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Renault Shares Slide Sharply After Outlook Cut and CEO Shake-Up

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Shares in French automaker Renault dropped over 16% on Wednesday after the company revised its financial guidance downward and named an interim chief executive officer following a sudden leadership change. The market reaction marks Renault's steepest single-day decline since March 2020.

In a trading update released late Tuesday, Renault S.A. lowered its 2025 operating margin forecast to approximately 6.5%, compared to the previously expected 7% or higher. The company also trimmed its free cash flow projection to between \$1.16 billion and \$1.74 billion, down from a prior estimate of over \$2.32 billion. Investors responded swiftly, sending the stock to a new 52-week low.

The decline comes amid uncertainty surrounding Renault's leadership. The company announced the appointment of Duncan Minto, currently Chief Financial Officer (CFO), as interim Chief Executive Officer (CEO) following the abrupt resignation of Luca de Meo. Minto will manage day-to-day operations in partnership with Jean-Dominique Senard, who will assume the role of Chairman of Renault S.A.S., the firm's operating arm.

"Currently CFO of Renault Group, Duncan Minto will ensure the day-to-day management of the company alongside Jean Dominique Senard," the company stated.

Analysts were quick to adjust their outlooks. Deutsche Bank downgraded its price target on Renault shares from \$64 to \$55, citing the revised earnings guidance as a negative sentiment driver, despite margins still being relatively competitive. "While the new margin guide remains solid, also relative to peers, we see the warning as an obvious additional hit on sentiment for shares," the bank said in a client note.

JPMorgan analysts also expressed concern over Renault's near-term prospects, pointing to softening European demand, escalating global trade tensions, and intensifying competition from Chinese electric vehicle manufacturers as key hurdles for the newly reorganized leadership team.

Renault is scheduled to release its half-year financial results on July 31, which will likely provide deeper insight into the company's revised strategy and performance outlook.

Though the company remains a legacy player in the European automotive market, Wednesday's sharp market correction reflects broader investor unease over executive instability and a more cautious financial trajectory. For now, Renault faces the dual challenge of regaining investor confidence while adapting to an increasingly competitive and uncertain global market.