

LORDSTOWN, AMP MOTORS AND WORKHORSE MOTORS

Never-ending story ... Battery-electric delivery van maker Workhorse Group ([NASDAQ: WKHS](#)) lives on borrowed money. It always has. And while an incredible retail investor-driven run continues in the first weeks of 2021, Workhorse short interest is a whopping 29%, according to [Fintel.ioi](#). That means almost one in three shares are held by borrowers betting the price will fall. A healthy level of short interest is typically 8-15%. Founded by Steve Burns as Amp Electric Vehicles, the company has always operated on a greased shoestring. Former CEO Jim Taylor recalls when Amp, it sold shares for a penny. "Every month, it's another beg for money, run out, beg for money, run out," Taylor told me. Burns' ahead-of-his-time approach to electric vehicles started with retrofitting Pontiac Solstices and Saturn Sky passenger coupes "thinking he could be the other Elon [Musk]." After other failed passenger car electrification tries, Workhorse pivoted to electrify commercial vehicles. It gained a huge first-mover advantage. Taylor fears the company is squandering that through its inability to [deliver products on schedule](#). Workhorse Chairman Ray Chess ran the delivery van business at General Motors, so he knows the problem, said Taylor, himself a former GM executive. "The problem is that window is closing because there's so many new people coming into the Class 3 space that are surrounding them from all sides. They have not delivered in so long. I think they are benefiting from the uplifting wave in EVs. They know what they've got to get done. And they know the heat's on them. I don't know how long they're going to be able to ride it."

Onward and upward ... And what of Burns? He exited Workhorse in February 2019 to start Lordstown Motors Corp. ([NASDAQ: RIDE](#)), which expects to begin building electric-powered commercial pickup trucks this fall. They are based on intellectual property licensed from Workhorse. LMC said this week [reservations for the trucks have surpassed 100,000](#). LMC has loads of competition in the electric pickup space, notably from Amazon-backed Rivian and Tesla's CyberTruck. But it has more money than it needs to operate the former GM Lordstown plant complex. The automaker essentially gave Lordstown to Burns to make up for closing the plant in northeast Ohio after more than 50 years. (Technically, it is an in-kind investment.) Former Workhorse CEO Taylor said Burns called him to tell him his plan. "I said, 'Are you out of your mind? First off, [if] you think you're going to get a deal from GM, you're crazy. They'll never deal with you. And if they do, they'll crush you.'" Burns persisted, got the plant and completed a reverse merger with blank check company Diamond Peak Holdings Corp. in October 2020. The special purpose acquisition company (SPAC) [raised \\$780 million that LMC received](#) at closing less expenses. LMC said this week it was approved to apply to [borrow money from the Department of Energy](#) under its Advanced Technology Vehicle Manufacturing Loan program. LMC would seem to be in far better shape financially than Workhorse, which has a 10% equity stake in LMC because its technology is being used. If Workhorse should win some or all of the [long-delayed U.S. Postal Service contract](#) for next-generation delivery vehicles, it has said they would be contracted to LMC for manufacturing. If the Postal Service becomes a customer, is it preposterous to think Workhorse and Lordstown could merge? Feel free to weigh in.

Nikola trifecta ... Every week brings at least some news at Nikola Corp., the startup battery-electric and fuel cell truck maker. Good news first: Nikola will be able to purchase cheap electricity for its

planned hydrogen fuel stations in Arizona. [The Arizona Corporation Commission voted](#) to let Nikola buy [electricity for about 2.5 cents per kilowatt hour](#) that would be used to power electrolyzers used in making hydrogen. It is a big step toward creating hydrogen fuel availability along the Interstate 10 corridor between Phoenix and Los Angeles. And Nikola's shares rode the positive sentiment around electric vehicles back above \$20 a share this week. But that may have led early investor Worthington Industries ([NYSE: WOR](#)) to cash out. The metals manufacturing company dumped slightly more than 7 million Nikola shares for \$145.6 million, generating a pretax gain of \$2.74 million, according to a [Securities and Exchange Commission filing](#). The last vestige of Worthington at Nikola is CEO Mark Russell, former Worthington president and chief operating officer. Nikola news is slowing down. More and more, my daily Google Alert for Nikola brings the latest on [Denver Nuggets' NBA star Nikola Jovic](#).

The rest of the week ... [FitchRatings](#) is giving a thumb's up to Navistar as it gets closer to becoming [part of Volkswagen AG's TRATON Group](#). Fitch sees an upgrade of at least one notch when the merger is completed later this year. Fitch [downgraded Navistar debt last April](#) to B- from B because of the impact of the COVID-19 pandemic. ... [Dependable Supply Chain Services](#) is all-in with the [Volvo LIGHTS project](#). Its Dependable Highway Express (DHE) unit is testing Volvo [VNR Electric Class 8 trucks](#), battery-electric yard trucks and forklifts. It also has installed charging stations for fleet and employees' personal vehicles. Solar panels and on-site energy storage are part of its shipping and receiving facility in Ontario, California. And it has committed to buy 10 VNR Electric trucks in 2022.