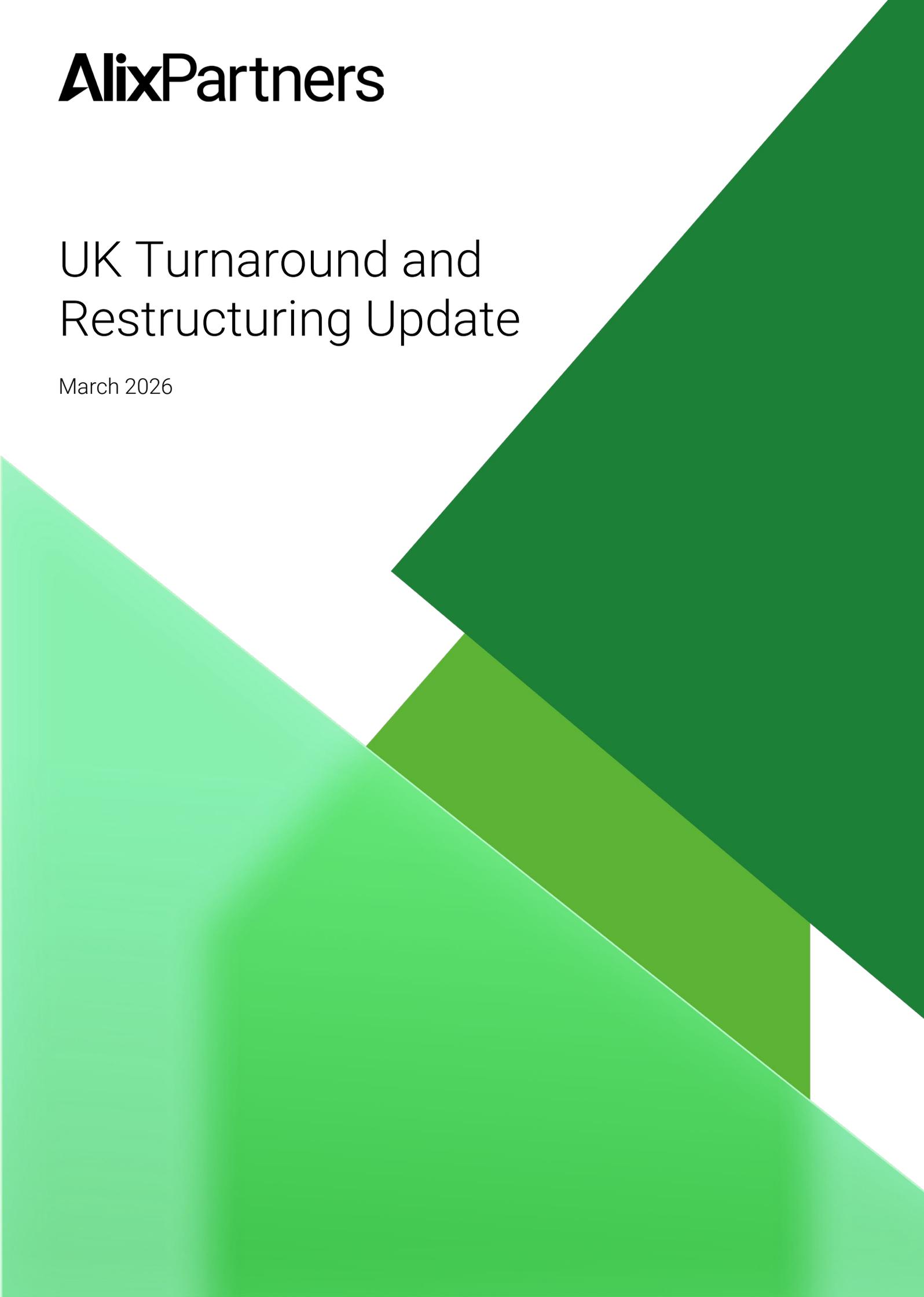


AlixPartners

UK Turnaround and Restructuring Update

March 2026



Welcome...



