tariffs.

Enlarged Europe H2 AOI decreased versus prior year was driven by higher LEV mix and net pricing decline due to the strong competitive environment.

The South America H2 AOI decline versus prior year was due to some increase in costs.

Lastly, in Middle East and Africa, shipments had solid growth driven by increased production in Algeria as well as a strong Turkish market. However, margins declined primarily due to the very competitive market environment in Turkey, which prevented FX pressures from being fully offset by net price increases.

Moving to our summary financial figures table, there are a couple of things I want to point out. Our net loss of €22 billion primarily reflects our strategic shift to adjust to customer preference, and in response to changes in the US regulatory framework. The net loss was steep, but most of the impact was non-cash and therefore the company's balance sheet ended the period in a strong place. Our industrial liquidity finished at approximately €46 billion, 30% of revenues at the upper end of the company's target range.

Looking ahead to 2026 now, as Antonio mentioned in his opening remarks, we are confirming our 2026 financial guidance laid out at February 6th.

As previously disclosed, we will start reporting full year earnings results on a quarterly basis, something which I know many analysts and investors have been asking for. There are also some changes in our segment reporting. Most importantly, we will integrate the Maserati business into the regional segments in a way that is consistent with all of the other brands. To help analysts and investors prepare for how we will report in 2026 and beyond, we will publish in March an updated financial reference sheet, which shows the updated segments and quarterly earnings results for 2025.

I will now hand you back to Antonio.

Antonio Filosa: Thank you, Joao. Let's talk more on our return to growth in H2 2025 and the actions we have taken to keep that momentum into 2026.

First, let's discuss how the company returning top-line growth in H2. Let's start exactly where we began with our North American inventory management. The discipline we re-established at the end of 2024, when we cleared the accumulated inventory was carefully maintained in 2025. And now we see rewards for that. The US days of supply ended the year at 69 days, a very healthy number. At the same time, we made good progress with our net pricing. That was up 2% year over year in H2 2025. With these healthier dynamics, we are seeing year over year improvements in both sales and net revenue.

Now let's move to the actions we said we would take in 2025 to strengthen the business.

On growth, we launched ten new products in 2025, among them, the return of the Jeep Cherokee in the mid-size SUV segment, the largest segment in the world. We also progressed the rollout of our smart cars in Europe and Ram Dakota launch in South America that addresses the midsize truck segment, home of the region's largest profit pool.

On execution, we launched a deep reset of our quality organization, hiring over 2000 new engineers to drive improvement.

And finally, on profitability, we will increase production of the HEMI V8 engine by 100,000 units in 2026, we already relaunched the SRT division in the US, and in Europe, we will benefit mix gains with the recent introduction of Fiat 500 hybrid.

These are only a few actions among many that will lay down a strong foundation for 2026 results.

So, let's look at the early effects of those actions. Looking at the combination of Europe and North America, starting from the left, you see net revenues in Europe and North America up 13%. In the same period, order portfolio of North America and Europe combined is up 46%, with North America up 150% and Europe up 18%. And then looking at the rest of the world,

where performance was always and already strong, we see their commercial strength keeping momentum.

Now turning to industrial free cash flow. We are making progress from a very difficult place, sequentially improving in each of the last two halves. We expect that progress will continue in 2026 and 2027, when we expect industrial free cash flow to turn positive.

Okay, so now that we have covered how we started the journey in 2025, let's talk about the important changes we made to position the business for long term profitability.

Starting in the US, we are investing to dramatically improve our market coverage while improving the utilization of our US manufacturing footprint. This \$13 billion investment over four years is a strategic, long term business decision designed to drive big growth.

Under this plan, we will introduce five new vehicles and complete the renewal of our current Line-Up with 19 additional product actions. At the same time, we will deliver to our customers freedom of choice in powertrains, with innovative new ICE, BEV, hybrids and range extended products.

And it is exactly that freedom of choice that takes us to the next slide. And why on February 6th, we announced the profound reset that puts the customer back at the center of everything we do.

We have reset our organization to empower the regional teams, reset our stakeholder relationships so that we can address challenges together, reset our product line and EV supply chain to reflect real world customer demand, AND we are resetting our manufacturing and quality processes to deliver to our customers the experience that they deserve.

