

# THE PERFECT STORM

How companies can  
access financing in  
challenging times



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**46%**

**of surveyed financiers state that they  
want to reduce their risk appetite in  
the coming years**

# INTRODUCTION

Dear Reader,

Corporates in the European Union face a variety of challenges that burden their financial performance:

- Persistently high inflation rates over the past few years have adversely affected profitability, economic development, and purchasing power.
- Companies and entire industries are facing pressure to transform their business models to deal with significant challenges, such as the transition to a low-carbon economy and the adoption of new technologies.
- Geopolitical conflicts have introduced unpredictability regarding future trade barriers and macroeconomic developments.

For some industry sectors, these challenges are amplified by the increasing difficulty of obtaining funding from banks and other capital providers, which are concerned about the developments in these segments and want to reduce their risk exposure accordingly.

In light of these issues, how can corporates secure the financing needed to master their transformations? What role can various alternative capital providers play, especially in stressed and distressed situations? And what vehicles are available to facilitate restructurings and the use of private capital in a crisis?

These are the key questions we address in our 2025 Restructuring Report. It is based on a survey of experts across Europe, complemented by Oliver Wyman analysis. We hope you find it an interesting read.

Sincerely yours,



**Dr. Lutz Jaede**  
Head of Turnaround & Restructuring, Europe

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# MANAGEMENT SUMMARY



After some recovery following the COVID-19 pandemic, economic growth across the EU-27 has slowed to about 1%, with Germany even seeing negative growth. Corporate executives face multiple challenges: Geopolitical risks top the list, alongside persistent cost inflation and disruptive industry changes. Financial performance across sectors varies significantly; while technology/IT and defense are improving or resilient, many sectors like chemicals, consumer goods, and automotive are suffering due to inflation and disruption. Geopolitical challenges such as tariffs are expected to negatively affect industries soon. A “pressure heat map” reveals that most sectors are vulnerable or already under strain from these compounded difficulties.

Firms urgently need fresh capital to support their ongoing transformation efforts, primarily for strategic investments, innovation, and restructuring. Refinancing existing obligations is also a significant need for many of the companies in our survey. However, financiers are becoming more risk-averse, with nearly half looking to reduce risk exposure and one-third reducing financing volume. This cautious stance is not uniform across industries; for example, automotive suppliers and original equipment manufacturers (OEMs) are viewed as highly problematic for lenders, whereas sectors including energy, tourism, aerospace, and electronics remain attractive.

Given the tightening traditional financing, interest is growing in private capital providers like private debt and private equity funds, which are seen as more flexible but demand strong restructuring prospects before investing.

In lending decisions, surveyed financiers prioritize a well-crafted restructuring plan, management’s turnaround expertise, and effective liquidity management far above collateral or equity contributions. Interestingly, environmental, social, and governance (ESG) criteria are now largely irrelevant in crisis financing decisions. The report also highlights the potential role of restructuring vehicles such as trusteeships, special purpose vehicles, and shareholding-as-a-service solutions to facilitate complex restructurings by aligning stakeholder interests and improving access to fresh capital. Still, many experts remain unfamiliar with these tools, underscoring the need to better promote their use as enablers of strong restructuring leadership and plans.

# **DIFFICULT TIMES FOR EUROPEAN CORPORATES**



## WEAK ECONOMIC ENVIRONMENT AND A RANGE OF CHALLENGES

After a steep recovery from the economic crisis stemming from the COVID-19 pandemic, GDP development in many key countries in the European Union has been slow or even declining (see Exhibit 1). On average, the EU-27 member states have achieved growth rates of only approximately 1% in 2023 and 2024. Germany, one of the most important economies in Europe, saw its rate shrink by 0.3% and 0.2%, respectively, during those years.

### Exhibit 1: Real GDP development year-on-year 2014-2024

In % change from previous year

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EU-27	1.7	2.5	2.0	3.0	2.2	2.0	-5.6	6.4	3.7	0.6	1.1
Germany	2.2	1.7	2.3	2.7	1.1	1.0	-4.1	3.7	1.4	-0.3	-0.2
France	1.0	1.0	0.7	2.3	1.6	2.1	-7.6	6.8	2.6	1.1	1.1
Italy	0.0	0.9	1.2	1.6	0.8	0.4	-8.9	8.9	4.7	0.7	0.7
UK	3.2	2.2	1.9	2.7	1.4	1.6	-10.3	8.6	4.8	0.3	1.1
US	2.5	2.9	1.8	2.5	3.0	2.6	-2.2	6.1	2.5	2.9	2.8

