Executive Summary

- DLA Piper continued to execute on its strategy to build a globally integrated firm in more specialized practice areas:
  - $2.8B firm revenue, ranked 4th in the Am Law 100, with 3,700 lawyers in 32 countries
  - The firm remained aggressive in lateral hiring globally, leading the Am Law 200 with 121 hires between 2017 and 2019
  - 2017 and 2018 acquisitions were focused on growing the base in the Nordic countries, Africa, and Latin America
  - DLA experienced high attorney growth globally in several of its more specialized practice areas
  - DLA’s strategy appears to be working with a second strong year of financial performance, achieving 8% revenue and 6% profit growth
  - Outperformed ALM Selected Peers*, which averaged 5% revenue and 4% profit growth; only Baker McKenzie delivered higher revenue and PPL growth
  - ALM Intelligence believes the firm’s drivers of revenue growth include 1) rate increases, 2) higher rate lateral partners, 3) increased focus on higher value matters, and 4) acquisitions
  - Non-Equity to Equity Partner ratio increased 6%, contributing to higher Profits Per Equity Partner (PEP)
- DLA carries $10M in debt to fund investments in innovation
- DLA introduced annual billable hours targets in 2018, replacing utilization percentage targets. The objective was to clarify the firm’s expectations for annual reviews and bonuses for their lawyers
- DLA is equivalent to ALM Selected Peers on minority diversity, but compares less favorably on gender diversity
- Going forward, ALM Intelligence expects that DLA can be expected to 1) strengthen its presence in the U.S. and European markets, 2) integrate more tightly across its global network, and 3) shift from commodity practice areas

* ALM Selected Peers = Baker McKenzie, Hogan Lovells, Norton Rose Fulbright, and Squire Patton Boggs

See bibliography to links to underlying sources
### Key Statistics: DLA Piper

**DLA Piper is ranked 4th in the Am Law 100 with 3,700 lawyers in 32 countries. In 2018, the firm outpaced its five-year average in every key metric**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2018</th>
<th>Year-on-Year Growth 2017 - 2018</th>
<th>Average Annual Growth 2014 -2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($M)</td>
<td>$2,836</td>
<td>+8%</td>
<td>+3%</td>
</tr>
<tr>
<td>Profit ($M)</td>
<td>$751</td>
<td>+6%</td>
<td>+3%</td>
</tr>
<tr>
<td>Profit Per Equity Partner ($K)</td>
<td>$1,874</td>
<td>+7%</td>
<td>+6%</td>
</tr>
<tr>
<td>Total Lawyers</td>
<td>3,702</td>
<td>+3%</td>
<td>+0%</td>
</tr>
<tr>
<td>Equity Partners</td>
<td>401</td>
<td>(1%)</td>
<td>(3%)</td>
</tr>
<tr>
<td>Non-Equity Partners</td>
<td>845</td>
<td>+6%</td>
<td>+2%</td>
</tr>
<tr>
<td>Leverage</td>
<td>8.2</td>
<td>+4%</td>
<td>+3%</td>
</tr>
</tbody>
</table>

Metrics where the firm’s year-on-year performance outpaced its five year performance.
DLA Piper’s Global Footprint

*DLA Piper has built a global footprint with offices in 32 countries*

---

<table>
<thead>
<tr>
<th>Lawyers by Global Region</th>
<th>DLA Piper Year over Year 2017 – 2018</th>
<th>DLA Piper 5 Year Average 2014 – 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>1,794</td>
<td>+3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1%</td>
</tr>
<tr>
<td>United States</td>
<td>1,294</td>
<td>+2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1%</td>
</tr>
<tr>
<td>Americas (Excluding USA)</td>
<td>472</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Asia &amp; Oceania</td>
<td>431</td>
<td>-1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-5%</td>
</tr>
<tr>
<td>Africa</td>
<td>29</td>
<td>+25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

---

*For DLA Piper, 2019*
DLA remained aggressive in lateral hiring globally, leading the Am Law 200 with 121 hires between 2017 and 2019

Lateral Partner Hires and Departures
For DLA Piper and ALM Selected Peers, 2017 - 2019

