

ANNUAL SURVEY OF LAW FIRMS



Paul Wyse
Head of Professional Practices

Evelyn Partners



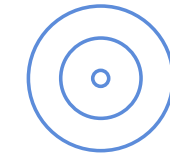
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of the Ireland and UK's leading integrated wealth management and professional services groups



A leading

provider of accountancy, tax and financial advisory services



180^{YEARS}

of helping clients achieve their financial goals



100k+

clients trust us with their financial future



£56bn

assets under management



3000

members of staff in local offices across the UK, Ireland and Jersey



400+

tax specialists



1700

Professional Services personnel



555

Investment managers & financial planners

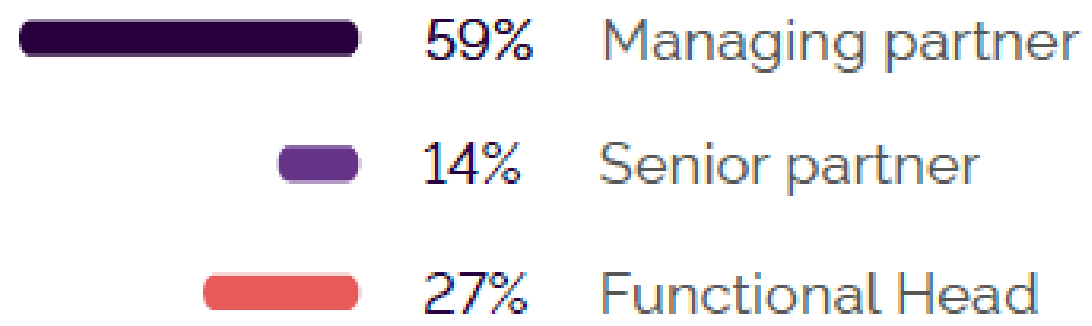
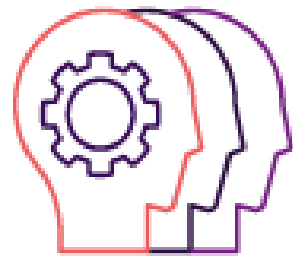


10 +

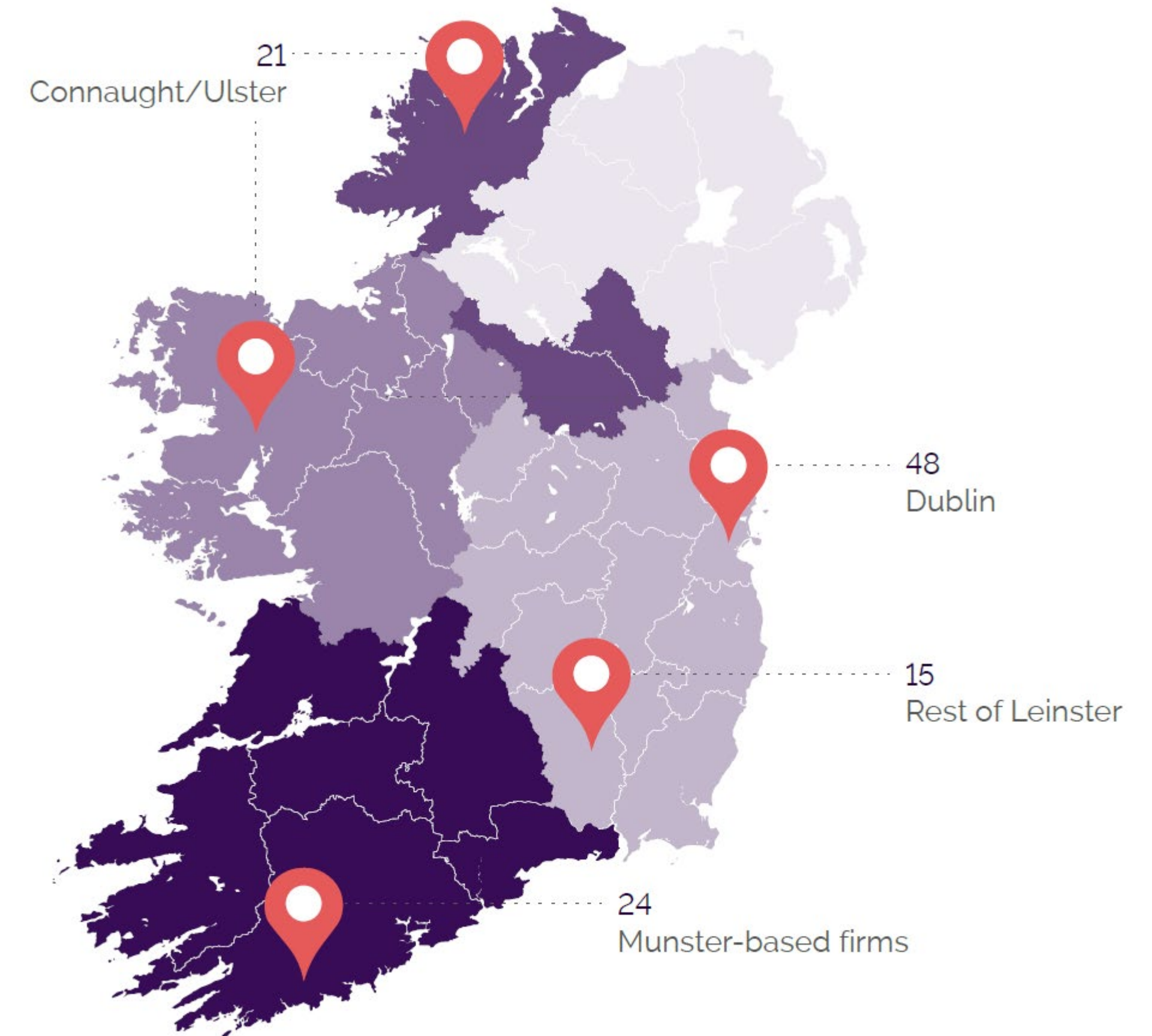
Performance track record

Methodology

Interviewees



Survey in numbers



“

“YOU CANNOT BE SERIOUS.”



