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# 2022 expected to be slow year for corporate bankruptcies



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Theme [Energy, Metals, Healthcare & Pharmaceuticals, Real Estate, Retail & Consumer Products, Technology, Media & Telecom, Banking, Fintech, Insurance, Macroeconomics](#)

U.S. corporate bankruptcies are expected to remain low until late 2022 or 2023 despite a month-over-month uptick in December 2021, experts say.

As a whole, there were fewer bankruptcy filings in 2021 than in 2020, with 418 in 2021 compared with 641 the previous year.

Filings rose sequentially in December, with 40 companies entering bankruptcy proceedings, up from 18 in November, according to S&P Global Market Intelligence data. But the uptick is not an indication that corporate bankruptcy filings will increase in the immediate future, Aaron Hammer, chair of HMB's bankruptcy, reorganization and creditors' rights practice, said in an interview.

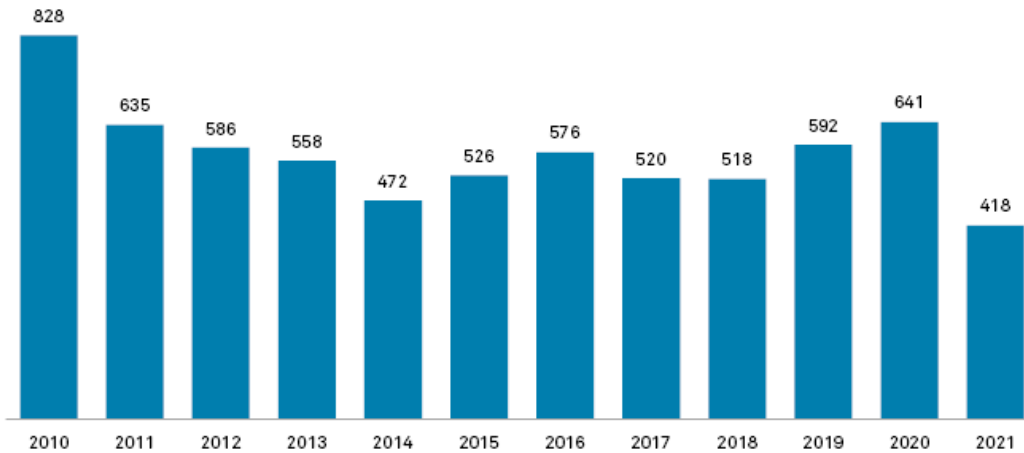
Companies are being kept afloat by both federal stimulus money and

private credit, where lenders are still cutting businesses slack during the uncertainty of the pandemic, Hammer said.

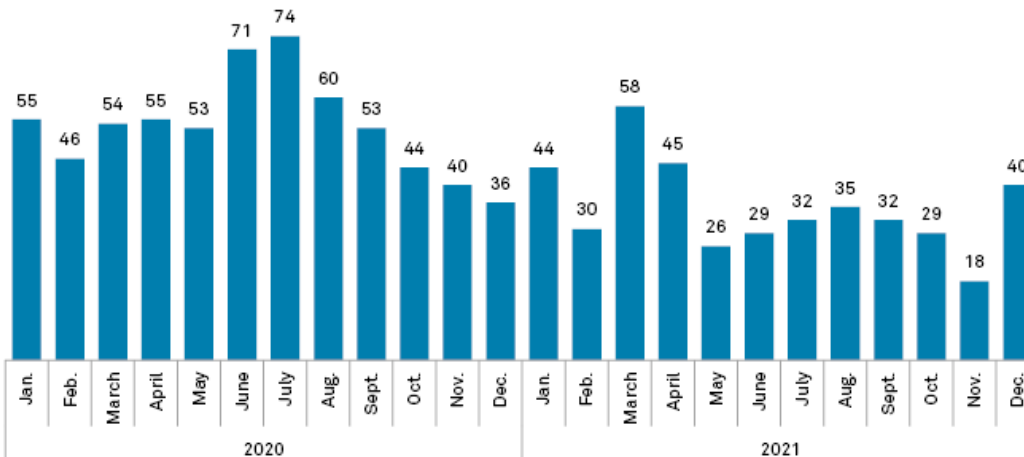
Robert Hirsh, a partner in Lowenstein Sandler LLP's bankruptcy and restructuring department, said bankruptcy filings are likely to stay low for at least the first half of 2022, with private lenders continuing to fund companies.

