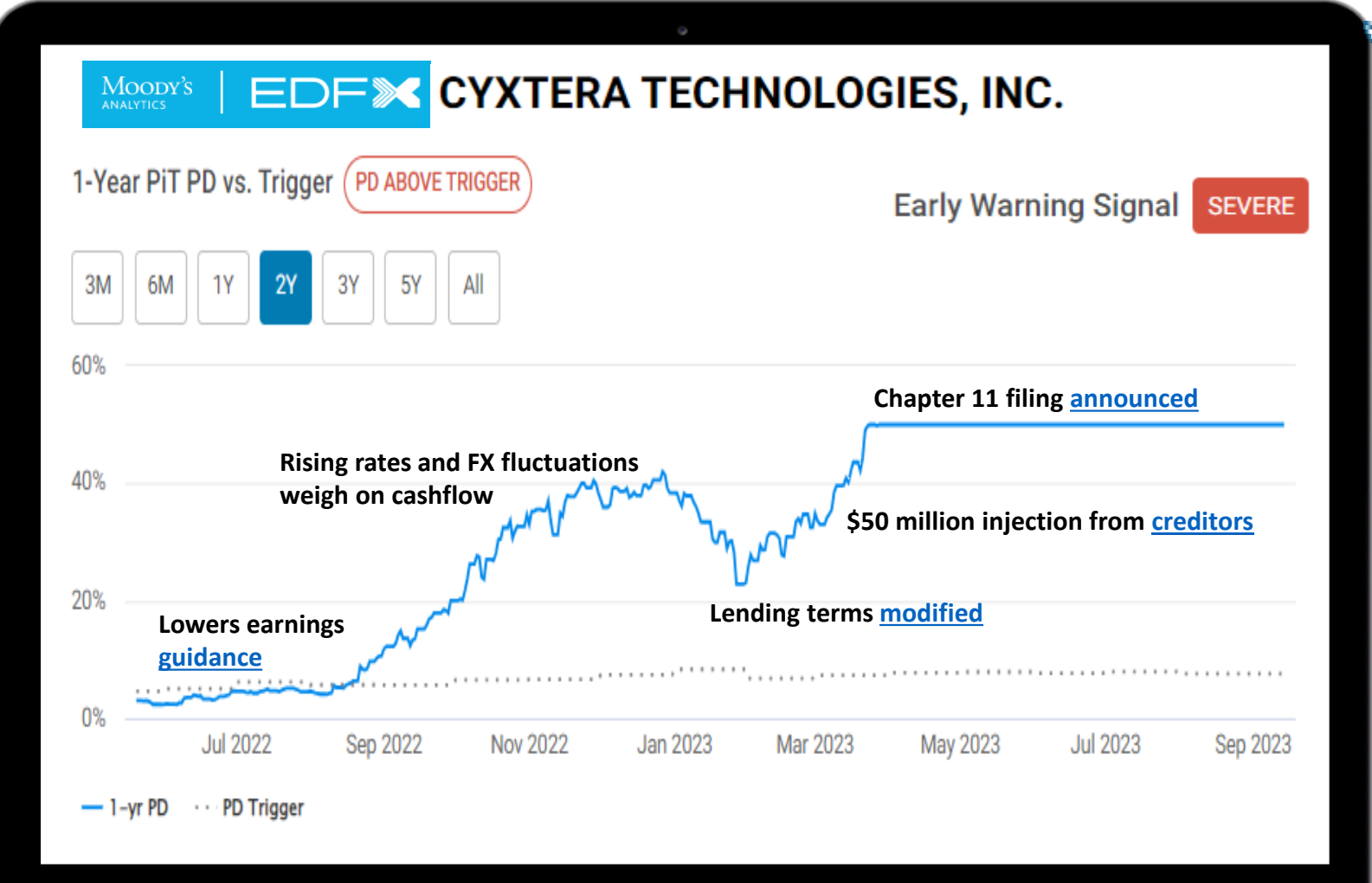


A CHALLENGING ECONOMIC ENVIRONMENT AND SIGNIFICANT DEBT LOAD PUSHED CYXTERA TECHNOLOGIES INTO DEFAULT



An unsustainable debt overhang and mounting macroeconomic headwinds tipped Cyxtera Technologies into bankruptcy in June 2023. The firm, which provides businesses with server and computing colocation services through its network of more than 60 data centers globally, started facing liquidity pressures in the last year. The capital-intensive nature of data center construction and maintenance required significant investment, and while Cyxtera's revenue and subscription growth remained solid, outsized interest payments consumed much of the firm's earnings. Concerns began to materialize in mid-2022 when the firm lowered its earnings guidance; Cyxtera's PD crossed its peer-based trigger during roughly the same period. Net income turned negative, and the firm was forced to burn through cash to continue operations, a dynamic that was amplified as interest rates moved higher in late-2022. Cyxtera managed to modify several of its debt commitments and received additional funding, but the firm's unwieldy balance sheet ultimately forced it into Chapter 11 bankruptcy.