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INVESTMENT INTELLIGENCE REPORT

# Stellantis: The Anatomy of a Turnaround

What is real, what is promised,  
and what remains at risk

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# EXECUTIVE SUMMARY

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## Credit the Narrative. Scrutinize the Numbers.

Stellantis enters 2026 at a genuine inflection point. The Tavares era left the company with a collapsed U.S. market share, a dealer body in open revolt, a €22.2B writedown, and a software strategy that consumed billions without producing a single production-grade platform. CEO Antonio Filosa has, in his first two full quarters, produced measurable operational improvement on quality, volume, and dealer relations.

That improvement is real and deserves acknowledgment. It is not, however, sufficient to re-rate the equity. Brand portfolio rationalization remains unaddressed. Software execution credibility is near zero. And the partnerships now carrying the software recovery narrative carry risks that the market has not yet properly priced.

Our verdict: Stellantis is not uninvestable, but it is not yet re-investable on fundamentals. Investors willing to take a 3-year view with high tolerance for execution risk may find entry points at current distressed multiples. Those requiring near-term catalyst clarity should wait for at least two more quarters of evidence.

## Four Findings That Define This Thesis

The Filosa Floor. H2 2025 and Q1 2026 results confirm the operational collapse has been arrested. Quality metrics, volume, and dealer communication have all improved. This is the floor, not the ceiling.

The Brand Portfolio Problem. Ram and Jeep are carrying the entire group. Chrysler, Fiat North America, and Alfa Romeo are in structural decline. No rationalization plan has been announced. This is the most underappreciated risk in the current recovery narrative.

The Software Credibility Deficit. Stellantis has cycled through four distinct software strategies in four years. The pattern of pivots is itself the risk signal, independent of the merits of each individual decision.

The Applied Intuition Blind Spot. Applied Intuition's Cabin Intelligence platform is unproven at consumer scale, built on AAOS, and dependent on a Google GMS certification relationship that Stellantis has not established. This is a material execution risk, not a footnote.

# I. THE WRECKAGE

## How Stellantis Got Here

The Tavares era prioritized margin extraction over market share defense. It produced seven consecutive years of U.S. sales declines, a dealer body in open revolt, and a quality crisis that translated directly into recall volumes and warranty costs.

## The Financial Damage — Full Year 2025

NET REVENUE <b>€153.5B</b> Down 2% from 2024.	NET LOSS <b>€22.3B</b> Driven by €25.4B in charges.
ADJ. OPERATING LOSS <b>€842M</b> AOI margin: -0.5%.	INDUSTRIAL FREE CASH FLOW <b>-€4.5B</b> Negative for the full year.

## EXHIBIT 1 — U.S. MARKET SHARE COLLAPSE, 2020 TO 2025



Source: Edmunds; Stellantis 2025 Annual Report; Alice Ventures analysis.

The 490 basis point market share loss over five years repositioned Stellantis from third-largest to sixth-largest automaker in the United States, behind Honda. A competitive demotion with compounding consequences for dealer profitability, brand equity, and supplier leverage.

The dealer revolt context. For much of 2024 and into 2025, Chrysler, Dodge, Jeep, and Ram dealers were in open public conflict with the parent company — citing prohibitive vehicle pricing, excess inventory of slow-moving models, and a corporate communications approach that had broken down entirely. This is the relationship Filosa inherited and has been working to repair.

## II. THE FILOSA RESET

### What Has Actually Changed

Filosa took operational control in mid-2025. H2 2025 was his first full six months, and the results warrant genuine credit. Revenue growth was re-established. Quality metrics moved materially in the right direction. The communications and PR apparatus is now functioning, and functioning well.

