



UNIVERSIDADE CATÓLICA PORTUGUESA

Trends and Opportunities of M&A in Portugal

Sector analysis: market outlook

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Resumo

Fusões e aquisições (F&A) são fundamentais para a estratégia corporativa, permitindo às empresas expandir-se, reestruturar-se, ou otimizar as suas operações. Embora exista uma vasta investigação sobre F&A em contextos europeus e globais mais amplos, os estudos focados em Portugal são limitados. Esta dissertação pretende colmatar essa lacuna, analisando as tendências e oportunidades no mercado português de F&A entre 2014 e 2023, inclusive.

Recorrendo a uma abordagem de métodos mistos, a investigação combina uma análise quantitativa de 842 transações de M&A, com dados do Standard and Poor's (S&P) Capital IQ, e estudos de caso qualitativos dos setores mais ativos. A análise quantitativa identifica tendências como a predominância de transações transfronteiriças, os setores mais dinâmicos (Indústrias, Consumo Discricionário e Tecnologias de Informação) e os principais investidores em Portugal. A análise qualitativa explora transações representativas, focando-se nas motivações estratégicas, nas estruturas dos negócios e nos impactos pós-aquisição.

Os resultados demonstram que Portugal continua a ser um destino atrativo para investidores estrangeiros, nomeadamente de Espanha, França, Reino Unido e Estados Unidos, com um papel significativo dos fundos de *private equity*. A consolidação setorial e o crescimento de empresas especializadas evidenciam novas oportunidades de investimento.

Este estudo fornece *insights* para decisores políticos, investidores e líderes empresariais, contribuindo para uma compreensão mais aprofundada das tendências que moldam o panorama das F&A em Portugal.

Palavras-chave: Fusões e aquisições; Mercado português; Tendências

Abstract

Mergers and acquisitions (M&A) are key to corporate strategy, enabling firms to expand, restructure, or optimize operations. While extensive research on M&A exists in broader European and global contexts, studies focusing on Portugal are limited. This thesis aims to address this gap by analysing trends and opportunities in the Portuguese M&A market from 2014 to 2023, inclusive.

Using a mixed-methods approach, the research combines quantitative analysis of 842 M&A transactions from Standard and Poor's (S&P) Capital IQ with qualitative case studies from the most active sectors. The quantitative analysis identifies trends such as the predominance of cross-border transactions, the most active industries (Industrials, Consumer Discretionary, and Information Technology), and key investors in Portugal. The qualitative analysis explores representative transactions, focusing on strategic motivations, deal structures, and post-acquisition impacts.

The findings show that Portugal remains an attractive destination for foreign investors, particularly from Spain, France, the UK, and the US, with private equity firms playing a significant role. Sectoral consolidation and the rise of specialized companies highlight further investment opportunities.

This study offers insights for policymakers, investors, and business leaders, providing a deeper understanding of the trends shaping the Portuguese M&A landscape.

Keywords: Mergers and acquisitions; Portuguese market; Trends

List of Contents

Acknowledgements	v
Resumo.....	vii
Abstract	ix
List of Contents	xi
List of Graphics	xiii
List of Tables.....	xv
Acronyms.....	xvii
Introduction.....	19
Chapter 1 - Business Framework.....	21
Chapter 2 - Literature Review.....	23
2. M&A: Definition and Classification.....	23
2.1 Drivers of M&A Activity	25
2.2 M&A Success Factors	26
2.3 Implications and Strategic Outcomes of M&A Activity	27
2.4 M&A: Competitive Limitations	29
2.5 Waves of M&A.....	30
2.5.1 First Wave (1897-1904)	30
2.5.2 Second Wave (1916-1929)	31
2.5.3 Third Wave (1965-1969)	31
2.5.4 Fourth Wave (1984-1989)	31
2.5.5 Fifth Wave (1992-1999).....	32
2.5.6 Sixth Wave (2003-2008)	32
Chapter 3 - Methodology.....	35
3. Methodology	35
3.1 Methodology Framework.....	35
3.2 Data Sources	36
3.3 Data Collection and the Use of S&P Capital IQ	37
3.4 Other M&A Studies using S&P Capital IQ	38
Chapter 4 - Results.....	40
4. Results	40
4.1 Quantitative Data	40
4.1.1 Cross-Border Deals.....	41
4.1.2 Strategic Sectors	42

4.1.3 Principal Investors	44
4.2 Qualitative Data	45
4.2.1 Case Study 1: Industrials – Acquisition of Cirelius, S.A.	46
4.2.2 Case Study 2: Consumer Discretionary – Acquisition of Tapeçarias Ferreira de Sá, S.A.	48
4.2.3 Case Study 3: Information Technology – Acquisition of Celfocus – Soluções Informáticas para Telecomunicações, S.A.	49
4.3 Main Findings from the Analysis of the Case Studies	50
4.4 Summary of Key Findings.....	51
 Chapter 5 - Conclusions.....	 54
5. Conclusions and Insights	54
5.1 Summary of Findings.....	54
5.2 Contribution to the Literature	55
5.3 Practical Implications.....	55
5.4 Limitations and Future Research	56
5.5 Final Remarks.....	56
Bibliography	59

List of Graphics

Graphic 1: Number of M&A deals. Source: Statista, 2023.	34
Graphic 2: Number of M&A Transactions in Portugal. Source: Capital IQ, 2024.	41
Graphic 3: Number of Cross-border Transactions. Source: Capital IQ, 2024.	42
Graphic 4: Number of Transactions by Sector. Source: Capital IQ, 2024.	43

List of Tables

Table 1: Transaction's Summary. Self-realization work.	53
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Acronyms

AdC – Autoridade da Concorrência

CCR – Climate Change Risks

CMA – Cross-Border Mergers and Acquisitions

CWI – Clearwater International

DMA – Domestic Mergers and Acquisitions

EBITDA – Earnings Before Interest Tax Depreciations and Amortizations

F&A – Fusões e Aquisições

GDP – Gross Domestic Product

HVAC - Heating, Ventilation, and Air Conditioning

IT – Information Technology

M&A – Mergers and Acquisitions

R&D – Research and Development

S&P - Standard & Poor

SME – Small and Medium Enterprises

Introduction

Mergers and acquisitions (M&A) allow firms to restructure, expand, or optimize their operations. These strategic moves allow businesses to enhance efficiency, reallocate resources, adapt to changing market conditions, and thrive.

The existing literature on M&A is vast, however few studies focus specifically on trends and opportunities in the Portuguese market. Most works address M&A operations in broader contexts, such as the European Union or globally, without addressing the particularities of the Portuguese market. Furthermore, there is a tendency to conduct research by using only case studies as a basis for all conclusions derived from the study, which in turn has the disadvantage of limiting and reducing the analysis to an isolated event that has several particularities associated with it, including industry characteristics and the deal motivations of the shareholders.

Therefore, the research question addressed is “What are the main trends and opportunities for mergers and acquisitions in Portugal over the last decade?”. The purpose of this study is to identify and analyse trends, highlighting the sectors with the highest concentration of M&A activity, as well as investigating the strategic factors that drive companies to restructure their organization.

Research into the trends and opportunities of the Portuguese market as a whole will make it possible to identify which market segments are most active in these operations and which have untapped potential for future growth. As Epstein (2005) emphasizes, evaluating merger success based on short-term fluctuations is misguided, as mergers should be driven by a long-term strategic vision rather than immediate market reactions.

This study will not only fill the gap in the literature, but also provide practical and strategic insights for the stakeholders including, companies, investors and policymakers.

In conclusion, this dissertation seeks to make a significant contribution to understanding the dynamics of the Portuguese M&A market, providing a solid basis for strategic and political decisions, and helping to shape the future of this constantly evolving market.

This way, the first section Chapter 1 is related to the Business Framework, addressing the internship at Clearwater International, namely the responsibilities and functions performed. Then Chapter 2 reviews the relevant literature on mergers and acquisitions, framing the topic within the main theories on M&A regarding their expected impact, importance and motivation. Next, Chapter 3 presents the methodology and sample used to study the trends in the Portuguese market and also addresses three case studies consistent with the trends previously identified. Finally, Chapters 4 and 5 refer to the results and the main insights, contributions and practical implications of the conducted study.

