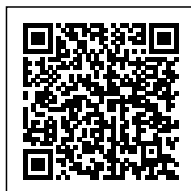


# A MORE INVOLVED WAY OF DEAL-MAKING- VIEIRA DE ALMEIDA

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## **Acquisitions are still happening in Portugal albeit deals require much more input - Vieira de Almeida**

La crisis financiera ha tenido una gran repercusión en el volumen de transacciones comerciales y de fusiones y adquisiciones en Portugal, pero otros factores también están afectando al modo de hacer negocios, afirma Helena Vaz Pinto, socia del área mercantil de Vieira de Almeida.

The financial crisis has clearly had an impact on the volume and scale of corporate and M&A transactions currently being seen in Portugal, but other factors are also impacting on the way deals are being done, says Helena Vaz Pinto, corporate partner with Vieira de Almeida.

“There is no way around the fact that we are in a difficult economic environment and the result is

that deals inevitably take longer, they are more complicated and often require much more negotiation. But they are still happening."

There remains considerable interest in profitable companies albeit much of the deal activity currently being seen is in the mid-market, she says.

"We are seeing a larger number of transactions that perhaps require less bank financing are less leveraged and where buyers still see considerable upside. Many acquirers are also becoming much more bullish about the offers they are putting on the table in order to prompt vendors to finally decide whether they will sell or not."

Acquirers are also being much more focused about what they are interested in aligned to more defined strategic goals, and this is being reflected in how deals are being structured, says Vaz Pinto. There is a greater focus on earn-outs for managers and this is being seen in the prices that may ultimately be paid.

"This is not necessarily a product of the crisis, but an evolution in the way deals will increasingly be done. Buyers want the existing management team to be committed to making deals happen. What is evident is that for those companies that have the necessary means this is a very good time to buy."

The current environment ultimately favours those with access to cash, which in some instances has placed private equity and venture capital funds ahead of industrial buyers, says Vaz Pinto. Regardless however, for those companies and investors that are committed to the Portuguese market the current situation is however presenting increasing opportunities.

"The challenge always is finalising the details of a deal, but the difficulties surrounding companies' ability to access capital means that there are inevitably fewer buyers in the market. There is much less competition for even the most attractive opportunities."