

INVESTORS TARGETING LOW-PRICED DISTRESSED ASSETS IN PORTUGAL - RAPOSO BERNARDO

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Portugal is an enticing prospect for US and European investors that are targeting distressed assets available at low prices, says Raposo Bernardo partner Joana Andrade Correia. She adds that inbound transactions continue to account for the majority of M&A activity in the country.

"The Portuguese market in 2016 saw over 300 M&A operations," Andrade Correia says. She adds that the sectors that have experienced the most significant levels of activity are real estate, finance and insurance.

One of the key trends in corporate and M&A is the willingness of companies – following a period of growth – to dispose of non-strategic assets, Andrade Correia notes. Meanwhile, in the financial sector, Portuguese banks "which are an important factor in the growth of M&A operations, still have on their balance sheets a substantial amount of non-productive assets".

Foreign investment in Portugal remains high, according to Andrade Correia.

In terms of inbound transactions, most of the acquisitions have been made by British, French, Spanish and US companies, while outbound transactions by Portuguese companies have primarily taken place in Brazil, France and Spain. "As in the previous year, Portugal will remain an attractive market for foreign investors seeking the acquisition of distressed assets," says Andrade Correia. She

adds that financial sector assets are being sold at reduced prices, with market players looking to clean up their balance sheets and create more liquidity.

In addition to there being many promising M&A opportunities, Portuguese law firms are also seeing a high volume of non-transactional corporate work. Andrade Correia says: "Across all sectors, companies need to adjust their structures and operate according to new legal requirements."