

Startup Lordstown Motors says production still on track

June 15 2021, by John Seewer



This Thursday, June 25, 2020, file photo shows the electric Endurance pickup at Lordstown Motors Corp., in Lordstown, Ohio. Startup electric truck maker Lordstown Motors says it's still on track to begin production this fall despite a bumpy past week. Company executives in Ohio said Tuesday, June 15, 2021, that they have enough orders and cash on hand to keep operating through next May. Credit: AP Photo/Tony Dejak, File

Startup electric truck maker Lordstown Motors said Tuesday that it's still

on track to begin production this fall despite a management shakeup this week and a warning just days earlier that it may not be in business a year from now.

Angela Strand, the company's new chairwoman, said the upheaval from the past week won't interrupt the company's day-to-day operations or its plans to start making its full-size pickup, called the Endurance.

Lordstown, which is actively seeking investors, has enough cash on hand to get through next May and enough binding orders to keep production going through 2022, said company President Rich Schmidt.

Shares of the company, which have been on a sharp decline, perked up following those announcements, rising 11% to close Tuesday at \$10.31. They are still down 49% so far this year.

On Monday, Lordstown CEO Steve Burns and Chief Financial Officer Julio Rodriguez [stepped down](#), the same day the company responded to a report from the short-selling firm Hindenburg Research that questioned the number of preorders the company claimed to have for the Endurance.

Lordstown acknowledged one potential buyer that had committed to a large number of preorders doesn't appear to have the resources, and other preorders appear too vague or weak to be relied on for purchases.

Last week, the [company warned](#) it might not be in business next year because of difficulty with securing funding to begin full production at its former General Motors plant in Ohio near Youngstown. In a quarterly regulatory filing, the company said the \$587 million it had on hand as of March 31 wasn't enough to begin full commercial production.

In January, an Endurance pickup truck prototype caught fire 10 minutes

into its initial test drive in Michigan. Then the company failed to pay \$570,000 in real estate taxes due in early March.

But [company](#) executives said Tuesday during a meeting of the Automotive Press Association of Detroit that they expect to produce about 15,000 trucks by next May and that morale remains high.

Schmidt said he expects more investors to come on board when production starts.

"Once the trucks start coming off the line, it makes it a very robust investment," he said.

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