PORTUGAL
CAPITAL
MARKETS
DAY 2025

Professor Filipe Santos

Dean of CATÓLICA-LISBON

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Innovation and Infrastructure: Connecting Portugal with the Future

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CEA – CATÓLICA LISBON Applied Research Center

November 2025

Achieve greatness

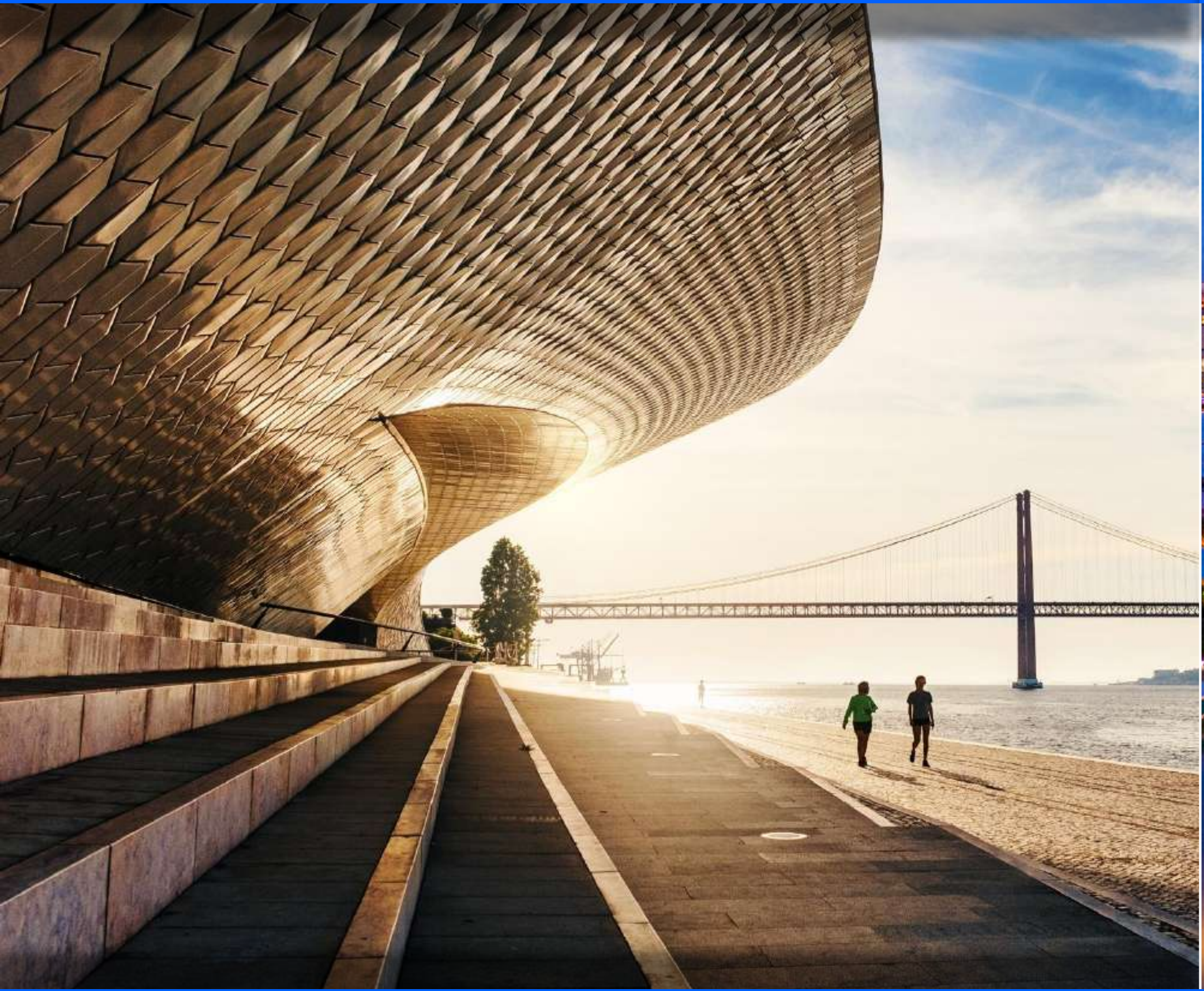
The New Portugal

The Future Portugal

The New Portugal

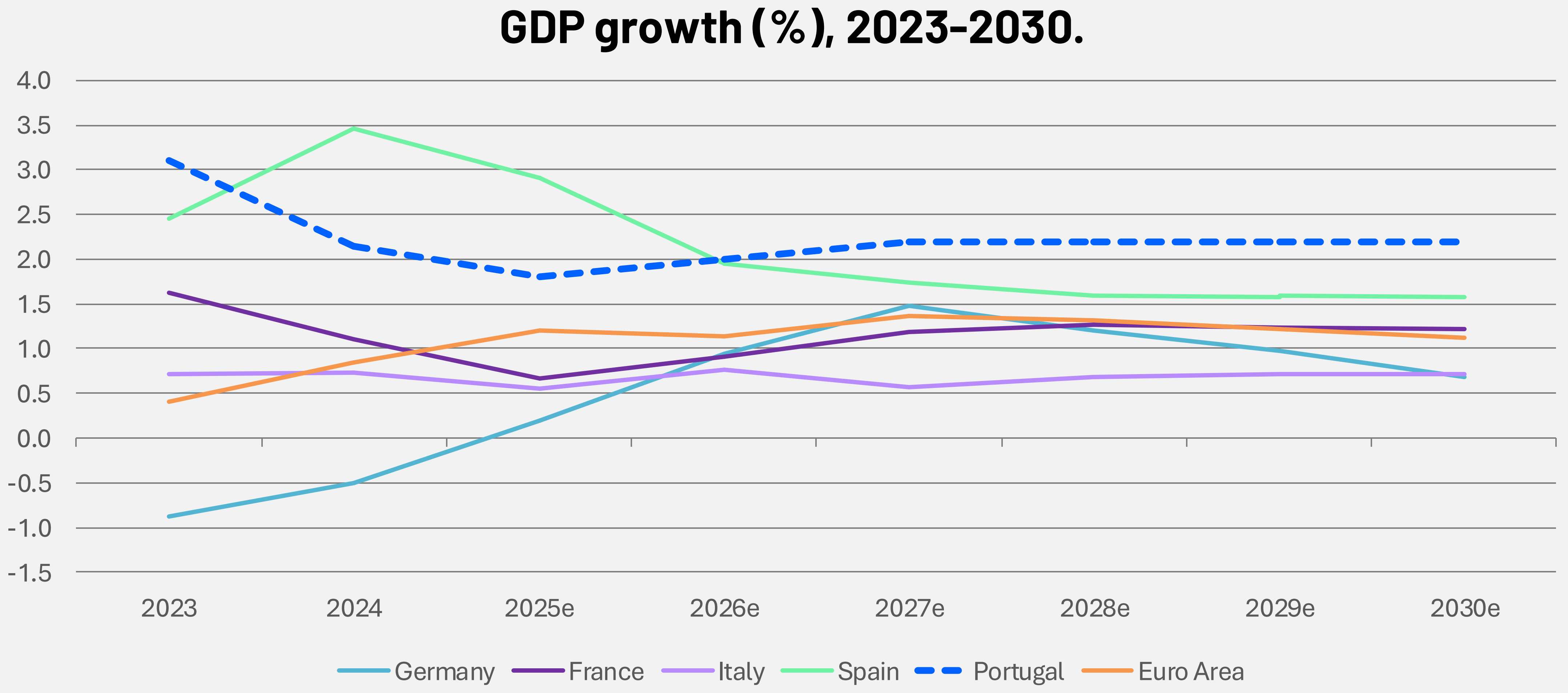
The Future Portugal

The New Portugal



The Future Portugal

Portugal's Economy exhibiting strong GDP growth since 2023 with solid expectations

