Proskauer

Proskauer Releases 2018 Proprietary Analysis of Private Credit Deal Terms

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January 24, 2019 (New York) – International law firm Proskauer announced today that its market-leading Private Credit Group has released its annual proprietary deal data report at exclusive events for clients.

The report provides a unique in-depth analysis of deal terms contained in more than 188 private credit transactions the group completed during 2018.

The Private Credit Group's co-head, Steve Boyko, 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 188 transactions closed by the group in 2018, which involved 86 private equity sponsors with aggregate loans totaling over $42.1 billion.
- **Industries and lenders:** In 2018, deals were concentrated in 14 distinct industries with the top ones being: manufacturing, health care, business services, consumer/retail, and technology. Notably, 17% of the deals analyzed were in the manufacturing space.
- **Interest rate margins:** In 2018, interest rate margins declined across all product types and EBITDA bands. The decline in pricing continues a trend that began in 2015.
- **Financial Covenants:** Covenant lite deals accounted for 14% of all deals, with 100% of all covenant lite deals having EBITDA greater than $50mm.
- **Unrestricted Subsidiaries:** In 2018, unrestricted subsidiaries declined in deals with EBITDA less than $50mm.

“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.

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

- **Stephen A. Boyko**
  Partner
- **Steven M. Ellis**
  Chairman Emeritus of the Firm
- **Justin Breen**
  Partner
- **Gary J. Creem**
  Partner
- **Alexander Griffith**
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- **Stephen P. Gruberg**
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- **Sandra Lee Montgomery**
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- **Faisal Ramzan**
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- **Benjamin E. Rubin**
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