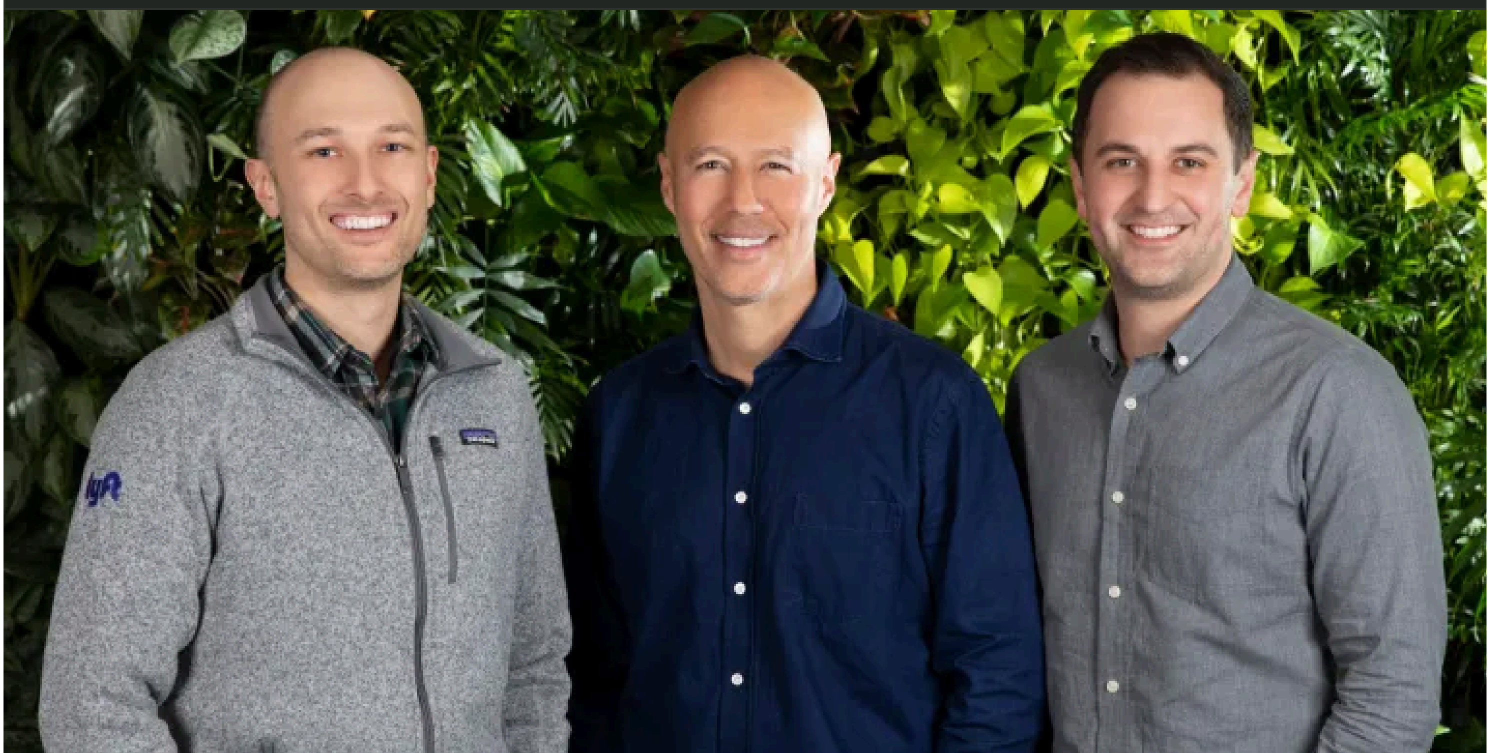


TRANSPORTATION

Lyft CEO and president stepping down to be replaced by former Amazon exec

Rebecca Bellan 2:28 PM PDT · March 27, 2023

IMAGE CREDITS: LYFT

UPDATE: This article has been updated with compensation package information for Green, Zimmer and Risher.

Lyft co-founders, CEO Logan Green and president John Zimmer, are stepping down from their roles by mid-April, the company said Wednesday. They will serve as chair and vice chair of Lyft's board, respectively.

