



Baker McKenzie announces record global revenues of \$2.92 billion

- **Revenues up 4.4% with growth in all regions**
- **PPP up 3%**
- **Major program to drive global digitization and optimal client service delivery**
- **Leading the sector for our people through Diversity & Inclusion**

Global, August 29, 2019 - Baker McKenzie, the leading global law firm, has announced record revenues for the fiscal year ended 30 June 2019 (FY19) of \$2.92 billion. In terms of constant currency, Baker McKenzie's revenues were up 4.4% compared to the previous year. In US dollar terms, the Firm's reporting currency, this translates into growth of 1.2%, after the effect of adverse currency exchange.

Baker McKenzie remains the most geographically diverse global law firm and all of our regions recorded growth as follows: EMEA +5.2%, AP +2.1%, LA +9.0% and NA +4.0%

All of our key financial metrics improved over last year: revenue growth, net income, profit margin, Profits per Partner (PPP), Revenue per Partner and Profits per Lawyer. We are especially pleased to accomplish this amid a market with flat demand. PPP was up by 3% to \$1.48 million in US dollars. Overall net income or profit rose by 2% to \$1 billion. Over the last decade the Firm has grown by 40% in terms of revenue and 50% in terms of PPP, outperforming most of our competitors.

Among our standout markets, all with significant double-digit growth, include Bogota, Buenos Aires, Istanbul, London, Prague and Warsaw.

Baker McKenzie Acting Chair Jaime Trujillo says, "Recording 4.4 percent growth in a market as challenging as this while maintaining our commitment to all of our offices and our full service offering is a good result. The investments the Firm continues to make in legal services, the centers of excellence we have opened in lower-cost locations, and more effective partnering with clients, supported by long-term investments in industry, practice and client programs have enabled us to show profitable growth.

"This is despite the distinct geopolitical head winds throughout the second half of the year, which prompted our clients to cancel or postpone projects. We are also one of the most geographically diverse professional services firms in the world, both one of our key strengths, and at times a challenge in markets impacted when the US dollar is so strong, as it was this past year."

Leading the sector for our people through Diversity & Inclusion

Jaime continues: "For the last three years, Baker McKenzie has consistently promoted more female partners than any other law firm. In June we announced that we were taking that a stage further by introducing our new 40:40:20 Global Aspirational Targets, which will ensure that we continue to do everything possible to make sure the Firm is a fair and inclusive place to work and that we create the best environment for all of our people.

As my colleague Constanze Ulmer-Eilfort said, 20 years after electing the first female Chair of any global law firm, I am proud to say that once again Baker McKenzie is leading the way in the legal sector."

Baker McKenzie underpinned that commitment to Diversity & Inclusion by announcing in May the launch of our PointONE program - our Firm-wide commitment to providing a respectful, safe and inclusive working environment. PointONE has been implemented across the Firm and has already proved effective in communicating clear expectations for behavior, and providing accessible, safe paths for raising and managing concerns.

Investing in a stronger Baker McKenzie for our clients

FY19 was a busy year for the investments Baker McKenzie has made in serving our clients. We have expanded the footprint of our centers into Tampa in the United States and Buenos Aires in Argentina. Along with our existing centers in Manila and Belfast, these will provide a combination of business support as well as legal support, in the case of Tampa and Belfast.

We are growing the services which create value for our clients and save them on costs. We have made significant hires in the project management and pricing space of our legal services teams in our drive to offer our clients the most innovative and efficient solutions to their needs. Our Global eDiscovery & Data Advisory service alone doubled in revenue this year due to an increased demand from our clients for our technology-related services.

This has all been complemented by additional considerable technology investments, including upgrading our network to improve the agile work experience for all of our people across the globe, as well as in selecting Intapp's DealCloud to manage our robust client development and engagement activities.

Investing in a better world

We take seriously our commitment as a good corporate citizen. We took major steps this year to align our Firm's strategy with the UN Sustainable Development Goals, conducting a thorough feasibility study to identify where we as a Firm can make the greatest impact. We are privileged to be working with our clients,

governments, multilateral organizations and civil society on these efforts. This is in addition to establishing a new global pro bono function, which will pursue initiatives across the world where our Firm can be of greatest support.

