



# BCG Transform & Special Situations Index 2024 -TSS Index-

France

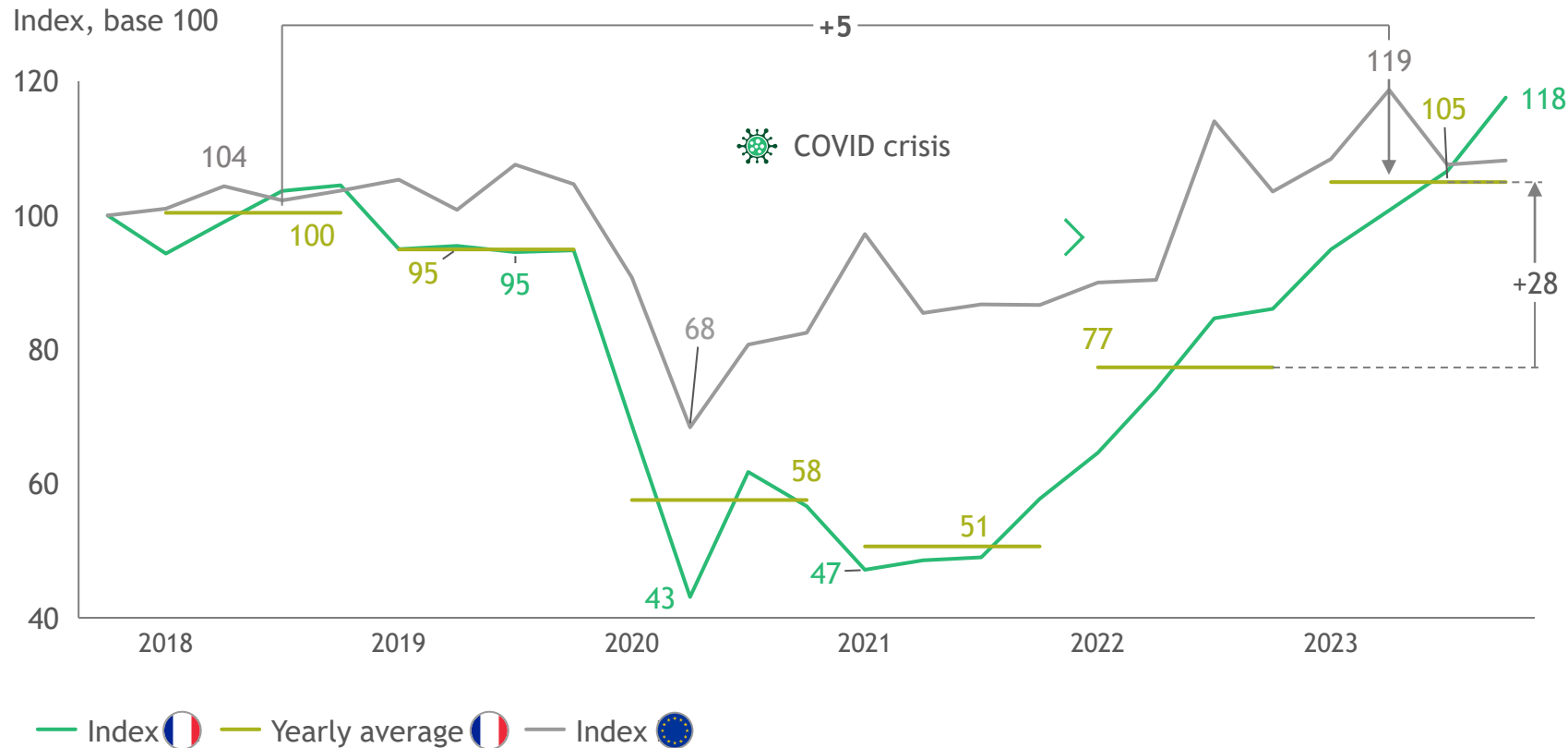
JUNE 2024



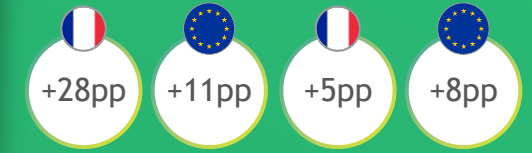
# +28pp in insolvencies over last year in France, above pre-COVID level and with higher surge vs. rest of EU

## Insolvency filings: Q1 2018 through Q4 2023

Indexed development of the number of insolvencies (2018 at 100)



Sources: Eurostat; International Monetary Fund; BCG analysis.



