

Stellantis Preliminary Results H2 2025

Friday, February 6, 2026

Stellantis Preliminary Results H2 2025

Operator: Hello and welcome to the Stellantis Preliminary Results H2 2025 call. You will have the opportunity to ask questions at the end of the call by typing pound key 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 H2 2025 Preliminary Financial Results. 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 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 Harbor statement included on page two of the presentation. As customary, the call will be governed by that language. Now I'll hand over the call to Antonio Filosa, CEO, Stellantis.

Antonio Filosa: Thank you, Ed. Thank you very much. And thank you all for joining us today. What we are presenting today is a decisive reset for our future profitable growth. We are today resetting our organization by empowering our regional teams so that they can accelerate decision making processes and maximize rigor of execution. We are dramatically resetting our stakeholder relationships, improving all of them, including relationships with our employees, with our partners, the dealers, the suppliers, the governments and the unions. We are resetting our product plan in our EV supply chain to reflect much more real customer demand, a shift in regulation, following an initial overestimation of pace of adoption of electrification in the regions.

We are resetting execution and improving quality management processes to address previous operational issues triggered by past decisions. Those are changes very needed, necessary that we are aggressively implementing. Implementation is all in progress, and they are delivering to us initial signs of recovery already in H2 2025. So let me talk a little bit about those initial signs of recovery that will deliver a positive foundation for 2026 and forward.

The first bucket of early improvements is execution improvements. We have a new leadership team in place. We have a much leaner organizational structure. We have given power to the regions, enhancing local decision-making processes. We have recruited more than 2,000 engineers in 2025, mainly in North America, and together with them, a lot of field professionals, skilled trades for our plants. We have already enhanced quality with a one-month in-service KPI, which is improving more than 50% in North America, more than 30% in Europe. This is in 2025.

The second bucket of improvement is about our product momentum. We are launching in 2025, ten all-new products in all regions. We are returning Hemi V8 to our Ram 1500 pickup truck, and we will increase HEMI production a lot in 2026. We are progressing the rollout of the Smart Car line up in Europe, with substantial incremental product offerings such as the Fiat Grande Panda, for instance. We have been launching in quarter four 2025, recovering past delays, many new products including Jeep Cherokee Hybrid, which is our Jeep fundamental player in the largest individual segment in the world, the midsize SUV segment, in the United States, more than three million units sold every year. We are launching Dodge Charger ICE SIXPACK

that, together with the Dodge Charger Daytona BEV, is car of the year for North America, recently awarded. We are launching the Fiat 500 Hybrid in Italy. And those launches, will all expand our market coverage in 2026.

The third bucket of improvement is about our return to growth. We increased our global shipment H2 2025 versus H2 2024 by 11%, and our North American shipments, in the same period by 39%. In Europe, we are retaining our segment leadership in the all-hybrid market, in the B segment, and in very profitable light commercial vehicle market. And in South America and in Middle East and Africa, we are keeping our growth.

The fourth bucket of improvement is our order book, which is very robust. So our order intake in Europe increased by 13% in 2025 when compared to H2 2024, and 23% only in quarter four 2025 when compared to the same period of 2024. Our order book in North America is up more than 150%, and this is driven by accelerated demand of the new Ram, Jeep and Dodge products. We have received year to date more than 60,000 orders for our 2026 model year Ram 1500 HEMI V8 engine powered, and we have sold out our planned production for model year 2026 of the recently launched two door Dodge Charger SIXPACK scapack.

Through the new product strategy, we are addressing many white spaces in the markets where we compete, and this is a very big opportunity for us in 2026. So in H1 2026, we will launch our Ram 1500 TRX. We will launch our all-electric Jeep Recon. We are already launching the new Jeep Grand Wagoneer. We are already launching the new Fiat Grande Panda ICE. All those products will enhance our market coverage for 2026, and also the many launches of H2 2025 will give us a full benefit in 2026 of additional market coverage.

This is the case of the launches of the eight launches that we see in the bottom of the slide, including Ram 1500 HEMI V8, Ram 1500 Express. In South America, the Ram Dakota or mid-size pickup truck over there. As we mentioned before, our Dodge Charger ICE SIXPACK together with the BEV car of the year in North America. Our Fiat 500 MHEV, our Jeep Cherokee hybrid, the return of a historic and iconic nameplate in the largest individual segment in the world. In Europe, the Jeep Compass BEV. In Europe again, the Citroen C5 Aircross BEV. And now I leave the word to Joao.