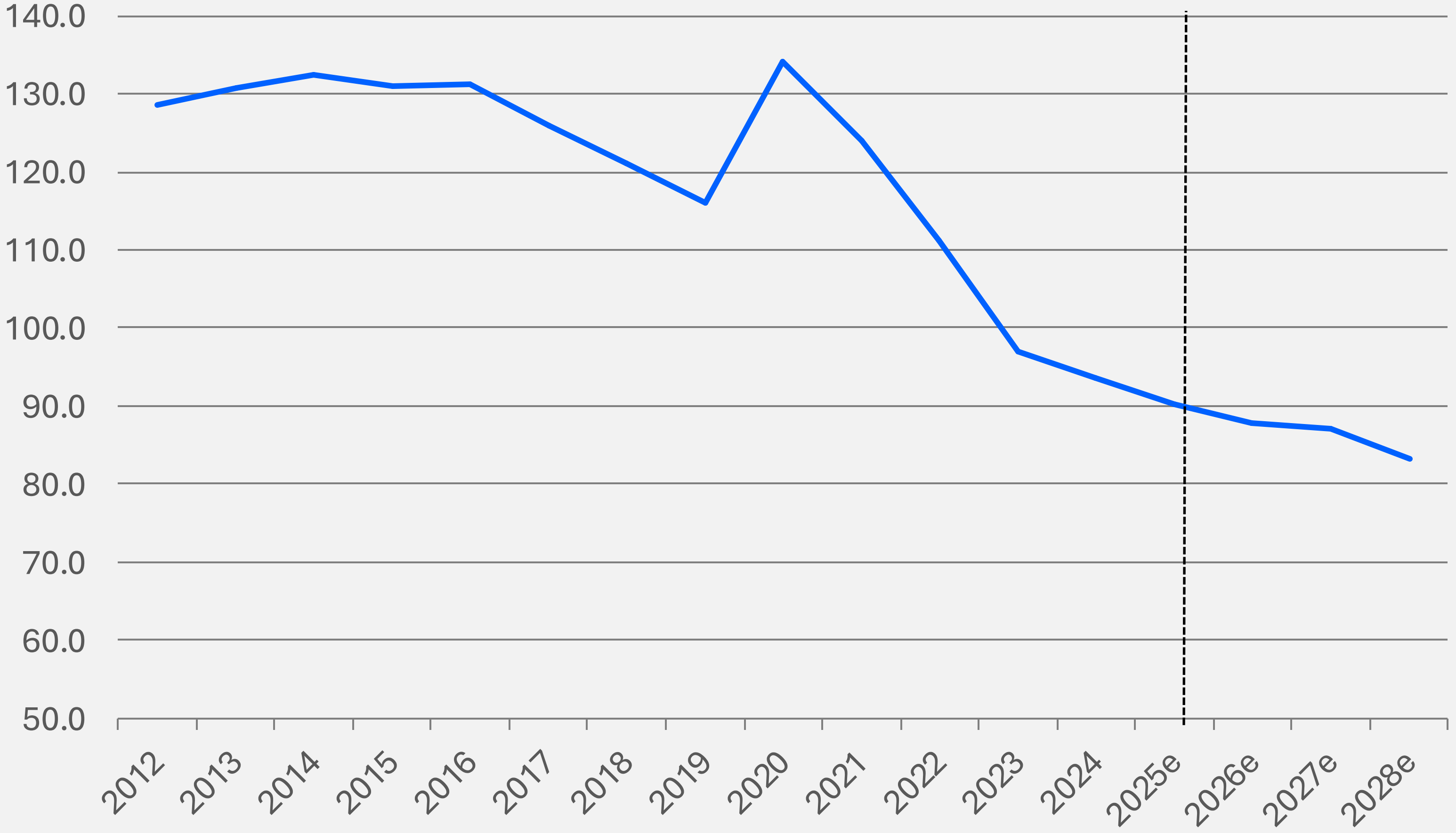


SOURCE: IMF, INE AND NECEP/UCP

Achieve greatness

Growth achieved with budget surpluses and rapid reduction of public debt (as % of GDP)

Public debt (% GDP), 2000-2028



BUDGET SURPLUS:	2023	2024	2025(e)
	1.2%	**0.7%**	**0.3%**

DEBT (%GDP):	2016	2024
	131.5%	**93.6%**

Portuguese economy did amazing turnaround with Current Account surplus in last 10 years

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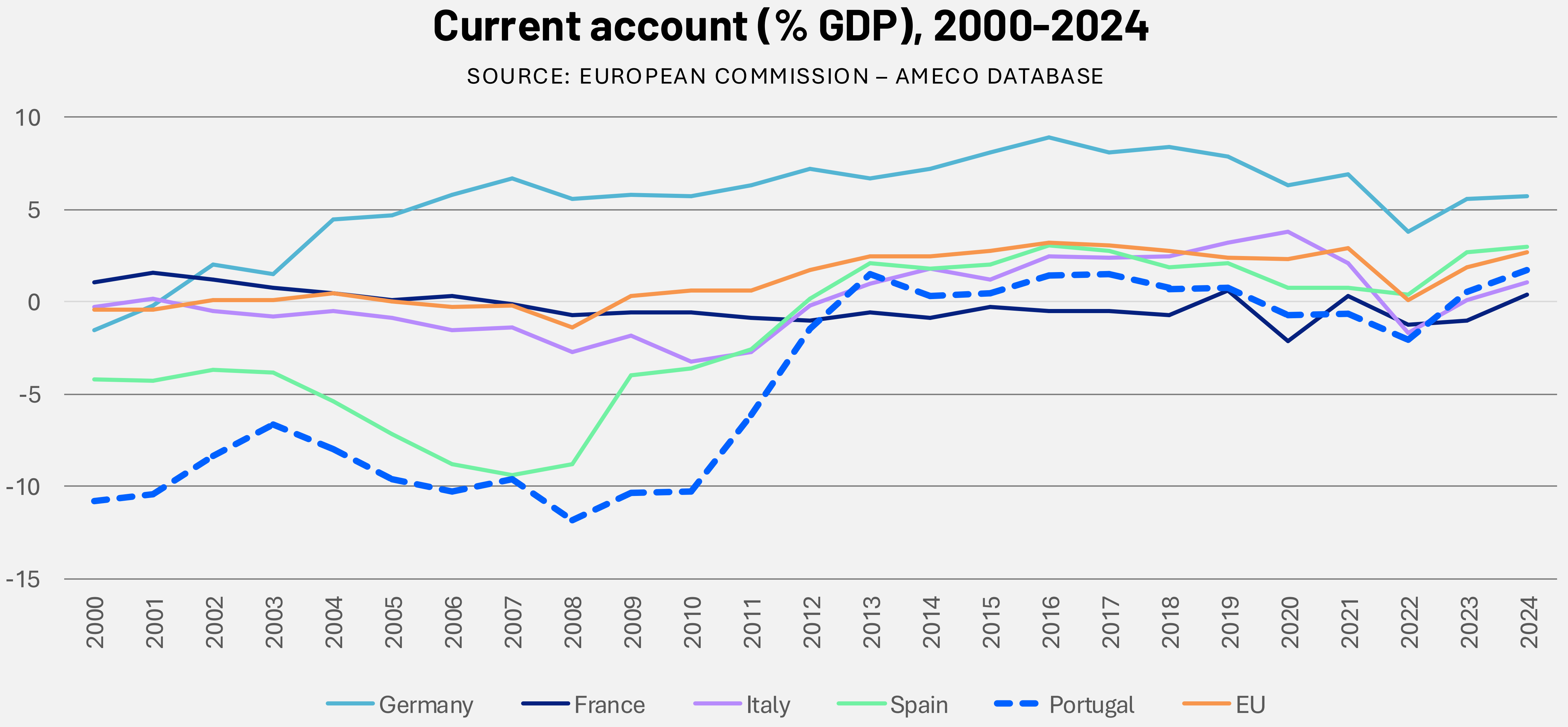
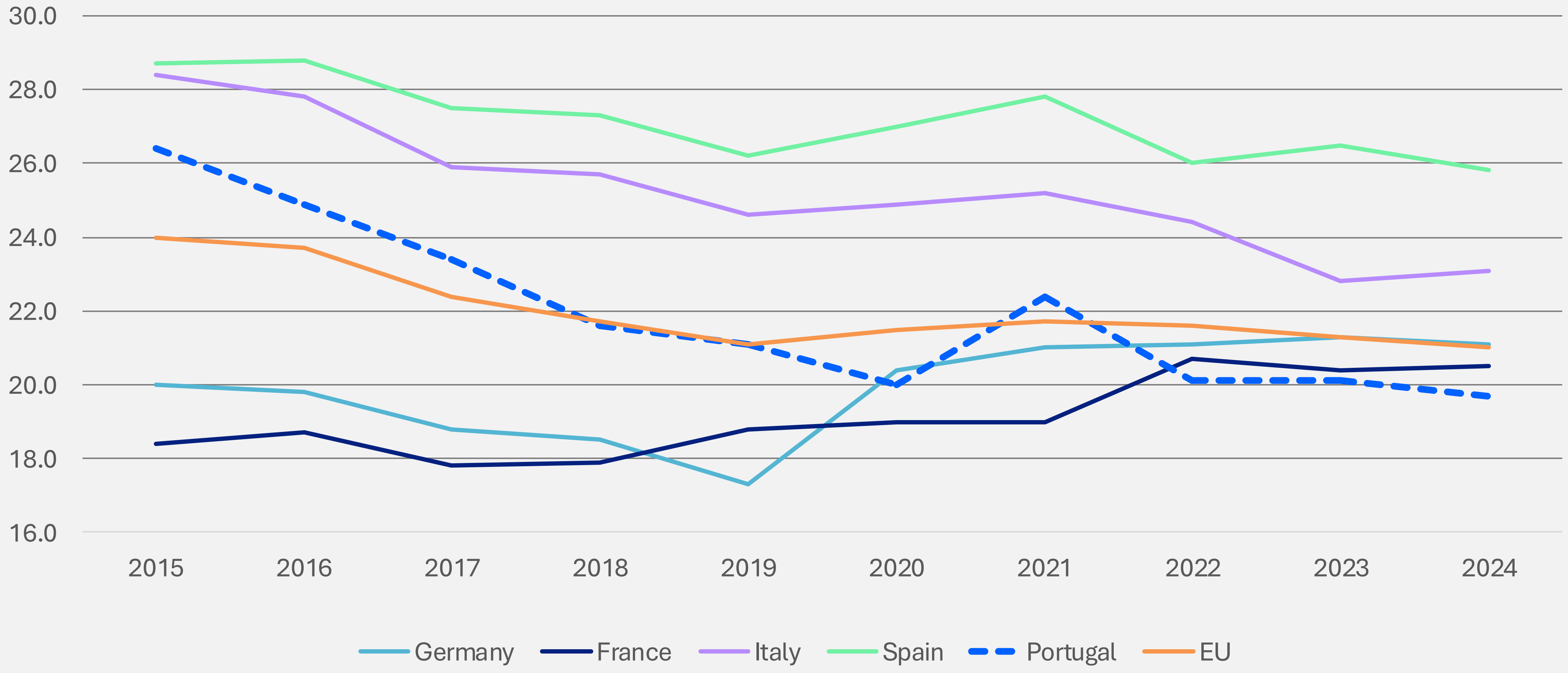


While maintaining supportive Welfare State reducing % of People at Risk of Poverty below EU average