insolvencies 2023 vs. 2022

insolvencies vs. pre-COVID period

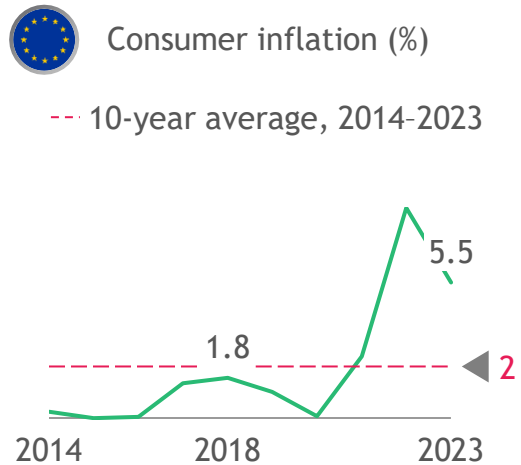
- Government action during COVID-19 (15.2% of GDP), including state-guaranteed loans, moderated insolvency rates vs. EU peers (6.7% of GDP)
- France's insolvency cases surged by 28pp over last year, surpassing EU average and pre-COVID level



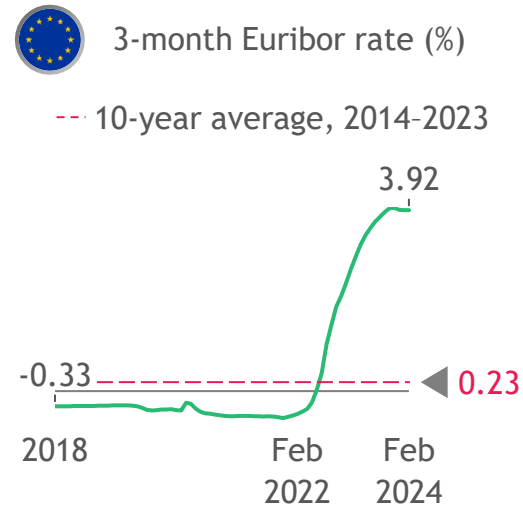
# Continuing macroeconomic headwinds suggest that transformation and restructuring pressures will stay strong in the next 24 months



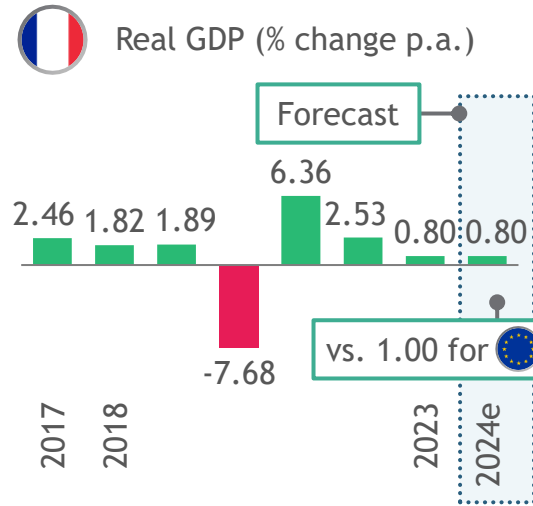
**Inflation tripled vs. pre-COVID**



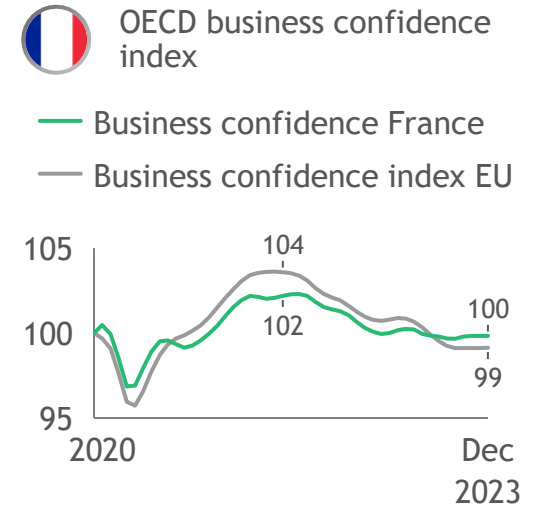
**Interest rates have skyrocketed for last 2 years**



**GDP growth halved vs. pre-COVID**



**Business confidence decreasing**



Geopolitical instability: conflicts and tensions in Eastern Europe, Middle East, and Asia; >50% of worldwide population electing new government in 2024