"We're not seeing a lot of lenders looking to pull the plug on companies because there's just too much uncertainty with the pandemic, especially with omicron," he said.

US bankruptcy filings by year



US bankruptcy filings in 2020 and 2021 by month



Data compiled Jan. 7, 2022.

Includes S&P Global Market Intelligence-covered U.S. companies that announced a bankruptcy between Jan. 1, 2020, and Dec. 31, 2021.

S&P Global Market Intelligence's bankruptcy coverage is limited to public companies or private companies with public debt where either assets or liabilities at the time of the bankruptcy filing are greater than or equal to \$2 million, or private companies where either assets or liabilities at the time of the bankruptcy filing are greater than or equal to \$10 million.

Source: S&P Global Market Intelligence

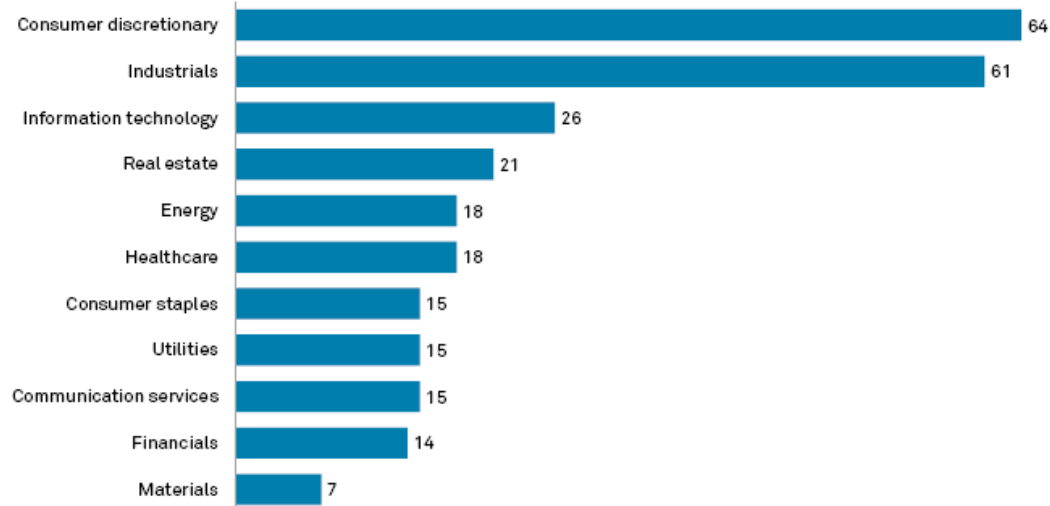
## Consumer troubles

Consumer discretionary industries had the most bankruptcies in 2021, with 64 filings. The sector, comprised largely of companies that sell goods and services viewed as nonessential, was hit hard by pandemic-related restrictions. The industrials sector followed, with 61 filings in 2021. Supply chain issues and inflation affected sectors across the board.

Companies will have to restructure their debt if profitability does not come back, and out-of-court restructurings will likely outpace bankruptcy filings in the first half of 2022, Hirsh said.

Airlines especially will have to restructure their debt at some point, since the pandemic has changed business travel, the largest driver of airlines' profits, he added.

### 2021 bankruptcy filings by primary sector



Data compiled Jan. 7, 2022.

Data as of Dec. 31, 2021.

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Primary sector not available for 144 bankruptcies filed in 2021.

Source: S&P Global Market Intelligence

## Slow year ahead

Relatively low levels of distressed debt to start 2022 suggest that bankruptcy filings will remain low in the short term, Samuel Maizel, a

partner at Dentons, said in an email.

Meanwhile, observers say the financial environment remains favorable for companies.

