

Strong Client Relationships and Lateral Hiring Helped Holland & Hart Post 8% Revenue Gain

By Dan Roe

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What You Need to Know

- After boosting profits by 30% in 2021, Holland & Hart drove profitability and revenue even higher in 2022.
- Strong practices in real estate and development, environmental law, energy and intellectual property helped insulate the firm from a turbulent deal market.
- Holland & Hart also hired 38 lawyers in 2022, availing itself of talent opportunities as lateral markets cooled.

Around this time last year, as law firm leaders announced record revenue and profits from 2021, many also foreshadowed the tentative nature of their financial success. With historic inflation, rising interest rates and the war in Ukraine looming over the remainder of 2022, even the least measured braggadocio came with caveats.

Those caveats became reality for much of the Am Law 200 one year later, but Holland & Hart requires no such excuses. After posting a 30% increase in profits per equity partner and net income last year, in addition to 11% more gross revenue, the Denver-headquartered firm followed up the banner year with 8.5% revenue growth and 1.7% higher PEP in 2022.

While growing net income 3.6%, Holland & Hart also hired 38 lawyers (a gain of 23 full-time equivalent lawyers), including 16 new equity partners. And after raising first-year associate compensation from \$150,000 to \$180,000 in 2021, the firm added 25 FTE associates in 2022.

“Using our record performance from 2021 as a benchmark, it was another great year for us,” chair Christopher



Holland & Hart firm chair Christopher Balch. Courtesy photo

Balch said in an interview. “We saw an increase in demand, revenue was up, profits were up, headcount was up, our culture is intact. I’m really proud of our people and our organization as a whole.”

Balch attributed Holland & Hart’s success in 2022 to talent acquisition and retention, the strength of client relationships, and high-performing practice areas.

On the talent front, the firm hired a 10-person trademark team from Perkins Coie in Denver as well as several private client partners in Salt Lake City, a tax partner in Boise, and four Faegre Drinker Biddle & Reath environmental partners in Denver.

Having raised associate compensation in 2021, Holland & Hart raised the average compensation of each nonequity partner compensation by almost 10% in 2022.

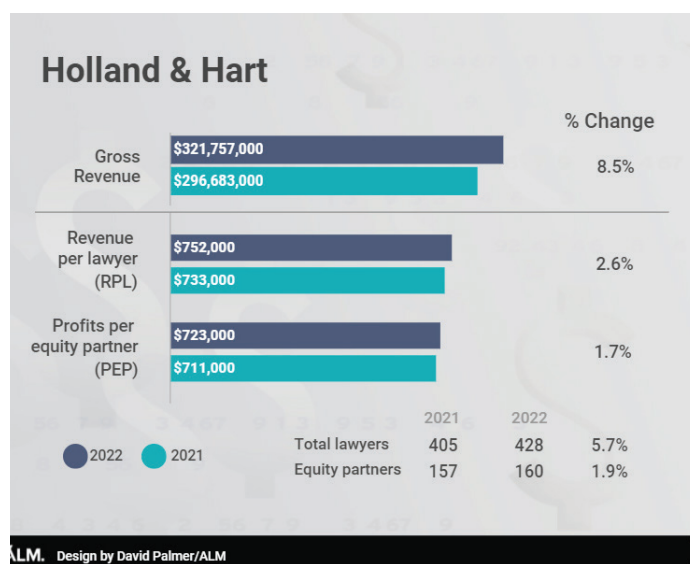
“The unicorns on platforms like ours are sophisticated, talented lawyers that can handle chairing a litigation matter or being first in line for a significant transaction,” Balch said. “So retaining that level of talent, that in many cases you have nurtured over many years, is critical.”

Holland & Hart saw demand increase across the platform as billed hours rose by 3.1% in 2022. Balch said the firm’s value proposition continued to prove valuable for clients; he declined to state the firm’s average rate increase but indicated it was above 3%. “We adjusted rates in practices where our rates were certainly below market,” he said. “We work with clients on rates and collaborate in the decision-making process.” Realization rates remained high at 89.9%, a 1% decline from 2021.

Top-performing practices included intellectual property, commercial litigation, labor and employment, middle-market transactions, and energy and environmental law. Holland & Hart is working to uphold the permits for the construction of the Lithium Americas’ Thacker Pass lithium mine in northern Nevada, which would become the largest lithium in mine in the U.S. The mine faces opposition from indigenous peoples and environmental groups. The firm is also working on permitting, regulatory, environmental and financial issues for the SunZia Transmission, a 550-mile project to transport renewable energy within New Mexico and to customers in Arizona and California.

Construction and development lawyers also kept busy as Holland & Hart continued to represent the Las Vegas Raiders in real estate matters after serving as construction counsel during the construction of Allegiant Stadium in Paradise, Nevada. Interdisciplinary development teams represent other professional sports teams and developers nationwide, Balch said, as well as Micron Technology, the country’s largest manufacturer of semiconductors.

Meanwhile, the firm’s corporate practice avoided the doldrums of large-cap M&A by continuing to work in the lower-middle market. “The beauty of our platform is



we’re very well-diversified,” Balch said. “We continue to see strong demand in corporate areas—we weren’t impacted like a lot of Big Law.”

Expenses also rose in 2022, cutting into the firm’s 2021 profit margin by two percentage points, although the 2022 profit margin of 36% still exceeded the 2020 margin of 32%. Professional staff, associate compensation, and the return of traveling for business development drove cost increases, Balch said.

Looking at the remainder of 2023, Balch is cautiously optimistic, noting that he felt similarly at the beginning of 2022. “As a management team, at the end of each year we’re going to set conservative marks for the end of each year based on what we can control,” said Balch, tempering his vigilance against uncertainty with pride for a firm that has grown in revenue and headcount since he took the helm in 2019.

“We’re really excited about where we’re headed right now. We’re in great markets, we have great lawyers and professional staff, and because of that we continue to attract top clients and top talent,” he said. “Despite all of the challenges in the micro and macro banking environment and the unpredictability in the markets, I’m really optimistic about the year ahead.”