HDH GROUP

HDH GROUP RESEARCH · REPORT ON THE GERMAN MITTELSTAND

Insolvency and liquidation of German companies

Insolvency cases of the past twelve months by industry, region, age, capital, legal form and management

9,301
Insolvency cases in the twelve months to June 2026

+23.5%
compared with the preceding twelve months

8.6 ‰
Cases per thousand companies

AS OF 23 OCTOBER 2026

HDHGROUP.DE/EN/REPORTS

Insolvency and liquidation of German companies

Insolvency cases of the past twelve months by industry, region, age, capital, legal form and management

At a glance

9,301	+23.5%	8.6 ‰	8.1 years
insolvency cases from July 2025 to June 2026	compared with the preceding twelve months	insolvency rate, cases per thousand companies	median age of the company at the time of insolvency

- From July 2025 to June 2026, we record 9,301 insolvency cases among German corporations, +23.5% compared with the same period a year earlier. There were 8.6 cases per thousand companies.
- Hospitality (24.2 ‰) and Transport and storage (17.4 ‰) are the most affected. There, the rate is 7 times as high as in the least affected sector.
- Companies aged 3 to 4 years carry the highest risk (12.3 ‰). Companies aged 50 years and over are the least at risk, at 4.2 ‰.
- Companies without registered power of attorney are affected 2.9 times as often as companies with power of attorney, solely managed businesses 2.7 times as often as businesses with three or more people in management.
- Group companies and pure holding companies show considerably lower rates; companies at addresses with a hundred or more other companies show considerably higher ones.

Question and design
Development
Industries
Regions
Age of the company
Capital and legal form
Management and representation
Group, holding and address
Liquidation without insolvency
Assessment
Method and limitations

Question and design

Insolvency statistics usually answer the question of how many proceedings were opened in a given period. For assessing a business partner, a borrower or a market, a second question matters more: which companies are affected, measured against their share of the corporate population? An industry with many proceedings can carry a

low risk if it is very large, and a small industry a high one.

This report therefore relates every insolvency case to the companies from which it arises. It measures the insolvency rate as the number of cases per thousand companies and distinguishes by industry, region, age of the company, capitalisation, legal form, composition of management and integration into a group.

The observation period covers the twelve months from July 2025 to June 2026. The reference population consists of 1,083,852 companies that already existed at the beginning of the period. The comparison is with the preceding twelve months.

