

Stellantis Q1 2026 Financial Results

Thursday, April 30th, 2026

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Operator: Hello and welcome to the Stellantis Q1 2026 Financial Results 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. Charlie Christman, Head of Investor Relations, to begin today's conference. Sir, the floor is yours.

Charles Christman: Thank you. Hello, everyone, and thank you for joining us today as we review Stellantis Q1 2026 results. Earlier today, the presentation material for this call, along with the related press release, were posted under the investor 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. I'd also like to point out that with our switch to quarterly reporting, we have made some changes to streamline our earnings presentation. Now, I will hand the call over to Antonio Filosa, Chief Executive Officer of Stellantis.

Antonio Filosa: Thank you. Thank you, Charlie. I thank you all very much for joining us today as we discuss our first quarter results for the year. First, let me say, following the decisive results action taken in 2025, our focus is now on disciplined execution. And we are seeing early signs of progress consistent with our expectations.

With that, I'm happy to share that in Q1 2026, we are now seeing the results of that successful execution as we deliver the return to profitability. We are now back on a path to sustainable growth, with key priorities being growing our business, improving our industrial execution and enhancing our profitability. This is evident by the market share gains in several regions and the 12% year-over-year growth in shipments. We are very excited about our ten all new products and six refreshed products in 2026.

We remain realistic about the path ahead. The environment remains challenging across all regions, but our strategy is unchanged. Put the customer at the centre of everything we do, empower regions to execute faster and apply rigorous capital and cost discipline.

Now let me touch on some first quarter highlights from a regional perspective.

In North America, despite the challenging US market where the industry was down 6%, our sales increased 4%. Driven by Ram and by Jeep, we gained approximately 80 basis points of market share. Ram specifically had a very strong quarter one, posting a 20% US sales increase year over year, its best Q1 since 2023. This success is what has made Ram the fastest growing brand in the North American industry.

We also gained market share in Canada and in Mexico, reflecting consistent progress across all countries. As a result, Stellantis is the fastest growing automaker in North America.

Overall, we remain encouraged by our North America order book that remains strong, growing more than 20% year-over-year.

On the product side, we continue to benefit from the late 2025 launches ramping up for the new Jeep Cherokee and the new Dodge Charger SIXPACK. And looking ahead for 2026, I'm very excited about the upcoming launches of the new Ram SRT TRX, the new Jeep Recon BEV, and our first range-extended, the Jeep Grand Wagoneer REV coming this year.

Turning Enlarged Europe, sales were up 5% or 8% up, including Leapmotor, as compared to Q1 2025, to over 730,000 vehicles. Our EU30 market share reached 17.5%. This is the highest share in a quarter since quarter one 2024. Adding the sales from Leapmotor, our combined market share in Europe increased to 18.1%. We continued our leadership position in hybrids and in key markets such as France and Italy, with strong performance also in Germany and in Spain. Stellantis Pro One closed Q1 as the European leader in light commercial vehicles with a 28.7% market share.

On the European product wave, I would like to add that we continue to benefit from the recent C-SUV launches as they further ramp up this year, contributing to EU30 sales positively, with 12,000 units year-over-year. The Smart Car line up has been - has seen Q1 sales up almost 60,000 units year over year. And overall, the European order book is up 9%.

Turning to South America. We maintained our dominant leadership position with highlights including the strong results in the region's two major markets: 29% market share in both Brazil and in Argentina. And also, we are #2 in Chile, another critical market for the region.

Let me touch on the important Ram Dakota launch. Ram Dakota launched in late 2025 in Argentina and has been ramping up production, and we also launched Ram Dakota in Brazil during this quarter. Ram Dakota addresses the midsize truck segment, home of the region's largest profit pool.

Moving to Middle East and Africa: Market share for the region increased to 11.5%, up 50 basis points year-over-year, driven by a 10% year over year sales growth in Algeria and #1 positions in both Turkey and Algeria.

Geopolitical tensions remain. However, in Q1, we improved commercial performance, normalized our inventory levels and remain focused on localization, increasing our production levels both in Algeria and in Turkey.

Lastly, in APAC, shipments saw growth of 15% year-over-year, despite the weaker industry environment.

All in all, momentum is there, momentum has started and momentum is strong, and I could not be more proud of our teams as they remain focused on improving product and commercial execution and stabilizing volume and mix, while reinforcing cost management and operational discipline. Execution will define 2026. Our priorities are clear and we are confident that the actions we are taking are exactly the right ones.

Before I hand you to Joao to walk you through the numbers, just a quick reminder of our upcoming Investor Day event on May 21st, where we will outline the next phase of our strategy with clear priorities, clear targets, and a focussed roadmap for execution.

