

Proskauer Sees Double-Digit Revenue, Profit Gains as Core Industry Sectors Thrive

The firm crossed the \$1 billion revenue mark for the second time, driven by sports, media and private credit work.

Patrick Smith
February 1, 2022

What You Need to Know

- Proskauer Rose ended 2021 with an 18% gain in gross revenue and a 21% jump in PEP.
- The firm credits its core practice areas, as well as a strong economy generally.
- Lawyer head count was down slightly, but the equity partner tier was unchanged, with 163.

New York-founded Proskauer Rose saw an 18% jump in revenue and a 21% increase in profits per equity partner (PEP) in 2021, crossing the billion-dollar mark in revenue for the [second time](#) in the firm's history.

The firm saw gross revenue of \$1.17 billion in 2021, up from \$990 million in 2020. The revenue growth is a rebound and then some for Proskauer, which had gross revenue of just over \$1 billion in 2019 before a decline in 2020.

Revenue per lawyer (RPL) climbed from \$1.35 million in 2020 to \$1.64 million in 2021, an increase of 21%, as lawyer head count decreased to 713, down from 731 in 2020.

PEP rose from \$2.9 million in 2020 to \$3.5 million last year, an increase of 21%, as net income rose to \$572 million. The firm's equity partner tier was unchanged from 2020, with 163 equity partners.

Nonequity head count decreased 4.9% to 77 attorneys. But total nonequity compensation was up 6.5% from \$73.9 million to \$78.7 million, showing an increase in average pay for nonequity partners.

Overall, the firm was down four partners compared to 2020 (244 to 240).

Proskauer's profit-growth-to-revenue-growth ratio is somewhat of a departure from some other Am Law 100 firms that have shared preliminary financial data with Law.com, where [profits grew twice as much as revenue](#) in



Courtesy photo

Proskauer's office in Manhattan, New York.

2021. The firm said expenses increased in 2021 compared to 2020.

Steven Ellis, chairman of Proskauer, said the growth was driven by several practice areas and offices. He said rate increases in 2021 were in line with the market.

"Transactions, private credit, the corporate group, the London office, litigation and labor and employment were really strong," he said.

He said the firm's primary industry brands—sports, media and entertainment and hospitality—also had banner years. Ellis said generally favorable economic conditions didn't hurt, but the nature of the issues where clients needed counsel really played to the firm's strengths.

"Where else can you go where a firm has worked 18 months on the Puerto Rico restructuring? Our labor and employment practice is the No. 1 out there, and there were a lot of questions around COVID," he said. "We tend to do well because clients come to us for those novel, tricky and reputational matters."

Looking back at work in 2021, the firm highlighted its work with longtime client Arkema, a specialty chemicals company, in its purchase of the performance adhesives unit of Ashland Global Holdings in an all-cash transaction valued at \$1.65 billion. The firm also noted a number of transactions it handled for alternative investment manager Ares Management, including the company's purchase of 33.96% interest in Atletico HoldCo S.L., which owns a significant stake in Club Atletico Madrid. The transaction was a combined effort between the leveraged finance and sports groups, the firm said.

Another prominent industry group for the firm, hospitality, structured and implemented a global joint venture that combined 17 hotel brands from 30 countries for longtime client Accor.

The firm continued its work for Puerto Rico, encompassing the first territorial debt restructuring in U.S. history.

Proskauer was also lead trial counsel for Monsanto and its parent company Bayer in several cases in California that allege the pesticide Roundup causes non-Hodgkin lymphoma. In December 2021, the firm returned a "landmark" verdict for Monsanto in one of those cases, with the court finding for the defense on all counts.

On the pro bono front, the firm highlighted the 70,000 hours it has dedicated to its Collaborate for Change initiative, tasked with handling racial justice matters. The firm also said it was able to reunite a Salvadoran mother and father with their daughter who were separated at the U.S.-Mexico border three years earlier.

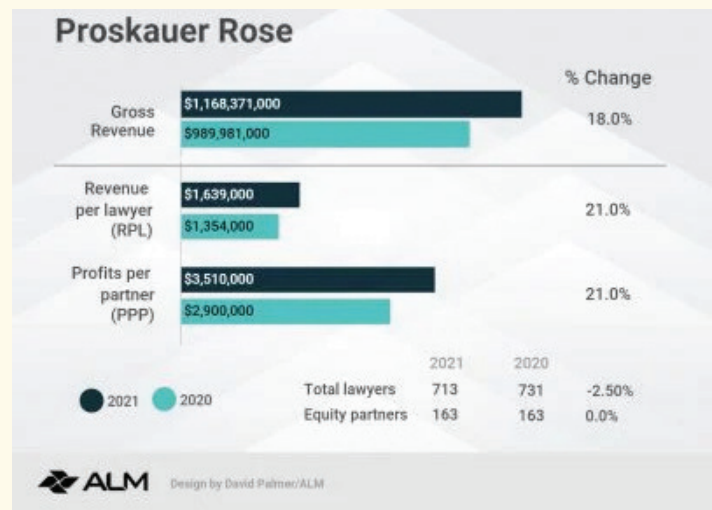
While Proskauer's lawyer head count was down 2.5%, the firm did add 13 lateral partners in 2021, including Steven Baker from White & Case and Rebecca Villarreal from Kirkland & Ellis to its London office.

The firm also welcomed Kelli Moll from Akin Gump Strauss Hauer & Feld, Peter Olds from Weil, Gotshal & Manges and Chris Ahn, who rejoined the firm after a stint as the general counsel at James Perse Enterprises.

"We had a really strong year in the lateral market," Ellis said of what to expect in 2022. "We have been having some interesting conversations recently and had some success. I think that will continue."

He said Proskauer did twice as much hiring as in a typical year to keep up with an increase in client matters.

"Every firm had an uptick in attrition," he said. "But we went to the market [for laterals] and we think our culture served us well."



The firm had 100 total laterals, inclusive of associates, partner and counsel. According to ALM Intelligence, the firm also lost 65 laterals.

Ellis said the 2021 associate class, with 66 hires, was 60% female and 30% of its members are racial or ethnic minorities.

The firm's London outpost had a banner year financially. The office had revenue of \$96 million in 2020 and upped that 30% to \$124.5 million in 2021. London head count was up by 10, to 97.

While the firm opened the office in 1978, Ellis said it didn't really start investing heavily in the region until 2010. The head count moved from 10 attorneys in 2010 to what the firm said will be over 100 in 2022.

Ellis said the primary growth drivers for the office were private equity, private credit and M&A. He noted the additions of Villareal and Baker, as well as the promotion to partner of several M&A and private fund lawyers were key to that growth.

Asked about the future of work at Proskauer, Ellis said the firm's offices have remained open on a "voluntary basis" but due to the omicron variant surge, the firm delayed its official office return to March of this year.

"People are keen to see each other and reconnect and I do expect a natural increase in the numbers in the office over the next several weeks," he said.

Ellis said the future looks strong for the firm and that the challenges it has overcome in the last two years will only buttress that strength.

"Our aim was to come out stronger as a firm and we have achieved that on so many levels," he said. "That is, in my eyes, undoubtedly down to our culture and who we are. We do hard well."