Joao Laranjo: Thank you, Antonio. As part of our 2025 second half results, we are announcing €22 billion worth of charges that are excluded from AOI. We have broken this out for you into three categories. €14.7 billion related to product plans. It includes write-offs of canceled products of €2.9 billion. And also impairment of certain platforms of €6 billion. This is primarily due to substantially reduced volume and profitability expectations for BEV products. It also includes approximately €5.8 billion in projected cash payments, expected to be paid over the next four years. €2.1 billion related to steps taken to resize the EV supply chain. This includes a total of €700 million in cash payments expected to be paid over the next four years.

€5.4 billion relate to other items. This includes €4.1 billion due to a change in estimate for contractual warranty provisions and €1.3 billion of restructuring and other charges. The vast majority of charges relate to necessary corrective actions have been taken in 2025. Now let me review the preliminary results for the second half. Net Revenues rose 10% year over year at a preliminary estimate midpoint on 11% higher consolidated shipments. AOI was negative, in the range of €1.2 to €1.5 billion. Industrial free cash flow was negative in the range of €1.4 to €1.6 billion. This represents approximately half of the -€3 billion in the first half of 2025.

Now, let's dive deeper on the AOI topic. We finished below our AOI expectation for the second half of 2025 due to a combination of specific items, which more than offset improvements in other areas. First, let's go through the items impacting industrial costs Warranty expense for the second half was €700 million higher year over year. €500 million of this was triggered by the change in estimate related specifically to vehicles shipped in the first half of 2025. Another €200 million of warranty expense related to the recall of certain now discontinued PHEV models. The company also booked €500 million in compliance fine provisions related to European LCV volumes. This represented the entire 2025 full year accrual booked in the second half, and moving forward, we project this should be about €300 million lower in the first half of 2026.

Lastly, there were also €500 million related to two items, a supplier bankruptcy, and for costs incurred due to disruption of the aluminum supply chain. Next, two items in the financial services business had a negative impact of €400 million in the FX & other bucket. The first was due to the residual value impact incurred in the U.S. for the now discontinued PHEV models, and the second was a provision related to an industry wide motor finance redress program in the UK. So in total, there was €2.1 billion of negative impact from the specific items I mentioned. At the same time, core foundational business drivers like volumes, price, industrial efficiency and purchasing costs were all moving in the right direction.

Joao Laranjo: Now, let us go over what we expect for the full year 2026 financial guidance. Net Revenues are expected to rise by a mid-single digit percentage, with the largest contribution from North America. The margin guidance is low single digit with improvement expected, comparing the second half to the first half of 2026. And industrial free cash flows are expected to improve year over year. Included in this is approximately €2 billion in projected cash payments in 2026, of which approximately €1 billion is expected in the first quarter. We expect a return to positive industrial free cash flow in 2027.

Now let us turn to capital. The message here is that the balance sheet is strong and will remain so. The decision to not pay a dividend this year reflects our net loss. Next, the board has authorized the company to issue up to €5 billion of hybrid bonds. These actions will contribute to preserving a strong balance sheet and liquidity position while the company works to return the business to positive industrial free cash flow generation. The company finished 2025 with industrial available liquidity of approximately €46 billion, representing a ratio of 30% to net revenues, at the top end of our 25% to 30% target range. I want to briefly flag that we are sharing a supplemental slide for you to better understand information on the change in estimate on warranty. I will now hand you back to Antonio.

Antonio Filosa: Thank you, Joao. So to conclude, I present to you this final slide where again I'm presenting a decisive reset to make customer preferences our only guiding star for the future of our business plan and for the business of Stellantis. We have a new CEO. We have a new team in place. We have a new approach to the many markets where we are relevant, and the new vision that we will be delighted to share with all of you on May 21st, 2026, in our Investor Day.

Just some highlights about what we said today. Customer is back at the center of our business strategy. We drive our product plan driven by demand rather than command, and we are very delighted by the very positive reception of our dealers and our customers over the new products that we recently presented to the markets. We have a new organization in place. We have empowered regions. Our decision-making process will be faster and leaner because closer to

customers we have new expanded range of products, some attacking white spaces where we were not present, some others that represent an important return of beloved nameplates in our lineup.