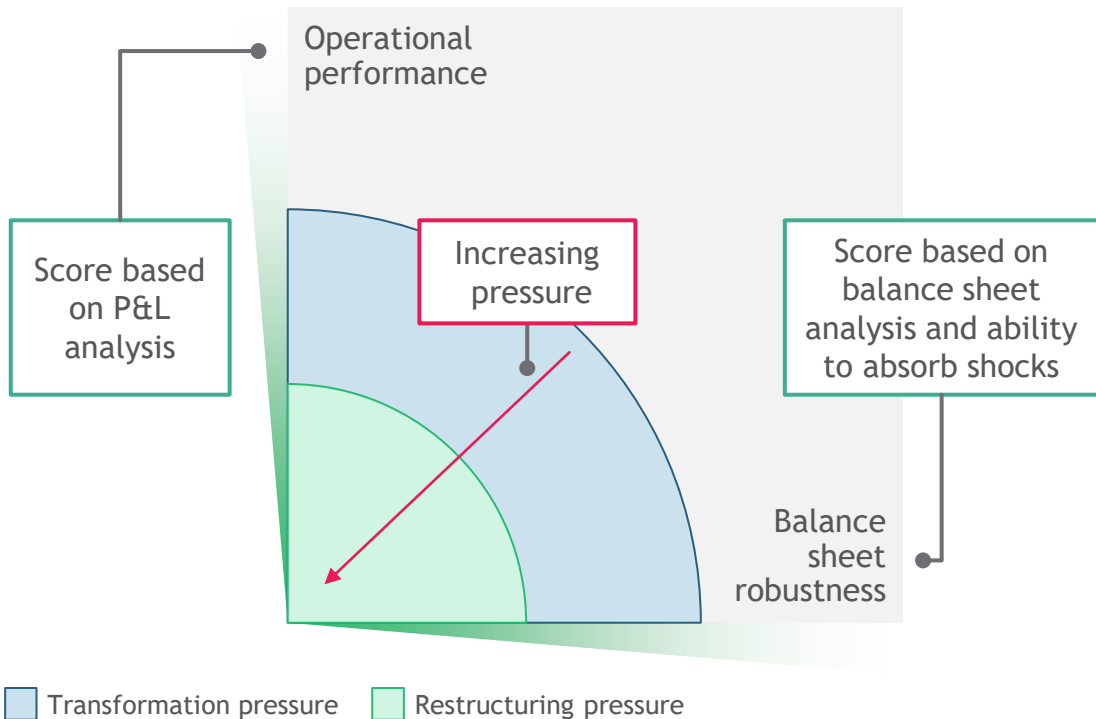
High public debt (118% of GDP in 2023)

Note: Latest data available as of March 13, 2024.  
Sources: Eurostat; European Central Bank; Oxford Economics; OECD; BCG analysis.

# BCG Transform and Special Situations (TSS) Index identifies companies showing signs of weak operational performance and undercapitalization

## 1 Transformation and restructuring pressures by sector

Assessment of about 2,000 European public companies and analysis of 12 performance and financial stability KPIs



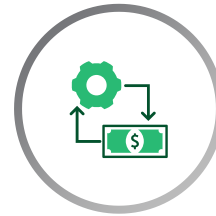
Note: Transformation pressure—initial signs of weakening operational performance and financial stability require optimization. Restructuring pressure—clear signs of weak or negative operational performance and undercapitalization require more structural steps to recover.  
Source: BCG analysis.

## 2 Forward-looking view

Assessment of sector dynamics based on AI-powered sentiment analysis and insights from sector experts



AI-powered sentiment analysis to synthesize insights from market and company documents (including earnings calls transcripts) and all publicly available materials

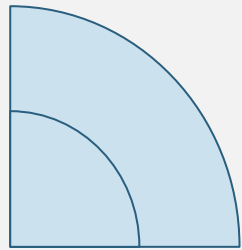


Targeted in-depth interviews with industry experts

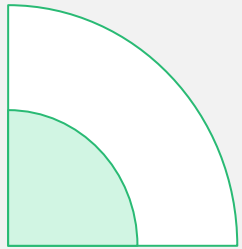
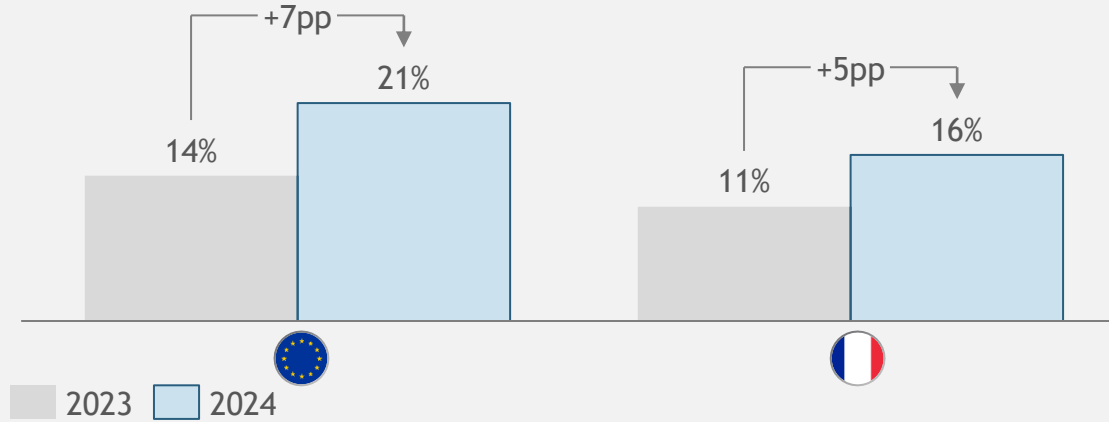


