

Jeep owner Stellantis posts record profit on higher prices

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Sales rose by seven percent in North America, Stellantis' most profitable market.

US-European auto giant Stellantis, whose brands include Jeep, Fiat and Peugeot, reported Wednesday a record net profit in the first six months of the year, boosted by higher prices for its vehicles.

The company, whose other marques include Alfa Romeo, Chrysler, Dodge and Maserati, said its profit reached 10.9 billion euros (\$12 billion) in the first half, a 37-percent increase from the same period last year.

Net sales rose 12 percent to 98.4 billion euros, also a record, driven by improved performances in its main markets Europe and North America.

Stellantis chief executive Carlos Tavares said the first-half figures are the result of a "very strong focus" on profitability at the group.

He added that the supply chain issues that had plagued the car industry after economies emerged from COVID restrictions have been overcome.

The company's operating margin fell by a hair to 14.4 percent compared to 14.5 percent in the first half of 2022, but it was higher than expected by analysts and above the performances of rivals including Tesla.

The "biggest driver for that has been pricing", said chief financial officer Natalie Knight.

"We did a variety of price increases and our group has been outstanding in keeping those," she told reporters.

In North America, its most profitable market, sales rose seven percent. They were up nine percent in Europe.

Shipments to Africa and the Middle East jumped 51 percent to 301,000 units.

Shipments of luxury brand Maserati, which had struggled following the Peugeot-Fiat Chrysler merger that created Stellantis in 2021, rose by more than five percent at 15,300 vehicles.

With the second half of 2022 hit by soaring inflation and an expected market slowdown, Tavares said the company successfully cut costs.

"We can now work with our suppliers for them to take inspiration from our methods," Tavares said.

Asked about possibly lowering prices if the [economic situation](#) did not improve, Tavares said the company first had to protect its margins by reducing costs.

"If rivals want to take the market into a price war, they will put themselves in a difficult situation before us," he said.

The group also got a boost from sales of hybrid and fully [electric cars](#) which rose by 24 percent at 169,000 units.

The [company](#) plans to have electric cars account for all of its sales in Europe and 50 percent of its sales in the United States by the end of the decade.

Stellantis joined six other major automakers in a [joint venture](#) unveiled Wednesday that will build a network of charging stations across North America.

The alliance includes BMW, General Motors, Honda, Hyundai, Kia and Mercedes-Benz.

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