Stellantis Q1 2025

Wednesday, April 30, 2025

Q1 2025 Shipments and Revenues

Operator: Ladies and gentlemen, welcome to the Stellantis First Quarter 2025 Shipments and Revenues Call. I will now hand you over to your host, Mr Ed Ditmire, Head of Investors Relations at Stellantis. Mr Ditmire, please go ahead.

Ed Ditmire: Hello everyone and thank you for joining us today as we review Stellantis's Q1 2025 shipments and revenue update. Earlier today, the presentation for this call, along with the related press release, were posted under the Investor section of the Stellantis website. Our call is hosted today by Doug Osterman, Chief Financial Officer at Stellantis. And after prepared remarks, he'll be available to answer questions from the analysts.

Before he begins, I want to point out that any forward-looking statements we might make during today's call are subject to the risks and uncertainties mentioned in the Safe Harbour Statement included in page two of today's presentation. As is customary, the call will be governed by that language.

Now, I'll hand the call over to Doug.

Doug Osterman: Thank you, Ed, and hello to everyone. Thank you for joining the call today. The theme at the top of the page is Focused on Execution, which I think is a way of saying that we're focused on things that we can control amidst what is a very turbulent backdrop. There are three important topics we want to cover today. First is the top-line performance in Q1 in terms of revenue and shipments, which was difficult and not where we want to be. At the same time, we are seeing important progress resulting from our commercial recovery actions. Second, we're executing well on the start of our 2025 new product wave, filling in product gaps and expanding our opportunities. And third, I'll discuss how the company is positioned vis-a-vis the tariff dynamic and the management team's focus on reducing these impacts.

Now let's look at a summary of today's presentation. First, in terms of the top-line results, we had challenging year-over-year comparisons in the period. Shipments of 1.22 million units were down 9% while revenues of €36 billion were down 14%. At the same time, we were encouraged by initial progress on our commercial recovery efforts. For example, our EU30 market share is edging higher, and the US is seeing improvement in retail order intake. A big contributor is our new product wave. Q1 saw strong launch execution with three all-new products kicking off in Europe, along with three refreshed products, including the Ram heavy-duty.

Turning to the issue of the day with tariffs, we are taking actions to protect the company in the short term, including temporary shutdowns and layoffs while engaging with relevant governments on the policies themselves. Stellantis, of course, appreciates the tariff relief measures decided by President Trump this week, and we're assessing the impact of the updated policy on our North American operations. I'll talk a little bit more about that later in the presentation. Nonetheless, we remain subject to extreme uncertainties. The policy framework on tariffs has shifted since we initially set our 2025 expectations and is continuing to evolve. And so we're taking what we believe is the appropriate step of temporarily suspending our financial guidance.

I'll come back to the tariffs and guidance later in my prepared remarks but now let's go into more detail on what occurred in Q1 2025. First, let's talk about how we're executing on our commercial recovery actions. We said last quarter, the recovery will be driven in large part by

product, with 10 all-new products planned in 2025 as well as full-year benefits from the many that were launched in 2024.

The first three of the all-new products, the B segment, Fiat Grande Panda, the Citroen C3 Aircross, and the Opel/Vauxhall Frontera began production in February, filling in product gaps where predecessor products have been out of the market for several quarters. The first quarter also saw the launch of the updated Ram 2500 and 3500 medium and heavy-duty trucks, and the refreshed Opel/Vauxhall Mokka. We said last year we had to improve the timeliness of our new product launches after a 2024 which, frankly, saw too many delays. And I'm happy to report that in Q1, execution was very consistent with our latest planning.

Next, let's look at how our new products and other go-to-market improvements are driving our recovery. In Europe, where we've now launched seven major all-new products in the last six months, we've begun to see sequential market share improvement. Q1 2025 share of 17.3% was 190 basis points higher than Q4 2024 and, in fact, was the highest quarterly level since Q1 2024. European share is improving, particularly, in electrified products as Stellantis climbed to the number one position in hybrids in Q1 and climbed to the number two in BEVs. With Q2 to benefit more fully from the new B-segment products, we have the opportunity to continue our market share momentum in Europe.