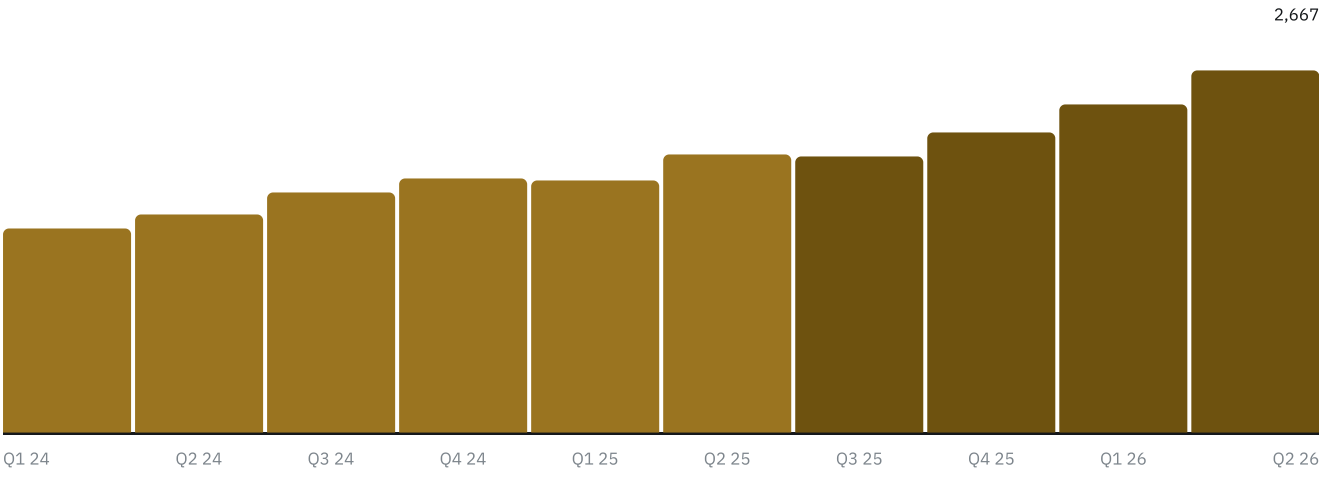
Development

The observation period records 9,301 insolvency cases, compared with 7,533 in the preceding twelve months. The number is thus 23.5 percent higher. Quarterly figures have risen almost continuously since early 2024; Q2 2026, with 2,667 cases, is the strongest in the series.

The comparison with the previous year should be read with one qualification. The data covers companies that are still registered today. Companies whose proceedings were concluded and which were subsequently deleted are missing, and their share is larger for periods further in the past. The reported increase is therefore an upper bound. The direction of the development is unaffected; its strength may be smaller.

FIGURE 1

Insolvency cases of German corporations per quarter



The observation period is highlighted. Counted by the date of the most recent insolvency entry, companies still registered today only.

Source: HDH Group, database as of the reference date, own calculation.

