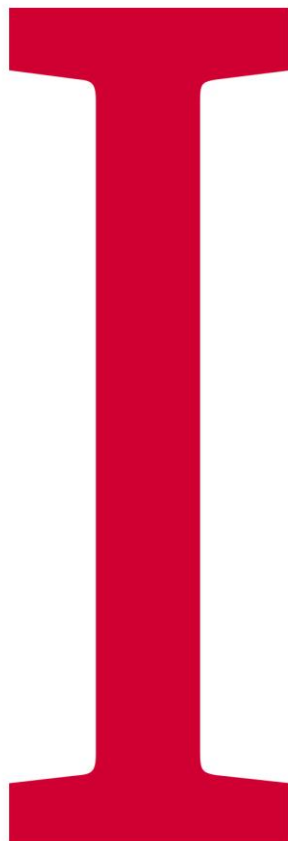



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REVEALED: FINANCIAL SECRETS OF PORTUGAL'S LAW FIRMS

by ben cook



In an unprecedented piece of research, in this issue of *Iberian Lawyer* we publish a list of the Top 30 law firms in Portugal by revenue. Portuguese law firms have traditionally been notoriously secretive about how much money they make and the vast majority of firms were unwilling to provide us with official figures. However, by making use of well-placed market sources, we have been able to gain an insight into the finances of Portugal's leading firms. It came as little surprise to see that Portugal's traditional 'Big Three' – Morais Leitão, PLMJ and Vieira de Almeida – were at the top of the tree when it came to total revenue, but there were some revelations that the market may not have been anticipating. Firstly, Uría Menéndez's performance fully justifies the claims that it is a truly 'Iberian law firm' - Uría Menéndez – Proença de Carvalho is the fourth biggest law firm in Portugal by revenue and it is the third most impressive performer in the Top 30 when figures for revenue per partner and revenue per lawyer are taken into account. Indeed, in the revenue per partner stakes, Uría Menéndez's Portuguese practice

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is, in general, on a par with its other practices around the world. Secondly, while it was widely thought that Linklaters' Lisbon office was a very profitable practice, our data shows exactly how profitable it is – with revenue per partner of €2.1 million and revenue per lawyer of €333,000, Linklaters is by far the best performer of the ten biggest firms in our list.

IT IS KNOWN THAT A NUMBER OF FOREIGN PRIVATE EQUITY FUNDS ARE LOOKING TO INVEST IN LAW FIRMS IN PORTUGAL (AS WELL AS SPAIN). WHEN ASSESSING WHICH LAW FIRMS IN PORTUGAL WOULD BE THE BEST TO INVEST IN, OUR PORTUGAL TOP 30 LIST IS A GOOD STARTING POINT

Why does all this matter? For several reasons. To begin with, transparency builds trust and trust is vital in the legal profession. Though financial performance is only one factor to be considered, the fact this data is being published means clients now have a more accurate picture of which Portuguese firms are the most successful. In addition, it enables clients to make a more informed decision about which law firms are likely to do the best job of representing them in a major deal or dispute. Meanwhile, lawyers in Portuguese law firms now have a better indication of how their firm is run, how money is distributed among lawyers within the firm, how well the firm is performing, and, just as importantly, how their firm compares to their rivals in the market from a financial perspective – it may come as a surprise to some, but there are firms which share precious little financial information with their more junior lawyers. The other point to make here is, when looking to identify the best law firms in Portugal, instead of relying on mere opinions, we now also have some hard facts we can use to help us.

And finally, the financial performance of law firms will come under increasing scrutiny in the coming months. It is known that a number of foreign private equity funds are looking to invest in law firms in Portugal (as well as Spain). When assessing which law firms in Portugal would be the best to invest in, our Portugal Top 30 list is a good starting point. ■

REVENUES

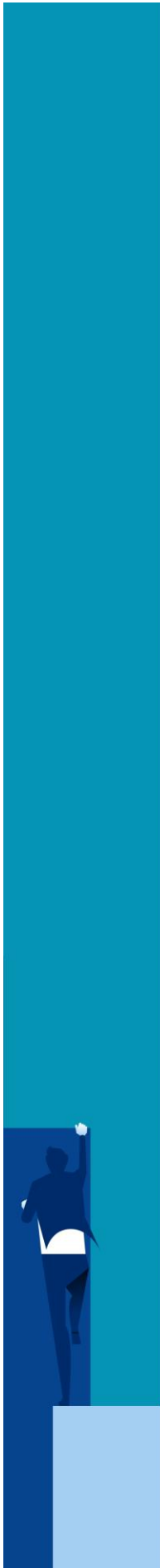
Iberian Lawyer TOP 30 PORTUGAL

In a pioneering piece of research, Iberian Lawyer reveals the biggest law firms in Portugal by revenue – though firms have been notoriously secretive about the income they generate, here we disclose information about the finances of the country's leading firms as well as details about the top performing firms in terms of revenue per partner and revenue per lawyer



