

EV charging-equipment manufacturer Tritum declares insolvency

06-May-2024 17:43 GMT

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S&P Global

Supply Chain and Technology, Automotive

Tritium could not withstand its expenses for long and continued to grapple to make profits while witnessing a stressed balance sheet

Australian electric vehicle charging-equipment manufacturer Tritium DCFC Ltd. has declared insolvency on April 18 amid a global slowdown in the sale of electric cars, and the continued struggle for EV supply equipment (EVSE) suppliers and charge-point operators (CPOs) to maintain profitability.



Source: Getty Images/ 3alex

In a regulatory note dated April 18 to the US SEC, the company, which traded on the Nasdaq stock exchange, said that its board of directors have resolved that the company, along with its three subsidiaries, were either insolvent or likely to become insolvent.

“On April 18, 2024, by resolutions of their boards, it was determined that the company and three of its Australian subsidiaries — Tritium Pty Ltd, Tritium Holdings Pty Ltd and Tritium Nominee Pty Ltd — were insolvent or likely to become insolvent,” it said, requesting the SEC to appoint a voluntary administrator under the Australian Corporations Act 2001.

While Tritium’s headquarters continued to be in Australia, the company was listed on the Nasdaq in 2022 via a special purpose acquisition company merger. The listing was aimed at raising public funds and tapping into the growing North American EV charging market. Tritium opened its EV charger production plant in Tennessee, US, in August 2022, with a capacity of producing up to 30,000 fast chargers per year. The EVSE plant in the US was seen as an important step in the company’s strategy to achieve Buy America Build America (BABA) compliance, which is required under the US government’s \$5 billion National Electric Vehicle Infrastructure (NEVI) Formula Program.

However, the company could not withstand its expenses for long and continued to grapple to make profits while witnessing a stressed balance sheet.

Reportedly, Tritium’s unstable financial situation was evident in November 2023 when it decided to shut down its EVSE plant in Brisbane, Australia, after the government of the state of Queensland, Australia, declined to provide an incentive package to support the factory. The move was also focused on consolidating its global research and development, and production operations at its Tennessee, US, facility.

At the time, Tritium CEO Jane Hunter said "strategic restructuring of our business is necessary to drive both profitability and shareholder value." The company termed the shutdown of its Brisbane plant and consolidation of global manufacturing operations at Tennessee as its business strategy to "achieve profitability in 2024 and reduce external capital requirements."

Five months later, Tritium has filed a regulatory note to the SEC, requesting to appoint Peter James Gothard, James Douglas Dampney and William Martin Colwell of KPMG as joint and several administrators, pursuant to section 436A of the Act, to oversee the legal proceedings.

Once the administrators are appointed, the powers of the directors of the impacted companies are suspended, and the administrators take control of the affairs, subject to the appointment. That said, the company’s other subsidiaries will continue to operate as regular businesses outside the voluntary administration.

It remains unclear whether the company, which has in the recent past, received large orders from global energy companies such as BP and Shell, as well as high profile CPOs such as Ionity, will be able to fulfill its EV charger installation commitments, if not already served.

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