

COVID-19 Pandemic Spurs Wave of Mega Corporate Bankruptcies

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As of September 2020, 52 companies with more than \$1 billion in assets have filed for bankruptcy.

October 28, 2020 – The economic disruptions that the COVID-19 pandemic has sparked worldwide have triggered a wave of large corporate bankruptcy filings in 2020. This trend is particularly notable among companies with more than \$1 billion in reported assets, according to a new report released today by Cornerstone Research.

The report, [*Trends in Large Corporate Bankruptcy and Financial Distress: 2005–Q3 2020*](#), found that 138 companies with over \$100 million in assets filed for Chapter 7 or Chapter 11 bankruptcy protection in the first three quarters of 2020. That figure is 84% higher than the 75 bankruptcies with over \$100 million in assets filed during the same period in 2019. Courts in Delaware, the Southern District of Texas, and the Southern District of New York accounted for 80% of the bankruptcy filings during the first three quarters of 2020.

Two industries—mining, oil, and gas; and retail trade—accounted for more than half of the mega bankruptcies in the first three quarters of 2020.

There were 52 mega bankruptcies (those filed by companies reporting over \$1 billion in assets) in the first three quarters of 2020, more than the number of mega bankruptcies in any full year during 2005–2019 except for 2009, which had 57 mega bankruptcies.

In each of the first three quarters of 2020, 34, 55, and 49 companies with over \$100 million in assets filed for bankruptcy, respectively, compared to the quarterly average of 19 for the 2005–2019 period. The second quarter's 55 filings marked the second-highest total for any quarter since 2005, only behind the 65 bankruptcies in the first quarter of 2009 during the 2008 financial crisis. However, bankruptcy filings appear to have returned to lower levels after peaking in July 2020. There were 14 and 11 such bankruptcies in August 2020 and September 2020, respectively, compared to 24 in July 2020.

Read the report, [*Trends in Large Corporate Bankruptcy and Financial Distress: 2005–Q3 2020*](#).

Read [Executive Summary: COVID-19 Pandemic Spurs Wave of Mega Corporate Bankruptcies](#)

Read [Bankruptcy Filings: An Excerpt from Trends in Large Corporate Bankruptcy and Financial Distress: 2005–Q3 2020](#)

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