

GOLDEN OPPORTUNITY

Posted on 03/07/2019



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The Iberian private equity sector is booming and lawyers are playing a significant role in the development of the industry, says Miguel Zurita, managing partner of Altamar Capital Partners and president of the Spanish Association of Capital, Growth and Investment (Ascri)



All law firms love to win private equity funds as clients. Well, from a financial perspective at least. While private equity funds can be very demanding clients who – when a deal is in the offing – want their lawyers to be at the end of the phone any time, day or night, they are also generally considered to be better payers when it comes to legal fees. So what are the prospects for the Iberian private equity sector? One of the best people to answer this question is Miguel Zurita, managing partner of

Altamar Capital Partners – which has almost €6.5 billion of committed capital – and president of the Spanish Association of Capital, Growth and Investment (Ascri). Zurita says that in recent years there have been significant transactions in the energy, leisure and telecommunications sectors. “The bulk of the investments are buyout operations where the funds are acquiring control of previously consolidated companies of medium and large size,” Zurita explains. He adds that these deals coexist with a growing venture capital sector, which, he argues, is among the most dynamic in Europe and which, in terms of the number of transactions, accounts for the bulk of the market. Zurita also says that the Spanish market is very wide-ranging, though he highlights the consumer sector as being one of the major recipients of investment.

SPAIN'S ECONOMIC DEVELOPMENT

Indeed, the Iberian private equity market is booming. In 2018, the sector generated more than €6 billion in investment, in addition to a significant amount of disinvestment, the end result being that private capital is clearly playing a significant role in Spain's economic development. As a result, Zurita is optimistic about the outlook for the Spanish economy in the next few years, regardless of where the country is in the economic cycle. Zurita also highlights the fact that there has also been considerable venture capital and private equity investment in Iberia in 2019 – during the first quarter of this year, the Iberian venture capital and private equity sector generated total investment of more than €1.5 billion (which amounted to 198 investments in total), a 49 per cent increase on the same period the previous year. Spain was one of the countries that suffered most during the financial crisis. Zurita says that the companies that managed to survive are those that are currently attracting the interest of private equity funds. “They are very high-quality companies, innovative even in traditional sectors, oriented to international markets, and with global aspirations,” he explains. “In addition, they are led by young, dynamic and very professional teams. “The Iberian market is currently the scene of many innovative transactions, according to Zurita. He highlights the agribusiness sector, in particular, as a once traditional sector where a lot of innovation is taking place and consequently giving rise to very innovative investments. Meanwhile, Zurita adds that, in the venture capital sector, there are many innovative companies, while at a global level, Spanish private equity funds are completing highly innovative credit transactions as well as deals related to ‘special situations’ (which may involve bankruptcies or distressed assets, for example).

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