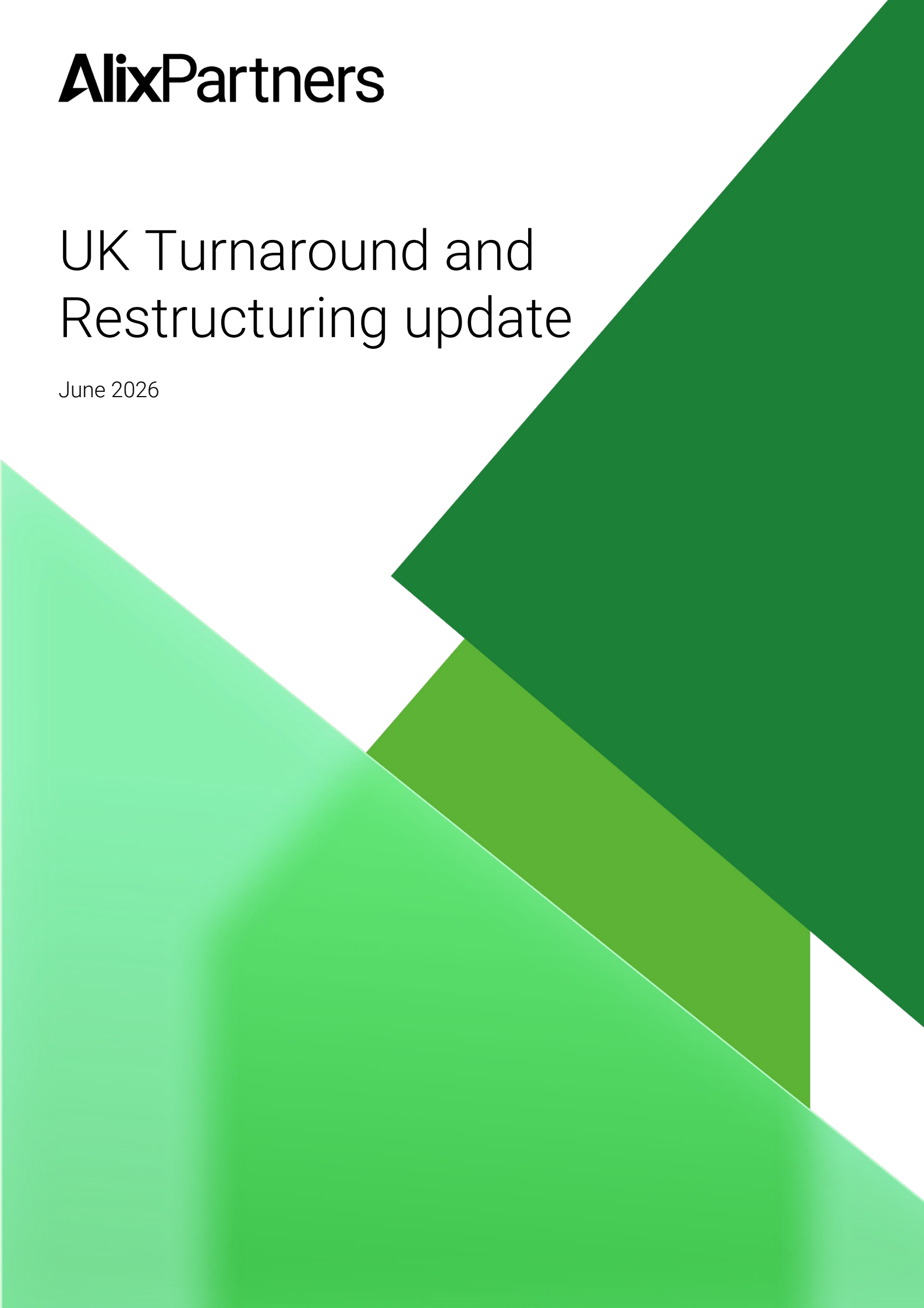




AlixPartners

UK Turnaround and Restructuring update

June 2026

The background features several overlapping geometric shapes in various shades of green. A large, dark green triangle is positioned in the upper right corner. A medium green triangle is located in the lower right area. A light green triangle is situated in the lower left area. These shapes create a dynamic, abstract composition.

Welcome...



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

Esben Christensen, Head of UK Turnaround and Restructuring Practice

As we reach the midpoint of 2026, our UK Turnaround & Restructuring practice is fully engaged in the market – a reflection of distinctive bouts of disruption that show no signs of easing.

This local outlook is mirrored by significant activity in the firm's global footprint expansion. Since January, we have been operating from a new office in Sydney, Australia, which you can read more about in our interview with country leader Peter Saville, who offers interesting perspectives from APAC on the market conditions and opportunities we see there. In addition, we recently welcomed Canadian financial and restructuring advisory firm KSV into the AlixPartners family following its acquisition in May, and our U.S. Turnaround & Restructuring leaders also share their perspectives on what this will mean for clients navigating distress on the other side of the Atlantic.

A BUSY UK MARKET, AND BROADER REMIT

Back in the UK, activity has accelerated sharply against the same period in 2025. We remain involved in a number of sizeable Chief Restructuring Officer (CRO) mandates, alongside more formal insolvency work.