Chapter 1

Business Framework

Clearwater International (CWI) is a project that started in 2007 when many M&A boutiques through Europe decided to join alliances creating what we today recognise as a corporate finance institution. Portugal was one of the founding offices and in the present, the company operates in 12 different countries across 20 offices¹.

In this way, CWI provides financial advisory in business restructuring, whether in mergers, acquisitions or debt advisory. Throughout the years the firm has advised many deals in the sell-side and buy-side, in the automotive, business services, financial services, real estate, tech services, healthcare, industrials & chemicals, energy & utilities, consumer and food & beverage.

During the five months between September 2024 and January 2025 I had the opportunity to be a part of Clearwater International's team as a trainee analyst.

Although the average duration of the M&A process is between nine months to one year, throughout the internship I had the opportunity to be involved in different stages of the process, since the deals were at different phases in time. Through this contact I was able to gain clearer notions of the work carried out by a company that operates as a financial intermediary, namely the research, the documents to be presented at each stage of the process and the role it has to play in order to minimise asymmetries.

In the course of the internship, not only did I work mainly in a back-office position, such as information research and data processing, but I also had the opportunity to attend a meeting with a potential client, in which I had the chance

¹ <https://www.clearwatercf.com/>, consulted on February 18th, 2025

to have closer contact with the client and a more realistic perception of the work of an advisor.

My responsibilities were mainly directed towards market research, for instance, key players, target companies, comparable transactions and trends. Additionally, I prepared preliminary documents and played a role in other reports and presentations, based on analysis and data collected on the platforms provided by the company.

The professional experience at CWI brought me added value in several areas, from transversal skills such as resilience and organisation to more technical skills, namely working with platforms such as MergerMarket, S&P Capital IQ and Sabi Bureau Van Dijk.

Finally, I think that this first contact with the M&A market was very enriching, both in terms of better understanding how these operations arise and what motivates them, and in terms of understanding the true role of a financial intermediary from the start of the operation to the closing date.

Chapter 2

Literature Review

2. M&A: Definition and Classification

Mergers and acquisitions (M&A) are key strategic mechanisms in corporate restructuring, that allow firms to grow by expanding their competitive positions and enhancing their organisational value.

When a merger takes place there are two possible situations: a merger by incorporation, in which the assets of one or more companies are transferred globally to another and shares, stocks or quotas are allocated to the partners of the former, or a merger through the creation of a new company, to which the assets of the merged companies are transferred globally, with the partners of the latter being allocated shares, stocks or quotas of the new company (Código das Sociedades Comerciais, 2022, art. 97.º, n.º 4).

Within this framework, a merger of equals refers to a scenario where the participating firms are similar in size, competitive position, profitability, and market capitalisation. In those cases, it is often difficult to access which party is ceding control and which is contributing or benefitting the most through synergy creation (DePamphilis, 2011).

In contrast, an acquisition takes place when one company gains a controlling ownership interest in another firm, a subsidiary, or specific assets, for example a manufacturing facility. Acquisitions can be structured through the purchase of either assets or stock, with the acquired firm continuing to exist as a legally owned subsidiary (DePamphilis, 2011).

The structure and success of an M&A transaction also depend on the type of merger being pursued. Mergers can be categorised by the relationship between the merging firms.

Gaughan (2015) identifies three primary types of mergers: horizontal, vertical, and conglomerate. While a horizontal merger involves two competitors combining forces, typically to enhance market share or reduce competition, vertical mergers occur when firms within a buyer–seller relationship consolidate, aiming to optimise supply chain efficiencies or reduce transactional costs (Damodaram, 2014). Lastly, conglomerate mergers bring together companies that neither compete nor maintain a buyer–seller dynamic, where the acquiring company purchases a firm in an unrelated industry, meaning that often their objectives are different (Sinnawi, 2018), aiming to diversify operations, reduce risk or leverage financial synergies.

At a broader level, M&As can be classified based on the geographical relationship between the acquiring and target firms. According to Luo (2005), domestic M&As (DMAs) occur when both the acquirer and the target firm are headquartered in the same country, reflecting local consolidation and synergy opportunities. Conversely, cross-border M&As (CMAs) involve firms from different nationalities, often driven by the desire to access international markets, diversify risks, or acquire unique resources and capabilities.

In a different perspective, we can classify M&A in friendly and hostile takeovers, that differ primarily in the level of consent and the dynamics of the acquisition process. A friendly takeover involves cooperation and negotiation between the acquiring company and the target company's management and shareholders. This type of acquisition is typically motivated by synergy gains, where both parties collaborate to maximise the potential value of the merger. However, the process can involve information asymmetry, as the management of the target company usually has better insights into the scope of the value increase than the acquiring company (Schnitzer, 1996).

On the other hand, a hostile takeover bypasses the management of the target company entirely, with the acquiring company presenting its offer directly to the

shareholders, often through the open stock market. Unlike friendly takeovers, hostile acquisitions lack negotiation and may be driven by the disciplinary motives - acquiring company's intent to discipline or replace the incumbent management, especially if it is perceived as underperforming and expropriation motives - investor company wants to take possession of valuable assets (Schnitzer, 1996; Gerasimenko, 2020). This absence of managerial involvement at the initial stage creates a context of more asymmetric information, as the process relies solely on publicly available data and shareholder engagement. Hostile takeovers are often consummated at a higher purchase price than friendly takeovers since they might attract new bidders who might not otherwise have been interested in the target - putting the target in play (DePamphilis, 2011).

2.1 Drivers of M&A Activity

M&As are driven by various market, financial and strategic factors, that reflect a firm's goals to strengthen its market position, leverage innovation or achieve cost synergies. According to Hossain (2021), M&A strategies are increasingly pursued as companies seek synergies that support risk diversification, improved profitability, and competitive strength. Lim and Lee (2016) also point out that M&A serves as a rapid expansion strategy that circumvents the limitations of organic growth by providing direct access to critical resources—such as technology, labour, and production facilities.

In terms of innovation, Bena and Li (2014) emphasise the role of intellectual property and patent portfolios as significant drivers of M&A activity. Acquiring companies frequently target research and development (R&D) intensive firms to harness innovation without incurring extensive research costs.

Additionally, macroeconomic conditions are pivotal in M&A decisions, affecting both domestic and international deal-making. Kumar, Sengupta, and Bhattacharya (2023) observe that factors like gross domestic product (GDP)

growth, inflation rates, and competitive market pressures play a key part, as these shape the financial and strategic priorities of firms differently in developed versus emerging markets.

2.2 M&A Success Factors

M&A is more than an event, is a process, as such, it encompasses several phases until the parties involved agree and complete the deal. These phases are divided into two main categories: pre- and post-purchase decision activities. According to DePamphilis (2011), the process begins with developing a strategic business plan (Phase 1) and an acquisition plan (Phase 2) to guide the search (Phase 3) and screening (Phase 4) of potential acquisition candidates. Once a target is identified, initial contact is made (Phase 5), leading to the critical negotiation phase (Phase 6), where valuation, deal structuring, due diligence, and financing plans are refined. Negotiation is pivotal, as it determines whether the acquisition proceeds or is abandoned, and it also plays a central role in establishing the final price paid for the target's acquisition, reinforcing its critical importance in the process. If completed, the integration plan (Phase 7) is developed, followed by closing (Phase 8), post-closing integration (Phase 9), and a final evaluation of the acquisition (Phase 10).

However, successful mergers create substantial long-term value, often requiring years of integration and synergy realisation before their full benefits materialise. This highlights the importance of post-closing phases, where companies must effectively align operations, cultures, and strategies to maximise value creation (Epstein, 2005).