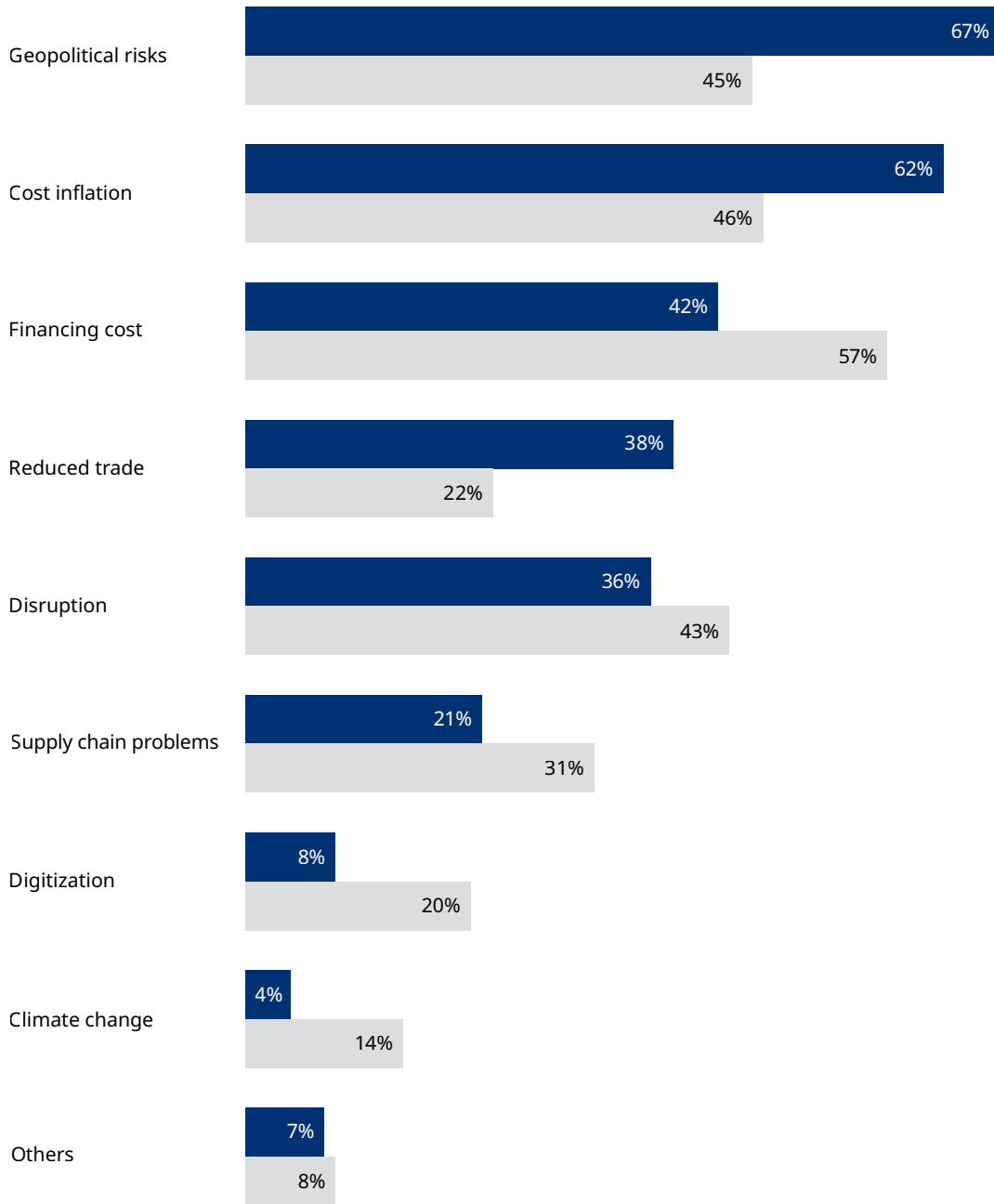
■ >1.5%  
 ■ >1-1.5%  
 ■ >0-1%  
 ■ <-3-0%  
 ■ <-3%

Source: Worldbank, IMF

In addition to this weak economic environment, the corporate executives surveyed for our report face a variety of other challenges (see Exhibit 2). Geopolitical risk has become the main area of concern, with two-thirds of study participants citing it as one of the core challenges they're encountering. Another 62% of the participants are struggling with cost inflation. That's an increase of 16 percentage points from last year's survey, underlining the continued high relevance of this topic even five years after the beginning of the pandemic. A significant number of participants (36%) also are concerned with disruption in their industries.