Our recent involvement with BrewDog stands out: through a challenging administration, we worked to secure the best possible outcome, maintaining the brewery's core operations and finding a new custodian in Tilray Brands. In their first months of ownership, the new owners have already demonstrated a real commitment to revitalising the business, launching new products and campaigns, and announcing several site expansions. Elsewhere, our experts continue to play an integral role at the heart of the case involving collapsed mortgage provider MFS, as you may have seen in ongoing media and court reporting.

More broadly, we see an increasing number of situations in which AlixPartners is engaged as an independent advisor, sitting between creditors and debtors, facilitating outcomes for transactions involving sponsors and unitranche, RCF, or private credit structures. These kinds of transactions speak to the breadth of our skill base that can serve both constituents well, given our long track record of handling complex stakeholder management.

“ The effects of the Middle East conflict are now beginning to surface through supply-chain disruption and energy dislocation; while some sectors may benefit in the short term, the longer-term picture points to intensifying pressure.

MACRO PRESSURE BUILDS INTO H2

Looking ahead to the second half of 2026, I expect the market to remain active and macroeconomic conditions to remain unsettled. The effects of the conflict in the Middle East are now beginning to surface through supply-chain disruption and energy dislocation; while some sectors may benefit in the short term, the longer-term picture points to intensifying pressure.

Technology is another area we continue to watch closely. Valuations remain elevated, yet the disconnect between expectations and the ability to generate genuine economic profit will, at some point, reassert itself as AI continues to be a major source of disruption for the sector. We explore this in more depth in this edition, where our team examines AI's impact on Software-as-a-Service (SaaS), and details the priorities that have emerged for private equity sponsors, investors, lenders, and other financial stakeholders.

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

IN THIS EDITION:

- **Global growth: Australia and Canada**
- **AI disruption in European SaaS**
- **Our thinking across Risk, Hospitality, European debt, and Australian wine...**

“A gateway for the firm into the wider APAC region...”

Australia

Since opening our Australian office in mid-January this year, we have come out of the blocks fast.



Peter Saville
Australia Country
Leader

We now have a gateway for the firm into the wider APAC region, which strengthens AlixPartners' ability to support clients seamlessly across time zones and jurisdictions. As a Commonwealth nation, there are also strong links between the UK and Australian markets through shared investors, lenders, corporates, and private equity sponsors.

Our thesis for entering this market was the significant white space we could capitalise on, given the type of work we are well known for in other markets: senior-led operational restructuring, complex restructuring, and multijurisdictional work with complex stakeholder groups.

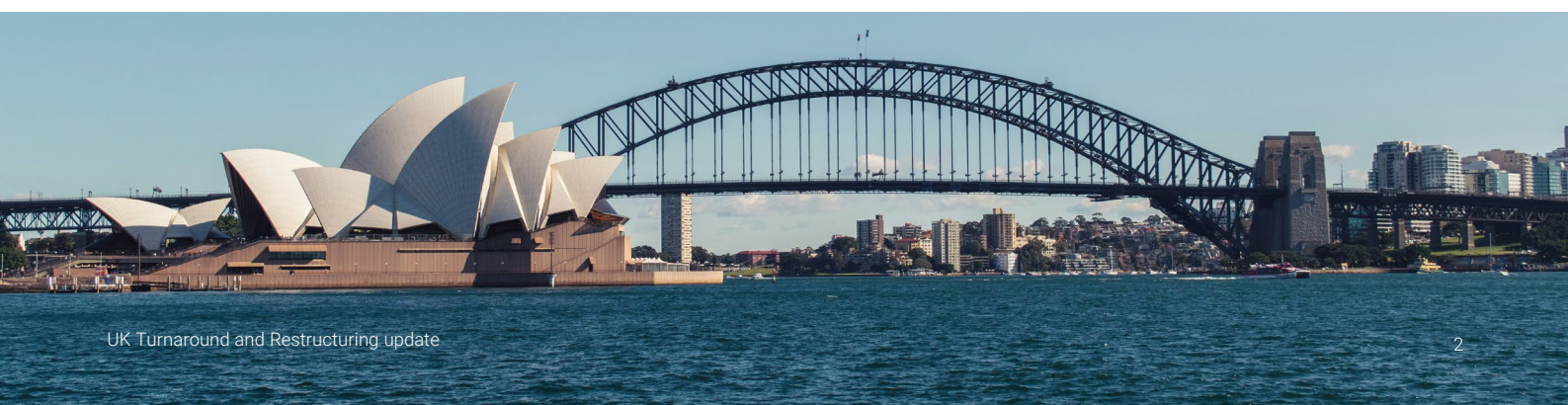
We've seen that play out well already across performance advisory, risk, and restructuring – and we expect that to continue. Of course, it will get harder as competitors double down, but the fundamentals are there for us to remain on an upward trajectory.

We have already worked on three notable restructuring mandates. In fact, our first engagement was with BrewDog, which had a small Australian subsidiary for whom we constructed a rescue deal. This was followed by our first engagement realised through local connections, working company-side with Ravenswood Gold Mine on a A\$1.2bn refinancing.

