

Renault tries to lure investment for new electric car unit

November 15 2023, by Taimaz SZIRNIKS



Renault created its EV subsidiary in November and is preparing to sell shares to investors in spring 2024.

French automaker Renault on Wednesday held an investors day for its new electric vehicle subsidiary Ampere, hoping to win over investment

with slashed costs and an electric car costing less than 20,000 euros (\$21,600).

Renault created its EV subsidiary, named after the French scientist who gave his name to a measure of electrical intensity, in November and is preparing to sell shares to investors in spring 2024.

"Ampere is the most ambitious, solid, and holistic project in response to the challenges we face from the east and the west," Renault Chief Executive Luca de Meo said at a press conference.

The automaker intends to value the unit at between eight billion and 10 billion euros, or about the same as the current market capitalization of Renault.

Ampere has 11,000 employees, a third of them engineers.

The unit intends to sell 300,000 vehicles in 2025 and a million in 2031, which is about half of Renault's total 2022 sales.

Ampere is aiming for 10 billion euros of revenue in 2025, compared with 46 billion for the Renault group in 2022, and an annual growth rate of more than 30 percent between 2023 and 2031.

'Democratize electric vehicles'

"We want to democratize [electric cars](#) in Europe," said Renault's financial director Thierry Pieton.

But even if electric car sales are growing, [current models](#) remain expensive.

To break the trend, an electric French-built Renault 5 will be introduced

in early 2024 with a starting price of 25,000 euros.

A smaller model called "Legend" will be assembled in Spain and launched in 2025 at less than 20,000 euros.

Renault says the electric versions of its mid-sized cars such as Megane and Scenic will cost the same as the petrol versions by 2027 or 2028.

The automaker's managers warned they may postpone Ampere's initial public offering if they were not satisfied with its valuation.

Renault's Japanese partners Nissan and Mitsubishi have said they will invest up to 800 million euros in Ampere.

To raise more money, Renault could sell its 28.4 percent stake in Nissan, de Meo told Bloomberg Wednesday.

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Citation: Renault tries to lure investment for new electric car unit (2023, November 15) retrieved 9 May 2024 from <https://techxplore.com/news/2023-11-renault-lure-investment-electric-car.html>

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