GLOBAL SHIPMENTS — Q1 2026 <b>1.4M</b> Up 12% year-over-year.	NORTH AMERICA SHIPMENTS <b>379K</b> Up 17% — sharpest regional gain.	QUALITY IMPROVEMENT (NA) <b>50%+</b> Fewer issues in first month of service.
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#### EXHIBIT 2 — Q1 2026 BRAND PERFORMANCE: WINNERS AND LOSERS

Brand	Q1 2026 YoY	Assessment
Ram 1500	+25%	Best Q1 since 2023. Hemi reintroduction working.
Ram HD	+21%	Best Q1 since 2022.
Grand Wagoneer	+110%	Trophy asset performing. Low base effect applies.
Jeep Grand Cherokee	+10%	Core nameplate stabilizing.
Jeep Wrangler	+17%	Best Q1 since 2022.
Chrysler	-33%	Structural decline. No new product catalyst visible.
Fiat (North America)	-70%	Effectively a rounding error in the U.S. market.
Alfa Romeo	-53%	Brand positioning and pricing remain unresolved.

Source: Stellantis Q1 2026 sales report; Detroit News; Alice Ventures analysis.

The structural read beneath the headline. A 17% North American shipment gain off a multi-year collapsed base is a floor confirmation, not a recovery certification. Stellantis has set a target of 25% U.S. retail sales growth for full year 2026. The sales chief's message to dealers in February was unambiguous: "Excuses are over." That language directed at a still-fragile dealer relationship is either a sign of confidence or a sign of pressure. The distinction matters enormously for the thesis.

The company expects net revenues to rise in the mid-single digits in 2026, with a low-single-digit adjusted AOI margin, and aims to return to positive industrial free cash flow by 2027.

### III. THE BRAND PORTFOLIO PROBLEM

#### Fourteen Brands, One Balance Sheet

The most underappreciated structural risk in the Stellantis recovery narrative is the brand portfolio. The entire recovery story in North America rests on two brands: Ram and Jeep. Everything else is either a question mark or an active drag on group economics.

EXHIBIT 3 — BRAND PORTFOLIO ASSESSMENT

Brand	Market	Strategic Position	Outlook
Ram	North America	Core profit engine. Truck segment credibility intact.	Constructive
Jeep	Global	Most valuable brand asset. Pricing reset in progress.	Constructive
Dodge	North America	Charger SIXPACK re-entry into ICE muscle segment.	Watch
Peugeot / Citroën	Europe	Competitive in European context. Volume contributors.	Neutral
Opel / Vauxhall	Europe	Ongoing restructuring. Margin pressure persistent.	Watch
Fiat	Global	Declining in North America. Structural relevance unclear globally.	Concern
Chrysler	North America	One model. No credible product roadmap visible.	Concern
Alfa Romeo	Global	Brand positioning perpetually unresolved. Volume collapsing.	Concern
Maserati	Global	Luxury segment mismatch with group infrastructure. Loss-making.	Concern

Source: Q1 2026 sales data; Stellantis annual report; Alice Ventures analysis.

Portfolio rationalization is not academic. Every loss-making brand consumes management attention, engineering resources, regulatory compliance budget, and dealer network capacity that would otherwise support the profitable core. Filosa has not announced any rationalization plan.

The Maserati problem. Maserati is a loss-making luxury brand that requires investment at a level inconsistent with the group's current financial position, competes in a segment where it lacks the scale of Ferrari, Lamborghini, or Porsche, and has consistently failed to find a coherent product identity under Stellantis ownership. It is the clearest candidate for divestiture, and its continued presence is a capital allocation question investors should press management on directly.

## IV. THE SOFTWARE GRAVEYARD

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### A Pattern, Not a Series of Decisions

Stellantis' software history reveals the absence of a coherent software architecture owner and a consistent technology strategy. Each pivot can be rationalized in isolation. As a sequence, they constitute the most important risk signal for any investor evaluating whether the Filosa reset is structural or cosmetic.

#### EXHIBIT 4 — THE SOFTWARE STRATEGY SEQUENCE, 2021–2026

2021  
FAILED

##### STLA Brain / SmartCockpit / AutoDrive — Internal Build

Three AI-powered platforms announced for 2024, backed by €30B. Target: €20B annual software revenue by 2030. Partnerships with Amazon, Foxconn, and Waymo announced simultaneously.