Turning to the United States, the commercial recovery is at an earlier stage. After successfully reducing inventories and recalibrating pricing in the second half of 2024, the company is seeing improvement in the retail channel in key nameplates like the Jeep Grand Cherokee and the Compass, and in Ram light and medium-duty trucks. We're also seeing strong retail order intake from our dealers. Overall, I'd say we're seeing encouraging progress on the commercial recovery.

Now let's turn to the shipment and revenue comparisons. Consolidated shipments fell 118,000 units, or 9% year-over-year to 1.22 million. And let's break that down a bit geographically. A little over 80,000 units of the decline was in North America, where shipments fell 20% year-over-year, much more steeply than the sales, due primarily to a later start of production in certain factories in January after extended downtime; and secondarily, due to the transition to refreshed and upgraded Ram 2500 and 3500 models. The remainder of the shipment decline, almost 40,000 units, was driven by Europe, where shipments declined, primarily, due to product transition gaps, particularly, from the ICE Fiat 500, which remains on hiatus until very late in this year. And to a lesser degree, products like the Citroen C3 Aircross and Opel/Vauxhall Frontera, which were reintroduced in mid Q1, but, of course, will have a bigger impact on our volumes in Q2.

On the next page, let's turn to the revenue bridge to understand the larger 14% revenue decline in more detail. In addition to the 9% decline in vehicle shipments, total mix contributed an additional point of headwind, mostly due to the fact that the North America region, with the company's highest average selling prices, had lower shipment trends than the group as a whole. Next, pricing contributed three points of additional headwind, mostly again, for North America, which was six points lower than the first quarter of 2024 before that region adjusted and recalibrated pricing late last year. Pricing was relatively flat sequentially in Q1 2025 versus where we ended Q4 2024, both at the group level and in North America specifically. And lastly, a decline in Other of negative €0.4 billion is primarily from the deconsolidation of Comau revenues.

Now, the next page, let's review our regional segments. In North America, shipments and revenues were lower, primarily due to the extended January shutdown that I mentioned previously. This was due to how production ramped following very deliberate inventory reduction in the second half of 2024. It also was negatively impacted by the switchover of the medium and heavy duty Ram trucks.

In Enlarged Europe, I mentioned previously the sequential improvement in our market share, which I think was even more notable, given the soft industry volume that we had in LCVs, where, of course, we have a very strong share. We're particularly encouraged by the increase in BEV sales mix as we start the year on the back of a significant expansion of our electrified offerings across the B and C-segments.

South America delivered 6% year-over-year revenue growth on 19% higher shipments as the company maintained its number one market position, giving it the biggest benefit from a dramatic recovery in the Argentinian market, and a more moderate increase in Brazil.

Middle East and Africa continued to see negative year-over-year comparisons due to import restrictions in the region, especially in Algeria, but the company has been increasing its local production to mitigate this impact.

Turning now to inventories, the business continued managing to the disciplined healthy levels achieved at the end of 2024, but there was some divergence in the development of company and independent dealer figures. Most of this was due to Europe, where company inventories bounced back a bit to normal levels after being well under typical levels at the end of 2024, while dealer inventory has declined a bit sequentially.

Okay, now that we've covered the top-line dynamics in Q1, let's look at issues affecting Q2 and the broader 2025 period. Let's talk about tariffs, the key things to know about how they impact us in our North American segment. First, let's look at the relevant considerations that framed US exposure. Over the past five years, we've invested significantly to maximise compliance within the USMCA context to deliver the most competitive costs possible to our customers. Roughly three out of five cars we sell in the US are also assembled in the US. And so, on these products, tariff exposure is on the import components, which are overwhelmingly USMCA compliant and now, indicated by the administration, to be partially offset by the 3.75% MSRP credit. For the other two out of five cars that we sell in the US but are assembled elsewhere, 95% of these in 2024 were USMCA compliant as well and are subject to very significant US content exclusions when tariffs are calculated. We're also fortunate to have an exceptionally well-balanced geographic footprint. And just to be clear, I want to point out and emphasise that over the last two years, the company has generated more than half of our operating income outside of North America.

Next, let's talk about how we're adapting and responding to protecting the company in the near-term in the North American region. In Q1, before the tariffs were put in place, the company made public commitments to certain products and facilities in the US, commitments that we stand by today, making clear our support for both our US workers and administration priorities to strengthen the US manufacturing base. Upon the administration's establishment of new tariffs entering early April, the company launched a new sales campaign, extending employee pricing to customers, maximising engagement with those looking to purchase ahead of tariff impacts. We also reduced or paused shipments of some products subject to higher

tariffs, relying on healthy inventories in the short-term. As we move forward, we're monitoring market evolution and identifying where we might have some offensive opportunities; for example, where lower tariff, US-assembled products that we make will face competitors with higher tariff burdens.