We have also collaborated with our performance improvement colleagues on a A\$300m cost-out programme for the listed business Coronado Coal, based in Queensland, where we have been managing cash to ensure the programme's implementation runs smoothly.

Looking ahead, we see several headwinds in Australia. Interest rates are high, and productivity has not increased for 10 years, making the economy globally uncompetitive. Some of the country's biggest industries – mining, agriculture, energy, and process industries – are enormous energy consumers, so spiking prices have hit the economy hard.

The previous “luxury” of isolation has since shifted to an imperative to compete harder to maintain Australia's standard of living. This means businesses must become more competitive, enabled by cost-out, operational improvements, and, if needs be, restructuring, all of which we are well-positioned to help our clients with.



“An immediate and credible presence in a high-growth restructuring market...”

Canada



Eric Koza
Partner and
Managing Director

We have followed KSV Advisory with genuine admiration for a number of years. Founded in 2015 by Bobby Kofman, David Sieradzki, Mitch Vininsky, and Noah Goldstein, the firm established itself from Toronto and Calgary as one of Canada’s leading restructuring advisory boutiques, consistently delivering work well beyond the scale its size would suggest.

Its record speaks for itself. Mandates such as LoyaltyOne, Sandvine, Eddie Bauer, Claire’s, and Discovery Air are examples of complex, cross-border, and high-stakes situations – the kind of engagements that demand precision and sound judgement at every turn. KSV meets that standard time and again, reflecting the exceptional quality of its people.

When the opportunity to combine arose, the strategic logic was clear. Canada represents a large, sophisticated advisory market with strong demand across restructuring, performance improvement, and transactions. Canadian businesses facing significant geopolitical and economic uncertainty require precisely the services KSV, now as part of AlixPartners, can deliver. Through this acquisition, we establish an immediate and credible presence in a high-growth restructuring market with structural cross-border deal flow to other regions. The acquisition formalises our pre-existing presence in Canada and reinforces our long-term commitment to the market.



Jim Mesterharm
Partner and
Managing Director

The benefits are mutual and material. For our clients, the combination brings greater geographic reach and the full breadth of AlixPartners’ advisory platform. For our people, it opens enhanced career opportunities and the chance to work alongside outstanding new colleagues. For the market, it brings together KSV’s relationships and Canadian credibility with AlixPartners’ global scale and capabilities.

The timing is equally significant. Amid heightened market volatility, disruption is reshaping how businesses operate. Companies and their stakeholders require steady counsel and clear judgement more than ever. Bringing KSV into the AlixPartners Turnaround & Restructuring practice is a timely and effective addition to our capabilities that the market already trusts.

We are delighted to welcome them to the team.



AI disruption in European SaaS: Distress signals and what it takes to win



Marcello Bellitto
Partner & Managing Director



Christoph Steiger
Partner & Managing Director



Chris Duffy
Partner



Dominik Boehler
Director

The rise of generative and agentic AI is bringing down the curtain on a golden era for SaaS providers, heralding challenging times ahead for many businesses and their private equity sponsors or investors.

As this new technology accelerates a split between resilient SaaS platforms and vulnerable mid-market vendors, we outline the risks for PE sponsors and lenders – and the actions that will matter most in the coming refinancing cycle.

Seat-based pricing strategies have driven predictable, recurring revenue for nearly two decades. However, they no longer make sense from provider or customer standpoints, in a world where some AI systems can perform work equivalent to hundreds of human agents. As we recently reported, the sector is beginning to shift toward consumption- or outcome-based models that better reflect how AI software creates value.

Competition is also increasing, from hyperscale platforms at one end of the scale to AI-native start-ups at the other. There is also growing competition from outside the conventional SaaS space. Cheaper, faster AI-driven software development means the businesses that have traditionally been SaaS customers may now expand their in-house AI capabilities. At the very least, this AI-led disruption will give these customers more bargaining power at contract renewal.

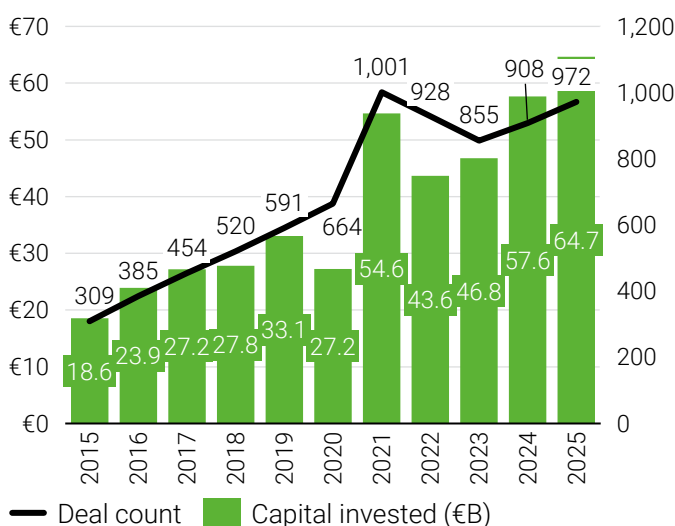
An uncomfortable truth for not only the software sector itself but also the PE firms that sponsor so many providers within it – and other invested financial stakeholders with private credit who play a large role – is that some will be unable to withstand the disruption ahead. While we are yet to see widespread defaults, software valuations have declined significantly from peak levels. Investor concern is evident in [the number of software loans being offloaded at a discount](#), amid fears of defaults down the line.