We are improving a lot on manufacturing execution. We are improving a lot on quality governance and quality processes. Our one month in service in North America has improved in 2025 by 50%. Our one month in service in Europe KPI has improved in 2025 by more than 30%. And we are recruiting engineers, more than 2,000, to support our quality and time-to-market needed improvement. A profound reset that put our customers at the center of what we do. It comes with a cost, as Joao has already explained, but a very needed and important one to set us back on the road of business growth. That is all from my side, and now we will take your questions. Thank you very much.

Questions and Answers

Operator: Thank you. As a reminder, to ask a question, please type pound key on your telephone keypad. Please do not exceed one question per person and if necessary, an additional and related one. So the first question is coming from the line of Patrick Hummel from UBS. Your line is open.

Patrick Hummel (UBS): Thank you very much. Hi, Antonio. Hi, Joao. Hi. Thanks for taking my questions. I would like to start with AOI. Looking at your 2026 guide, low single digit, I guess, translates into 1 to 3% AOI margin. Now the second half of 2025, if I strip out those non-recurring items that are within the clean margin of the second half of last year, seems to be a 1%. So basically, you're guiding for a very moderate margin expansion. If I take the midpoint of just around 100 basis points, and that despite quite strong progress made on the commercial front, and you're guiding the top line up mid-single digit.

So I'm just wondering if you can share a bit more color about the puts and takes, why there is so little operating leverage despite a better top line? And if you can, also by regions, is it just that Europe or the third engine is worse? Or is it that the recovery path in the U.S. is flatter than what we had in mind? And my second question is a very, very simple one. Can you just say loud and clear that with the measures announced today for the balance sheet, a raise issue is off the table? Thank you.

Joao Laranjo: Okay, Patrick, thanks very much for your question. So I'll address the second one first. We are not contemplating any equity raise. So that is not something that we are contemplating. On the AOI, we expect to see a continuous improvement in 2026. And the key drivers for the improvement in AOI throughout 2026 will be volumes, as we ramp up the production of the new volumes, as we are indicating in our guidance. We expect mix to be a positive in U.S. with a reduction of PHEVs and BEVs and increase of HEMIs. We expect price should be basically flat with positive improvements in U.S. likely, some negative price in Europe given the strong competition. And then we have headwinds on tariffs and raw materials of around €1 billion that we expect to offset with industrial cost efficiencies due to the higher volume and much better operational execution. And then there is the non-recurring specific items. So our guidance incorporates those levers. And we expect to make as much progress as we can throughout 2026.

Antonio Filosa: Well, and complimenting what Joao just said. So the pace of our reset, because this is a profound strategic reset, will be driven by new successful product launches that we will execute with very high quality. So the speed of this reset is driven by those launches that requires time, obviously, that we will deliver to the market with high quality standards when it comes to the regions. The major engines of our business growth will be North America, U.S. specifically, where we have a big concentration of new product launches coming to the market and a very high expectation around that. It is important to remind you that our order book in North America is up 150% year over year, and our market share is growing, especially the U.S. retail market share, which is obviously the most profitable. And this is a very good sign. So those are the major answers to your question and thank you for that.

Patrick Hummel (UBS): Thank you.

Operator: The next question comes from Jose Asumendi from J.P. Morgan. Your line is open.

Jose Asumendi (J.P. Morgan): Thank you very much. Thank you, Antonio, for the presentation. This is Jose from J.P. Morgan. Just one question, please. I can clearly see how the white space products or the products coming into white space are going to give you that additional momentum in volumes and earnings. Just my question is, is there not a need to take more drastic action in Europe, taking down capacity? Or simply in other words, can you talk about how the announced measures are going to help improve our industrial footprint, both in Europe and in North America? Thank you.

Antonio Filosa: Well, thank you very much for this question. And I will answer to that, this profound reset that has been done to put back our customers in all the regions at the center of everything we do as a company. Obviously, it comes with a strategy of business growth. That is why we are investing \$13 billion in the next four years in the U.S., with the launches of five, all new products and 19 refreshed products. That is why only in 2025, we launched globally more than ten all new products. North America, Europe, but also South America and Middle East and Africa.

So once we put our real-world customer demand at the center of what we do, and once we set up for ourselves a foundation through product launches of growth, our main strategy is to grow. It is to grow in North America, is to grow in Europe. It is to grow in South America, is to grow in Middle East and Africa and elsewhere. Then obviously our business is also a business of efficiency. So, we will take a lot of care at industrial efficiency as well. And for what we think on our brand portfolio and our industrial footprint, well, we will share with a lot of pleasure all those considerations in our Investor Day, May 21st of 2026. Thank you very much.