At the same time, we're continuously engaged with US, Canadian and Mexican governments to make sure they have complete information on how their policies affect our complex industry and millions of our customers. As the situation evolves, we'll need to calibrate our North American investments, footprint and employment to ensure the profitability of our company.

Now, let's turn to our 2025 guidance, which I said at the start of the presentation was being suspended. While we understand how important the company's views on its financial performance are to your work modelling and valuing in the company, the reality is that the baseline foundation of the guidance initiated at the end of February didn't contemplate the current tariff environment. With tariff policies evolving continually, the wide range of potential implications for the marketplaces we operate in and the company's response and mitigation actions still underway, it is not possible at this time to ensure a forecast with adequate accuracy. The company is committed to reinstating financial guidance when we have the ability to do so in a high-quality way.

So I'd like to now conclude by bringing together again a few main points. So first, the Q1 results were lower year-over-year as we're still in the early stages of our commercial recovery plan, but we are seeing some encouraging signs that we're moving in the right direction. Secondly, we're excited to have great, appealing products combined with improved launch execution to begin the 2025 year. We're expanding our market coverage, and this sets us up well to continue improving performance, particularly in Europe. Lastly, with our exceptionally balanced global footprint, the company is well positioned to weather the tariff pressures and is acting with determination to ensure profitability.

And with that, I'll now ask the operator to open up the call for Q&A.

Questions and Answers

Operator: Thank you, sir. As a reminder, if you would like to ask a question, please press star one on your telephone keypad. If you want to change your mind and withdraw your question, it's star two. And please ensure your lines are unmuted locally as you will be prompted when to ask your question.

Our first question comes from a line of Jose Asumendi from JP Morgan. Please go ahead.

Jose Asumendi (JP Morgan): Thank you. Thank you very much. A couple of questions please. Jose from JP Morgan. Doug, you mentioned in your comments some of the optionality you have with regards to the tariffs. You mentioned calibrating the production footprint. I'm aware still obviously negotiations going on, but I'd love to hear what are the options that you're considering when it comes to the production footprint, or any discussions on the supply front to change that footprint or improve the footprint in the US.

And the second question would be with regards to pricing. Should we think that the first quarter pricing has been the peak of that negativity we have seen in the revenue bridge for the first quarter and Q2 should mark an improvement? Or is Q2 maybe in line with Q1? Thank you.

Doug Osterman: Yeah, Jose, always good to hear from you. Thanks for the questions. So first on changes that we're considering related to the tariffs, of course, we're still absorbing this latest change that came out just in the last day and a half here. And the tariff policies are evolving. And frankly, it's a good sign, right? Because we have a regular dialogue with the administration, and they are modelling the tariff policies, particularly the announcements that we heard yesterday, in ways that are very beneficial to our transition.

Now, your specific question was about that transition, and really, we've been modelling lots of different scenarios, and there are a number of different actions that we can take. One of which I talked a little bit about, which is that we're looking at areas of opportunity where we have US-built vehicles that have very low impact from the tariffs, against competitor vehicles that may be imported from places like Korea or Japan, etc., where maybe we have an opportunity to take some share. But we're also looking at the tariff exposures that we do have. Obviously, one of the first areas to address will be supply chain. And while I don't want to gloss over the fact that it does take time to alter supply chains, and I think this latest announcement from the administration, it is great in a couple ways. One, that it obviously provides some mitigation to the tariffs, but also that it shows their recognition of the time that it will take for us to make those adjustments. But certainly, we're looking at that as a near-term opportunity to work with our suppliers to try and, again, increase the US content of our vehicles and reduce the tariff impacts.

But there's a whole range of opportunities to mitigate these tariffs that we're looking at. I won't detail all of them today. And, of course, those strategies, our implementation of those strategies, will very much depend on how the tariffs evolve and the tariff policy evolves over time.