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REVENUES




The combined revenue of Portugal's Top 30 law firms totalled nearly half a billion euros in 2018, according to new research by *Iberian Lawyer*. Though the Portuguese market has traditionally taken a highly secretive approach to law firm revenues, *Iberian Lawyer* has broken new ground by publishing information about the income of the country's leading law firms. In general, firms declined to provide official revenue figures, but *Iberian Lawyer* sources have enabled us to develop a picture of the financial health of Portugal's major firms.

The combined revenue of the top 30 firms totalled €443.7 million. The biggest biller was Morais Leitão, where revenue stood at €58.3 million last year. This represented an increase of 6 per cent on the previous year. Real estate work was a key driver of growth for the firm, which is led by managing partner **Nuno Galvão Teles**. The boom in real estate work has meant the firm took the unusual step of making some lateral hires during 2018 in order to boost its capability in this area. In one notable property deal, Morais Leitão advised construction company Teixeira Duarte on the sale of the business park Lagoas Park to private equity fund Kildare. The finance sector was another rich source of work – in one significant transaction, Allianz Group was advised by Morais

Leitão on the sale of its shares in Portugal's Banco BPI to CaixaBank. However, a total revenue figure only tells part of the story, numbers indicating revenue per partner and revenue per lawyer can enable us to gain

a better insight into firms' efficiency. Our sources indicate that revenue per partner at Morais Leitão is approximately €911,000 – this is at the high end of the scale compared to most of the Top 30, though it is lower than the comparable figures at some of the foreign firms with offices in Portugal, such as Linklaters and Uría Menéndez, for example. Revenue per lawyer at Morais Leitão stands at €261,000, a figure that is bettered by only three firms in the Top 30.

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REVENUES


Iberian Lawyer | PORTUGAL TOP 30 (Firms 1 to 15)

Firm	Estimated Revenue (€m)	Number of partners	Total number of lawyers	Revenue per partner (€)	Revenue per lawyer (€)
1 Morais Leitão	58,3	64	223	911.000	261.000
2 PLMJ	55	61	298	902.000	185.000
3 Vieira de Almeida	52	42	290	1.2 million	179.000
4 Uría Menéndez – Proença de Carvalho	32	20	111	1.6 million	288.000
5 Abreu Advogados	25	28	184	892.000	136.000
6 Miranda	25	23	98	1.1 million	255.000
7 Cuatrecasas	22,4	28	137	800.000	164.000
8 Garrigues	16	12	62	1.3 million	258.000
9 Linklaters	15	7	45	2.1 million	333.000
10 SRS Advogados	15	21	110	714.000	136.000
11 CMS Rui Pena & Arnaut	14,4	18	92	800.000	157.000
12 DLA Piper ABBC	11	11	50	1 million	220.000
13 Servulo	11	18	76	611.000	144.000
14 Telles Advogados	9	15	98	600.000	91.000
15 Campos Ferreira, Sá Carneiro & Associados	9	13	45	692.000	200.000



SUBSTANTIAL INVESTMENT

The second biggest firm by revenue in Portugal is PLMJ where revenue totalled €55 million in 2018, an increase of more than 13 per cent on the previous year. The firm's headcount stood at 298 lawyers in 2018, an increase of 10 per cent on the previous year, and a figure that made it the biggest firm in Portugal in terms of lawyer numbers. Growth at the firm, which is headed by managing partner **Luís Miguel Pais Antunes**, was attributed to substantial investment in the Portuguese real estate, infrastructure and small and medium-sized enterprise (SME sectors). Deals of note included advising Morgan Stanley Infrastructure Partners and Horizon Equity Partners on the acquisition of a 75 per cent stake in Towers of Portugal from PT Portugal. In addition, the firm advised Ferro Corporation on the acquisition of Endeka Group's operations in Portugal. Revenue per partner at PLMJ