200+ European executives surveyed on their perspectives, priorities, and challenges for 2024

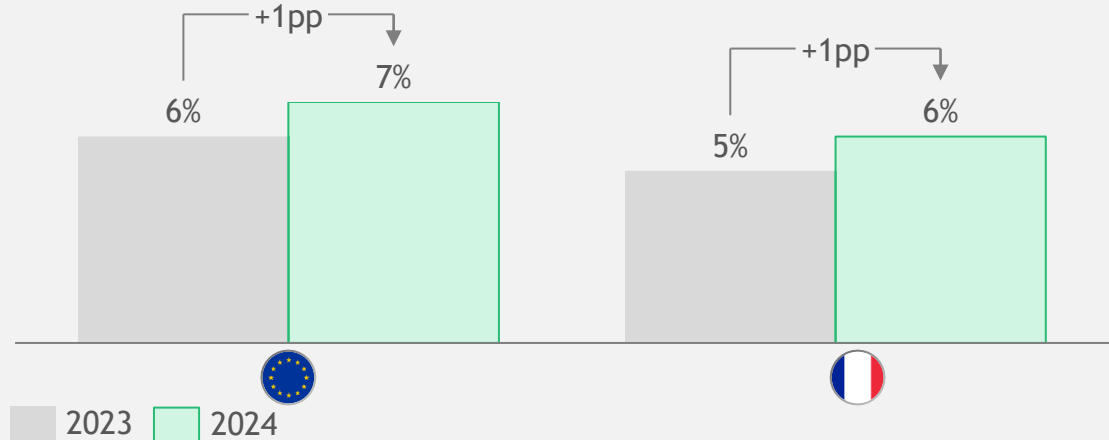
# Increase of transformation and restructuring pressures but still slightly below European average



Transformation pressure



Restructuring pressure



About **1 in 6** companies face significant transformation pressure in France

About **1 in 17** companies face significant restructuring pressure in France

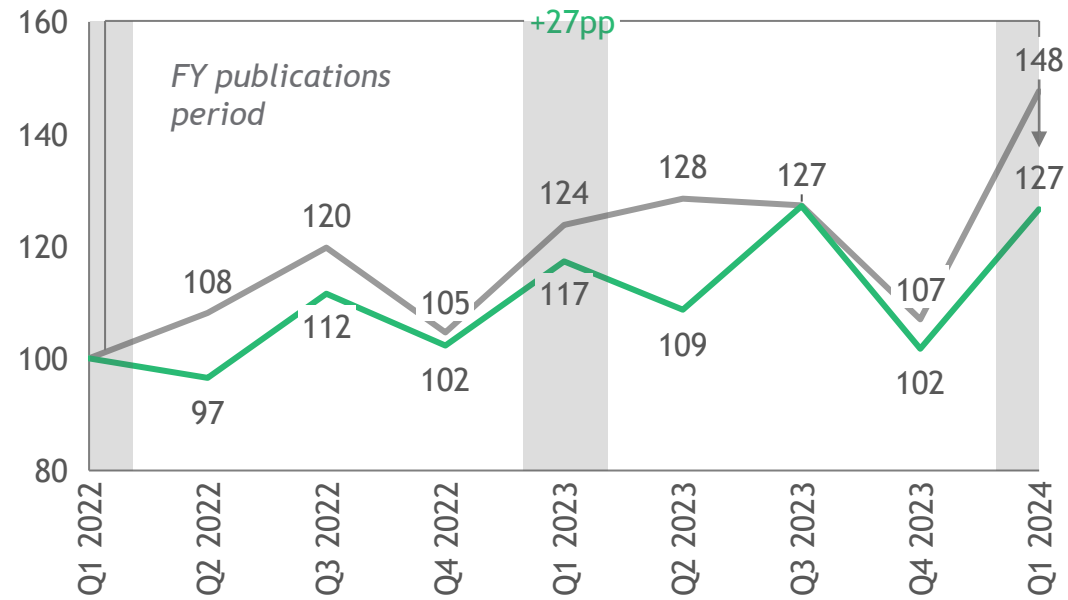
Note: BCG Transform and Special Situations Index is based on share of revenue.  
Sources: S&P Capital IQ; BCG analysis.

