

Large Corporate Bankruptcy Filings Surged in First Half of 2023

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Increase in large corporate bankruptcy filings driven by companies in retail trade, services, and manufacturing.

The increase in large corporate bankruptcies in the first half of 2023 marked a reversal from a gradual decline in filings since the start of 2021, according to a report released today by Cornerstone Research.

The report, [*Trends in Large Corporate Bankruptcy and Financial Distress—Midyear 2023 Update*](#), found that the number of bankruptcies filed by public and private companies with over \$100 million in assets increased during the first half of 2023 to 72 filings, already surpassing the 53 bankruptcy filings in 2022. While the number of bankruptcies increased, the average assets at the time of filing, \$780 million, were well below the 2005–2022 average of \$2.05 billion and the 2022 average of \$1.62 billion.





Retail Trade, Services, and Manufacturing saw the most notable increases in bankruptcy filings in the first half of the year, while Mining, Oil, and Gas continued to decline. Manufacturing has already seen nearly twice as many bankruptcies as in the previous year (24 filings in 1H 2023 compared to 13 in 2022) and accounted for 33% of all bankruptcies filed in the first half of 2023.

“The surge in large corporate bankruptcy filings in the first half of 2023 is consistent with economic conditions posing heightened bankruptcy risk for highly leveraged companies,” said Matt Osborn, a principal at Cornerstone Research and coauthor of the report. “Along with a general rise in interest rates, credit spreads for highly leveraged corporate issuers compared to investment grade issuers began widening in mid-2022, a shift that generally persisted into the first half of 2023.”

The number of mega bankruptcies, those filed by companies with over \$1 billion in reported assets, also increased. In the first half of 2023, the number of mega bankruptcies already matched the full-year total for 2022 of 16 and surpassed the 2005–2022 half-year average of 11. The largest bankruptcy was filed by SVB Financial Group, with \$19.68 billion in assets at the time of filing. The largest non-financial-firm bankruptcy filing was by Bed Bath & Beyond Inc., with \$4.40 billion in assets at the time of filing. Six mega

bankruptcies were filed by companies in the Services industry.

Additional Statistics and Trends

- The first half of 2023 saw an average of 12 bankruptcies per month, nearly twice the monthly average between 2005 and 2022 of 6.4.
- The average assets at the time of filing among the largest 20 bankruptcies in the first half of 2023 (\$32 billion) were 41% lower than that of the 20 largest in 2022 (\$3.95 billion).
- The most common venues for bankruptcy filings were Delaware and the Southern District of Texas, which accounted for 39% and 32% of all bankruptcy filings in 1H 2023, respectively.
- The second half of 2022 saw a large number of corporate bankruptcies involving crypto lending companies, exchanges, and related businesses, with such bankruptcy filings continuing in the first half of 2023.

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