

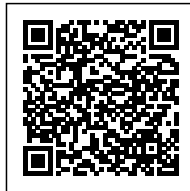
BILLING AT TOP 20 IBERIAN LAW FIRMS CLIMBS 6% TO €1.33BN

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20%

Revenue growth at Ontier in 2015 – the firm's total revenue stood at €46.3 million.

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Smaller firms follow the major players in reporting revenue increases partly due to rise in compliance and data protection work as well as innovative pricing and greater use of project managers

The overwhelming majority of Iberia's largest firms increased their revenue in the last 12 months as new data collated by Iberian Lawyer shows that the combined billing of Spain and Portugal's 20 largest firms grew 6 per cent to €1.33 billion.

While the heavyweight firms – such as Garrigues, Cuatrecasas, Gonçalves Pereira and Uria Menéndez – attributed growth to major Iberian M&A deals, along with expansion in Latin American markets when announcing their results earlier this year, smaller players attribute their growth to increased client demand in the areas of corporate compliance, data protection, cybersecurity and employment.

In addition, firms are also attributing revenue growth to improved approaches to pricing, the input of project managers, as well as new techniques to manage workflow as well as automate a greater amount of commoditised work.

Aside from financial sector class action specialist Arriaga Asociados – which experienced a three-fold increase in revenue – other notable performances in 2015 included Rousaud Costas Duran, which reported a 24 per cent increase in revenue and Ontier, which recorded a 20 per cent increase in billing in 2015. Ontier is now the fifth-largest Iberian law firm by revenue – last year it was placed sixth.

Portugal revenues up

Leading Portuguese law firms PLMJ and MLGTS both recorded healthy increases in revenue. PLMJ's billing jumped 9 per cent to €39.2 million, while MLGTS' revenue climbed 13 per cent to €45 million, according to The Lawyer European 100. However, there was no growth at Vieira de Almeida, where revenue remained flat at €36.4 million. In 2015, the firm announced the addition of a team of six partners from rival Lisbon firm Miranda. Meanwhile, Lisbon-based Abreu Advogados reported a 9 per cent increase in revenue, which stood at €24 million in 2015.

Other Spanish law firms to record significant increases in revenue last year included Lener, which saw its billing increase 14 per cent to €18.5 million and CMS Albiñana & Suárez de Lezo, which posted revenues of €24.1 million, up 13 per cent on the previous year. The only firm in the top 20 to suffer a fall in revenue was Ramón & Cajal Abogados, which saw its billing drop 5 per cent to €18.8 million.

Demand growing

Hugo Ecija, founder of Ecija, which experienced growth of 5 per cent in 2015, says the increase in the firm's revenue was not only due to cost savings, but also a result of higher demand for legal services related to "advertising law, corporate compliance, data protection, cybersecurity and information technology". He adds: "The digitization process of large companies and the new regulations in areas of innovation, data protection and intellectual property, amongst others, are the trigger for growth." In addition, Ecija says that the recruitment of new lawyers had also enabled the firm to increase its revenues.

Emerging industry sectors such as fintech and 'Insurtech' are also driving growth at law firms and the outlook for the current year is promising, according to Ecija. "Future prospects are optimistic, 2016 has started well – we have developed new practice areas [related to technological innovation and regulatory compliance] to meet the needs of the market," he says. "New sectors, such as fintech, 'Insurtech' and the 'sharing economy', along with new regulations like the new data protection regulation, are also an opportunity for law firms to grow and occupy what was a non-existent market niche a few months ago."

€45m

Total 2015 billing at MLGTS, the largest firm in Portugal by revenue.

Profits rising

The firm's profits are also growing, says Ecija, who adds that this is partly due to the firm having developed a "workflow monitoring system that, besides saving costs, facilitates the daily tasks of our lawyers". Ecija says the recruitment of a project manager has also improved the firm's profitability. He

adds that new investment in technology has also enabled the firm to automate much of the firm's commoditised work. "We have also implemented a "traffic-light work assignment [system] where associates pick the incoming work in view of their existing workload," he says.

Rousaud Costas Duran managing partner Adolf Rousaud says an increase in foreign investment in Spain along with an increased flow of dispute resolution, labour and public law-related matters has boosted law firm revenues in the last year. In addition, an "optimal pricing policy" as well as use of business intelligence, "both internally and externally" has also helped to boost profits, according to Rousaud. "We are ambitious, we are currently in the top 15 of Spanish firms, but we want to be in the top five," he adds.



Ecija founder Hugo Ecija

The biggest Spanish and Portuguese law firms by revenue

| Ranking | Firm | Country | 2015 Revenue (€m) | 2014 Revenue (€m) | Growth |
|---|------------------------------------|----------|-------------------|-------------------|-----------|
| 1 | Garrigues* | Spain | 339 | 335.6 | 1% |
| 2 | Cuatrecasas, Gonçalves Pereira* | Spain | 265.7 | 255.4 | 4% |
| 3 | Uriá Menéndez* | Spain | 210 | 192.1 | 9% |
| 4 | Gómez-Acebo & Pombo* | Spain | 60.2 | 59 | 2% |
| 5 | Ontier | Spain | 46.3 | 38.7 | 20% |
| 6 | MLGTS | Portugal | 45 | 40 | 13% |
| 7 | Auren Abogados y Asesores Fiscales | Spain | 42.3 | 37.2 | 14% |
| 8 | PLMJ | Portugal | 39.2 | 36 | 9% |
| 9 | VdA | Portugal | 36.4 | 36.4 | 0% |
| 10 | Ecija | Spain | 36.3 | 34.7 | 5% |
| 11 | Pérez-Llorca | Spain | 32.5 | 29.5 | 10% |
| 12 | Roca Junyent | Spain | 29 | 28.5 | 2% |
| 13 | CMS Albiñana & Suárez de Lezo | Spain | 24.1 | 21.3 | 13% |
| 14 | Abreu Advogados | Portugal | 24 | 22 | 9% |
| 15 | Arriaga Asociados | Spain | 20.9 | 6.45 | 223% |
| 16 | RCD - Rousaud Costas Duran | Spain | 20.6 | 16.7 | 24% |
| 17 | Ramón & Cajal Abogados | Spain | 18.8 | 19.7 | -5% |
| 18 | Lener | Spain | 18.5 | 16.3 | 14% |
| 19 | Sagardoy Abogados | Spain | 18 | 17 | 6% |
| 20 | Barrilero | Spain | 17.6 | 16.3 | 8% |
| Total revenue for top 20 Iberian firms | | | 1334.4 | 1258.9 | 6% |

Sources: All figures for Spanish law firms taken from Expansión, figures for MLGTS, PLMJ and VdA taken from The Lawyer European 100; figures for Abreu Advogados supplied by the firm (*Figures include revenue generated by firm's Portugal office).