PE exposure to AI disruption in the European SaaS sector

Few sectors rely so heavily on leveraged finance and private credit markets as software. Along with IT and broader tech, software now represents c.25% of the entire private credit market and c.18% of the USD leveraged loan market, according to data from credit platform Octus. In Europe specifically, software accounts for around 7% of the main leveraged loan indices by sector weight today, but its share increases to c.10% of the sizeable 2028 “maturity wall”, with roughly €7-8 billion of software loans alone due by the end of 2028, with a large portion originated in the 2020–21 low-rate window.

In Europe, the enterprise software sector has been one of the most active areas for private equity investment.

FIGURE 1: EUROPEAN SOFTWARE PE ACTIVITY



Source: Pitchbook, AlixPartners analysis

The issue now is twofold. First, there is the unprecedented speed, scale, and impact of AI disruption – as we saw, for example, when [the launch of a single Anthropic plug-in sent share prices of European legal software providers tumbling](#).

Second, the funding stack for these businesses spans covenant-lite syndicated term loans, sponsor-backed unitranche and senior/second-lien private credit and, to a lesser extent, high-yield bonds, with private credit funds and CLOs now the dominant holders of risk.

Differences between U.S. and European exposures

Exposure is most concentrated among mid-market, PE-owned SaaS and IT services platforms that leveraged up in 2020–21, often at high purchase multiples and with minimal amortisation, leaving a cohort of loans that become current in 2027–28 just as AI applies material pressure to many of their revenue models.

This points to a pronounced maturity wall on the horizon and, while exact estimates may vary, it is of considerable scale.

Across European leveraged finance, more than a quarter of all loans now cluster in 2028 alone – the

largest three-year forward bulge seen since before the global financial crisis – with software and IT services accounting for a disproportionate share of that single-year spike, relative to their share of nearer-dated maturities.

For lenders, that means that a wave of necessity-driven refinancings, amend-and-extend deals, and selective restructurings will need to be agreed 12–18 months in advance, at a time when performance dispersion inside the SaaS and IT services universe widens, and the underlying AI disruption makes underwriting future cash flows materially harder.

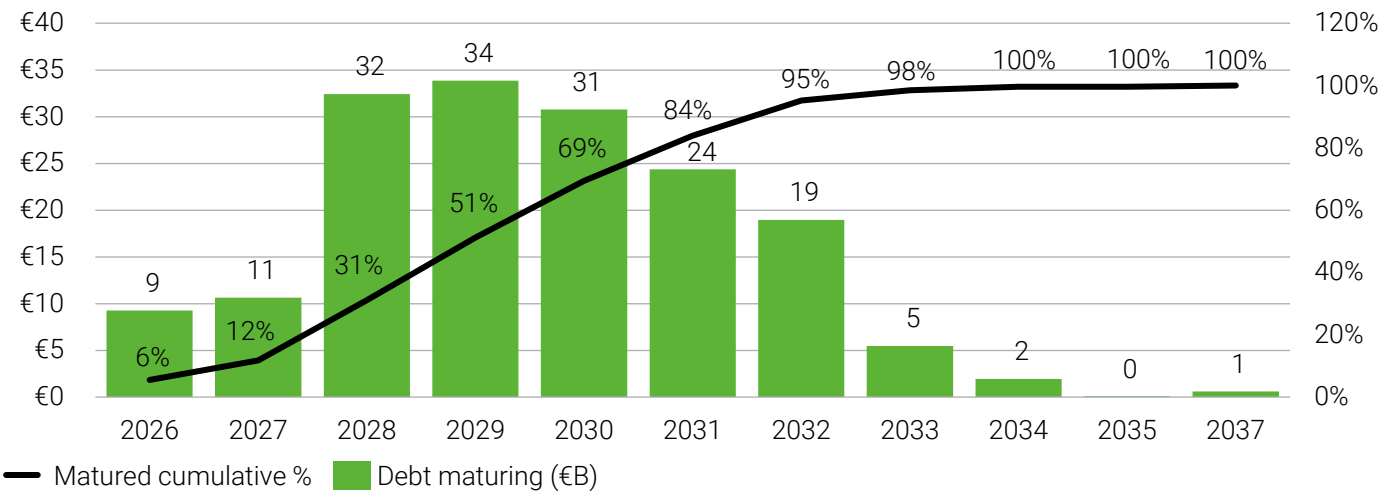
On a relative basis, the U.S. credit system is more exposed to SaaS than Europe. Software and IT represent close to 18% of the U.S. leveraged loan market and more than 12% of U.S. broadly syndicated CLO collateral, compared with less than 10% in European CLOs.

