

Lyft to pick up new CEO amid deepening post-pandemic losses

March 28 2023, by Michael Liedtke



Lyft co-founders John Zimmer, left, and Logan Green speak before they ring a ceremonial opening bell in Los Angeles on March 29, 2019. The Lyft co-founders are relinquishing their leadership roles in an announcement Monday, March 27, 2023, to make way for a former Amazon executive as the ride-hailing service struggles to recover from the pandemic while long-time rival Uber has been regaining its momentum. Credit: AP Photo/Ringo H.W. Chiu, File

Lyft co-founders Logan Green and John Zimmer are relinquishing their leadership roles to make way for a former Amazon executive as the ride-hailing service struggles to recover from the pandemic while long-time rival Uber has been regaining its momentum.

Under the new order announced Monday, Green will step down as Lyft's CEO effective April 17 and Zimmer will give up his role as the San Francisco company's president at the end of June.

David Risher, who helped build Amazon into an e-commerce powerhouse, will replace Green as CEO. Green will remain involved with Lyft as its non-executive chairman while Zimmer will be vice chairman after he leaves management.

The shake-up comes about a month after Lyft disclosed that it suffered a \$588 million loss for the final three months of last year, more than doubling from the same 2021 period, and provided a dismal outlook for 2023. That deepened a downturn in Lyft's stock, which has pushed its shares below \$10, a roughly 80% drop from their price at the end of 2019, just a few months before the declaration of a global pandemic brought the demand for ride-hailing services to a screeching halt.

While Uber's ridership has bounced back to pre-pandemic levels, Lyft hasn't yet found a way to get back on track, causing its losses to mount and investors to bail of its stock. Uber diversified its operations to include food delivery—a popular option during government lockdowns that kept people in the habit of opening the Uber app.

In a research note, Wedbush Securities analyst Daniel Ives described Lyft's past six months as a "train wreck" that dictated a change in command. He said Risher had so much work in front of him that Lyft might eventually explore a sale. A deal wouldn't cost as much as it would have a few years ago, given Lyft's current market value has fallen below

\$4 billion, down from about \$14 billion at the end of 2019.

In a prepared statement, Risher said he was "gobsmacked" when he was first approached about becoming Lyft's CEO and is now "prepared to take this business to new levels of success."

Hired as Amazon's 37th employee, Risher proved so instrumental to the Seattle company that when he left its founder, Jeff Bezos, posted [a thank you note](#) crediting Risher for helping to create a business that "is all about: working hard, having fun, making history."

With consumers curtailing e-commerce shopping following the pandemic, Amazon has announced [27,000 layoffs since late last year](#).

Risher had been running a San Francisco nonprofit called Worldreader focused on helping young children to read.

Uber, also based in San Francisco, went through a far more tumultuous change in leadership in 2017 when its co-founder Travis Kalanick was forced out in a high-profile power struggle that was dramatized last year in a TV series on Showtime. Uber is now run by Dara Khosrowshahi, who has been trying to turn the company into the transportation equivalent of Amazon.

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