<table>
<thead>
<tr>
<th>Firm</th>
<th>Departures</th>
<th>Hires</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLA Piper</td>
<td>-112</td>
<td>121</td>
</tr>
<tr>
<td>Baker &amp; McKenzie</td>
<td>-82</td>
<td>54</td>
</tr>
<tr>
<td>Hogan Lovells</td>
<td>-58</td>
<td>54</td>
</tr>
<tr>
<td>Norton Rose Fulbright</td>
<td>-150</td>
<td>44</td>
</tr>
<tr>
<td>Squire Patton Boggs</td>
<td>-42</td>
<td>30</td>
</tr>
</tbody>
</table>

Note: Lateral hiring data is from the period January 2017 through February 2019

Growth Areas
Practice Areas Where DLA Piper Has Made Multiple Hires, 2017 - 2019

- U.S.
  - Texas
  - Southern California
  - New York
  - D.C.
- Europe
  - London
  - Germany
- LATAM
  - Mexico
- Other
  - Canada

Number of Hires
- 10+
- 5-10
- <5

Corporate and Securities
Intellectual Property
Corporate and Securities
Banking and Financial Institutions
Real Estate
Corporate and Securities
Commercial Law
Corporate and Securities
2017 and 2018 acquisitions grew DLA’s base in the Nordic countries, Africa and Latin America. The 2017 acquisition of Los Angeles-based Liner grew the California presence significantly.

**Acquisitions**

- **Ireland**
  - Opened new office in Dublin (2018)

- **Denmark**
  - Delacour, 60 lawyers (2018)
  - LETT, 150 lawyers (2017)

- **United States**
  - Liner, 60 lawyers, Southern California (2017)

- **Argentina**
  - Cabanellas Etchebarne (2018)

- **Senegal**
  - Geni & Kebe, 27 lawyers (2017)

- **Nigeria**
  - Olejide Oyewala, 8 lawyers (2017)

- **Tunisia**
  - El Ajeri Lawyers, 10 lawyers (2017)

DLA has presence in 20 countries on African continent with 2 under the DLA brand and the other 18 via alliances.

Expect growth in Ireland following Brexit.

Utilized affiliation agreements to build LATAM presence.

DLA now 5th largest firm in Denmark.

DLA’s headcount shrank between 10% & 20% in Australia from 2017-2018.
DLA experienced high attorney growth in several of its more specialized practice areas globally, contributing to the 2018 performance.

Practice Area Attorney Growth By Region
DLA Piper’s Fastest Growing Practice Areas, 2018

<table>
<thead>
<tr>
<th>Region</th>
<th>10%+ YoY Growth</th>
<th>5-10% YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>• Appellate</td>
<td>• Government &amp; Regulatory</td>
</tr>
<tr>
<td></td>
<td>• Entertainment &amp; Media</td>
<td>• Intellectual Property</td>
</tr>
<tr>
<td></td>
<td>• Telecommunications &amp; Technology</td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>• Entertainment &amp; Media</td>
<td></td>
</tr>
<tr>
<td>Rest of World</td>
<td>• Venture Capital &amp; Private Equity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• M&amp;A</td>
<td></td>
</tr>
</tbody>
</table>

- DLA Piper reported that regulatory and investigations work was strong globally in 2018; the European Union’s General Data Protection Regulation (GDPR) drove regulatory.

- The firm reported that cross-border litigation work, particularly work emanating from London into Europe and the Middle East also performed strongly in 2018.

- In the U.S., Entertainment & Media was the fastest growing practice, a result of its focused acquisitions and lateral hiring.
Performance in Key Financial Metrics

DLA Piper had its second year of strong financial performance with 8% revenue and 6% profit growth. Profits per equity partner (PEP) increased an impressive 7%.

Growth in Financial Key Metrics
For DLA Piper

Likely Drivers of Revenue Growth*
- Rate Increases
- Higher Rate Lateral Partners
- Increased Focus on Higher Value Matters
- Acquisitions

*Based on ALM Intelligence Analysis
2018 Revenue and PPL Growth

DLA Piper’s revenue and PPL growth outperformed its peers in 2018 except for Baker McKenzie, which grew revenues and profitability faster.