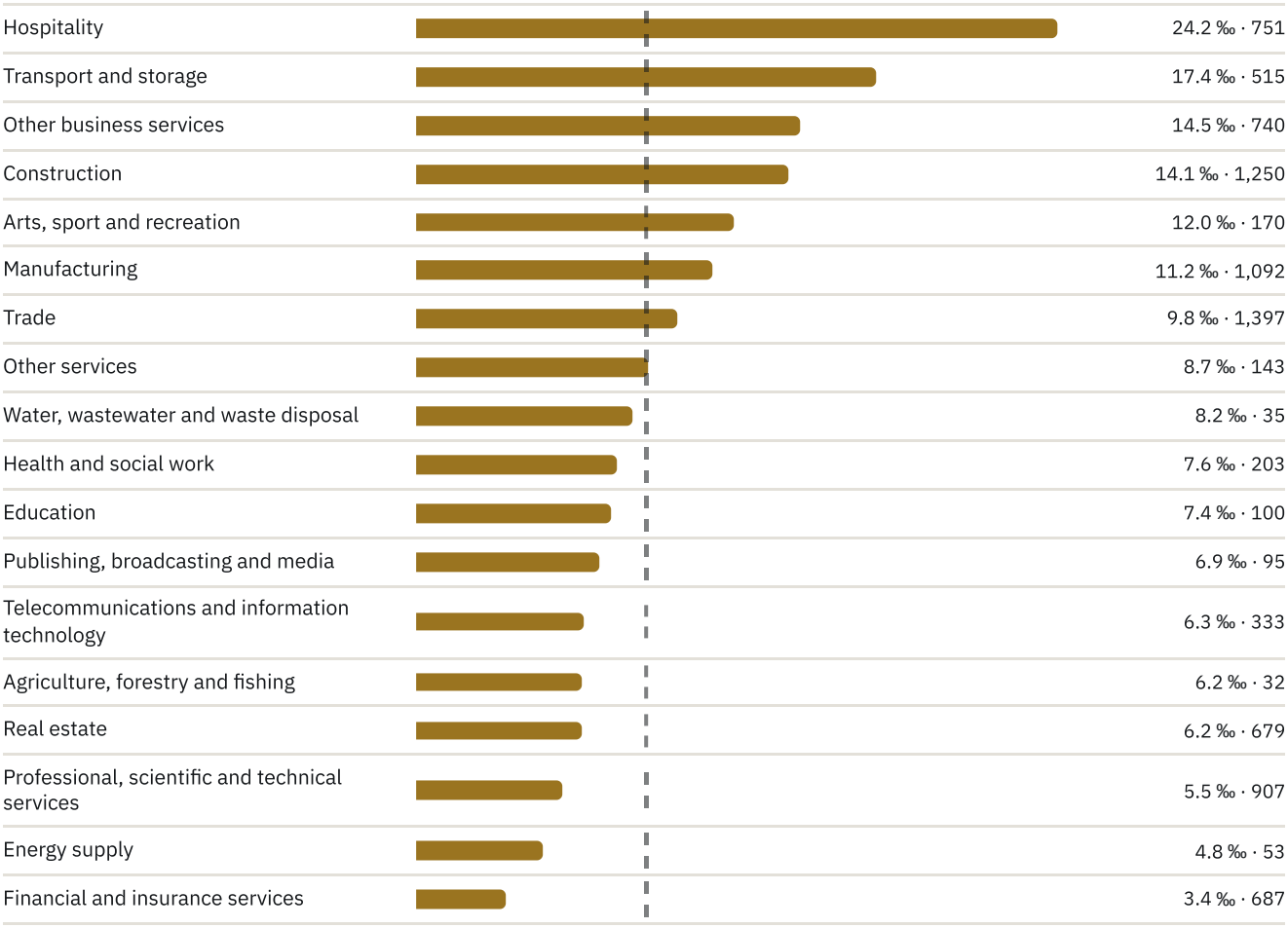
Industries

The insolvency rate varies considerably between sectors. Hospitality lead with 24.2 ‰, followed by Transport and storage (17.4 ‰), Other business services (14.5 ‰) and Construction (14.1 ‰). Energy supply and Financial and insurance services stand at the end of the ranking.

The leading positions belong to sectors with three common features: low capital intensity, high personnel costs relative to revenue and demand that responds immediately to price increases and customer restraint. At the lower end are sectors with high capital intensity or predominantly asset managing activities, whose continuity depends to a lesser degree on current business.

FIGURE 2

Insolvency rate by sector, cases per thousand companies



Sectors according to the sections of NACE Rev. 2.1, from 1,000 companies. The number of cases follows the dot.

Source: HDH Group, database as of the reference date, own calculation.

At the level of divisions, the hot spots stand out more sharply. Table 1 shows the twelve divisions with the highest rate; the change against the previous year is shown where both values are based on at least thirty cases.

TABLE 1

Divisions with the highest insolvency rate

DIVISION	COMPANIES	CASES	PER THOUSAND	CHANGE
80 Investigation and security activities	3,878	99	25.5 ‰	+62.3%
56 Food and beverage service	23,951	602	25.1 ‰	+40.3%
78 Employment activities	8,643	193	22.3 ‰	+20.6%
55 Accommodation	7,139	149	20.9 ‰	+170.9%
49 Land transport and transport via pipelines	16,169	305	18.9 ‰	+28.7%
92 Gambling and betting activities	3,053	56	18.3 ‰	+43.6%
42 Civil engineering	5,520	89	16.1 ‰	+39.1%
41 Building construction	14,455	231	16.0 ‰	+12.1%
81 Services to buildings and landscape activities	16,595	253	15.3 ‰	+28.4%
52 Warehousing, storage and support activities for transportation	10,925	160	14.7 ‰	+41.6%
18 Printing and reproduction of recorded media	3,479	49	14.1 ‰	±0.0%
10 Manufacture of food products	8,081	110	13.6 ‰	+29.4%

Divisions with at least 3,000 companies.

Source: HDH Group, database as of the reference date, own calculation.