### Exhibit 2: What are the top 3 challenges you currently encounter?

In % of participants



■ Current year ■ Previous year

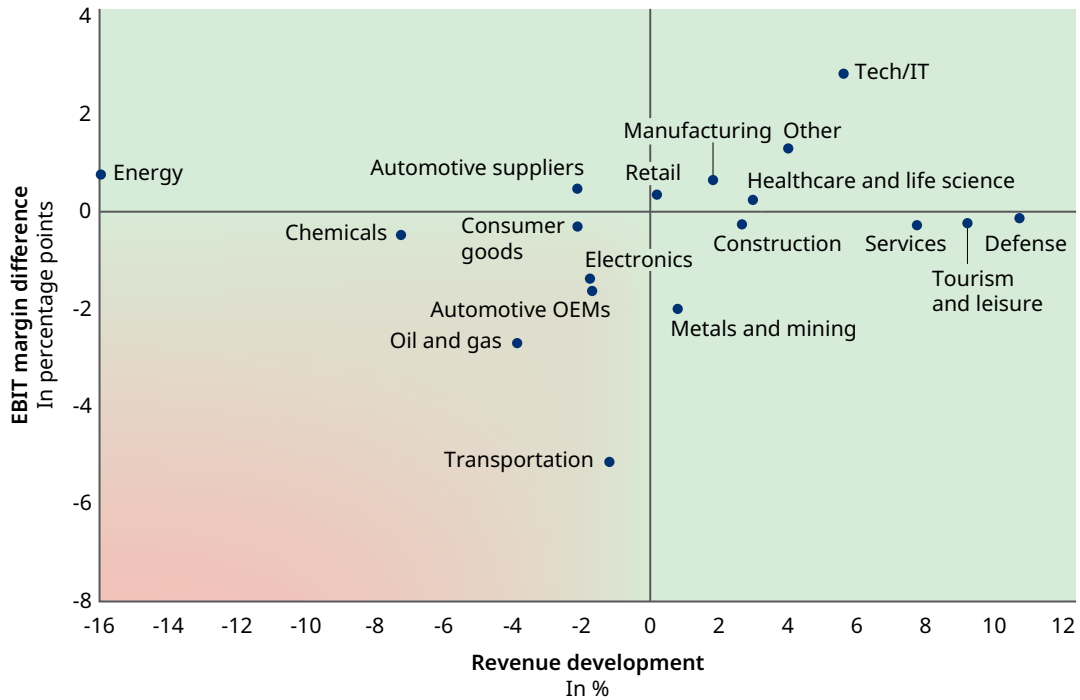
Source: Oliver Wyman

## VARYING DEVELOPMENT ACROSS SECTORS

Looking at the financial performance of European corporates reveals a mixed picture (see Exhibit 3). Some industry sectors were able to increase their EBIT margin (technology/IT, for example), grow their revenues (defense), or both between the first halves of 2023 and 2024, but many others performed worse over that period. In most sectors, including chemicals, consumer goods, electronics, and transportation, cost inflation was the main cause of the decline. For some, such as automotive OEMs and oil and gas, that challenge has been intensified by disruptive changes specific to their sectors.

### Exhibit 3: Financial development of European industries

H1 2024 compared to H1 2023



Note: Based on a sample of 3,370 listed European companies without financial institutions, data aggregated on industry level.