John McEnroe

Tennis Great

Key themes



SECTOR
OUTLOOK



THE COMPETITIVE
LANDSCAPE



THE WAR FOR
TALENT



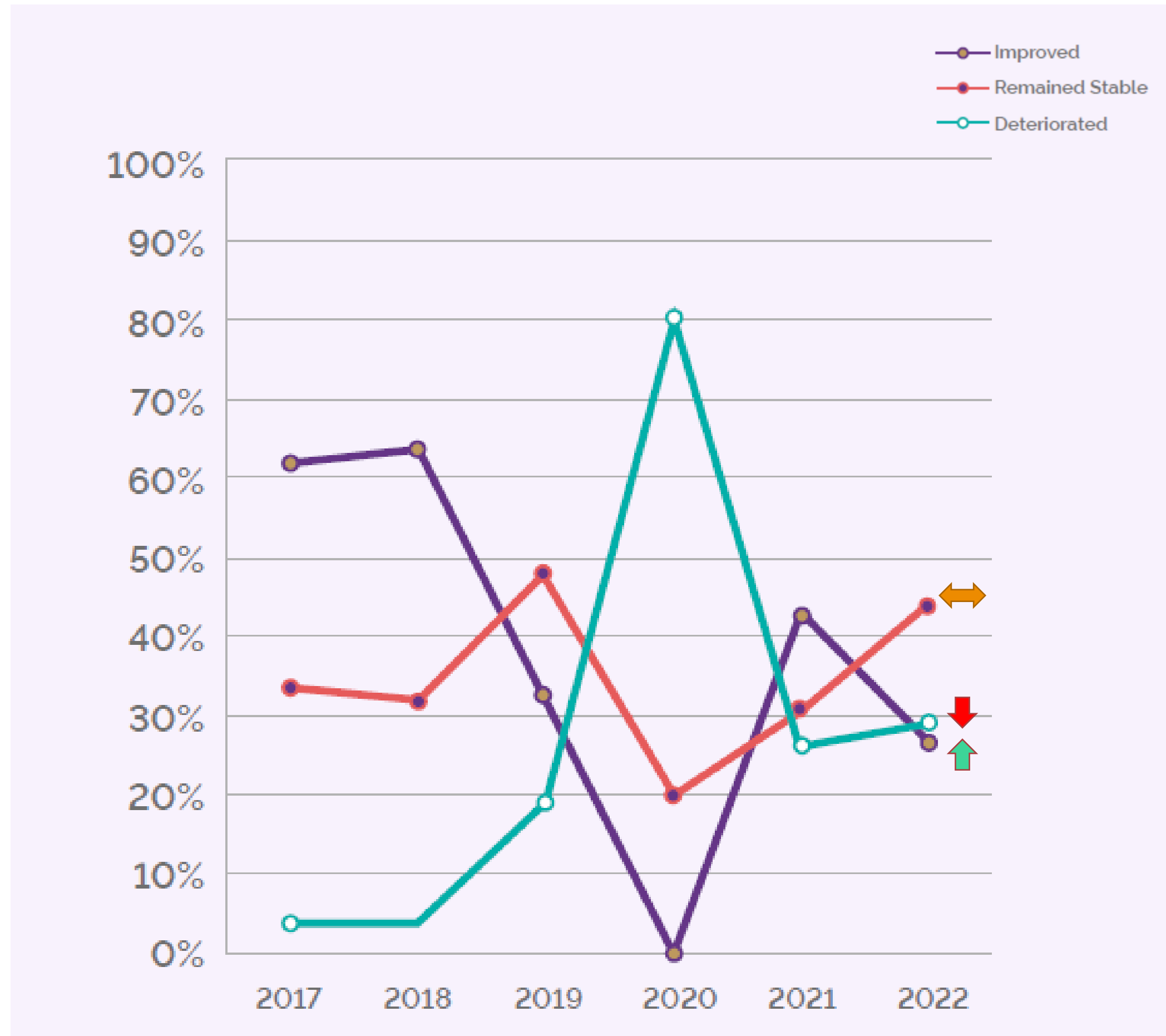
FUTURE
BUSINESS
DIRECTION



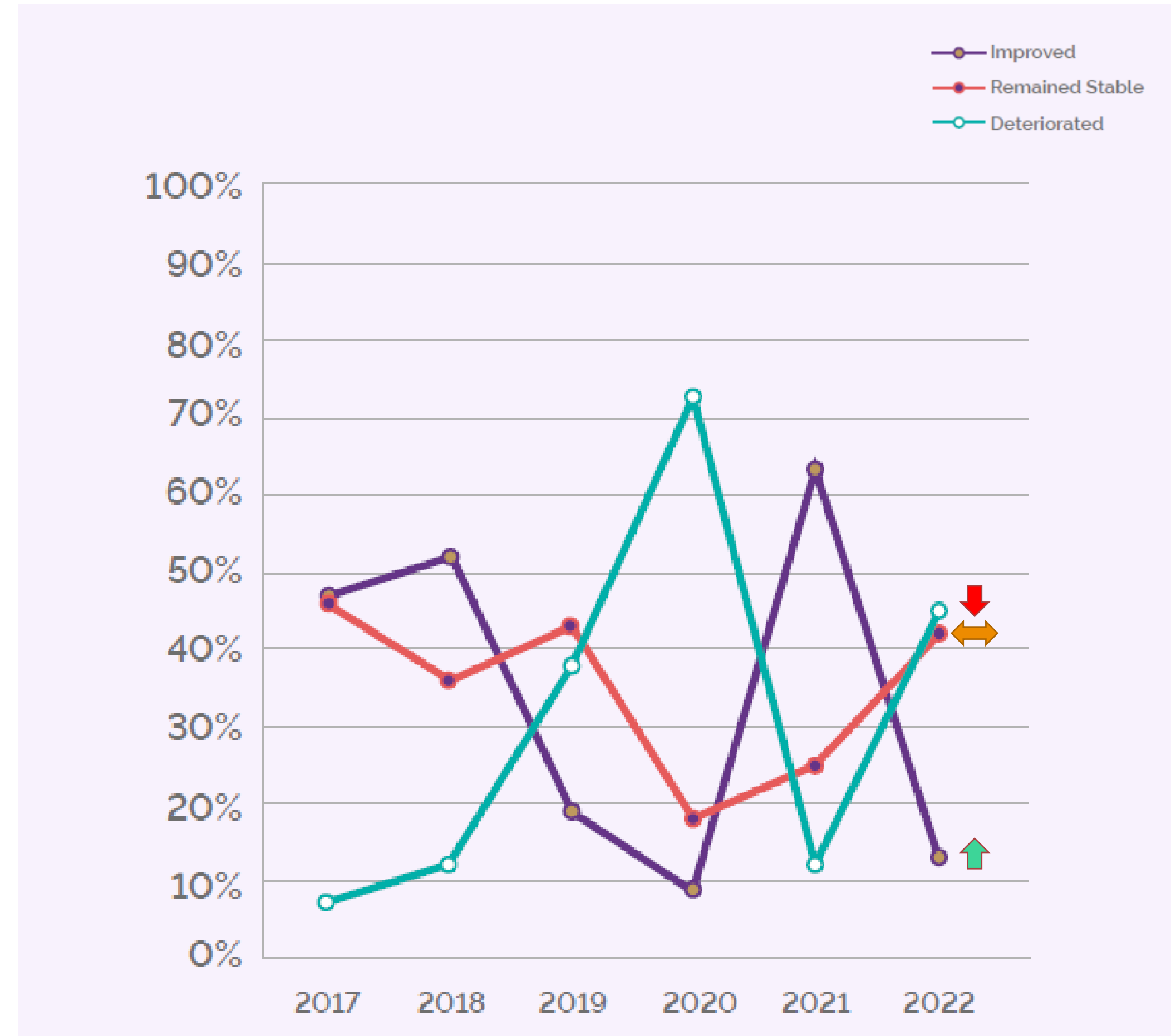
TECHNOLOGY &
CYBER