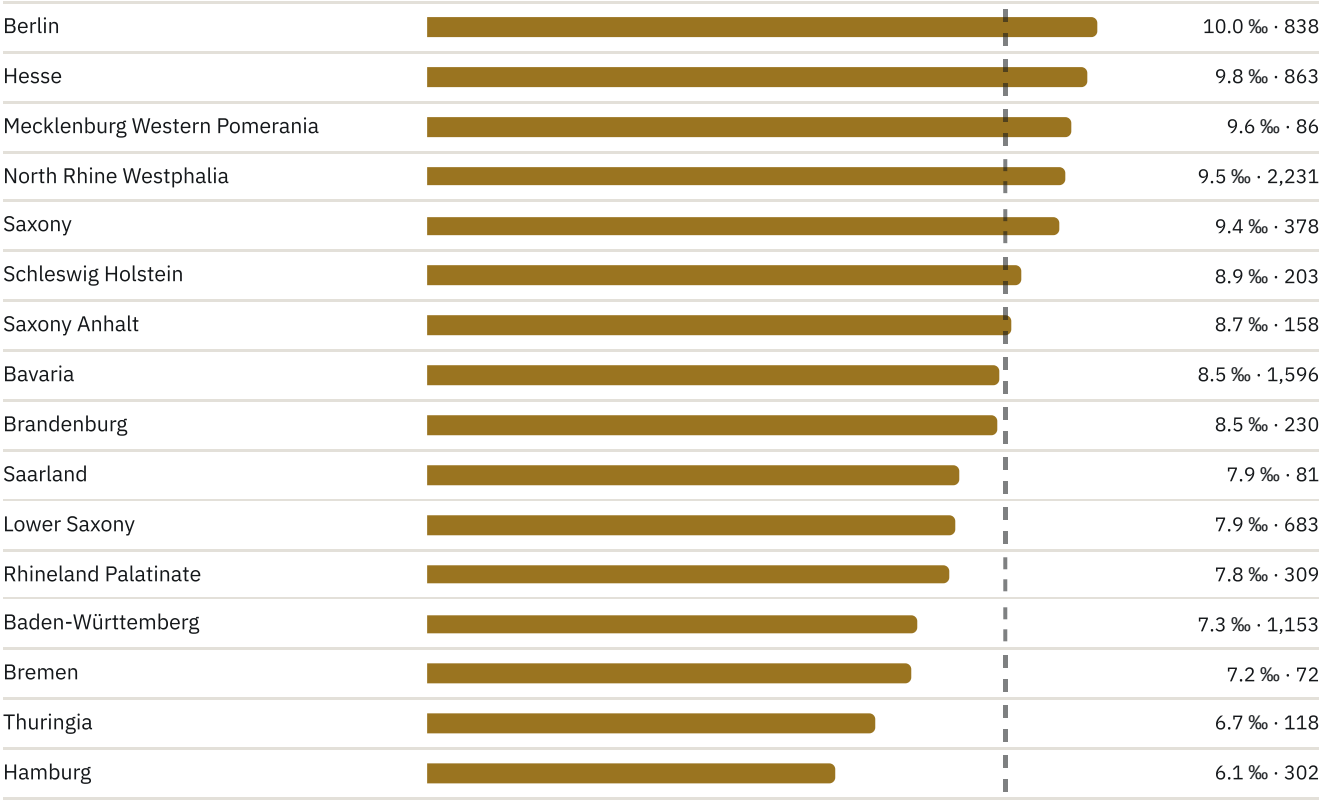
Regions

Among the federal states, Berlin shows the highest rate at 10.0 ‰, followed by Hesse (9.8 ‰) and Mecklenburg Western Pomerania (9.6 ‰). It is lowest in Hamburg (6.1 ‰) and Thuringia (6.7 ‰).

Part of the regional differences is explained by the composition of the corporate population. Where the share of young and thinly capitalised companies is high, the rate is higher as well. Across the states, the rank correlation between the share of entrepreneurial companies (UG) and the insolvency rate is $\rho = 0.45$.

FIGURE 3

Insolvency rate by federal state, cases per thousand companies



The number of cases follows the dot.

Source: HDH Group, database as of the reference date, own calculation.

Age of the company

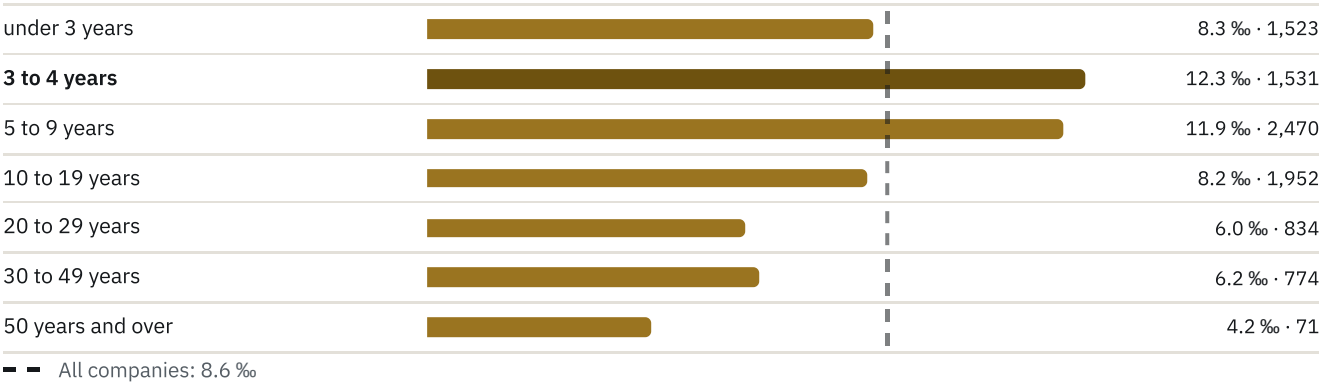
Organisational research describes two patterns by which the risk of failure depends on the age of a company. According to the liability of newness thesis, the risk is highest immediately after formation and declines steadily thereafter (Stinchcombe 1965). According to the liability of adolescence thesis, it is low in the first years, because initial capital and early confidence carry the company, then rises and falls only after some years (Brüderl and Schüssler 1990).