...to the Spring 2026 edition of AlixPartners' UK Turnaround and Restructuring

Esben Christensen, Head of UK Turnaround and Restructuring Practice

As we move into the second quarter of 2026, it is increasingly clear that disruption is no longer a cyclical event businesses can ride out – it has become a structural feature of the operating environment.

The latest findings from our 2026 Disruption Index reinforce a crucial shift: disruption has normalised. Leaders are not facing fewer shocks; rather, they have developed a higher tolerance for volatility. The danger is that this masks growing internal fragilities in capability, alignment, and resilience – the fault lines that often precede distress.

One of the most striking signals is the widening pressure at the top. CEOs report significantly higher levels of disruption and anxiety than the rest of the C-suite, highlighting a growing leadership disconnect. In our experience, this misalignment can act as a precursor to underperformance: decisions slow, execution weakens, and organisations struggle to keep pace with the risks their leaders can already see. Restructuring is rarely triggered by flawed strategy alone, but by an inability to translate urgency into action.

TECH, ENERGY, AND A TURNAROUND MINDSET

Technology is another major source of strain. While AI investment continues at pace, value realisation lags behind. Only a minority of use cases are delivering measurable impact today, creating exposure to write-downs, failed transformations, and stranded assets. Where AI is working, it is doing so in practical, operational applications – from finance optimisation to predictive maintenance – reinforcing the importance of focusing on near-term value rather than ambition alone.

Energy is emerging as the next systemic constraint. Volatility in pricing, grid limitations, and surging demand from AI and electrification are now directly affecting cost bases, planning assumptions and location strategies. Increasingly, facility footprints are being reshaped by energy economics rather than labour or logistics.

Across all of this, one theme stands out: resilience is defined by response, not exposure. The organisations that stay ahead act early, build flexibility into their operating models, and adopt a permanent turnaround mindset – balancing stability with bold, decisive change in an age of continuous disruption.

“ Restructuring is rarely triggered by flawed strategy alone, but by an inability to translate urgency into action.

THE REALITIES OF DISRUPTION TODAY

Many of these themes will have contributed to what has been an extremely busy quarter for our practice across EMEA to date in 2026. In addition, the escalating conflict in the Middle East has already heightened economic concerns for the remainder of this year, with the ripple effects related to supply chains, transportation and logistics, inflation, and interest rates very much front of mind for business leaders as they once again rapidly seek to adapt and adjust to this shifting scenario.

Sectors already experiencing varying degrees of contraction across the Eurozone will be buffeted by any spikes in energy costs as gas and oil prices rise.

The chemicals industry in particular – already at risk due to the underperformance of downstream sectors such as automotive and construction – was already facing a challenging future through to 2030, as we explore in our in-depth feature in this newsletter. This pressure may intensify further due to recent events, reiterating the realities of disruption in these times, and the critical need for agility and bold action to emerge safely from distressed situations.