Now let's turn to 2026, the year of the execution. First, let's look at our ongoing product wave, which is critical to enable growth. In 2026, we will benefit strongly from a long list of new product launches in late 2025 that address wide spaces of the market, with several more being introduced in early 2026. Our product with paves the way for us to grow in the right segments. For example, it includes our mid-size SUV offensive in the US, the largest segment of the world, with our all new 2026 Jeep Cherokee. Also, our C-SUV offensive in Europe, which is the largest profit pool there, now strengthen by the all-new Jeep Compass and Citroën C5 Aircross.

With this next slide, I just want to highlight two new models recently announced by Ram. These show the quick and decisive actions we have taken to connect again with buyers. The return of the TRX with 777 horsepower from its supercharged HEMI V8 and immensely capable Power Wagon - those are examples of products that bring next level performance and next level appeal to some of our most demanding customers.

Next, the Jeep '12 for 12' program represents an exciting reinvigoration of our Jeep Wrangler franchise, with monthly drops of special editions. The latest, the Willys 392, has been exceptionally well received, combining the Hemi V8 power with a more affordable price.

Now, a couple of important topics outside the US. Starting with Leapmotor.

We had an incredible first full year of the partnership, with around 50,000 units shipped in 2025, and we are accelerating across multiple dimensions. We continue our commercial expansion in Europe, not only with additional products, but with local production in our plant in Spain, planning to start in the second half of 2026. This will be followed by South America,

where we intend to start local production in our Pernambuco plant, with big commercial expansion there too. So stay tuned.

Next, let's turn to the Smart Car platform. Those vehicles that are becoming a bigger part of what we do, both in Europe and in the rest of the world. This platform was designed to produce affordable multi-energy vehicles. Those include Citroën C3, Citroën C3 Aircross, Fiat Grande Panda and Opel Frontera, all already in the market. The Smart Car vehicles go very well with 325,000 orders collected in 2025 and an order book, which is up 80% year over year.

Now we'll walk through high level regional updates, starting with North America.

As we have touched on, the return to growth was strongest in North America in H2 and the product wave will continue that momentum as we begin 2026.

In H2, we achieved a 4% growth in sales, improved our market share by 20 basis points, and grew our order book by 150%. Ram continues to be a huge long-term opportunity for us, with more details to come at our Investor Day in May.

Now, Europe. Here we continue to have strong positionings, with a #2 in overall share, #1 in this segment, #1 in light commercial vehicle. Building on this, we have product tailwinds that will help us in each of the A, B and C segments in 2026. At the same time, the regulatory dynamics present real headwinds for the industry and our customers, in particular in the light commercial vehicle business. The trajectory of electrification demanded by regulators for light commercial vehicles is nowhere near real market demand, and we continue urging practical solutions in our engagement with institutions and policy makers.

Now for the rest of the world. South America continues to maintain its number one share position. The Ram Dakota launched in Argentina in December and will launch in Brazil in March, entering into the very attractive midsize truck market. In Middle East and Africa, we have improved our market share and have seen shipments up 9%. We are deepening roots in the region by expanding local production. Lastly, in China and India & Asia Pacific, shipments saw growth up to 18% year over year.

Well, a quick reminder of our upcoming Investor Day on May 21st, where we will communicate in detail our new strategic plan. The registration for this event is now open. You can register now online, and we look forward to welcoming you in May to Auburn Hills or virtually on the webcast.

Before opening to your questions, let me recap the key points from today's presentation. H2 2025 saw a return top line growth as we executed a deep reset of our business to put the customer back at the center of everything we do as we move into 2026, which will be the year of execution, we expect to see progressive performance across all our business KPIs. Thank you.

And now we'll ask our operator, Thibault, to open up the line for questions.

Questions and Answers

Operator: Thank you. If you wish to ask a question, please type pound key on your telephone keypad. Please do not exceed one question per person. And if necessary, a related follow-up.

Now, the first question comes from the line of Jose Asumendi from J.P. Morgan. Your line is open.

Jose Asumendi (J.P. Morgan): Thank you very much. Jose, J.P. Morgan. Thank you, Antonio and Joao. And one question, one related follow up. When it comes to Europe, it looks like you might need to take larger restructuring measures to turn the business profitable. We see that market share is rebounding thanks to the strong product line-up. But you could potentially argue that it's coming at the expense of incentives. So can you talk a bit about Europe and whether we need larger restructuring measures to turn the business into profit making? And the related follow up, we are already, obviously in the first quarter, do you think the US business is starting to turn the corner and bring profits? If you could give us any color there. Thank you.

