



SOLIC Wins The M&A Advisor’s 16th Annual Turnaround Award for “Restructuring Deal of the Year”

June 13, 2022

WINTER PARK – June 13, 2022 – SOLIC Capital Advisors is honored to win The M&A Advisor’s 16th Annual Turnaround Awards for both the *Restructuring Deal of the Year* and the *Materials Deal of the Year* in recognition of SOLIC’s role in the operating restructuring, and the ultimate sale of the assets of Unipharma LLC, through a Section 363 bankruptcy sale. Unipharma, a Ft. Lauderdale, Florida based specialty manufacturer of pharmaceuticals and nutraceuticals, retained SOLIC as its exclusive financial advisor. The nominations, representing over 250 participating companies, were judged by an independent panel of industry experts. Please [click here](#) to view the press release.

The credit markets are reflecting an increased state of volatility, with inflation pressures driven by ongoing supply chain headwinds, fear the Federal Reserve’s monetary tightening policies will induce a recession, ongoing geopolitical disruptions due to the war in the Ukraine, indications of a weakening consumer credit profile, and deteriorating corporate credit outlooks across industries. S&P forecasts the corporate default rate to reach 3% by March 2023, from 1.4% in March 2022. Per LCD data, the volume of performing loans priced below 80 — an anecdotal marker of distress — has doubled since the start of 2022, to \$28 billion as of May 31, 2022. This is the highest volume of distressed loans since 2020 and another lead indicator of increasing corporate loan default rates.

The negative impact of these supply and demand forces on corporate operating margins and profitability is likely to endure for the remainder of the year. Consequently, a higher magnitude of required restructurings, both out-of-court and in-court, is likely to ensue. Distressed M&A activity, with lenders prevailing in 363 process credit bids is expected to increase as secured lenders are becoming more aggressive in seizing control and assuming operating execution risk from out-of-the-money private equity firms and owners that are unwilling or unable to further capitalize the companies they sponsor.

Among the many industry sectors negatively impacted by these current economic conditions are shown in the table on the right.

Additional observations are outlined in our most recent *SOLICconnect* Capital Restructuring Perspectives report [available here](#), as well as our [other quarterly industry sector reports](#).



Healthcare Services

Declining availability of CARES Act funding along with labor shortages and rapidly rising labor costs are expected to challenge many independent community hospitals, senior living and skilled nursing facilities, and other healthcare providers during the coming months, potentially reigniting the need for hospital consolidation activity during the second half of 2022



Business Services

Investor uncertainty continues to grow with the impact of record inflation, rising interest rates, and the war in Ukraine



Consumer & Retail

With costs increasing for goods and raw materials, shipping and labor, consumer discretionary spending is becoming more and more constrained



Real Estate & Hospitality

Both commercial and residential real estate have been experiencing cooling demand. Given signs of a slowing—but still growing—economy, the latest office vacancy rate in the first quarter of this year was 18.1%, down 18 basis points from a year ago and is the sector’s first annual decline in five years. And new data from CoStar reports that when adjusted for inflation, full recovery of U.S. hotel ADR and RevPAR is not projected until 2024.

SOLIC Capital Advisors provides ongoing advice and execution support to numerous companies across a broad range of industry sectors on the most effective approaches to navigate these formidable challenges and stands ready to assist your company in realizing value and delivering results.

About SOLIC

SOLIC Capital Advisors (“SOLIC”) is a leading financial advisory firm providing restructuring, investment banking and distressed asset support services to companies, lenders, institutional investors, the legal community and other creditor constituencies. SOLIC provides creative solutions to complex challenges by combining market knowledge with deep industry expertise to realize value and deliver results for our clients. SOLIC’s multi-disciplinary team has successfully led more than 600 mandates, involving over \$150 billion in capitalization, across a wide array of industry sectors, creating significant stakeholder value.

Our firm offers a comprehensive suite of services to assist our clients including: SOLIC Capital Advisors (financial advisory), SOLIC Capital, LLC (FINRA Registered Broker/Dealer), SOLIC Capital Management (asset management services and Registered Investment Advisor - RIA), and SOLIC Capital Partners (principal investing). To learn more, please visit www.soliccapital.com.

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