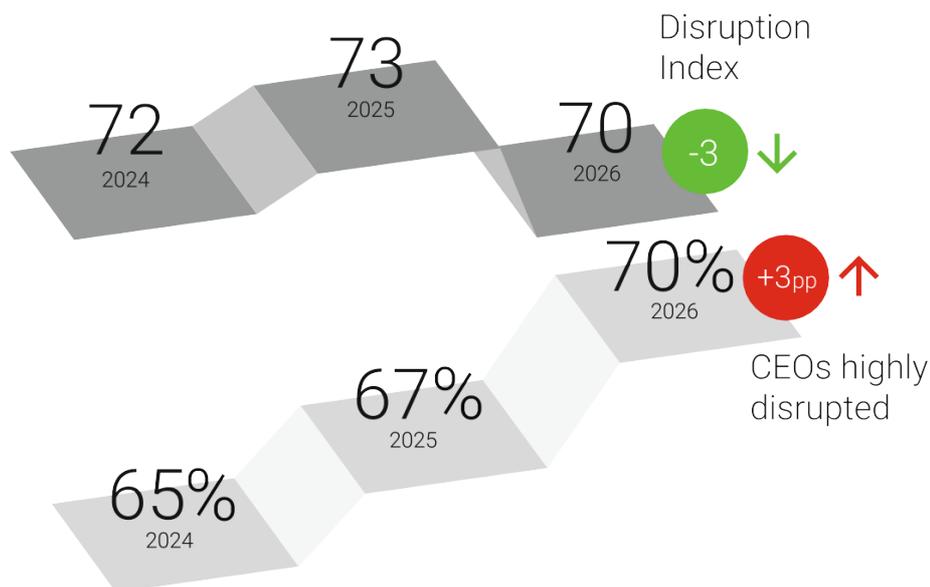
I hope you find the content of this edition informative. Please feel free to contact me or any of the wider team if you would like to discuss these topics in more detail.

IN THIS EDITION:

- **Disruption Index: Our findings in brief**
- **European chemicals sector in focus**
- **Our thinking across Telecoms, Transport, PE, Risk, and Retail**

AlixPartners Disruption index

Our findings in brief



Some are disrupted more than others

Region



Industry



AI, automation, and robotics are largest opportunities

80%

of executives are optimistic about the impact of AI on their business

65%

are primarily focused on using AI to drive revenue growth (with 35% primarily focused on cost reduction)

77%

of CEOs envisioning the deployment of humanoid robots at scale within the next five years

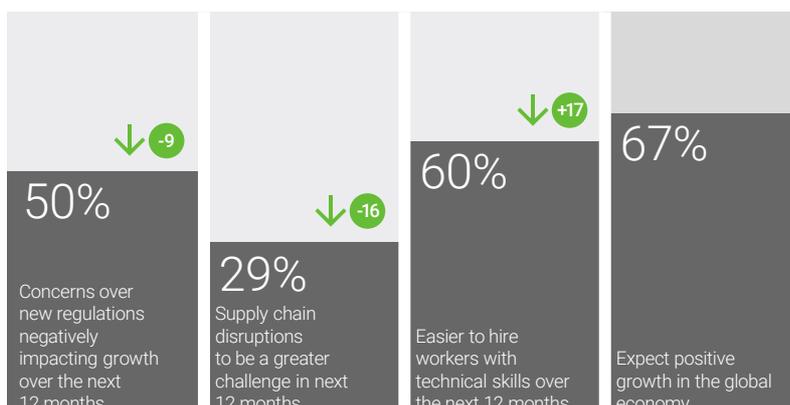
95%

of CEOs expect AI to lead to layoffs at their organisation within the next 5 years, including almost half (44%) who expect AI to lead 10% or greater reductions in their workforce