The data follows the second pattern. Companies under three years old have a rate of 8.3 ‰. Companies aged 3 to 4 years reach the highest value at 12.3 ‰. Thereafter the risk declines markedly, down to 4.2 ‰ for companies aged 50 years and over.

At the median, a company is 8.1 years old at the time of insolvency; the middle half lies between 4.5 and 15.9 years. 12.9% of the companies affected were younger than three years, 18.9% had existed for twenty years or longer.

FIGURE 4

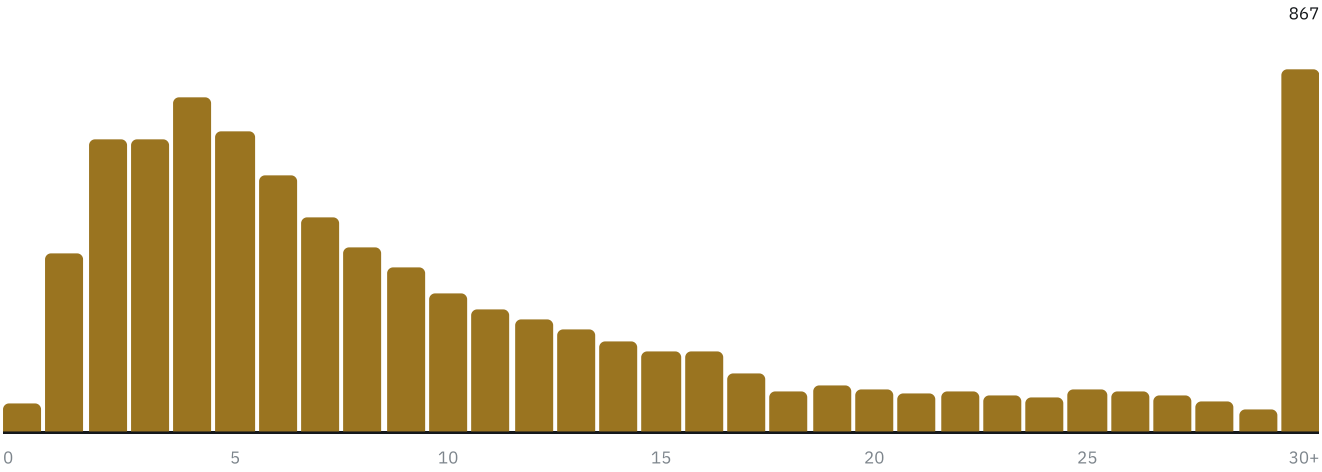
Insolvency rate by age of the company at the beginning of the period



Source: HDH Group, database as of the reference date, own calculation.

FIGURE 5

Insolvency cases in the observation period by age of the company in full years



Companies with a known date of incorporation (9,174 cases).

Source: HDH Group, database as of the reference date, own calculation.

Capital and legal form

Share capital separates companies with high and low risk only weakly. The highest rate is found in the band under EUR 25,000 (10.2 ‰), the lowest in the band 50,000 to under EUR 100,000 (6.4 ‰). Companies with exactly the statutory minimum capital of EUR 25,000 form the largest group, with 604,564 businesses.