Joao.

Joao Laranjo: Thank you, Antonio. Good afternoon and good morning, everyone. Q1 was a quarter of execution and a return to profitability. Let me start with the key financial figures.

Consolidated shipments were 1.4 million units, up 12% year-over-year, with all regions contributing to the growth.

Net revenues were €38.1 billion, up €2.3 billion, or 6% compared to Q1 of last year. This improvement was driven by two main factors. Volume and mix contributed approximately €4.2 billion, supported by volume growth across all regions, with North America the primary contributor. Foreign exchange translation had a negative impact of approximately €2.4 billion, mainly driven by North America and Middle East and Africa.

Adjusted operating income returned to positive at €1 billion for the quarter, improving by €633 million compared to Q1 of last year. AOI margin was 2.5%, representing a 160-basis point improvement year-over-year.

The key drivers of the AOI improvement were Volume and mix, which had a positive impact of €739 million, reflecting higher shipments across all regions and favorable mix, with the largest contribution coming from North America. Net pricing contributed €99 million, supported by favorable net price in North America and Middle East and Africa, partially offset by negative net pricing in Enlarged Europe. Industrial costs improved by €412 million, driven by better product manufacturing and logistics cost performance, supported by a more stable production schedule.

The impact of tariffs was broadly neutral year-over-year, as the recognition of approximately €400 million of tariff adjustment offset Q1 2026 tariff costs. SG&A costs increased by €153 million, largely reflecting higher marketing expenses to support volume growth. Lastly, foreign exchange and other had a negative impact of €383 million, mainly driven by the Turkish lira devaluation.

Moving to industrial free cash flows and balance sheet. Industrial free cash flows was -€1.9 billion in Q1, representing a €1.1 billion improvement year-over-year. This improvement reflects stronger operating performance, disciplined capital allocation, and normal seasonal working capital dynamics. Importantly, it was achieved despite approximately €700 million of cash outflows related to H2 2025 charges.

I also would like to highlight that in March 2026, we issued three tranches of hybrid perpetual notes for a total of €5 billion. This further is strengthening our capital structure and supporting industrial available liquidity of €44 billion at quarter end, representing 28% of net revenues, and within our target liquidity range of 25% to 30%.

Now looking at inventory. Total inventory increased 11% year-over-year to 1.3 million units. Our inventory levels remain in line with commercial momentum, supporting the launch pipeline while maintaining discipline.

Turning to our regional performance. Please note that, following the change in our reporting segments, comparatives have been restated accordingly. Maserati is no longer reported as a separate segment and is now managed consistently with the other brands within the regions.

North America delivered positive AOI of €263 million, with an AOI margin of 1.6%. This represents a year-over-year improvement of €805 million, primarily driven by higher Ram shipments combined with positive net price and improvements in industrial execution.

In Enlarged Europe, AOI was effectively breakeven. While the operating environment remains challenging with continued margin pressure, we are encouraged by the region's market share improvement and return to breakeven performance.

In South America and Middle Eastern Africa, both regions continue to provide strong earnings contributions to the group. South America delivered AOI of €393 million, while Middle East and Africa delivered AOI of €282 million.

Looking ahead to the remainder of the year, we are confirming our 2026 financial guidance as outlined on February 6th. We expect an improvement in net revenues, margins and industrial free cash flow, supported by strong liquidity and a more resilient operating model. We also expect to continue managing volatility related to geopolitical trading and inflationary pressures.

Thank you. We'll now ask the operator to open the line for questions.

Questions and Answers

Operator: Thank you. As a reminder, to ask a question, please type pound key on your telephone keypad. 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. Hello, Antonio. Two questions please. The first one, can you talk about the margin momentum in North America? Do you think Q2 earnings will be up in the US versus Q1? And which vehicles and cost measures do you think will drive into Q2 and second half of the year? And then, second question, please. When it comes to free cash flow expectations, can you elaborate a bit more on the movements we're seeing on working capital? Do you think that working capital begins to unwind towards the second half of the year. And how should we think about restructuring cash outflow? Ultimately, just trying to understand if you're already seeing free cash flow towards break-even or cash generation towards the second half of the year. Thank you.

Joao Laranjo: Okay. I'll address first the free cash flow question. So as you can see on the results, free cash flow has improved versus last year across all items excluding provisions where we have the €700 million of supply claims. Working capital, it's seasonal, as you mentioned, both in Q1 and in Q3. The improvements that we saw in Q1 is consistent to the guidance that we have. And then looking forward, if you look at 2025, we had a negative industrial free cash flow of -€4.5 for the full year, of which -€3 billion was in Q1.

