



NEW RESEARCH: CFOS INCREASINGLY AWARE OF COMMERCIAL LITIGATION ASSETS AND POISED TO UNLOCK MORE VALUE FROM LEGAL

*59% see future cash flow in pending claims, but
75% of large companies left judgments worth >\$20 million on the table in 2020*

28 June 2021 - Burford Capital, the leading global finance and asset management firm focused on law, today releases new independent research probing how CFOs and senior financial officers influence corporate legal departments, legal spend and their companies' success in recovering value through affirmative recoveries.

Christopher Bogart, CEO of Burford Capital, commented: "CFOs bring a commercial mindset to other areas of the business—and the legal function should be no exception, particularly given the amount of working capital potentially at stake, measured not only in the many millions now spent on commercial claims but also the even greater opportunity costs of diverting corporate resources and the untapped opportunity to pursue valuable claims altogether."

The research suggests that companies are on the cusp of a paradigm shift in how they approach legal assets, and that financial officers understand their value and have new opportunities to more fully leverage tools to unlock them. Key findings from the research include:

Affirmative recovery and cost management programs are extensive—and ready for growth

- 73% of financial officers report extremely/very extensive affirmative recovery programs, and 84% report extremely/very extensive legal cost management programs
- 46% report a need for improvement in these programs

Companies have extensive opportunities to enhance liquidity

- 75% of companies with over \$1 billion in annual revenues reported unenforced judgments worth \$20-\$100 million in 2020
- Companies with inadequate affirmative recovery programs are 27% more likely to leave money on the table

Financial officers have new ways to apply the same financial approach to legal as other business areas

- Just 24% say they apply quantitative financial modeling to make decisions about litigation as they do in other areas of the business
- 39% say litigation variables don't lend themselves to quantitative analysis—revealing an untapped opportunity to utilize tools and partners to quantify legal risk

Bringing a commercial mindset to legal will reinforce more commercial behaviors—benefiting the business

- 59% believe that pending litigations are assets because they represent future cash flow, even if they don't show up on the balance sheet, and 56% believe that the legal department should have commercial targets
- However, a significantly large percentage of financial officers aren't yet bringing a commercial mindset to legal
- Those who conduct quantitative analysis of litigation are significantly more likely to say that their companies need to place greater priority on their affirmative recovery programs—suggesting the kind of appetite for improved performance and financial innovation that leading companies value



The *2021 Legal Asset Report: A Survey of Finance Professionals* can be [downloaded on Burford's web site](#) and includes snapshots of energy, food, healthcare and other industries. Its findings are based on the online survey responses from 378 senior financial officers of companies with annual revenues of \$50 million or more in the United States, the UK and Australia, conducted in March and April 2021 by Bauman Research and Consulting. Over half of respondents hold CFO titles and all are in roles that include knowledge of their companies' litigation expenditures.

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About Burford Capital

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 principal offices in New York, London, Chicago, Washington, Singapore and Sydney. For more information, please visit www.burfordcapital.com.

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