

US electric scooter company Bird files for bankruptcy

December 20 2023



Electric scooter company Bird filed for bankruptcy protection for its US assets.

US electric scooter rental company Bird announced Wednesday that it filed for bankruptcy protection as the once-hot startup reorganizes itself.

The reorganization, which affects US operations but not Bird's holdings in Europe and Canada, will entail the sale of assets, according to a [press release](#) describing a "comprehensive restructuring."

The process aims at "better positioning the company for long-term, sustainable growth," Bird said.

The company, which grew quickly on enthusiasm about emission-free transport in urban settings, has reached an agreement with Bird's existing lenders pertaining to a sale of assets.

The plan effectively sets a "floor" on the value of the assets as Bird pursues other buyers in a process expected to take 90-120 days, Miami-based Bird said in the press release.

Bird did not immediately respond to an AFP query seeking further details on the plan.

Bird has obtained \$25 million in financing from a division of Apollo Global Management to complete the reorganization.

Bird was part of a generation of scooter companies that grew fast in the late 2010s.

But the business began to lose its luster as scooters frequently made their way outside designated areas and became ensnared in numerous accidents.

Paris, Montreal, Las Vegas and New Orleans eventually banned the vehicles, joining [big cities](#) such as Barcelona, Toronto and New York, which had never authorized the vehicles.

Other cities instituted draconian restrictions on the vehicles, further

hitting revenues.

Bird in October 2022 retreated from several markets, including Germany and Norway. It also left San Francisco earlier this year.

The company still maintains operations in 350 cities.

First introduced on public markets in November 2021, Bird reached a peak valuation of \$2.3 billion.

But the company was delisted from the New York Stock Exchange in September as its financial problems worsened.

© 2023 AFP

Citation: US electric scooter company Bird files for bankruptcy (2023, December 20) retrieved 13 May 2024 from <https://techxplore.com/news/2023-12-electric-scooter-company-bird-bankruptcy.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.