Antonio Filosa: Okay. Thank you, Jose. Thank you very much for this very important question of the two main, important and largest regions that we manage around the world, Europe and North America. So let's start with Europe. As you said, very encouraging rebound on market share and on volumes in January. We see same results coming for February as well. We see very strong demand for Smart Car products. And those will be one of the foundations for profit building in Europe in 2026. We have an order portfolio which is very large, up 80% year over year. We also see our strong position, our immense strength in light commercial vehicle in Europe, where we have a dominating position in the market with a market share of around 30%. And obviously, this is the second lever for profit building in 2026. Obviously, Europe is still a tough environment where regulation still is unclear. We are engaging the policymakers to talk about regulation, mainly on light commercial vehicles where we understand it is very urgent, a change of rules.

In North America, what we are seeing in January is, again, market share up, I believe around 0.3 year over year. We see new products coming into the inventory of our dealers. The much-expected Jeep Cherokee will be visible in March to our dealers. Charger sixpack, where we have already launched the higher trim and we will complete the lineup of this important ICE model with three additional trims. They will represent 90% of the total volume and obviously profit, coming from additional production of trucks, light-duty and heavy-duty and very strong demand of the V8 engine Hemi. On the cost structure of Europe and North America, we are working a lot. Obviously, higher details will be disclosed to you at the Investor Day. Thank you very much.

Operator: The next question comes from the line of Michael Tyndall from HSBC. Your line is open.

Michael Tyndall (HSBC): Yeah. Hi. Thanks. I wonder if I could just ask one. Well, a couple as it were. Just on operating leverage in North America, very, very strong shipment growth circa €7 billion increase in revenues year on year, but the volume dropped through seemed to be quite low on that revenue. I wonder if this is part of the rebuilding relationships. Whether that means that the business is perhaps going to take a bit longer to get to that cadence in terms of operating leverage and then sort of related, South America just on the Brazilian real impact on industrial performance. Could you just unpack that a little bit for us? Is the cost base not in

Real or is there some other factor there that's driving that? Just trying to figure out what happens going forward on the margins in South America. Thanks.

Antonio Filosa: Perfect. Thank you very much for this question. So, what happened in H2 2025 in North America is a very strong growth in volume. As you said, this is very encouraging. This is commercial momentum that we will strongly carry on into 2026. We also had pricing up, as you mentioned, and what we had is some mix effect driven by light-duty and heavy-duty truck production, a little constrained by technical issues that we have in the ramp up of our plants that now we have basically entirely solved. So, what we see for 2026 is mix improvement, driven by light-duty and heavy-duty additional production, mainly due to very high demand of the Hemi V8 engine. Also mix will improve in 2026 because we will build and sell less PHEV. So those are the major drivers of the growth of North America in profitability in 2026. And this growth will be the largest contributor in the world for Stellantis' profitability.

Now let's move to South America, which is your second part of your important question. So in South America, in H2, we see two things. One, cost structure in Brazil impacted by FX headwinds for 2026 will be keen in doing two things: reducing cost technically and recovering price difference. Then we go to Argentina, and to Argentina, what we see in H2 2025 is price not fully recovered, the strong devaluation of the Argentinian pesos. And that will be for sure the focus of 2026 of the team. Now, South America is a big contributor to our profitability. South America enjoys a very large leadership position in the market with us #1 and #2, which is less than half of our market share. Based on that, we will build profitability for 2026, again working on price and cost both in Brazil and Argentina. And Joao, if you want to add something.

Joao Laranjo: Just on South America, on the industrial costs on the second half versus prior year, there is also an impact of one of the specific items that we communicated on February 6th, and we repeated at this call, it's a provision for a supplier. And part of that provision was recorded in South American in industrial costs. So, there is a portion of the industrial costs, negative impact in the second half of 2025 that is not going to carry over to 2026.

Michael Tyndall (HSBC): Thank you. Brilliant. Thank you.

Operator: The next question comes from the line of Itay Michaeli from TD Cowen. Your line is open.