To ensure a successful operation, it is not only the structured phases that matter but also the expertise of key players who facilitate the process. There are many key players in M&A, such as advisors, investment banks, lawyers, accountants, and together, they all play decisive roles throughout the process. In

particular, financial advisors occupy prominent positions in determining the success of the operation, since both acquirers and targets are rational in hiring M&A advisors (Ismail, 2009 and Klitzka, He & Schiereck, 2022). High-quality advisory services contribute not only to accurate valuation and risk management, but also efficient negotiation processes, which can improve M&A's success and reduce forward integration issues. Since M&A processes are complex and require substantial planning and execution skills, especially in cross-border transactions, skilled advisors are essential for navigating complex regulatory and market conditions.

2.3 Implications and Strategic Outcomes of M&A Activity

Increasing the value of the combined firm through synergy is the primary motive of an M&A (Das & Kapil, 2012), with synergies generally classified as operational and financial (DePamphilis, 2011).

Operational synergies arise from improved efficiencies in production, distribution, or administrative processes, often through economies of scale and scope, leading to cost savings and enhanced operational performance.

In contrast, financial synergies focus on enhancing the financial position of the merged entity as one, such as lowering the cost of capital, benefiting from tax advantages, or diversifying risk to improve funding options and financial flexibility (Chatterjee, 1986). This way, while operational synergies directly reduce costs and boost efficiency, financial synergies strengthen the firm's financial health and long-term value creation.

Successful M&As can generate significant gains that enhance cost efficiency and revenue generation by combining complementary assets, Luo (2005) argues that such transactions create "insider-outsider" learning opportunities, where companies can leverage each other's market knowledge and operational practices to build sustainable competitive advantages. However, achieving these synergies

requires an effective post-merger integration, including cultural alignment and operational harmonisation.

The exploitation of these synergies often underpins the success of M&As, leading managers to view them as a pathway to growth and strategic advantages.

However, as Angwin *et al.* (2022) cautions, despite these potential benefits, M&As carry a considerable risk of underperformance. While M&As focused on resource exploitation often succeed, approximately 50% of M&As fail to meet market expectations. This high failure rate underscores the complexity and challenges inherent to M&A activities, therefore, while M&As offer immense potential, they also demand careful planning and execution.

The outcomes of M&A strategies often depend on external economic conditions and the strategic intention behind the transaction. However not all M&As meet performance expectations, with integration challenges and cultural misalignments frequently cited as loss of value (Angwin et al., 2022).

Beyond the individual firms involved, M&As can reshape entire industries by influencing market structures, competitive dynamics, and regulatory policies. As Hajek and Henriques (2024) suggest, by consolidating market share M&As may raise regulatory concerns regarding competition law and monopolistic practices, particularly in industries with high barriers to entry. Furthermore, political and economic factors, such as trade policies and access to capital, play a significant role in shaping the strategic decisions of firms pursuing cross-border M&As, where regulations can vary significantly by region.

The long-term impact of M&A on firm performance is highly variable, often depending on the quality of pre-merger planning and post-merger integration. Successful M&A pursuits are typically those that prioritise a harmonious integration process, aligning organisational cultures, governance structures, and management systems to achieve synergy (DePamphilis, 2018).

However, Cho and Chung (2022) caution that around half of all M&A transactions underperform relative to market expectations, primarily due to underestimated integration complexities, such as differences in corporate culture, leadership styles and strategic objectives.

Successful outcomes on M&As serve as a foundation for sustained corporate growth, providing strategic options that might not be achievable through internal development alone (Gaughan, 2015). These operations enable firms to access new markets, reduce operational redundancies, and build economies of scale, contributing to long-term profitability.

2.4 M&A: Competitive Limitations

A well-planned and strategic approach to M&A—one that takes into account both short objectives and long-term implications—can assist firms achieve sustainable growth while mitigating the risks associated with these restructuring operations. Regulation and legal questions are one of the main factors limiting mergers and acquisitions, namely the impact of competition authorities that guide the growth of companies and markets.

In M&A there is always a goal to achieve synergies that benefit both parties, although sometimes, deals do not move forward due to legal and competitive reasons.

In order to control and analyse the different market situations, since 2003 the Autoridade da Concorrência (AdC)² has been operating in Portugal, acting as an independent regulator with transversal competences across all sectors of the economy, its main mission is to ensure compliance with competition protection legislation, encourage the adoption of practices that promote competition and consumer protection.

² <https://www.concorrenca.pt/pt/missao-e-objetivos-da-adc>, consulted on February 18th, 2025

The main objective is to ensure that a merger or concentration of companies, and consequent changes in the market, do not harm competition or consumer well-being. Overall, the AdC intervenes in M&A transactions to ensure that the outcomes of the deal do not put the sector concentration at risk, approving on average 90% of mergers operations.

Some examples of transactions that were cancelled due to the intervention of the competition authority include the attempted merger between Altice and Media Capital in 2018, the concentration operation involving the Transdev Group and the Fundão Group in 2020, both active in road transport services, and more recently the Vodafone-Nowo merger in 2024, which was blocked due to significant obstacles to competition and potential significant disadvantages to consumers.

2.5 Waves of M&A

M&A activities tend to follow a cyclical pattern, often described as "merger waves," where periods of intense deal-making are followed by slower phases. Harford (2005) argues that industry merger waves are driven by shocks, whether economic, regulatory, or technological, as they create conditions that incentivise consolidation and restructuring. In line with this, Gaughan (2015), identifies six recognised merger waves over time, each shaped by specific economic, regulatory, and technological factors.

2.5.1 First Wave (1897-1904)

The first merger wave emerged following the economic depression of 1883, peaking between 1898 and 1902 and concluding in 1904. This period was marked by significant horizontal mergers, predominantly driven by consolidation within industries such as primary metals, food products, petroleum, and machinery.

The resulting market structures were near monopolistic, as these combinations reduce competition and increase control.

Approximately two-thirds of all mergers during this period were concentrated in eight key industries, highlighting the widespread industrial consolidation in this period (Gaughan, 2015).

2.5.2 Second Wave (1916-1929)

The second wave witnessed mergers leading to oligopolistic rather than monopolistic market structures. This period was characterised by industry-wide consolidations, largely motivated by technological advancements and an increasingly efficient capital market. This wave differed from the first as it did not focus exclusively on horizontal mergers, instead favouring combinations that solidified market dominance without creating outright monopolies (Gaughan, 2015).

2.5.3 Third Wave (1965-1969)

Known as the conglomerate merger period, the third wave featured a sharp rise in merger activity fuelled by economic growth and optimism. This wave is notable for the fact that it is characterised by the frequent acquisition of larger targets by smaller companies for diversification purposes.

A substantial proportion of M&A transactions during this period were conglomerate in nature, reflecting a strategy to mitigate risk through portfolio expansion (Gaughan, 2015).

2.5.4 Fourth Wave (1984-1989)

The fourth wave introduced the prevalence of hostile takeovers, with corporate raiders employing aggressive tactics to acquire firms. This period highlighted the rise of speculative activity as a core strategy for expansion,

enabled by deregulation and advancements in financial instruments. Hostile mergers became not only acceptable but a prominent feature of M&A practices during this wave (Gaughan, 2015).

2.5.5 Fifth Wave (1992-1999)

Beginning in 1992, the fifth wave marked a resurgence of large-scale M&A activity following the economic downturn of the late 1980s. Transactions in this wave were comparable in scale to those of the fourth wave, fuelled by globalisation and technological advancements. This period also saw greater international participation, as firms sought to expand beyond domestic borders and capitalise on emerging market opportunities (Gaughan, 2015).

2.5.6 Sixth Wave (2003-2008)

The sixth merger wave was driven by low interest rates and a booming private equity market, making leveraged buyouts particularly attractive. The economic environment, characterised by accessible financing, enabled private equity firms to engage in substantial acquisitions. This wave concluded with the economic downturn and the onset of a recession in 2008, underscoring the cyclical nature of merger waves (Gaughan, 2015; Cho & Chung, 2022).