We did better in Q1 despite the €700 million of supply claims. And we expect to continue to do better than 2025 in the next nine months, with some difference potentially on seasonality where 2025 Q2 was relatively strong and Q3 very weak. We believe we'll have a more balanced free cash flow generation in 2026 still with seasonality, but are based on the improvements that we are doing. And we've already seen in Q1, including free cash flow, we believe that we will continue to see performance improvement versus what we have done in 2025. And again, consistent to the guidance. On - yeah, go ahead, Antonio, on the first question.

Antonio Filosa: So thank you. Thank you, Jose for your two questions. I will take the first one. So generally speaking, on profitability and margins globally and in North America, I'm very encouraged by the strong momentum that we started as you can check by the works provided. North America improved in volumes, improved in mix, improved in price discipline, and of the +€99 million of price positioning year over year. Actually, North America is responsible for €200

million. So what we started, as we said since the beginning, is a trajectory of sequential improvement quarter-over-quarter versus prior year.

What we strongly expect for Q2 is to keep on that trajectory and deliver a Q2, which is better than Q2 prior year, for sure. Working on pricing again, working on volumes, working on mix. And as we did, we started working massively on cost. So, we recently launched a global program of cost management that is called VCP, Value Creation Program. This is strong in North America, strong in Europe, strong globally. And we expect to see very encouraging results on costs as well during the year. Thank you very much for your questions.

Thomas Besson (Kepler Cheuvreux): Hello? Can you hear me?

Antonio Filosa: Yes, perfectly.

Thomas Besson (Kepler Cheuvreux): Great. Good morning, Antonio. Thomas Besson, Kepler Cheuvreux. I'd like to dive deeper on the two similar topics, please. On the cash flow side, the improvement you've reported in Q1 has partly been supported by another decline in CapEx and by seasonality in working capital. I'd like to try to understand what level of CapEx we should expect for the year in 2026, whether it will flatten versus 2025 or whether you think it can grow further? And on the margin, I understand there is some momentum, but looking at the sequential development versus the second half of 2025, you've had much higher volumes, a better retail share, much higher V-8 revenues. But still, we don't see a substantial traction on margins. What do you think is needed for margins to recover to a mid-single digit level, excluding the reimbursement of tariffs that helped a bit in Q1, please?

Joao Laranjo: Okay. I'll take the CapEx question. So CapEx for this year, we expect to be slightly below 7% of net revenues. And the figures that we have incurred in Q1, it's consistent to that trajectory and it's also consistent to the product plan that will be presented at the Investor Day.

Antonio Filosa: And I will take the other question, which is about margins. So margins are improving already as they are improving along volume mix and price discipline. And what we expect to do for the rest of the year is keep improving. As we said, this is a trajectory. Momentum started, the trajectory will be a trajectory of progressive sequential improvement quarter-by-quarter versus prior year, and we will keep further improving those using price discipline, using mix and working a lot on cost. As we started recently, our Value Creation Program across all regions, North America and Europe being the two most interesting regions on that. We expect this program to begin delivering results along the next quarters of the year. Thank you very much.

Thomas Besson (Kepler Cheuvreux): 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 morning. Good afternoon. Thank you for taking the question. So, I mean, just to be absolutely clear, and sorry if I'm not really understanding what you're trying to say on the improvement, because I get there's an improvement year-on-year, whether that's free cash flow or North America. But of course, the base gets dramatically weaker as the year goes on given the profile last year. So I mean, can

you just confirm do you expect to sequentially improve quarter-by-quarter this year in North America profitability and free cash flow?

And, I guess, then the sort of bigger question is the driver of that. I guess we sort of understand, I think we do on the product side. But I just wonder if you can talk a bit about industrial costs and execution there, whether there's an opportunity. I guess the IEEPA gain kind of went into North America's industrial cost bucket. So that was still negative in Q1, if that's the case. But how do you expect those industrial costs in North America to develop through year, and what's driving that? Thank you.

Antonio Filosa: Oh, yes. Thank you for your question. I will take the first part of your question. I will be - I will try to be as clear as you demanded. So, yes, we expect to improve margins quarter-by-quarter sequentially this year in North America, excluding that the IEEPA refund. But yes, margins will improve Q2 against Q1. And then for the rest of the year, every quarter, we will see an improvement there. And on industrial cost, Joao.

