

PORTUGUESE FIRMS 'SET FOR EXPANSION'

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Portugal's largest law firms		
Firm	Partners	Total lawyers
PLMJ	48	229
Abreu	28	211
Miranda	20	197
Morais Leitão	44	182
VdA	27	138
Cuatrecasas	29	131
AVM	15	120
Uría Menéndez	15	90
Garrigues	14	80

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Lawyers in Lisbon expect firms to increase in size as work picks up, but others warn that growth must be “business case-driven” to avoid past mistakes

Leading lawyers in Portugal are predicting that – due to a brighter economic outlook – law firms will expand and boost their ranks to the extent that some may reach the size they were before the economic crisis. Bullish predictions are being made due to expectations that the deleveraging of the Portuguese economy will create an abundance of work for law firms in the coming years. Portuguese lawyers are also bracing themselves for a dramatic increase in litigious work due to the collapse of Banco Espírito Santo [see our Lisbon Annual Report on page 26]. Partners say the demise of BES will trigger levels of litigation in the country not seen since the aftermath of the revolution in the 1970s.

Duarte Garin, managing partner of Uría Menéndez’s Lisbon office says increasing demand for legal services will lead to Portuguese firms expanding: “Firms will probably go back to the same levels [in terms of size],” he says. “We’re seeing more lateral hires and firms are taking on more trainees. It’s difficult to resist the demand for services; firms will pick up.”

Manuel Protásio, partner at Vieira de Almeida & Associados, agrees that firms will be inclined to expand when business improves. “Many of us have the growth model embedded in our DNA,” he says. However, Protásio adds: “Growth along the lines followed in the past might not be the most reasonable course of action.”

Linklaters’ Lisbon managing partner, Pedro Siza Vieira, says the deleveraging of the Portuguese

economy will generate huge amounts of work for law firms in the coming years. "Corporations are still indebted over 2008 levels and families are also indebted. This will lead to a return in demand for legal services." However, he doubts the increase in demand will lead to significant law firm expansion. "This generation will be more cautious with regard to expansion plans," he says. Isabel Martínez De Salas, Garrigues' Portugal managing partner, is optimistic about her firm's prospects for the coming year and she expects growth, both in revenue and profits. But Vieira says that any growth at law firms should be "business case-driven". "Our firm has not grown for 10 years," he adds.

Another managing partner, whose firm hired "many lawyers" in 2013, says though the firm has more work, it is not earning more money so it will need to "grow its ranks of junior lawyers".

What is the revenue of the largest Portuguese firms?

When contacted by Iberian Lawyer, of the nine biggest firms in Portugal [see box], only one, Abreu Advogados, supplied a figure for its annual revenue. A spokeswoman said the firm's 2014 revenue was estimated at €19m. In its 'European 100' report, London-based The Lawyer magazine listed Morais Leitão, Galvão Teles, Soares da Silva & Associados (MLGTS), Vieira de Almeida & Associados (VdA) and PLMJ as the three largest firms in Portugal by revenue. The Lawyer put MLGTS' revenue at €37.7m, VdA's at €35m, and PLMJ's at €33m. However, these figures are disputed. According to some market sources, four firms in Portugal have an annual revenue of approximately €25m: MLGTS, VdA, PLMJ and Miranda Correia Amendoeira & Associados.