2.6 The Impact of the Macroeconomic Environment on M&A

The impact of the macroenvironment on mergers and acquisitions (M&As) has been extensively studied, with several studies highlighting how macroeconomic variables directly influence the outcomes of these processes. Macroeconomic changes impact future synergies, market conditions, and valuation, leading to negotiation difficulties and influencing decision-making and outcomes, with

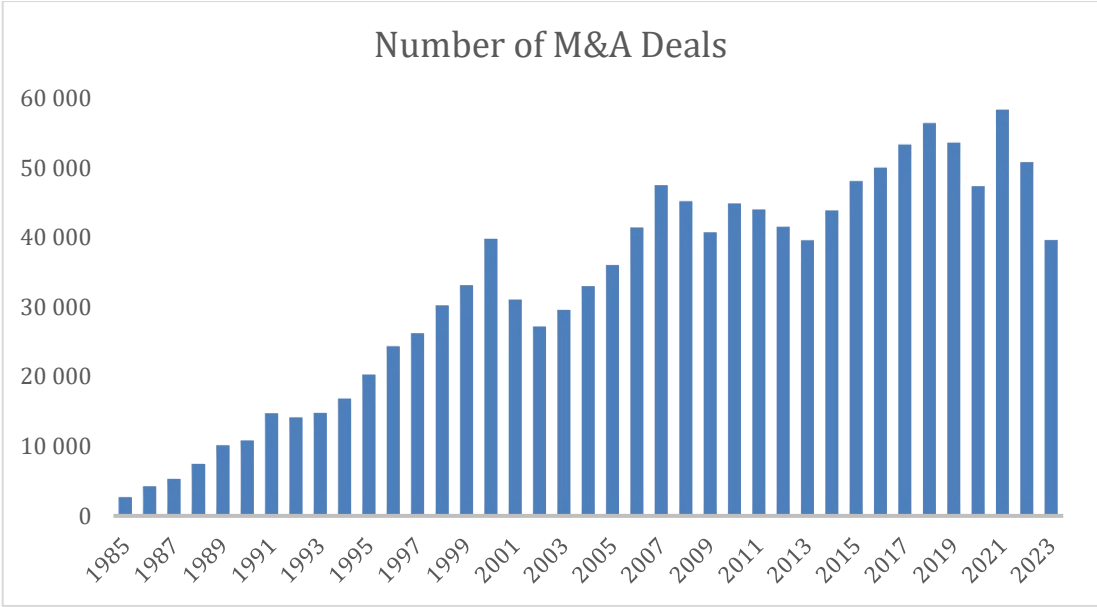
firms' strategic and financial considerations shaped differently in developing and developed economies due to variations in their macroeconomic environments (Kumar, Sengupta, and Bhattacharya, 2023).

Today, M&A activity is shaped by globalisation, digital transformation, and sustainability concerns. Recent trends reveal a focus on technology acquisitions as companies strive to remain competitive in a rapidly evolving digital economy. For instance, industries such as fintech, renewable energy, and healthcare have seen increased M&A activity driven by advancements in technology and a push toward sustainable business practice (Hajek & Henriques, 2024). Additionally, private equity firms have become key players in the M&A landscape, leveraging financial innovation to facilitate acquisitions across various sectors.

Geopolitical and economic factors, such as the COVID-19 pandemic and the conflict between Russia and Ukraine, have significantly affected M&A strategies. These events have introduced new layers of complexity, causing companies to prioritise liquidity over long-term growth strategies in times of uncertainty (Bauer *et al.*, 2022). Moreover, as regulatory scrutiny intensifies in many regions, firms must navigate increasingly complex compliance requirements, impacting both the feasibility and appeal of cross-border acquisitions (Cumming *et al.*, 2023).

Overall, according to Statista³, 2024, there has been a noted rise in the number of worldwide M&A deals since 1985. However, this growth was not always sustained, as there were times when the number of M&A deals decreased, as is the case in 2020, the year in which the Covid-19 pandemic limited the market worldwide. Alongside this exception, it is possible to observe a new wave of operations on the graph, starting in 2013, as it can be seen in the graph below.

³ <https://www.statista.com/statistics/267368/number-of-mergers-and-acquisitions-worldwide-since-2005/>, consulted on February 10th, 2025



Graphic 1: Number of M&A deals. Source: Statista, 2024.

Chapter 3

Methodology

3. Methodology

This dissertation aims to study the research question “What are the main trends and opportunities for mergers and acquisitions in Portugal over the last decade?” with the purpose of understanding the overall panorama of the M&A market in Portugal.

In order to do so, it will be conducted as an analysis on the Portuguese market, aiming firstly to identify the economy sectors that are more intensive in M&A operations between 2014 and 2023 (inclusive), and secondly to explore the trends and the main drivers that have fuelled these operations, providing a comprehensive perspective on the M&A market in Portugal and its dynamics.

3.1 Methodology Framework

To conduct the study, the research will combine both a quantitative and qualitative analysis - one to acknowledge the trends and their market behaviour and the other to determine possible drivers and transaction impacts. This aligns with Johnson, Onwuegbuzie and Turner’s (2007) definition of mixed methods research as an intellectual and practical synthesis of qualitative and quantitative approaches. Given that mergers and acquisitions are a complex, multifaceted phenomena that cannot be fully understood through isolated theoretical lenses (Larsson & Finkelstein, 1999), a mixed methods approach is appropriate. As Rouzies (2013) emphasizes, this research design is especially relevant for studying M&A dynamics, as it allows for a more holistic examination of both market patterns and underlying transactional mechanisms.

The analysis will rely on S&P (Standard & Poor's) Capital IQ, firstly to study the trends in the M&A Portuguese market between 2014 and 2023, and secondly to understand trends through three case studies of the main sectors identified in the first analysis. Additionally, Sabi Bureau Van Dijk will be used to assess the investor's impact on the target company.

3.2 Data Sources

To select the most appropriate data source for this research, different financial databases were considered, namely Refinitiv Eikon and MergerMarket. Nevertheless, while these platforms provide extensive financial data, they presented certain limitations when compared to S&P Capital IQ, particularly in the level of detail available for each transaction.

One key difference was the depth of information on each M&A operation. S&P Capital IQ offered more granular financial details, including transaction-specific data, financial metrics, and company profiles, which were essential for conducting an analysis of the Portuguese M&A market. In contrast, Refinitiv Eikon and MergerMarket, while valuable in tracking other metrics such as the number of deals and the advisory companies, did not provide the same level of detail across all transactions.

Additionally, the number of deals recorded in each platform varied significantly. For instance, MergerMarket reported a total of 636 M&A transactions over the studied period, whereas the number of deals available in Refinitiv Eikon was 1884. This variation reinforced the decision to use S&P Capital IQ, as it provided the most consistent and comprehensive dataset for identifying trends and evaluating key drivers of M&A activity in Portugal.

3.3 Data Collection and the Use of S&P Capital IQ

S&P Capital IQ is a widely used financial information platform designed to meet the analytical needs of investment banking professionals. It provides extensive financial data and industry insights, making it a crucial resource for financial institutions. With its broad range of data and analytical tools, S&P Capital IQ is utilised by numerous firms, including Clearwater International.

The platform's content is divided into four primary areas: company profiles, industry profiles, transaction profiles, and executive profiles. In addition, it also includes detailed information on over 2.8 million companies worldwide, with the highest concentration in Europe (35.7%), followed by North America (32.9%) and the Asia Pacific region (25.2%), which ensures access to a diverse range of financial data across various markets. S&P Capital IQ also utilises a proprietary industry classification system, assigning codes to over 2 million companies. The most represented industries within the database include Consumer Discretionary (25.5% of all companies), Industrials (22.7%), and Financials (22.2%) (Phillips, 2012).

Another positive feature of S&P Capital IQ is its commitment to data transparency, since users can access hyperlinked financial figures that direct them to their original sources, such as regulatory filings and financial reports. This feature enhances the platform's credibility and facilitates in-depth financial analysis by allowing professionals to trace financial data back to its original reports (Phillips, 2012).

This classification framework allows users to efficiently navigate sector-specific financial data and trends. Given the platform's extensive financial coverage, transparency, and classification system, S&P Capital IQ is a suitable choice for this study. By providing access to both financial metrics and detailed transaction records, this database enables a comprehensive analysis on M&A activity in Portugal. Moreover, its ability to track historical deal data and

company financials makes it a valuable tool for identifying trends, key market players, and the underlying drivers of M&A operations.