The U.S. software maturity stack is also more front-loaded into 2026–28 and skewed toward lower ratings, with roughly half of loans at B- or below, heightening sensitivity to any further AI-driven slowdown.

| ASPECT | EUROPEAN SOFTWARE / IT SERVICES CONTEXT |
|------------------------------------|---|
| 01 Share of private credit / loans | c.25% of global private credit and c.18% of USD loan market from software/IT, with European borrowers a meaningful subset |
| 02 Near-dated maturities ≤2027 | Just c.3–4% of European institutional software loans maturing by end-2027, below heavier sectors like chemicals and biotech |
| 03 2028 maturity bulge | 2028 signals the start of the maturity wall, with an estimated €32bn of debt maturing with more to follow in 2029 and 2030 |
| 04 Most exposed borrowers | Mid-market, PE-owned SaaS / IT services that borrowed in 2020–21 on covenant-lite terms and now face AI-driven revenue pressure |
| 05 Dominant capital providers | Private credit funds, CLOs, and sponsor-friendly syndicated loan investors, with banks more cautious at the margin |

“ Across European leveraged finance, more than a quarter of all loans now cluster in 2028 alone – the largest three-year forward bulge seen since before the global financial crisis – with software and IT services accounting for a disproportionate share of that single-year spike...

FIGURE 2: EUROPEAN SOFTWARE & IT SERVICES LEVERAGED LOAN MATURITY WALL (ESTIMATED)



Source: Bloomberg, AlixPartners analysis, Software & Services companies Europe including Application Software, Infrastructure Software, IT Services, Information Services, Data & Transaction Processors

Sector bifurcation – and what it means for mid-market operators

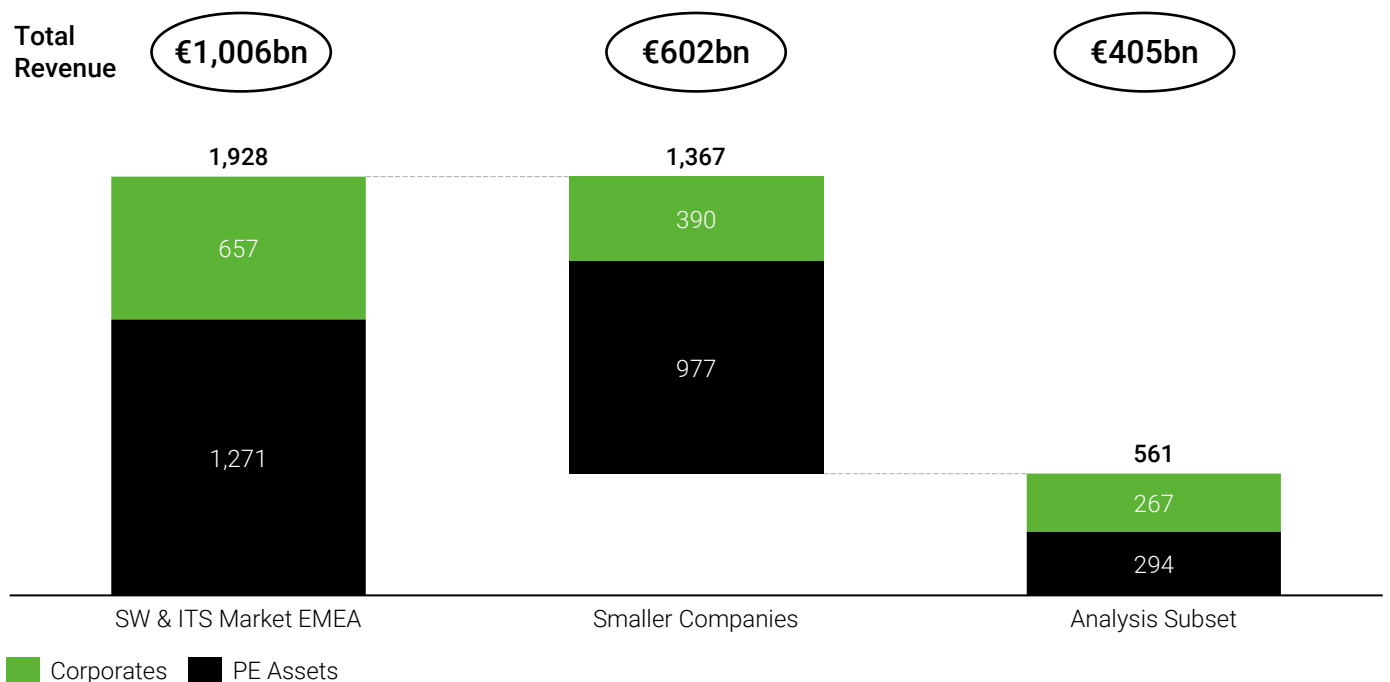
While there is little evidence so far of widespread financial underperformance across the software sector (market activity is more likely to be driven by multiple compression), mid-market operators perhaps have most to fear.

According to our 2026 Enterprise Software Technology Predictions Report, in 2023, 56% of mid-market companies were expected to grow by at least 15%; now that figure is only 22%.

Meanwhile, venture capital continues to flow into AI start-ups at unprecedented levels. Our 2026 study also found that global investment in AI-focused companies accounted for 53% of all VC funding worldwide in 2025, with roughly \$150bn of investment in AI companies in the first three quarters of the year.

The size of tech giants’ bets dictates the mid-term direction of travel. Investments are driving new technologies in-house, raising the bar for speed and scale, and enabling new market entrants. In this environment, mid-market companies’ ability to achieve growth will be challenging, due to the complexity in substituting what the market currently sees as standardised software features with new agentic offerings.

