

## 2023 Year in Review

- Advised on over **150** European restructuring and special situations finance and investment mandates.
- With **6** partners dedicated to European restructuring, we cover the market.
- **80%** of our restructuring mandates were high profile ad hoc creditor committee mandates – significant portion driven by “real money” institutional investors but a shift in H2 towards increasing secondary involvement.
- **2022** trend of A&E transactions continued in 2023 – increased mix of **modified A&Es** such as “bridge to sale” transactions.
- **Outright debt to equity swaps in deeply distressed situations** and return of loan to own strategies. Increasing levels of enforcement discussions on 2021/2022 direct lending names.
- Approximately **22%** of mandates were repeat transactions involving prior round A&E credits.
- **Germany** (in particular in commercial real estate and industrials) was the most active European jurisdiction, followed by **Netherlands, Spain, UK, Nordics** and other jurisdictions.
- Direct lenders continued to seek out **opportunistic lending and investment** transactions in larger ticket sizes.
- **Innovation** remains a core tenet of our identity and we delivered several market leading transactions:

 <i>First of its kind cross-class cram-down Restructuring Plan</i>	 <i>New Spanish Restructuring Plan</i>	 <i>Bridge to Sale transaction</i>
 <i>Distressed disposal enforcement tools</i>	 <i>Novel liability management strategy</i>	 <i>Bridge to Sale transaction</i>
 <i>Uptiering defence strategy</i>	 <i>Distressed disposal enforcement tools</i>	 <i>Prepack administration asset acquisition</i>

## 2024 Outlook: Themes and trends

- **Significant 2025 and 2026 maturity walls** need to be addressed.
- We expect to see **harder capital structure resets** – ranging from debt to equity swaps using enforcement tools and the European restructuring regimes through to insolvency filings.
- With **increasing public debt maturities**, we expect to see more secondary involvement in credits as they find a way to trade in early/at the right price unfettered by white-lists.
- We anticipate a **similar jurisdictional mix** – significant activity in Germany, as well as the Nordics, UK, Netherlands, Spain, France and other jurisdictions.
- **Innovation will be key** as borrowers and creditors alike need to stretch to find capital structure solutions.
  - While relationship concerns, lack of familiarity and a wide range of legal and jurisdictional concerns have resulted in fairly limited use of **layering/uptiering style transactions**, we expect to see more such transactions.
  - The **Intralot** transaction in 2021, which Milbank structured, was an early example of the successful use of uptiering/exit consents to deliver an out of court liability management result (versus a hard Greek restructuring).
- We will use our **repeat experience** in the range of European restructuring processes – including the English Restructuring Plan, Dutch WHOA, German StaRUG, Spanish Restructuring Plan and the accelerated safeguard in France – to efficiently deliver optimal capital structure outcomes.
- Private credit will continue to take on even more important role in providing **liquidity** to capital structures. We expect to see continued private credit enforcements and be involved in increasing portfolio management and monetisation transactions for private names.
- **Distressed M&A is likely to increase** – we are increasingly seeing transactions delivered through pre-pack administrations and similar European processes as well as interest in assets in insolvency.

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“Milbank’s restructuring team is the only one where it doesn’t matter which partner you get. They are all technical and commercially excellent, with a deep breadth of knowledge.”

“What makes them stand out is their ability to appreciate commercial dynamics, and push the envelope of legal documents and court processes to drive a restructuring. They are creative and dynamic.”

“Very connected across the market. Both CLO players and distressed and fast money hedge funds. Knowledgeable and creative. They care about a fair outcome for all participants.”

— *Legal 500 UK 2024*

“The best of the best.”

— *IFLR 1000, Ranked Tier 1 for Restructuring and Insolvency: Bond Holder and Fund Representation*

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**150**

European restructuring and special situations finance and investment mandates

**80%**

Of our restructuring mandates were high profile ad hoc creditor committee mandates