Itay Michaeli (TD Cowen): Great. Thank you everyone. I wanted to ask a question on the mid-single digit revenue growth outlook for 2026. I was hoping you could provide a bit more color on some of the market assumptions for the US and Europe, as well as perhaps some of your market share assumptions. I asked because it seems like the outlook might be a little bit conservative, just relative to some of the US retail sales targets, at least we've seen reported out there for the company. So hoping to get a little bit more detail on the assumptions behind that outlook. Thank you.

Joao Laranjo: Yes. First, on the market assumptions, we are forecasting North America to be slightly down about 2% year over year in terms of total market. In Europe, about flat. And as we talked before, and Antonio also explained, the growth that we expect this year on the back of the new vehicles. In North America, the Hemi and the Ram Express, the Jeep Cherokee and the Dodge Charger. And in Europe, it's the finalization of the ramp up of the Smart Car. So, we are very excited about the demand that we are seeing on those products. And that's basically

what's going to drive the revenue growth. So, I'm sure, Antonio, you want to add something here.

Antonio Filosa: No, you said it all. We are seeing a big response of the market on what we are launching. A lot of expectation for the Jeep Cherokee, a lot of expectation for HEMI, a lot of expectation for Dodge Charger ICE. As I said, we are completing line up with additional three trims that we are launching this week. So, we see North America in a context of, let's call it stable industry. Potential market growth available to us because of the new products that are all launching in white spaces of the market for us. Thank you.

Itay Michaeli (TD Cowen): Terrific. Thank you.

Operator: The next question comes from the line of Thomas Besson from Kepler Cheuvreux. Your line is open.

Thomas Besson (Kepler Cheuvreux): Thank you. And have a couple of questions as well. Maybe circling back to the earlier questions and asking that a bit more bluntly, should we expect or can we hope to see your two main regions North America and Europe in positive territory in 2026 in terms of AOI? This is the first question. And then the second, you've been building up your financial services operation quite dynamically over the last couple of years. Could you please talk about the equity addition and profit contribution in 2025? And what we could expect, could it be a driver to help you effectively move back to profit in the US? Thank you.

Antonio Filosa: Thank you very much. I will take the first part of your question. I'll leave the second part to Joao. First part of the question. The answer is very easy, is yes. Being North America, the largest engine and the largest contributor for our 2026 profitable growth for Stellantis in the world. And Joao.

Joao Laranjo: Yes. So the first comment here is just to reinforce that we are fully committed with our financial service and especially the financial service in the US. We see that as a huge opportunity for growth to support the OEM sales, increase loyalty and obviously generate AOI and cash flow. We expect to continue to grow in 2026. The equity contribution that we are forecasting for 2026 is similar to what we have done, net of dividends in 2025, for SFS overall. SFS globally in 2025 had impact of some of the specific items. Two of them is the UK fines and the PHEV residual. So definitely SFS will be a big contribution for the year over year profit improvement for Stellantis globally.

Antonio Filosa: Thank you.

Thomas Besson (Kepler Cheuvreux): Thank you very much.

Operator: The next question comes from the line of Patrick Hummel from UBS. Your line is open.

Patrick Hummel (UBS): Yeah. Hi. It's Patrick from UBS. Thanks for taking my question. The first one is on your investments. They came down quite a bit in the second half of the year. And from a conversation I had earlier today with Ed, it seems like 2026 is not going to see an increase in investments. Can you confirm that is correct? And if so, how does that square with the \$13 billion you're planning to invest in North America? Are you taking money off the table elsewhere? Just to understand the context of how you got to that low CapEx or overall investment level? And my second question, regarding Maserati, you said you're going to integrate it into the regional accounting. Should we read that as a strategic decision that

Maserati is going to remain part of the Stellantis group even after the strategic review of your entire brand portfolio? Is that a decision now already taken?

Antonio Filosa: Thank you for your question. I will take the second part of your question. I will leave Joao answering the first part. So, the overall organizational strategy for Stellantis, starting from second half 2025, has been to increase level of regionalization, since we strongly believe we are a strong global company, with even stronger regional roots. So, putting back Stellantis as individual segment into the regions where it is sold is a follow up of this execution of having our organization much more regional than before. Then for details on Maserati, as on all of the brand portfolio, I will invite you to attend our Investor Day May 21st. Now we leave the first part of your question to Joao.