2024  
FAILED

##### Amazon Deal Fizzles

The Amazon SmartCockpit partnership quietly collapsed. No production vehicle ever shipped with the platform.

Aug 2025  
SHELVED

##### AutoDrive (L3 ADAS) Abandoned

Stellantis shelves its AutoDrive Level 3 system after billions spent. Autonomous driving hopes redirected to aiMotive, a Hungarian startup, with no stated timeline for market deployment.

Oct 2025  
UNPROVEN

##### Applied Intuition — Cabin Intelligence Partnership

Multi-year collaboration with Applied Intuition to deploy Cabin Intelligence infotainment across all 14 brands globally. Applied Intuition is a simulation toolchain company. Cabin Intelligence is its first consumer infotainment product. No production vehicle has shipped with this platform.

Apr 2026  
WATCH

##### Microsoft — Five-Year AI and Cybersecurity Partnership

Five-year strategic collaboration covering AI, cybersecurity, and engineering. STLA Brain retained but refocused on durability. The partnership explicitly signals a retreat from building software capabilities in-house.

The pattern verdict. Four years. Four strategies. Zero production-grade consumer software platforms shipped at scale. Investors are being asked to price in a software recovery for an organization whose entire software execution history is a sequence of missed commitments, abandoned platforms, and pivots to new partners. That credibility deficit does not disappear because the latest partner has a \$15B valuation.

# V. APPLIED INTUITION AND THE AAOS PROBLEM

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## A Material Risk

Cabin Intelligence is positioned as the base infotainment platform across all 14 Stellantis brands globally. At that scope and strategic importance, the execution risks are material to the investment thesis.

## What Applied Intuition Actually Is

Applied Intuition was founded in 2017 as a simulation and testing toolchain company. Its core business is software that lets automotive engineering teams test ADAS systems in virtual environments. The "18 of the top 20 global OEMs" claim reflects toolchain license relationships with R&D teams, not production infotainment deployments to consumers. Cabin Intelligence is Applied Intuition's first consumer infotainment product, announced October 2025.

## The Four Compounding Risk Layers

### 1 Supplier Immaturity

A simulation toolchain company with no consumer infotainment production track record is being asked to deliver the base software platform for one of the most complex multi-brand portfolios in the global automotive industry.

### 2 Product Immaturity

Cabin Intelligence was announced October 2025, built specifically for Stellantis, with no other OEM deployment to validate it. There is no production reference customer and no track record of scale.

### 3 Platform Dependency: The AAOS and Google Problem

Cabin Intelligence is built on Android Automotive OS (AAOS). Every major AAOS-adopting OEM — including GM, Volvo, Honda, Renault-Nissan-Mitsubishi, and Ford — has an established Google Automotive Services (GMS) licensing relationship. Stellantis does not. Since January 2025, all OEMs require Google certification through an accredited third-party lab before production vehicles with AAOS can ship. Applied Intuition is building a platform for an OEM with no GMS relationship, no certification history, and no named path through Google's mandatory production gate.

### 4 Organizational Risk

The same internal teams that failed to deliver STLA Brain, SmartCockpit, and AutoDrive are responsible for integrating Applied Intuition's platform across 14 global brands. The supplier has changed. The integration organization has not.

The white-box contradiction. Applied Intuition's white-box approach is specifically designed to give Stellantis customization control. But AAOS with GMS is a Google-controlled platform with strict compatibility requirements and mandatory certification gates. The white-box promise and the AAOS reality are in fundamental tension. In every OEM-Google negotiation on record, it is the OEM's customization ambitions that get trimmed.

## VI. THE MICROSOFT PARTNERSHIP

### Benefit of the Doubt, Eyes Open

The Microsoft partnership, announced April 2026, is a different category of risk from Applied Intuition and deserves to be assessed separately. Microsoft is a credible infrastructure partner. Azure is production-grade at automotive scale. The five-year scope covering AI, cybersecurity, and engineering capabilities addresses real operational gaps that Stellantis has demonstrated it cannot close internally.