Now, in terms of pricing, of course, I can tell you that in general – not just in automotive, but in general tariffs – of course, tariffs are inherently inflationary, right? We haven't seen much in the way of major price increases yet. But price discipline, I would say, right now has been pretty robust in the US, and we'll have to see, to your specific question on Q2, how that evolves. I think it's very hard to predict, frankly. But right now, I think we're seeing relative price discipline within the market.

So thanks for the question, Jose.

Operator: As we have a high volume of questions raised in the queue, you are kindly asked to limit yourself to one question only and, if necessary, a follow-up question. The next question comes from a line of Thomas Besson from Kepler Cheuvreux. Please go ahead.

Thomas Besson (Kepler Cheuvreux): Thank you for taking my question. It's Thomas Besson from Kepler Cheuvreux. I'd like to start with product launches and the expected impact for your business, mostly in the US and in Europe. Could you please remind us when each of these key products is expected to have a real impact on volumes, and which quarter in 2025 or 2026 you expect Stellantis' share to start rising again? That's my question, and then I have a follow-up, please.

Doug Osterman: Sure, sure. So, as we talked during the last call, a lot of the launches on the European side were late last year and first quarter of this year. And so when we look at the rollout of the various branded vehicles on the STLA Mid platform, when we look at the sister cars all launching off of the STLA Smart Car platform, a lot of those, which started on the smart

car, for instance, with C3, e-C3, late last year have now rolled out early this year, when we look at like C3 Aircross, Fiat Grande Panda, etc., all coming in late February, hitting the market in March. So the real impact of those should ramp up in Q2 more so than Q1.

But as I outlined in my commentary, to answer your question directly, we are already seeing market share improvement in Europe, right? We're up 190 basis points sequentially already. We've made great strides on our BEV mix. And so I think we're seeing very positive signs, but as I mentioned, the majority of that impact or a lot of that impact will really ramp up in Q2. So I think there's more momentum to come there.

When we look at North America, of course, as I mentioned, we have taken some production out at plants, particularly in Canada and Mexico, some of which was mostly tariff related. When we look at introductions, the 2500, 3500 medium and heavy-duty trucks are just coming into the market in the last, say, four to five weeks. And so it's still pretty early there.

The other significant launches that we think about later in the year for us, in particular, will be the Cherokee replacement, which I'd mentioned was late third quarter, early fourth quarter. And then we have of course, the Ramcharger and [Jeep] Recon, various versions of the Charger in terms of four door and the ICE vehicles scattered throughout the year. So it's more back-loaded in North America for sure. So I would expect to see those market share gains, overall, be later in the year, although I think in North America, it's important to distinguish between retail share and fleet share. We, right now, are very, very focused on improving our retail share in North America. Fleet right now is not particularly profitable and is a much lower priority for the team in North America at this point.

So, we'll see some development there. Latin America, still number one, growing the volumes. And even though, from a revenue standpoint, we have some FX headwinds, I think we still are very well positioned in Latin America.

So I think those are the three keys that I would outline. The other market I think that's very important to think about is Middle East, Africa, where, as I mentioned, year-over-year comparisons are pretty tough given some of the import restrictions. We're going to need to continue to work on our localisation to bring those year-on-year comparables back into alignment and be able to service our customers. But we have a very strong story there.

So hopefully that covers it, Thomas, thank you.

Thomas Besson: Yep. Thank you very much. I'd like, if possible, to use a follow-up to come back on the first question about calibrating your footprint. Is there any easy wins for you with limited investments that would allow you to better use your US manufacturing footprint, either within the USMCA or globally, that you can talk about, notably on the truck front?

Doug Osterman: Yeah, no, it's an excellent question. It's something that we're working very hard on, right, is to think through how quickly can we make those changes to mitigating any tariff impacts. Of course, the 3.75 benefit on MSRP of US-produced vehicles is helpful, but for a transitionary period, right? So we are working, of course, to shift some production where we're dual sourced, right? So we have full-size truck production in Mexico, but also in Michigan, to shift some production to the extent that we can. We, of course, are looking at opportunities with suppliers to increase the content in the short-term. What are those parts that we're sourcing from areas, in particular, high tariff countries outside of Canada and Mexico that are

not USMCA compliant parts, non USMCA compliant parts that are sourced from Canada and Mexico. So there's a lot of opportunities, and we're hard at work to take advantage of them. And each of them, of course, has a very different, different timeline, and we'll of course have to modulate those as the policy itself evolves. But, those are some of the things that we're thinking about, so hopefully that's helpful.