Jose Asumendi (J.P. Morgan): Thank you. Looking forward to it.

Operator: The next questions come from Philippe Houchois from Jefferies. Your line is open.

Philippe Houchois (Jefferies): Yes. Good afternoon and thank you. My question is on the perpetual hybrid bond. I'm just trying to understand, considering how much liquidity you have on the industrial balance sheet, am I right to assume that the driver of that hybrid bond is more to protect the rating, rather than add liquidity? And if I can follow up with that, is to what extent the rating or how does - I guess you're trying to protect the rating to continue to invest in the finance organization in the U.S. And can you comment on this. It is the right logic am I thinking right the right way? And does your balance sheet in any way constrain your ability to continue

building that FinCo. And I'm just wondering, as you've said, up to €5 billion which suggests you could do less or and how could we think about the cost of that instrument? Currently, Volkswagen pays about 4.5% interest gross on that on a similar facility. Is that the kind of cost of funding we should be looking at? Thank you.

Joao Laranjo: Yeah. Thank you. Well, the first thing is obviously the hybrid. It's one more instrument in our toolbox to make sure that our balance sheet continues to be strong. And it's something that we are very focused on, including to make sure that we protect our investment grade, which it's very important to us. And we are working very hard as well to improve the operating performance, including to protect the growth of the FinCo here in the U.S. So all the points that you mentioned relates to the hybrids are the rationales that we are also looking at. And the cost of the hybrid right now, it's at a historical low. So we think it's a very competitive instrument. And as you said, competition and other large companies, especially European, use those instruments at a larger scale. So, we think it's a very good instrument to add to our debt portfolio.

Philippe Houchois (Jefferies): Thank you.

Operator: The next questions come from Thomas Besson, from Kepler Cheuvreux. Your line is open.

Thomas Besson (Kepler Cheuvreux): Hi. Good afternoon. I'd like to ask you a couple of questions, please, as well. First, when I look at your deck on page seven, could you please explain to us the difference between your operating cash burn at about €2.4 billion and the industrial free cash flow at €1.5 billion? Can you isolate the elements that are related to the bank and other items that can explain why there isn't a greater industrial cash burn? And the second question is on the €6.5 billion cash portion of the charges that you plan to pay over the next four years, could you confirm that it has been agreed with your suppliers that this payment can be done over four years, or is it something that you still need to negotiate? Thank you.

Joao Laranjo: Yes. No, thank you for the question. So first on the reconciliation between the operating cash flow and the industrial free cash flow. So the operating cash flow as shown here, it's an IFRS measure and it does not include CapEx, but it includes the operating performance of the FinCo primarily in the U.S. So that operating cash flow is a view for the group, and it's basically including operating drivers, not investment or financing. While the industrial free cash flow does not include the FinCo activities, but includes the investments on the industrial companies. So the walk between the 1.5 to the 2.5, it's there, is a CapEx of 4.5, and then an operating from the FinCo of 5.3, and that is the delta that reconciles.

And if you would like, we can provide the details after the call. But that's the difference between the operating cash flow at group level and the industrial free cash flow, as we are reporting here. On the cash payments, the 6.5, yeah. And then the cash payments, we are in negotiation with the suppliers. We have not closed all the negotiations. The negotiations that we have closed so far are aligned with this payment terms condition, including the deal that we have announced today, the €700 million that we stated to be in four years. That is exactly the terms of the transaction that we just closed.

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

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

Christian Frenes (Goldman Sachs): Yeah. Hello, everyone, and thanks for taking my question. Just three questions from me regarding the provisions that you've announced today. Can you just confirm that any risk to your European operations from increased pricing pressure or what have you, is sort of captured in these provisions? That's question one. And question two would be just a detail on the €6.5 billion cash out from your restructuring activities. It's clear that €5.8 billion comes from the product realignment, and then you have €0.7 billion from the EV supply chain. What about the €1.3 billion from workforce reductions? How much of that is a cash issue? And then lastly, for your FinCo, for your financial subsidiary, there was already a question on that, but could you just outline the cash investment that the Finco will consume, I guess, both for 2025? And maybe your thoughts on 2026, what we should assume. Thank you.