FIGURE 3: SOFTWARE & IT SERVICES MARKET EMEA – CORPORATES VS. PE ASSETS



1. Based on available company and latest available revenue data from Capital IQ and GainPro;
 2. Smaller companies incl. PE assets <€50m and Corporates <€250m

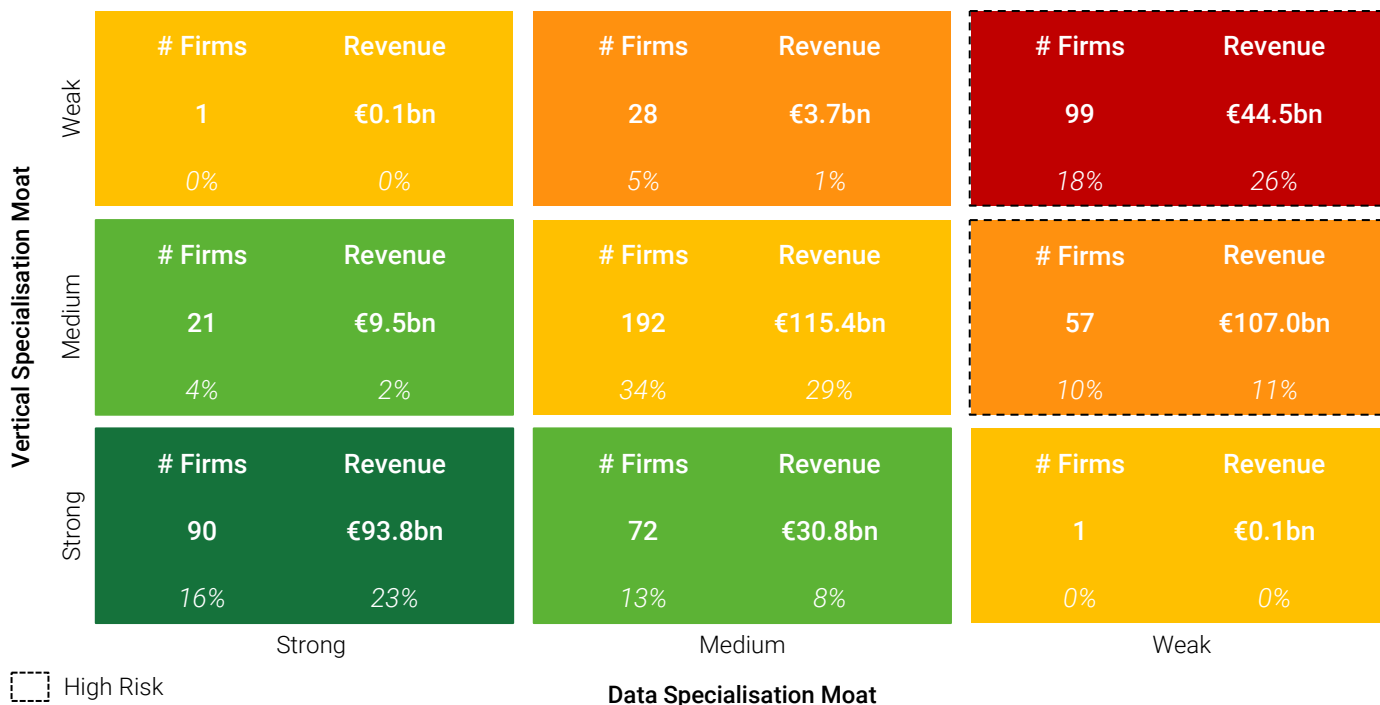
Moat evaluation – EMEA software sector

A “moat” is a characteristic that gives a software company a sustained competitive advantage. To understand where AI disruption will bite hardest, AlixPartners analysed the EMEA software and IT Services market – more than €1 trillion in revenues across c.2,000 companies – focusing on the 561 larger players that generate c.€405bn. The dominant moats include:

- **Vertical:** Structural advantages tied to regulated domains, scale, distribution, or ecosystems that remain hard to replicate as AI commoditises.
- **Data:** Proprietary or exclusive data that drives value, compounds via usage, and is difficult to recreate or substitute.
- **Liability:** Control of legal, regulatory, and reputational risk in high-stakes use cases, creating switching costs and trust barriers.
- **Workflow:** Deep embedding within mission-critical workflows that makes switching costly and disruptive.
- **Fee model:** Value-based pricing (outcomes, transactions, risk) that stays durable as AI lowers marginal costs.
- **Interface:** Control of the primary UI or orchestration layer that drives distribution and data capture.
- **Management:** Leadership that executes fast, reallocates decisively, and self-cannibalises to stay ahead of tech shifts.