Joao Laranjo: Yeah. So I confirm that we are forecasting investments to be flattish year over year. It includes all the commitments that we have communicated, the \$13 billion over four years period. So the investments that we have for 2026 is consistent to that. Again, at the Investor Day we will give you more information about how we are thinking about investments going forward. But one thing that we can anticipate is that we're going to focus our investments where we have the highest opportunity for return on capital.

Antonio Filosa: Thank you.

Patrick Hummel (UBS): Thank you very much.

Operator: The next question comes from the line of Philippe Houchois from Jefferies. Your line is open.

Philippe Houchois (Jefferies): Yes. Thank you very much. The first question is can you make any comment on your recent quality development? You've told us you've updated on the cost on the cash impact. Would you say industrially speaking, right now is quality trending up, down, flat? That would be helpful. And the follow up question is - sorry to go back to this, but this issue of operating leverage - the volume drop through. I mean, you mix volume & mix so we cannot separate the two, and like GM, for example, separates the two. But it feels like if you have a normal volume leverage, then the mix looks like a drag. And am I misreading this and would you give an indication maybe what this normal drop-through should be in North America going forward? To me, it should be around 20% at least. If you have any comment on this, that'd be very helpful.

Antonio Filosa: Okay, I will answer starting from the second part of this question. So, as I said before, there has been a mix effect by half two 2025, driven by production of light-duty and heavy-duty trucks restrained by specific operational issues that we have solved. So, I can tell you very clearly, that mix will improve, already in quarter one a lot. We will increase production, we will increase production heavy-duty, and we will follow and reflect the higher demand that we see on the Hemi V8 engine. So this is the second part of your question.

The first part of your question is about quality. So, we have changed the organization. We have put the leadership of quality in our SLT team, so in the top tier of our organization. We have recruited 2000 additional engineers mainly dedicated to quality improvements and quality is improving already and a lot. So we see, for instance, in the one month for services indicator in North America, improvements in about 50%. We see in the same indicator one month in service in Europe, improvement over 30%, and we see 20% improvement of the same indicator in

South America. Now it's execution. It's daily execution that will drive even more positive momentum in quality. Thank you very much.

Philippe Houchois (Jefferies): Thank you.

Operator: The next question comes from the line of Michael Foundoukidis from ODDO BHF. Your line is open.

Michael Foundoukidis (ODDO BHF): Yes. Hi. Michael Foundoukidis, thanks for taking my questions. Two questions on my side. First, in the US, including recently, you talked a lot about upcoming launches, great products, high mix. But what could you tell us about your answers and plan for more affordable options, meaning well below \$40,000 to provide consumers in the current economic context in the US? That's the first question. And second one very quick one, more for Joao. In terms of one-off adjustments for 2026, of course, it will hopefully not be comparable to what we had last year, but even excluding last year, the average since Stellantis birth is around €3 billion per year. So could you confirm that we should assume a much lower figure than that at this point? Thank you.

Antonio Filosa: Okay, I will start. So when we look at US and when we look at the sub \$40,000 US dollar market, for sure, this is a portion of the market where our current penetration is low. And we are investing within the \$13 billion investment over the next four years, also in that part of the segment. We will deliver products to be credible players, also, in the below 40k US dollar portion of the market, which is very large. I will give you an example that we already announced around additional affordability on our line-up. Well, the Ram will launch a midsize pickup truck that we will develop now, and we will launch to the market by quarter four 2027. Now for the other part of the question, I will leave Joao to answer.

Joao Laranjo: Thank you, Antonio. As we have communicated on February 6th, we have taken the vast majority of the charges in H2 2025. We do not forecast unusual items, but if your question is specific to restructuring expense, although we don't forecast that either, I could confirm that any restructuring expense would be well below €3 billion for 2026.

Antonio Filosa: Thank you.

Operator: The next question comes from the line of Henning Cosman from Barclays. Your line is open.

Henning Cosman (Barclays): Yeah. Hi, team. Good afternoon. Good morning. Thanks for taking the question. There seems to be a huge amount of focus on this operational leverage in North America. So, I was just hoping you could maybe be a little bit more precise, Antonio, with respect to the mix drag from the inefficiencies and at the end of 2025, which you're hoping to not repeat in the first quarter and from there in 2026. So that we could perhaps ourselves calculate a more sustainable operating leverage for North America.