% Population at risk of poverty or social exclusion, 2015-2024

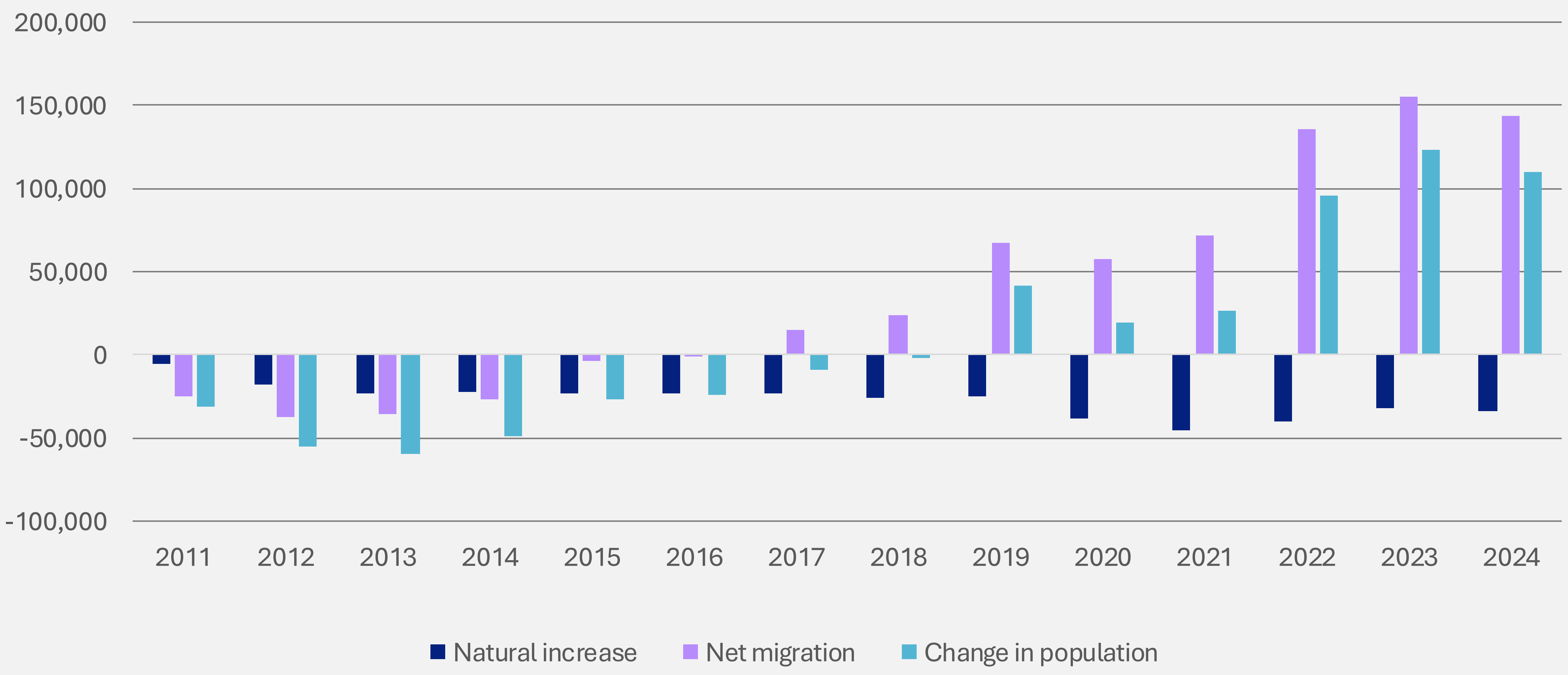
SOURCE: EUROSTAT



Portugal is open to People and Talent, increasing the number of residents since 2019 and reversing the demographic effect of population aging

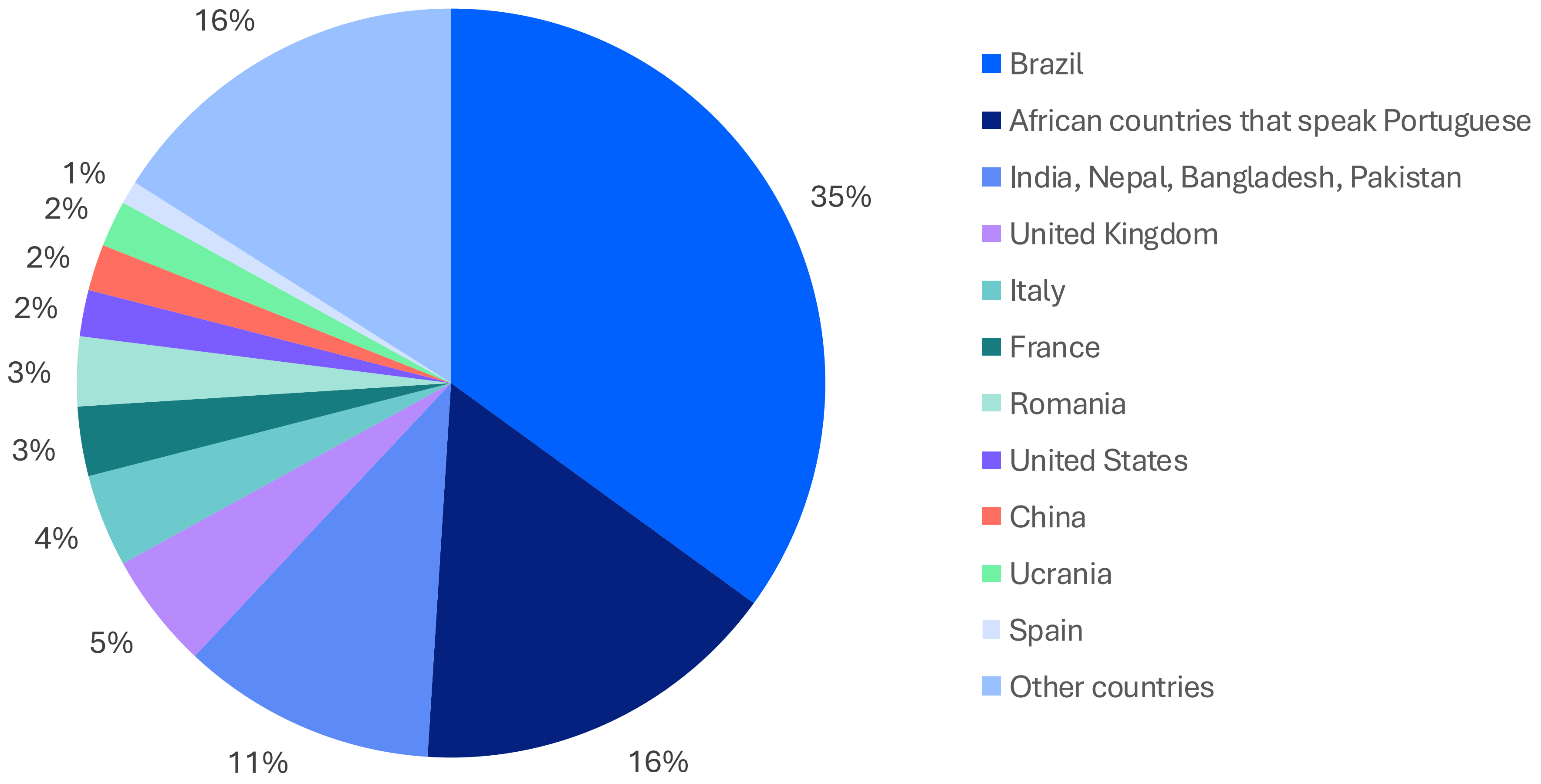
Change in resident population by driver (natural increase and net migration), 2011-2024

SOURCE: INE AND AIMA



Immigration that is sustainable because 75% of foreign-born residents are highly qualified and/or easy to integrate due to cultural proximity