Thomas Besson: Yep. Thank you very much, Doug.

Operator: The next question comes from a line of Philippe Houchois from Jefferies. Please go ahead.

Philippe Houchois (Jefferies): My question was on light commercial vehicles. We've seen quite a bit of weakness in Europe in general in this big profit generator for Stellantis. Could you comment on how you're performing in that segment, and what is driving the weakness in the market? Thank you.

Doug Osterman: Yeah, Philippe, it is a great question. You're right. The light commercial vehicle segment as a whole is not doing that well right now in Europe. We're seeing, I think, a lot of companies that are concerned about the economy, their economic performance. There's a lot of macro uncertainty right now. And when that happens, a lot of companies extend the life of their vehicles rather than investing in upgrading. And so that's a challenge for us because we are the number one player there. We're very strong, it's an important, profitable segment for us, and we're doing very well. But those are longstanding relationships that we've had with a lot of those customers. So we're trying to help them work through those issues and trying to do things on the financial side to help support their investment. But, right now, that macro uncertainty, I think, is holding back the segment as a whole, but our share there is still very strong.

Philippe Houchois: Right. And if I can use that follow-up still on that topic of LCVs is we know the EU is easing the compliance period for CO2, but even with that, it seems quite unworkable for the light commercial vehicle segment. Any visibility of changing the rules, or how can basically the rules be changed that you just don't have a timing problem on LCV compliance? And would I read you to take a provision in 2025 specifically?

Doug Osterman: No, I think that we have an ongoing dialogue in Europe around that topic, because you're right, it's very, very challenging given the demand for these powertrains, BEV powertrains. You may have noticed that we've introduced just recently an upgraded line of BEV and hybrid powertrains on our LCVs in Europe. So we are working towards it. But it is very challenging from a regulatory standpoint and the demands that are out there. But we do have a few strategies from a product standpoint. I can't really talk about those today. We're not going to be making any announcements today, but we're trying to address it from both fronts. One, in terms of making sure that the regulators understand the situation, and perhaps there are some adjustments that can be made there, as we've seen on the passenger car side, but also working on the product side. And hopefully we can give more clarification on that front down the road here later this year.

Philippe Houchois: Thank you very much.

Operator: The next question comes from a line of Horst Schneider from Bank of America. Please go ahead.

Horst Schneider (Bank of America): Yes, good morning, and thanks for taking also my questions. I want to dig into some more detail on Europe. You were quite optimistic in your tone on development of the European business, so maybe you can help us a little bit on the output for the region. So can we still expect that H2 volume's going to be higher than H1? Can you also make some comment on the pricing? You made the statement on pricing that North America, I think, was minus 6%, versus global, minus 3%. What was the impact in Europe? And then, in total, then the question would be Third Engine, H2 Europe can be stronger than H1?

Doug Osterman: Yeah, clearly we knew that that pricing first half in North America was going to be a tough comparison period, right? Because we took about 4% of pricing adjustments, second half last year, and even maintaining the same pricing, right, we knew the year-over-year comparison was going to be tough in North America. Europe is a different situation. We took a lot of the price adjustment during the first half. So the year-over-year comparison is a little bit more favourable. We're down about 2% in Q1 this year in terms of pricing, but it's certainly not as bad a comparison as what we look at in year-over-year in North America, which I tried to foreshadow to you guys a few times in the previous calls.

But when we look at Europe, I think predicting forward pricing is always very challenging, so I'm a little reluctant to do so, but I don't see significant price deterioration. And really, from my perspective, the biggest threat to serious price discipline or lack of discipline in Europe was that, under the regulatory regime where everybody had to hit these more stringent requirements by the end of the year, I was very concerned that many competitors with a less prepared product portfolio, seeing their BEV mix towards the end of the year, might panic look at the fines that they might be subject to, and that pricing discipline would really fall apart late in the year. With this new three-year compliance scheme that's been introduced in Europe, I think we have largely averted the possibility of that happening late in the year, which I think is very good for the industry as a whole.

That being said, we're making nice gains, as I mentioned in my commentary, on that front with our new B and C-segment vehicles, which are very competitively priced and well-engineered from a range and performance perspective. And the customers are responding very positively. So we're seeing BEV mix that's been increasing, and I think we'll see more of that as these vehicles really hit their stride, Q2, Q3. Thanks for the question.