Joao Laranjo: Yeah. So on the provisions, we have provisions that we have listed here, obviously based on our regular closing process. We take in consideration risks on the residuals and related items, including in the European market. So that is contemplated on our regular closing, but on the provisions, there is nothing exceptional for price in Europe. On the €6.5 or the €1.3 billion of restructuring, as you can see on our financials, in 2024, 2025, we continue to have restructuring actions that is about €1 billion. So the cash out in 2025 was about €1.3 billion, and we expect a similar amount or slightly less, around €1 billion in 2026. And then the finco, especially for 2026, so I'll follow up with you on the full year earnings call.

Christian Frenes (Goldman Sachs): Okay. Thank you. And just to be clear, so that's an additional billion then out from restructuring that we should assume.

Joao Laranjo: But yes, but that is - it is not a headwind versus 2025. It is actually going to be the restructuring cash out in 2026. We expect to be slightly lower than 2025. In 2025 it was 1.3 and we are expecting about €1 billion in 2026.

Christian Frenes (Goldman Sachs): Okay. That's clear. Thank you.

Joao Laranjo: Thank you.

Operator: Next question comes from the line of Stephen Reitman from Bernstein. Your line is open.

Stephen Reitman (Bernstein): Yes. Good afternoon. Stephen Reitman from Bernstein in London. My question is about market share in North America, or rather, in the United States, excuse me. Obviously, after the 8.1% you achieved in the fourth quarter, which was obviously heralded as a sign that things improving from the lower levels you'd seen before, we went down to 7.5% in January in the United States. Now, obviously, the weather played a large part in disrupting a large number of the U.S. automakers. What would you feel comfortable with, or what would be your expectation for the market share that you should be able to achieve in the United States in 2026? And could you comment on some of the newspaper reports that were coming out last year, suggesting that that you were looking at more of a volume strategy. You're going to put more emphasis on fleet sales as well, in order to grow volume. Thank you very much.

Antonio Filosa: Well, thank you. Thank you for your question. I will take it. So our market share in the U.S. and in North America is overall growing January 2025 against January 2024, growing in all the segments and the channels. That includes US retail, US fleet, Canada and Mexico. It is also growing in January 2025 versus December 2024 if we consider US retail only. So US retail is growing. What is not growing is fleet when we compare December with January. And this is because, basically seasonality of our production. So we usually plan our plants to ramp up in January and the beginning of February, and then go full production starting from second half of February and going forward. And obviously on that, we limit our supply of fleet volumes.

In quarter four, we grew, as you saw, and US retail is still growing in January. So our market share in 2026 will grow in those numbers. Neither in quarter four numbers nor in January. There is a significant impact of the new products that will become significant starting from March. I just want to remember that the new products are the Jeep Cherokee produced in Mexico. So there is a lead time to get to the US retail stores, to our dealer network that will start showing up in March, and also a new product which is the Dodge Charger that is produced in Canada. This will start to show up in our dealer lots starting from the second half of February. But again, our firm trust is that the new products and the additional performance in US retail and fleet will lead us growing in market share in the US and in North America. Thank you very much.

Stephen Reitman (Bernstein): Thank you.

Operator: The next question comes from the line of Tom Narayan from RBC. Your line is open.

Tom Narayan (RBC Capital Markets): Hi, Antonio, Joao, Ed. Thanks for taking the questions. Tom Narayan, RBC. First question on brands. I didn't see any commentary on brand rationalization. It seems like the idea is to keep all the brands intact as you have. And just to follow up on that, the Jeep Cherokee, you mentioned the market for that in the US, three million cars. We haven't really seen much volumes yet on that. Just curious if maybe there's some supply issues related there or strategy there. And then if I could just squeeze in an accounting item given the charges today, can we expect an improvement on D&A for 2026? Thank you.

Antonio Filosa: Okay. Thank you for your question. I will take the first answers and then I will hand to Joao the charges answer. So Jeep Cherokee has been launched in production in December last year, thus recovering a past delay from the past years. And is coming now to the dealer lots by March. Again, the production site of Jeep Cherokee is Toluca in Mexico. So there is a logistics lead time to get to our US dealer network. You will see Jeep Cherokee starting to be visible in the dealer lot in March. Starting to accelerate deliveries of this fantastic car to our consumers starting from March. This is the major lever of our market share growth and recovery. On the charges, Joao.

Joao Laranjo: Yeah, on the depreciation, we expect to see a benefit of about €250 million of lower depreciation & amortization versus 2025 driven by the adjustments that we are announcing today.