Source: Capital IQ, Oliver Wyman

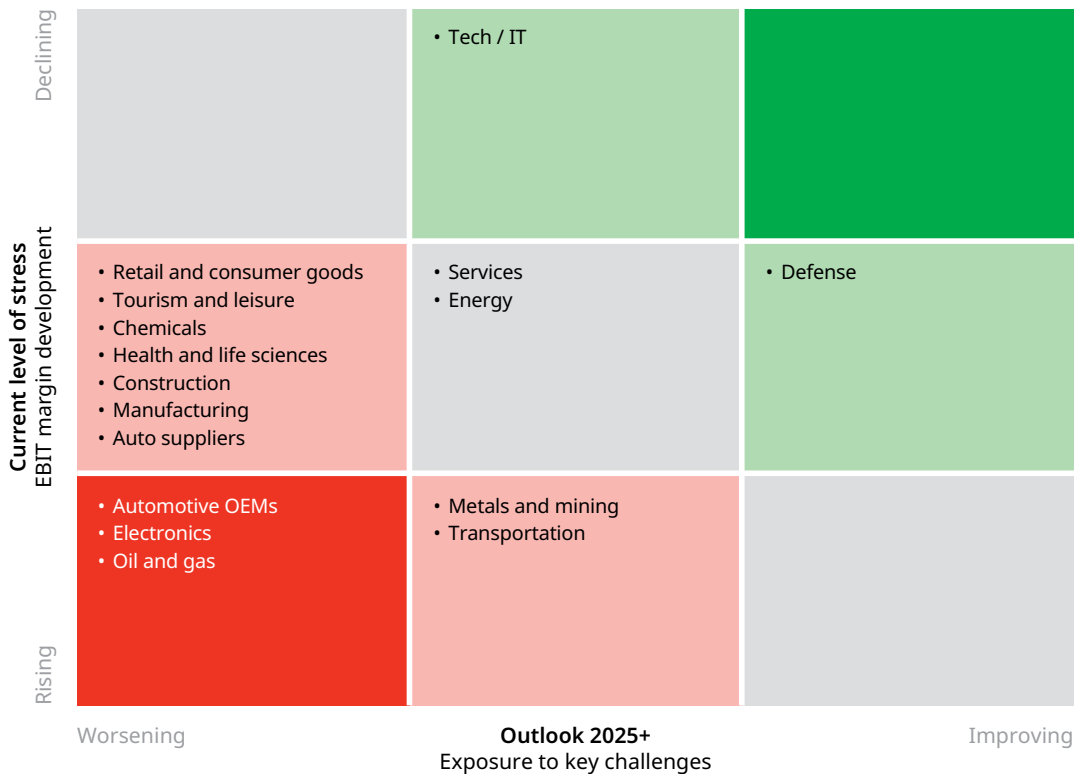
Geopolitical challenges — in particular tariffs — have not yet affected the surveyed industries but will likely have a negative impact on some of them as well going forward.

## CHALLENGES AHEAD FOR MOST INDUSTRIES

By reconciling the 2023-2024 performance trend with the key challenges listed in Exhibit 2, we can create a heat map showing the pressure various industry sectors are experiencing (see Exhibit 4).

### Exhibit 4: Oliver Wyman pressure heat map

Indicative



Source: Oliver Wyman

The only sectors out of the “pressure zone” are technology/IT and defense due to their strong recent performance and/or their resilience in the face of the key challenges we identified. In many other sectors, including chemicals, industrial manufacturing, and automotive suppliers, the 2023-2024 performance was stable, but we are concerned that companies in these industries will face significant challenges resulting from geopolitical developments, cost inflation, and technology disruptions. Other industries like automotive OEMs, electronics, and oil and gas already feel the pressure and will continue to do so in the next years.

# FINANCING CONSTRAINTS AFFECT THE MOST EXPOSED INDUSTRIES

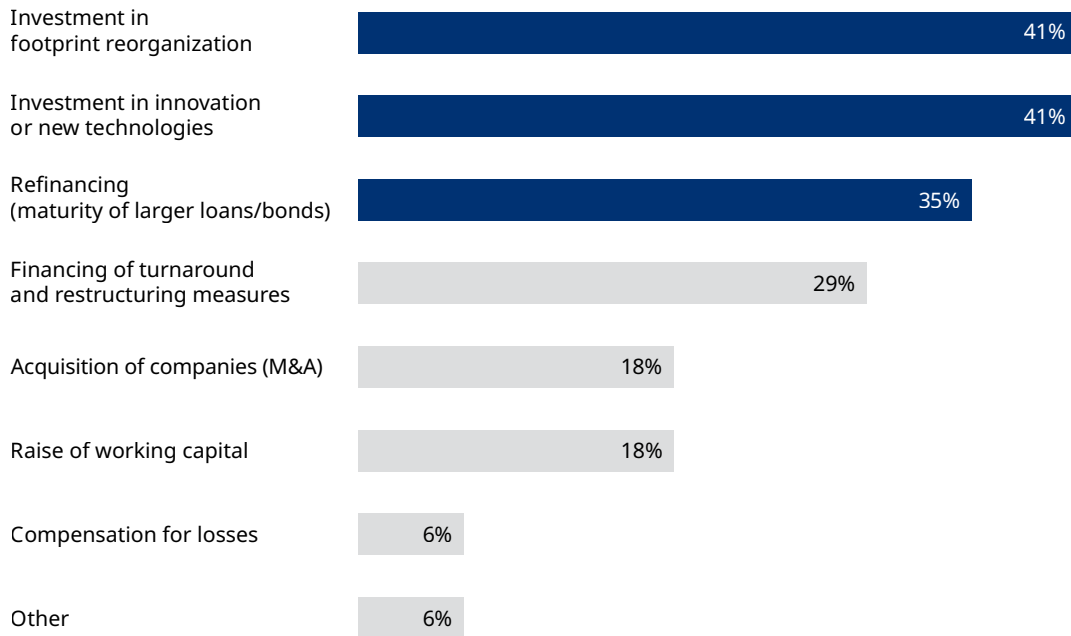


## FINANCING NEEDED TO SUSTAIN CHALLENGES

In light of the current challenges, it is not surprising to see that study participants need fresh capital to finance their transformation (see Exhibit 5).