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Iberian Lawyer | PORTUGAL TOP 30 (Firms 16 to 30)

Firm	Estimated Revenue (€m)	Number of partners	Total number of lawyers	Revenue per partner (€)	Revenue per lawyer (€)
16 EDGE International Lawyers	9	9	42	1 million	214.000
17 Caiado Guerreiro	7,5	8	126	938.000	60.000
18 FCB Sociedade de Advogados	7	17	63	412.000	111.000
19 Gómez-Acebo & Pombo	6,6	6	28	1.1 million	235.000
20 CCA Law	6	11	59	545.000	102.000
21 SLCM - Serra Lopes, Cortes Martins & Associados	6	11	42	545.000	143.000
22 PRA-Raposo, Sá Miranda & Associados, Sociedade de Advogados RL	5,5	14	110	393.000	50.000
23 AAA Advogados	4	6	22	666.000	181.000
24 SPS	3,8	9	58	422.000	66.000
25 Fernando Antas da Cunha	3,6	7	32	514.000	113.000
26 pbbr - Sociedade de Advogados RL	3	8	31	375.000	97.000
27 Pares Advogados	3	10	37	300.000	81.000
28 Andersen Tax & Legal	3	5	24	600.000	125.000
29 AAMM	2,8	3	8	933.000	350.000
30 RRP Advogados	2,8	1	17	2.8 million	165.000
TOTAL	443,7				



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Revenue per partner | The Top Five

Firm	Revenue per partner
1 RRP Advogados	€2.8 million
2 Linklaters	€2.1 million
3 Uría Menéndez – Proença de Carvalho	€1.6 million
4 Garrigues	€1.3 million
5 Vieira de Almeida	€1.2 million

The Five Firms with the Highest Number of Partners

When we rank the firms by number of partners, the top three firms are also the top three firms by revenue (in the same order): Morais Leitão, PLMJ and Vieira de Almeida. Partner numbers at Morais Leitão increased 10 per cent in 2018, with the increase partly attributable to a number of high profile lateral hires (see box). Partner numbers at PLMJ increased 7 per cent in 2018 with the appointment of four new partners: **Alexandra Mota Gomes** (who specialises in compliance and criminal and litigation); **Carmen Baptista Rosa** (arbitration and litigation); **João Velez de Lima** (tax); and **Mariana França Gouveia** (arbitration). There was a slight increase in the number of partners at Vieira de Almeida in 2018 – one major lateral hire saw the firm recruit EU and competition partner **Ricardo Bordalo Junqueiro** from Cuatrecasas (see box). ▣


Firm	Number of partners in 2018	Change in partner numbers
1 Morais Leitão	64	+ 10%
2 PLMJ	61	+ 7%
3 Vieira de Almeida	42	+ 5%
4 Abreu Advogados	28	No change
5 Cuatrecasas	28	No change



LUÍS MIGUEL PAIS ANTUNES

stands at €902,000, while revenue per lawyer totals €185,000, which is considerably less than that at Morais Leitão, for example.

Vieira de Almeida (VdA) was the Portuguese law firm with the third highest revenue in Portugal last year. Billing totalled €52 million in 2018, a 2 per cent increase on the previous year. Key drivers of growth at the firm – which is led by **João Vieira de Almeida** – included work for private equity funds, as well as pension and infrastructure funds. In addition to advising PT Portugal on the aforementioned Towers of Portugal deal, other notable matters handled by the firm in 2018 included advising Portuguese private healthcare company José de Mello Saúde (JMS) on the registration of its commercial paper programme on MARE, the fixed income market operated by Bolsas y Mercados Españoles (BME). Meanwhile, the firm also advised Deutsche Bank on the sale of

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Revenue per lawyer | The Top Five

Firm	Revenue per lawyer
1 AAMM	€350,000
2 Linklaters	€333,000
3 Uría Menéndez – Proença de Carvalho	€288,000
4 Morais Leitão	€261,000
5 Garrigues	€258,000



its private and commercial banking business in Portugal to Spain's Abanca. Revenue per partner at VdA, at €1.2 million, was around a third higher than that at Morais Leitão and PLMJ. However, revenue per lawyer at VdA, which stands at €179,000 is lower than that at the other two major Portuguese firms, which illustrates the higher gearing at VdA, that is a larger ratio of lawyers to each partner.