The world remains highly disrupted

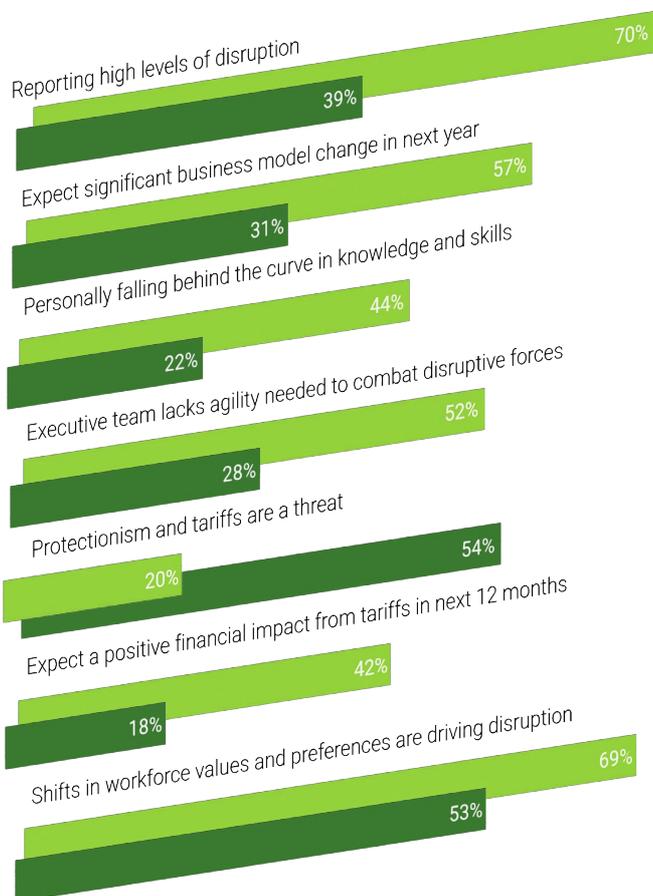


But some worries are less acute



A vast divide: CEOs experience disruption much more acutely than their direct reports

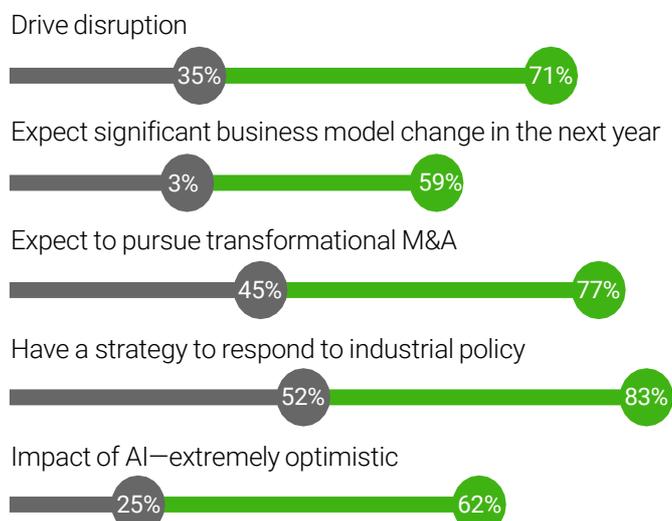
● CEO ● Other C-suite executives



Fastest growing companies are leaning into disruption

● Growth leaders* ● All others

* Companies that lead their industry in growth (17% of respondents)



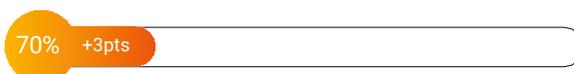
Productivity pressure is on – and AI adoption is accelerating

- Productivity is the #1 workforce issue
- Automation and AI are the #1 areas for growth investment
- CEOs expect 55% of job functions at their organisation to be fully integrated with AI in 5 years
- Customer service and operations are top focus for AI investments