#### EXHIBIT 5 — MICROSOFT PARTNERSHIP SCOPE AND ASSESSMENT

Initiative Area	Stated Objective	Our Assessment
AI Infrastructure	100+ AI initiatives across engineering, manufacturing, customer care.	Plausible. Timeline unclear.
Cybersecurity	AI-driven global cyber defense center across IT, connected vehicles, manufacturing.	Legitimate need. Microsoft credible here.
Product Validation	AI-powered testing and validation to reduce defects and recalls.	Remediates a proven operational weakness.
Data Center Reduction	60% reduction in global datacenter footprint by 2029 via Azure.	Cost-saving logic sound. Execution complexity high.
Workforce Productivity	Microsoft 365 Copilot deployed to 20,000 employees.	Low risk. Incremental benefit.

Source: Stellantis-Microsoft press release, April 2026; Automotive World; Alice Ventures analysis.

The investor caution is not that Microsoft is the wrong partner. It is that this partnership sits within the same pattern of outsourcing decisions that has defined Stellantis' software strategy for four years. Quality improvement, warranty reduction, and predictive maintenance are remedial applications. They address the consequences of past software failures, not the foundation of future software monetization.

The investor position on Microsoft. Give management 2–3 years of execution evidence before assigning meaningful value to this partnership in the thesis. Monitor for: specific product milestones tied to vehicle launches, measurable warranty cost reduction in earnings disclosures, and any announcement of concrete software revenue tied to Microsoft-enabled capabilities. Until those datapoints exist, treat the Microsoft partnership as an infrastructure cost reduction initiative, not a revenue catalyst.

# VII. SCENARIO MODELLING

## Three Paths Through 2026–2028

The forward path bifurcates around two questions: whether Filosa will announce brand rationalization, and whether Applied Intuition can clear the AAOS-GMS certification gate. Each scenario below assumes a different combination of those two outcomes.

BASE CASE	BULL CASE	BEAR CASE
<p><b>Gradual Stabilization</b></p> <p><b>50%</b></p>	<p><b>Filosa Executes</b></p> <p><b>25%</b></p>	<p><b>Structural Deterioration</b></p> <p><b>25%</b></p>
<p><b>DYNAMICS</b></p> <p>Jeep and Ram volume continues recovering through 2026. Dealer relations stabilize. Software partnerships produce no material revenue contribution by 2027. Brand rationalization not announced. Stock trades in a narrow band around distressed multiples.</p>	<p><b>DYNAMICS</b></p> <p>Filosa announces brand rationalization. North American market share recovers to 10% by 2027. Microsoft partnership produces measurable warranty cost reduction. Applied Intuition delivers first AAOS-compliant vehicle by late 2027.</p>	<p><b>DYNAMICS</b></p> <p>Applied Intuition fails to navigate AAOS certification. Another software pivot announced. Jeep loses further ground to Ford Bronco and GM SUV lineup. Tariff headwinds of €1.6B compress margins faster than revenue growth can offset.</p>
<p><b>IMPLICATIONS</b></p> <p>Return to positive industrial free cash flow by 2027 as guided. Applied Intuition delays push first vehicle deployment to 2028. Market share recovery stalls at 8–9% in the U.S.</p>	<p><b>IMPLICATIONS</b></p> <p>Multiple re-rates as portfolio complexity discount narrows. Software revenue narrative becomes investable for the first time.</p>	<p><b>IMPLICATIONS</b></p> <p>Another writedown cycle as software asset values are further impaired. Activist pressure intensifies. Forced M&amp;A or break-up scenario emerges.</p>
<p><b>LONG / OVERWEIGHT</b></p> <p>STLA at distressed multiples (3-yr horizon)</p> <p>Ram &amp; Jeep brand-level thesis</p>	<p><b>LONG / OVERWEIGHT</b></p> <p>STLA: 30–40% upside to normalized EBITDA</p> <p>European supplier names with STLA exposure</p>	<p><b>LONG / OVERWEIGHT</b></p> <p>Distressed debt if equity sells off</p> <p>Jeep as standalone in break-up</p>
<p><b>SHORT / AVOID</b></p> <p>Near-term software revenue thesis</p> <p>12-month STLA without catalyst</p>	<p><b>SHORT / AVOID</b></p> <p>Competitors slow to respond to NA recovery</p>	<p><b>SHORT / AVOID</b></p> <p>STLA on any software re-rating thesis</p> <p>Applied Intuition equity in any IPO</p>

