New Research Shows Businesses Increasingly Open to Reframing Legal Department from Overhead to Capital Source

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NEW YORK, Feb. 20, 2024 /PRNewswire/ -- Burford Capital, the leading global finance and asset management firm focused on law, today releases new independent research demonstrating that an increasing number of businesses are recognizing litigation portfolios as value sources and are becoming more open to tools that help them reframe the legal department from overhead to capital source.

In the nearly 15 years since Burford's inception and in the wake of the last great recession, how businesses view their litigation and arbitration portfolios has drastically changed. Pressures on cost management have been persistent through turbulent economic times, Covid, supply chain constraints, geopolitical tensions and slow economic growth in major economies. To better understand how in-house lawyers and finance professionals expect these dual issues of cost management and value generation to evolve in the years ahead, Burford commissioned independent research with 400 GCs, heads of litigation, senior in-house lawyers, CFOs and other leaders responsible for litigation decision-making in their companies.

Highlights from the research include:

- **Businesses' already significant investment in litigation is growing:** 43% of GCs say litigation spend will grow at least 25% in the next five years.
- **GCs and CFOs are aligned in seeking innovation for the legal department:** More than half of businesses (55%) either have an affirmative recovery program (18%) or intend to build one (37%)—making it all the more important that best practices are in place to manage costs and optimize outcomes.
- **GCs and CFOs agree that collaboration is needed but differ on its extent:** 70% of GCs and CFOs say it is important that the legal department find new ways to recover value—signaling a shared desire to reframe the legal department as a capital source. However, three times as many in-house lawyers as finance professionals say the decision to pursue potential claims is generally left to legal with little input from finance.
- **Legal finance is a key tool and finance has an important role in leveraging it:** Almost three

quarters (73%) of all respondents say their organizations have used legal finance (39%) or would consider doing so (34%), and more than two thirds (67%) of finance professionals feel that legal can increase its value to the business by using tools like legal finance.

Christopher Bogart, Chief Executive Officer of Burford Capital said: "The trend of 'corporate finance for law' is growing, as confirmed by this research and our own business, given that more than 50% of our commitments are now with corporates. That's due to the impact legal finance can have on reducing the impact of litigation on the P&L and business leaders' desire to use their capital to maximize shareholder value, not pay lawyers. This marks our 15th year in business – and while the legal field is generally slow to change, this research reinforces that CFOs and GCs are thinking about their legal departments differently, and Burford is laser-focused on helping companies reframe the legal department more as capital source than overhead."

The *Litigation Economics: CFOs and GCs weigh in on best practices in optimizing legal department value* survey can be downloaded on Burford's website. The research was conducted by GLG from December 2023 – January 2024.

About Burford Capital

Burford Capital is the leading global finance and asset management firm focused on law. Its businesses include litigation finance and risk management, asset recovery and a wide range of legal finance and advisory activities. Burford is publicly traded on the New York Stock Exchange (NYSE: BUR) and the London Stock Exchange (LSE: BUR), and it works with companies and law firms around the world from its offices in New York, London, Chicago, Washington, DC, Singapore, Dubai, Sydney and Hong Kong.

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