Proskauer

Proskauer Releases Survey Results on the Immediate Impact of COVID-19 on the Private Credit Markets

April 14, 2020

Survey found the market remains very active - 86% of investment professionals are actively looking for new lending opportunities

April 14, 2020 (New York) International law firm Proskauer surveyed over 100 of its private credit clients to better understand the impact of the COVID-19 pandemic on the market.

“Despite the unprecedented challenges our clients are facing, the overwhelming number of respondents reported that they are open for business. In fact, 86% said they are actively looking for new lending opportunities,” says Stephen Boyko, co-chair of Proskauer’s Corporate Department and Private Credit Group.

“While these are extraordinary times, the responses to our survey demonstrate that private credit firms are looking for deals, there is meaningful liquidity in the market, and that our clients are prepared to provide additional capital to support their portfolio companies” Boyko added.

A few of the other highlights include:

- 97% of investment professionals are willing to provide additional capital to their existing borrowers.
- 78% of respondents are interested in non-distressed senior secured loans/refinancings.
- 74% are interested in in acquisition financings; 48% in special situation loans and 30% in DIP/exit facilities.
- Market sentiment for investment in certain industries has declined since our annual survey in January. Industries that have experienced the most significant decline are: manufacturing down from 67% to 36%, consumer goods from 43% to 30%, education from 62% to 51%, energy from 28% to 18%, construction 35% to 28% and real estate from 18% to 12%.

- On the other hand, survey respondents report that they continue to look for investment opportunities in the healthcare (94%), business services (93%) and software and technology industries (92%), which is generally consistent with the results from our annual survey in January.

This survey was conducted between March 30th and April 3rd and includes insight from 112 investment professionals, a majority of which are partners or managing directors at their firms. The firms that responded to our survey collectively manage more than $1 trillion in assets.

Over the past three years the Private Credit Group has released an annual survey that features predictions from top lending institutions, which compliments the findings of Proskauer's proprietary *Private Credit Insights* annual report.

Over the past five years, Proskauer has worked on more than 800 deals for more than 95 private credit clients across the United States and Europe with an aggregate transaction value exceeding $110 billion.

Related Professionals

- **Steven M. Ellis**
  Chairman Emeritus of the Firm
- **Stephen A. Boyko**
  Partner
- **Peter J. Antoszyk**
- **Justin Breen**
  Partner
- **Gary J. Creem**
  Partner
- **Alexander Griffith**
  Partner
- **Stephen P. Gruberg**
  Partner
- **Daniel Hendon**
  Partner

- **Sandra Lee Montgomery**
  Partner
- **Faisal Ramzan**
  Partner
- **Benjamin E. Rubin**
  Partner
- **Patrick D. Walling**
  Partner