The differences between legal forms are moderate. The limited liability company (GmbH) reaches 8.6 ‰ , the entrepreneurial company with limited liability (UG) 10.3 ‰, stock corporations and related forms 9.4 ‰. The UG is thus 19 percent above the GmbH. The gap is smaller than its reputation would suggest, and considerably smaller than the differences by age of the company or by the composition of its management.

TABLE 2

Insolvency rate by share capital and legal form

GROUP	COMPANIES	CASES	PER THOUSAND	CHANGE
Share capital under EUR 25,000	130,316	1,326	10.2 ‰	+44.6%
Share capital exactly EUR 25,000	604,564	5,578	9.2 ‰	+23.5%
Share capital over 25,000 to under EUR 50,000	128,067	849	6.6 ‰	+9.5%
Share capital 50,000 to under EUR 100,000	127,702	818	6.4 ‰	+18.4%
Share capital 100,000 to under EUR 1 million	71,135	601	8.5 ‰	+14.7%
Share capital EUR 1 million and more	19,004	126	6.6 ‰	+23.5%
AG, SE, KGaA	9,978	94	9.4 ‰	+8.0%
GmbH	880,112	7,566	8.6 ‰	+20.7%
UG (limited liability)	127,417	1,307	10.3 ‰	+43.8%

Source: HDH Group, database as of the reference date, own calculation.

Management and representation

The clearest differences appear in the composition of management. Solely managed companies have a rate of 9.4 ‰, companies with three or more people in management 3.5 ‰. Companies without registered power of attorney reach 8.7 ‰, companies with power of attorney 3.0 ‰.

Both characteristics stand for size and division of labour. A company that grants power of attorney has a second management tier, and with it as a rule a certain size, orderly accounting and more than one person who notices developments. The characteristic is simple to establish and separates more clearly than share capital.

The age of management is also related to the risk. If the oldest member of management is younger than 30, the rate is 12.9 ‰; at 50 to 59 years it is 7.6 ‰. This mainly reflects the age of the companies that young people run.

TABLE 3

Insolvency rate by composition and age of management

GROUP	COMPANIES	CASES	PER THOUSAND
Management: one person	680,955	6,409	9.4 ‰
Management: two people	228,888	960	4.2 ‰
Management: three or more people	52,283	181	3.5 ‰
Without registered power of attorney	822,370	7,126	8.7 ‰
With registered power of attorney	139,756	424	3.0 ‰
Oldest member of management under 30 years	25,875	333	12.9 ‰
Oldest member of management 30 to 39 years	116,354	1,209	10.4 ‰
Oldest member of management 40 to 49 years	207,306	1,921	9.3 ‰
Oldest member of management 50 to 59 years	282,716	2,158	7.6 ‰
Oldest member of management 60 to 69 years	240,628	1,398	5.8 ‰
Oldest member of management 70 and over years	89,042	530	6.0 ‰

Companies with recorded management and known age.

Source: HDH Group, database as of the reference date, own calculation.

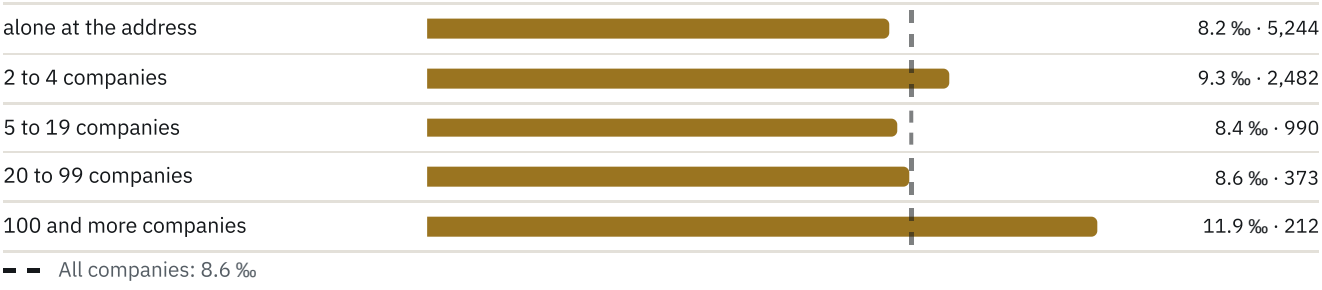
Group, holding and address

Companies integrated into a group through a domination or profit transfer agreement have a rate of 5.0 ‰, compared with 8.7 ‰ for all others. The parent company absorbs their losses and secures their continuity as long as it exists itself. Pure holding companies reach 3.9 ‰, because they conduct no operating business of their own.