### Exhibit 5: What are the top 3 key reasons for your financing needs?

In % of participants



#### ■ Top 3 reasons for financing needs

Source: Oliver Wyman

Investments in adapting and right-sizing of the company footprint and in innovation — each mentioned by 41% of survey respondents — are the most important areas where financing is needed. In addition, 29% of participants are planning company restructurings that require funding. About one-third of those surveyed need to refinance existing obligations, which seems a normal ratio given the typical three-year horizon of many credit contracts.

At the moment, only 6% of the participants required capital to finance losses. If the needed transformation cannot be financed, however, this number is expectedly going to increase.

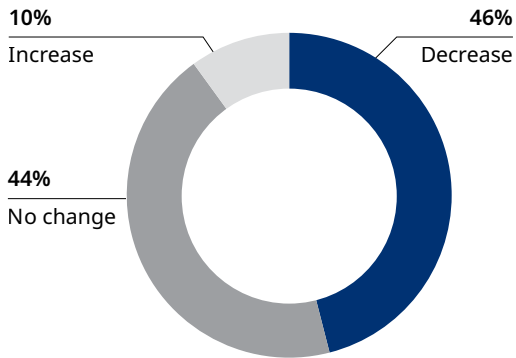
## FINANCIERS WANT TO REDUCE RISK EXPOSURE

Amid this financing need, we find it alarming that the financiers surveyed for our report are likely to become much more reserved when it comes to financing of companies in a transformation (see Exhibit 6). Nearly half say they want to reduce their risk exposure in the next three years and almost one-third even want to reduce their financing volume overall.

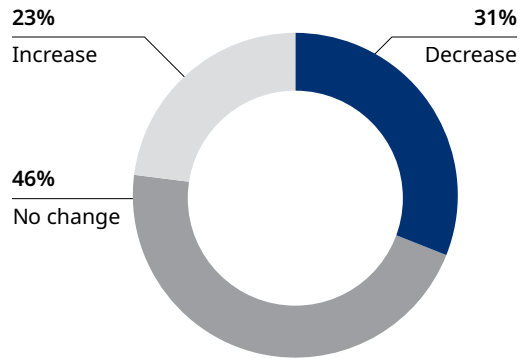
### Exhibit 6: Changes in risk appetite and financing volumes over the next 3 years

In % of surveyed financiers

How will your risk appetite change in the next 3 years?



How will your financing volume change in the next 3 years?



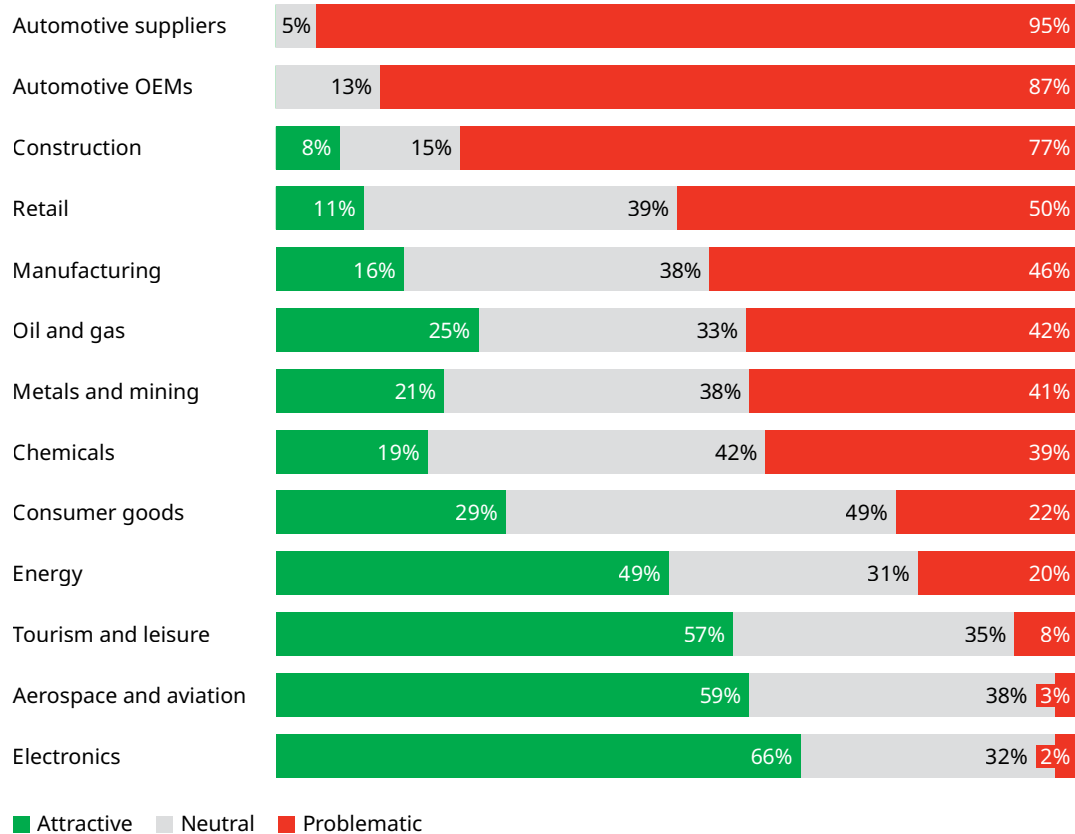
■ % of responses stating "decrease"