Countries of origin of the foreign-born citizens living in Portugal (%), 2023

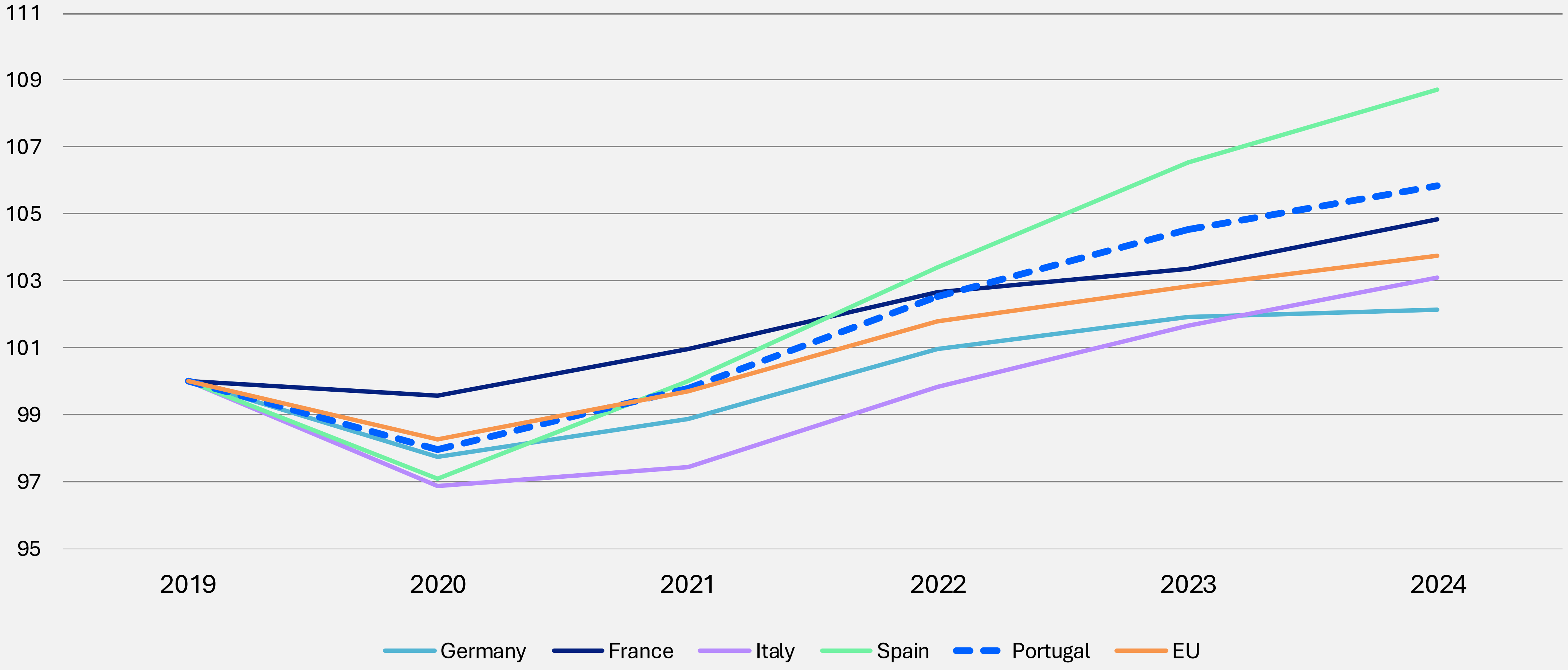


Achieve greatness

Vibrant economy created and filled jobs leading to significant increase in employment since 2021
(unemployment at record low: 5.8%, employment at record high: 5.3M)

Population employed from 20 to 64 years (2019 = 100), 2019-2024

SOURCE: EUROSTAT



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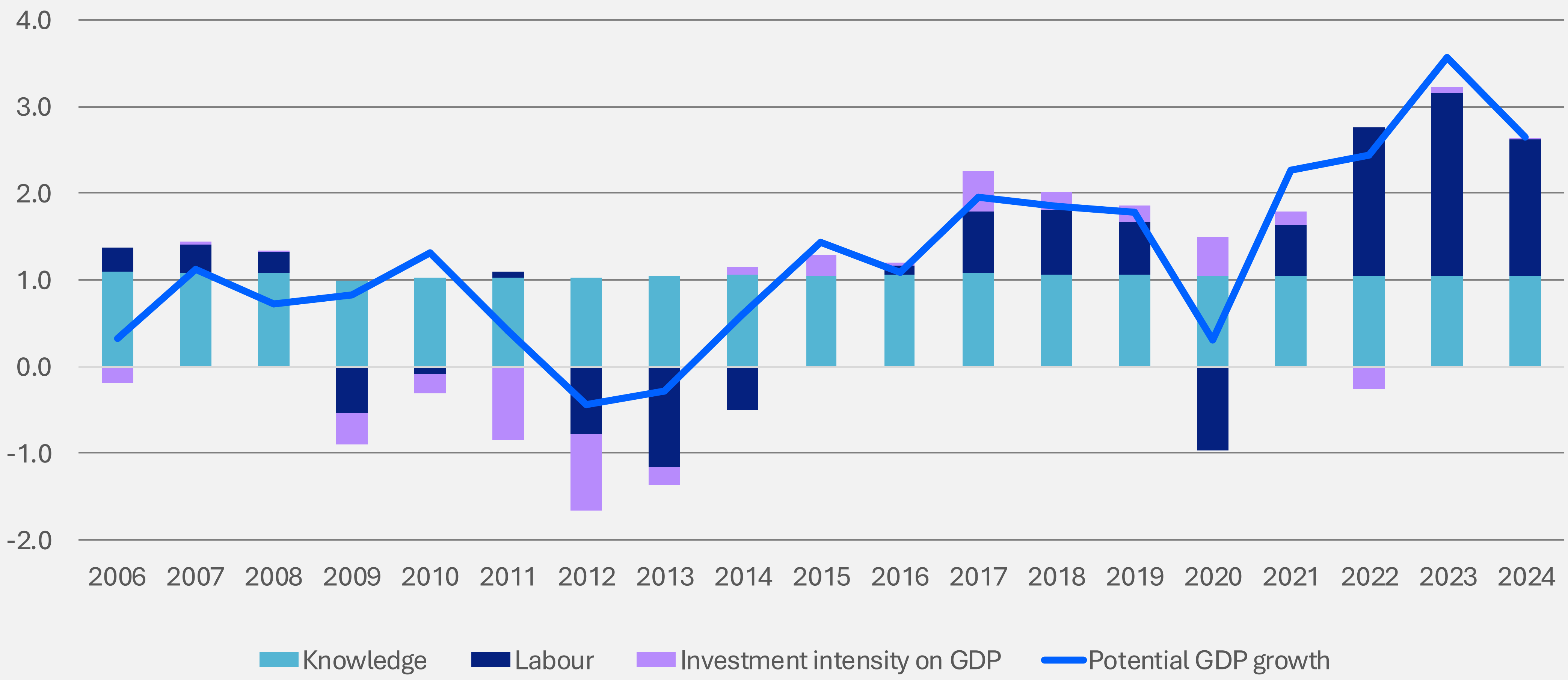
Our Analysis indicates that these dynamics drive potential GDP growth for Portugal between 2% and 3% per year since 2022 (without accounting for significant investment)

Drivers of the potential GDP growth (contributions in percentage points), 2006-2024

SOURCE: NECEP/UCP



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What could go wrong with this picture?

Higher trade barriers from the Trump Administration

- But US market only 7% of Portuguese exports. GDP impact lower than 0.1% (current tariffs).

Growing geo-political uncertainty (deepening Russia conflict or cooling China relations)

- Portugal actually may benefit due to strategic and safe location (attracting people and investments) and historical bridges to Latin America and Africa

What if there are reasons to be more optimistic?

The structural advantages and innovation ecosystem of the Portuguese economy may lead to solid productivity growth and an investment cycle that positions Portugal strongly for a brighter future

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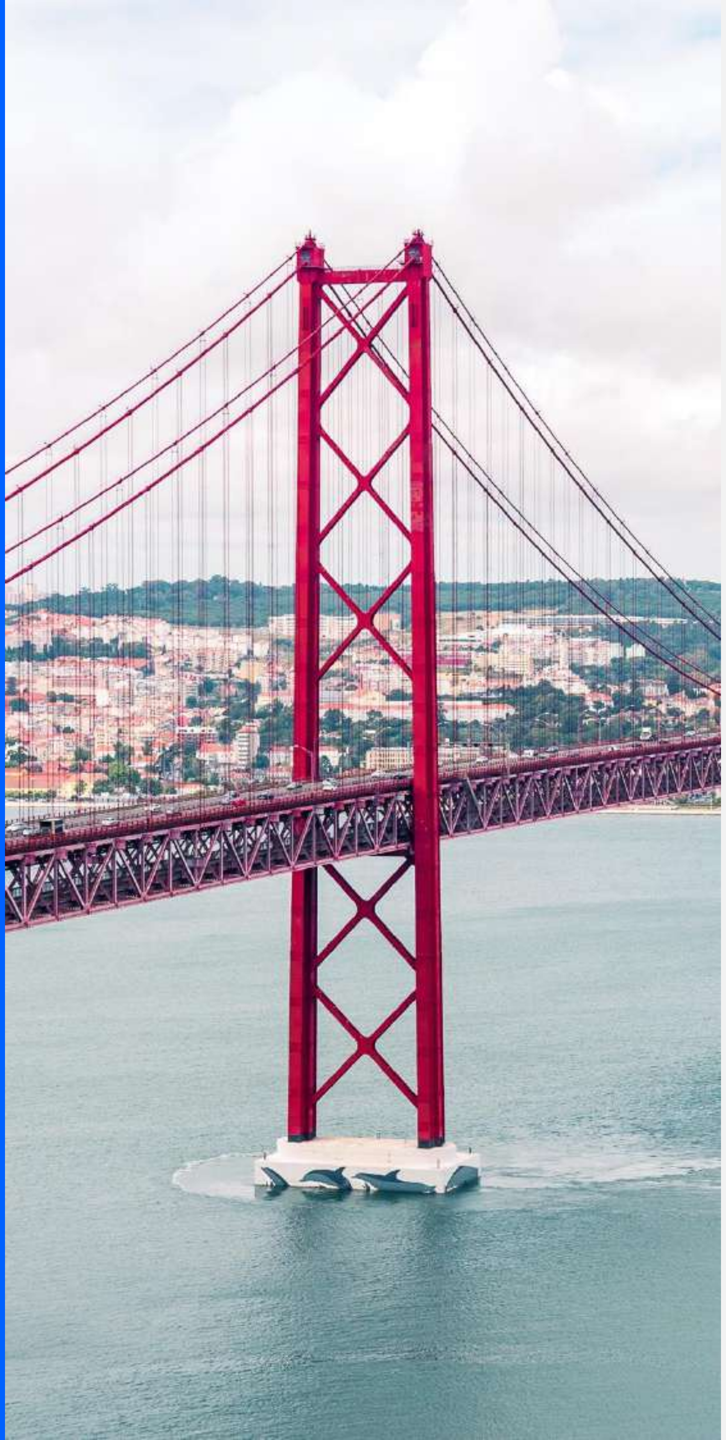
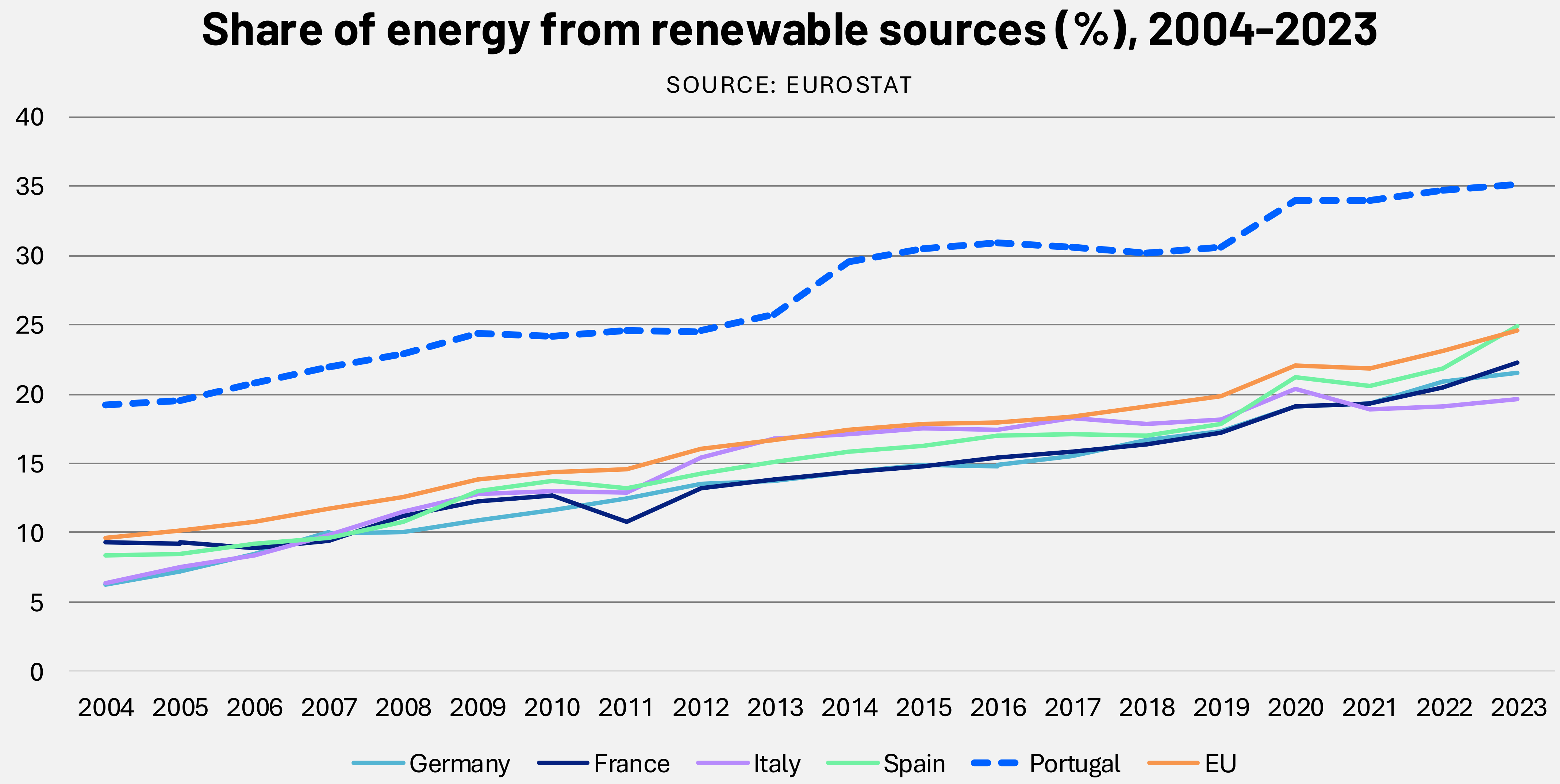
Future Portugal