"I don't see corporate bankruptcy cases rising until the Federal Reserve substantially increases interest rates, or with global financial institutions having the stomach to finally start calling defaults on their borrowers," Hammer said.

## Recent bankruptcy filings

Dec. 1, 2021-Dec. 31, 2021

Company	Primary sector	Bankruptcy announced	Liabilities at initial filing (\$M)	Assets at initial filing (\$M)
Fitness Recovery Holdings LLC	NA	12/31/21	40.0	34.6
Mayfield Heights Healthcare LLC	NA	12/30/21	NA	NA
Euclid Beach Healthcare LLC	Healthcare	12/30/21	NA	NA
North Olmsted Healthcare LLC	NA	12/30/21	NA	NA
Legend3D Inc.	Communication services	12/30/21	72.8	Less than 0.5
78-80 St. Marks Place LLC	NA	12/29/21	8.1	15.0
QHC Facilities LLC	Healthcare	12/29/21	26.4	1.0
ATIO USA LLC	Materials	12/28/21	NA	NA
IM Services Group LLC	Information technology	12/28/21	21.8	20.5
The Hopper Art Trust	Consumer discretionary	12/24/21	NA	NA
Port Morris Tile & Marble LP	Industrials	12/23/21	63.1	0.5
Cooper Technica Inc.	Consumer discretionary	12/22/21	NA	NA
TenFour LLC	Information technology	12/21/21	10-50	10-50
Bayridge Lok Holdings LLC	NA	12/21/21	153.1	153.0
Original Tile Source LLC	Industrials	12/21/21	1-10	50-100
The Premier Property Team LLC	NA	12/21/21	NA	NA
Aliera Healthcare Inc.	Financials	12/21/21	50-100	1-10
Trade Exploration Corp.	Energy	12/21/21	50-100	Less than 0.5
Agilon Energy II LLC	Utilities	12/20/21	13.1	0.0
Vertical Partners West LLC	Industrials	12/20/21	12.6	2.8
Sky Laundromat Inc.	NA	12/16/21	NA	NA
Vewd Software USA LLC	Information technology	12/15/21	100-500	1-10
All Year Holdings Ltd.	Real estate	12/14/21	More than 1,000	More than 1,000
Ventura Seed Co. LLC	Consumer staples	12/14/21	NA	NA
TW LaQuay Marine LLC	NA	12/13/21	10-50	10-50
Healthe Inc.	Industrials	12/10/21	10-50	10-50
Platinum Investors of Texas LLC	Consumer discretionary	12/10/21	NA	NA
The Hills Youth and Family Services	NA	12/10/21	28.6	1.5
1604 Sunset Plaza LLC	NA	12/09/21	10-50	1-10
Policy Services Inc.	NA	12/09/21	1-10	10-50
Strike LLC	Industrials	12/06/21	100-500	100-500
Bellaire Senior Living Center LP	NA	12/06/21	27.2	100.0
Watsonville Hospital Corp.	Healthcare	12/05/21	10-50	10-50
Duling Sons Inc.	NA	12/03/21	1-10	10-50
Quality Machine Of Iowa Inc.	Industrials	12/03/21	10.3	8.4
Tabula Rasa Partners LLC	Energy	12/03/21	10-50	10-50
Aliera Healthcare Inc.	Financials	12/03/21	NA	NA
Semper Utilities LLC	NA	12/02/21	NA	NA
GW Ridge LLC	Utilities	12/01/21	10-50	10-50
Wulff Electric Inc.	Industrials	12/01/21	10-50	1-10

Data compiled Jan. 7, 2022.

NA = not available

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Source: S&P Global Market Intelligence

*Editor's note: This Data Dispatch is updated on a regular basis and the last edition was published Dec. 7.*

*Bankruptcy figures include public companies or private companies with*

*public debt with a minimum of \$2 million in assets or liabilities at the time of filing, in addition to private companies with at least \$10 million in assets or liabilities. Market Intelligence may remove companies from this list if it discovers that their total assets and liabilities do not meet the threshold requirement for inclusion.*

*[Click here to download the charts.](#)*