

## After Dip Last Year, Winston Sees 17.5% Increase in Revenue

Litigation didn't make a complete comeback in 2021, firm chair Tom Fitzgerald said, but the firm still saw a significant surge in revenue to \$1.15 billion.

By Andrew Maloney  
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### What You Need to Know

- After COVID-19 caused litigation delays in 2020, Winston & Strawn grew revenue 17.5% and profits per partner by nearly 25% in 2021.
- The firm said litigation wasn't completely back to normal, but increased along with a surge in deal work.
- Firm chair Tom Fitzgerald said he won't cut corners on associate salaries or technology investments.

In 2020, pandemic delays in courthouses across America [pushed revenue down](#) for Winston & Strawn. The firm said it had several major trials postponed because of COVID-19, and firm chair Tom Fitzgerald called the 3% dip in income a "disappointment."

Litigation didn't make a complete comeback in 2021, Fitzgerald said this week. But the firm still saw a significant surge in revenue, with the topline number increasing 17.5% to push Winston across the \$1 billion threshold (\$1.15 billion) while profits increased nearly 25% to more than \$3 million per partner.

Net income and revenue per lawyer also had double-digit increases, with the former rising nearly 12% to about \$389.1 million and the latter seeing a 15.7% increase to about \$1.36 million. Head count also increased about 1.6% to around 846 lawyers.

"It was a tremendous year in all respects and in every practice," Fitzgerald said. "You don't get that kind of



Courtesy photo

Winston Strawn office sign.

increase without across-the-board, major upticks in the number of transactions. And it's not just in private equity. It also occurred in SPACs, other capital market transactions, and financings, project financings. There were a number of deals that got notoriety which we were very, very pleased about."

According to Fitzgerald, the four sectors that drove the majority of the revenue were financial services, health care and life sciences, energy and infrastructure and technology, media and telecommunications.

While litigation did see a roughly 3-4% increase, he said, and the firm got "hallmark" results in cases such as the 9-0 U.S. Supreme Court decision in

NCAA v. Alston allowing college athletes to receive education-related benefits beyond tuition, some of the momentum that began to build was stemmed by the omicron variant toward the end of the year.

He also said the hiring of Tim Walsh, former co-head of restructuring at McDermott Will & Emery, as global chair of the firm's insolvency group has led to a number of opportunities, even if bankruptcy work hasn't quite been what the industry initially projected.

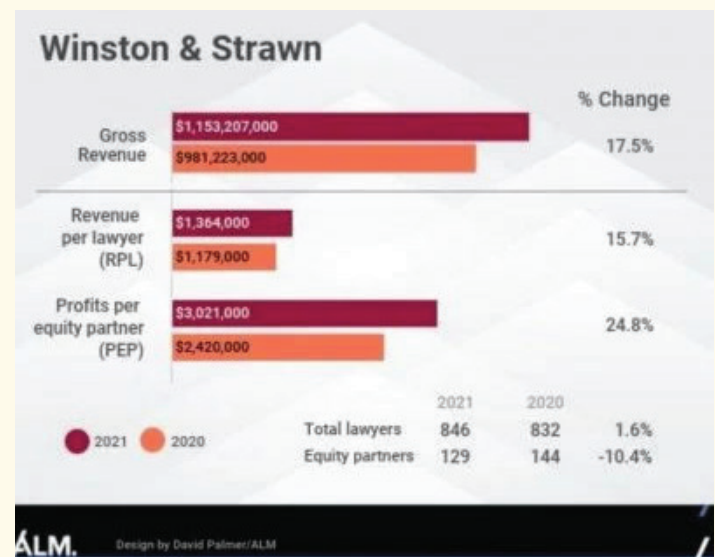
As was the case for other firms, the level of demand was so great that it presented challenges as well, Fitzgerald said. Winston had to turn away some opportunities to maintain the quality of its work. And firm leaders are doing everything they can to make sure they have enough high-level talent to do it.

Along with being "in the midst of a lot of retirements" that helped lead to a 10.4% reduction in its equity tier to about 129, Fitzgerald said the firm also increased its non-equity tier by 11.5%, to 218, "because we needed more talent to do our transactional work. And my partners told me we needed more experience so we could handle these transactions. So, we leaned into getting more income partners for that reason."

Winston is also prepared for a surge in expenses this year in three main areas—talent, rent and technology. The firm "gladly" matched the top of the market on associate salaries, Fitzgerald said, because Winston wants to invest in and nurture associates so they become owners of the firm in the future.

The firm previously cut some positions to create a [center for professional support services](#), and the firm has become more efficient because of it, he said. But it will also likely spend more on technology this year than ever before, Fitzgerald said, because it wants to be "best-in-class" in terms of remote work capabilities.

"We think we've done a lot to modernize and make ourselves more efficient, but the prices of the major



components of business are going up. And I'm not happy about that. But we're not going to sacrifice on associates. We're not going to sacrifice on technology," he said. "That's cutting at the very purpose of our law firm."

The firm earlier this month shuttered its Moscow office in light of the invasion of Ukraine, and that kind of geopolitical uncertainty as well as the lingering pandemic could trickle into business and the broader economy. But Fitzgerald said he's generally hopeful about 2022.

He said the firm is "always open" to growing and acquiring more talent. And perhaps unlike other firms, which broadly [increased their balance of profit-rich corporate work](#) last year, Winston is striving to maintain a balance between its disputes and transactional offerings.

"Obviously last year, corporate pulled ahead. That's the market. But we want to maintain diversity in our practices because it's hard for us to predict what's going to happen in 3 to 4 years," he said. "So to have a very active and meaningful disputes practice is important to this law firm. Similarly, we've made a lot of investments in transactional practices. But both of those, we think, are important to the growth and diversity of the firm."