3.4 Other M&A Studies using S&P Capital IQ

Since its creation in 2010, S&P Capital IQ has been widely used in numerous M&A studies across different markets, providing researchers with a robust platform for analysing financial data, identifying transaction trends, and assessing deal impacts. The platform's advanced screening tools, financial and integration with Microsoft Excel and PowerPoint make it a valuable resource for conducting comprehensive M&A research (Porter, 2015). Throughout this research, other studies were identified that used S&P Capital IQ to explore different dimensions of mergers and acquisitions. The following examples illustrate how this database has been used to analyse industry performance, firm diversification, and external risk factors in M&A transactions.

Choi, Shin, and Lee (2020) analyse the correlation between M&A activity and industry-level financial performance, emphasising how transaction frequency and value can help identify high-potential industries and guide strategic investment planning. Hornstein and Nguyen (2014) examine the role of prior firm diversification in M&A decisions, finding that previously diversified firms are more likely to pursue industrial diversification. Their findings suggest that while diversification influences long-term performance, it does not directly determine firm value at the time of announcement. Lodh *et al.* (2024) introduce an environmental perspective, investigating how climate change risks (CCR) influence M&A decisions and performance. Their study reveals that firms with higher CCR are less likely to engage in M&As, and when they do, their announcement returns tend to be negatively affected. Together, these studies provide a comprehensive view of M&A dynamics, addressing financial,

strategic, and environmental factors that influence both firm-level and industry-level transaction outcomes.

Chapter 4

Results

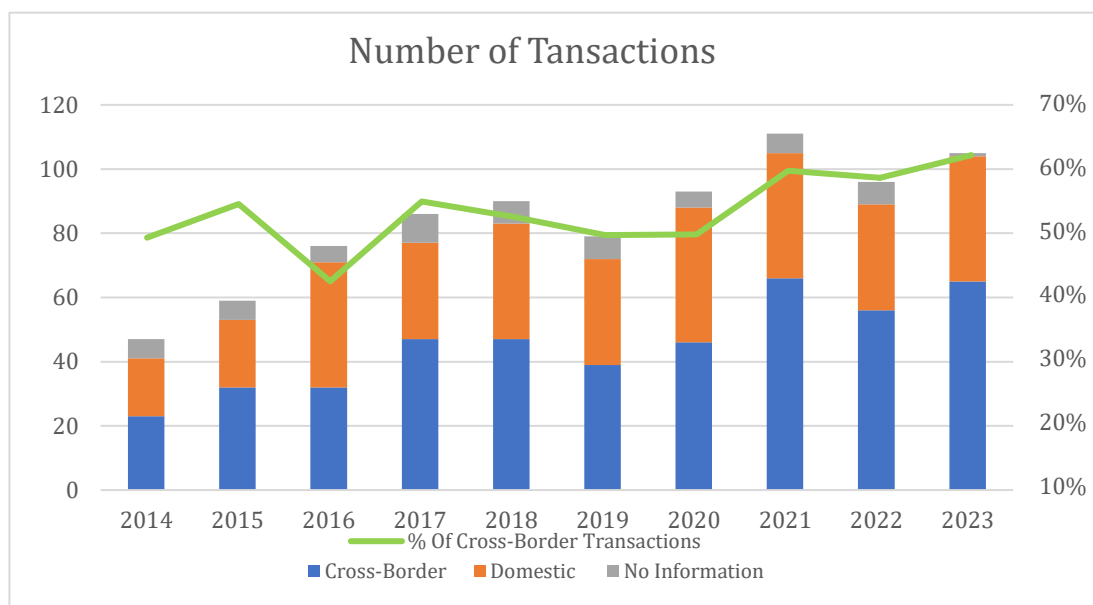
4. Results

This section presents the main results obtained from the quantitative and qualitative analysis of the M&A market in Portugal. The first part focuses on patterns identified between 2014-2023, highlighting investment trends, most active sectors and main investors. The second part deepens the analysis of the three selected case studies, evaluating the impact of the operation and identifying common strategic patterns.

4.1 Quantitative Data

The data collection method used is through secondary data derived from S&P Capital IQ M&A transactions between 2014 and 2023. The sample used in this research is composed by 842 mergers and acquisitions in Portugal, from which 744 were closed, 19 effective, 36 announced and 43 cancelled. In such manner, this sample of M&A deals will be the basis and support to study the market.

Through the analysis of the sample of 842 transactions, it is possible to understand that the level of M&A activity over the past decade reveals a steady path despite some fluctuations due to macroeconomic conditions.



Graphic 2: Number of M&A Transactions in Portugal. Source: Capital IQ, 2024.

4.1.1 Cross-Border Deals

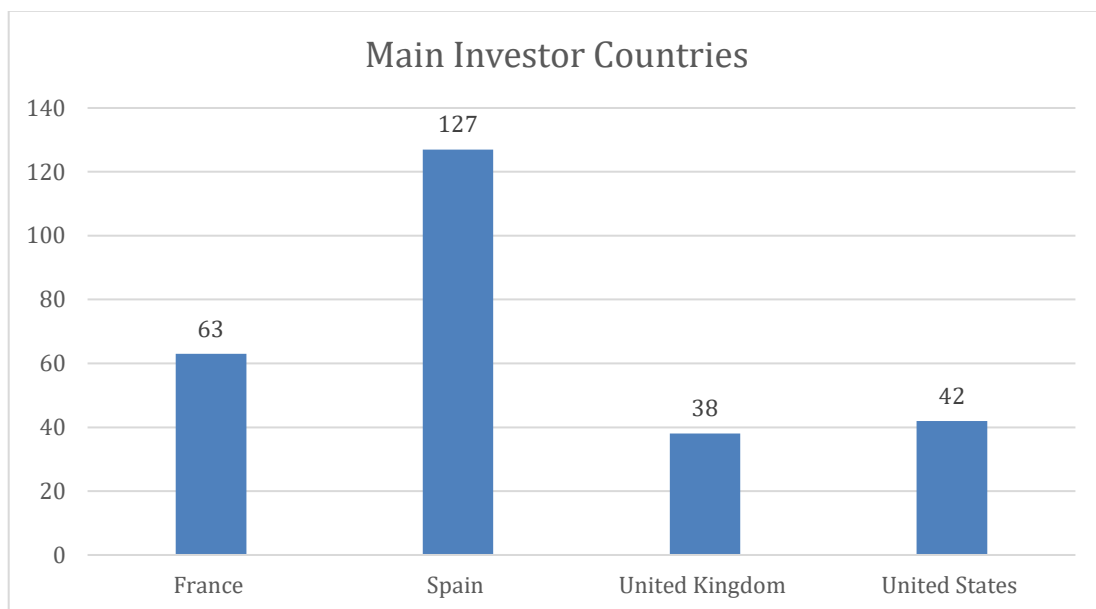
According to Capital IQ from these 842 transactions 453 were confirmed cross-border, 331 were domestic transactions and 58 transactions didn't contain information on the headquarters of the investor party. According to Graphic 2, over the last 10 year there has been an overall growth in the number of deals with foreign investors, highlighting the trend of transactions between different countries and the progressive investment foreign companies and groups in Portugal. This trend is even more supported by the fact that the number of cross-border deals has raised, not consistently but steadily enough over the period analysed.

Regarding the main deal investors, we have Spain leading with 127 transactions which represents 15% of the sample, followed by France the United Kingdom and the United States.

Spain is the only country that borders Portugal, this geographic proximity is clearly an incentive for Spanish companies to see Portugal as a good potential

strategic investment for the growth, diversification and expansion of their market and operations. Furthermore, the fact that both countries are part of the European Union, allows fewer economic barriers and greater ease for the flow of investment and business between them. Therefore, the fact that Spain is the main investor in Portuguese businesses by taking an important position as a M&A investor is understandable.

Although they do not invest as much in Portuguese targets as Spain, France, the United Kingdom and the United States are still the most representative countries, accounting together for 17% of the transactions in the sample.