Horst Schneider: Thank you.

Operator: The next question comes from a line of Daniel Roeska from Bernstein Research. Please go ahead.

Daniel Roeska (Bernstein Research): Hey, good morning and thanks for taking my question. It's Daniel from Bernstein. Doug, thanks very much for the colour. Could I dive into two details you alluded to? One, on the parts you're using in your US manufactured vehicles. You said the overwhelming majority of those parts were either US-based or USMCA compliance. Could I push you to give us a range what that non-USMCA compliant parts content is? Is that 30, 20, 10, 5%? Really just broad ranges. And also with the questions of some of my fellow analysts, what is your view over the next two, three years, how much of that can you shift into a USMCA compliance situation? Thanks.

Doug Osterman: Yeah. So, when we look at our US-manufactured vehicles, the USMCA compliant parts within those vehicles are roughly 80%. Now, it varies a little by vehicle, of course, and by trim mix and all that kind of good stuff. But as a ballpark number, I think that's a pretty good estimate. And, of course, the 20% that is non USMCA compliant is the piece that is subject to tariffs. Now, what I think is really interesting about, of course, this announcement that we just got from President Trump is that they tried to look at that and they said, 'Look, if you can get to 15% and that's subject to a tariff of around 25% with lots of that coming from places like Mexico and Canada that are at the 25% tariff level, essentially the 3.75% – 15 times the 25%, right – the 3.75% of MSRP should cover your tariff exposure for this first year.'

And so I think we're seeing the administration, through this dialogue, one, I think try to mitigate some of the impacts, right, because I think they recognise that they don't want to hurt the profitability of the industry at a time when we are trying to make this transition. And at the same time, recognising that these supply chains that we've invested in over the last five years will take a little bit of time to adjust. But clearly they're thinking things through.

Now, is it a perfect offset? Well, as I just mentioned, not all of our vehicles are at the 85% level. And, of course, not all of that non-content is at the 25% tariff level, right? And so we need to work on it. And we're very, very active in working on that. And some suppliers who may have excess capacity in the United States may be able to switch relatively quickly, and other suppliers, it'll take much longer, right? So, there's a whole range there of timelines, but I think we have some clear strategies that can improve the situation.

So hopefully that answers your question, Daniel. Thank you.

Daniel Roeska: No, very helpful. And the other part of this is the cars you import from Mexico and Canada, which are USMCA compliant, what's the US content share in the cars that are USMCA compliant and being imported into the US?

Doug Osterman: Yeah, as you correctly outlined, it's really the US content that matters for those vehicles. We have publicly stated already that the range is 30 to 50%, and it varies by vehicle. But, again, that's an opportunity for us where potentially we can increase that US content by working with our supply base and try to mitigate some of the impact in the near-term. But certainly it's a very different calculation, very different type of setup than the car is assembled in the US.

Daniel Roeska: Perfect. Thanks, Doug.

Operator: The next question comes from a line of Tom Narayan from RBC. Please go ahead.

Tom Narayan (RBC): Thanks for taking the question. Hi, Doug. Tom Narayan, RBC. A follow-up to the last one, and thanks for breaking out that 3.75% maths. I think that's something a lot of us have been pouring over a lot of confusion there. But it seems like it's on the MSRP. Not to sound cheeky here, but just curious if that actually gives some wiggle room to potentially have a higher MSRP, maybe increase the incentive and maybe have a greater offset potentially to get to the compliance in the first year of the USMCA compliant components. Is that something you envision? And then I have a follow-up.

Doug Osterman: Yeah, that's not a strategy that we're focused on pursuing, because of course, that would be a fairly short term benefit. But look, I think the administration in that regard has been a bit generous by basing it on MSRP rather than cost of the vehicle. That's

helpful. It recognises also that a lot of us are not fully at the 85%. It recognises that some of the content, parts coming from China, for example, maybe at a higher rate than the 25% that was used in their calculation. I think they've provided us a bit of flexibility there which, of course, we appreciate. But fundamentally, it's going to benefit us over time to work with our supply base. And, frankly, just as we did five years ago when the USMCA came in, right? We optimised and adjusted, and we're going to need to do some of that now as well.