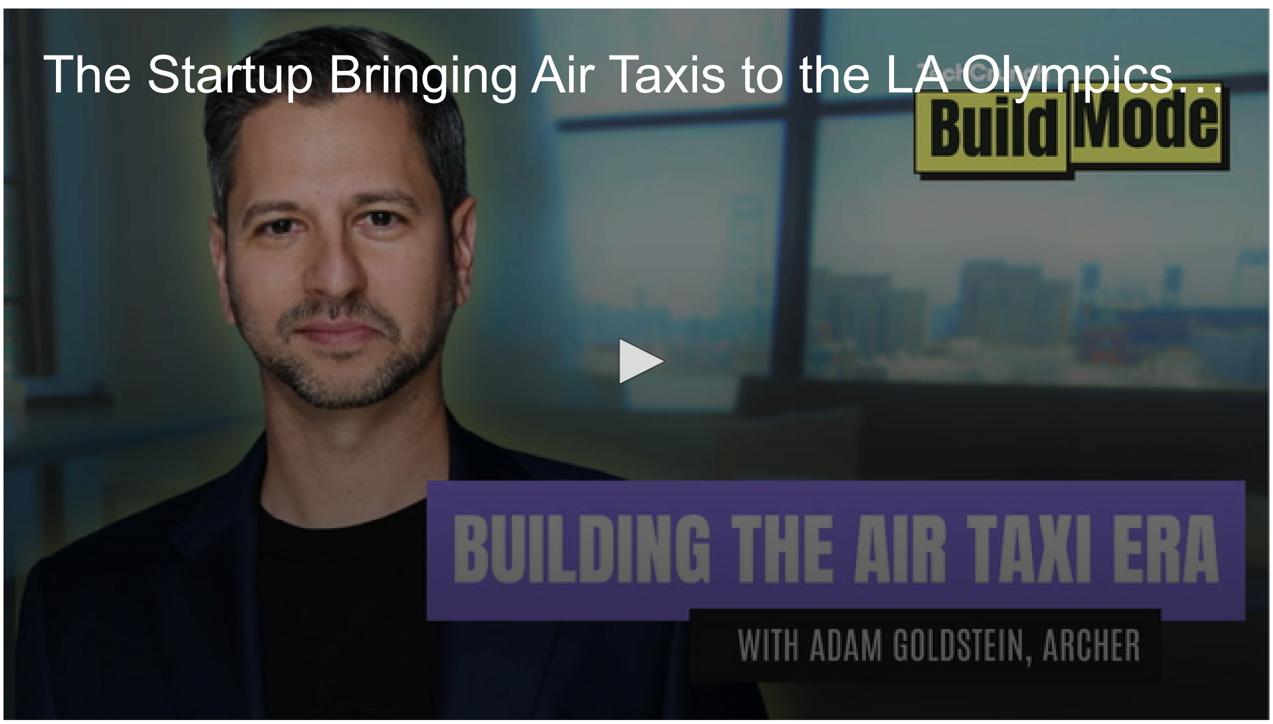
David Risher, a former retail executive at Amazon, will take over the CEO position at Lyft. Lyft's current chairman, Sean Aggarwal, will step down from his post but will stay on the board.

Green and Zimmer founded Lyft in 2012. Back then, the company was mainly differentiated from Uber by the presence of pink mustaches on Lyft vehicles. Back then, Zimmer told TechCrunch that Lyft had originally thought of doing the service just for women, "as a safety kind of service and a very particular clientele."

Lyft ditched the mustache in 2016 and went public three years later. When stock price did jump nearly 6% after hours on the news of Risher taking over as CEO.

Risher joined Amazon in 1997 as the company's first VP of product and store development. He moved up through the ranks at the side of Amazon founder and executive chairman Jeff Bezos, and served as SVP of marketing and merchandising before leaving Amazon in 2002. He helped transform the company from an online bookstore with $15 million in annual sales to the "everything store" with over $4 billion in sales, according to a statement from Lyft.

Today Risher is the CEO and co-founder of Worldreader, a nonprofit that aims to get children interested in reading. Perhaps it is this community-minded spirit that aligns well with Lyft's original founding goals as a company. He will step down as CEO there and stay on as board president, according to a LinkedIn post.



Risher, who joined the Lyft board of directors in 2021, will take over the full leadership responsibilities for the company's operations on April 17, according to the company.

EBITDA outlook. When Lyft shared its fourth-quarter and full year 2022 earnings in February, the company lowered its revenue expectations for Q1 2023 to $975 million, a decline of about $200 million. Analysts had expected the company to promise $1.09 billion in revenue. That guidance sent shares tumbling 25% in after-hours trading to $12.13, and they have continued to drop in the intervening weeks.

Compensation

According to SEC filings, Lyft is paying Risher an annual salary of $725,000, with an annual target bonus opportunity of 100% of that salary for each fiscal year he's employed with Lyft, based on the achievement of certain performance goals. This year, though, his annual bonus will be $1 million as long as he stays with the company through mid-March 2024. Risher is also getting a signing bonus of $3.25 million. The new CEO's compensation package includes an award of performance-based restricted stock units covering a total of 12.25 million shares, which Risher can vest upon the attainment of certain stock price goals.

Green and Zimmer will receive $450,000 cash each for their positions on the board. They will both maintain their original award agreements on a pre-set timeline as long as they remain service providers to the company. If they get fired, that timeline accelerates and they will be able to access their equity awards as defined in Lyft's 2019 equity incentive plan. On top a number of shares of Lyft's stock with a value of $260,000, effective on the date of the company's annual meeting of stockholders.

And despite the move away from day-to-day operations, Lyft's dual-class structure empowers Green and Zimmer long after they leave the company. They both still hold high-voting shares that entitle them to 20 votes per share until *both of them are dead.* If one dies or becomes incapacitated, Lyft's sunset clause enables the remaining co-founder to control the votes of the deceased/incapacitated co-founder. And when they're both dead, a trustee will retain the last living co-founder's full voting powers for a transition period of nine to 18 months.

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Rebecca Bellan is a senior reporter at TechCrunch where she covers the business, policy, and emerging trends shaping artificial intelligence. Her work has also appeared in Forbes,...

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