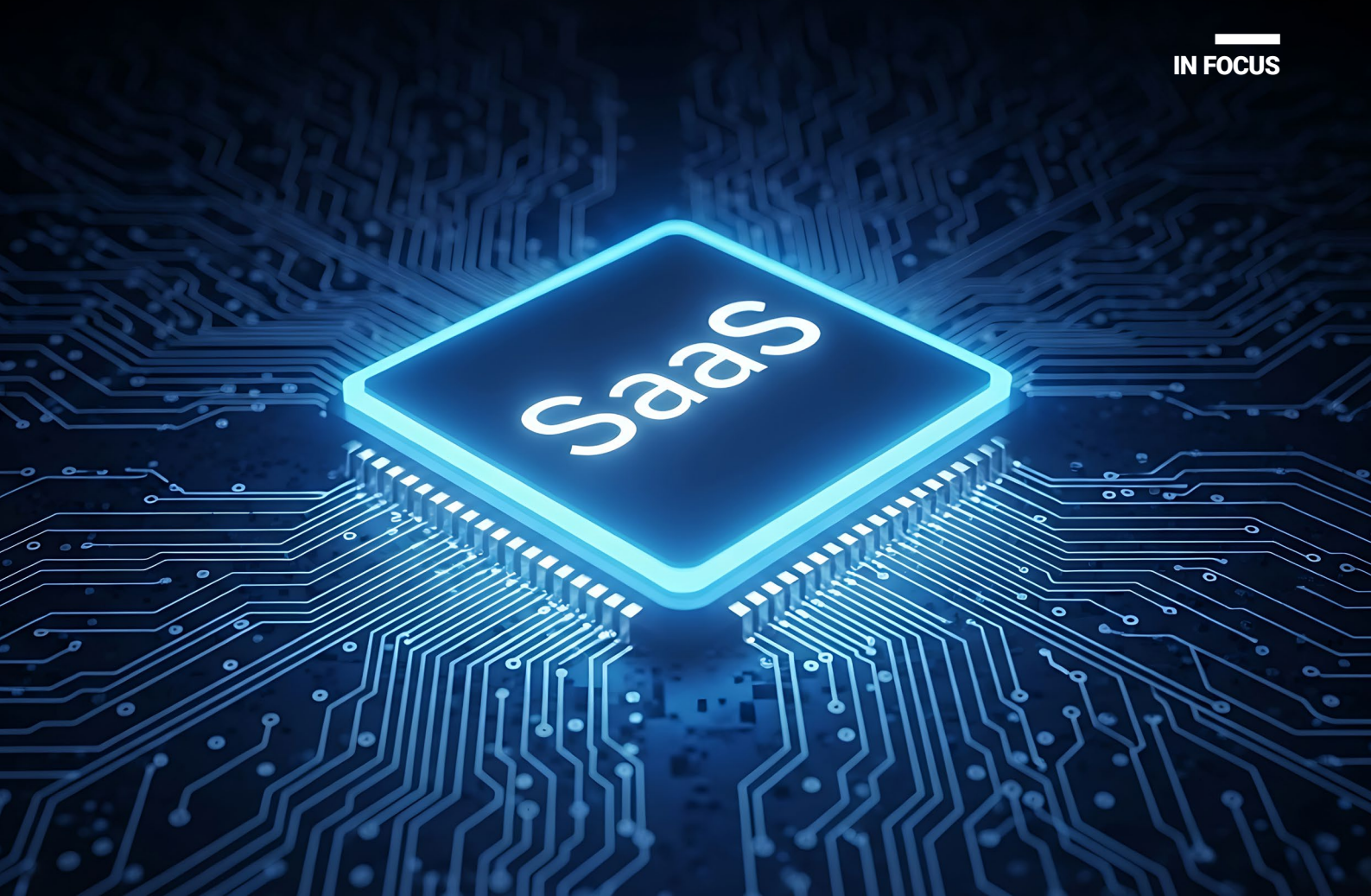
We then scored each company for near-term disruption risk by combining an industry risk weighting with adjustments for each of the seven moats. Figure 4 shows the result: c.18% of firms – representing c.€44.5bn of combined revenues – are at high risk of AI disruption, driven primarily by weak vertical and data moats.

FIGURE 4: VERTICAL AND DATA SPECIALISATION MOAT SCORING MATRIX – CORPORATES & PE ASSETS¹ – TOTAL REVENUE²



1. Refers to sample of 561 firms (Corporates & PE Assets) included in analysis; 2. Revenue refers to revenue of software assets; latest available

“ Around 18% of firms – representing c.€44.5bn of combined revenues – are at high risk of AI disruption, driven primarily by weak vertical and data moats.



Key takeaways

We anticipate a split between resilient, AI-enabled platforms and a longer tail of vendors facing mounting structural pressure.

Providers with strong and defensible moats – for example, those built on proprietary datasets, deeply embedded workflows or genuine ecosystem leverage – are better placed to pivot to outcome-based pricing and meet evolving customer expectations.

On the other hand, companies built around seat-based pricing, narrow feature sets, or commoditised data could struggle. Many are already encountering rising churn, slower new-logo acquisition, and heightened pricing pressure as AI agents replace or compress previously human-centred workflows.

For PE sponsors, investors, lenders, and other financial stakeholders, a few key priorities emerge.

First, recognise that historic resilience is no longer a guarantee of success and that weak moats will be quickly exposed in the next refinancing cycle.

Second, re-evaluate key diligence metrics. ARR (Annual Recurring Revenue) may no longer be a reliable indicator of future performance (see our recent article, Rethink, retool, reprice: An agenda for software in the AI era). Diligence should also focus on data assets, workflow embedding, and AI readiness.

