

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (date of earliest event reported): March 27, 2023

Lucid Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

001-39408

(Commission File
Number)

85-0891392

(I.R.S. Employer Identification No.)

7373 Gateway Boulevard

Newark, CA

(Address of Principal Executive Offices)

94560

(Zip Code)

Registrant's telephone number, including area code: **(510) 648-3553**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.0001 par value per share	LCID	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On March 28, 2023, Lucid Group, Inc. (the “**Company**”) announced a restructuring plan (the “**Plan**”) intended to reduce the Company’s operating expenses in response to evolving business needs and productivity improvements through a reduction of the Company’s current employee workforce by approximately 1,300 employees, or approximately 18%. The Company expects to substantially complete the Plan by the end of the second quarter of 2023, subject to local law and consultation requirements.

The Company estimates that it will incur a total of approximately \$24 million to \$30 million in charges in connection with the Plan, which consist primarily of charges related to employee transition, severance payments, employee benefits, and stock-based compensation. The Company expects that charges of approximately \$22 million to \$28 million will be recognized primarily in the first quarter of 2023, with the majority of such charges anticipated to be paid by the end of the second quarter of 2023. Substantially all of these charges are expected to result in cash expenditures. The charges related to stock-based compensation are not expected to be material.

The estimates of the charges and expenditures that the Company expects to incur in connection with the Plan, and the timing thereof, are subject to a number of assumptions, including local law requirements in various jurisdictions, and actual amounts may differ materially from estimates. The Company may also incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the Plan.

Item 7.01 Regulation FD Disclosure.

On March 28, 2023, Peter Rawlinson, the Company’s Chief Executive Officer and Chief Technology Officer, sent an email to the Company’s employees regarding the Plan. A copy of the email is attached as Exhibit 99.1 to this Current Report on Form 8-K and are incorporated by reference herein.

The information contained in this Item 7.01 and Exhibit 99.1 attached hereto is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing

Forward-Looking Statements

This report includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “shall,” “expect,” “anticipate,” “believe,” “seek,” “target,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding plans and expectations regarding the Plan, including timing of implementation, estimates of the charges and expenditures, the estimated timing of incurrence of such charges and expenditures, the Company’s business plans, including timing of the launch of the Gravity SUV and the plans regarding global expansion, the Company’s ability to manage costs and expenses, and the promise of the Company’s technology. These statements are based on various assumptions, whether or not identified in this report, and on the current expectations of the Company’s management. These forward-looking statements are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and may differ from these forward-looking statements. Many actual events and circumstances are beyond the control of the Company. These forward-looking statements are subject to a number of risks and uncertainties, including among other things, the risk that the charges and expenditures may be greater than anticipated; the risk that the Plan may adversely affect the Company’s internal programs and initiatives and the Company’s ability to recruit and retain skilled and motivated personnel; the risk that the Plan may be distracting to employees and management; the risk that the Plan may negatively impact the Company’s business operations and reputation with or ability to serve customers; the risk that the Plan may not generate their intended benefits to the extent or as quickly as anticipated; and other factors discussed under the heading “Risk Factors” in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, as well as other documents the Company has filed or will file with the Securities and Exchange Commission. If any of these risks materialize or the Company’s assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that the Company currently does not know or that the Company currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect the Company’s expectations, plans or forecasts of future events and views as of the date of this report. The Company anticipates that subsequent events and developments will cause the Company’s assessments to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company’s assessments as of any date subsequent to the date of this report. Accordingly, undue reliance should not be placed upon the forward-looking statements

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
99.1	Email to Lucid employees from Peter Rawlinson dated March 28, 2023
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 28, 2023

LUCID GROUP, INC.

By: /s/ Sherry House
Sherry House
Chief Financial Officer

To: Lucid All
From: Peter Rawlinson
Subject: Difficult News Today
Date: March 28, 2023

Lucid Team,

Earlier today, I announced the difficult decision to reduce our workforce at Lucid. Given evolving business needs and productivity improvements, we are reducing the size of our organization by approximately 18%, which will affect Lucid employees and contractors. This action is aligned with the cost discipline announcement we made in late February when we reported earnings. We are also taking continued steps to manage our costs by reviewing all non-critical spending at this time.

We have been reviewing and implementing several other ways to optimize our cost structure, but unfortunately these measures alone won't achieve our objectives. Consequently, we've made the painful but necessary decision to let some of our talented team members go. We want to ensure that employees whose roles have been impacted receive our full support. We are offering impacted employees a severance package that includes access to career resources, Lucid-paid healthcare coverage continuation, and acceleration of equity to help as much as possible with the transition.

What to Expect

Over the next three days, our goal is to communicate with all employees at Lucid so you know what this plan means for you and your teams.

Our U.S. workforce will see reductions in nearly every organization and level, including executives. As I mentioned, all employees at the company will be advised of their status this week, so please watch for communications. We will send a message to Lucid employees when notifications have been completed. Additionally, VPs of each group, along with people managers, will be scheduling time to discuss what this means for your team over the next couple of days.

Moving Forward

I know this is not easy as these actions create uncertainty. This week and the weeks ahead will be about processing change as we show empathy for colleagues who are departing and as we come together on our path forward. These decisions are designed to position us to be more resilient and agile, thereby strengthening the company for the long-term.

We would not have the best EV on the market without the collective efforts of all of our teams, which is a direct result of your tremendous perseverance, resourcefulness, and teamwork. I want to express my deep personal gratitude to everyone who has contributed up to this point and to the teams that will help advance our mission going forward.

Our mission remains unchanged. We are committed to a more innovative and environmentally sustainable future – designing, building, and delivering the best EVs on the market as we expand globally and develop more exceptional vehicles such as the Gravity SUV, which we plan to launch in 2024. I am confident that we have the most advanced technology, we have the right operational infrastructure and know-how to deliver, and we have a track record of tenacity that will make us stronger.

My focus now, along with our entire leadership team and HR, is to provide all employees with the respect and support they deserve.

Regards,
Peter

Peter Rawlinson | CEO & CTO