Legal Sector Outlook – All Firms

Last 12 Months

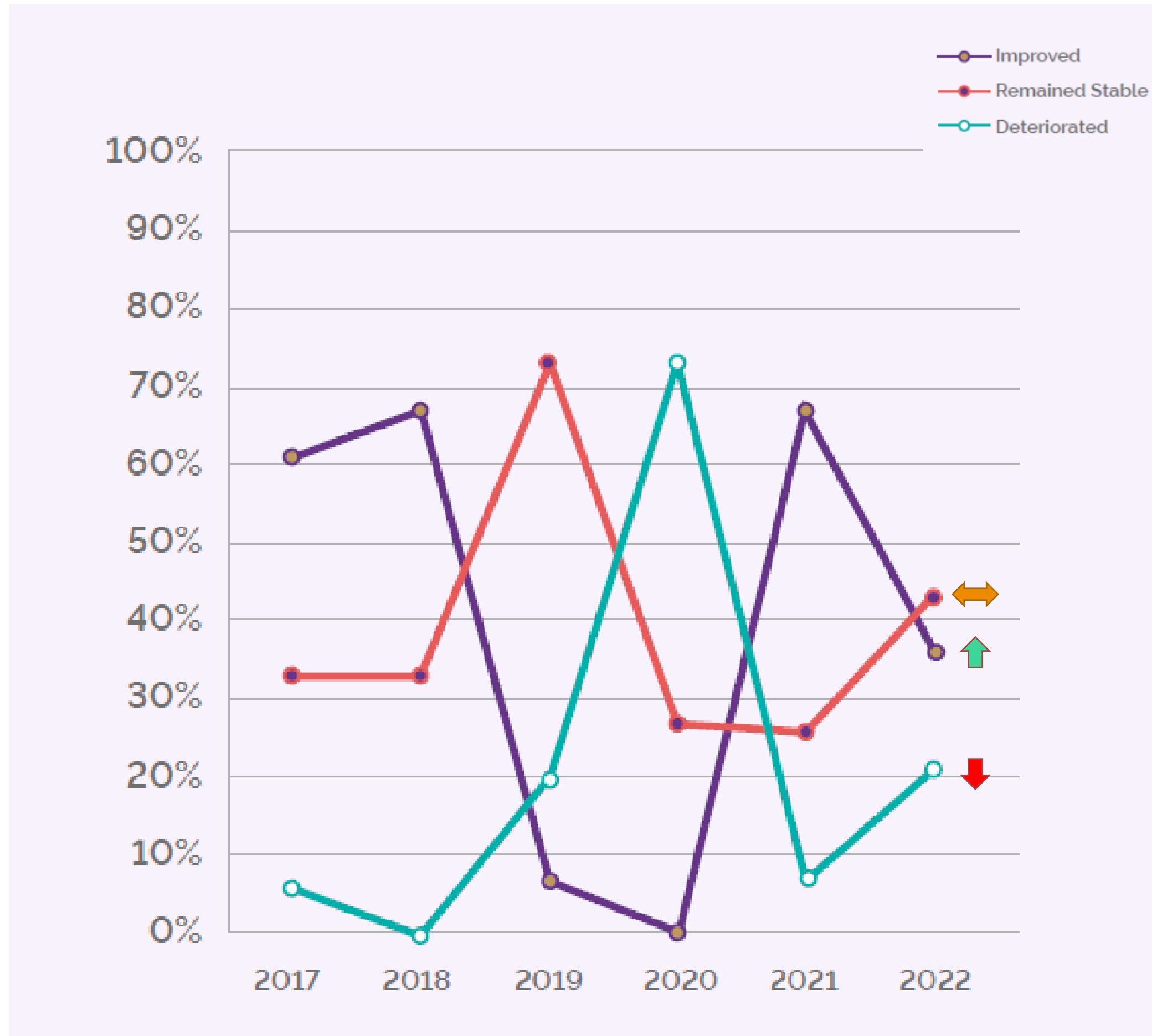


Next 12 Months

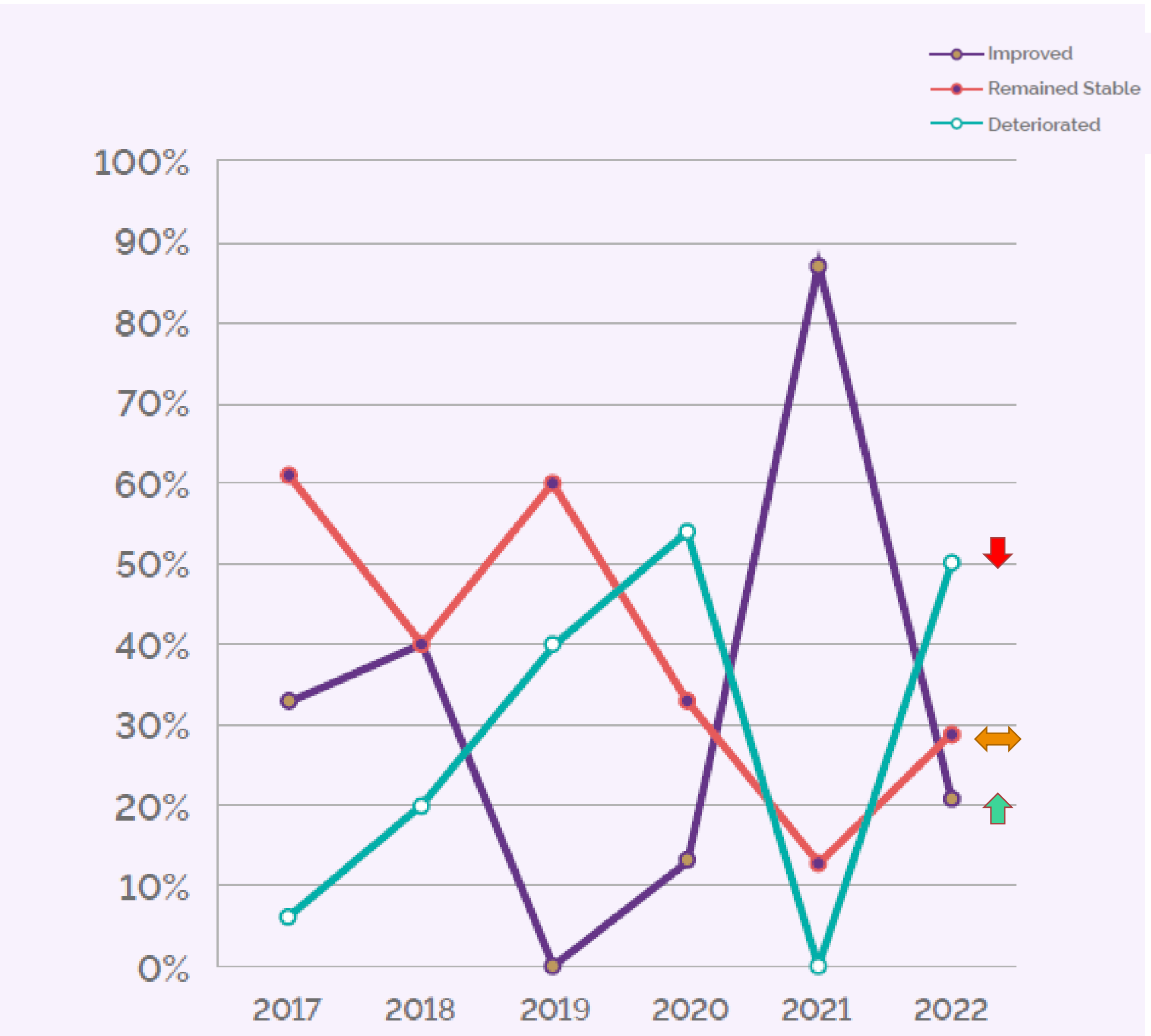


Legal Sector Outlook – Top 20

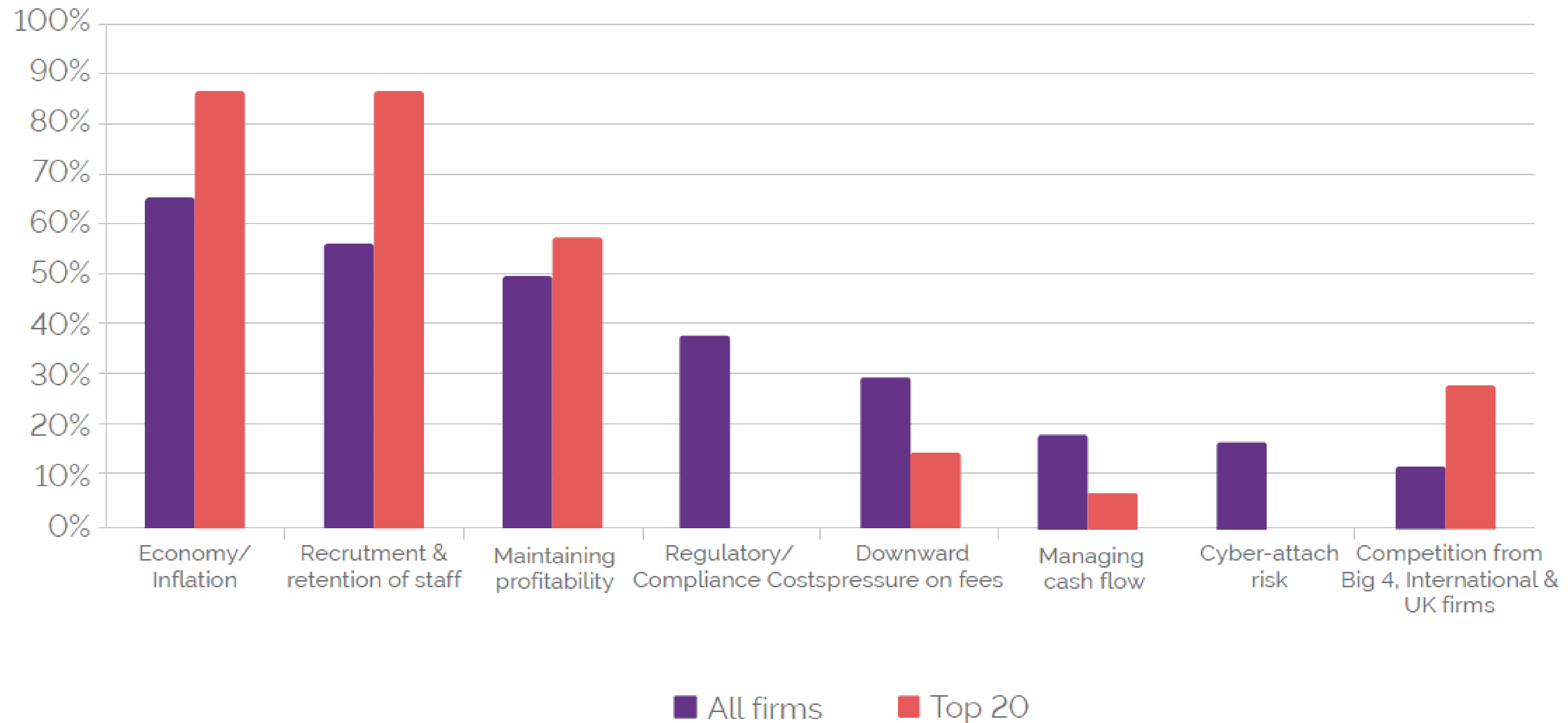
Last 12 Months



Next 12 Months



Key issues facing the sector



Firm Performance

Recovery in firm performance continues

- Revenue growth in majority of firms
- Less profit growth as margins being squeezed
- 35% of the top 20 firms reported revenue increase of 10%+ (28% of all firms)
- 21% of all firms reported profit increase of 10%+ (Incl. Top 20 firms)
- Level of Lock Up increasing in the Top 20 firms

Less confidence in firm outlook

- 29% Positive vs 62% last year
- 50% Stable vs 36% last year
- 21% Deteriorating vs 2% last year

