

Manatt Sees Profits Rise Nearly 16% Following Growth in Several Key Practices

By Samson Amore

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What You Need to Know

- Manatt, Phelps & Phillips' net income reached a new high of \$189.4 million last year.
- "White collar and civil litigation are roaring," said Manatt's CEO and managing partner Donna Wilson told *The American Lawyer*.
- Manatt's profits per partner were up 21.2% year-over-year in 2025 to \$2.96 million.

Manatt, Phelps & Phillips' net income reached a new high of \$189.4 million last year, an increase of 15.8%, driven largely by the firm's focus on operating with a dual lawyer-consultant model and growth in several key practices, including white collar litigation and technology.

"White collar and civil litigation are roaring," Manatt CEO and managing partner Donna Wilson said in an interview.

Wilson noted the firm has also invested heavily in growing its trial practice in the past year. "We have three members of the College of Trial Lawyers, which for our size and breadth is pretty amazing and reflective of the fact that we are a national litigation powerhouse with trial-ready lawyers, and we are in the courthouse regularly," Wilson said. "That was part of a long-term plan to build a trial practice," she added.

While nearly every practice area saw increased demand last year, the firm's healthcare practice continued to be a boon in fiscal year 2025, as was its financial services and transactions sector, Wilson said.

Unlike most of its competitors, a sector of Manatt's revenue is generated by timekeepers who aren't lawyers. Manatt's consulting arm, which comprises mainly of non-lawyers advising clients in tandem with the legal team on business issues, "was also a [growth] driver last year," Wilson said. Additionally, "with respect to financial services, both traditional financial services and financial technology and cryptocurrency, we've had a lot of growth in that area," she added.

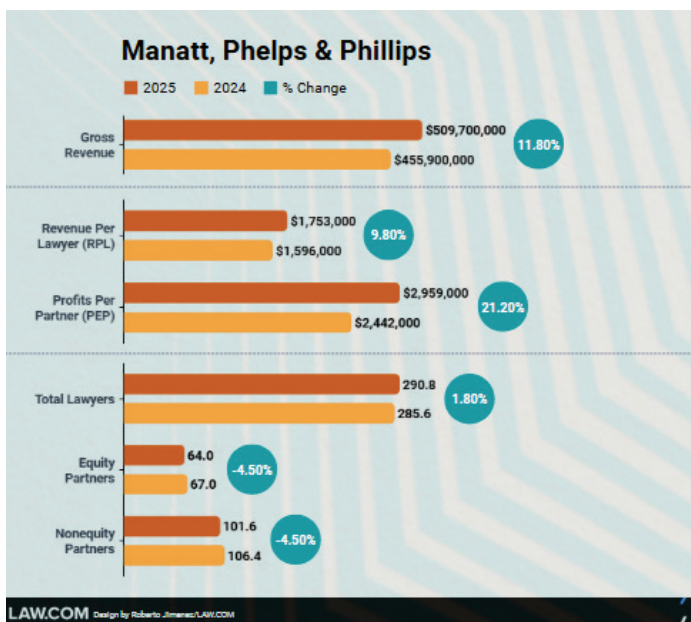
The firm didn't disclose information regarding billing rate changes year over year, but its overall billing realization rate in 2025 was 87.5%, up slightly from 86.7% the previous year.

Gross revenue at Manatt in fiscal year 2025 was up 11.8% annually to \$509.7 million. The



Donna L. Wilson of Manatt, Phelps & Phillips.

Courtesy photo



firm's revenue per lawyer last year was up 9.8% to \$1.75 million.

"On the revenue growth, I think it's really a function of our organic growth," Wilson said. "Our colleagues have been with us since growing their careers. We believe in making partners and equity partners, and I think that's essential."

"Our organic growth has been terrific. I'm a big believer that you have to think long-term when it comes to hiring and compensation," Wilson added.

Manatt's profits per equity partner were up 21.2% year-over-year in 2025 to \$2.96 million. The firm is on track to surpass \$3 million in PEP by next year, Wilson said.

That jump in PEP is "the culmination of a very strategic plan, a disciplined one," Wilson said. "We spent the last five years building the foundation for the future," she added. Part of that plan includes retention and promotion from within, to encourage Manatt's younger generation of lawyers to remain with the firm. "Both on the business professional side, and our legal and consulting professionals, generational succession has been huge for us," Wilson said.

