



Turnaround & Restructuring Newsletter

Jan/Feb 2024



Views from our leaders

Ryan Maupin, Principal

At the end of 2022 Deloitte Turnaround & Restructuring (Deloitte T&R) reflected on the trends that developed throughout the year in its practice in order to anticipate the potential opportunities to come in 2023. Such trends suggested an uptick in restructuring activity. We anticipated correctly as there was a noticeable uptick in restructurings starting in the summer of 2023 and continuing as of this newsletter.

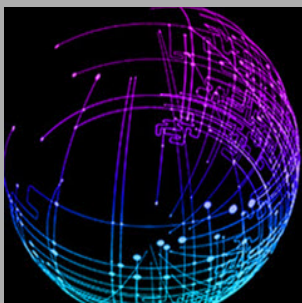
There are plenty of factors to keep our restructuring team optimistic about potential opportunities in 2024. However, we also see a fair amount of polarization regarding the near future state of the market. Market observers are digesting many confusing statistics that seem to contradict themselves at times. Our Merger & Acquisitions practice is seeing a welcomed pickup in deal activity, mostly due to ample liquidity and a stabilized interest rate environment. At the same time, chapter 11 filings and default rates are markedly up from the prior year.



Similar to last year, interest rates will be a point of focus and all eyes will be on the Federal Reserve as they analyze economic indicators, with certain market observers forecasting rate cuts in 2024. We expect some of the restructuring trends to further develop in industries like food manufacturing and service, health care, automotive (EV and ICE), and retail. Without stating the obvious, the flight of capital over the last several years to private credit is something our group will continue to focus on this coming year – especially with many predicting private credit default rates rising in 2024.

I am excited for you to read our latest newsletter that covers Deloitte T&R's latest eminence, recent engagements, and upcoming Dbrief webcasts. We look forward to having the opportunity to collaborate with you and your clients in 2024!

Our latest eminence



Manage Working Capital to unlock liquidity for your business

Explore how we have helped clients enhance their processes through broad measures and the approach we take to help them manage cash flow.

[READ MORE](#)

Recent engagements

Global EPC company gets support

Deloitte T&R advised a global E&P company on the financial risk associated with a global EPC (engineering, procurement and construction) company it had engaged to construct a multi-billion dollar project. We analyzed quarterly financial statements, provided forecasts based on management guidance, and provided a market-based credit risk evaluation for the client every quarter for the past two years.



Strategizing wind-down scenarios for a global manufacturing company

Deloitte T&R assisted a member firm of Deloitte Touche Tohmatsu Limited on an engagement, for a multi-national manufacturing company, to help client develop a plan for the potential closure of a US-based manufacturing plant. The scope of the project included stakeholder communications, employee retention, wind-down scenario planning, and union negotiation strategy.



Upcoming Dbriefs & Webcast



How should CFOs apply algorithmic forecasting in modern times?

January 24, Wednesday | 2:00 PM ET

Participants will identify where predictive forecasting can have the most profound impact for their organization.

[Register](#) to learn more.

Additional insights

Explore how ValueD can bring clarity to complexities and offer insights for better informed and more strategic business decisions across the valuation process. [Read our latest insights](#) to find out.

About Deloitte Turnaround & Restructuring (T&R)

Deloitte T&R is a leading provider of financial and operational restructuring services, turnaround and performance management, fiduciary services, and bankruptcy administrative services to underperforming companies and their advisers, lenders, investors, courts, and other stakeholders. We specialize in helping both large multinational organizations and midmarket companies overcome challenges, from enhancing the performance of healthy companies to complex bankruptcy reorganizations. Our talent, global reach, and commitment to driving results set us apart and enable us to help create value in the most challenging and complex restructuring matters.

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