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Quarterly Brief: What's New, What's Next

Market and Industry Insights from Riveron's Restructuring & Turnaround Practice

Inaugural Edition | Q2 2026

In Brief

As Q2 2026 concludes, signs of financial stress remain elevated across the middle market despite generally stable capital markets.

Companies continue to navigate the cumulative effects of higher borrowing costs, persistent margin pressure, uneven consumer demand, and ongoing geopolitical uncertainty. Distress remains concentrated in sectors with significant leverage and cyclical earnings exposure, including manufacturing, consumer products, retail, chemicals, and select business services segments. At the same time, a growing maturity wall and increasingly selective lender behavior are forcing management teams and sponsors to address liquidity challenges earlier than in prior cycles. Recent analysis from PitchBook highlights a bifurcated credit environment in which higher-quality borrowers continue to access capital while lower-rated and over-levered companies face more limited refinancing alternatives and heightened restructuring risk.

Credit markets remain open but increasingly disciplined.

Private credit providers continue to play a central role in refinancing activity and out-of-court restructurings; however, rising default activity and growing concerns around credit quality have led lenders to tighten underwriting standards and focus on portfolio monitoring. Market participants are also preparing for a significant refinancing cycle over the next several years as debt maturities approach across both syndicated and private credit markets.

Commercial bankruptcy activity continues to reflect these pressures. According to Epiq AACER data, commercial Chapter 11 filings increased 42% year-over-year in April 2026, while total commercial bankruptcy filings rose 21% during the same period. Small business Chapter 11 filings under Subchapter V increased 46%, underscoring continued stress among lower-middle-market businesses. Increasingly, companies are pursuing liability management transactions, amend-and-extend solutions, and other consensual restructuring alternatives before seeking protection through a formal Chapter 11 process. For management teams, lenders, and investors alike, proactive liquidity management, scenario planning, and operational performance improvement remain critical as the restructuring landscape continues to evolve.

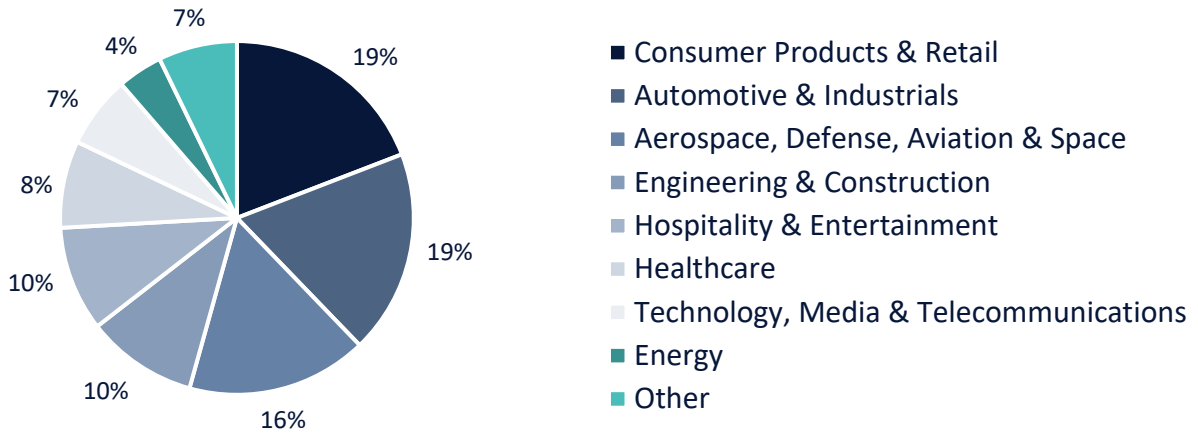
Sources: PitchBook, 2026 US Distressed Credit Outlook; PitchBook, 2026 US Credit Market Outlook; Moody's, Private Credit Outlook 2026; Morgan Stanley Investment Management, Private Credit 2026 Outlook; Epiq AACER Bankruptcy Filing Statistics

[RIVERON.COM](https://www.riveron.com)



Market Signals: What we're seeing

Riveron Restructuring & Interim Management Activity by Industry



The restructuring environment remains active as borrowers navigate tighter credit conditions, persistent cost pressures, and upcoming maturities. Companies that address liquidity and performance challenges early continue to have the greatest flexibility in preserving value and strategic options.

Market Trends & Industry Dynamics At-A-Glance

Riveron
Representative
Engagements



Aerospace, Defense, Aviation & Space

Strong demand driven by commercial aerospace recovery, increased defense spending, and continued investment in the space economy continues to create tailwinds across the sector. However, supply chain constraints and working capital pressures remain key headwinds, particularly for middle-market companies. As production ramps, operators are increasingly focused on execution, profitability, and liquidity management to preserve value.



Automotive & Industrials

Electrification, automation, supply chain localization, and aftermarket demand continue to create opportunities across the Automotive & Industrials sector. However, volatile EV demand, global pricing pressure, OEM program delays, and significant capital requirements remain key headwinds. As market conditions evolve, companies are increasingly focused on profitability, operational execution, and liquidity management to preserve value.