Source: Oliver Wyman

The situation is especially critical for certain industry sectors (see Exhibit 7). When we asked the financiers their view of the attractiveness of industries for financing, the response differed massively across sectors: 95% see the automotive supplier sector as problematic, with a considerable portion also perceiving the automotive OEM, construction, retail, and manufacturing sectors that way. Meanwhile, financiers deem sectors like energy, tourism, aerospace and aviation, and electronics to be attractive for investments or loans.

**Exhibit 7: How do you assess the following sectors as to their attractiveness for new investments financing?**

In % of participants



Source: Oliver Wyman

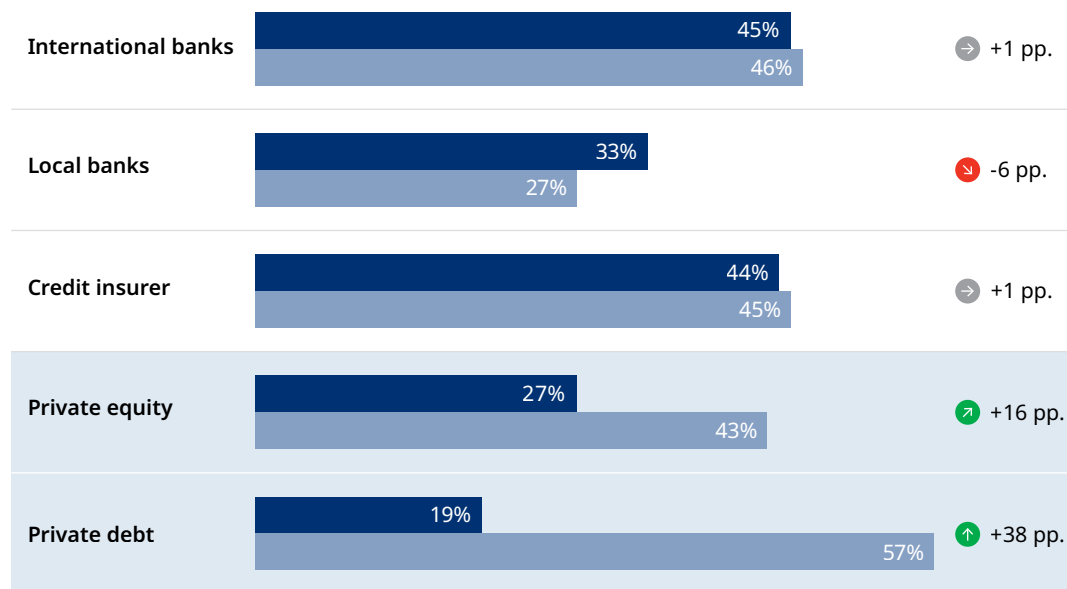
Looking at our “pressure heat map” in Exhibit 4, it becomes obvious that some sectors face a perfect storm: They are exposed to a significant need to transform but at the same time will find it more difficult to get access to financing.

## WILL PRIVATE CAPITAL GAIN IN IMPORTANCE?

With traditional financiers such as banks or credit insurers becoming more cautious, the attention of companies seeking financing naturally shifts toward alternative capital providers. This is confirmed by our survey (see Exhibit 8): Although only 19% of the participants state that providers of private debt play an important role for them today, more than half expect that private debt funds will become important financing partners in the future. A similar shift can be observed for private equity funds (from 27% currently to 42% in the future). It should be noted, however, that while providers of private capital may be more flexible and less averse to industry-level challenges, they will deploy capital only if they are fully convinced about a company's ability to restructure and achieve sustainable performance.