Tom Narayan (RBC Capital Markets): Okay. And then on the brands, you're okay with all the brands?

Antonio Filosa: Oh, yeah. So brand portfolio is something that we are working a lot on, and are on top of it. We are very proud of our brands. They represent iconic brands for our consumers. If you imagine there is no more iconic brand in the US than Jeep, Ram, Dodge, Chrysler. And we have many, many iconic brands in Europe such as Fiat, Peugeot, Citroen, Opel, Alfa Romeo and the others. Obviously, we have an Investor Day already scheduled for May 21st this year. We will be more than delighted to share with you all the important considerations that we have for our business plan around our brand portfolio for our future. Thank you very much.

Tom Narayan (RBC Capital Markets): Thank you.

Operator: The next question comes from the line of Martino De Ambroggi from Equita. Your line is open.

Martino De Ambroggi (Equita): Yeah. Thank you. Thank you very much for taking my question on free cash flow. My focus is on 2026, it will be probably negative excluding, well, including the €2 billion cash out related to extraordinary charges if we exclude the extraordinary charges, could be positive and follow up on the free cash flow. What are the main components in terms of CapEx net working capital and your assumptions? Thank you.

Joao Laranjo: Okay. Thank you. Well, on investments. First, I'll address the second part of your question. So thinking about the 2026 free cash flow, we expect investments to be very similar to 2025. And we also expect working capital to have a similar performance despite the €2 billion payments, because of higher volumes and also more efficiency on inventories and some tariff credits that we are going to collect in 2026. So to your question about the results of free cash flow in 2026, they will be primarily correlated or very closely correlated to the improvement in AOI. So and on the AOI at the beginning of the call, I provided the key drivers for the improvement in 2026. So we expect all the improvements that we see in AOI in 2026, versus 2025, should flow through the cash flow.

Martino De Ambroggi (Equita): Okay. But excluding the €2 billion extraordinary cash out, could be positive.

Joao Laranjo: It will depend on the improvement of the AOI in 2026.

Martino De Ambroggi (Equita): Okay. Thank you, Joao.

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

Michael Foundoukidis (ODDO BHF): Yes. Hi. Two questions on my side remaining. So Joao, earlier you mentioned the very intense competitive environment in Europe, yet at the same time, you highlighted that order intake improved meaningfully in H2, which should be reassuring. However, as recently as last week, we also heard from European teams at Stellantis that they intend to adopt a much more aggressive pricing strategy to regain lost market share. So could you help us reconcile these two points and indicate whether you believe that Europe can realistically return to profitability at some point in 2026, or whether 2027 is a more plausible timeline? And maybe second one very quick, could you tell us if you expect to be back in positive territory at the AOI level already from Q1, as you will report quarterly earnings from now on? Thank you.

Joao Laranjo: Okay. So first, on the second question, we expect to be profitable at group level through 2026. As I mentioned before, we are seeing a lot of competitive pressure in Europe. So in our forecast for 2026, we expect some headwinds on pricing in Europe. We're not going to comment today on a specific forecast by region. But as you mentioned, we see a lot of positive momentum as we start the year with the market share in Europe. Do you want to comment?

Antonio Filosa: No. Just reassuring that we will be profitable as a group throughout all 2026. This is exactly what we will do this year.

Michael Foundoukidis (ODDO BHF): 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): Thank you. My question on Europe has just been asked. So therefore, I just have one large question left. I'm not sure if you want to debate that also at the Capital Markets Day in May, but Antonio, from your perspective, what are now the - are there still any synergies left between Europe and North America? So put it in a different way, is there maybe a debate at some point if Stellantis should break up so that there should be Stellantis North America, where the profit pool is the highest, where you have got now you can do as many ICE engines as you want, and then the rest of the world, you still have got more EV regulation. Maybe that entity should stay together. What do you think about this way of thought?

Antonio Filosa: Thank you for that question. So there is no doubt that Stellantis makes a lot of sense being a very strong global company, proud to have very strong regional roots. So globally, all the regions will enjoy a global development of global platform, of global architecture, electric architecture, global modules, a global powertrain. And we will do that globally by interacting globally with global suppliers. What stays regional and local is the go-to market, right? So what we have done in our organization by regionalizing it is to have those global assets develop globally with global partners and making sure that at a regional level, leaner regional teams are able to address specific consumer demand, specific geographical regulation in the proper way. This is how we want to leverage our global synergies that are mainly technical and our supplier base with our regional go to market tactics. Thank you very much.

