

Eastern promise

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Cross-border M&A is driving growth at SRS Advogados; with a view to building on this success, the firm opened a Singapore office to encourage more Asian investment in Portugal

SRS Advogados is benefiting from what head of finance William Smithson describes as a “feelgood factor” in Portugal. “The market is buoyant, the economy is doing well, there’s a feeling of optimism and the country is perceived as a strong option for foreign direct investment,” he says. “Portugal’s economic stability is making the country

increasingly attractive for investors.”

There is also a sense of well-being at SRS at the moment. Recent work for the firm has included advising Laboratory Corporation of America (LabCorp) on the Portuguese law aspects of its \$1.2 billion takeover of contract research organisation Chiltern International. The firm describes the last year as its “best yet” – though the firm has not disclosed its revenue, a source says it increased by 10 to 15 per cent in the last year.

Cross-border M&A has been a key driver of growth at the firm, according to Smithson. “With regard to M&A, we’re advising high-net-worth individuals, private equity funds and family offices – foreign direct investment is coming in,” he adds. “Tourism, hotels and leisure is also growing, while there are also good returns for investors in the commercial real estate market.” Smithson says there is considerable interest in Portuguese assets among pension funds, particularly those from the UK and Germany. “There is also a lot of investment in technology in Portugal, particularly companies from the US and Israel – we’ve done many technology deals in the last couple of years,” he adds. In one such deal, SRS recently advised Portuguese venture capital fund Pathena on its €1.3 million investment in Primetag, a technology startup specialised in online influence marketing. In addition, Smithson says there is a lot of investment in fintech, medtech and security-related technology companies in Portugal.

Brexit benefits

Uncertainty related to Brexit is working to Portugal’s advantage, according to Smithson. “Lisbon is now an option in the context of Brexit,” he argues. “For start-ups, the top locations are London, Berlin and Lisbon – such companies have to ask themselves whether they want to be in London as it is unclear what Brexit will actually mean, and Portugal is an attractive option, not only for its great quality of life, but also it’s good infrastructure, competitive services, great penetration of English and sophisticated and innovative human resources.”

SRS no longer has the international network it had when it was part of Simmons & Simmons, but in January 2017, SRS opened an office in Singapore. This move has provided further evidence of how the UK’s loss could be Portugal’s gain when it comes to the repercussions of Brexit. “Through our Singapore office we’re talking to significant players from the region – traditionally, they would have gone to the UK, but now Portugal is very attractive to them,” says Smithson. “There are investors from Asia who say they have no visibility in Portugal, so part of what we do is creating awareness of opportunities here,” he adds. The benefits of having an office in Singapore is that the city serves as a “platform for the whole Asian region including Australia and India”, Smithson

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SRS Advogados



says. Indeed, SRS sees potential in the Indian market. “Currently, there is not significant Indian investment in Portugal, but that’s what makes it interesting as there is enormous potential,” says Smithson. He adds that work for international investors is one of the biggest growth areas for the firm.

Though Smithson does not confirm details, it is understood that international clients currently contribute around 50 per cent of SRS’ revenue. This is unsurprising given that, generally speaking, Portuguese law firms get paid higher fees by international clients than by those in the domestic market. Indeed, some Portuguese lawyers often lament the fact that they are among the cheapest in Europe.

What distinguishes SRS is the fact that it is more commercially focused than some of its competitors, according to Smithson. To further emphasize the firm’s credentials for being client-oriented, Smithson highlights the fact that the firm’s senior partner Pedro Rebelo de Sousa was formerly a banker and has “vast international investment bank experience”. Smithson continues: “In addition, in our corporate finance team, we have people who have worked in investment banks in Hong Kong, London, Madrid, New York, São Paulo and Singapore – they have worked on the other side.” Smithson adds that what clients really want is simple, clear, business-focused advice.

Retaining lawyers and ensuring they perceive SRS as a law firm offering “good career opportunities, career progression and excellent training is a key challenge, according to Smithson. He argues that SRS has been particularly successful in this respect, “especially given that of the firm’s 21 partners, 11 were trainees at SRS”. Smithson also points out that one third of the firm’s partners, and around 50 per cent of the firm’s 110 lawyers, are women. “With such a large proportion of women lawyers, you have to be sensitive to that dynamic and consider issues such as working from home and childcare, for example,” he explains. Smithson argues that one of the perks SRS is able to offer potential new recruits is a healthy working environment. “This is a good place to work, the work is sophisticated and innovative, the firm is not too traditional and it has a very good work-life balance.”

SRS Advogados fact file	
Partners:	21
Lawyers:	110
Revenue:	Undisclosed

Portugal’s ‘feelgood factor’



Talk of the “feelgood factor” in Portugal is commonly heard at present – reference is made to Lisbon being a city “full of tourists” where a significant number of new bars and restaurants are opening. Meanwhile, some commentators are attributing the improved atmosphere to the “wildly popular, man of the people” President Marcelo Rebelo de Sousa, who was elected in 2016 and who, incidentally, is the brother of SRS’ senior partner Pedro Rebelo de Sousa. Given Pedro Rebelo de Sousa’s connections, some market

observers argue that SRS’ profile should be higher – the firm was ranked ninth in Iberian Lawyer’s annual brand rankings (see page 8).

For his part, Pedro Rebelo de Sousa says Portugal has become “fashionable again”. He adds that foreign direct investment has been driving growth and that an increasing number of startups are being launched in Lisbon. And law firms have been among the beneficiaries of this economic growth, Pedro Rebelo de Sousa says. “The Portuguese legal market’s revenue is growing as transactional work increases and prospects are improving,” he adds. Pedro Rebelo de Sousa says law firms have experienced an increase in data protection, employment, M&A and real estate work. “Foreign direct investment has been the key to growth and new markets tend to be its origin.”

Pedro Rebelo de Sousa adds that Portugal is seeing an increase in global law firm alliances. “There are new international players in the market, however the nature of such [alliance] structures may be unclear,” he says.