Competitive Drivers

- Renewable Energy
- Telecommunications
- Natural Resources
- Financing Sources
- Human Capital
- Innovation Ecosystem

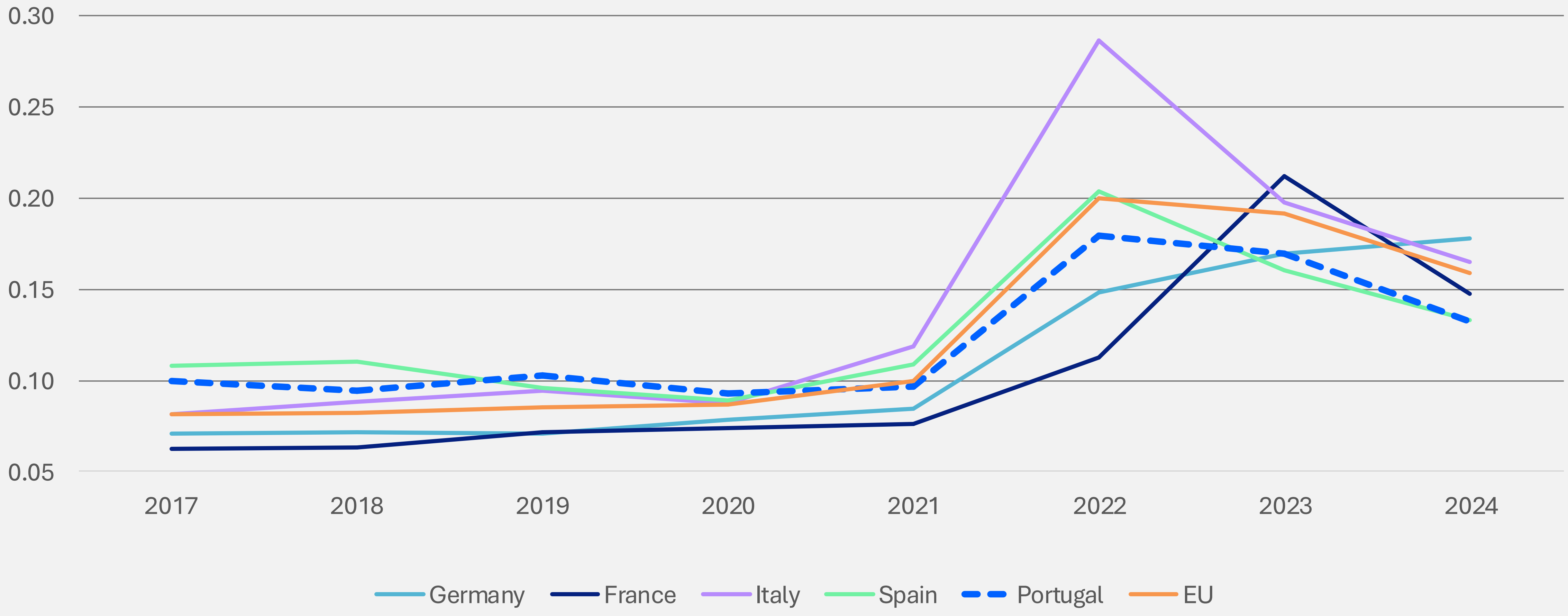
ENERGY: Trifecta of Hydro, Wind and Solar make the renewable energy mix of Portugal the best in the EU with 35% of total energy mix and 70% of electricity generation



That makes Portugal (and Spain) electricity prices for industrial clients among the most competitive in Europe (electricity will drive digital / AI revolution and re-industrialization)

Prices for users of 500Mw to 2000Mw (PPP, in euro per kWh), 2017-2024.

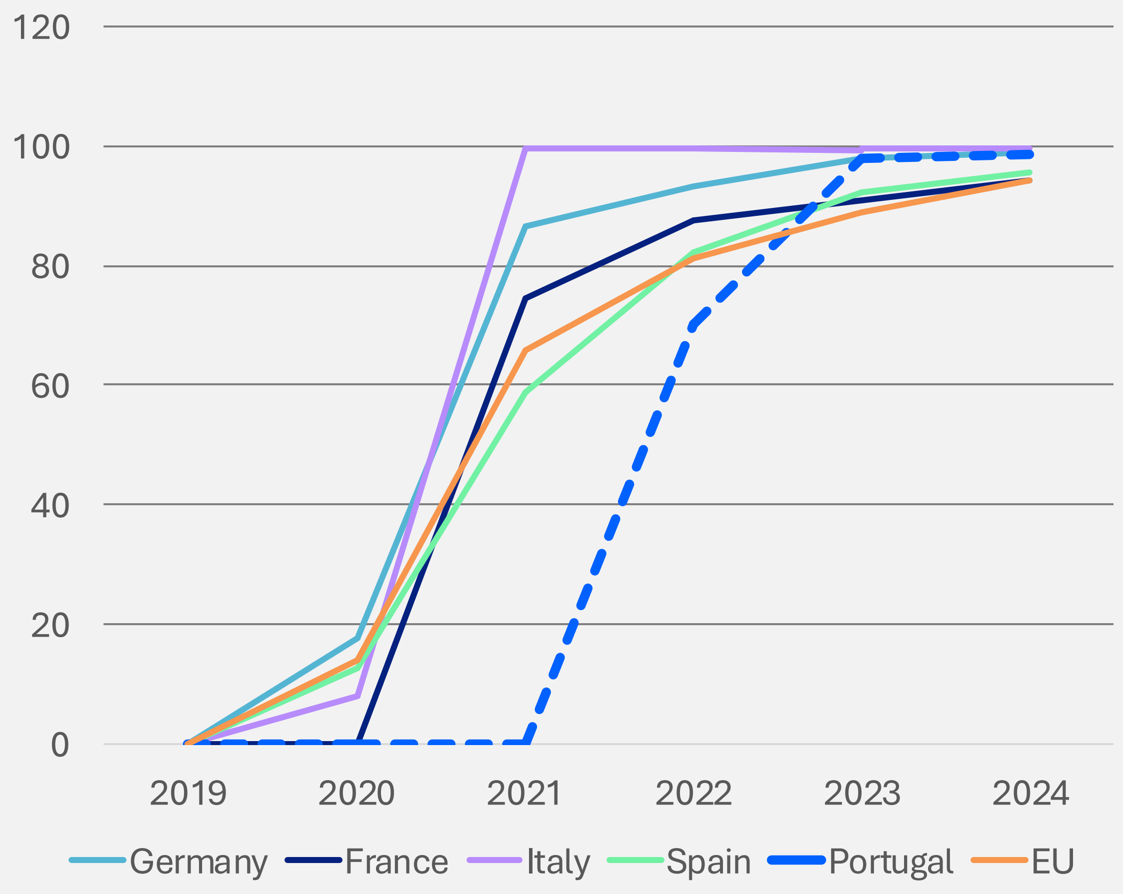
SOURCE: EUROSTAT



Full Telecom Coverage : 5G + Fiber Coverage + global undersea cables supports advanced Digital Industries