Growth in Revenue and Profit Per Lawyer
For DLA Piper and ALM Selected Peers

Key

- $1 Billion in Annual Revenue

DLA Piper's revenue and PPL growth outperformed its peers in 2018 except for Baker McKenzie, which grew revenues and profitability faster.
**2017-2018 Performance Versus Peers**

**DLA generates the highest Profits Per Partner of its peer group through a high RPL and its high leverage ratio. These were offset by its higher CPL due to the firm’s high percentage of lawyers in the United States.**

### 2018 Financials

<table>
<thead>
<tr>
<th></th>
<th>DLA Piper</th>
<th>Baker McKenzie</th>
<th>Hogan Lovells</th>
<th>Norton Rose Fulbright</th>
<th>Squire Patton Boggs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($M)</td>
<td>2,836</td>
<td>2,900</td>
<td>2,119</td>
<td>1,969</td>
<td>1,035</td>
</tr>
<tr>
<td>Operating Profit ($M)</td>
<td>751</td>
<td>981</td>
<td>722</td>
<td>618</td>
<td>173</td>
</tr>
</tbody>
</table>

### 2018 Operating Metrics

<table>
<thead>
<tr>
<th></th>
<th>DLA Piper</th>
<th>Baker McKenzie</th>
<th>Hogan Lovells</th>
<th>Norton Rose Fulbright</th>
<th>Squire Patton Boggs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Per Lawyer ($K)</td>
<td>766</td>
<td>614</td>
<td>804</td>
<td>583</td>
<td>691</td>
</tr>
<tr>
<td>Cost Per Lawyer ($K)</td>
<td>563</td>
<td>407</td>
<td>530</td>
<td>400</td>
<td>575</td>
</tr>
<tr>
<td>Profit Per Lawyer ($K)</td>
<td>203</td>
<td>208</td>
<td>274</td>
<td>183</td>
<td>116</td>
</tr>
<tr>
<td>Profit Per Partner ($K)</td>
<td>1,874</td>
<td>1,443</td>
<td>1,381</td>
<td>907</td>
<td>1,027</td>
</tr>
<tr>
<td>Total Lawyers</td>
<td>3,702</td>
<td>4,720</td>
<td>2,636</td>
<td>3,376</td>
<td>1,497</td>
</tr>
</tbody>
</table>

Best performance in metric among peer group.
DLA’s 2018 RPL growth matched its peer group average, but its CPL was slightly higher, resulting in a lower PPL. The firm increased the Non-Equity to Equity ratio to maintain its overall PEP.

Profit Tree Analysis: Growth Over One Year

Year-on-year change in key metrics for DLA Piper and ALM Selected Peers Average, 2017 - 2018
Gender & Minority Diversity

DLA Piper is performing less well than its peer group for gender diversity, possessing a relatively low percentage of female attorneys and partners. However, when broken down by the percentage of minority lawyers, the firm performs well against its peers.

Percentage of Female Lawyers

For DLA Piper

- DLA Piper
- Baker McKenzie
- Hogan Lovells
- Norton Rose Fulbright
- Squire Patton Boggs

<table>
<thead>
<tr>
<th></th>
<th>DLA Piper</th>
<th>Baker McKenzie</th>
<th>Hogan Lovells</th>
<th>Norton Rose Fulbright</th>
<th>Squire Patton Boggs</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Female Attorneys</td>
<td>38%</td>
<td>41%</td>
<td>44%</td>
<td>40%</td>
<td>38%</td>
</tr>
<tr>
<td>% Female Partners</td>
<td>19%</td>
<td>24%</td>
<td>23%</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>% Minority Attorneys</td>
<td>19%</td>
<td>17%</td>
<td>20%</td>
<td>18%</td>
<td>17%</td>
</tr>
</tbody>
</table>
Definitions and Methodology

- **Gross Revenue** is fees for legal services. It does not include disbursements or income from non-legal ancillary businesses. In all cases, the revenue and profit figures listed are for the firm’s most recently completed fiscal year. Most Am Law firms are on a calendar fiscal year.

- **Net income** is compensation paid to equity partners.

- **Equity Partners** are those who file a Schedule K-1 tax form and receive no more than half their compensation on a fixed-income basis.

- **Non-equity Partners** are those who receive more than half their compensation on a fixed basis.

- **Revenue per lawyer (RPL)** is calculated by dividing the gross revenue by the number of lawyers and rounded to the nearest $1,000.

- **Cost per lawyer (RPL)** is calculated by dividing the total costs by the number of lawyers and rounded to the nearest $1,000.

- **Profit per lawyer (PPL)** is calculated by dividing the total net income by the number of lawyers and rounded to the nearest $1,000.

- **Profits per equity partner (PPP)** is calculated by dividing net operating income by number of equity partners and rounded to the nearest $1,000.

