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Restructurings rocket in 2023

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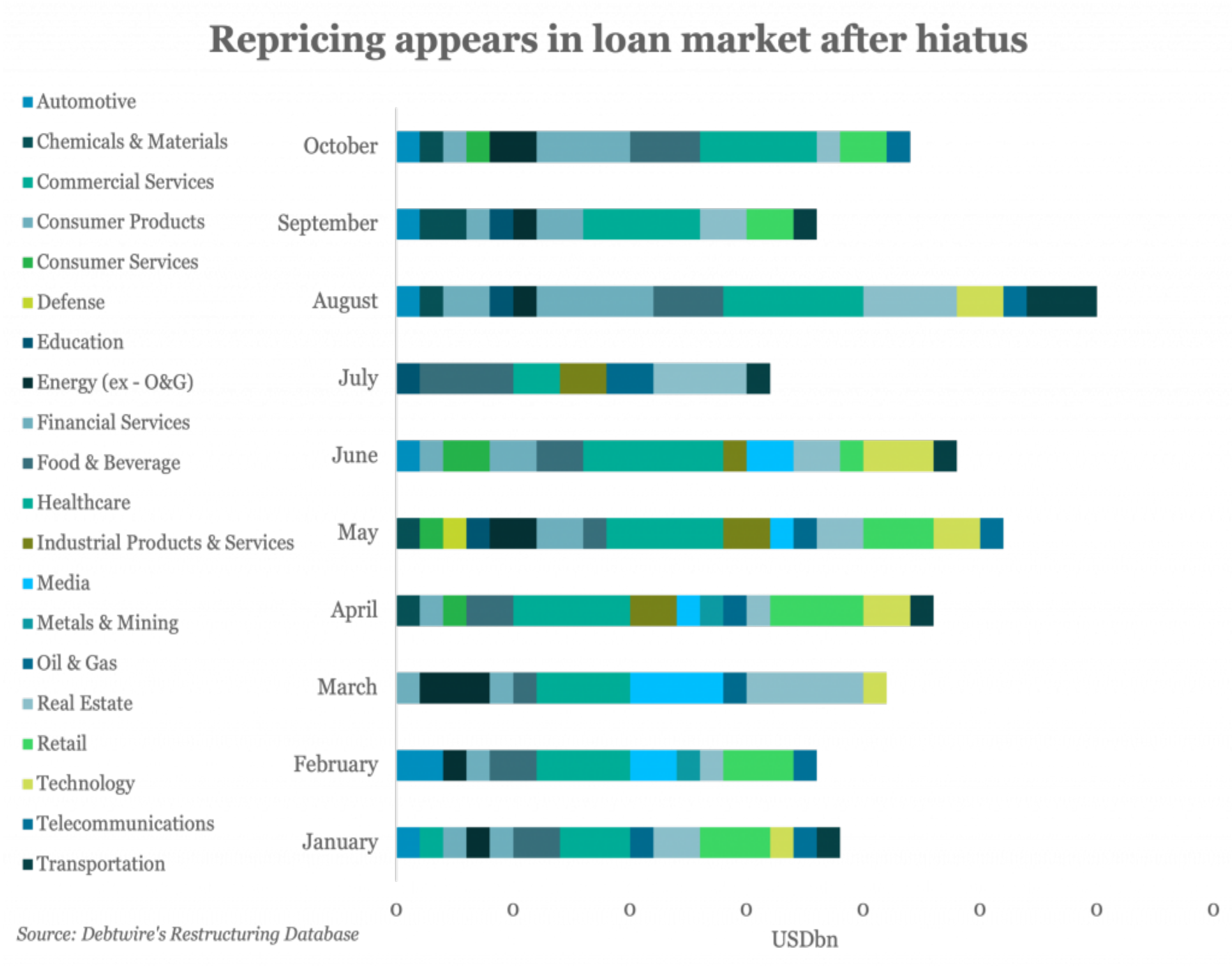

The restructuring market has accelerated in the number of cases so far this year, with 217 processes up to the end of October. The number of Chapter 11 cases has seen a particular rise in the US in 2023 year to date from the same period last year, with August being the busiest month over the past two years, seeing a 114% year-on-year rise in cases.

There has been a heavily skewed sector distribution in the number of restructurings this year. There has been a consistent presence of healthcare-related bankruptcies this year, with healthcare one of the busiest sectors in

2023 YTD, accounting for 21% of total Chapter 11 cases filed up to September.

One of the headline-makers that filed for Chapter 11 bankruptcy recently was pharmaceutical firm **Mallinckrodt**, which filed for bankruptcy again just after emerging from an earlier restructuring 14 months ago. Another notable case was orthodontics company **SmileDirectClub**, which filed for Chapter 11 with nearly USD 1bn of debt, as a result of a continued decline in revenue since the onset of pandemic in 2020.

Second in the list of largest restructurings this year is real estate, which stands at just over half of the number of healthcare cases. Food & beverage firms followed in the third most impacted sector with 20 restructurings occuring so far in 2023.

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