



Turnaround & Restructuring Newsletter

November/December 2024



Views from our leader

Ryan Maupin, Managing Director

The US economy continued to exhibit considerable strength in the third quarter, and the recent GDP report incorporated evidence of declining inflation. GDP for the third quarter was at 2.8% and fourth quarter appears to be outpacing original estimates. The government recently released data on the Fed's favorite measure of inflation. The PCE-deflator was up 2.1% in September versus a year earlier, the lowest level of headline inflation since February 2021. The economy is running close to full capacity, with a historically low unemployment rate.

In recent days, there has been a rise in US equity prices on expectations of fiscal stimulus from a potential tax cut. We've also seen a rise in bond yields driven by anticipated higher inflation, the latter due to anticipated tax cuts and tariffs.

While we saw record amounts of leveraged loan issuances in 2024, we also continue to see a trend in liability management exercises. As such, the restructuring arms of certain investment banks and law firms are quite busy while other restructuring practice areas are not. Deloitte's Turnaround and



Restructuring (Deloitte T&R) practice ended its fiscal year in early summer with a record-breaking performance and FY budget. The rest of the summer continued with our core restructuring practice on pace with last FY while other practice areas, particularly working capital picking up steam, serving large corporate clients and PE portfolio companies.

We expect industries like restaurants, retail, health care, automotive (e.g., electronic vehicle and internal combustion engines) as well as aerospace supply to see restructuring activity. Our practitioners will continue to focus on these industries as well as our private credit clients that now make up more of our client base than ever before.

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 2025!

Our latest eminence



Finance strategies to thrive in an era of lower interest rates

Explore how to effectively navigate the risks of an inevitable economic slowdown in the United States.

[READ MORE](#)

Recent engagements

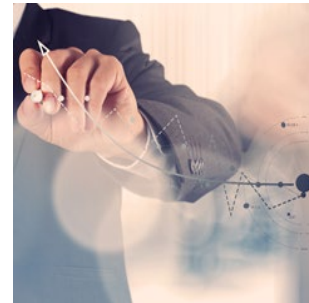
Deloitte T&R extended financial insights to its client

Deloitte T&R is currently serving as financial advisors to the senior secured lenders of a reputed company. The company filed for Chapter 11 in Spring 2024. Deloitte T&R has been working with the prepetition and debtor in possession (DIP) lenders, the company, and its interim management to size the company's liquidity needs through the Chapter 11 process and structure the lenders' stalking horse bid through a plan of reorganization. The reorganized company exited Chapter 11 in fall of 2024 with a new ownership structure and new capital commitments from investors.



Deloitte T&R supported a manufacturing company with financial modeling services

Deloitte T&R was engaged by a highly regarded middle market private equity firm to assist a resource-constrained portfolio company with required operational reporting. Deloitte T&R helped the portfolio company develop a dynamic, and automated financial model that accepted data from 3 separate enterprise resource planning systems (ERPs) and produced weekly and monthly key performance indicator (KPI) flash reports. The model also generated accurate 13-week cash flow projections, which provided PE management with critical insights into future working capital and debt/liquidity issues.



Recent Highlight



CFO Perspectives: Unlocking insights through conversation

Explore how today's CFOs are evolving beyond their traditional financial roles to become pivotal leaders in advancing sustainability.

[**READ MORE**](#)

Upcoming Dbriefs & Webcast



2024 Year-End Technical Update: M&A and restructuring strategies: opportunities in today's market

December 4, Wednesday | 4 PM ET

How can companies rethink their M&A and restructuring strategies? We will explore how to maneuver the headwinds by rethinking funding strategies, prepare for complex events, and accelerate business mode transformation.

[Register](#) to learn more.

Additional insights

Curious to find out more about T&R? [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, 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.

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30 Rockefeller Plaza
New York, NY 10112-0015

United States

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