The CEO hot seat keeps getting hotter

More disrupted

CEOs highly disrupted over past year



Increasingly hard to know which disruptive forces to prioritise

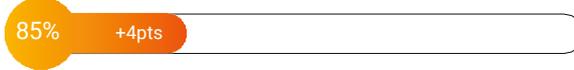


More worried

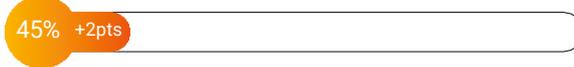
More anxious in their role



Need more personal and professional support



Worry about losing their job



Contributing organisation factors

Executive team lacks necessary agility



Company is not adapting fast enough



European chemicals sector: Navigating prolonged overcapacity and demand weakness



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Director



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President

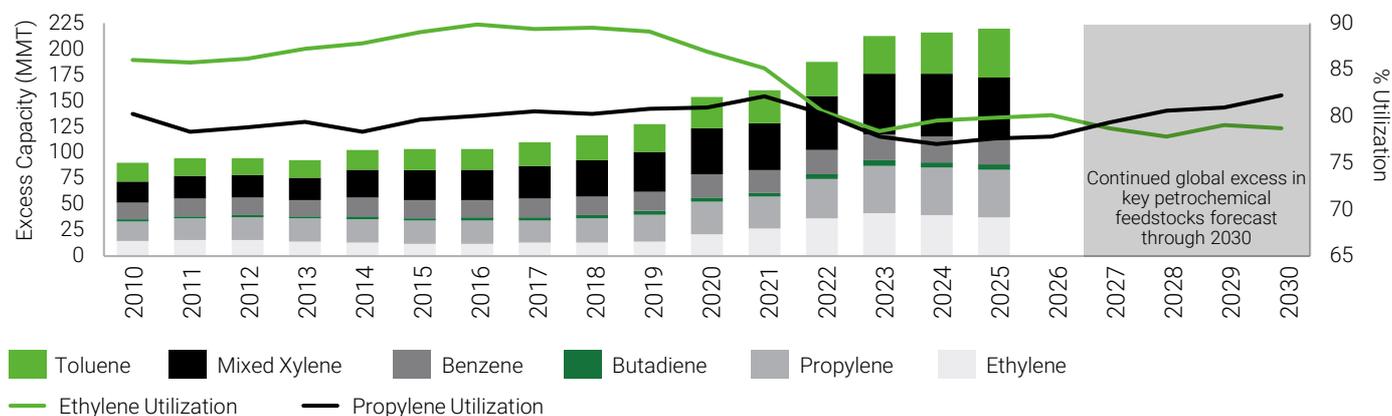
The European chemicals industry faces a challenging landscape through to 2029-2030, according to the latest industry forecasts. Despite hopes for a cyclical rebound, sentiment is now leaning toward a structural shift rather than merely part of the typical cycle.

There are four key issues currently facing the European chemicals market:

1. No let-up in global overcapacity

Recent capacity additions, especially in Asia, have pushed operating rates down towards 70%¹ in many European countries, far below historical averages. The signs, however, are that limited recovery is expected this decade.

FIGURE 1: GLOBAL EXCESS CAPACITY FOR KEY PETROCHEMICAL FEEDSTOCKS (MILLION METRIC TONNES)



Sources – ICIS, Wood Mackenzie, AlixPartners analysis

Four new ethane-fed crackers (4.15 MMt/y combined) coming online in Asia and Europe by 2027 will lower feedstock costs while further expanding overall supply. Further global cracker capacity expansion like this will drive the need for plant closures, especially assets in high-cost regions such as Western Europe and Northeast Asia. Japan will retire three naphtha crackers by 2028, while South Korea targets 2.7–3.7 MMt/y of capacity reductions under government restructuring.

Global overcapacity of basic chemicals is not expected to recover through 2030, impacting price and adding to margin pressure.

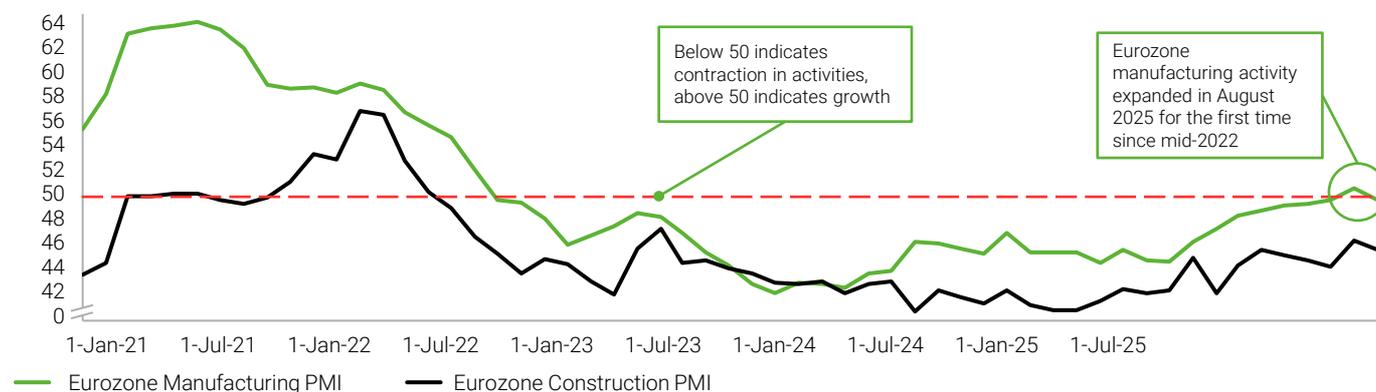
Beyond commodities, China is now rapidly scaling speciality chemicals production, with double-digit export growth since 2021. This expansion is eroding traditional Western advantages based on differentiation and technical intimacy. In response, speciality players increasingly require faster innovation cycles, clearer commercial discipline, and stronger service models to maintain competitiveness.

