

# PRIVATE EQUITY FIRMS IN TIME OF CORONAVIRUS: AN OVERVIEW BY LOYENS & LOEFF

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In this particular moment, there are many challenges and aspects to be considered for private equity firms. If it's true that current transactions can experience delays, from another perspective technology could be of great help. According to **Andreas Hinsen**, partners in **Loyens & Loeff** Zurich office, the private equity market will fully recover "given the still favorable market environment regarding interest rates, dry powder and potentially lower prices post-coronavirus". He has written [an overview on the topic](#) which we'll summarize as follow:

- Private equity firms have to monitor their portfolio companies regarding certain topics, such as employees, supply-chain, customers, compliance, long-term planning, board members, corporate housekeeping.
- Check the financial outlook of the portfolio companies including possibility for additional draw-downs under existing facility agreements or access to additional sources of capital.
- Private equity firms should pay attention to topics directly affecting them, such as partnership agreements, private placement memoranda and communication.
- Transactions that are already signed but not yet closed should be checked for MAC provisions, termination rights, operating covenants, representations and warranties and purchase price adjustments.
- Ongoing transactions are likely to be delayed or cancelled.
- Interest rates will likely remain at record-low level due to governmental efforts to stimulate the economy.