Horst Schneider (Bank of America): As a follow up, then maybe since you just restructured largely Europe, I'm not sure, is there other plant closures in Europe on the agenda and why you don't restructure also North America? Because if I get it right, there's also a larger amount of overcapacity.

Antonio Filosa: Well, this strategic reset comes with a strategy of business growth. That is why we are investing. We are investing \$13 billion in our US brands in the next four years for Jeep, Ram, Dodge and Chrysler, and for all our US plants. And we are investing in Europe by launching many of the ten all new products that we launched, for instance, in H2. Then of course, our business is a business of efficiency as well. And we will take a very close care to industrial efficiency as well. And for all of that, and for all the considerations that we might have, I suggest you to join us in our Investor Day, May 21st, 2026. Thank you very much.

Horst Schneider (Bank of America): Of course I will do that. Thank you.

Operator: The next question.

Horst Schneider (Bank of America): Thank you.

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

Henning Cosman (Barclays): Yeah. Hi. Good afternoon. Thank you for taking the question. I wonder if we could talk a bit about the H2 performance by region. Is it possible to indicate a bit if you did achieve profitability in North America? I think that's something that was contemplated by the by the previous management. I believe your team, your current team hasn't entertained that anymore. But I think it's quite important to understand as a starting point, to extrapolate from. To your point, Antonio, the shipments were already up almost 40%. Mix was improved, albeit not with the run rate, perhaps, of the HEMI's that we are going to see, but it was pretty strong.

So I'd be really interested to hear even if just directionally if that made it into the positive territory. And going forward, the white space product, the most two important ones, the Cherokee and the Charger of course coming from Mexico and Canada, which currently still have the very large tariffs. So if you could perhaps speak about the per unit margins of these products or the unit economics considering these tariffs, and if that's perhaps the reason that the profitability increase or the margin accretion despite the revenue increase is perhaps a bit more modest. That'd be great. Thank you so much.

Antonio Filosa: Okay, I will take some part of these questions and thank you for that. And then I will leave Joao answering on the regional view and the other aspect of the same question. So what is happening in 2026 is that we are delivering to our execution very strong foundation to grow. And I'll tell you some numbers just reminding all of that. Our shipments are already growing 11% H2 2025 versus H2 2024. Our order book in North America, as you mentioned, grew 150% year over year. And our market share is growing, including in January against January last year in all channels, including January against December last year in US retail, which is the most profitable one.

The new products that will make us accelerate growing are many. One or some of them are produced outside of the US, so they pay tariffs. This is Jeep Cherokee's case and also Dodge Charger's case, but we have strong mix adjustments. And also, we have strong cost efficiencies that we are implementing to have profitability out of those. Others, mainly in the numbers, are the ones that are produced in the US. So we are launching Jeep Grand Wagoneer, which is very profitable to us out of our Michigan plant in Warren. We are increasing a lot Ram 1500 HEMI production. In 2026, we estimate close to 100,000 units produced and sold more. This is big profit to us. So we have a very important mix lever to activate to accelerate our profitability growth. And then on the regional view, please, Joao.

Joao Laranjo: Yeah. And I appreciate very much your question. And obviously, it's an important point, but we are planning to talk about the regional results on our call on February 26th. So if we can wait by then to provide you all the necessary information in key drivers by region. We would appreciate. So thank you.

Antonio Filosa: Thank you.

Henning Cosman (Barclays): Thank you both.

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

Stuart Pearson (Oxcap Analytics): Yeah. Thank you for taking my questions. A couple of quick ones to finish up on the warranty side. Obviously, one of the big buckets of provisions that you've booked. But the spending hasn't really gone up that much year on year, I think €6.2 up to €6.4. And I think the provisions you put through for 2025 itself are around €7.6 billion, so around €1.2 billion ahead. So I mean, what are you seeing on that rate of warranty cash going out of the door in the last quarter or so. Is that starting to stabilize? Are you expecting that to carry on increasing in 2026 and into 2027? I just wonder whether that gap between what you're provisioning, what's going out the door has some space to narrow, because you seem to have quite a lot for that on your balance sheet looks similar to yours now.