Firm Financial Performance

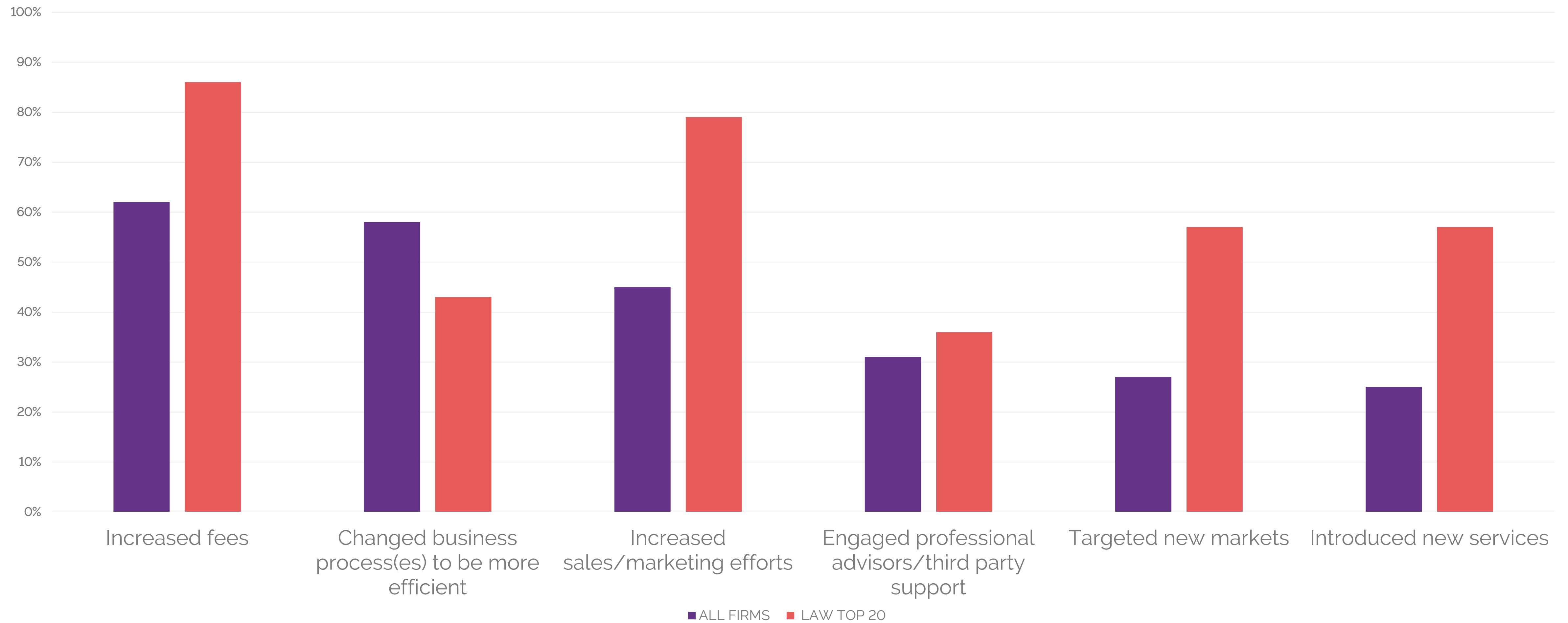
Revenue

	All firms				Top 20 firms			
	2019	2020	2021	2022	2019	2020	2021	2022
Increased	65%	16%	39%	55%	87%	20%	53%	93%
Remained the same	23%	21%	29%	30%	13%	33%	27%	0%
Decreased	10%	63%	29%	14%	0%	47%	20%	0%
Did Not Respond (DNR)	2%	0%	3%	2%	0%	0%	0%	7%

Profit

	All firms				Top 20 firms			
	2019	2020	2021	2022	2019	2020	2021	2022
Increased	53%	21%	37%	41%	67%	27%	53%	57%
Remained the same	33%	23%	35%	35%	20%	27%	40%	21%
Decreased	12%	53%	25%	21%	7%	40%	7%	14%
Did Not Respond (DNR)	2%	3%	3%	3%	6%	6%	0	7%

Actions Taken to improve performance



THE WAR FOR TALENT IN THE LEGAL SECTOR

- 1 Remote working
- 2 Recruitment & Retention
- 3 Pay and reward

Pay increase levels

- Significant non-partner pay increases have been a factor for firms in the last two years
- Top 20 firms and city based firms are having to award pay increases significantly ahead of the average
- Two in three regional firms did not increase salaries for qualified solicitors

Qualified solicitors pay				
	ALL FIRMS	TOP 20	DUBLIN	REGIONAL
No Change	47%	7%	27%	65%
Increased by 1-3%	1%	0	2%	0
Increased by 4-5%	6%	7%	6%	7%
Increased by 6-10%	15%	29%	24%	7%
Increased by 10-15%	19%	36%	29%	11%
Increased by 15+%	8%	21%	10%	7%

Support staff pay				
	ALL FIRMS	TOP 20	DUBLIN	REGIONAL
No Change	40%	7%	24%	54%
Increased by 1-3%	8%	21%	14%	4%
Increased by 4-5%	14%	29%	20%	9%
Increased by 6-10%	22%	36%	25%	19%
Increased by 10-15%	8%	7%	10%	7%
Increased by 15+%	6%	0%	6%	5%