But in reality, this shift in policy is so significant for the industry that, as I mentioned in my commentary, we are going to have to take a very hard look once we get some stability and really understand all the details and exactly what moves we are going to make, from a footprint standpoint, from an employment standpoint and from a capital investment standpoint. So, it's a time where that scenario planning and thinking through all the strategy is very important.

Thanks for the question.

Tom Narayan: Great. And a quick follow-up. So I get the near-term gyrations headwinds across the industry, but is there an argument to be made that longer term, maybe two, three, four years from now, this whole thing could advantage Stellantis, right? You have the US footprint, after you've done a lot of these changes, potentially advantages you guys over some of the foreign importers into the US. Is that a right way to look at it? Certainly, some folks are looking at what if there's a new administration in four years? Do you look at it as, 'Actually, this is great for us long-term,' or does that creep into your mind in terms of how you determine what to do? Thanks.

Doug Osterman: Yeah, it's a great question. And, really, I think time will tell, but certainly we believe strongly that the intent of the administration is to strengthen the US manufacturing base. And we are a big part of the US manufacturing base, and we certainly consider ourselves the home team. And so to the extent that the Trump administration is focused on supporting US manufacturing and, in particular, supporting, as I think about it, the home team, which is US, long-term, I'm certainly hopeful that it will turn out the way that you've articulated, right? That, I think, is part of the intent here. And that's my own view, but I think it is a possibility down the road. But in the near term, of course, it's very disruptive and has created a lot of uncertainty, and that's what we're working through in the near-term, right?

Tom Narayan: Yeah. Got it. Thank you.

Operator: The next question comes from a line of Patrick Hummel from UBS. Please go ahead.

Patrick Hummel (UBS): Thank you. And hi, Doug. One question for me. As far as the cash generation of the business or the cash burn is concerned, you already said that in the first half, one should not really expect a positive free cash flow. Now, we know the North American working capital is quite sensitive to swings in production, etc. And given it's already end of April, do you have any visibility what we should be prepared for, for the end of first half? What could a free cash flow scenario look like? Are we still talking small negative, or could this be a sizable negative as it was in the entire year 2024? Just to get a rough feeling for what to expect. Thank you.

Doug Osterman: Yeah, Patrick, of course, as I mentioned, we've decided to remove guidance, so I don't want to try and give you guidance in a very uncertain environment. But I will remind you that when it comes to our industrial free cash flow, a lot of it, as opposed to looking at the

overall production levels during the half, will depend on our production levels, really, in the last six to eight weeks of the half, right? So keep in mind that we did take some production downtime in early January which helped to improve our order bank. We have a healthy amount of orders, as I've mentioned in my commentary, coming in now. So if we can run our plants in a healthy way in the last six to eight weeks of the half, that certainly will help cash flow. But beyond that, I really am not in a position to provide you much guidance there.

Patrick Hummel: Okay. And if I can just follow up on that, Doug, as far as the investment side of things is concerned, would you see any significant variance in what you're going to spend this year, depending on what happens on the tariff front? Or would you say the quick fixes that you might be doing to boost the US production will not have any major impact on your CAPEX spend this year?

Doug Osterman: Yeah, I think given the uncertainty, you're not going to see a lot of CAPEX decisions from us here related to tariff exposure in the first half. And I would guess you won't see a lot of that across the industry. I think most of us are in this period of waiting for a bit more clarity.

Now, as I mentioned during our previous call, we do expect CAPEX spending to moderate a little bit this year as we get through some of these launches that we talked about, right? The Smart Car and STLA Mid industrialisations in Europe were happening second half last year heavily. There's some talk of being industrialised early this year, but we're working our way through that heavy spending that's associated with the new platform strategy. And so we would expect our CAPEX to moderate a bit in the second half.

Patrick Hummel: Got it. Thanks a lot, Doug.

Operator: The next question comes from a line of Mike Tyndall from HSBC. Please go ahead.

Mike Tyndall (HSBC): Yeah, thanks very much. Hi Doug. I just got one question around, it's two specific cars, and maybe I've got my facts wrong here, but am I right in thinking that the new Jeep Cherokee and the Ram Classic replacement were both scheduled to be produced in Mexico? And I'm just wondering, does this change the plan at all? I suspect the answer is no, but what does it do to the economics of those cars? Because, certainly, the Cherokee felt like it was going to be a very big contributor to where we were heading to.

