

## Skadden, Arps, Slate, Meagher & Flom (“Skadden”) Insight

### Summary: What makes Skadden different?

- The strength of its M&A practice
- The firm’s practice area balance
- Its strategic London expansion
- Its ability to leverage longstanding US relationships

### Global Mergers and Acquisitions

Skadden’s USP is that it’s the go-to firm for high-value M&A. The elite US law firm regularly secures instructions to advise on the biggest and most challenging M&A deals in the market. The firm is regularly found within the top five spots for advising on deals of the highest value by Mergermarket, Thomson Reuters and Bloomberg. For example, the firm ranked top in 2017 and then second in 2018 in the global M&A rankings for deal value.

Skadden’s reputation for M&A really is global. For example, the firm advised on the second highest number of deals in Asia Pacific (excluding Japan) in 2018, according to both Thomson Reuters and Bloomberg. This includes many of the biggest deals in Asia, such as advising Westfield on its \$25bn acquisition by Unibail-Rodamco and advising Equis Energy on its acquisition by Global Infrastructure Partners - the largest-ever renewable energy acquisition.

Back in its home turf, Skadden’s pre-eminent M&A reputation has led the firm to advise on many sector-defining deals. This includes the largest tech M&A deal ever when Skadden advised EMC on its \$67bn acquisition by Dell in 2015. More recently, Skadden advised Red Hat on its \$34bn acquisition by IBM, which was the largest-ever software acquisition.

In the UK, Skadden is one of the few firms to take on the magic circle in M&A thanks to the early efforts it made in growing its transatlantic business. This was rewarded when, for the first time ever, Skadden ranked above its magic circle rivals for UK-targeted M&A deals in 2017. This was supported by strategic lateral hires, such as the hire of Robert Stirling in 2014, which enabled Skadden to advise Phoenix Group on its £3.2bn acquisition of Standard Life Aberdeen’s insurance business in 2018.

### Balanced Practice

Despite its reputation for deals, Skadden is not just a one-hit wonder. The firm is well hedged for any slowdown in global M&A thanks to its strength in litigation.

In 2011, Skadden was the largest litigation firm by revenue and over the past six years, Skadden has secured a top five spot in The Lawyer’s Litigation Top 50. As of 2018, Skadden was the third largest firm in disputes revenue at \$1.21bn. It’s also one of the few firms to have consistently grown its litigation revenue.

The firm is especially strong in white collar crime. In 2018, for example, Skadden successfully defended JP Morgan, securing the dismissal of a class action suit over allegations of forex manipulation.

### **Strength in Asia**

In addition to the firm's success advising on M&A deals in Asia, the firm has one of the most active China capital markets practices among global law firms. The head of its China practice, Julie Gao, is especially renowned for working on the biggest Chinese tech IPOs in the market, and she was recently named International Law Firm Leader of the Year by The Asian Lawyer for the second year in a row. The Wall Street Journal even reported that when Gao was a midlevel lawyer, one company included in its contract that it would find a new law firm if she left.

Skadden was able to leverage its strengths advising Chinese tech firms in the US to capitalise on a busy year in 2018 for Hong Kong, when it overtook New York as the world's top market for IPOs. Skadden stood out in Hong Kong, advising on many successful listings despite significant competition from local firms and fee pressures. This includes the listing of Meitu in December 2016, the largest tech listing in Hong Kong since Alibaba's IPO in 2007. The firm would go on to advise on the first insurtech flotation in 2017 and then the next biggest tech IPO when Xiaomi listed in Hong Kong in 2018.

### **Strategic London Expansion**

Skadden's strategy in Europe, according to the co-head of its Global Transactions Practice, Scott Simpson, is to "be the firm of choice in Europe for the most challenging deals" (Legal Week).

The firm has been fairly cautious about its international growth, especially since the financial crisis. Although the firm has not been too shy about growing in London, its largest office outside the US. According to an interview in Legal Week, for example, the firm increased its associate cohort by half between March 2018 and 2019.

Investing in private equity has been a key part of its London strategy. These efforts have seen it working opposite the magic circle, showing up against Clifford Chance in the recent sale of JLA to HgCapital, for example. Skadden's success in representing HgCapital was largely down to its bold hire of two partners from White & Case's London office in 2017. This includes Richard Youle who was White & Case's co-head of its global private equity practice (and who previously built up Linklaters' private equity practice), which helped to give Skadden the big name it was looking for after the retirement of one of its longstanding private equity partners in 2014.

As of 2017, the firm's PE clients included the likes of Blackrock, Equistone Partners Europe and AXA Private Equity. The hire of Youle also helped to bring along relationships with Montagu Private Equity and Oaktree Capital, as well as enabling Skadden to win a position on HgCapital's legal panel for the first time. More recently, the former White & Case partners also helped Skadden in Pret's acquisition of EAT.

## **US Relationships**

For years, the strength of Skadden's US practice has allowed it to advise many global brands. That includes a variety of big names such as Coca Cola, Aston Martin, 21st Century Fox and WeWork.

Working on many of the biggest deals in the market has helped Skadden become the fifth largest law firm in the US by revenue (2018) and one of nine within Legal Week's top 20 US firms to see PEP grow by more than 30% in five years (between 2011-12 and 2016-17). Notably, the firm was also the first Global 100 firm to have revenues exceeding \$1bn.

Skadden's US relationships carries weight around the world. According to The Lawyer, it helped the firm beat Freshfields in advising Pret on its acquisitions of Eat. It was reported that it was Skadden's US ties with Pret's parent company JAB Holdings that enabled Skadden to win the mandate against the magic circle firm, despite the fact that Freshfields advised JAB on its purchase of Pret last year. Skadden's strengths on both sides of the Atlantic are a key differentiator against the magic circle, which have long struggled to break into the US legal market. Skadden has frequently advised JAB in the US, such as its recent acquisition of Compassion-First Pet.

It was also Skadden's US strengths that has helped it win talent, such as the hire of the White & Case private equity head, Richard Youle. By moving to Skadden, Youle would be able to work on high-value acquisitions of European companies as a result of Skadden's longstanding US private equity relationships