- **Leverage** is the ratio of all lawyers (minus equity partners) to equity partners.

- **Associate leverage** is the ratio of all associates to equity partners.

- **Non-equity leverage** is the ratio of all non-equity partners to equity partners.

- **ALM Selected Peers**: Most law firms have a wide range of competitors which compete with the firm in specific geographies and/or practice areas. ALM’s Selected Peer Group is designed to identify the firm-wide peers. ALM selects peers by weighing various factors including the firm’s size, organizational structure, geographic footprint, and practice area specialty. Firm can utilize the data provided in ALM Intelligence’s Legal Compass to benchmark themselves against specific firms or peer groups.
1 DLA Piper Boosted Revenues, Profits Again in 2018 (05 March 2019)

2 DLA Piper shakes up billing targets and tech following firmwide crowdsourcing project (24 January 2019)

3 DLA Piper Set to Launch Office in Dublin as It Prepares for Brexit (15 May 2018)

4 DLA Piper Absorbs Danish Firm in Latest Global Growth Bid (05 September 2018)

5 DLA Piper continues Nordic growth via tie-up with 150-lawyer Denmark firm (31 March 2017)

6 DLA Piper continues Africa expansion as Senegal and Tunisia firms join network (27 June 2017)

7 DLA Piper widens Africa legal network with Nigerian alliance (15 May 2017)

8 DLA Piper finds ‘final piece’ in Latin America with new Argentine affiliation (17 August 2018)

9 DLA Piper completes merger with Liner LLP (02 October 2017)

10 DLA Piper – Africa overview
https://www.dlapiper.com/en/uk/focus/africa-overview
Key Financial and Headcount Metrics
For DLA Piper and the Firm’s Peer Group, 2018

- **DLA’s Potential Peers**
  - A group of highly profitable firms which are less global than DLA Piper
  - A group of Verein firms that are similar in profitability, although ranging in global coverage

### DLA Piper ANNUAL REPORT

#### Size of Bubbles
$3 Billion in Annual Revenue

#### Colors
- Highly Profitable Global Firms
- Verein Firms
- Asian Firms
- European Firms
- Transatlantic Firms
- UK Firms

#### Key Financial and Headcount Metrics

- **Profit Per Equity Partner ($k)**
  - $0
  - $500
  - $1,000
  - $1,500
  - $2,000
  - $2,500
  - $3,000
  - $3,500
  - $4,000
  - $4,500

- **Lawyers Outside of Home Country**
  - 0
  - 500
  - 1,000
  - 1,500
  - 2,000
  - 2,500
  - 3,000
  - 3,500
  - 4,000
  - 4,500
Am Law Verein firms were selected as a peer group for comparison due to their common structure, geographic coverage, and similar financials.

### Key Financial and Headcount Metrics

*For DLA Piper and the Firm’s Peer Group, 2018*

<table>
<thead>
<tr>
<th></th>
<th>Revenue ($M)</th>
<th>RPL ($k)</th>
<th>CPL ($k)</th>
<th>PPL ($k)</th>
<th>PPP ($k)</th>
<th>Total Lawyers</th>
<th>Leverage</th>
<th>Total Offices</th>
<th>Percentage of Lawyers in USA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DLA Piper</strong></td>
<td>2,836</td>
<td>766</td>
<td>563</td>
<td>203</td>
<td>1,874</td>
<td>3,702</td>
<td>8.2</td>
<td>76</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Baker McKenzie</strong></td>
<td>2,900</td>
<td>614</td>
<td>407</td>
<td>208</td>
<td>1,443</td>
<td>4,720</td>
<td>5.9</td>
<td>76</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Hogan Lovells</strong></td>
<td>2,119</td>
<td>804</td>
<td>530</td>
<td>274</td>
<td>1,381</td>
<td>2,636</td>
<td>4.0</td>
<td>44</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Norton Rose Fulbright</strong></td>
<td>1,969</td>
<td>583</td>
<td>400</td>
<td>183</td>
<td>907</td>
<td>3,376</td>
<td>4.0</td>
<td>60</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Squire Patton Boggs</strong></td>
<td>1,035</td>
<td>691</td>
<td>575</td>
<td>116</td>
<td>1,027</td>
<td>1,497</td>
<td>7.9</td>
<td>46</td>
<td>44%</td>
</tr>
</tbody>
</table>
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