### Exhibit 8: How do you assess the current and future importance of the following sources of financing?

In % of participants



■ Current ■ Future

Source: Oliver Wyman

# IT IS ALL ABOUT THE MANAGEMENT

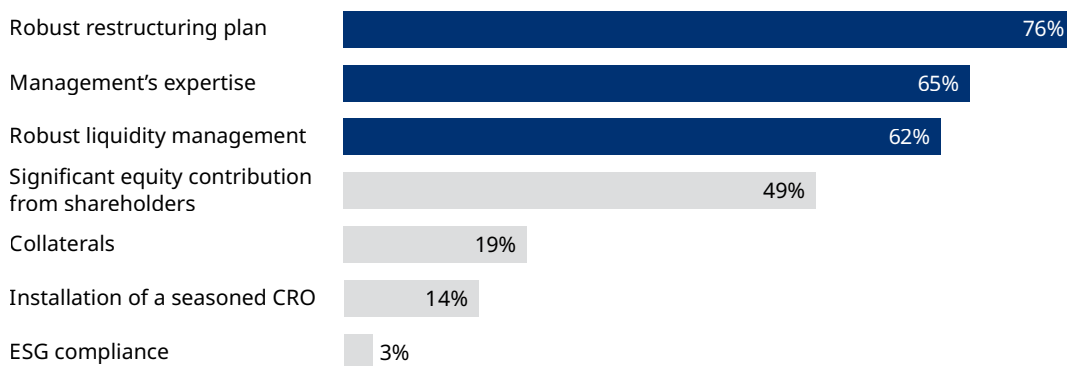


## A ROBUST RESTRUCTURING PLAN IS THE KEY PREREQUISITE TO OBTAIN FINANCING

So what are capital providers' key requirements for offering financing? Our survey gives a very clear answer to this question (see Exhibit 9): 76% of the surveyed financiers focus on the distressed company's restructuring plan when they weigh lending financial support. The other key criteria are the company management's restructuring expertise and a robust liquidity management process. Only about half of the financiers require a significant equity contribution, and collaterals and the installation of a chief restructuring officer (CRO) play much less important roles. As an interesting side note, we conclude that ESG requirements are almost irrelevant when it comes to financing of companies in a crisis. What a change of perspective over the last years!

### Exhibit 9: What are the top 3 requirements to provide financing in times of crisis?

In % of surveyed financiers



■ Top 3 responses by % participants

Source: Oliver Wyman

The good news: Obtaining financing, even in a time of crisis, is still possible, yet will require the management team to go the extra mile. If they can convince financiers of their expertise, demonstrate professional liquidity management skills, as well as provide a robust restructuring plan, they can stack the odds in their favor.

## RESTRUCTURING VEHICLES CAN PROVIDE MULTIPLE BENEFITS

Currently, we are seeing many restructuring situations where the distressed company's challenges are diverse, stakeholders challenge the viability of the business, and significant changes of the capital provider structure are required to ensure sustainable financing. Such situations are very complex and may benefit from tools like trusteeships, special purpose vehicles (SPVs), or shareholding-as-a-service (ShaaS) solutions.

Asked for the benefits of such vehicles (see Exhibit 10), the surveyed experts confirm that they can accelerate the restructuring process, ensure professionalism, and allow sharing of risks and upsides between the different stakeholders. Leveraging these tools may include changing the ownership structure and getting easier access to fresh liquidity in a crisis.

**Exhibit 10: What are the top 3 benefits you expect from a restructuring vehicle?**

In % of participants



■ Top 3 responses by % proportion

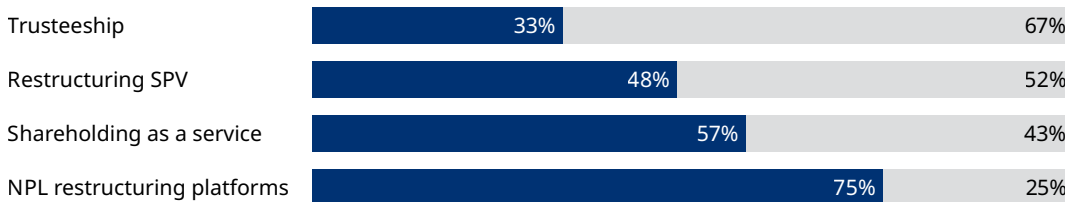
Source: Oliver Wyman

**MOST VEHICLES ARE LARGELY UNKNOWN**

Asking in detail about the advantages and disadvantages of specific vehicles, however, reveals a surprising fact: Most experts do not know enough about the most common ones to provide an opinion (see Exhibit 11). The best-known vehicle is trusteeship, which is still unfamiliar to a third of the experts we surveyed. Further, about half or more of them have no experience with SPVs or ShaaS solutions so far. This shows clearly that the restructuring community should put more effort in promoting restructuring vehicles.

