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Enovix CEO Harrold Rust says he's focused on 14-year mission, not on stock price

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[Harrold Rust](#) says he now has enough capital to complete the mission he started 14 years ago: to revolutionize the batteries used in digital devices and in growing numbers of vehicles.

Rust's company, Fremont-based Enovix Corp., garnered \$385 million in new funds this week via a merger with a blank-check entity [led by Cypress Semiconductor founder T.J. Rodgers](#). Enovix plans to use its new cash, in part, to get its Fremont factory up and running and move to commercial production of its cutting-edge batteries.

Its merger resulted in Enovix, which Rust founded, becoming a public company with an initial market capitalization of about \$1.8 billion. But it left Wall Street investors unimpressed. Enovix shares (Nasdaq:ENVX) [dropped by nearly 13%](#) in the company's first day of trading, post-merger.

Rust, the company's CEO, wasn't too concerned about that.

"It would be great if our stock never went down and always went up, but I just put a bunch of money in the bank that will help us execute on our plan that we believe in," Rust said in an interview with the Business Journal. "We have our nose



to the grindstone to get our factory up and running and start bringing in revenue. If we do that, the stock is going to take care of itself."

Rust has been working since 2007 to revolutionize the basic structure of lithium-ion batteries. Enovix has developed a way to create more powerful batteries through the use of silicon assembled in a proprietary 3D-stacking structure, he said. The company plans to first focus on offering its batteries for mobile devices and then in the not-too-distant future, for automobiles.

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The first step toward that is completing its factory. The next big step, which it plans to complete by the second quarter of 2023, will be to get a second, much bigger factory up and running. The final step is, sometime in 2025, to have a third fabrication plant operational, one that would be producing batteries for automobiles and operate as a joint venture.

With its new funds, Enovix has a sufficient cash stockpile to pursue that plan – and to become a profitable company by 2025, Rust said.

After 14 years of “asking for money all of the time,” Rust is looking forward to getting Enovix’s first factory up and running, he said.

Thursday’s debut was a long time coming

Thursday was a mix of celebration and work at Enovix; even as its stock hit the markets, the company held a meeting with stock analysts. Things weren’t supposed to work out that way; the company’s shares were originally supposed to start trading Wednesday. But its market debut was delayed a day when it missed a filing deadline, Rust said.

“We set up this analyst day about three months ago, so we had about four hours of presentations and touring after a short celebration of our first day of trading where we rang a bell and toasted with champagne at 6:30 in the morning,” he said.

Rust has been working with his Enovix co-founders – [Ashok Lahiri](#) and [Murali Ramasubramanian](#) – since 1984, when they all worked at IBM’s disk drive plant in San Jose. They went from there to FormFactor Inc., a chip testing and measurement business based in Livermore, before launching Enovix.

“It has taken us 14 years and \$240 million to get to this point,” Rust said. “If you are trying to do something that fundamentally changes an industry, that is a big lift. The

thing that keeps you going is the chance to ultimately really make a difference.”

Rodgers, who owned an 11% stake in Enovix before helping to take it public with his special purpose acquisition company, Rodgers Silicon Valley Acquisition Corp., has been big help, Rust said.

“He has been a staunch supporter for the last nine years who believed in us from Day 1,” Rust said. “But being the kind of guy he is, he has been into every detail of what we have been doing. When he stays involved like that, you know you have something because he doesn’t mess around.”

After adding about 50 employees this year, Enovix now has around 160. It will likely increase that number to between 200 and 300 when its first factory gets in gear next year, Rust said.

Rust doesn’t believe in excuses

While the coronavirus crisis has delayed production of everything from semiconductors to lumber, it didn’t much affect Enovix, he said. The pandemic delayed the start of building its factory, but the company didn’t lose time overall due to it, he said.

“We never actually didn’t do something because of Covid, whether it was hiring, bringing in equipment or whatever,” he said. “We just kept going. We had no choice, really.”

At one point, Rust was told it would take two to three months to get critical equipment shipped from Asia. He found a way to get it much quicker – hiring what he says is the “largest airplane in the world.” Less than two days later, the plane arrived at San Francisco International Airport carrying 60 tons of equipment, he said.

“There are so many excuses in life for everything,” he said. “We’re not into excuses. We just want to get the job done.”