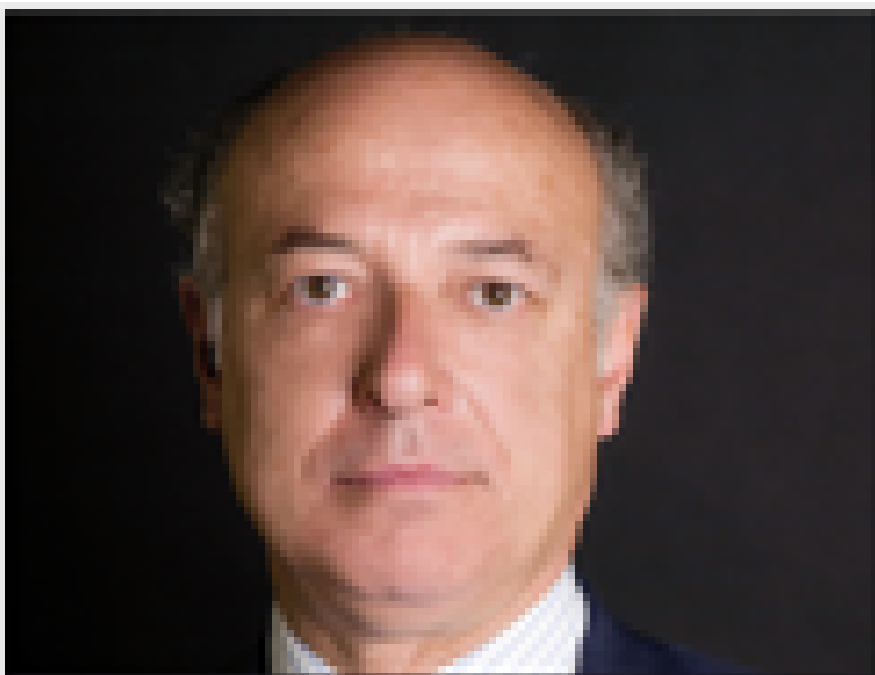


TOP 20 FIRMS BILL €1.45BN DUE TO INCREASE IN M&A AND LITIGATION

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An increase in foreign investment, both in Spain and internationally, as well as more activity in the Iberian real estate sector means firms anticipate another successful year in 2017

Growth in foreign investment and financial litigation, as well as law firms increasing investment in technology, meant the top 20 players in the Iberian legal market were able to grow their total income by 6 per cent to €1.45 billion in 2016. And for some of the firms, there looks set to be further growth this year, with a number of firms anticipating 15-25 per cent increases in billing in 2017. With the International Monetary Fund saying that Spain's economy will expand by 3.1 per cent this year, the prospects for law firms look good.

Commenting on Uría Menéndez's 6 per cent increase in revenue in 2016 – total billing hit €222.2 million last year – the firm's senior partner José María Segovia attributed the growth, in large part, to an increase in foreign investment both in Spain and also in foreign jurisdictions. "Not only has the number of M&A transactions grown in many sectors, the good feeling throughout capital markets has also contributed to the re-launch of IPOs as well as issues of debt securities," he says. "In addition, the real estate sector has also been very active and there has been an increase in financial litigation." With regard to the aim of increasing profitability, Segovia says the main objective for the firm has been to maintain the quality of the service provided to clients, while also ensuring

"sustainable growth", therefore the firm has to control its size, he adds.

Meanwhile, Segovia says that while another big priority is improving productivity, this does not necessarily mean working more hours. "Technology and knowledge management are key aspects in this sense," he adds. With regard to future growth, the firm has high hopes for the Latin American market. "We hope that the Spanish economy and that Latin America – in particular the countries of the Pacific Alliance – continue with their good performance," Segovia says.

Revenue grew substantially at Ontier in 2016 – billing went up 11 per cent to €51.2 million at what is now the fifth biggest law firm in Iberia by revenue. The firm said its international offices made a vital contribution to the rise in income. Ontier's Madrid-based chief strategy officer Severino Fernández said: "Our international footprint has been critical, it enabled us to advise on several corporate transactions involving clients investing in Spain." He argues that the growing awareness of the firm's brand on a global scale means it has been instructed not only by multinational clients, but also medium-sized clients with an "international footprint". Fernández expects that the firm will experience further growth of around 10 per cent in 2017.

