



ANALYSIS

A significant debt overhang and weak sales growth led Gruppo PSC into bankruptcy. The private Italian development firm, which specializes in heavy engineering and construction, steadily expanded through 2019.

However, the firm took on substantial debts during the year, leaving it ill positioned ahead of the COVID-19 pandemic. Construction activity slowed in 2020 and sales growth turned negative; the firm posted a large loss for the year and EDF-X flagged Gruppo PSC as a Severe credit risk at the time. The firm tried to stay afloat via acquisition and took a large stake in the distressed telecommunications firm Italtel, but the plan did not alleviate financial pressures.

In 2022, Gruppo PSC's business faced escalating stress due to rising interest rates. The situation was further complicated by management instability, as the year saw the resignation of key figures including the CEO, CFO, and other board members, leaving the firm directionless. Given mounting economic headwinds, Gruppo PSC was left with few options, and ultimately filed for bankruptcy.

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