

# MORE LIQUIDITY AND GREATER DEAL FLOW BOOSTING MARKET CONFIDENCE - LENER

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## **Private equity funds want to invest their excess liquidity in good medium-sized Spanish companies, but such targets are limited as many are still recovering from the crisis**

Spanish market confidence is growing as a result of increases in liquidity and M&A deal flow, according to Lener partner Álvaro López-Chicheri.

"We are seeing a lot of private equity houses and funds that need to invest their excess liquidity and they are looking for medium-sized Spanish companies in which to invest," López-Chicheri says. "The problem is there are not so many good Spanish companies to invest in because many businesses are still recovering from the financial crisis," he adds. "The issue is investors need to be sure about their investments."

López-Chicheri adds that, as a result of this environment, lengthy negotiations and due diligence processes – as well as non-disclosure agreements – are creating opportunities for lawyers as

private equity firms assess possible targets for investment. "Things can sometimes go a little bit slowly but overall M&A activity is increasing at a good pace," he says.

Meanwhile, it is important that law firms take extra care when managing relations with in-house counsel, according to López-Chicheri. "There are no longer traditional general counsel," he says. "They are purchasers of legal services with a budget so they are in a position to be open to hire alternative legal service providers."