Consumer Products & Retail

Restructuring activity across the sector remains elevated as companies navigate cautious consumers with shifting preferences toward omnichannel shopping, value, sustainability, and local brands. Brands continue to manage supply chain challenges and margin compression. Pricing actions have helped offset tariff and inflation pressures, but slowing demand can't support expanded cost structures and debt loads that many companies built during the post-pandemic period.



Market Trends & Industry Dynamics

At-A-Glance

Riveron
Representative
Engagements



Energy

Middle East tensions have increased oil and LNG-linked gas prices, with disruptions in the Strait of Hormuz constraining crude flows and tightening global LNG supply. While U.S. natural gas prices remain relatively stable due to strong domestic production, market volatility persists. Meanwhile, ABS financing continues to gain traction, though select transactions are showing early signs of performance pressure rather than widespread distress.

BARROW SHAVER
RESOURCES COMPANY LLC
Oil & Gas Exploration & Development



Engineering & Construction

Infrastructure & data centers have driven construction growth through recent public funding bills and AI demand while residential and commercial sectors lag. Labor shortages and rising material costs continue to compress margins and delay projects.

Jacobs
Challenging today.
Reinventing tomorrow.



Healthcare & Life Sciences

GLP-1 therapies are transforming healthcare beyond obesity treatment, creating tailwinds for metabolic health, specialty pharma, and technology-enabled care models. At the same time, reimbursement uncertainty and site-of-care migration are reshaping investment decisions, with growing demand for businesses positioned to benefit from recurring revenue and outpatient care trends.

Thomas Scientific



Hospitality & Entertainment

Resilient demand for travel, live events, and experience-driven spending, along with the expected economic impact of the 2026 FIFA World Cup, continues to support growth across the Hospitality & Entertainment sector. However, labor constraints, wage inflation, and rising operating costs remain key headwinds. As operators invest for growth, they are increasingly focused on profitability, operational execution, and liquidity preservation.

The Dolphin Company



Technology, Media & Telecom

Tech remains bifurcated, with AI and data centers attracting capital while SaaS companies face tight financing conditions and greater profit scrutiny. Demand for semis, power infrastructure, and data center capacity continues to outpace supply, creating cost and execution pressure across the ecosystem. Media companies are facing consumer behavior shifts and cautious advertising spend amid an uncertain economy. Telecom is investing in next-gen networks and fiber while managing leverage, capital demands, and pricing pressure.

b BEASLEY
MEDIA GROUP INC



Other Industries

Business Services, Financial Services, Real Estate, and Government sectors continue to navigate an evolving landscape shaped by AI-driven transformation, regulatory change, and ongoing cost pressures. Organizations are leveraging AI to improve productivity and automate workflows, while managing implementation risks and workforce impacts. Higher interest rates, commercial real estate exposure, budget constraints, and cybersecurity concerns remain key challenges. Lenders should remain focused on liquidity, cash flow stability, and operational resilience.

OakNorth
Bank Representative Office

Industry Spotlight: Retail and Consumer Products



Consumer preferences continue to shift toward value, convenience, sustainability, and omnichannel experiences, creating both tailwinds and headwinds across the sector. As demand moderates, companies are increasingly focused on protecting margins, optimizing operations, and preserving liquidity amid ongoing pricing, tariff, and inflationary pressures.



Strong brands gaining retailer negotiating power

Top-tier brands with strong consumer demand now command more selective distribution partnerships, improving pricing power and shelf positioning.

Continued growth in functional beverages, BFY snacks, and private label F&B

Durable consumer demand and high-frequency purchasing behavior support predictable cash flows and lower revenue cyclicality.

Asset-based lending facilities remain relatively stable

Despite broader sector stress, working capital facilities backed by inventory and receivables are generally still performing near par, supported by their senior secured structure.



Consumer bifurcation is hurting mid-market retail

Middle-income consumers are pulling back, squeezing brands in the \$50–\$200 price range that lack strong differentiation or value-channel positioning.

~15,000 U.S. store closures pressuring retail real estate

The wave of closures in 2025 has driven lower mall traffic, co-tenancy clause activations, and weaker lease economics across retail real estate portfolios.

Tariffs and geopolitical risks pressure input costs

China-sourced goods continue to face effective tariff rates of approximately 35%, while the ongoing conflict in Iran threatens oil prices which will lead to higher input and shipping costs across the industry.

Featured Insight



Inflation's New Credit Map for Food Manufacturing

By Harve Light, Managing Director

Not all food manufacturers are experiencing inflation the same way. [Harve Light](#) examines how margin pressure, working capital strain, and category-specific dynamics are reshaping credit risk across the industry—and what lenders, investors, and operators should be watching next. [Read more.](#)

Riveron At-a-Glance

Founded in 2006, Riveron supports the office of the CFO, solving complex challenges and creating lasting improvements to finance, accounting, and technology functions. With over 1,200 professionals across 19 international offices, Riveron teams bring industry perspective and a full suite of solutions to address M&A, financial distress, technology transformation, process improvement, and other complex performance improvement needs. Our multidisciplinary approach combines authenticity, collaboration, and technical expertise to bring clarity to chaos and spur momentum for change.



Navigate financial distress with experienced guidance that stabilizes operations and protects stakeholder value.

Whether through operational improvement, restructuring, or bankruptcy, Riveron brings decades of experience to guide the path forward.

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