# AI-powered sentiment analysis shows transformation topics have gained momentum over last two years in France, +27pp vs. 2022

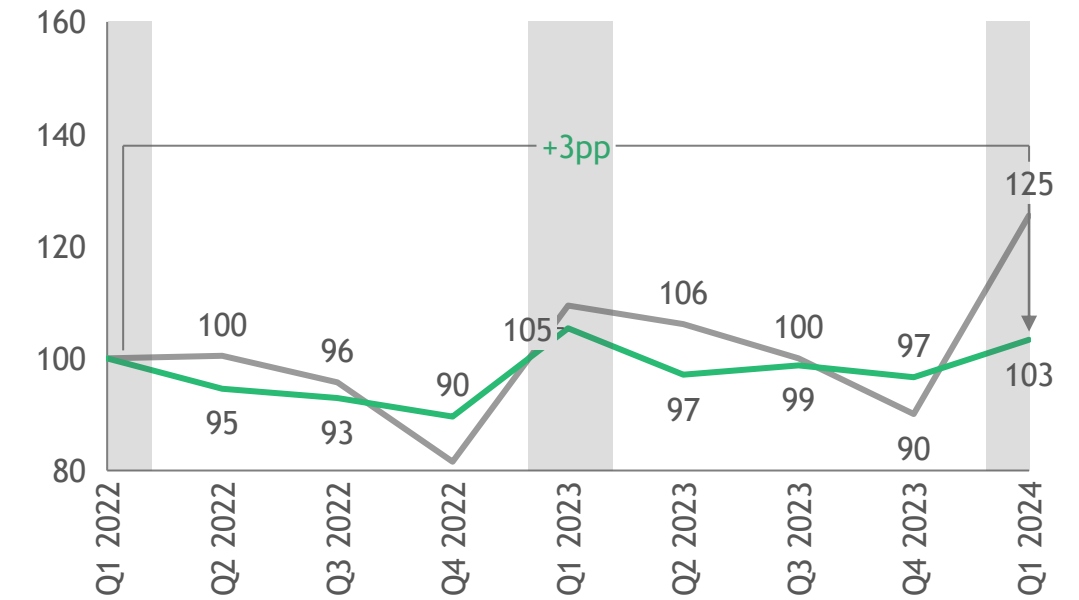
Development of transformation and restructuring citations in public company documents

Q1 2022 through Q1 2024, index, base 100 = Q1 2022

Relative frequency<sup>1</sup> of transformation-related company talks

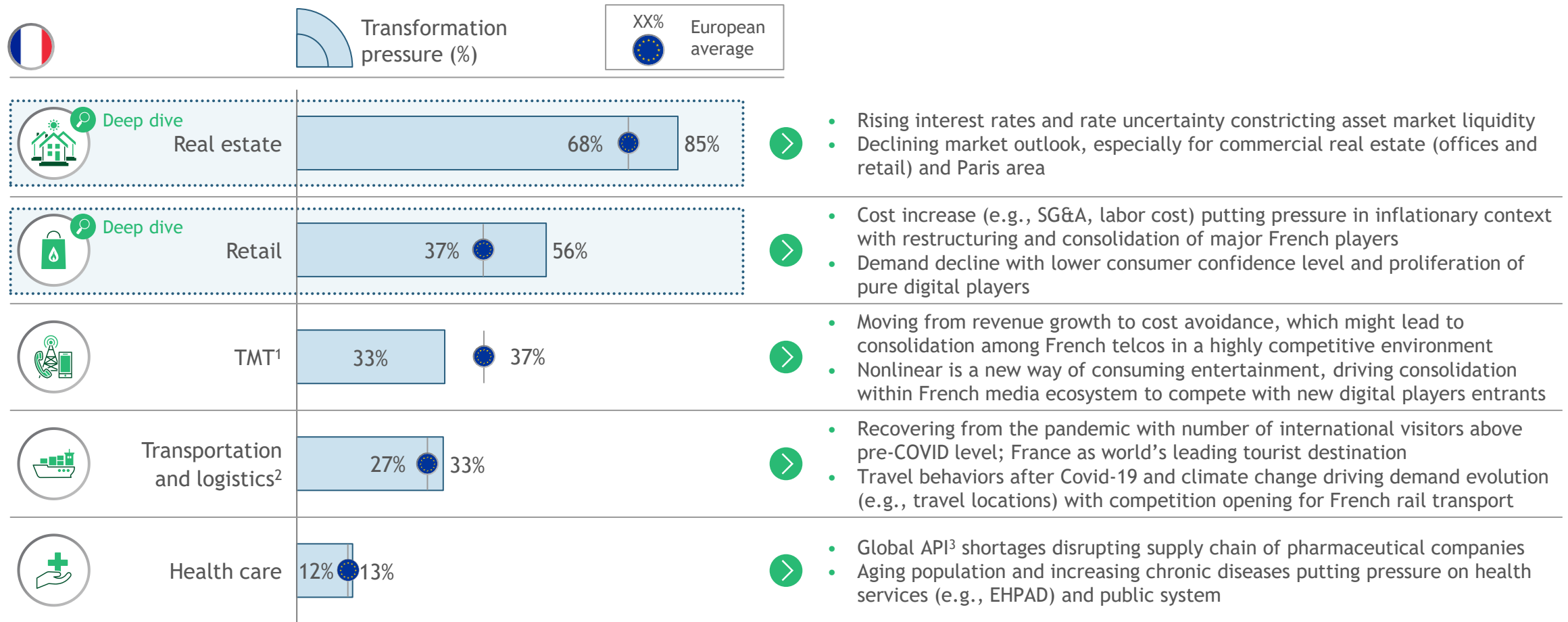


Relative frequency<sup>1</sup> of restructuring-related company talks



1. AlphaSense trend score (based to 100 for Q1 2022), calculated based on all publicly available documents (company documents, research documents, transcripts), smoothed quarterly data. Sources: AlphaSense; BCG analysis.