## VIII. CONCLUSIONS

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### Definitive Findings

- 01** The operational floor is confirmed, not the ceiling.  
H2 2025 and Q1 2026 results confirm the collapse has been arrested. Quality, volume, and dealer relations have all improved. Seven years of market share loss requires more than two quarters of positive data to reverse.
- 02** The brand portfolio is the most underpriced structural risk.  
Ram and Jeep cannot carry 14 brands indefinitely. The absence of a rationalization plan is not a neutral data point. It is a capital allocation signal that the hardest decisions have been deferred. Investors should press management on this at the May 2026 investor day.
- 03** The software credibility deficit is structural, not cyclical.  
Four strategies in four years, zero production platforms shipped. Software execution credibility cannot be reasserted by announcement. It requires delivery, and delivery requires time that the current stock price may not be discounting correctly.
- 04** Applied Intuition carries four compounding risks not in the consensus view.  
Supplier immaturity, product immaturity, AAOS platform dependency on an unformalized Google GMS relationship, and organizational integration risk. Together, they represent a material threat to the software recovery thesis that the market has not yet properly priced.
- 05** Tariff headwinds are a near-term earnings risk that is already quantified.  
Stellantis estimates net tariff expense of €1.6B for 2026. The company imports more than 40% of its U.S. sales. This is a known, material headwind that will test whether the Q1 volume recovery is durable or front-loaded.

## VIII. CONCLUSIONS (continued)

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### Our Position

Stellantis is not uninvestable. At current distressed multiples, patient capital with a 3-year horizon and high execution risk tolerance may find an asymmetric entry point. The narrative is improving faster than the fundamentals. That gap is where the risk lives.

#### CLOSING POSITION

"The communications machine is working. The question is whether the operational machine can keep pace with the story being told about it."

ALICE VENTURES — STRATEGIC INTELLIGENCE DIVISION · APRIL 2026

### Three Signals to Watch

Signal 1 — Brand rationalization announcement. A formal divestiture or wind-down plan for Maserati, Alfa Romeo, or Chrysler would represent the single largest catalyst for thesis re-rating. Watch the May 2026 investor day. Silence is itself a data point.

Signal 2 — AAOS-GMS certification path. Applied Intuition or Stellantis must publicly disclose a named Google Automotive Services licensing relationship and a third-party certification lab engagement. Without this, the late-2027 first-vehicle target is not credible. The first concrete announcement clears Risk Layer 3 from Section V.

Signal 3 — Q2 and Q3 2026 dealer indicators. The 25% U.S. retail growth target requires sustained dealer cooperation. Watch dealer satisfaction surveys, average days-on-lot, and incentive spending per unit. Front-loading Q1 to make the year would show up here first.

# APPENDIX · METHODOLOGY & DISCLOSURES

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## Data Sources and Analytical Methodology

Primary sources: Stellantis Full Year 2025 results (February 26, 2026); Stellantis Q1 2026 shipments and sales report; Stellantis SEC Form 6-K filings; Applied Intuition press releases and blog (October 2025 and December 2025); Microsoft–Stellantis partnership announcement (April 16, 2026); Automotive World; WardsAuto; Detroit News; Yahoo Finance; ABI Research AAOS adoption data; Google Android Automotive OS developer blog (March 2026); Edmunds U.S. market share data; Alice Ventures proprietary analysis.

## Estimation Methodology

All financial figures are sourced from Stellantis audited filings and disclosed shipment data unless otherwise indicated. Market share figures are derived from Edmunds and validated against Stellantis annual reporting. Scenario probability weights and forward-looking assessments are Alice Ventures estimates and represent analytical judgment, not company guidance. No forward-looking statement should be treated as a forecast or commitment by either Alice Ventures or Stellantis.

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