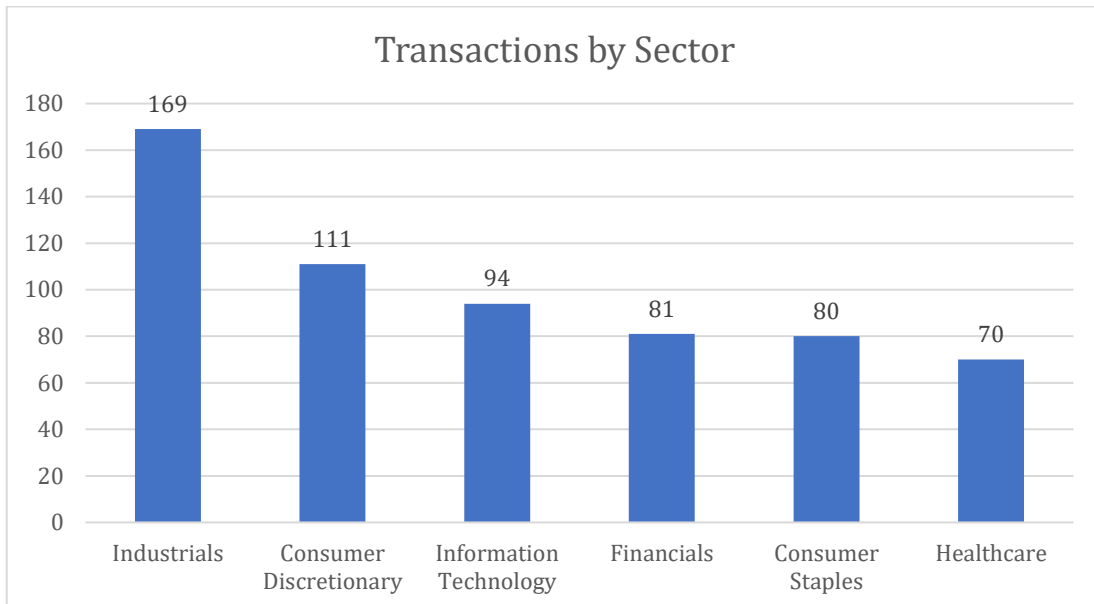


Graphic 3: Number of Cross-border Transactions. Source: Capital IQ, 2024.

4.1.2 Strategic Sectors

Over the ten years between 2014 and 2023, M&A activity in Portugal has been particularly intense by deal number in certain sectors, reflecting its attractiveness for business and investors and also the possible strategic consolidation trends among competing and same value chain companies. Among the most active

sectors were Industrials, Consumer Discretionary, and Information Technology, which stood out due to their significant deal volumes.



Graphic 4: Number of Transactions by Sector. Source: Capital IQ, 2024.

The Industrials sector led with 169 deals, underscoring its dynamic role in driving consolidation and expansion efforts. The Consumer Discretionary sector followed with 111 transactions, highlighting significant interest in markets driven by consumer preferences and spending patterns. Similarly, Consumer Staples recorded 80 deals, emphasising the steady appeal of essential goods industries. The Healthcare sector, with 70 transactions, demonstrates its strategic importance, fuelled by innovation and demographic trends. Financials and Information Technology sectors saw comparable activity with 81 and 94 deals, respectively, showcasing the critical roles of digital transformation and financial services in shaping the M&A landscape. These results indicate a balanced distribution of M&A activity across various industries.

4.1.3 Principal Investors

The main investors/buyers over the analysed period were Oxy Capital - Sociedade de Capital de Risco SA (11 deals), BlueCrow Capital (8 deals), Kohlberg Kravis Roberts & Co. L.P. (8 deals), Atena Equity Partners - SCR, S.A. (5 deals) and CaixaBank, S.A. (BME:CABK) (5 deals).

Among the key investors identified, Oxy Capital - Sociedade de Capital de Risco, S.A. and Atena Equity Partners - SCR, S.A. stand out as prominent players in private equity, focusing on investments in Portugal. Oxy Capital specializes in revitalizing small to medium enterprises (SMEs)⁴, while Atena Equity Partners targets mainly three sectors⁵, industrials, healthcare and business services, emphasizing value creation through active portfolio management. BlueCrow Capital, is also a private equity firm, whose main activities include structuring and implementing financing strategies for projects at different stages of development, as well as monitoring and managing assets⁶. On a larger scale, the American Kohlberg Kravis Roberts & Co. L.P. (KKR), a global investment firm⁷, manages a diverse portfolio across multiple industries, demonstrating its significant global reach and influence. Finally, CaixaBank, S.A. (BME:CABK)⁸, a leading financial institution in Spain, focuses on banking, asset management, and corporate financing, often playing a pivotal role in structuring M&A deals. Together, these investors reflect a diverse mix of specialisation, regional focus, and global impact across different industries.

In conclusion, it is evident that the core investors in Portugal are primarily on private equity and venture capital activities highlighting their role in business restructuring as growth financing, and industry consolidation drivers. Firms such as Oxy Capital, Atena Equity Partners, BlueCrow Capital, and Kohlberg

⁴ <https://oxycapital.com/homepage/?lang=pt-pt>, consulted on February 26th, 2025

⁵ <https://www.atenaep.com/>, consulted on February 26th, 2025

⁶ <https://bluecrowcapital.com/en/#>, consulted on February 26th, 2025

⁷ <https://www.kkr.com/about/history>, consulted on February 27th, 2025

⁸ https://www.caixabank.com/en/home_en.html, consulted on February 27th, 2025

Kravis Roberts (KKR) exemplify this trend, specialising in private equity investments across various industries, from mid-sized enterprises to infrastructure and real estate projects. While these firms emphasise value creation, restructuring, and growth, CaixaBank, a leading financial institution, complements this landscape by providing financing and advisory support for M&A transactions.

Regarding the value of the transactions this is not available for the majority of cases, as the S&P Capital IQ database only contains information on the value for 260 of the 842 transactions identified.

The majority of transactions do not disclose their value (582). However, among those 260 that do, 192 involve targets valued at under 100 million euros, which aligns with the characteristics of the Portuguese market. Only 9 transactions exceeded €1 billion, of which only one had a Portuguese company as an investor, reinforcing the role of foreign investment.

4.2 Qualitative Data

The quantitative analysis revealed that over the 10 years under analysis the industrial, consumer discretionary and IT sectors led the Portuguese M&A market in number of transactions. To better understand the strategic factors behind this trend and to complement the first and broader analysis, were analysed three case studies, each one exemplifying different investment dynamics: an acquisition by a foreign investor (Cirelius), a private equity operation (Tapeçarias Ferreira de Sá) and a national consolidation in the technology sector (Celfocus).

In order to narrow the research towards the research question “What are the main trends and opportunities for mergers and acquisitions in Portugal over the last decade?” the selection of these particular case studies began by restricting

the analysis to the most prominent sectors, followed by the selection of the most recent cases that presented transaction values in S&P Capital IQ.

Through the analysis of these three examples, it is possible to verify some key dynamics in the M&A market in Portugal, and for this each operation is examined based on variables such as transaction value, EBITDA multiple, and strategic motivations of investors. The purpose is to identify patterns and opportunities in Portugal's M&A market. While these cases do not provide a comprehensive overview of all market trends, they offer insights into the strategic factors influencing investment decisions, thus complementing the broader quantitative findings.

4.2.1 Case Study 1: Industrials – Acquisition of Cirelius, S.A.

In June 2022, Swiss multinational Arbonia AG acquired Cirelius, S.A., a Portuguese company specialized in the HVAC sector. The acquisition was made from Proinveste SGPS and Casaplus - Sistemas de Energia, Lda. for €26.7 million. This move aligns with Arbonia's strategic expansion in the Iberian Peninsula, following its previous acquisition of the Spanish company Tecna. The acquisition strengthens Arbonia's market presence in Portugal and Spain reinforcing its leadership in the positioning in the Iberian HVAC market.

Cirelius, S.A.⁹ was founded in 1996 and is based in Avintes, Portugal, the company serves the residential and commercial construction markets across the country throughout the import and distribution of heating, ventilation, and air conditioning (HVAC) systems.