Another quick question just on the capacity side, a few people have touched on that. I just wonder there's other than closing, there's other options. We're seeing the Chinese OEMs are reportedly looking to partner with incumbents and obviously Geely and Ford one speculated right there. I mean, what are your thoughts on those kind of partnerships, the pros and cons of that? Obviously, you have the international JV with Leapmotor. Could you expand that structure a little bit? Is it impossible in any region, not just Europe, that we see you do something more in terms of where plans sit within your different I guess, legal entities when we get to the CMD? Thank you.

Antonio Filosa: Okay. Thank you for your question. I will answer a couple of aspects of your question, and then I will leave Joao talking about the warranty spend. So before talking of warranty spend, which is very important, I want to talk on product quality. We have refocused our industrial team in improving our product quality dramatically, and we are achieving that. We have recruited more than 2000 engineers, mainly in North America, to support both quality improvements and time to market improvements, and this is working. The early indicators of quality in our business is the one month in service. In 2025 since we started this new level of execution, we improved one month in service on our products by more than 50% in North America, by more than 30% in Europe. So quality is improving and will improve further.

On the capacity question that you just asked, well, we read the declaration of the Ford CEO on proposal of capacity sharing with Geely. Actually, we were the pioneer in that because, with our partner Leapmotor, through Leapmotor International and through our network of distribution in Europe, in South America and in Middle East and Africa, we already are selling their cars and we are already planning capacity sharing with Leapmotor in Europe and in South America, as we announced already. So we are already on that path. I believe that this path will benefit them and us. Them to localize production and to share supplier base, to share capacity, to accelerate in some technological step up. And on the warranty spend, I will leave Joao the answer.

Joao Laranjo: Yeah. Thank you, Antonio. So on warranty, as you note, 2024 and 2025 were basically flat albeit at high levels. We don't expect warranty spend in 2026 to increase versus 2025 levels. As Antonio mentioned during his prepared remarks, we are starting to see improvements in warranty, both in North America and Europe. So eventually, we expect to see benefits out of the warranty spend. But for sure, in 2026, we don't expect warranty spend to be a headwind versus 2025. Thank you.

Stuart Pearson (Oxcap Analytics): Thank you.

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

Emmanuel Rosner (Wolfe Research): Thank you very much. I have a couple of questions on the cadence, if I may. So you're signaling an improvement in first half margin, but then in the second half better than first half and then 2027 better again. And then same thing for free cash flow. Besides for maybe the volume of market share trends from ramping up some of the new products, are there any other puts and takes that we should consider that will make the second half better than the first half and then further improvement in 2027?

Antonio Filosa: Thank you very much for this question. I will take it. Yes, as you mentioned, we see a very big improvement in volumes driven by new products, but also in mix. So one of the largest volume improvement will happen in the space of Ram pickup truck, V8 HEMI engine powered, where we are planning to produce and sell 100,000 units more in 2026 versus 2025, and it is obviously a big profit maker for us. The other internal lever of profit enhancement that we see for 2026 and forward is to improve industrial execution. That will mean to us to improve quality output. As we said, they are already improving and we keep improving them in many war rooms that we started in all the regions, in all our organizations, by improving cost that we are working a lot with our engineering. We recruited more than 2,000 only in 2025 with our engineers, that we are engaging in many and several supplier tables to technically work on components, systems, subsystems. So volume, mix, cost and industrial execution will be the major levers to enhance our profit for 2026 and forward. Thank you very much.

Emmanuel Rosner (Wolfe Research): And then a quick follow up on cadence as well. And apologies if I missed it. But in terms of the cash out for some of these realignments, you said I think it will be over four years. Are you able to give us some sense of cadence, of how much of it is in which year, or specifically, how much of it in 2026? And again, apologies if I missed that.

Joao Laranjo: Yeah. So of the total €6.5, we expect about €2 billion to be paid in 2026. And of that €2 billion, €1 billion to actually be paid in Q1 2026 as we close negotiations. So that is the cadence. So apart, so in 2027, 2028, 2029, it will be evenly spread, but in 2026, we expect to pay €2 billion out of the €6.5.

Emmanuel Rosner (Wolfe Research): Thank you. Very helpful.

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

Antonio Filosa: Well, thank you very much. Again, thank you for joining us in this important moment. What we announced today is a profound strategic reset for our company, and one that will put back our customer real needs at the center of everything we do. We are very optimistic for 2026 and for the future. Please, I will have all of you back hopefully in our Investor Day, May 21st, 2026. Thanks again. See you later. Bye bye.