Third, look at businesses that are moving early on their transformation. Pricing model redesign, product consolidation, modernisation of tech stacks, and AI-enabled efficiency levers will be essential to preserving value in mid-market platforms.

While traditional SaaS playbooks are clearly no longer sufficient, understanding what it takes to adapt – and acting on this information – will define the winners and losers in the years ahead.

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

Our thinking...

Unlocking volume growth: Retail's defining challenge



Retail sales have grown far faster in value than in volume in most major markets since 2020, meaning headline growth has largely come from inflation rather than unit sales.

This inflation-driven value growth has masked deep structural weaknesses in many retailers. Technology alone is no silver bullet: the existential challenge of restoring volume growth requires a fundamental shift to a restructuring mindset – rethinking strategy, structure, and execution to regain momentum.

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2026 U.S. Risk Survey

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Now is the time to laser focus on real-life opportunities

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AlixPartners' 2026 H1 DACH Debt Report: Cash flow meets capital structure

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AI's impact on the Software Development Life Cycle (SDLC)

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Our UK TRS leaders...

Partners and Managing Directors



Simon Appell
+44 7775 846 079
sappell@alixpartners.com



Alastair Beveridge
+44 7836 744 133
abeveridge@alixpartners.com



Fraser Brown
+44 7900 654 497
fbrown@alixpartners.com



Ben Browne
+44 7917 330 446
bbrowne@alixpartners.com



Esben Christensen
+44 7769 286 752
echristensen@alixpartners.com



Jessica Clayton
+44 7717 225 559
jclayton@alixpartners.com



Chris Davis
+44 7825 376 551
cdavis@alixpartners.com



Neil Douglas
+44 7780 110 162
njdouglas@alixpartners.com



Julian Gething
+44 7818 561 023
jgething@alixpartners.com



Richard Harrison
+44 7771 501 030
rharrison@alixpartners.com



Daniel Imison
+44 7747 480 044
dimison@alixpartners.com



Clare Kennedy
+44 7887 678 503
ckennedy@alixpartners.com



Andrea Trozzi
+44 7823 537 610
atrozzi@alixpartners.com



Lee Watson
+44 7718 778 700
lwatson@alixpartners.com



Edward Wildblood
+44 7770 637 088
ewildblood@alixpartners.com

Partners



Paul Carruthers
+44 7768 953 741
pcarruthers@alixpartners.com



Simon Caton
+44 7721 235 041
scaton@alixpartners.com



Alex Czerniewski
+44 7552 282 775
aczerniewski@alixpartners.com



Chris Duffy
+44 7795 241 679
cduffy@alixpartners.com



Chris Elkins
+44 7990 575 749
celkins@alixpartners.com



Steve Maskell
+44 7801 434 642
smaskell@alixpartners.com



Tom Miller
+44 7786 308 748
tmiller@alixpartners.com



Ian Partridge
+44 7825 259 287
ipartridge@alixpartners.com



Simon Rowley
+44 7780 484 865
srowley@alixpartners.com



Mark Sweeting
+44 7771 841 347
msweeting@alixpartners.com



Kevin Wall
+44 7968 181 760
kwall@alixpartners.com

Our UK TRS leaders...

Directors



Melissa Brooks
+44 7769 141 294
mbrooks@alixpartners.com



Anneka Brown
+44 7917 751 546
anbrown@alixpartners.com



Lenny Brown
+44 7792 546 780
ltbrown@alixpartners.com



Greg Cross
+44 7831 821 081
gcross@alixpartners.com



Alison Curry
+44 7827 251 484
acurry@alixpartners.com



Amitabh D'Souza
+44 792 015 6916
adsouza@alixpartners.com



Robert Elliott
+44 7887 340 884
relliott@alixpartners.com



Marcus Fletcher
+44 7766 902 865
mfletcher@alixpartners.com



Alex Godfrey
+44 788 7214 054
agodfrey@alixpartners.com



Sam Guttman-Hancocks
+44 7831 440 261
sguttmanhancocks@alixpartners.com



Fergus Hallam
+44 7721 598 912
fhallam@alixpartners.com



Rosanna Juer
+44 7831 454 553
rjuer@alixpartners.com



Matti Kasi (IC)
+971 56 199 9952
mkasi@alixpartners.com



Bryden Keeley
+44 7880 488 472
bkeeley@alixpartners.com



Sam Kirkwood
+44 7386 657 058
skirkwood@alixpartners.com



Gareth Phillips
+44 7881 815 544
gphillips@alixpartners.com



Gemma Smith
+44 7789 500 730
grsmith@alixpartners.com



Luke Stephenson
+44 7717 513 605
lstephenson@alixpartners.com

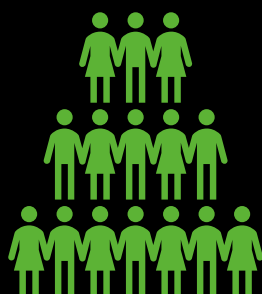


Christina Ward
+44 7775 671 391
cmward@alixpartners.com



Rob Waters
+44 7780 484 864
rwaters@alixpartners.com

...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

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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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