Our practices and our sectors

Notably strong practices in FY19 included Trade and Employment. Despite tough market conditions in many countries, our transactions-related practice areas -- M&A, Private Equity and Capital Markets -- still showed reasonable growth. Technology, Media & Telecommunications, Healthcare and Energy, Mining & Infrastructure groups were the highest growth industry sectors.

Our work

The Firm advised on some of the world's most important deals and cases during the year, including:

- Advising Facebook on the development and design of the company's proposed Oversight Board for content moderation.
- Advised Hitachi Ltd. on the acquisition of ABB Ltd.'s power grid division for about \$6.4 billion.
- Acted as lead counsel to Thor Industries, Inc., a U.S.-based recreational vehicle manufacturer on its €2.1 billion acquisition of the outstanding equity of Erwin Hymer Group SE, a German family-owned recreational vehicle maker.
- Advised Mitsubishi UFJ Trust and Banking Corporation on its agreement to acquire Colonial First State Global Asset Management from Commonwealth Bank of Australia for US\$2.9 billion.
- Baker McKenzie and Legal Advisors advised Saudi Arabian-listed bank Alawwal Bank, on its merger with fellow Saudi listed bank, The Saudi British Bank. The deal value was approximately US\$4.9 billion, and was the first of its kind in Saudi Arabia between two listed banks and one of the largest mergers of two Saudi-listed companies.
- Advised Peruvian power company Corporación Transmantaro on structuring the recent issue of a US\$400 million green bond, a first for the country's energy sector.
- A cross-border team from Singapore and Hong Kong advised LGT Group Foundation on its cornerstone investment in China Renaissance Holdings Limited, an investment bank dedicated to China's new economy businesses. China Renaissance successfully went public on the Main Board of the Stock Exchange of Hong Kong Limited in September 2018, raising US\$347 million.

Our brand and client recognition

Many leading organizations recognized Baker McKenzie's innovation and leadership in FY19, including:

- *Thomson Reuters* has ranked the Firm No. 1 for cross-border deals for the last 12 years. More than 70% of our deals are cross-border.

- For the 14th consecutive year, the Firm was ranked first for deals with emerging market involvement, by both number of announced and completed deals.
- Law360 ranked the Firm as the leading global law firm in its annual survey.
- *Acritas* recognized the Firm as the world's strongest legal brand for the ninth year in a row.
- Identified as one of the best law firms for women by Working Mother magazine, Law360 and Euromoney.
- The Firm was honored to be one of Stonewall's 2019 Top Global Employers and the top Global LGBT+ Network of the Year, as well as one of only 10 employers to feature in the 'Top Trans Employer' listing for a second consecutive year.
- Chambers Global recognized Baker McKenzie more than any other law firm in its 2019 global guide.

Our people

- During FY19, we hired 34 lateral partners; talented lawyers from other top firms and experienced in-house counsel from leading multinationals.
- In June we announced the election of 81 new partners. This latest investment in talent takes the number of partners worldwide to 1,500 as of 1 July 2019. Nearly 40% of the new promotions are women.
- 44% of our lawyers and 26% of our partners are women.
- In June 2019 Baker McKenzie was the first law firm to announce new global aspirational gender targets set at 40:40:20 percent gender diversity, to represent 40% women, 40% men and 20% flexible (women, men or non-binary persons). This target applies to Partners, senior business professionals, Firm committee leadership and candidate pools for recruitment.

Our future

Jaime concludes, "There have been moments in the past year when the Firm was tested as much as it has been in our 70-year history, but I am extremely proud of how we have come together and dealt with the issues that we have faced. Neither has it been an easy 12 months for the profession as a whole, with softening client demand as a result of geo-political uncertainty, an increasingly competitive market with new entrants and a declining overall market. It takes a Firm like ours with an enormous amount of resilience, experience and strong leadership from all our partners to be confident to face the challenges ahead."

- Ends -

Notes to editors

About Baker McKenzie

Baker McKenzie helps clients overcome the challenges of competing in the global economy. We solve complex legal problems across borders and practice areas. Our unique culture, developed over 70 years, enables our 13,000 people to understand local markets and navigate multiple jurisdictions, working together as trusted colleagues and friends to instil confidence in our clients. (www.bakermckenzie.com)