And then outside of that, if you could help us with some of the other important buckets for the North America EBIT bridge, for example, the CAFE savings that you hope to have. I believe on the preliminary call, we talked about some relief on DNA attributable to some of the impairments you were able to have. Of course, non-repeatable one offs. Anything at all that you could help us to substantiate a little bit the positive AOI in North America that you had kindly confirmed before.

And then the second piece, if you don't mind, in terms of others, so the other segments separate to the regions, at least compared to my expectations, it was a little bit more negative than I had expected. So perhaps you could tell us what we should expect as a sustainable level for the others segment or specifically what you think that could be in 2026? Thank you very much.

Antonio Filosa: Okay. Thank you. Thank you for your question. So again, on H2 2025, in North America, what we saw was volume up. As we all said, very high up, net price up and mix offsetting a little bit, the volumes effect and the net price effect, because we produced less pickup trucks, light-duty and heavy-duty. We had a set of operational issues in the plant that we have solved. So, what we see now already in January is higher production of light-duty, higher production of heavy-duty, a better mix driven by those volumes, plus all the volumes of V8 engine that is very profitable to us. So this is one of the major levers of growth for 2026. On the others, I will ask Joao to answer.

Joao Laranjo: Yes. Okay. Thank you, Antonio. So, for 2026, we expect to see, as Antonio mentioned, a volume growth on the back of the new products. We expect to see better mix both because of the increase on mainly light-duty, but also the reduction of BEV and especially our PHEV volumes in 2026. And we expect an improvement on the operational efficiencies, both because of the non-repeat of specific items that we had in 2025, but also because of the more stable operational environment that we have, plus the additional volumes. So, net of the headwinds that, as we know, tariffs and raw materials, we expect to be a headwind in 2026. We expect that net of those headwinds, we're still going to see a positive industrial cost through operational efficiencies.

So, the improvements in North America are primarily driven in 2026 by volume/mix and operational efficiency. Those will be the key drivers. And then, related to the other segments, the biggest driver for the deterioration in 2025 was on financial service due to the charges that we have taken there. So, for 2026, we expect a large improvement year over year because of no repeat of the charges. And we continue to improvement on the financial services business.

Henning Cosman (Barclays): Thank you.

Antonio Filosa: Thank you very much.

Operator: The next question comes from the line of Harald Hendrikse from Citi. Your line is open.

Harald Hendrikse (Citi): Yeah. Thank you so much for taking my question. Just wanted to ask a little bit more about your assumptions regarding the market and specifically market pricing in 2026. You have lots of new product. I know they are white space for you, but they're obviously not white space for the market. And you have some really, really strong competitors. Toyota, specifically Hyundai, maybe GM, in a lot of the white spaces you're looking at. So, can you talk a little bit about what you're expecting for the pricing environment in the market, and how you expect your competitors to react to your new product? I doubt that they will do nothing.

And then in the rest of the world, European pricing obviously was dramatically negative in the second half of 2025. I think your competitors are kind of saying the same thing. Chinese competition is obvious not just in Europe but also in South America. Should we expect that to continue and remain as negative? And again, how can you deal with that environment? It seems like a very difficult environment to improve profitability strongly. Thank you.

Joao Laranjo: Yeah. So first in the US. We expect the market, and also ourselves, to be to stay stable to slightly positive price environment as the tariff impact continues to have an effect and the market has not priced for tariffs yet. For Europe we expect to see continue strong competitive environment. So, we continue to expect a price pressure in Europe. Globally for Stellantis, we expect the price to be basically flat with some positives in North America offsetting price pressure in Europe.

Antonio Filosa: Thank you.

Harold Henderson (Citi): Okay. Thank you.

Operator: The next question comes from the line of Emmanuel Rosner from Wolfe Research. Your line is open.

Emmanuel Rosner (Wolfe Research): Great. Thank you so much. My first question is a follow up on on CapEx. Obviously, your CapEx was down by about €3 billion last year. You're maintaining it at this lower level in 2026. I wasn't super clear on a go forward basis. Are you constraining it in the near term? Because obviously there's some free cash flow consideration. Is this the new sustainable level or do you anticipate having to spend more in 2027, 2028, in order to achieve some of the projects and investments? And if so, how do we get comfortable with the 2027 positive free cash flow? And then I have a follow up.

