

ASSET PRICES INCREASING IN SPAIN, WHILE NEW SOURCES OF FINANCE EMERGE - ROCA JUNYENT

Posted on 04/07/2018



Category: [Uncategorized](#)



Asset prices are going up in Spain as investors compete to make acquisitions, an environment that has led to the emergence of new sources of finance, says Carlos Blanco, Madrid managing partner at Roca Junyent.

"In terms of M&A, both private equity and industrial companies are competing for attractive assets in different sectors, such as infrastructure, energy, healthcare and technology," he explains. "The high liquidity and the growth of our economy is pushing up EBITDA [earnings before interest, taxes, depreciation and amortization] multiples and prices." And while over the last few years, international investors have played a significant role in the recovery of the M&A sector, Blanco says there is an increasing amount of interest from domestic funds and Spanish companies too. "We do expect the good times for M&A and real estate to continue," he says. "Not only is the economy doing well, but the business-friendly government means that this stable framework for investment will continue." In addition, Blanco says sources of finance have become more diverse. "The market is now a sellers' market and this is reflected in trends such as quick deals, or the return of the auctions we saw in the

boom years," he adds. Blanco explains that there is now a greater range of potential financing available, citing an increase in direct lending vehicles and a surge in equity-debt vehicles, some of which offer 'venture debt', as examples.

Meanwhile, technology-related law is becoming a growth area for law firm as the economy becomes increasingly digitalised, Blanco says. In response to this trend, he argues that lawyers need to better understand concepts such as big data or blockchain, which are dramatically changing many industries.