[1] Oxford Economics

2. Stagnant end-market demand

Downstream sectors heavily reliant on chemicals, such as automotive, construction, and consumer goods, have contracted across the Eurozone, creating a negative ripple effect across the chemicals landscape.

FIGURE 2: EUROZONE PURCHASING MANAGERS INDEX (PMI)



Sources – S&P Global / IHS Markit, Trading Economics, and AlixPartners analysis

Respite appears limited in the medium term, with the Eurozone Manufacturing PMI projected to trend around 51.50 points in 2026 and 52.00 points in 2027, so chemical producers can only expect a gradual, modest recovery at best.

3. Structural cost disadvantages

Europe’s reliance on natural gas imports means producers face power costs that can be 3-4x higher than in the U.S. and Asia. This, coupled with the higher cost of regulatory compliance in Europe, yields structurally higher cost bases and eroded price competitiveness compared to global counterparts.

European chemical industry players exposed to more energy-intensive production processes (e.g., Titanium Dioxide, isocyanates, polyamides, etc.) are even more likely to face higher levels of stress if European energy cost disadvantages persist.

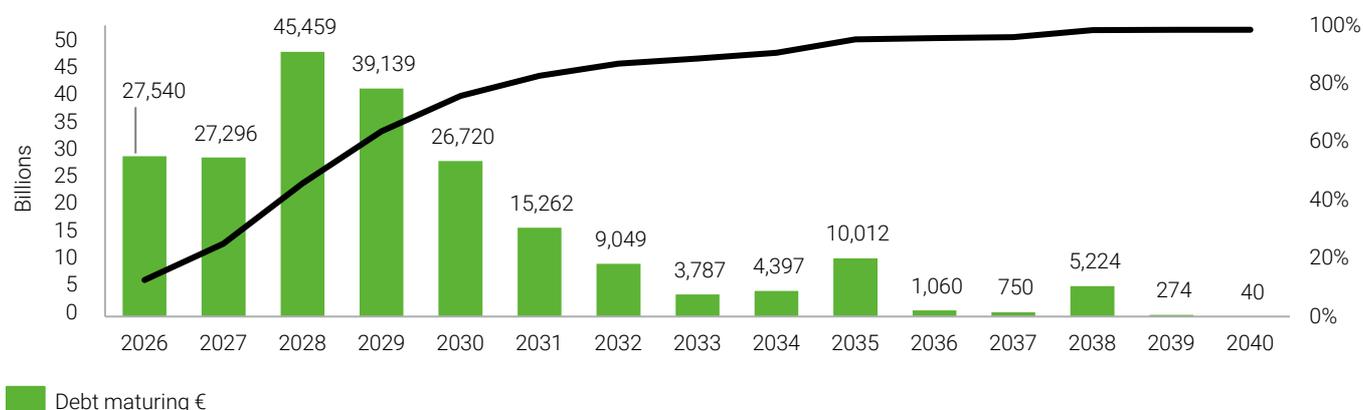
These chemical product groups also coincide with relative ease of product transport, which facilitates imports from outside the Eurozone and creates even more elastic demand and price competition.