**Exhibit 11: Knowledge about restructuring vehicles**

In % of participants who know or do not know the vehicle sufficiently



■ Unknown ■ Known

Source: Oliver Wyman

It should also be emphasized, however, that none of these platforms work without a robust restructuring concept and a capable management team to execute it. Restructuring vehicles can only be an enabler for a solution — they cannot replace the solution itself.

# CONCLUSIONS

## **SOME INDUSTRIES FACE A PERFECT STORM**

Economic headwinds, geopolitical risk, cost inflation, and disruptive market changes are the key challenges for corporates in Europe. Some industry sectors are more exposed to these challenges than others. Capital providers view these sectors as problematic, which creates a “perfect storm” for many of the companies operating in them.

## **PRIVATE CAPITAL WILL GAIN IMPORTANCE**

With traditional financiers like banks or credit insurers becoming more risk averse, the role of private debt and private equity providers will grow in importance. While this will open new financing sources for companies in distress, they still must be prepared to convince new financing partners of their ability to restructure.

## **A ROBUST RESTRUCTURING CONCEPT IS KEY**

The key to financial support is in the hands of the management team. Companies in distress may still obtain financial support if they are able to put forward a robust restructuring plan, convince financiers about the capabilities of the management team beyond the CRO, and install professional liquidity management.

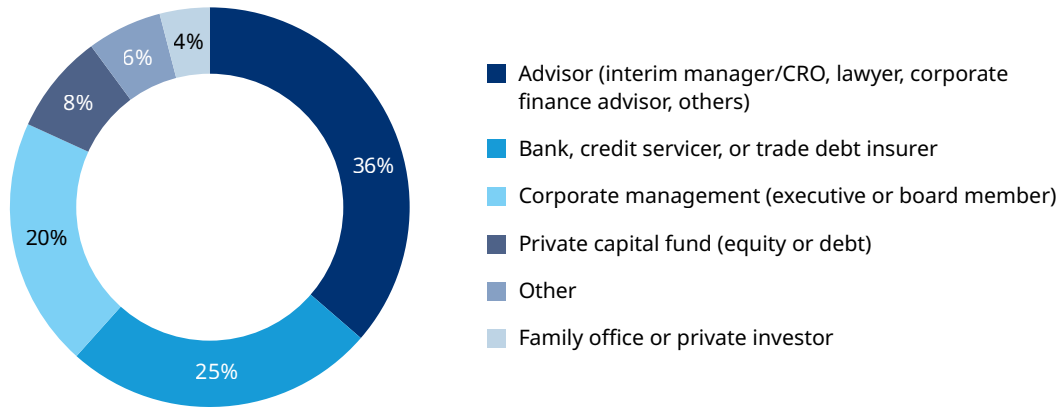
## **RESTRUCTURING VEHICLES ARE UNDERUTILIZED**

Different vehicles to facilitate a complex restructuring are available, but most of them are largely unknown to the broader restructuring community. More frequent use of these vehicles may be beneficial, but they cannot replace a sound restructuring concept.

## METHODOLOGY

### Structure of study participants

In % of total participants



This report is based on a survey of more than 100 restructuring experts across the European Union, conducted in January-March 2025. It is complemented by Oliver Wyman analyses and insights from our global industry and capability practices.

# RESTRUCTURING WITH OLIVER WYMAN

Backed by years of experience, Oliver Wyman acts as a trusted adviser to banks, investment funds, and distressed corporations as they take on the challenges of strategic, operational, and financial restructuring.

We support commercial banks by providing solutions for their book of nonperforming loans, leveraging our deep understanding of the financial services industry and world-leading expertise in finance and risk. At the same time, we work with the world's biggest investment funds and advise them on investments in distressed debt and equity.

When working with distressed companies, we leverage our deep industry knowledge and breadth of capabilities for performance improvement to develop sustainable restructuring concepts that address the market and the competitive environment, as well as specific factors for achieving operational excellence. Oliver Wyman acts as a coordinator for restructuring processes, an objective expert, and a neutral third party that provides quantitatively supported advice to address the interests of management, shareholders, lenders, and other stakeholders.

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