

THE
AMERICAN LAWYERPrivate Capital, Litigation Work Propel Proskauer
to 13% Revenue Growth, New PEP Record

By Patrick Smith

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After a slower 2023, Proskauer Rose leaned in on its strong position in the private capital arena, with revenue jumping 13% to a new high of \$1.39 billion while average profits per equity partner surging 23.7% to \$4.46 million.

As head count contracted by 2% last year, Proskauer's revenue per lawyer rose 15.6% to \$1.81 million. The firm's PEP was partly boosted by a 7% drop in the equity tier, down to 145 partners. The nonequity tier also saw a moderate decline.

Tim Mungovan, who took over as Proskauer chair in April 2024, said last year he was proud of the firm for showing "great strength" in the face of adversity in 2023. Proskauer saw the brunt of the slowdown in deal flow and private capital deployment that year.

The firm's performance in 2024 was in sharp contrast.

"We were up in every major financial category, and the biggest component of that is that demand grew," he said in an interview. "And because demand grew for what we do, and we

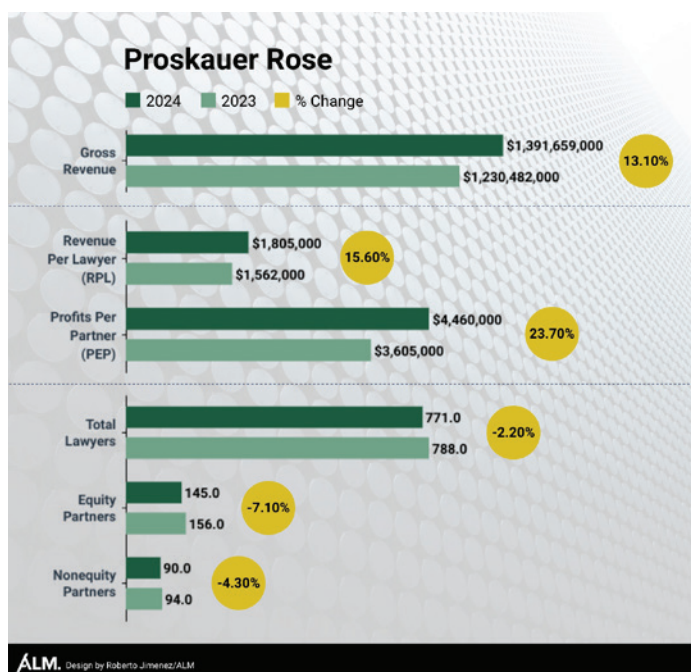
exercised good business judgment. We produced extraordinary results."

He said the demand increase was two-fold, with the firm's product litigation practice seeing strong results as well as the firm's transactions practice. In particular, the firm saw a surge in private capital deployment and fund formation.

"Within our transactions practice, there are sub-sectors that are seeing substantial growth, and we have a significant presence in those sectors," he said. "Private credit is the macroeconomic story in capital markets, and we have a leading practice. This has allowed us to get work in the formation of those funds as well as secondaries."

He called the current status of private capital and credit a "super-cycle," and the firm has positioned itself well to strike while the iron is hot.

"Private credit is in a super-cycle that other firms have taken advantage of as well," he said. "But we were in early and continue to grow. It took some foresight to put the firm in a position to take advantage of those cycles. It's always nice when the market continues to grow, but we had the planning and foresight to be in those areas."



The firm's London office was up 22% year over year, generating \$156 million in revenue. Its Paris office had its first full year of being a "private capital-focused office," he said, and worked on several high-profile matters, including working with Qualcomm on the acquisition of Sequans Communications' 4G IoT technologies through its subsidiary, Qualcomm Technologies, Inc.

Firmwide, he said Proskauer's rate increases were within the normal bounds and its demand increase was in the mid-single digits as a firm.

Speaking on the firm's partnership, Mungovan pointed out that Proskauer, while having a two-tier system, does not differentiate internally or externally, save for financial reporting purposes. The firm's total nonequity compensation rose 20% last year.

"There is rough parity between the equity and income partner level, and that is reflective of how we as a partnership work. It's not two for equity and one for income partners," he said.

The firm's compensation system did not undergo any major changes last year, but Mungovan said that if the firm needs to be flexible to get a heavy hitter, it is capable of doing so.

As for 2025, Mungovan said the firm is on strong footing. With a November 1 fiscal year start, the firm is several months down the path of 2025.

"In the first four months, we have seen strong demand, strong collections, we are up on cash collected, demand and accounts receivable," he said. Mungovan referenced a trend he has noticed with private capital, in that it seems to be more resilient in "volatile" times. That may be useful in the 2025 economy.

Top Matters

For matters overall, the firm continued its strong work in sports, media and entertainment.

Proskauer worked with the X Games in the formation of its new league, the X Games League (XGL). Starting in 2026, XGL will introduce a new global, team-based format to the X Games.

It also worked with Lexington Partners as a lead investor in connection with the largest private equity sponsor take-private in 10 years: Silver Lake's \$13 billion purchase of Endeavor Group. This was the largest ever in the media and entertainment sector and was a "first of its kind" transaction in the secondary market.