Arbonia AG¹⁰ is listed on the SIX Swiss Exchange and is a global provider of building components, operating in the climate and doors segments. The Swiss

⁹ <https://cirelius.pt/>, consulted on February 26th, 2025

¹⁰ <https://www.arbonia.com/en/>, consulted on February 26th, 2025

company offers a wide range of heating and cooling solutions, including radiators, ventilation systems, and air conditioning units.

The deal valued Cirelius at an enterprise value/EBITDA multiple of 6.0x, reflecting the company's stable financial performance and strategic importance within Arbonia's broader market expansion plan. This acquisition is expected to generate significant synergies by strengthening Arbonia's foothold in Southern Europe's HVAC sector.

This transaction is a clear example of market consolidation within the industrials sector, in which the Swiss Group Arbonia aims to grow in the HVAC sector by acquiring strategic targets in the industry. The Cirelius acquisition reinforces the entrance in the Portuguese market and the access to a whole new client base. Additionally, Cirelius' portfolio, including heat pumps, photovoltaic systems, and underfloor heating solutions, complements Tecna's ¹¹ role as a producer of HVAC equipment, enhancing the company's value chain integration.

According to the Sabi database since Arbonia took control of Cirelius in 2022 the financial performance of the target has not improved. Despite the fact that from 2022 to 2023 the number of employees stayed the same, the revenue declined 14% also accompanied by a decrease in 51,9% in the value of net income and 51,1% on EBITDA. The 2023 results suggest that the acquisition has not had a financially positive impact. However, as this is only the first year following the acquisition and the 2024 data is not yet available, it is premature to draw definitive conclusions about the operation's results. Furthermore, this situation may be temporary and could potentially be reversed in the coming years. Additionally, the poor results may be due to other factors that a mere analysis of the financial statements may not reveal.

¹¹ <https://tecna.es/>, consulted on February 26th, 2025

4.2.2 Case Study 2: Consumer Discretionary – Acquisition of Tapeçarias Ferreira de Sá, S.A.

In December 2023, Spanish private equity firm Artá Capital acquired 100% of Tapeçarias Ferreira de Sá, S.A. for €70 million from Sherpa Capital, another Spanish private equity firm that had held the company since 2019. Artá Capital specialises in mid-market businesses and Tapeçarias Ferreira de Sá, S.A. is a leading European designer, manufacturer and distributor of luxury carpets and rugs.

Tapeçarias Ferreira de Sá, S.A.¹² is based in Espinho, Portugal, and founded in 1946, the company specialises in hand-tufted, hand-woven, and hand-knotted rugs, catering to high-end clients, including luxury hotels, residential projects, and renowned brands such as Louis Vuitton, Dior, and Sheraton. The family-owned business has built a strong reputation for its product customisation, high-quality craftsmanship, and integration of advanced technology with traditional techniques.

Artá Capital¹³ is a Spanish private equity firm that invests in mid-market companies through a multi-sector approach, excluding financial and real estate sectors. The firm focuses on businesses with strong growth potential and experienced management teams, having a background in family-owned and founder-led business attracting growth prospects in international markets.

The transaction valued Tapeçarias Ferreira de Sá at an implied enterprise value/EBITDA multiple of 8.54x, reflecting its strong financial performance and market position. Artá Capital plans to leverage its expertise and resources to accelerate the company's expansion while maintaining its artisanal heritage and customer-centric approach.

¹² <https://ferreiradesa.com/>, consulted on February 26th, 2025

¹³ <https://www.artacapital.com/en/about-us/>, consulted on February 26th, 2025

This acquisition highlights the attractiveness of high-end manufacturing businesses in the private equity market. While Artá Capital has not announced its exit strategy or long-term plans, it is expected that the company will leverage the target's premium positioning to expand its international presence. However, maintaining the company's artisanal identity while driving growth will be a key challenge.

Although there are different drivers that attract a private equity fund, this acquisition illustrates the most common which involves the acquisition of a share with the intention of increasing its value over a period of time and later selling it and making capital gains in the future. In contrast the first case scenario involved the gain of synergies and the market consolidation of a very specific sector.

Considering that Artá Capital's participation in Tapeçaria Ferreira de Sá's operations only began at the end of 2023, it will only be possible to see the first impact of this acquisition when the results for 2024 are made available.

4.2.3 Case Study 3: Information Technology – Acquisition of Celfocus – Soluções Informáticas para Telecomunicações, S.A.

On April 24, 2020, Novabase, SGPS, S.A. acquired full control (100%) of Celfocus by purchasing Vodafone Portugal's stake in the company. The operation was valued at €20 million, with Novabase acquiring 45% of Celfocus, including a potential price adjustment of €7.5 million, contingent upon Vodafone Portugal's commitment to contract services worth €10 million annually for three years¹⁴.

Celfocus – Soluções Informáticas para Telecomunicações, S.A.¹⁵ was founded in 2000 as a joint venture between Novabase and Vodafone Portugal. The company specialises in IT solutions, urging clients to become AI-driven through

¹⁴ <https://content.novabase.com/storage/uploads/novabase-reforca-segmento-next-gen-comprando-a-participacao-social-da-vodafone-portugal-na-celfocus.pdf>, consulted on February 26th, 2025

¹⁵ <https://www.celfocus.com/>, consulted on February 26th, 2025

elevating and monetising business services in B2B2x ecosystems, and providing highly relevant customer experiences through hyper-personalisation solutions.

Novabase¹⁶ is a leading IT consulting and services provider in Portugal, executing its "NextGen" vision to optimise synergies within the Novabase Group.

This move aligned with Novabase's strategic execution plan, consolidating ownership and improving operational efficiency. Novabase's strong financial position enabled the Board of Directors to approve the acquisition, emphasising its long-term strategic importance.

According to Novabase's CEO, João Nuno Bento¹⁷, securing full ownership of Celfocus was a key element of the company's "NextGen" vision, allowing for better resource allocation and operational efficiency. Despite the uncertainty in the market, Novabase's strong financial position enabled the Board of Directors to approve the acquisition, emphasising its long-term strategic importance.

The impact of this transaction in the target company was financially positive, under the control of Novabase, Celfocus hired 283 more people between 2020 and 2021 and in the same period the revenue grew 37,9%, this growth also extends to the net income and EBITDA (according to the information retrieved from Sabi Bureau Van Dijk). Celfocus' significant growth after the acquisition highlights the potential of the IT sector in Portugal and reinforces the tendency of Portuguese companies to consolidate operations to increase their competitiveness.

4.3 Main Findings from the Analysis of the Case Studies

These three acquisitions illustrate different operations in the previous identified sectors, reflecting the pattern in the M&A market in Portugal. They exemplify some of the key market dynamics, such as the active presence of

¹⁶ <https://www.novabase.com/pt/>, consulted on February 26th, 2025

¹⁷ <https://www.jornaldenegocios.pt/empresas/tecnologias/detalhe/novabase-paga-20-milhoes-para-ficar-com-posicao-da-vodafone-na-celfocus>, consulted on February 26th, 2025

foreign investors (Artá Capiyal and Arbonia AG), sectoral consolidation (Novabase and Celfocus) and the appreciation of companies with strong specialisation (Tapeçarias Ferreira de Sá).

The analysis of these three case studies reflects also the strategic patterns in the Portuguese mergers and acquisitions market. Foreign investors continue to play an active role in acquiring specialised local companies, as seen in the industrial and consumer sectors. At the same time, national companies, such as Novabase, follow consolidation strategies to reinforce their competitive capacity. These dynamics, suggest that Portugal continues to attract interest from both private equity and strategic groups seeking growth in the Iberian market.

In summary, while the quantitative analysis identified that the industrial, consumer discretionary and IT sectors were the most active in M&A between 2014 and 2023, in Portugal, the qualitative analysis of the three acquisitions in these sectors allows us to better understand the strategic factors that drove these operations.

