
Renault Group sold 211,000,000 Nissan shares for €764 million

Boulogne-Billancourt, December 13th, 2023 – Following the New Alliance Agreement signed on November 8, 2023 with Nissan, Renault Group has started to monetize the 28.4% of Nissan shares that were transferred by Renault Group into a French trust.

Renault Group announces that it sold 211,000,000 Nissan shares to Nissan, representing 5% of Nissan capital.

This disposal fits in with Renault Group's capital allocation strategy, which consists of 2 phases:

- Phase #1: implementing the strategic projects of the "Revolution" phase of the Group (including Ampere and Horse), while improving operating performance and free cash flow generation and reducing debt.
 - The priority is to return to an investment grade credit rating;
 - Until this investment grade rating objective is reached, the Group will apply its dividend policy, with a gradual increase of its pay-out ratio up to 35% of net income - Group share. It will also continue to implement employee shareholding plans, with the aim to reach 10% of employee shareholders by 2030;
 - As announced at its Capital Market Day in November 2022, Renault Group plans to reinvest at least 50% of the excess cash generated by the Group. Renault Group will dedicate a maximum of 15 to 20% of its free cash flow to financial investments (subject to be aligned with the Group's ROCE targets).
- Phase #2: further development of Renault Group around its various value chains and return to shareholders.

More specifically, the €764 million cash inflow from this operation will cover financial investments made by Renault Group in 2023 as well as those planned for 2024. This will allow faster deleveraging and supports the Group's determination to return to an investment grade rating.

This sale was implemented as part of the share buyback program announced by Nissan on December 12, 2023, and executed on December 13, 2023. Nissan has also announced his decision to cancel all the acquired shares on December 15, 2023.

On the transaction date, this sale of Nissan shares by Renault Group, at a Nissan share price of ¥568.5 resulted in:

- On the Group's consolidated financial statements as of December 31, 2023:
 - A disposal value of €764 million, which improves the net financial position of Renault Group Automotive segment.

- This transaction has no impact on the Group's operating margin and cash generation. The Group fully confirms its financial outlook for 2023, with record operating margin and free cash flow.
- Nissan has decided to cancel all the acquired shares, implying an accretive effect on the capital position. The capital loss on disposal, initially expected to be up to €1.5 billion, will therefore be reduced to around €1 billion (final figure will be adjusted by the share in earnings from the last quarter of 2023 and published during FY 2023 Results release).

This capital loss impacts the net income in Renault Group's consolidated financial statements but will be excluded from the net income parent share calculation base for the dividend payout.
- Transaction has no material tax impact.
- On Renault S.A. annual financial statements as of December 31, 2023:
 - A disposal gain of around €100 million on the shares.

Following the cancellation of the acquired shares as part of the buyback and decided by Nissan, scheduled for December 15, 2023, Renault Group's direct holding position will rise automatically to 15.79% of Nissan's capital. 24.63% of Nissan shares will be held in the French trust of which Renault Group is the beneficiary. In accordance with the New Alliance Agreement, Renault Group has no obligation to dispose of the 0.79% in excess of the 15%, and Nissan will continue to hold a 15% stake in Renault Group. However, the voting rights of Renault Group and Nissan will continue to be capped at 15%.

About Renault Group

Renault Group is at the forefront of a mobility that is reinventing itself. Strengthened by its alliance with Nissan and Mitsubishi Motors, and its unique expertise in electrification, Renault Group comprises 4 complementary brands - Renault, Dacia, Alpine and Mobilize - offering sustainable and innovative mobility solutions to its customers. Established in more than 130 countries, the Group has sold 2.1 million vehicles in 2022. It employs nearly 106,000 people who embody its Purpose every day, so that mobility brings people closer. Ready to pursue challenges both on the road and in competition, Renault Group is committed to an ambitious transformation that will generate value. This is centred on the development of new technologies and services, and a new range of even more competitive, balanced, and electrified vehicles. In line with environmental challenges, the Group's ambition is to achieve carbon neutrality in Europe by 2040.

More information: <https://www.renaultgroup.com/en/>

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