Joao Laranjo: Yes. So we expect for the full year, as we mentioned at the beginning of the year, industrial cost will be a tailwind for Stellantis despite the raw material headwinds that continues to increase, and the primary drivers of this improvement. It's improvements in manufacturing, due to higher volumes. The costs are opportunities that we see on product costs. And as we go through the year, we're also going to see start seeing some improvements in warranty as well, given the adjustments that we have taken last year.

Stuart Pearson (Oxcap Analytics): Okay. Thank you.

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

Patrick Hummel (UBS): Yeah, thank you. It's Patrick from UBS. And thanks, Antonio, for clarifying the sequential improvement in North America. I think that's what everybody is focused on today. Can I just ask a bit broader. You also say H2 is going to be better than H1. You haven't touched the full year guide. You have those €400 million IEEPA tailwinds that you probably haven't factored in. Is it fair to say that in the second half, we'll see more commodity headwinds than what you initially baked into the guide? That's more or less a wash with IEEPA. Or are the commodity headwinds potentially even larger? Some of your peers have quantified those. It would be helpful if you could help us frame the commodity impact in the course of the year, in light of the elevated levels that we're currently seeing. Thank you.

Joao Laranjo: Yeah. Right now, the headwind that we see on commodities versus what we had when we put the guidance together is likely above the IEEPA credits that we have recognised in Q1.

Patrick Hummel (UBS): Slightly above you said, because it wasn't really audible. Sorry.

Joao Laranjo: Yes. Yes, it was. Yeah. It's slightly above the €400 million IEEPA credits that we recognised in Q1. So it's not entirely a wash. It still has a minor headwind on top of that.

Patrick Hummel (UBS): Understood. And if I can follow up, we got the color on North America sequentially. How should we think about Europe and the moving parts here. You've recovered some market share with the STLA Smart platform. What about cost initiatives? What about the LCV segment that, in good years, is a significant contributor? But I guess, still well below where you would want it to be. Is that going to be a driver in the course of the year supporting a

better AOI? Or should we think about Europe staying close to breakeven levels in the coming quarters?

Antonio Filosa: So maybe I take this question and thank you for that one. So first of all, I want to celebrate what Europe did in Q1. Because it's important to recognize the team that improved so much the sales in a challenging environment. Market share, that topped to 18.1%, if we include Leapmotor, and also versus Q4 last year, was able to go back to break even, which was not the case of Q4 last year. So overall, an improved -sequential improvement in Europe that we celebrate. And what we see for the rest of the year in Europe is a strong focus on cost.

As I mentioned before, the VCP, the Value Creation Program that we just launched, we will have a lot to share in the Investor Day of May 21st about that, but I can anticipate that will be strong in North America and strong in Europe. That will be a massive focus. Also, profit per unit will be a focus and improving mix in light commercial vehicles will be a focus. A that focus will be able to manage and to offset the headwinds that we see. Right? So the headwinds that we see are basically related to regulation, CO2 emission. That's specifically on light commercial vehicles. As you mentioned, it is proven that they are not attainable. Right? So while we keep engaging together with our association, ACEA, with a common, shared agenda on changing regulation on light commercial vehicle, the focus of Europe will be to deliver sequential improvement as well, keeping as a North Star, break-even + for the rest of the year.

Patrick Hummel (UBS): Very clear. Thank you both.

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

Michael Foundoukidis (ODDO BHF): Yes. Good afternoon. Two questions on my side remaining. So first one, which launches do you consider are the most critical to delivering the expected H2 2026 margin flips, and where do you see the highest execution of supply chain risks, if any? And maybe a question for Joao then as a follow up. Others AOI swung to plus €44 million in Q1. Usually, it's negative in that line. We had also revenues up significantly. So what drove this and is this contribution sustainable into the rest of 2026? Thank you.

Joao Laranjo: Okay. I'll take the second question. So the other was a slight positive. And there are a few factors contributing to that. The first one is financial services profitability increase. The second one is that with the regionalization, there was a re-location of costs from the group to the regions to reflect the new organisations. And last year, we also had some losses on investments that didn't occur this year. If you are thinking about projecting these results for the coming quarters, holding others probably will be between break even and it's likely negative going forward. That is a good run rate for your assumptions.

Antonio Filosa: And can you repeat please the first part of your question, because I cannot hear you very well.

Michael Foundoukidis (ODDO BHF): Yeah. Sorry. I was asking which launches are the most critical to delivering the H2 margin uplift that you mentioned? And where do you see if any execution risk or supply chain risks for these launches?