# Among sectors that are under pressure, we spotlight real estate and retail as facing the more severe headwinds in upcoming years



1. TMT = technology, media, and telecommunications. 2. Including leisure and tourism. 3. active pharmaceutical ingredient.

Note: Top five sectors with five or more companies in scope.

Source: S&P Capital IQ; BCG analysis.



# Real estate

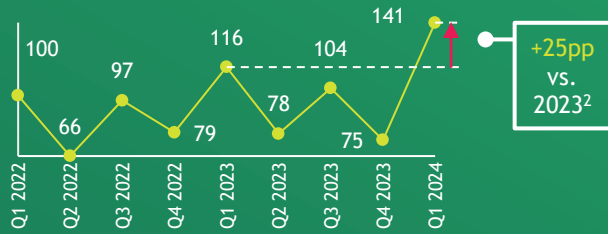
## Key figures

85% vs. 56% in 2023

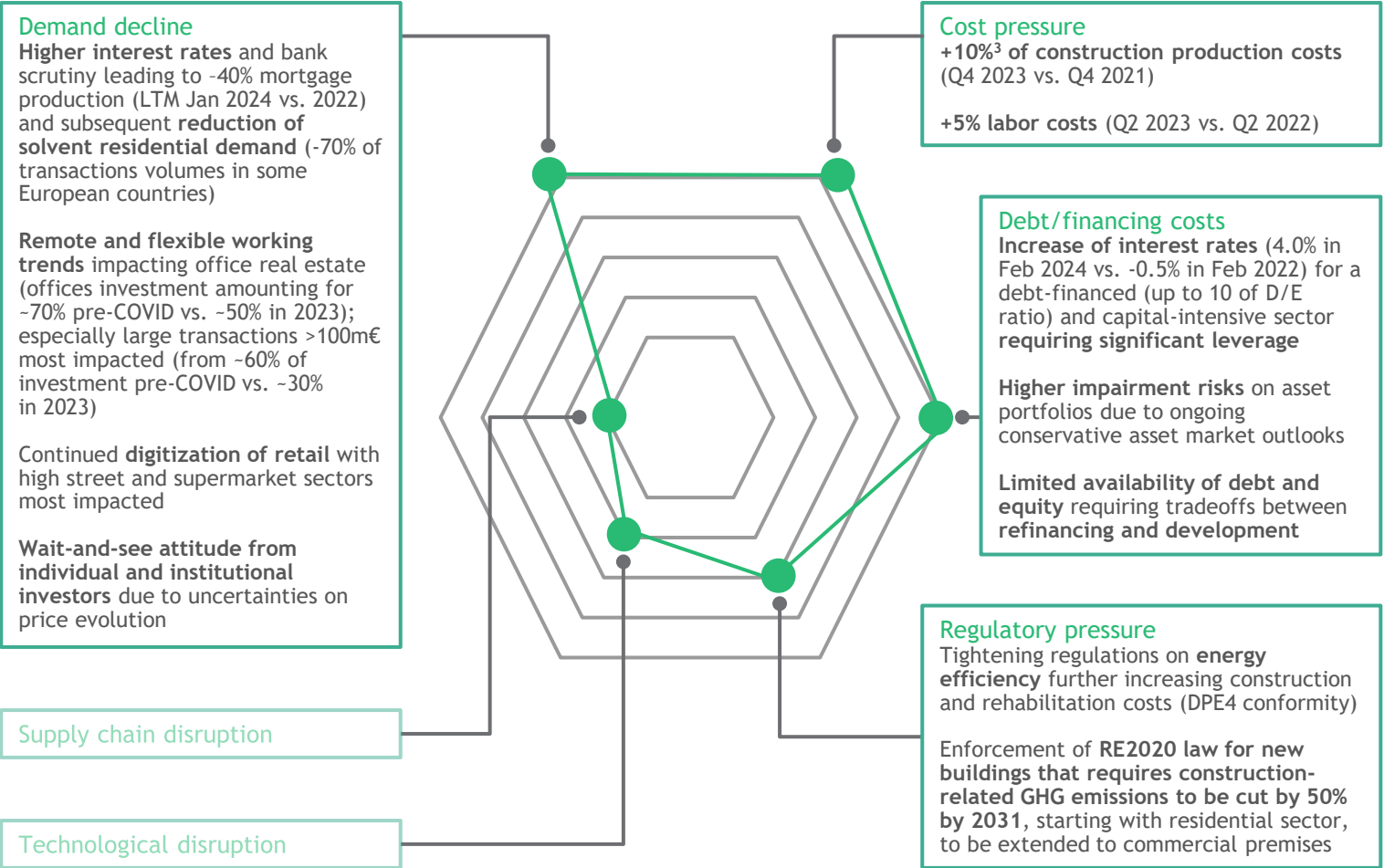


Transformation pressure

## Restructuring and transformation topics<sup>1</sup>



# Key trends and challenges in France



1. Relative frequency of restructuring and transformation topics via public citations. 2. Comparing Q1 2023 with Q1 2024. 3. France BT01 index. 4. Energy performance diagnostic.  
Sources: S&P Capital IQ; Alphasense; Eurostat; Cushman & Wakefield; Banque de France; BCG analysis and BCG expert views; BCG crisis radar.



