

# BARRON'S

## Ford's Halt to F-150 Lightning Production Could Last Weeks. That's a Plus for Rivian.

By Al Root

Updated February 15, 2023 / Original February 14, 2023



Ford has stopped producing its all-electric F-150 Lightning pickup truck because of a potential battery issue. Courtesy of Ford

[Ford Motor F -0.43%](#) 's electric-vehicle production has run into a hiccup. Transitioning to an all-electric future isn't easy.

Tuesday, [Ford](#) (ticker: F) said it stopped producing the all-electric [F-150 Lightning](#) pickup truck because of a potential battery issue, Wednesday, [Ford](#) said the stoppage will last at least through the end of next week. “During a standard Lightning pre-delivery quality inspection, one vehicle displayed a battery issue. We believe we have identified the root cause of this issue,” said a Ford spokeswoman in an emailed statement. “By the end of next week, we expect to conclude our investigation and apply what we learn to the truck’s battery production process; this could take a few weeks.”

The issue doesn’t appear to be affecting F-150 Lightnings on the road, according to the company.

News of the production problem hit the stock on Tuesday. Shares were 0.7% lower in afternoon trading on Wednesday, but they recovered ground, rising about 17 cents, or a little more than 1%, after the latest update on production.

“It highlights the daunting challenge of moving from limited [production] to volume production. It also indicates that EVs require specialized engineering skills that may not exist at the traditional car makers,” says Battle Road Research founder Ben Rose. “It’s an obvious positive for Rivian, as the two are neck and neck right now for EV pickup truck leadership.”

Rivian shares were up almost 8% in Wednesday trading, building on a 2.3% gain on Tuesday, partly because of a positive research report from Truist analyst [Jordan Levy](#). Rivian makes a competing electric-pickup truck, the R1T. Rivian delivered 20,332 vehicles in 2022. Ford delivered 15,680 Lightnings, although Ford started delivering the truck in May. Rivian had a full year of deliveries.

Rivian also was delivering its SUV and delivery van to [Amazon.com](#) (AMZN) as well as trucks to Canadian customers. Rivian’s U.S. truck sales amounted to about 10,000 units in 2022.

Investors still don’t know what the battery issue is. It could include the batteries purchased from suppliers, battery-pack construction, or even battery-management software common on all EVs.

Ford delivered 61,638 EVs in 2022, including the 15,680 F-150 Lightnings. The Lightning started shipping more significant volumes in June.

---

That total for the year put Ford behind only [Tesla](#) (TSLA) for EV sales in the U.S. this past year. The company plans more growth: It wants to be producing EVs at a rate of about 600,000 a year by the end of 2023. That's roughly 50,000 a month. Ford delivered 7,823 EVs in December. If production ramps up smoothly over the year, Ford could make almost 350,000 EVs in 2023. It will have to work out the battery issue, however, to make that happen.

Ford hopes to be have enough capacity in place to build 2 million EVs a year by 2026. Building them efficiently will be important to hitting goals for profit margins. The company wants to earn an 8% operating profit margin on its EVs by later this decade. Ford earned an operating profit margin of 6.5% in 2022.

[General Motors GM -0.63%](#) (GM) recalled tens of thousands of its [Chevy Bolt EVs](#) in 2021 because of a battery defect tied back to a supplier. The supplier ended up paying the cost of that recall.