The address shows a particular pattern. Companies that are the only one registered at their business address have a rate of 8.2 ‰. At addresses with a hundred or more companies it rises to 11.9 ‰. Such addresses frequently belong to service providers that rent out business premises and postal addresses; companies without their own operations at the registered office gather there.

FIGURE 6

Insolvency rate by number of companies at the same business address



Source: HDH Group, database as of the reference date, own calculation.

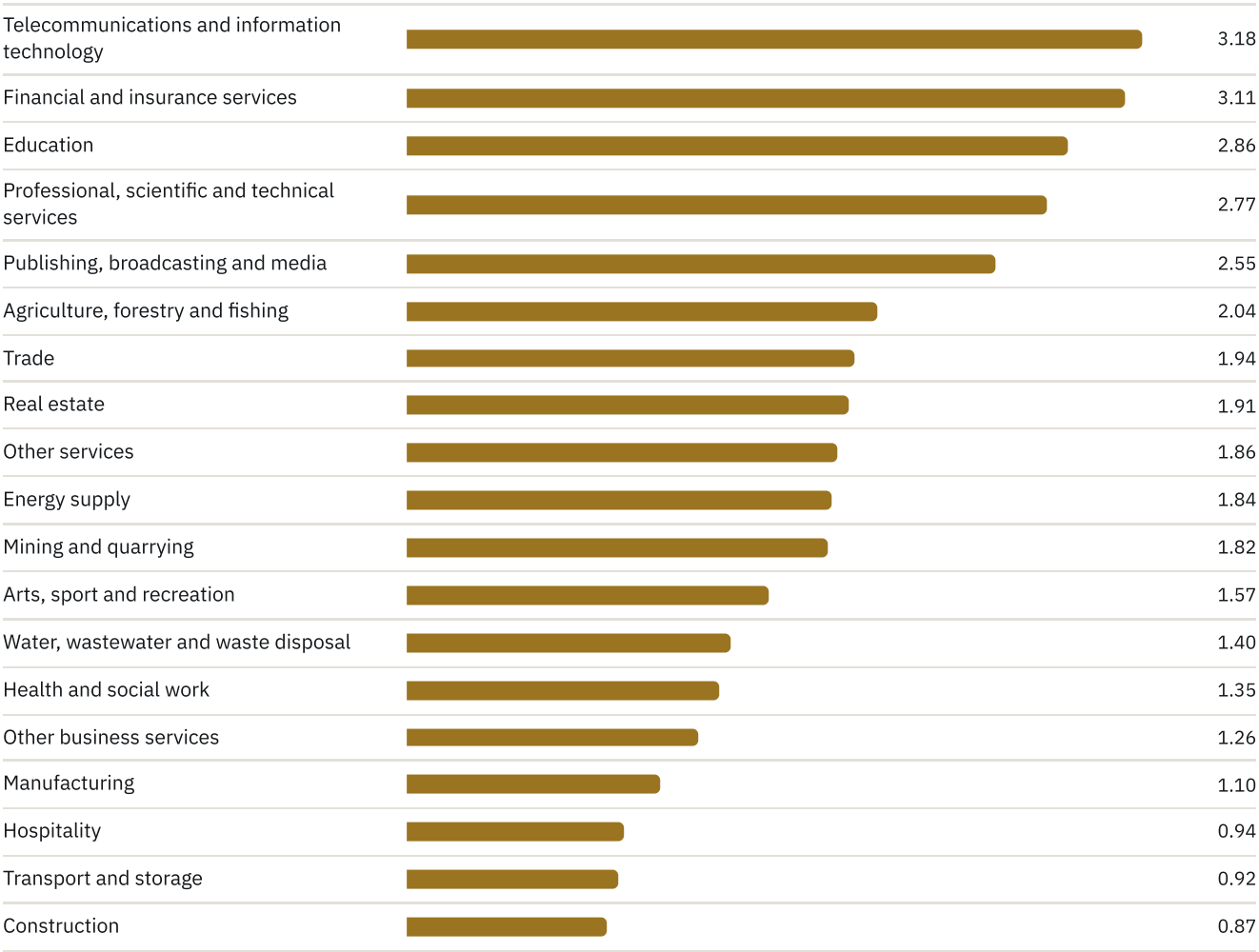
Liquidation without insolvency

Not every company that ceases operations goes through insolvency proceedings. The database contains 77,569 companies in liquidation without any recorded insolvency, and 45,929 companies with an insolvency entry. The ratio of the two routes is a measure of how often owners wind up their company in an orderly manner.

In Telecommunications and information technology there are 3.2 liquidations for every insolvency, in Financial and insurance services 3.1. At the other end are Construction (0.9) and Transport and storage (0.9). Where little capital is tied up and liabilities are low, a company can more easily be closed in an orderly fashion; where suppliers, staff and rents are ongoing, it more often ends in proceedings.

FIGURE 7

Liquidations without insolvency per insolvency case by sector, database



Ratio of companies in liquidation without an insolvency entry to companies with an insolvency entry in the database as of the reference date.

Source: HDH Group, database as of the reference date, own calculation.

Assessment

Insolvencies are unevenly distributed, and the characteristics that account for this inequality are publicly visible. Industry, age of the company, composition of management and integration into a group clearly separate companies with high and low risk. Share capital and legal form separate them far less, although these are precisely the features most often used for assessment in practice.

For credit insurers, factoring companies and suppliers, it follows that an initial rating of business partners is possible without access to their accounts. For asset realisers, auction houses and acquirers of distressed companies, the figures show where opportunities cluster. And for advisers who support restructurings, they describe the group in which the need arises before proceedings are opened.

Method and limitations

Data basis

The basis is the HDH Group database of registered corporations with their registered office in Germany, as of 23 October 2026. The reference population consists of 1,083,852 companies that were incorporated before the beginning of the observation period or whose date of incorporation is unknown.

