

Lowenstein Revenue Up 14.2 Percent; PPP Jumps 17.9 Percent

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By David Gialanella
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Lowenstein Sandler followed a strong 2017 with an even better 2018, with marked increases in firmwide and per-lawyer financial metrics, as well as lawyer head count growth.

The firm's gross revenue for last year, a shade less than \$309 million, represents a 14.2 percent year-over-year improvement, from \$270.59 million.

"Up 14 percent only happens for us when all our groups are firing at the same time," managing partner Gary Wingens said in an interview, noting that practices that normally can be cyclical and complementary—corporate transactional and bankruptcy—were both up in 2018.

"It doesn't happen that often," Wingens said.

Still, the firm's "terrific" 2018, as Wingens called it, follows a strong 2017, when year-over-year revenue increased 5.5 percent.

Over a five-year period, gross revenue has grown by about 39 percent, from \$222.5 million in fiscal 2013, according to Law Journal data.

According to the firm, revenue growth over a 10-year period is 73 percent.

For 2018, a net gain of 19 lawyers—a 7.1 percent increase—coupled with a 6.4 percent increase in revenue per lawyer, to \$1.08 million from \$1.01 million, fed the overall revenue jump.

Wingens credited recent lateral adds, chiefly in the growing white-collar litigation practice,

with driving the improvements in revenue metrics. Former state Attorney General Christopher Porrino rejoined the firm in January 2018 and has brought in business since, and numerous others from government practice have followed. And

Anne Milgram, also a former New Jersey attorney general, who joined Lowenstein in 2017, "landed the largest internal



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investigation that we did last year," Wingens noted. She led the probe into allegations of sexual misconduct within the NBA's Dallas Mavericks.

The firm also launched an international trade practice out of its Washington, D.C., office late last year with a four-lawyer group from Baker, Donelson, Bearman, Caldwell & Berkowitz. That was "a practice area that we previously didn't have much depth in," but trade issues were cropping up

with increasing frequency in the course of transactional matters, especially those involving private equity clients, Wingens said.

All told, 2018 was the first year of significant net head count growth at Lowenstein in some time.

The firm pointed to several deals on the transactional side that it said boosted financials in 2018, including handling initial public offerings for medical technology company Motus GI Holdings Inc. and biopharmaceutical company Provention Bio, and advising technology firm Integral Ad Science among others in M&A deals.

Profitability improvements came as well in 2018. Profits per equity partner nearly reached \$2.1 million, an increase of 17.9 percent over fiscal 2017's

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\$1.78 million PPP figure. Lowenstein annually appears in the second hundred of the Am Law 200 based on gross revenue rankings, but its \$2.1 million PPP figure puts it well above the overall PPP average for Am Law 100 firms in 2017, which was \$1.77 million, according to last year's survey.

Wingens said Lowenstein's two-point improvement in profit margin, to 34 percent, is attributable to more work. About 18 percent of the firm's 2018 revenue came on alternative fee arrangements, but hours billed nevertheless increased across practice groups, by 13 percent in total.

“This business is still largely a rate-time-hours kind of business,” Wingens said. “When lawyers

are working harder, it does drop to the bottom line.”

It's the second straight year of impressive growth in PPP, as the firm posted a 12.9 percent year-over-year gain in that metric for 2017.

Wingens said the firm is “pleased but not complacent.” It will continue to “focus on sectors that are transforming the U.S. economy,” representing investment, life sciences and technology clients, while continuing to build its litigation practice, he added.

“We very much saw 2018 as the best year since the onset of the recession in terms of growth across our practice areas,” he said, but “we are aware that we are in the late stages of an economic expansion that could turn on us.”

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