Class action specialist Arriaga Asociados aside, the top 20 firm that experienced the biggest increase in revenue in 2016 was RCD - Rousaud Costas Duran, where billing leapt by a massive 24 per cent last year, hitting a total of €25.5 million, with Barcelona-based managing partner Adolf Rousaud attributing it, in part, to the firm's ability to attract experienced lawyers. "Thanks to our good positioning in the different legal and business sector, we are growing – the firm is an attractive prospect for experienced lawyers who are looking for a young and dynamic firm that is well positioned in the new economies, and in which they can grow," he says.

Recent recruits included partner Carlos Hernández Rivera, who was previously the Spanish government's director general for the regulation of gambling. Meanwhile, the firm is also winning an increasing number of instructions related to operations in Asia, particularly China.

Another factor in the firm's increase in revenue, according to Rousaud, has been investment in technology. "Thanks to the technology component, the service we were providing now comes with better delivery," he says. Rousaud adds that the first quarter of 2017 has been the best ever for the office, and consequently the objective for this year is to reach turnover of €30 million.

Turning point

An increase in corporate and competition-related work was a key factor in the 11 per cent hike in revenue at Lisbon firm MLGTS, where billing topped €50 million in 2016. Managing partner Nuno Galvão Teles says: "Our corporate and competition areas have been particularly active in advising on major transactions in various sectors," he says. "This was likely boosted by a positive macro-economic environment characterised by economic growth." Galvão Teles adds that he expects work for international clients will, in future, generate a bigger proportion of the firm's revenue. Meanwhile, he also believes that the firm's performance has improved due to the limited number of changes to the firm's personnel, which has enabled the firm to increase realisation rates. He predicts another successful year in 2017 adding that the firm has so far achieved 15 per cent year-on-year growth.

Only two of the top 20 firms in Iberia experienced revenue decreases in 2016, with Gómez-Acebo & Pombo and CMS Albiñana & Suárez de Lezo both suffering a 6 per cent fall in billing. Financial sector class action specialist Arriaga Asociados reported the biggest increase in revenue of the top 20, with billing climbing 84 per cent to €38.4 million. VdA Vieira de Almeida also underwent substantial growth with revenue increasing 22 per cent to €44.3 million, while billing at Ramón y Cajal jumped 21 per cent to €22.8 million.

The biggest Spanish and Portuguese law firms by total revenue

Ranking	Firm	Country	2016 Revenue (€m)	2015 Revenue (€m)	Growth
1	Garrigues	Spain	349.4	339	3%
2	Cuatrecasas	Spain	269.7	265.7	2%
3	Uría Menéndez	Spain	222.2	210	6%
4	Gómez-Acebo & Pombo	Spain	56.8	60.2	-6%
5	Ontier	Spain	51.2	46.3	11%
6	MLGTS	Portugal	50	45	11%
7	Auren Abogados y Asesores Fiscales	Spain	46.3	42.3	10%
8	VdA Vieira de Almeida	Portugal	44.3	36.4	22%
9	Legálitas	Spain	43.6	42.4	3%
10	PLMJ	Portugal	43	39.2	10%
11	Ecija	Spain	38.6	36.3	6%
12	Arriaga Asociados	Spain	38.4	20.9	84%
13	Pérez-Llorca	Spain	33.2	32.5	2%
14	Roca Junyent	Spain	29	29	0%
15	RCD - Rousaud Costas Duran	Spain	25.5	20.5	24%
16	Abreu Advogados	Portugal	24*	24	0%
17	Ramón & Cajal Abogados	Spain	22.8	18.8	21%
18	CMS Albiñana & Suárez de Lezo	Spain	22.7	24.1	-6%
19	Lener	Spain	19.4	18.5	5%
20	Broseta	Spain	18.2	17	7%
Total revenue for top 20 Iberian firms			€1,448.3m	€1,368.1m	6%

Source: All figures for Spanish firms taken from *Expansión*

* Latest revenue figure available, firm did not supply official figure for 2016 revenue