Manatt's equity ranks shrunk by only three partners in the past year to 64 people, which

Wilson attributed to expected attrition and retirements. The number of nonequity partners employed by Manatt in the past year decreased by about four people, to roughly 102. Overall partner head count at the firm was down about 4.5% to 166 people, compared to 174 the prior year, but total lawyer headcount was up 1.8% to 291.

Concurrent with the slight drop in head count in the nonequity ranks, nonequity compensation at Manatt shrunk 11.9% to \$42.3 million in 2025. Average compensation for all partners firmwide was up 14.7% to about \$1.4 million.

The firm operates 11 offices nationwide and did not open or close any new ones in the prior year. Fee earners are still expected to adopt a hybrid schedule and be present in the office at least three days per week.

Manatt continued to grow several practice areas based on pre-existing momentum from prior years in 2025, including its digital and technology sectors, which have "been very hot, extremely hot," Wilson said. "We're really looking at the intersection of artificial intelligence, privacy, data security, and on the transaction side, that's large corporate or tech transactions," she added.

"What's probably going to be happening is that AI is effectively going to displace privacy and data security," Wilson added. This touches all aspects of Manatt's practices, Wilson said, adding "AI is not just a digital and technology vertical, it's also in entertainment as well as in healthcare. AI is a huge issue, and we're guiding our clients with respect to the ramifications of that," she said.

Speaking of AI, Wilson said she is "really pleased with the adoption of AI" firmwide. "Throughout the organization, 75% to 85% of our folks use AI for day-to-day work, and that's a pretty good statistic," she added. That said,

the firm declined to share what percentage of its gross revenue is devoted to AI applications or projects.

Notable matters handled by the firm in the past year included its representation of actress Blake Lively in her lawsuit alleging on-set misconduct by fellow “It Ends With Us” actor Justin Baldoni and production company Wayfarer Studios. The firm also defended Lively and her husband, actor Ryan Reynolds, in a \$400 million countersuit brought by Baldoni and Wayfarer, which was thrown out in June 2025. Earlier in April, Judge Lewis Liman for the U.S. District Court for the Southern District of New York dismissed Lively’s sexual harassment claims but allowed the actress’s claims of retaliation and reputational damage to go forward. A trial is set to begin May 18.

Manatt additionally represented costume designer Paul Tazewell, who designed garments for Chappell Roan in collaboration with Vogue and eBay for the 2025 Met Gala, an example of its non-litigation entertainment lawyering.

The firm also provided pro bono services for FireAid, the benefit concert held in February 2025 that raised some \$100 million for victims of the Altadena and Pacific Palisades wildfires last year. Manatt worked on the project alongside attorneys from Gibson, Dunn & Crutcher, who also contributed pro bono hours.

On the financial services front, Manatt’s corporate team was involved in inking a \$500 million debt financing deal between client Oxford Finance and Vera Therapeutics, an Australian drug discovery platform that has raised nearly \$2 billion to date and went public on the NASDAQ in May 2021.

The firm also backed San Jose-based regional commercial bank AvidBank in its initial public

offering in August 2025, which raised about \$60 million.

Samsung Electronics America continues to be a lucrative client for the firm, and Manatt’s real estate team represented it in obtaining three leases for retail stores across the country last October. That deal was led by Anita Famili, who was a finalist for The Recorder’s Real Estate Lawyer of the Year Award last June.

Manatt’s LA office also backed community hospital Kedren Health in opening a children’s mental health care facility in Los Angeles last March, including acquiring land it had previously leased from the City of LA. The project broke ground roughly a year ago on April 4, 2025.

Looking forward to 2026, Wilson said, “We’re very excited about the future and the positive changes going on around us, and we’re even more excited to help our clients navigate through the changes.”

Manatt announced a new Boston office earlier this year, and it expects to further grow in the city and the surrounding New England legal market. The firm had previously entered the Boston area when it opened an outpost in 2019. “We have more exciting office and other developments on the horizon,” Wilson said.

The firm’s biggest focus is “continuing to execute on the strategic foundation we have built over the last six years, specifically investing significantly in our people and technology to meet the evolving needs of our clients,” Wilson added. She said that the firm continues to see AI as a “major driver of our growth” and will continue not only to advise clients on AI governance, but also begin “thoughtfully scaling our own use of AI to enhance quality and value” for clients.

“We love our uniqueness. We think it’ll win the day,” Wilson added.