Joao Laranjo: So we expect to see CapEx increasing in the coming years. And we will talk more about that on the Investor Day and the cash flow positive for 2027 will be on the back of the continuous volume increase as we continue to launch new products and ramp up the ones that we have launched right now and, continue the operational efficiencies that we are driving will continue to drive. Antonio just mentioned earlier improvements in quality. So, we believe we have a lot of opportunities on the industrial costs that we're going to pursue this year or next year.

Antonio Filosa: Thank you.

Operator: The next question - sorry, you had a follow up.

Emmanuel Rosner (Wolfe Research): My follow up question, if I could. Yes, please. I just wanted to - I think you made some announcement today around this Leapmotor. I'm just curious if you could just articulate for us how does this help European profitability?

Antonio Filosa: Yeah. So obviously, we will have time May 21st to talk about that, about Europe, about LPM in Europe and in the world. But this is a partnership that is very strong for us commercially, since we are accelerating our market reach in Europe, in South America and in Middle Eastern Africa, but also is a technical partnership that will help us in getting to higher levels of competitiveness, especially with electric cars. And this is very important for Europe and the partnership that will improve our collaboration also on new tech development. That is all for now. I invite you to join our May 21st Investor Day. Thank you.

Emmanuel Rosner (Wolfe Research): Thank you.

Operator: The next question comes from the line of Horst Schneider from Bank of America. Your line is open.

Horst Schneider (Bank of America): Yes. Thank you. My first question is on Middle East and South America. So, in a way, the Third Engine region. You have been clear on your expectations

for North America and Europe. Could you maybe also outline your expectations specifically for these two regions? My perception is what I see for January, for example, is that your sales were more or less down, in some cases, down a lot in Middle East and South America. So, what should we expect here in terms of trade off, volume and price, given that the Chinese competition is increasing in these regions a lot?

And that takes me also to the follow up question with regard to volume and price. You have been clear that you expect this volume increase and you expect a flattish price. Just in case, what has got priority for you from here? Let's assume that the competitive pressure increases by the Chinese globally, would you have a higher emphasis on volume or price? Thank you.

Antonio Filosa: Okay. Now, thank you for your question. So, for both South America and Middle East and Africa, we see increasing volumes in 2026. January, specific month for South America and also for Middle East and Africa. But our vision is higher business and higher volumes for 2026. What we will pursue globally in 2026 is profitability. And we know we have a large volume opportunity because we are launching, especially in North America, where obviously Chinese competition is not there, many new products. But what we are pursuing is to grow with profitability. Thank you.

Horst Schneider (Bank of America): Okay. Thank you.

Operator: The next question comes from the line of Stuart Pearson from Oxcap Analytics. Your line is open.

Stuart Pearson (Oxcap Analytics): Yeah. Good afternoon. Thank you for taking my question. So quickly on working capital, can you just give us some indication what your expectations there and especially excluding any impact in that line item from obviously the cash costs of restructuring going to suppliers? So, is that a tailwind this year? And with that in mind, when we think about free cash flow this year ex those cash restructuring costs, and given what you're seeing on all the KPI line items improving, is it possible that that's positive ex the restructuring this year?

And then the follow up is more just a bigger picture on the strategy. Antonio, I guess ahead of the Capital Markets Day. I mean, I know you're going to tell us to wait a lot for that. Fair enough. But just so we know what to expect, is this more of a, I guess, an operational plan or is it a bigger strategic reset, or is it by which I mean, is it more of just execution, improving on quality, improving efficiency? A lot of the things that you've mentioned, or could we see some more radical decisions that you're preparing as well as you've been working on this plan for some time? Thank you.

Antonio Filosa: Well, thank you very much. I will answer to the second part of your question, and I will leave Joao to answer to the first part of your question. So obviously, I invite you May 21st, but I can anticipate to you that we will see both things. Right. We will see a very strong focus on operational execution and operational efficiency improvement. This is quality. This is time to market. This is obviously industrial productivity. But also, we will see, I must say, a lot of answers to all the other strategic items that we have all in our minds. So stay tuned. And again, I invite you to join us in Auburn Hills May 21st.