4. Balance sheet and liquidity pressure

Sector leverage has risen in the wake of underperformance, and the ongoing negative outlook creates refinancing risks for the upcoming sector-wide maturity wall by 2029. Declining liquidity across much of the sector compounds the issue and hinders investment in business turnaround.

FIGURE 3: EUROPEAN LISTED DEBT MATURITIES 2026-2040 (MILLION €)



Sources – Bloomberg, AlixPartners analysis; largest 25 European countries by outstanding listed debt in the chemicals sector (€)

Borrowers and issuers of listed debt, most of which matures before 2030, will be refinancing during a period when leading operational indicators in both supply and demand are still expected to be down from historic levels.

Market sentiment and valuation multiples are likely to factor into this dimmer outlook, which in turn affects pricing, transaction values and volumes, and strategic options.

So, what next?

The European chemicals sector faces sustained pressure, making timely restructuring essential. Analysis indicates that the sector is not merely in a cyclical trough, but in a structurally prolonged downturn. Successful companies will act early, recognising that market headwinds will persist and that inaction erodes value. A clear, reset strategy and business plan are needed to address underperformance and position the business for future resilience.

Engaging stakeholders – especially lenders – builds trust and supports a credible turnaround. Rigorous liquidity management and a strong cash culture are vital to understanding the runway and the delivery of the plan.

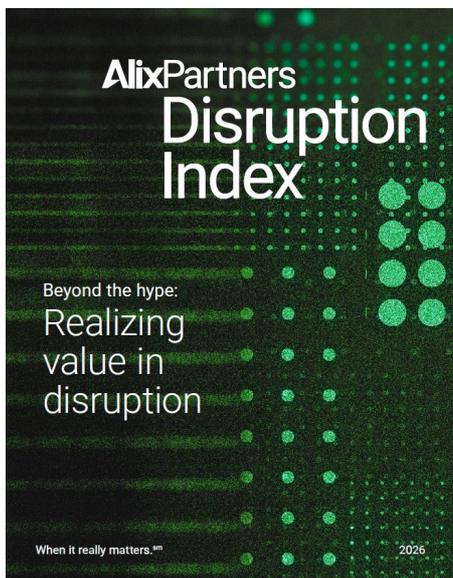
We’ve already seen several chemical businesses take proactive action and provide examples for peers to follow. Across the wide range of practical levers available, we highlight three which we are most likely to benefit those under stress:

- Portfolio and plant rationalisation:** Reviewing geographic profitability, analysing supply chain unit economics, and refining the offering to where margin can be made is fundamental to a chemicals turnaround plan.
- Be aggressive in streamlining costs:** Business owners and managers often take pride in lean structures; however, our experience tells us there is often more that can be done. Reducing overhead that doesn’t directly contribute to profitability is a consistent lever for repurposing cash utilisation.
- You can never know too much about cash:** With large business plan revamps at stake, focus can be lost on the short-term. Clarity over the cash outlook can make or break the ability to take strategic action.

If you or your clients are interested in any of these topics, please reach out to any of our authors.

Our thinking...

AlixPartners' 7th Annual Disruption Index



The 2026 AlixPartners Disruption Index confirms what has been observed since this study began seven years ago: disruption truly is the new economic driver.

Our seventh annual study, based on responses from over 3,200 senior executives across 11 countries and 10 industries, reveals a complex picture of moderating disruption across most industries and geographies, alongside emerging pockets of confidence and capability.

Explore the findings in detail via the link below.

ACCESS THE FULL REPORT

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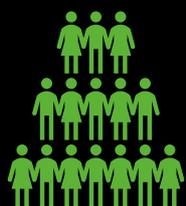


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...work collaboratively with our **global turnaround and restructuring team**



220 experts across Europe and 475 worldwide, with deep experience honed over more than 40 years in some of the most complex and challenging restructuring and turnaround cases.

ABOUT US

For more than forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges – circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line – a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA – so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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