Doug Osterman: Yeah. So, let me just respond to that. You are correct on the Cherokee replacement. On what you referred to as the DS or Ram Classic replacement, that's really a trim, a trim level, that we've been working on of the DT, light-duty pickup which is heavily industrialised in Michigan. So, that would be less impacted. But no, we plan on moving forward with those products.

As far as the tariff impact, I think that's a little bit yet to be seen, right? Because the policy is evolving, and we'll have to see once things settle down and get clarified a bit more. But yeah, both those are important steps in our product plan for us.

Mike Tyndall: Okay. And one very small follow-up, and I suspect you'll tell me to go away, but in the absence of tariffs, would the guidance still be the same?

Doug Osterman: Yeah, go away.

Mike Tyndall: I could only try. Thanks very much.

Operator: And the last question comes from a line of Martino De Ambroggi from Equita. Please go ahead.

Martino De Ambroggi (Equita): Thank you for taking my question. Good morning, good afternoon, everybody. Trying to summarise on the components, is there any specific problematic area in the components environment? And how much of your components, directly or indirectly, come from China or Asia? And I suppose one of the mitigants you have in mind is put more pressure on suppliers, as Carlos was very vocal on this.

Doug Osterman: Yeah, a couple things. One, as I mentioned, roughly 80% of the parts that you find in the US-assembled vehicles at Stellantis are USMCA compliant, right? So it's really that other 20%. And it, of course, varies by vehicle, but for the majority of our vehicles, there's not a ton of content coming from China into the United States. A lot of that non-USMCA compliant content, as far as parts, is coming from places like Mexico, Canada, some from Europe. It really varies. And I wouldn't characterise it as putting pressure on the suppliers. I think we're taking a bit different approach than that. I would characterise it first as understanding the full supply chain, right? Because even though we think of that 20% directly as coming to us, of course, those tier one suppliers have tier two, tier three suppliers, right, which might be in different parts of the world.

And so we need to understand the full supply chain and the tariff impacts. And then we need to, frankly, work cooperatively on what are the solutions. Many of the suppliers supply multiple OEMs within the US, and so it's a multi-party conversation. Some of them will be, as I mentioned, in a situation where maybe they have some additional capacity in either low tariff countries or the United States that they can switch to relatively easily and cost effectively, and others will be much, much more challenged, right? But it's the progressive discussion. And the first step for us is working with the supplier to understand the impacts on their cost structure and then working cooperatively with them on the solutions.

But I think in terms of, of timeline, right, that's an important thing for us to address and get after as quickly as possible, and I don't want to sugar-coat it here, it does take time for those changes as well. But relative to some of the other options, I think that's a good opportunity for us, as well as some of the other mitigating circumstances and strategies that I talked about, right, looking for those opportunities in the market to gain some share where we have competitors that are more challenged by the tariffs than we are, looking at where we can flex production among our own plants.

So there's a lot of different strategies that we will employ, and I think we can be pretty effective at mitigating some of the impacts and making the changes that are needed. At the same time, we want continue the dialogue with the administration about what is a reasonable timeline, what are the right types of policies that they can put in place to help us with that cooperative approach.

Thank you for the question.

Martino De Ambroggi: Thank you. Doug, any issue on semiconductors specifically?

Doug Osterman: No, not that I'm aware of in terms of semiconductors specifically. You probably know that in terms of the stacking of tariffs, the administration has also been taking some actions to relieve some of the double impact that was a possibility. So you may have

seen in the announcements, like aluminium, steel, and I suspect perhaps semiconductors will come as well. But I think the administration is in a position where they want to avoid stacking tariffs on top of tariffs.

Martino De Ambroggi: Okay. Thank you very much, Doug.

Operator: This was the last question. Handing back forward to you, Doug, to conclude the call.

Doug Osterman: Yeah, so I just want to, first off, thank everybody for their interest in Stellantis and spending some time with us today. I really appreciate all the thoughtful questions. This is an evolving situation, so I'm sure this will be not the last time that we talk about some of these issues facing the industry in general, and Stellantis in particular. But once again, I appreciate all the time that you're willing to spend with us and your interest in our company. Thank you.

Operator: Thank you for joining today's call. You may now disconnect your lines.