

“We’ve had an office in Europe since the 1950s”



All rights reserved

Interview with

PHILIP BOECKMAN

Managing partner, London office

CRAVATH, SWAINE & MOORE LLP

“Our capital markets team has been extraordinarily busy during the pandemic”

Cravath, Swaine & Moore LLP is known around the world as an elite New York firm – but it has had an office in London, England since 1973. That office’s managing partner, Philip Boeckman, who is also co-head of the firm’s EMEA capital markets practice, tells us about London’s role in Cravath’s strategy, the work Boeckman’s team has been handling, and how capital markets has changed during Covid-19.

LEADERS LEAGUE. This year marks the 20th anniversary of your move to Cravath’s London office. How has the outpost changed since 2000?

Philip Boeckman. We have a general US corporate and finance practice in the office that reflects our corporate, finance and capital markets practice in New York. Since 2000, our London office has grown a fair bit: we are now approximately 30 lawyers, compared to about 10 when I moved over to London. For us, that growth has allowed us to handle a greater volume and a wider variety of work for clients, covering all of Europe and other jurisdictions further afield, such as in Israel, South Africa and India.

Cravath has always had a very strong capital markets practice in Europe, both on the bond side and in equity capital markets, but we have also been increasingly handling M&A in London.

So, our expanded capacity – we’re one of the largest groups of US lawyers outside of the US – and the wider variety of work, including M&A, are our most notable evolutions.

How does Cravath’s London office fit into the firm’s general strategy? Why does it stick to US law only?

The firm’s history in Europe goes quite a way back, even to advising the Bank of England in the early 1800s, as well as Paul Cravath assisting in the Allied effort in World War I. He was made an honorary member of Gray’s Inn as a result of those efforts. We have had an office in London or Paris from the 1950s; we opened in London in 1973 and closed our Paris office 10 years later.

Our presence in London is part of a long-standing commitment to helping clients in the UK, elsewhere in Europe and further afield. Cross-border work has always been a hallmark of Cravath’s practice and we’ve

increasingly seen clients appreciating and benefiting from our ability to support them from not only New York.

Are you not tempted to do as some of your US competitors have done, and set up offices in Europe with lawyers qualified in both American and European law?

The way we look at it is, for the more complex cross-border transactions in capital markets and M&A, we can be more helpful to clients with our setup. Our clients want to use the very best lawyers in each jurisdiction, and so are happy for Cravath to help them solve their US legal issues while having the flexibility to choose, often with our guidance, who is positioned to provide the best legal advice in other jurisdictions.

The approach is maybe unique, but certainly a popular proposition for our clients. It provides the flexibility and the highest quality advice for what our clients are looking for. Being able to identify the best law firm and lawyer for a specific transaction that fits a specific client’s needs is extremely valuable for our clients and for us. It’s proven to be a very successful model, with our London and New York practices continuing to be very busy with cutting-edge deals.

How has Covid-19 affected capital markets? Will any of the changes be long-term, or is this just a large blip?

It’s been all hands on deck for us during the pandemic, here and in the US – we’ve been extraordinarily busy. That’s across the range of capital markets products, be it investment-grade bonds, high-yield deals or IPOs. There have been periods during the pandemic when different parts of the capital markets spectrum have been especially busy, but generally activity has been high across the board.



CRAVATH, SWAINE & MOORE LLP

This plays to one of our strengths: Cravath attorneys are trained as generalists, able to handle a variety of capital markets and other corporate transactions. While we do a tremendous amount of high-yield bond deals, we also consistently work on numerous other kinds of capital markets transactions, including US listings for European companies.

What next year holds remains to be seen – it's of course very hard if not impossible to predict. But in general we expect to see more of the same, with companies appreciating the flexibility to consider different capital markets solutions to help see them through the current crisis and beyond.

What are some of the more flexible and/or creative solutions that you've helped provide?

We have worked on a variety of transactions of all sizes recently that presented novel issues and required careful strategic thinking. For example, we helped a UK-based payment services fintech, Paymentsense, with its debut high-yield bond issuance over the summer. It was at the time the largest all-sterling high-yield transaction completed since the pandemic began, at £290 million. They had previously accessed capital via the loan market, but the strength of the high-yield market led Paymentsense to decide that issuing high-yield bonds would best help them to continue growing.

We also assisted with the financial restructuring of a Dutch retailer, HEMA, that had faced headwinds in its market even before the pandemic. We were able to see the completion of that transaction in Q4, with an improved balance sheet and some of their debt exchanged for equity. The company and its employee base are now able to look forward to a brighter future with its restructured capital base.

Walk me through some of the most interesting corporate and finance mandates led by the London office this year.

We are working with Groupe PSA, or Peugeot, as US counsel on its merger with Fiat Chrysler Automobiles, announced in December 2019. This is a complicated cross-border transaction that neatly illustrates how our London office can help spearhead the sort of industry-shifting merger with which Cravath has exceptional experience.

We also are advising Just Eat Takeaway on its acquisition of Grubhub, working together with firms in the relevant foreign jurisdictions.

As announced just a month ago, we are acting as US counsel to Richemont, the Swiss luxury goods group, on its global strategic partnership with Alibaba and Farfetch, providing luxury brands enhanced access to the China market and accelerating the digitization of the global luxury brand.

It's been over four years since the Brexit referendum. Has Cravath's London office had to adapt? How will it adapt for the future? And do you think London's corporate or financial clout will remain largely undimmed by Brexit?

We keep a close eye on Brexit and its potential impact on our clients. But with a pan-European focus that covers a range of corporate matters from a US cross-border perspective, we have not been overly concerned about Brexit having a significant impact on our practice.

Of course, it may impact the broader markets, including the UK and other economies, which could cause some volatility in certain product areas that normally keep us quite busy. But so far, it's not really had a particularly negative impact on our work. ♦

‘We keep a close eye on Brexit, but so far it has not had a particularly negative impact on our practice’