Joao Laranjo: Okay. On the working capital, just to remind what we said on February 6th is that of the charges that we have announced, the cash out of the €6.5 billion, of which €2 billion

in 2026 and of that €2 billion, €1 billion in Q1. But if we exclude these €2 billion payments in 2026, working capital would be a tailwind, primarily due to the volume growth that we are forecasting for this year. So excluding payments, working capital will be a tailwind. On the cash flow positive, excluding payments, we have no other comments versus what we have already communicated in our guidance.

Antonio Filosa: Okay. Thank you.

Stuart Pearson (Oxcap Analytics): Thank you.

Operator: The next question comes from the line of Christian Frenes from Goldman Sachs. Your line is open.

Christian Frenes (Goldman Sachs): Yes. Hello. Thanks for taking my question. Can you hear me? Hello?

Antonio Filosa: Yes, we can hear you.

Christian Frenes (Goldman Sachs): Great. Thank you very much. So you took an exceptional significant warranty charge in H2 2025. Could you help me understand how your warranty run rate in North America and Europe will change as we move from 2025 into 2026? That's my first question, and my second question has to do with the CAFE opportunity, the elimination of some of the penalties from CAFE. What sort of opportunity that presents. I heard Henning's question earlier on, and you don't seem to be willing to answer the question. And I'm just wondering, could you help me understand why you would be unwilling to answer? Is it because it's not such a significant opportunity in 2026 and it's a longer-term story, or just as you could, or is it just conservatism or what have you? If you could just help clarify sort of your stance on that.

And then the third one is just a detail sort of housekeeping question. I can also follow up with Ed after the call, but I'll ask it now. You appear to have restated the components of the profit bridge in H1 2025. So, for North America and Europe, when I look at the profit bridge, so for example, for North America, H1 2025 your net price was reported at the time to be -1.2 billion, but the restated number appears to be -1.5 billion. I'm just trying to understand what's behind that. I can also follow up with Ed. Thank you.

Antonio Filosa: Okay. I guess you asked what level of opportunities new CAFE regulations are providing to us. If this is your question, the major opportunity that we will - yeah. Please go ahead.

Christian Frenes (Goldman Sachs): No, no, that is my question. Yeah. Sorry.

Antonio Filosa: Yes. So, I didn't understand that before and I apologize for that. But the main opportunity that these new regulations will provide to us and we will absolutely pursue it, is to improve our mix of production and sales profit optimizing in North America. That means basically, in US, we will sell less PHEV and more ICE. And on the ICE side, we have the advantage to launch now Hemi V8 engine. And we are setting up our production to produce 100,000 units more in 2026 than in 2025 of overall V8 engine, which is obviously very positive in mix. And I hope that this is the answer that we are expecting. Now we leave Joao to answer to the rest of your question.

Joao Laranjo: On the third question, on the walk. We didn't restate anything. But there is the way that we do the walks. For H1, we use the H1 2024 average margins. And then for the H2,

we use H2 average margins, and then for the full year, the full year average margins and the same thing for FX. And that's why it's stacking the walks do not work. On the warranty, we have provided it. Yeah. And then on warranty, we have provided a detailed schedule on February 6th and we can take offline. But the way that you should think about that, is what we have booked on the P&L, which we have detailed on H2, that we have classified as AOI which was related to the shipments in 2025. The only thing that you should exclude there is the €500 million that were related to the H1, and that will give you a good run rate going forward.

Christian Frenes (Goldman Sachs): Okay. Thank you very much.

Antonio Filosa: Thank you.

Operator: Ladies and gentlemen, this was the last question. Let me now hand the call back to Mr. Antonio Filosa for the conclusion.

Antonio Filosa: Very well. And thank you again for joining us today. As we close today's call, I would like just to let you know this is the last call of our head of investor relationship, Ed. Ed will be leaving us in the coming weeks. And before that, we'll be supporting a handover to his successor, Charlie Christman, that have been with us for the last eight years, working closely to our CFO, Joao Laranjo. All of us at Stellantis would like to extend our thanks to Ed and for his years of service and wish him the best for his future.

Thank you, everyone, for the time and focus you have put into reviewing our results and listening to our business updates, and we look forward to talking to you regularly throughout what we expect to be a very productive 2026. Thank you again. See you next time.

[END OF TRANSCRIPT]