FUTURE BUSINESS DIRECTION

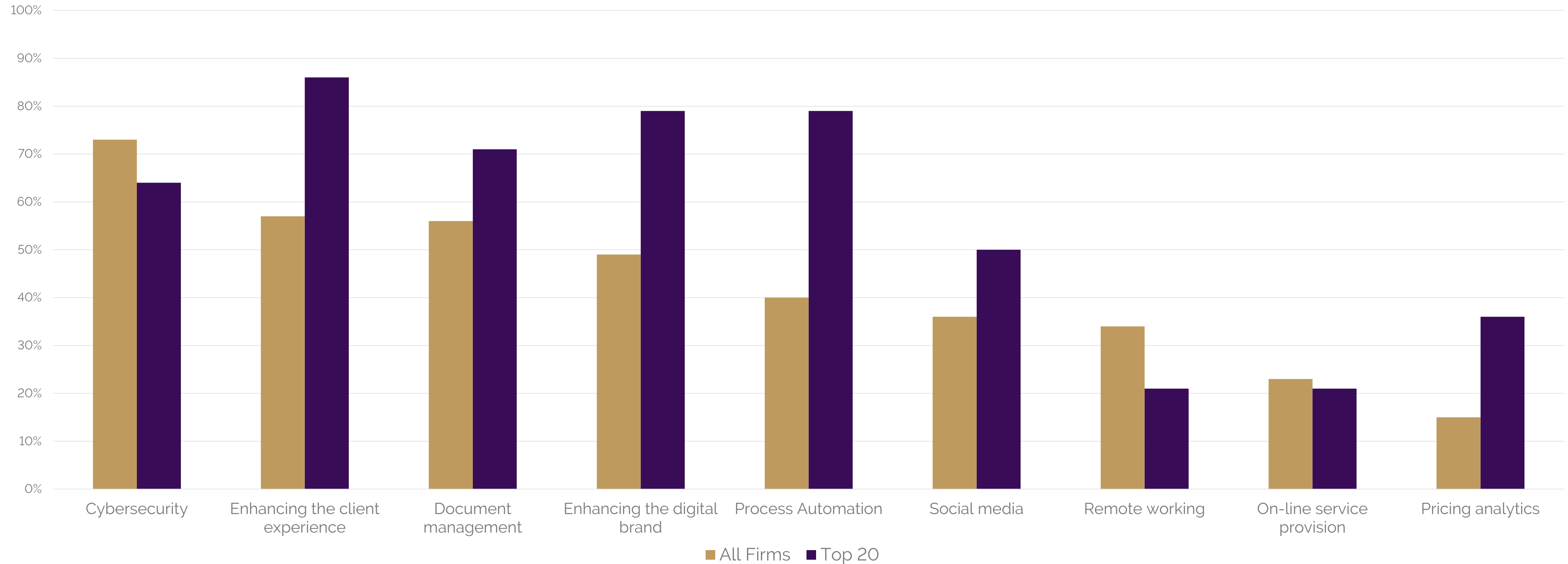
- 1 Mergers & Acquisitions
- 2 Succession planning - 'Silver Tsunami'
- 3 Lateral Hiring continues apace
- 4 Uptake in firms becoming LLP
- 5 Internationalisation of Dublin marketplace

TECHNOLOGY & CYBER



Technology Investment Priorities

The combination of marketing and operational investment by Top 20 firms at a level well above the overall profession continues to differentiate the larger firms and fuel their growth and future profitability