4.4 Summary of Key Findings

Foreign investors hold a significant position in the Portuguese M&A market, with Spain, France, the UK, and the US at the forefront of cross-border transactions. Simultaneously, private equity companies exert considerable power, especially in restructuring initiatives and investments focused on growth. By sector, Industrials, Consumer Discretionary, and Information Technology lead in activity, fuelled by market consolidation, global expansion, and swift technological progress. Furthermore, valuations differ greatly between sectors, as premium consumer brands achieve higher EBITDA multiples - like Tapeçarias Ferreira de Sá at 8.54x - whereas industrial firms, like Cirelius, generally have lower multiples, roughly 6.0x. Furthermore, the strategic reasons for these agreements vary: international investors mainly aim for market growth,

illustrated by Arbonia, while private equity firms concentrate on capitalizing on robust brands, as shown with Artá Capital, and domestic companies focus on enhancing their competitiveness, as evidenced by Novabase.

The three case studies analysed reflect different M&A drivers identified in the literature. The acquisition of Cirelius by Arbonia AG aligns with the rationale that M&A strategies help companies expand their market presence and enhance competitive positioning (Hossain, 2021). By acquiring a well-established player in the Portuguese HVAC sector, Arbonia secured direct access to new customers, reinforcing its Iberian market leadership. Similarly, the acquisition of Tapeçarias Ferreira de Sá by Artá Capital demonstrates how private equity firms leverage M&A to accelerate business growth. As highlighted by Lim and Lee (2016), M&A serves as a tool for rapid expansion, overtaking inherent limitations of organic growth. Artá Capital's investment follows a typical private equity strategy of enhancing operational efficiency and increasing value over time for a future exit.

Moreover, the Novabase and Celfocus's case exemplifies how firms consolidate their operations to strengthen their competitive edge, which is in line with Bena and Li's (2014) discussion on technology-driven M&A. Acquiring full ownership of Celfocus allowed Novabase to integrate resources more effectively, optimizing synergies within the group and reinforcing its strategic positioning in the IT sector.

Finally, beyond these firm-specific strategies, macroeconomic conditions also play a crucial role in shaping M&A activity as noted by Kumar, Sengupta, and Bhattacharya (2023).

In order to summarize the information relating to each of the cases analysed, Table 1 was presented in order to understand the particularities inherent to each one of the operations studied.

Year	Type of Transaction	Transaction Value	Acquirer	Target	Industry	Strategic Rationale	Nature of Transaction
2022	Acquisition	€26.7M for 100%	Arbonia AG	Cirelius, S.A.	Industrials (HVAC)	International expansion and Iberian market consolidation	Acquisition by foreign investor
2023	Acquisition	€70M for 100%	Artá Capital	Tapeçarias Ferreira de Sá, S.A.	Consumer Discretionary	Growth and asset appreciation for future exit	Private equity investment
2020	Acquisition	€20M for 45% + 7.5M adjustments	Novabase, SGPS, S.A.	Celfocus, S.A.	Information Technology (IT)	Strengthening market position and strategic integration	National consolidation

Table 1: Transaction's Summary. Self-realization work.

Chapter 5

Conclusions

5. Conclusions and Insights

5.1 Summary of Findings

The purpose of this dissertation is to analyse M&A trends in Portugal between 2014 and 2023, inclusive, identifying variables like key sectors, investors, and strategic motivations behind transactions. To do so, it was chosen a mixed methodical approach combining a quantitative analysis of 842 transactions and a qualitative case study approach. Given the complexity of M&A dynamics, ensuring the robustness and representativeness of the dataset is crucial. To ensure the comprehensive assessment of the Portuguese M&A market, was used S&P Capital IQ, a financial database that grants not only analytical information but also further knowledge on the parties involved in each operation.

The results of the analysis revealed that cross-border mergers and acquisitions play a dominant role, accounting for 53.8% of all deals, with Spain, France, the United Kingdom, and the United States leading foreign investment. Besides this the Industrials, Consumer Discretionary, and IT sectors stood out as the most active by deals number, demonstrating a mix of consolidation strategies, international expansion, and digital transformation.

Additionally, the study found that private equity firms are key players in the market, with Oxy Capital, BlueCrow Capital, and KKR among the most active investors. Furthermore, the case studies illustrate how different M&A strategies—foreign market entry, premium brand acquisition, and national consolidation—shape Portugal’s investment landscape.

5.2 Contribution to the Literature

This research contributes to the existing M&A literature by offering a comprehensive overview of Portugal's market dynamics, and more particularly details on specific market transactions under analysis. Contrary to other studies conducted that focus on broad European M&A patterns or one single operation, this thesis provides a country-specific perspective, highlighting Portugal's attractiveness to investors and the role of private equity in shaping corporate growth.

Moreover, the inclusion of three case studies adds a qualitative depth to the findings, demonstrating how strategic motives might vary per sector and investor type. This approach enhances the understanding of how M&A operations influence companies' long-term growth and sectoral development.

5.3 Practical Implications

The conclusions drawn from this research offer market insights for policymakers, investors, and business decision-makers. For policymakers, the study highlights the significance of foreign investment in Portugal's economy, emphasising the need for a stable regulatory framework and investment-friendly policies in order to keep attracting international capital. Regarding investors, the research identifies high-growth sectors such as industrials, information technology and consumer discretionary, where premium brands and digital businesses continue to generate significant interest. Lastly, for Portuguese companies, the case of Novabase and Celfocus, is just one example that illustrates how domestic firms can leverage through M&A strategies to strengthen their market position and expand their operations.

5.4 Limitations and Future Research

Throughout this study, it was possible to identify some limitations, primarily related to the data source used. The sample analysed was obtained from S&P Capital IQ, which, like other data platforms, may provide incomplete information, which in turn may influence the results and consequently affect the conclusions drawn from the study. However, compared to other platforms, S&P Capital IQ provides more detailed and relevant transaction information beyond simpler details as company names and transaction dates.

Another limitation arises from the fact that a large percentage of the analysed transactions (69%) did not disclose the total transaction value. This lack of transparency made it challenging to assess the Portuguese M&A market comprehensively and limited the depth of conclusions regarding prevailing trends. Moreover, the research focused primarily on completed deals, excluding transactions that were announced but later withdrawn, which could provide additional insights into M&A risks and outcomes.

Future research could explore post-acquisition performance in more depth, evaluating how M&A transactions impact the financial performance and positioning of target companies in the market over time. Furthermore, a comparative analysis between Portugal and other European markets could contextualize Portugal's role in a broader panorama of mergers and acquisitions, also bringing insights into the positioning of the Portuguese market versus other similar markets.

5.5 Final Remarks

Overall, this research confirms the attractiveness of Portuguese companies for M&A activity, featuring a significant involvement from foreign investors and private equity firms. The country's industrial base, emerging technology sector,

and premium consumer brands provide valuable opportunities for strategic acquisitions. As global economic conditions evolve, it is likely that M&A will continue to play a vital role in shaping the Portuguese corporate landscape, fostering innovation, growth and enhancing competitiveness.

Declaration of generative AI and AI-assisted technologies in the writing process

During the preparation of my written work/thesis, “Trends and Opportunities of M&A in Portugal”, Chatpdf and Chatgpt were used for the following tasks: document synthesis, linguistic review, concepts clarification and structuring of sections with the prompts used listed at the end of the document in the Prompts List section. After using these tools/services, I reviewed and edited the content as necessary, and I take full responsibility for the content of the work presented.

I also declare that I am aware of and respect the Artificial Intelligence Rules of Conduct of Católica Porto Business School.

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Prompts List:

Document Synthesis

- Provide a summary of the attached book *Mergers, acquisitions, and corporate restructurings* (6th ed.), (Gaughan, 2015).
- Explain and clarify this paragraph (excerpts from one of the articles).

Linguistic Review

- Conduct linguistic review on this section (example: "Summary of Key Findings"), and suggest any necessary improvements for the conciseness and flow of the sentences.

Concepts Clarification

- Clarify the different types of synergies in economic terms.
- Who are the main relevant authors in mergers and acquisitions?

Structuring of Sections

- Provide recommendations for the optimal structure and order of sections in the thesis.
- What key sections should be included in the literature review of an M&A thesis?
- How should a case study on an M&A transaction be structured?