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Baker & Hostetler, With $1.13B in Revenues, Continues 3 Decade Run of Growth

By Jon Campisi
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What You Need to Know

- Baker & Hostetler saw historic financial performance in 2025, raking in more than $1.13 billion in gross revenue and $289.3 million in net income.
- The firm opened a new office in Austin last year, on the heels of office launches in Dallas and San Fracisco back in 2020, and a Wilmington office that opened the year prior.
- It continues to focus on lateral hiring and staying competitive in both partner and associate compensation.

Baker & Hostetler has once again moved the needle of its financial performance in a positive direction, reporting record-setting gross revenues of more than $1.13 billion in 2025.

In a recent interview, firm chair Paul Schmidt said he was proud of the fact that Baker, in 2025, experienced its 32nd consecutive year of growth, which he termed a "very steady rise."

"We've just seen a phenomenal trend in our results, which is great," Schmidt said. "And 2025 was a year that started strong and finished strong and we saw a solid pipeline of both deals and disputes and, in fact, we see that kind of carrying into the beginning of 2026, which is great."

The main driver behind the increased revenues was a rise in demand across practice areas, especially transactional work.



Courtesy photo

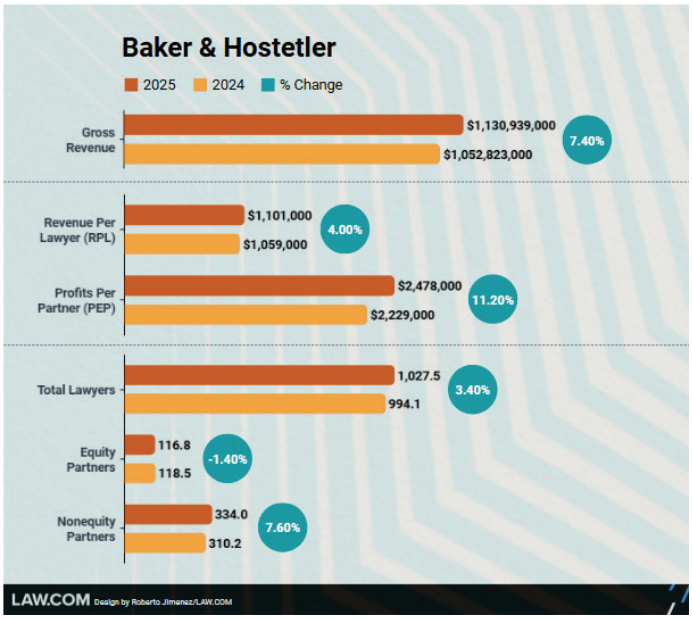
Paul Schmidt, with Baker Hostetler.

"We were particularly encouraged to see that deal flow was up, deal volume was up, demand in that group was up probably around 10%, which was very great when we saw a particularly strong Q4, which was encouraging for deals," Schmidt said. "We did 214 deals last year with an aggregate value of about $20 billion. Seventy-six of those were PE deals with a value of about $8.3 billion. Lots of good things going on there."

Additionally, the firm in 2025 secured $289.3 million in net income, and it paid out $2.48 million in profits-per-equity-partner.

In 2025, the firm had 1,027.50 FTE lawyers, 116.8 equity partners and 334 non-equity partners.

In addition to deal work, demand was also up about 6% within the real estate practice, which



was bolstered by the firm's investment in its affordable housing practice.

"We call it a community development practice that led us, in fact, with some additions to opening our Austin office last year," Schmidt said.

Schmidt said the firm brought aboard 30 lateral partners and 19 counsel in 2025, which includes seven corporate M&A lateral partners in the New York City office.

The firm also welcomed a strong intellectual property group in California, and it continues to be recruiting former government officials, including Steven Dettelbach, former head of the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives, tapped to lead Baker's litigation practice.

In July, Baker announced that it had hired Jacqueline Romero, former U.S. Attorney for the Eastern District of Pennsylvania, now a partner in the white-collar practice.

Other busy practice areas last year included business litigation, labor and employment, class actions and tax. IP work also increased, bolstered by strong trademark work.

Baker's 2025 billing rate increased by about 6% over the prior year, Schmidt said, and partner compensation continues to remain competitive in the market.

"It's a fiercely competitive market," Schmidt said. "People's performance increased last year,"

Associate compensation also remained market competitive, and a number of associates received "very competitive bonuses based on performance" in 2025, Schmidt said.

The firm also remains committed to technology and innovation, with Schmidt particularly proud of Baker's in-house artificial intelligence initiative, Incubaker.

"We are really at the point where we're embedding it deeper and deeper into our legal workflows," Schmidt said. "Every tool that we deploy meets very, very strict security standards. And when you're doing that, human judgment stays central."

Schmidt said client requests for alternative fee arrangements last year increased, but actual AFA agreements were less than expected, representing about 10% of matters.

"It hasn't significantly grown," he said. "I continue to anticipate that it will though."

The firm continues to maintain 18 offices, all in the U.S. with Austin being the most recent addition.

"Would we be open to opening more? I think that's a possibility, but we certainly have to be committed to continuing to grow those [existing] offices that we've opened," Schmidt said. "Make sure that they're set up to be successful. We want to be full-service in all our offices, so that's going to be a priority for us, which is organic growth. We do it the hard way, but it's something that I think we will continue to focus on to make sure that we have our critical strengths reinforce and can deliver what our clients are looking for and what we need."

The 2025 financial figures reported in this story are preliminary. ALM will report finalized data for the Am Law 200 on The American Lawyer in April and May.

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