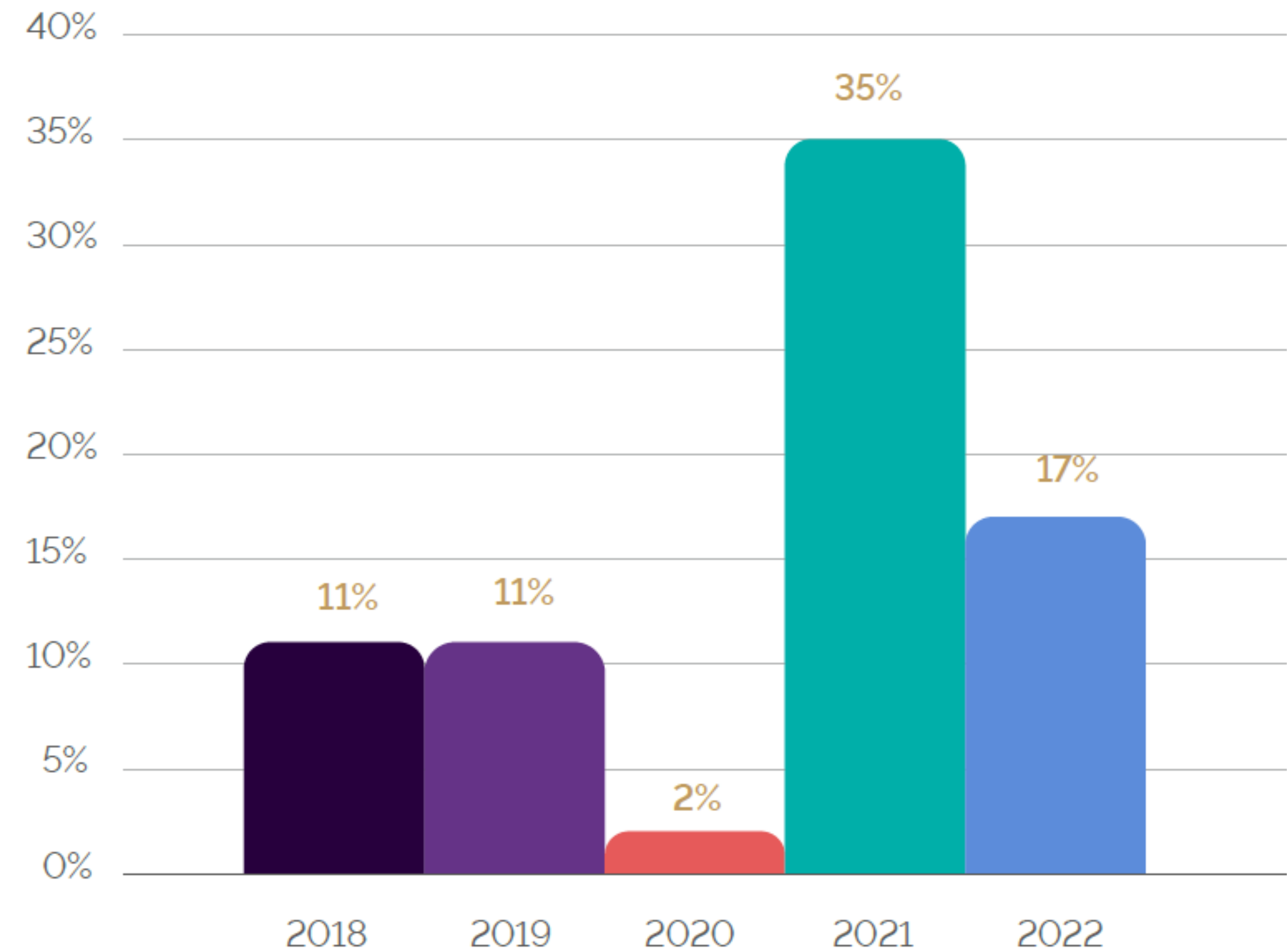


Level of concern around cyber risk falls

Someone else's problem!

- Cyber Attack risk is perceived as an issue for the sector, and less so for firms themselves
- Less than 7% of firms see it as one of their top challenges
- 79% said they had not experienced an attack! Lack of awareness or a blind eye?
- Despite this - Cyber security is area of most significant IT investment by law firms
- Good housekeeping - Most firms have data security policies and mitigation plans for cyber and data risk

Cyber attack risk as an issue for the sector



Staff



Economy

Workplace



Brexit

Performance



WHAT NEXT?



Inflation

Margin squeeze

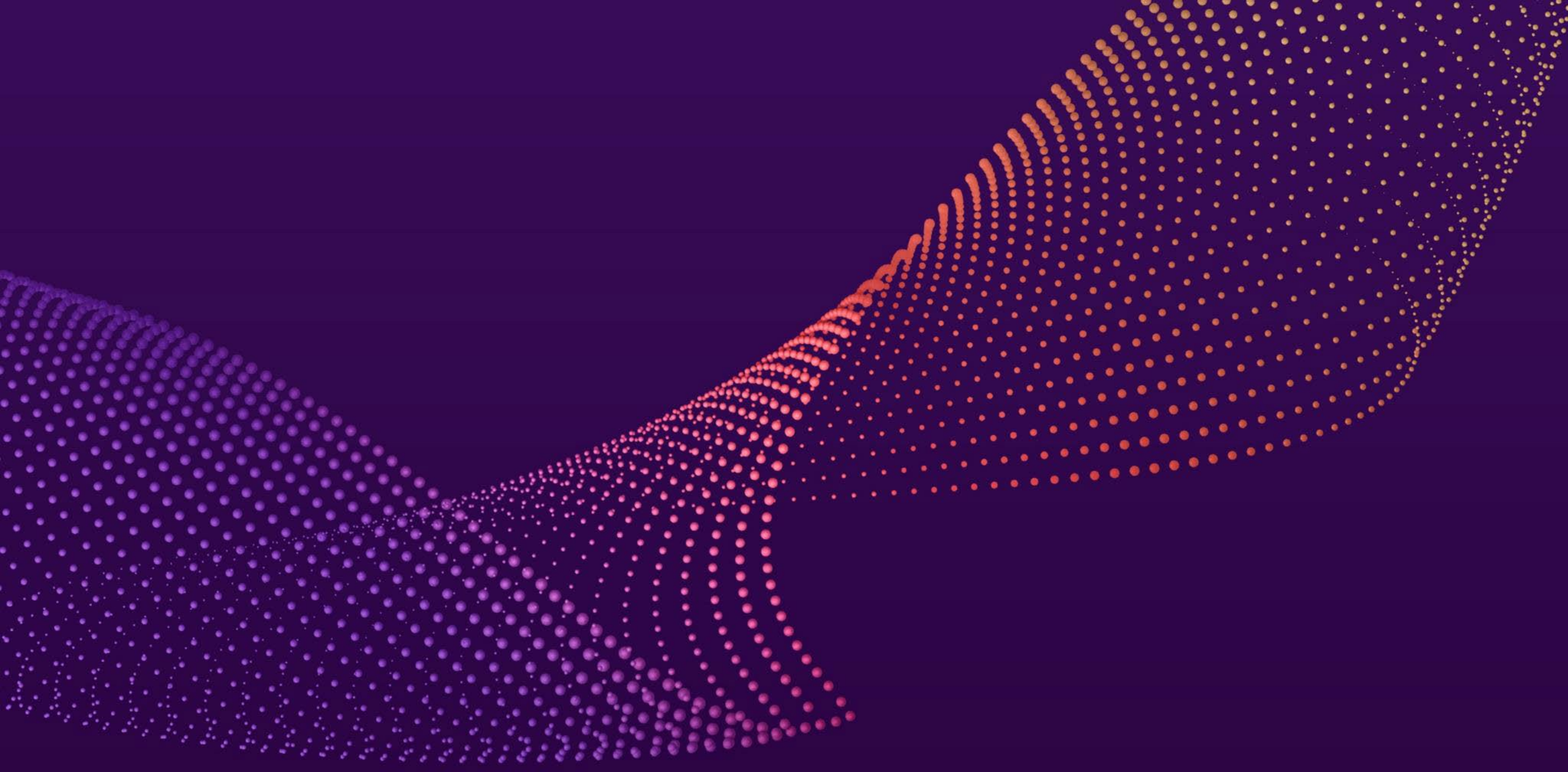


Covid 19

Interest rates



Ukraine



DISCUSSION

Thank you

evelyn
PARTNERS