Total Revenue of Portugal Top 30 firms

€443.7m

The Five Biggest Firms by Lawyer Numbers

PLMJ is the biggest law firm in Portugal in terms of lawyer numbers, despite being the second largest in terms of revenue. Headcount at PLMJ increased 10 per cent to 298 in 2018. The major drivers of growth at the firm included increases in work in the real estate, infrastructure, and small and medium-sized enterprises sectors. The firm's real estate practice has quadrupled in size in the last decade. Vieira de Almeida's headcount increased 7 per cent in 2018 with work for private equity funds, as well as pension and infrastructure funds cited as among the key reasons for the growth. There were no changes in lawyer numbers at Abreu Advogados and Cuatrecasas, with headcount remaining flat at 184 and 137 respectively. ■

Firm	Number of lawyers in 2018	Change in lawyers numbers
1 PLMJ	298	+ 10%
2 Vieira de Almeida	290	+ 7%
3 Morais Leitão	223	+ 7%
4 Abreu Advogados	184	No change
5 Cuatrecasas	137	No change

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LATERAL HIRES: THE BIG MOVES

One of the most high-profile lateral hires of 2018 saw Morais Leitão litigation partner **Miguel de Almada** leaving the firm to join Cuatrecasas. Almada – who specialises in civil and commercial disputes, domestic and international arbitration, and insolvency and restructuring matters – was a partner at Morais Leitão for eight years. However, there were also some high profile additions to the Morais Leitão team with real estate specialist **João Torroaes Valente** joining as a partner from Uría Menéndez and **Magda Viçoso**, formerly a partner at PLMJ, joining from CTT Correios de Portugal, where she was legal counsel – Viçoso joined Morais Leitão's corporate department as a partner.

There were a number of high-profile departures from Cuatrecasas – the firm's Lisbon-based partners **Miguel Esperança Pina**, who had been a partner at Cuatrecasas for 17 years, and **Rita Gouveia**, who had been a partner at the firm for nine years, left to join CMS Rui Pena & Arnaut. Meanwhile, **Mafalda Ferreira Santos**, who had been a partner at Cuatrecasas for more than five years, joined Servulo, while partner **Ricardo Bordalo Junqueiro** left the firm to join Vieira de Almeida. It is **Bordalo Junqueiro's** second spell at Vieira de Almeida, he was previously with the firm from 2002 to 2013. ■



MIGUEL DE ALMADA



MAGDA VIÇOSO



JOÃO TORROAES VALENTE



RITA GOUVEIA

SPECTACULARLY SUCCESSFUL

What will surprise many in the market is the size of the revenue being generated by Uría Menéndez's practice in Portugal. Though widely recognised as a prestigious firm that carries out highly sophisticated work, few will have anticipated exactly how successful the firm has been in the country. The firm's Portuguese practice billed €32 million in 2018, which means it is now the fourth largest law firm in Portugal by revenue. Major deals the firm advised on during the year included acting for Aquila Capital on the €164 million acquisition of EDP subsidiary Small Hydro. Revenue per partner at the firm is an impressive €1.6 million, which, of the Top 10 firms in our list, is bettered only by Linklaters. The firm is also one of the top performers when it comes to revenue per lawyer, which totals €288,000. Of the 'big three' Spanish law firms with operations in Portugal, Uría Menéndez's Portuguese practice is undoubtedly performing best. Its revenue is more than 40 per cent higher than that of Cuatrecasas (€22.4 million) and double that of Garrigues (€16 million). While Garrigues revenue per partner, at €1.3 million, and revenue per lawyer, at €258,000, are among the highest in the market, Cuatrecasas is being considerably outperformed by not only the Portuguese offices of the major Spanish firms, but also the three biggest Portuguese firms – revenue per partner at Cuatrecasas totals €800,000, while revenue per lawyer stands at €164,000.

Other performances of note include that of Linklaters – the firm billed €15 million in 2018, which means revenue per partner totals a massive €2.1 million, while revenue per lawyer stands at an equally impressive €333,000. Meanwhile, revenue per partner at Miranda totals €1.1 million, with revenue per lawyer standing at a respectable €255,000. Other firms with revenue per partner over the €1 million mark include DLA Piper ABBC, EDGE International Lawyers, and Gómez-Acebo & Pombo. But the firm in the Top 30 with the highest revenue per partner is RRP Advogados – the firm has one partner, founder Ricardo Reigada Pereira, and a total revenue of €2.8 million. The firm with the highest revenue per lawyer, at €350,000 is public law, tax and private client specialist AAMM. ■