

Stellantis Warns of \$2.7B Loss as Tariffs and Restructuring Bite

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Stellantis has projected a significant first-half loss of \$2.7 billion (2.3 billion euros), citing heavy restructuring costs and the financial toll of new United States import tariffs. The automaker, known for brands such as Jeep, Chrysler, Fiat, and Peugeot, is grappling with operational shifts and declining shipments, especially in the North American market.

In a statement released Monday, Stellantis attributed approximately 300 million euros of the loss to the impact of tariffs on U.S. imports, which disrupted production schedules and led to lower vehicle shipments. North American deliveries to dealers and customers dropped by 25% year-over-year in the second quarter, highlighting the severity of the disruption. The decline is partly due to the automaker scaling back imports. Over 40% of its 1.2 million U.S. vehicle sales last year came from outside the country, mainly from Mexico and Canada.

The company also reported pre-tax charges totaling 3.3 billion euros, primarily from the cancellation of development programs, including a shift away from hydrogen propulsion technology, and major changes to its manufacturing platforms to meet evolving demand for hybrid vehicles. Stellantis is also dealing with financial adjustments stemming from compliance with new Corporate Average Fuel Economy (CAFE) standards regulations in the U.S. that set minimum fuel efficiency requirements.

These challenges come as Stellantis continues to transition under new leadership. Antonio Filosa was appointed Chief Executive Officer (CEO) in May following a series of disappointing results in 2024. His predecessor, Carlos Tavares, was ousted amid growing investor dissatisfaction. Shares of Stellantis fell by 2% in early trading on Monday, underperforming Milan's broader market, and are down 37% since the start of the year.

In an unusual move, Stellantis released unaudited financial data ahead of official results, aiming to give analysts a clearer picture of its current performance. Revenue for the first half reached 74.3 billion euros, down from 85 billion euros a year earlier, though still an improvement from the second half of last year.

Despite the current challenges, analysts at JPMorgan expressed cautious optimism, stating the early stages of restructuring may lead to improved performance in the latter half of 2025, as new vehicle models come to market. However, Stellantis also disclosed it burned through 2.3 billion euros in cash during the first half, while overall second-quarter shipments declined by 6% to approximately 1.4 million vehicles.

As the automotive industry faces a complex regulatory and economic landscape, Stellantis' next steps will be critical in determining whether the company can regain its footing and restore investor confidence.