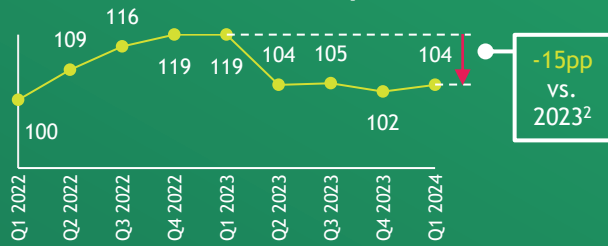
# Retail

## Key figures

56% (≈) vs. 56% in 2023

Transformation pressure

## Restructuring and transformation topics<sup>1</sup>

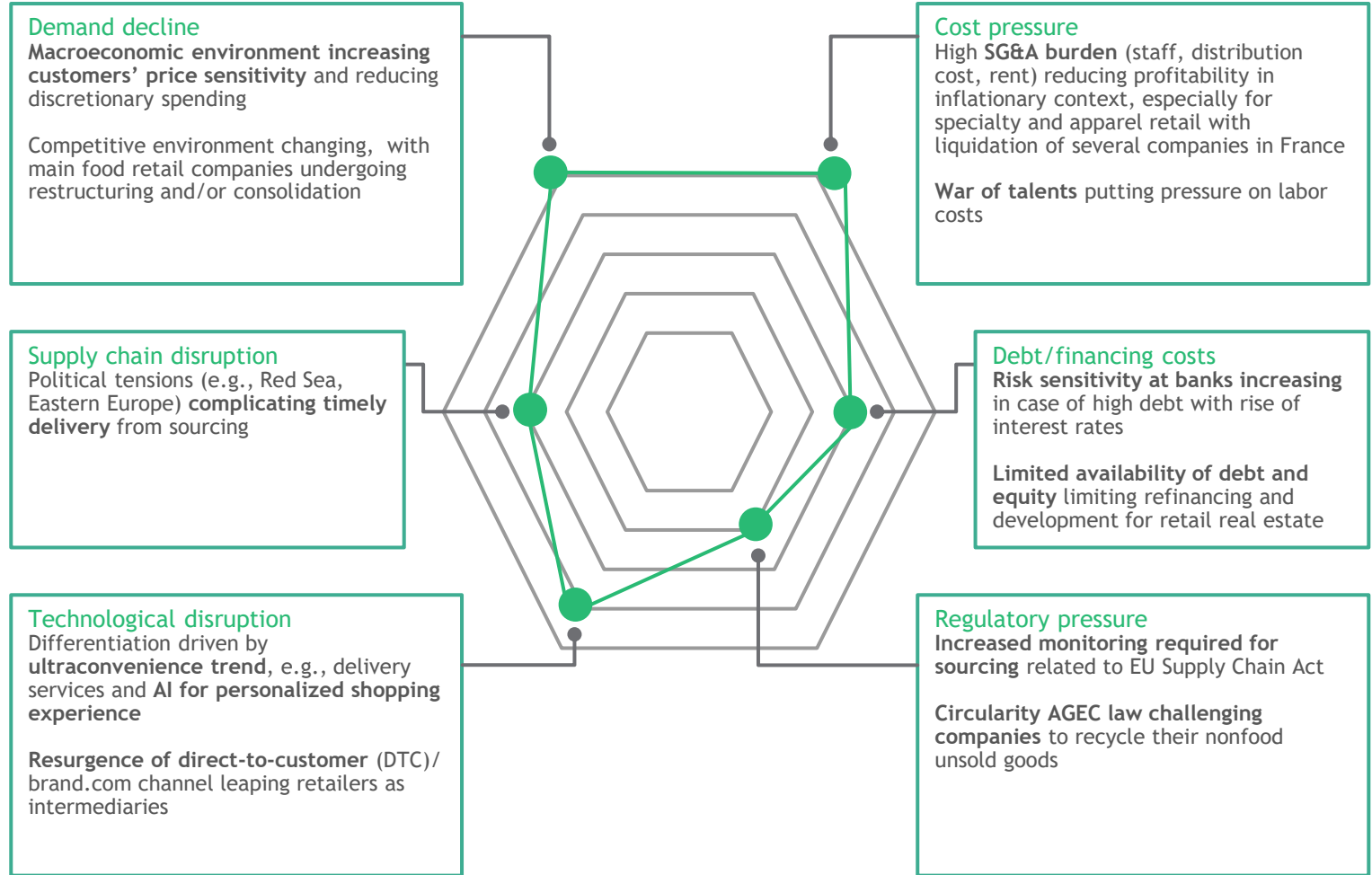


## Top executive views<sup>3</sup>

- 35% vs. 29% in EU: Worried about inflation and rising interest rates
- 64% vs. 54% in EU: Considering labor cost actions as very important to remain competitive
- 26% vs. 14% in EU: Have volume improvement as their top priority for 2024

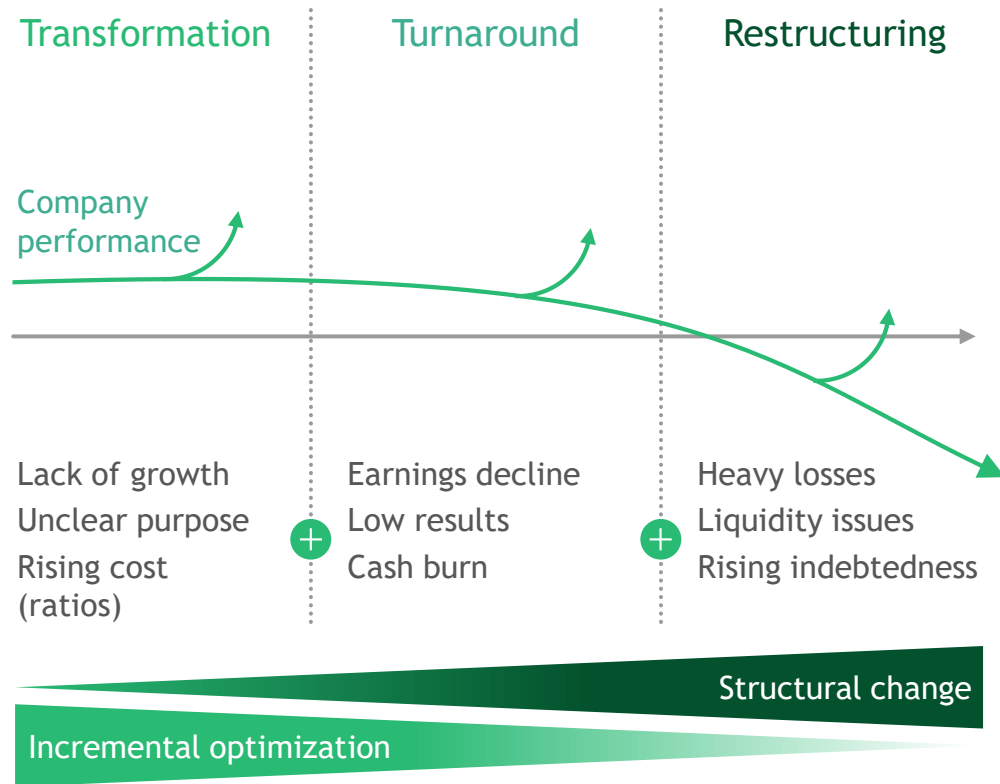


# Key trends and challenges in France



1. Relative frequency of restructuring and transformation topics via public citations.  
2. Comparing Q1 2023 with Q1 2024. 3. From consumer sector, including retail.  
Sources: S&P Capital IQ; Alphasense; BCG analysis and BCG expert views; BCG C-Suite survey 2024.

# BCG Transform assists companies for transformation, turnaround, and restructuring



Source: BCG.

## Typical transformation offering



### Full potential plan (FPP)

FPP development includes cost efficiency, NWC optimization, and CTO offering



### Execution support/ transformation office (TO)

Aligning, monitoring, and steering large-scale transformation programs

## Typical special situations offering



### IBR/restructuring opinions

Creating new and/or validating existing restructuring programs



### Cash office

Establishing 13-week as well as midterm liquidity planning and actively managing cash

Your BCG special situations local experts to assist you along your journey



**Yahya Daraaoui**  
*Managing Director & Senior Partner  
Paris*



**Renaud Montupet**  
*Managing Director & Partner  
Paris*



**Maxime Zarka**  
*Partner  
Paris*



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