Antonio Filosa: Oh, perfect. That's very clear. So, what we are seeing already in Q1, and now talking of North America, is a very strong profit contribution by our recent launch of the HEMI V8 engine into the pickup trucks. So we were anticipating a strong acceleration with that

powertrain. And we know that is associated with higher margin than the rest of the line up. And actually, we are positively surprised by, to see that 40% more or less of the deliveries of the pickup trucks were with a HEMI V8 engine. So obviously, for the rest of the year in North America, to push on Ram, that has been the fastest growing brand in the region. And to have the V8 HEMI engine keep accelerating - will be very good for volume, will be very good for mix and most of all will be very good for profit per unit and overall profitability. This is one.

When we go to Europe, the ramp up of the smart car launches out of , for volume, for sure. But also, those units are profitable, very profitable. Because those cars are very competitive. Smart car is our highest competitive platform. And the products that we build in those two plants are among the most competitive for us and overall, in Europe. Finally, in South America, we just started the ramp up of our midsize pickup truck, Ram Dakota. Ram Dakota joins two things. Ram, which is recognised in South America as a top brand for pickup and as being strong into the pickup segment in South America, which is the largest profit pool over there. So again, that will be a good move for profit mostly, but also for mix obviously. And volume in Middle East and Africa, we are ramping up the plants there, especially in Algeria and in Turkey.

So, in Algeria, we have a very strong leadership position in the market with a dominant market share. And in Turkey, we are a Stellantis leader as well of the market, and ramping up production, increasing volume, increasing sales. Both markets in the region represent among the highest profitable markets that we have over there. So, we have many launches, many launches already done, and some that are coming, that will add volumes, will add mixed benefits. And for some of those, very high profit per unit benefits. Thank you.

Sorry. The supply chain risk. Yes. So this is the second part of your first question. No, we don't see impacts so far. Obviously, we need to keep monitoring any evolution of the current situation that we have, for instance, in Middle East and Africa, but not only. I want to just maybe celebrate that on supply chain risk containment, we have been successful in many regions. Talking on North America, for instance, we were impacted by the aluminium shortage out of the production disruption in Novelis, our aluminium supplier. We are able to contain that risk basically to lose zero production. So this is a risk that usually we work very well around it. Thank you very much.

Michael Foundoukidis (ODDO BHF): Thank you both.

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

Tom Narayan (RBC Capital Markets): Yeah. Tom Narayan, RBC, thanks for taking the questions. So I just wanted to clarify what you said on North America margins. So the tariff does get worse, right? Because the onetime benefit of €400 million goes away. So tariffs get worse remainder of year. Raw material commodity gets worse as well. And even with that, you're going to see sequential margin growth in North America. Is that true? And then the second one, and this may be more for the Investor Day, but Volkswagen this this morning announced some big, lofty goals which included a lot of capacity pruning, especially in Europe, just lowering production volumes. Just curious, is that something you see as well as needed? Just a lower breakeven level by cutting production. And if you're open to potentially doing partnerships with Chinese OEMs in the US?

Antonio Filosa: Okay. No, thank you for your question. So, on margins in North America, yes, they will improve sequentially quarter-by-quarter. So in Q2, we'll see a margin improvement

against Q1 excluding the impact, which is a one-timer. And then in Q3, we will keep improving in Q4 we will keep improving. That will be a trajectory in North America of margin per unit, improving quarter-by-quarter and also improving versus prior year. And that means that we will be able to contain what we see today as a potential inflationary risks and other risks. This is point number one.

How we will do that, well, as I said, we were able to improve dramatically the mix in North America through some pickup trucks' trims, especially the ones that are equipped with the V8 HEMI engine that represented 40% of the shipment. And on that mix lever, we want to keep pushing as we see demand growing and high interest from our customers and orders from our dealers. And then we have new launches, and we have the price discipline that we started. And we will be committed in having.

On top of that, and most importantly, probably globally, we launched this cost management program that has high ambitions, high expectations, and high commitment from all of us in Stellantis. It will most probably also include the fixed cost management, as you mentioned, on all of that. I would invite you to join us at our Investor Day, May 21st. That will be, among others, an important topic that we will share and develop all together. Thank you very much.

Tom Narayan (RBC Capital Markets): Thank you.

Antonio Filosa: Sorry, I forgot the last part of your question, which is about the US Chinese partnership. No, the answer is not. We don't see now, US-oriented with Chinese partnership. Obviously, as you know, we are very keen in developing our partnership in Europe, South America and also Middle East and Africa with Leapmotor. Through Leapmotor International, we have a strong commercial cooperation that is having Leapmotor and us growing in market share in those regions, and we are sharing interest around the potential industrial cooperation as well with this important partner. Thank you.

