WILLKIE

1,300 LAWYERS | 16 OFFICES | 6 COUNTRIES

Global Restructuring H1 2026 Update

#1 New Engagements *9Fin* European Restructuring & LME law firm league tables, 2026 Q1

#1 New Mid-Market Mandates (deal count) *Octus* EMEA Restructuring Rankings, 2026 Q1

#2 New Large Cap Mandates by deal count *Octus* EMEA Restructuring Rankings, 2026 Q1

19 Partners Recognized in 2026 *Lawdragon 500* Leading Global Bankruptcy & Restructuring Lawyers

WILLKIE RESTRUCTURING

An industry-leading restructuring advisory practice operating across the US and key European markets.

FULLY INTEGRATED

PROVIDING CUTTING EDGE SOLUTIONS

GLOBALLY RECOGNISED

Recent Accolades

Chambers AND PARTNERS | JUVE AWARDS 2025

Named Law Firm of the Year for Insolvency and Restructuring at the JUVE Awards 2025; and Finalist at the Chambers France Awards 2025 for Restructuring/Insolvency Firm of the Year. Recognised within Bankruptcy/Restructuring: The Elite - USA – Nationwide.

OCTUS

Willkie earned more than 15 top-five rankings for client work in France, Germany, the UK & Ireland and Europe-wide, in the Octus and 9Fin League Tables for Q1 2026.

Legal500 | ALM LAW.COM THE BRITISH LEGAL AWARDS

Named Restructuring Team of the Year at the Legal 500 Germany Awards 2026, Restructuring & Insolvency Law Firm of the Year 2026 by Chambers Germany, and Finalist for "Restructuring Team of the Year" at the 2025 British Legal Awards. Recognised by The Legal 500 for Restructuring (including Bankruptcy): Corporate.

RX TOOLKIT

UK restructuring plan sentiment has cooled which has contributed to a rise in LMEs and ICA-led transactions. Depending on how these are structured, out-of-court implementation options can still involve tail-risk and litigation challenges are increasing. Meanwhile using the UK RP to restructure debt issued by US issuers is a notable developing trend. To watch: Thames Water, LME / distressed disposal challenges, blockers.

SECTORS IN FOCUS

Consumer-facing, industrials and energy-exposed sectors present particular challenges but weak growth across European economies, trade tensions and renewed geopolitical instability are contributing towards a more challenging credit environment across numerous sectors.

CREDIT OBSERVATIONS

For the last 5 years, leveraged borrowers have engaged in amend and extend exercises, buying time to ride out rising interest rates and economic uncertainty. Substantial volume of debt maturities are now concentrated into a 2027 / 2028 period. With an increasingly uncertain economic outlook, refinancing risk is now a key credit pressure point. Whilst for some sponsor-backed businesses, private credit may provide an alternative route through the maturity wall, this is unlikely to be a one-for-all refinancing strategy. Direct lenders are increasingly focused on downside protection rather than simply providing capital at any cost. This may push stressed credits increasingly towards hybrid capital solutions or priming debt.

RX TOOLKIT

The use of the StaRUG as the go-to restructuring framework is increasingly prevalent, including as an implementation tool for distressed M&A processes and A&E transactions. Currently, there are two constitutional complaints against the StaRUG law pending in relation to which the German Willkie team is involved - we are confident that the use of StaRUG will be upheld to be constitutional.

SECTORS IN FOCUS

In general, most industries are facing difficulties due to the present challenges in the German economy with a particular focus on fibre, auto, machinery building, industrials, and e-commerce / retail. There are specific opportunities for distressed funds in the defense sector in particular, as well as companies from the automotive industry and the machine building industry alike. This is because any involvement in the defense sector requires a cleaned-up balance sheet, which distressed funds may facilitate, and the relevant industries are focused on precise solutions in large quantities.

CREDIT OBSERVATIONS

For the last few years, leveraged borrowers have focused on amend and extend exercises. However, we have noted an increase in appetite for a range of alternative outcomes including hive-out / hive-up-structures, loan-to-own or other equity-like instruments, as well as PIK structures. All those structures are regularly introduced via a StaRUG or an English law implementation tool such as a scheme or a restructuring plan. The specific restructuring framework depends on various factors such as governing law of the relevant finance documents, consent of existing shareholders, universe of lenders, financing structure etc.

RX TOOLKIT

Accelerated safeguard remains a go-to restructuring tool in France for large cap situations but also for small-mid cap transactions increasingly. Fully consensual mandat ad hoc/conciliation processes remain prevalent, in particular with an increasing volume of private credit restructurings involving smaller lender bases where 100% consensus is achievable. The combined use of contractual tools for restructuring - notably the use of the distressed disposal mechanism under intercreditor agreements – are increasingly discussed in French restructurings, potentially helping to achieve fully consensual restructurings under conciliation without the need for a court-supervised process.

SECTORS IN FOCUS

As in many other western European countries, sectors like retail, chemicals, automotive and real estate/construction are facing significant difficulties. Challenges, with variable levels of severity, are affecting a much larger spectrum of sectors and businesses and contributing to a large set of LBOs entering distressed territory. Businesses relying on direct or indirect public/state funding face significant uncertainty given the French public deficit crisis.

CREDIT OBSERVATIONS

France continues to resist the use of LMEs but LME opportunities are increasingly discussed in the French market, in particular in cross-jurisdictional situations. New money and hybrid capital solutions are also attracting an increased level of interest.

RX TOOLKIT

Chapter 11 process costs continue to drive parties toward LMEs and lighter touch transaction structures (i.e., strict foreclosures, receiverships, debt-for-equity turnovers); however, chapter 11 remains a favourable forum for companies and lenders seeking to maximize the breadth of the restructuring relief or overcome consent roadblocks.

SECTORS IN FOCUS

Healthcare, healthcare technology, transportation and logistics, SaaS, automotive, and retail all face industry-wide challenges. Additionally, US domestic and foreign policy fluctuations create new challenges for companies and their stakeholders to navigate.

CREDIT OBSERVATIONS

Fewer PE exits, increased bankruptcy costs, and prospect of uncertain economic operating environments may present tough trade-offs on how to deal with borrowers that have not grown into their capital structures coming up against maturity walls from 2021-2022 underwriting. We are executing more creative solutions in situations where extended runway may simply delay an inevitable restructuring – or result in further value destruction – in order to deal with necessary deleveraging, such as strategic partnerships (capital; operating) or A&Es with escrowed restructuring documents.

WILLKIE **Global Restructuring**
H1 2026 Update

Global Restructuring
Contacts

Willkie's global Restructuring team comprises a bench of attorneys recognised as industry leaders with deep experience in all aspects of business and financial restructurings and capital solutions. Our US and European restructuring professionals represent a broad spectrum of clients in their most transformative matters across multiple industries and jurisdictions, and are fully integrated with the firm's private equity, M&A, finance, capital markets and litigation practices.

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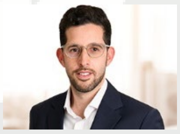

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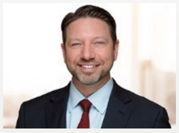

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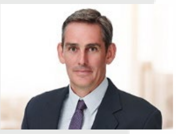

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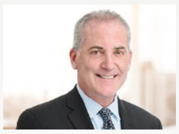

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