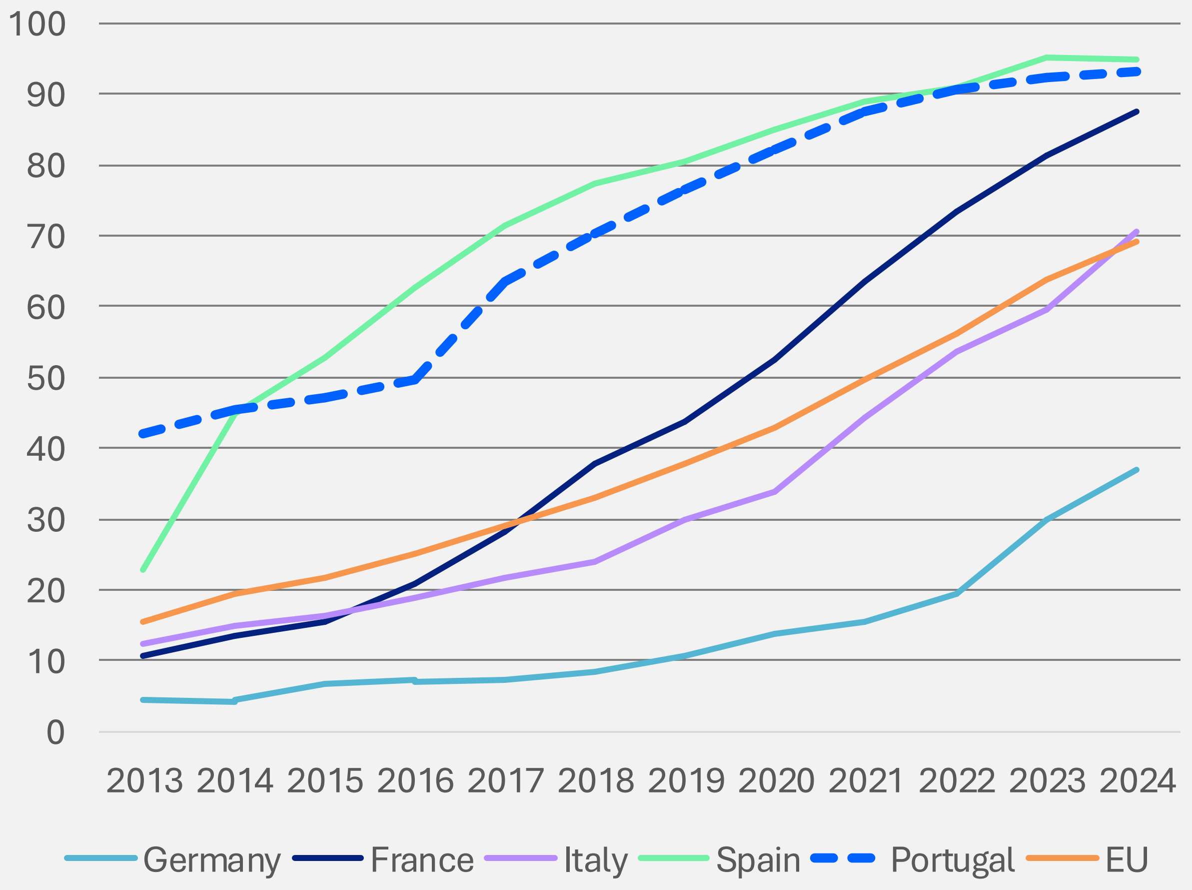
Broadband internet coverage by 5G technology (% households), 2020-2024.

SOURCE: BANK OF PORTUGAL



Broadband internet coverage by fiber optic (FTTP) technology (% households), 2020-2024.

SOURCE: BANK OF PORTUGAL



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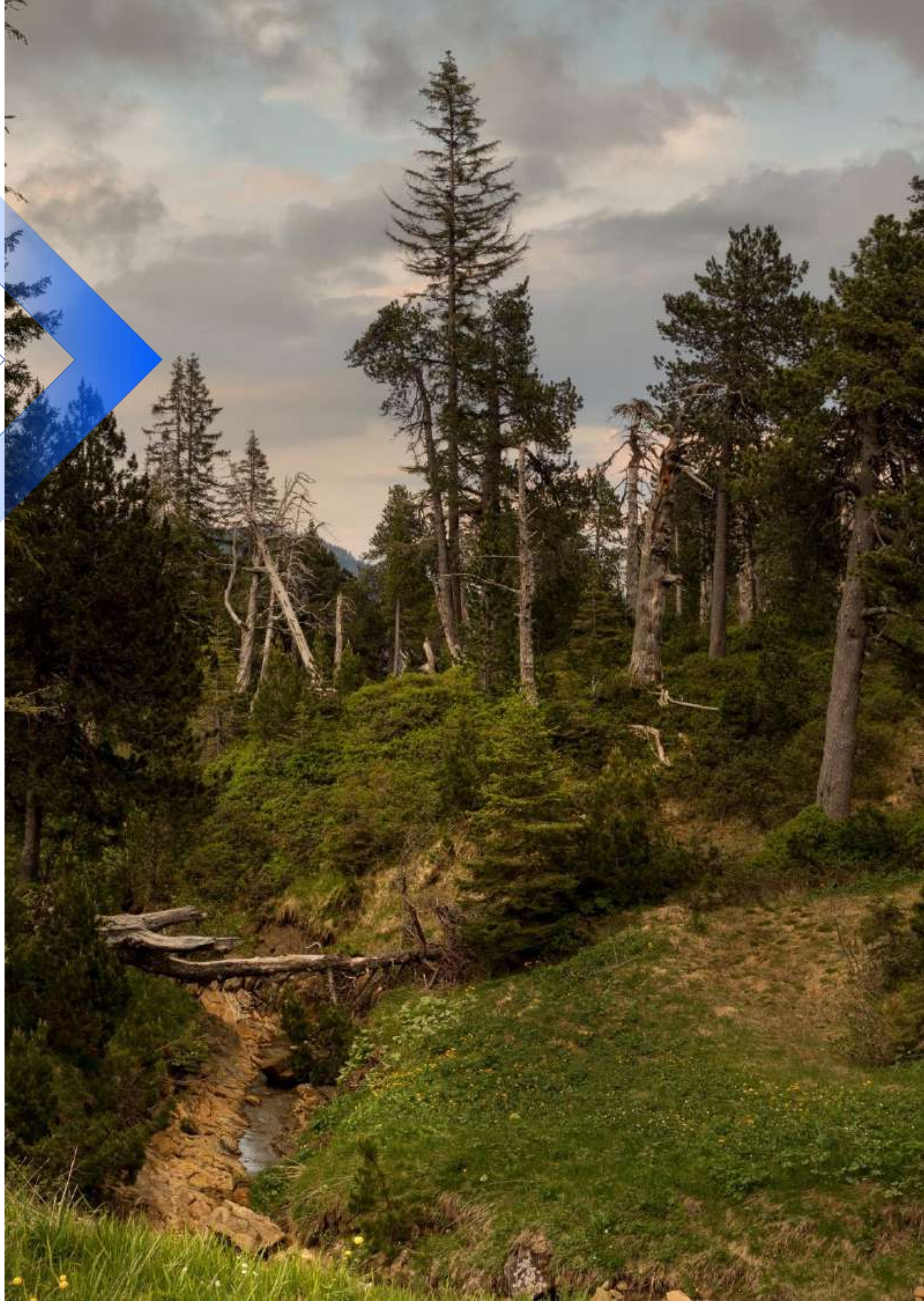
Natural Resources as a Source of Competitive Advantage

