Proskauer

Proskauer Releases 2017 Proprietary Analysis of Private Credit Deal Terms

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January 25, 2018 (New York) – International law firm Proskauer announced today that its market-leading Private Credit Group has released its annual proprietary deal data report at an exclusive event for clients.

The report provides a unique in-depth analysis of deal terms contained in more than 200 private credit transactions The Private Credit Group completed during 2017.

Steve Boyko, co-head of The Private Credit Group noted, “We are pleased to once again share our findings from our proprietary database, which helps us to provide a real-time snapshot on the state of the credit markets. We have seen a growing interest in the private credit space with an increase in both deal value and amount of deals.”

Highlights from the study include:

- **Scope:** The study provides an examination of the 203 transactions closed by the group in 2017, which involved 84 private equity sponsors with aggregate loans totaling over $20.1 billion.
- **Increased deal value and volume:** Total dollar value of deals increased 46% compared to 2016. Aggregate deal volume increase by 12% for the year.
- **Industries and lenders:** In 2017, deals were concentrated in 12 distinct industries with the top ones being: health care, software and technology and manufacturing. Notably, 27% of the deals analyzed were in the health care space.
- **Covenant Lite, Covenant Loose:** Covenant lite deals remained at 13% of all deals, with 80% of all covenant lite deals having EBITDA greater than $50mm. While the percentage of covenant lite deals remained unchanged, there was a significant increase in covenant loose deals in transactions with EBITDA greater than $50mm. In deals with financial covenants, lenders are continuing to require covenant step-downs, with 70% of all deals having five or more step-downs.

“Working with market leaders on a high volume of deals each year allows us to have an unmatched view of what is going on in the market, and providing these exclusive insights helps our clients be even more successful,” says Steve Ellis, co-head of The Private Credit Group.

Proskauer’s Private Credit Group is a unique finance practice with more than 50 lawyers based in key financial centers in New York, London, Los Angeles and Boston. The team has consistently closed more than 150 deals a year and has been at the forefront of the development of the private credit market.

Related Professionals

- **Steven M. Ellis**
  Chairman Emeritus of the Firm
- **Stephen A. Boyko**
  Partner
- **Gary J. Creem**
  Partner
- **Sandra Lee Montgomery**
  Partner
- **Faisal Ramzan**
  Partner
- **Alexander Griffith**
  Partner