Tom Narayan (RBC Capital Markets): Thank you.

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. Thanks for taking my question. Three quick questions since a lot of them have been asked already. In North America, you benefited from an increase in Ram mix in Q1. I'm wondering when you expect this Ram mix benefit to normalise or stabilize. That's question one. And question two, looking at Europe, obviously vehicle net price was a significant headwind. It seems that the structural reasons for that headwind are not going away anytime soon. So, I'm just curious, should we expect sequentially that that that headwind will continue? And just what are your thoughts on that? And then lastly, on Leapmotor International specifically. It's a really interesting JV. How do you think about profitability for that JV, especially as you sell into Europe? Thank you.

Antonio Filosa: Okay. Perfect. So, how about we start with North America? So we understand that revenue and mix will keep growing in North America along the year. The reason of that is because we see a very strong and robust order portfolio in the truck space and also around the highest profit Jeep products. Also, Dodge Charger SIXPACK is growing both in volumes and in our product portfolio, in our - sorry, order portfolio. And among the Dodge Chargers, the trim, which is powered by our ICE engine, the GME-Turbo 6, is the one that has the best profit per

unit, so mix will be a lever all year. And along with the growth of those cars and trucks, also revenue will be in our plan, growing along the year.

When we see Europe, Europe is facing a regulation that is limiting the industry for light commercial vehicle. It is an important point that ACEA, as an association, is taking as a common agenda. The point is that if you look at the average small entrepreneur of Europe, and we know that the GDP Europe is powered by those small and mid-sized enterprises. Imagine an entrepreneur that distributes flowers and he has a five-van fleet, and he is in the moment to change and to buy new ones. If there is a regulation out there that force this entrepreneur in buying BEV light commercial vehicles, vans, he will easily check that the total cost of ownership of the electric vans is higher than is a used one, right? So it will stay longer with the five old vans before changing them into new electric ones. What that will trigger for Europe? Well, a lose-lose situation where this small entrepreneur will pay higher maintenance because these vans are getting older. The industry loses five vans to build because there are not five new orders as expected. And finally, also the five old ones will pollute more than five new ones, whatever powertrain they have. So also, environmentally.

So this is the point, right? Regulation is forcing an unattainable mix of BEV into light commercial vehicle. As a consequence, light commercial vehicle is shrinking as industry. And this is something that we need to offset with cost actions with price action while we keep engaging the commission to, as I see us doing, as the Association is doing, a common agenda to change this regulation.

Finally, Leapmotor International. So it's doing well. As you know, the offer model is on the BEV only. On BEV, we are growing volumes, so we have sold 24,000 units in quarter one. Growing in all major markets. The last market that posted relevant growth was UK for Leapmotor and is profitable. Profits per unit on BEV are strong. And profitability is mainly driven by the high competitiveness of those products and the technologies that those products carry. So a good weapon for Europe for compliance and obviously for profitability and volumes. Thank you very much.

Christian Frenes (Goldman Sachs): Great. Thank you.

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

Stephen Reitman (Bernstein): Yes. Good afternoon. I have two questions, please. Could you comment on the United States, what the channel mix has been like? Has there been any increase in commercial activity in terms of sales to fleets, and in particular, thinking about daily rental and to other channels? And secondly, Leapmotor, you sell motor vehicles from existing Stellantis dealerships. And what has been your experience over the cross shopping? And with that strong growth you're seeing in Leapmotor sales, what does it come at the expense of? Has it come at the expense of Citroen or Peugeot or Opel or other vehicles? Thank you.

Antonio Filosa: Oh, perfect. Thank you for your question. Those are really great questions. And I'm pleased to answer. So channel mix in USA. So we are growing on all channels. Market share is growing. In US, retail is growing. In Mexico, is growing. In Canada. And the fleet sales, they are back to historic level, so they are not higher than historic level. They are just back at those historic levels. What we need to do is keep maintaining those historic levels because they

are good for us and keep improving as we started already the mix in that channel. So as you know, there are three major subchannels, if I can use that term.

One is rental car. The other one is governmental sales. The third one is commercial or small business sales. Obviously, governmental and commercial are the highest profitable subchannels. We are growing in those and we need to keep growing in those. But overall, channel is at historic level, and we want to maintain this historic level, while US retail is growing market share. Canada is growing market share and Mexico grow market share. This is the synthesis of sales in North America.