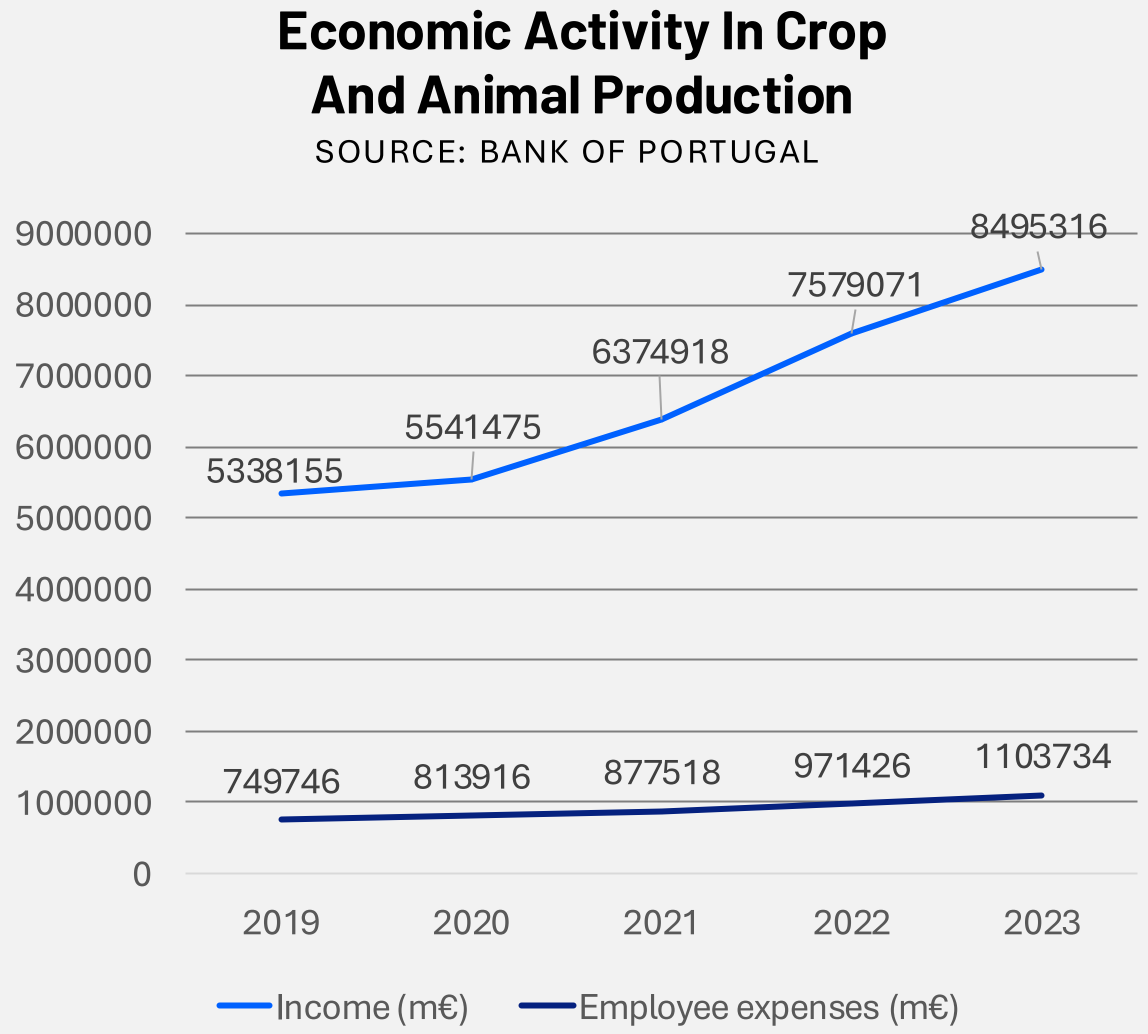
FORESTRY AND LAND RESOURCES OF UNIQUE QUALITY SUPPORTING:

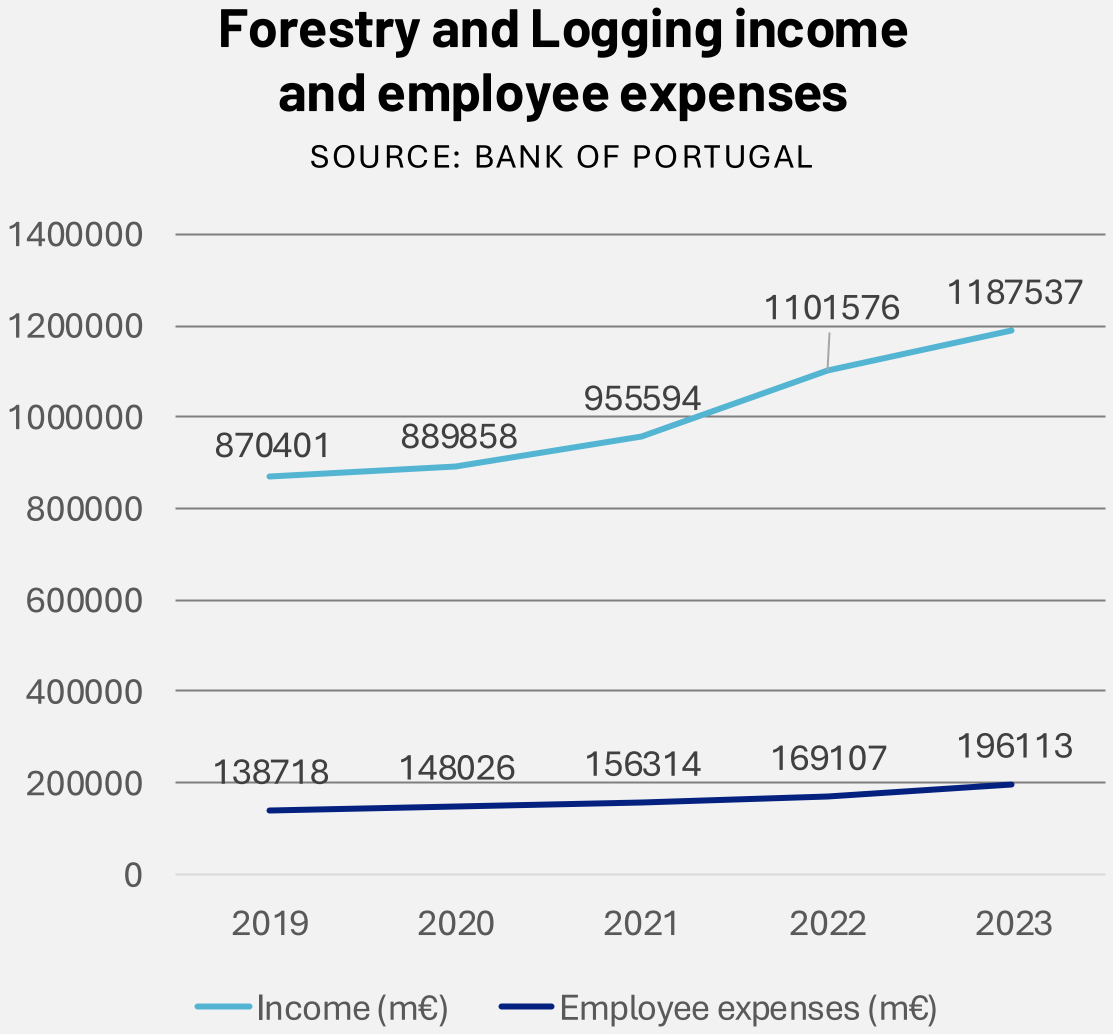
- One of the world's largest and most efficient paper and pulp company - Navigator (Portuguese company with highest Economic Added Value)
- The largest cork industry in the world with 50% global share and leading companies such as Corticeira Amorim.
- Top 5 world country in olive oil exports.
- A significant wine industry with very high quality /price positioning in world markets and a hub for premium tourism



Productivity of Primary Sector improving in last five years due to innovation and increase in irrigated land

(Alqueva Infrastructure + record Water supplies + National Water Strategy)





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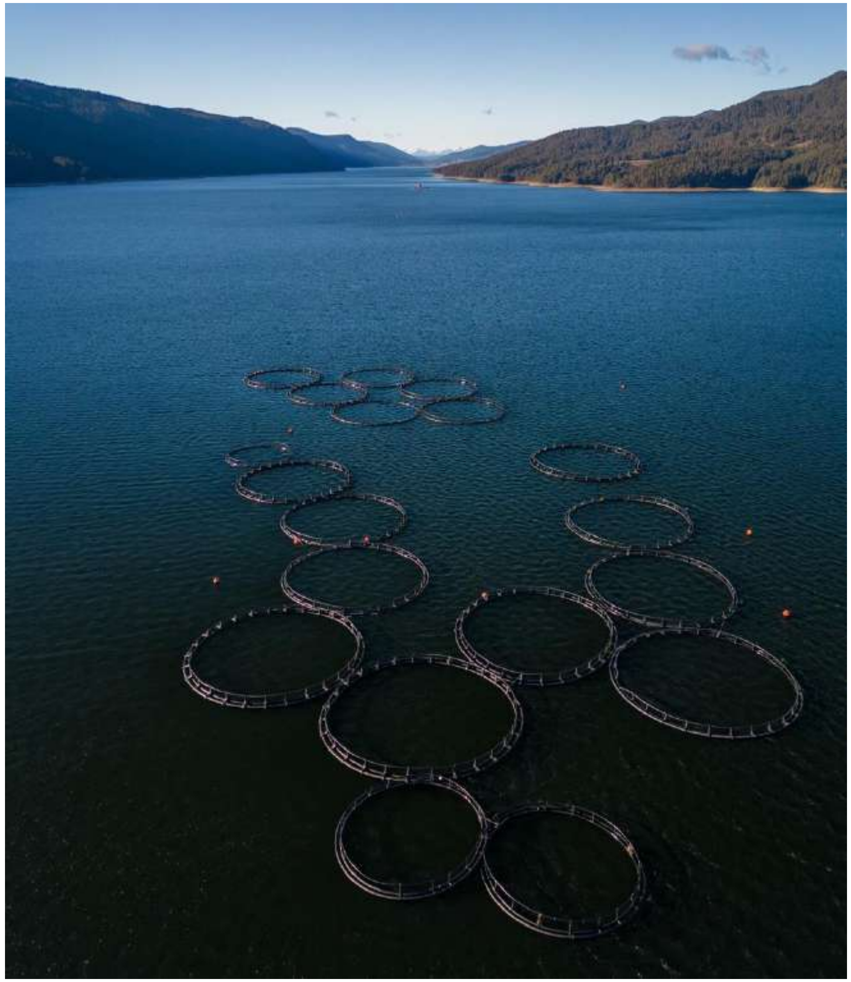
IN ADDITION, PORTUGAL HAS:

