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## S&P Global Mobility perspective

Implications	Renault Group's losses during 2025 were hit by a one-time write-down of €9.3 billion in July, related to its investment in its struggling partner Nissan.
Outlook	In 2026, Renault Group is implementing a robust product strategy aimed at renewing and expanding its EV and hybrid offerings in Europe. Financially, Renault Group aims for an operating margin of approximately 5.5% of total revenue and a free cash flow of around €1.0 billion for the full year 2026. Renault Group has also announced its medium-term financial outlook, emphasizing a disciplined and realistic approach to create value consistently in a challenging environment. The Group targets an operating margin between 5% and 7% of total revenue, with the lower end exceeding historical margins. It aims for an average automotive free cash flow of at least €1.5 billion per year, which includes approximately €500 million in annual dividends from Mobilize Financial Services.

Renault Group has announced its financial results for the full-year 2025 ended Dec. 31, 2025. During the period, Group revenues grew by 3.0% year over year to €57.922 billion. At constant exchange rates, revenues increased by 4.5% year over year. Further, Renault Group's operating losses during 2025 stood at €7.867 billion compared to operating losses of €2.576 billion in 2024; while net loss, Group share reached €10.931 billion compared to €752 million in profit during 2024, primarily because of a one-time write-down of €9.3 billion in July related to its investment in the struggling partner Nissan.

On a business unit basis, revenues at Renault's Automotive business increased by 1.8% year over year to €51.442 billion during 2025. However, at a constant exchange rate, this would have grown by 3.4% year over year, as currency translation represented a €814 million drag, mainly related to the devaluation of the Argentine peso and Turkish lira, while price changes resulted in a negative impact of €123 million. Additionally, sales to partners resulted in a negative impact of €44 billion. This evolution is primarily explained by the one-off research and development (R&D) billings to partners in the first half of 2024 and the deconsolidation of Horse's powertrains sales at the end of May 2024, partly compensated by the positive effects of programs with partners and the impact of the integration of RNAIPL (Renault Nissan Automotive India Private Ltd) into the consolidation perimeter since Aug. 1, 2025.

These negative impacts were offset by volume increase added €362 million and changes in product mix had a positive impact of €1.629 billion to the revenue supported by the recent launches of the Dacia Bigster, Renault Symbioz, Renault 5, Alpine A290, Renault 4 and Renault Koleos. Supporting the division's growth during the year, Group sales volumes rose 3.2% year over year to 2.337 million units. Of this, Renault brand accounted for 1.628 million units, up by 3.2% year over year; it also sold 697,000 units of the Dacia brand, up by 3.1% year over year, and 11,000 units of the Alpine brand compared to 5,000 units sold in 2024.

In addition to currency translation, another factor that dragged on its Automotive revenues during 2025 was a negative price effect of €123 million. It said that this was down to European market conditions that remain challenging, with commercial pressure. It said that it was able to offset some of the negative currency impacts mentioned above by price increases.

Elsewhere within its business, Renault Group said that the Mobilize Financial Services unit posted revenue growth of 13.0% year over year to €6.389 billion during the year 2025. At constant exchange rate, the increase was 14%. This was due to higher interest rates and an increase of average performing assets. Mobility Services also reported an increase of revenues during the period to €91 million from €69 million a year ago.

Commenting on the results, CEO François Provost said, "Our 2025 results, in a challenging market environment, demonstrate our teams' commitment to delivering consistent, top-tier performance among automotive industry players. This performance underscores the strength of our fundamentals and our agility. Most importantly, this success validates our solid product strategy and the power of our brands,

as recognized by our customers... In a few weeks, we will outline our strategy aimed at growing our business and bolstering the resilience of our operational and financial model. We position ourselves to face the future with confidence and ambition, anchoring Renault Group as an industry benchmark and creating value for all our stakeholders."

## Outlook and implications

Amid the global uncertain environment and a shift towards electrified vehicles, Renault reported a healthy net cash position of €7.4 billion as of Dec. 31, 2025. Additionally, the company maintained a robust inventory level with 539,000 vehicles on hand as of the same date.

In 2026, Renault Group is implementing a robust product strategy aimed at renewing and expanding its electric vehicle (EV) and hybrid offerings in Europe. Key launches include the new Renault Clio, Renault Twingo E-Tech electric, Trafic van E-Tech, a new A-segment electric Dacia, a new C-segment internal combustion engine (ICE) and hybrid Dacia, and the Alpine A390. Additionally, the Group is accelerating its international growth with models such as the Renault Boreal (C-SUV) in Latin America and Türkiye, Renault Duster in India, Renault Filante (E-SUV) in South Korea and other markets, and a new pickup truck in Latin America. Financially, Renault Group aims for an operating margin of approximately 5.5% of total revenue and a free cash flow of around €1.0 billion for the full year 2026.

Renault Group also announced its medium-term financial outlook, emphasizing a disciplined and realistic approach to create value consistently in a challenging environment. The Group targets an operating margin between 5% and 7% of total revenue, with the lower end exceeding historical margins. It aims for an average automotive free cash flow of at least €1.5 billion per year, which includes approximately €500 million in annual dividends from Mobilize Financial Services. The Group anticipates mid-single-digit revenue growth (CAGR) over the medium term, supported by both the Automotive business and Mobilize Financial Services and driven by product expansion and international market growth, while also focusing on transformation to enhance speed, agility, efficiency, and simplicity. Cost reduction remains a priority, with plans to lower variable costs per vehicle by around €400 annually through technological advancements and supplier collaboration, Horse Powertrain competitiveness, alongside maintaining fixed cost discipline by reducing R&D expenses on new projects by up to 40%. The R&D capex and supplier entry ticket spending will remain below 8% of Group revenue. Overall, the strategy aims to strengthen Renault Group's position in Europe while remaining open to partnerships to enhance competitiveness outside the region.

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