When we go into your question on Leapmotor International, it's a very interesting one. And we are obviously monitoring a lot. But in quarter one, Stellantis grew with and without Leapmotor sales. That means that all the brands that you mentioned, Fiat, Citroen, Peugeot, Opel, among others have been growing, right? Especially Fiat has been growing a lot in Italy. Citroen has been growing a lot in the overall landscape of Europe. Opel has been very strong in accelerating in Q1. So, what we see is general growth of all Stellantis brands in Europe and also a growth of Leapmotor, that registered 24,000 units in Q1.

When we look at the surveys across shopping, its very, very, very limited. So we don't see, so far, the risk of overlapping of offer. Actually, Citroen is growing through smart car, especially Citroen C3. Fiat is growing a lot through Smart car with Fiat Grande Panda. Peugeot is growing all over Europe and also Opel is growing with Opel Frontera. So we haven't seen so far, but we don't see risk of cannibalisation and cross shopping is limited with Leapmotor in international, versus the other brands of Stellantis. Thank you very much.

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. Good afternoon, Antonio and Joao. Thanks for taking my questions. I have got two left. The simple one. We talked and you talked in the previous comments bit about raw materials and the impact from that. But I'm not clear what is now the guidance for 2026. So globally speaking, is it more than 1% of sales negative impact and how much have you seen in Q1? If you could clarify that and if this impact accelerates in the quarters going forward would be great.

Question two is when I think about your comments about product mix, I asked myself, what impact do you see now from the higher oil price is already a change in consumer behaviour. I know that the perspective in the US is a little bit different because fuel prices are below in Europe, clearly, but I checked it basically V8 uses 40% more petrol than a V6 and something like three times more petrol than a PHEV. Don't you think that there's basically, that there could be a shift again away from V8? That the market shifts, the demand shifts more to HEV and to V6 also in the US. Thank you.

Joao Laranjo: Yeah. Well, on raw material, there is a lot of volatility based on the current price that we see on the market if they persist during the year. Net of the hedges, the full impact could be - could approach close to 1% of revenue. And the impact in Q1 was still limited because of the curve of the raw materials and also the hedge position that we had at the beginning of the year.

Antonio Filosa: And on oil price. And thank you for asking me that because this is a very important and relevant question. So obviously, we cannot predict how long this oil price will stay. Right? Depends on many geopolitical factors that are external. And obviously, any external factors will be a factor for the overall industry. So overall industry will move more or less, I believe in the same direction.

Now what we are seeing in the consumer behaviours, as you said very well, is different in Europe and in North America. Just to mention the two major regions, what we are starting seeing in Europe is a strong acceleration of order intake around our battery electric vehicles. And this is good for many reasons, mainly because we can offer in Europe among the best competitive battery electric vehicles on the market. I'm thinking Citroen C3 BEV, just to mention one. And also, as you said, the Leapmotors. So that, we are seeing already. We will manage it as an opportunity for many reasons, being one, compliance, obviously.

In North America, mainly in the US, the oil price pressure is lower than in Europe. What we are registering is a higher interest on hybrids. This is the powertrain that is fastest growing in the market, hybrids. And this is good as well because we offer Jeep Cherokee hybrid. We just started production. We are ramping it up in Toluca. We are starting delivering units to consumers. And we see that consumers are very pleased to receive their Jeep Cherokee hybrid. So this acceleration of the interest into hybrids is positive. And we will manage as an opportunity because we have Jeep Cherokee hybrid.

On the other side, actually, the orders around HEMI V8 keep coming in. And they are accelerating 40% of the deliveries of quarter. One of our pickup trucks have been equipped with this engine, which is good for many reasons, including profitability. So what I think is this double side of the equation, right? A lot of interest for HEMI and a lot of orders coming paired with strong deliveries, but also higher interest in hybrids. That's why we plan to deliver more Jeep Cherokee hybrids for the rest of the year. Thank you very much.

Horst Schneider (Bank of America): But more hybrids and more BEV sales is mixed, is margin dilutive or not? It's not a product mix improvement for margin.

Antonio Filosa: You are right when you compare nameplate to nameplate. So Cherokee hybrid against Ram. But the volumes and the mix that we see growing overall with the trucks, the pickup trucks, and specifically with the HEMI V8 engine will much more offset that partial gap. Actually, as I said, the fastest growing brand in all regions has been Ram. And pickups are accretive for mix and for profit, as you know. And within pickup trucks, the fastest growing powertrain, the dominant one has been the most profitable. And we keep seeing accelerating interest around trucks and around HEMI. So overall mix will be positive for the rest of the year. Thank you.

Horst Schneider (Bank of America): That's clear. Thank you.

