EV startup Fisker cut its 2023 production target for the fourth time

Fisker, the California-based EV startup, cut its annual production guidance in an effort to free up $300 million in working capital, the company said in a business update Friday. Fisker said it expects to produce about 10,000 vehicles this year. The decision comes less than a month since Fisker cut its production target to between 13,000 and 17,000 vehicles for 2023. The production guidance is just a quarter of Fisker’s bullish forecast from a year ago. In November 2022, Fisker said it planned to produce 42,400 Ocean SUVs by the end of 2023 due to strong demand in the U.S. and Europe. That rosy projection was slashed in May to 32,000-36,000 vehicles and then cut again in August to 20,000-23,000 vehicles. This latest update makes four reductions since the spring. The production cut will allow the company to access $300 million in working capital, giving the company “flexibility,” according to the business update. “Our teams have worked hard to overcome some early delivery challenges and are now setting an impressive pace as we prepare to close out 2023,” Chairman and CEO Henrik Fisker said in a statement. “We may not have hit our original forecast but taking current market conditions and negative sentiments around EV sales into account, I would say we are doing quite well, as we continue to accelerate sales and deliveries. This is yielding considerable revenue as we ramp up our business. I expect by the end of this year we will have delivered more customer cars than any Western EV startup did in their first year of deliveries. The company continues to sharpen its focus on growing its current markets and enhancing our sales and service offerings for the Fisker Ocean.” Fisker said in its business update that it has also launched a new strategy to improve deliveries in the U.S. and Europe, which helped it overcome early logistics hurdles. While Fisker didn’t elaborate on exactly what those challenges were, it appears the strategy involves adding more transportation logistics companies to speed up deliveries, increased outreach to reservation holders and opening more facilities dedicated to retail, deliveries and service. The company said it’s also launching a leasing program in the U.S., Canada and Europe, but didn’t include details on when that might occur. Fisker also provided an update around hiring, importantly Dan Quirk as its new executive vice president of finance and accounting. The hiring comes after Fisker lost two chief accounting officers in short succession and delayed the filing of its quarterly earnings report with the Securities and Exchange Commission. Other hires include Axel Buhr as vice president of finance and controller operations, Ram Iyer as senior VP of EE integration and validation and Wolfgang Hoffmann as country manager in Canada, where Fisker is about to begin deliveries.