Definitions

- **Insolvency case:** a company whose most recent insolvency entry falls within the observation period. As a rule this is the opening of proceedings, but it may also be the rejection for lack of assets or a later procedural step. Each company is counted at most once.
- **Insolvency rate:** insolvency cases in the observation period per thousand companies of the respective group.
- **Observation period:** 1 July 2025 to 30 June 2026; comparison period 1 July 2024 to 30 June 2025.
- **Age of the company:** time since conclusion of the articles of association or adoption of the statutes.
- **Liquidation without insolvency:** a company in liquidation for which no insolvency entry exists.

Limitations

- The data covers companies that are still registered today. Cases whose companies have already been deleted are missing. For the observation period this effect is small, for the comparison period larger. The reported change is therefore an upper bound.
- The assignment of a case to a month follows the most recent insolvency entry. If the opening is followed by a further procedural step within the period, the case is counted once, at the later date.
- The characteristics of the companies describe their state as of the reference date. For management and power of attorney, this may already have changed in the course of the proceedings.
- Relationships between characteristics and rate are descriptive. Several characteristics are interrelated, for instance the age of a company, its legal form and its capital; an individual difference should be read as an association and is no proof of the causal effect of a single characteristic.

Literature

- Brüderl, J. and Schüssler, R. (1990): Organizational Mortality: The Liabilities of Newness and Adolescence. Administrative Science Quarterly 35 (3), pp. 530 to 547.
- Stinchcombe, A. L. (1965): Social Structure and Organizations. In: March, J. G. (ed.): Handbook of Organizations. Chicago, pp. 142 to 193.

How to cite

> HDH Group (2026): Insolvency and liquidation of German companies. Insolvency cases of the past twelve months by industry, region, age, capital, legal form and management. HDH Group Research, as of 23 October 2026. https://hdhgroup.de/berichte/insolvenzen

PUBLISHER

HDH Group
info@hdhgroup.de
hdhgroup.de

USE

The results may be used freely provided the source is acknowledged. Analyses to your own definition, by district or by industry, are available on request. We deliver the companies behind these figures as a list at hdhgroup.de/en/signals.