

# Why Lucid Motors is the EV Company to Watch in 2024



By Tony Rached

### Why Lucid Motors is the EV Company to Watch in 2024

Wednesday, April 10, 2024

In the electrifying race towards a greener future, Lucid Motors has not only accelerated its pace but also surpassed expectations, marking a significant milestone in the electric vehicle (EV) industry. Amidst a landscape where traditional and new-age automakers grapple with fluctuating demand and economic headwinds, Lucid's strategic maneuvers have propelled it into the spotlight, offering a glimpse into the potential reshaping of market dynamics. This narrative delves into how Lucid's recent achievements, underscored by a notable Saudi investment and tactical price adjustments, are steering the company toward unprecedented growth.



### A Swift Leap Ahead: Surpassing First-Quarter Estimates

Lucid Motors, a name synonymous with luxury and innovation in the EV sphere, has recently reported first-quarter delivery numbers that not only exceeded market expectations but also signaled a robust demand for its flagship Air sedans. With a delivery tally of 1,967 vehicles against the anticipated 1,745, as forecasted by analysts via Visible Alpha, Lucid's strategic pricing adjustments in February seem to have paid off. These adjustments, ranging from a modest 1% to a substantial 10% reduction, have undeniably invigorated consumer interest.

## The Backdrop of Lucid's Strategy:

- **Delivery Numbers:** 1,967 vehicles delivered in Q1.
- **Estimates:** Surpassed the 1,745 vehicle estimate.
- **Price Adjustments:** 1% to 10% reductions in February.

Amid broader market challenges, including rising interest rates and the high total cost of ownership pushing buyers towards hybrid alternatives, Lucid's resilience stands out. This context is critical, especially when juxtaposed against Tesla's first quarterly delivery decline in almost four years, underscoring the competitive edge Lucid is beginning to carve out for itself.

## A Billion-Dollar Endorsement from the Desert Kingdom

In a strategic move that has fortified its financial runway, Lucid secured a whopping \$1 billion from Ayar Third Investment Company, an affiliate of Saudi Arabia's Public Investment Fund. This infusion of capital not only highlights the confidence vested by heavyweight investors in Lucid's vision and business model but also arms the company with the necessary resources to navigate the capital-intensive journey of scaling up production and expanding its product lineup.

## Strategic Financial Moves:

- **Saudi Investment:** \$1 billion from Ayar Third Investment Company.
- **Capital Utilization:** Enhancing production capabilities and expanding product offerings.

# Appraiser Blog

This financial bolstering comes at a pivotal time, as Lucid aims to introduce a midsize car by late 2026, targeting the highly competitive \$50,000 price point. This move, aimed at broadening its customer base, sharply contrasts with recent news of Tesla retracting plans for its affordable car model, suggesting a strategic divergence in the paths the two EV giants are taking.

## Outpacing the Competition: A Comparative Glance

Lucid's performance in the first quarter offers an interesting comparative lens against peers like Rivian Automotive, which also exceeded delivery estimates. However, Lucid's ability to outperform amidst broader market slowdowns, high interest rates, and consumer hesitancy towards EVs due to elevated ownership costs, positions it uniquely. The table below encapsulates this competitive landscape:

EV Manufacturer	Q1 Deliveries	Price Adjustments	Strategic Highlights
<b>Lucid Motors</b>	1,967	1% to 10% reduction	Secured \$1 billion from Saudi fund; Plans for a midsize car by 2026
<b>Rivian Automotive</b>	Beat estimates	N/A	Strong demand for electric pickup trucks and SUVs
<b>Tesla</b>	Decline in deliveries	N/A	Scrapped plans for an affordable car model

## Steering Towards a Sustainable Horizon

As Lucid Motors navigates the evolving terrains of the EV landscape, its strategic price adjustments, backed by substantial financial endorsements, not only enhance its competitive stance but also signal a robust blueprint for sustainable growth. With

## Appraiser Blog

plans to broaden its customer base through the introduction of a midsize car, Lucid is not just accelerating its own journey, but also driving the entire EV industry towards a more accessible and environmentally friendly future.

In the realm of electric mobility, where innovation, sustainability, and strategic foresight converge, Lucid Motors emerges not merely as a participant but as a trailblazer, steering us all towards a greener, more electrifying horizon.