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

Henning Cosman (Barclays): Hi. Good afternoon, everybody. Thanks for taking my questions. The first one, please, on the underlying assumptions for the course of the year, specifically again on raw material and also on tariff. On raw material, Joao, I understand you're saying industrial costs positive, despite the headwinds from raw material, but I was just hoping

you could quantify the raw material headwinds you're expecting and any on the hedging a little bit. How much are you expecting sequentially perhaps in terms of raw material headwinds? And on the tariffs, I'm just a bit surprised that with the increase in expected Cherokee and Charger volumes, you're not incurring more tariff headwinds. So, I was just wondering, do you have any sort of expectation built in for USMCA or why is the tariff headwind not increasing upon importing so many more of these models from Mexico and Canada at the very high tariff rate?

So, that's the first question on the underlying assumptions. And secondly, Antonio, I know we're almost at the CMD now, but I'm surprised it hasn't come up. And I just wanted to give you the opportunity to comment on all these headlines that have come through since you've last talked publicly. We obviously had these headlines about potential combination with various Chinese companies in Europe, capacity reduction, focusing CapEx just on the four core brands. Just wondering if there was anything at all that you wanted to comment on before we see each other in a month from now? Thank you so much.

Joao Laranjo: Okay. So on tariffs, we are not - we don't have any different assumptions for USMCA. The projections that we have on tariffs assumes the current tariffs scheme that we have. The Cherokee and Charger volumes that Antonio talked about and the continued growth was already included in our plan. And then raw materials. Again, it's very volatile. But the impact in 2026, net of hedge, could be an addition to €1 billion.

Antonio Filosa: Perfect. And thank you for your question, by the way, and very, very pleased to see you and meet you at our Investor Day May 21st, where we will touch for sure, and we share, our strategies around the two topics that you highlighted. Right. One is, if understood well, brand portfolio management, right. And on that, I want to say a couple of things. Number one, every day we understand we have the privilege to work with so many iconic brands. They carry an undisputed and privileged legacy, a beautiful history, a lot of texts and a bright future. They carry communities of clients absolutely in love with them, and they talk every day with the largest car park in Europe specifically, since I believe your question is about Europe.

So what is the equation that we will share and show to you what is our solution in Investor Day? How we manage this brand portfolio, considering the strong assets that we have with all of them and triggering two things. Number one is how we span the market coverage of all of them. Number two is how we are efficient in capital allocation. The solution of the equation is to go in parallel on those two drivers and have the best efficient capital allocation that will allow our brand to express their full potential. And obviously more details will come at Investor Day.

The second part of your question is about partnerships. Chinese partnership. And I believe that you are alluding to fixed cost management. So we have one partnership which is very strong with Leapmotor. We started commercially only Leapmotor International. It is growing our mutual interest in discussing our potential industrial partnership. So this is what we are working. And on the other potential moves, I would just be pleased to meet you and share our thoughts with you in our Investor Day May 21st. Thank you very much for your questions.

Operator: The next question comes from the line of Christoph Laskawi from Deutsche Bank. Your line is open.

Christoph Laskawi (Deutsche Bank): Hi there. It's Christoph Laskawi from Deutsche Bank. Thank you for taking my questions. The first one, sorry to come back on European pricing. Could you comment a bit if the pricing was basically driven by LCVs being very negative? Also

on the past cost side, you alluded to the CO2 regulation obviously being one driver. And then again, raising the question, just do you expect that pricing to be sequentially flat throughout the year in Europe or is there increasing pressure and we should expect it to come sequentially down? That will be my questions. Thank you.

Antonio Filosa: No, those are very important questions. And thank you for those. Pricing in Europe, so we expect two things happening in Europe, right. Why we'll keep working on regulation, as you said. On pricing, we understand that we have the opportunity to stay flat on the position that we have, but we have an even larger opportunity to work on cost. As we said, we launched this massive cost management program, VCP, our Value Creation Program all around the globe, mainly focussed in North America and in Europe. So this is what we expect on pricing and mainly on cost. Then there was the second part of the question, I don't remember. Yes. Okay. So I believe that was your question. Correct, or you have more?

Christoph Laskawi (Deutsche Bank): Just if you can comment, if it's more driven by LCVs or pass cars, the price decline.

Antonio Filosa: It's all around the line up. It's all - it is in the line up. So I'm talking on an average. Obviously, mix improves when sales of light commercial vehicle improves. But my comment was on the average price.

Christoph Laskawi (Deutsche Bank): Thank you.

Antonio Filosa: Thank you very much.

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

Antonio Filosa: Very well. And again, 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 speaking to you next at our Investor Day event on May 21st. Thank you again. See you in Auburn Hills. Thank you very much.

[END OF TRANSCRIPT]