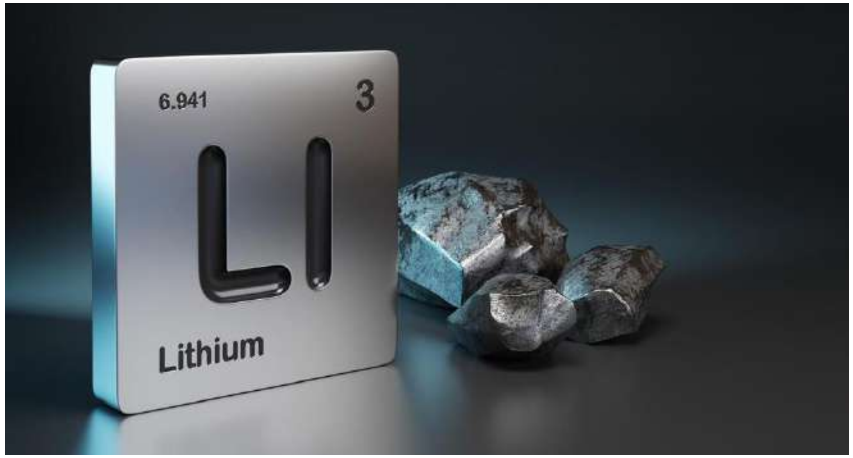
- The 3rd largest maritime exclusive economic zone in the EU at 1.7 sqm supporting vast opportunities in Blue Economy

- A fast growing aquaculture sector that doubled production in the last decade;

- The largest proven lithium reserves in Europe (at 60,000 metric tons), essential for energy transition and European strategic autonomy

- Significant reserves and extraction of tungsten (3% global share), Copper and Tin (Estanho)





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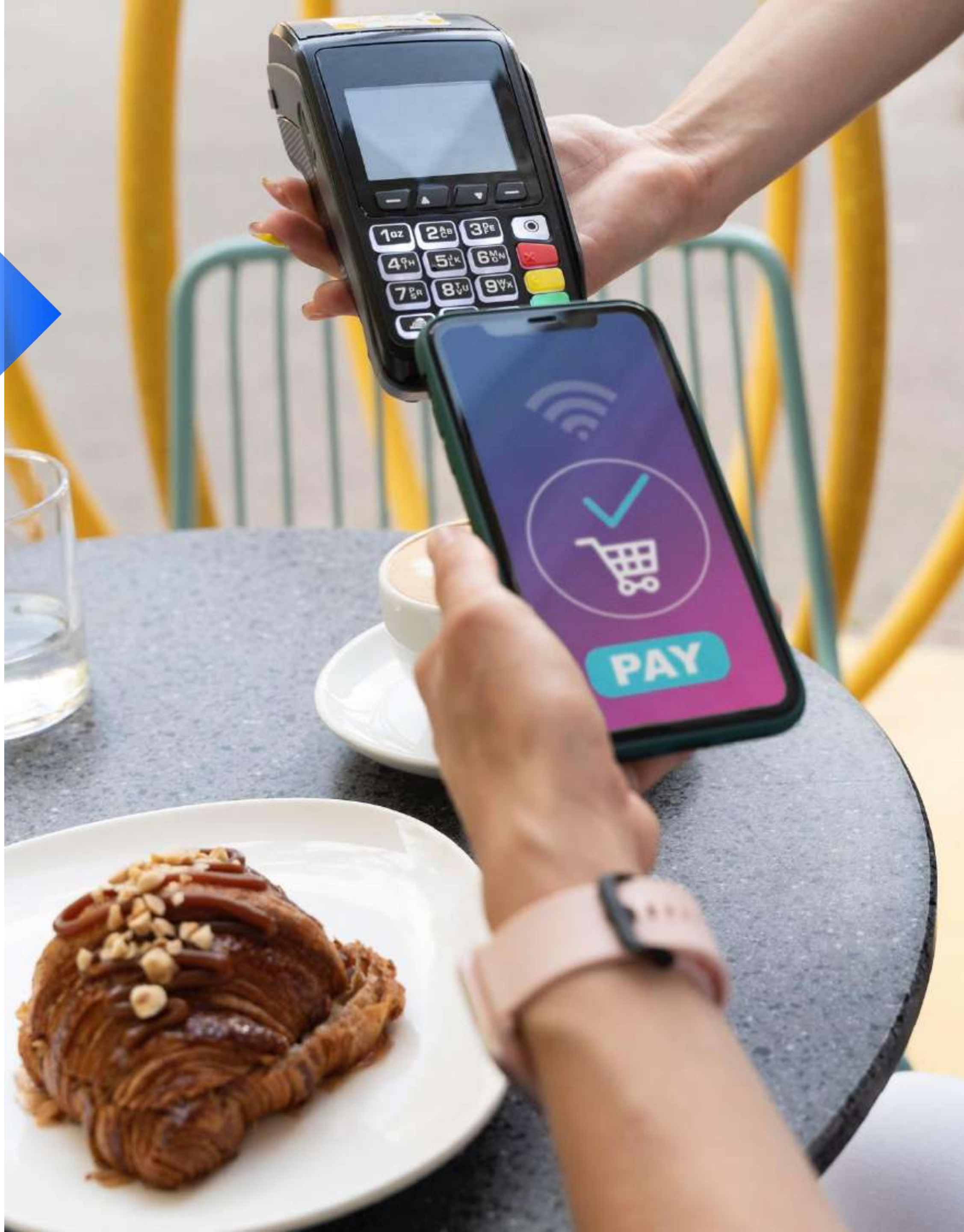
Amongst the Most Solid Banking Sectors in the EU

WITH ADVANCED PAYMENT AND SECURITY TECHNOLOGIES

- One of the best capitalized banking sectors in Europe (Capital Ration of 20.4% in Q2 2025) with reserves that support substantial increase in investment.
- Growing savings of population + potential to attract foreign investment and expand further Capital Markets to finance corporate investment (capital and debt)
- Pioneer in multi-bank digital payment platforms (Multibanco and MB Way mainstream adoption).
- Innovative firms in finance and security (ex: Unicorn Feedzai will guarantee security of Digital Euro)



Location, Infrastructure and Logistics enabling large scale industrial projects

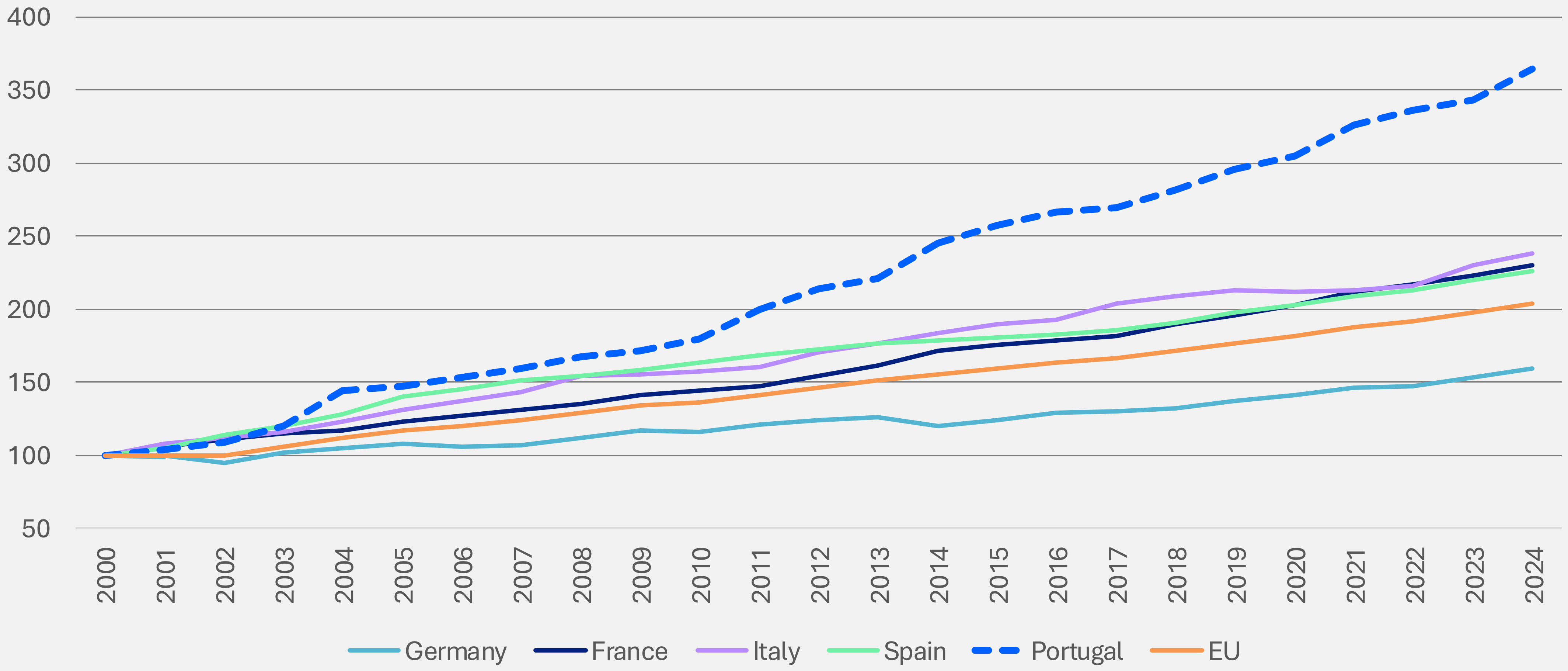
Sines:

THE MAKING OF A GLOBAL INDUSTRIAL, LOGISTICS AND ENERGY HUB

Human Capital: An explosion since 2010

Active population with tertiary education long-term trends (2000 = 100), 2000-2024

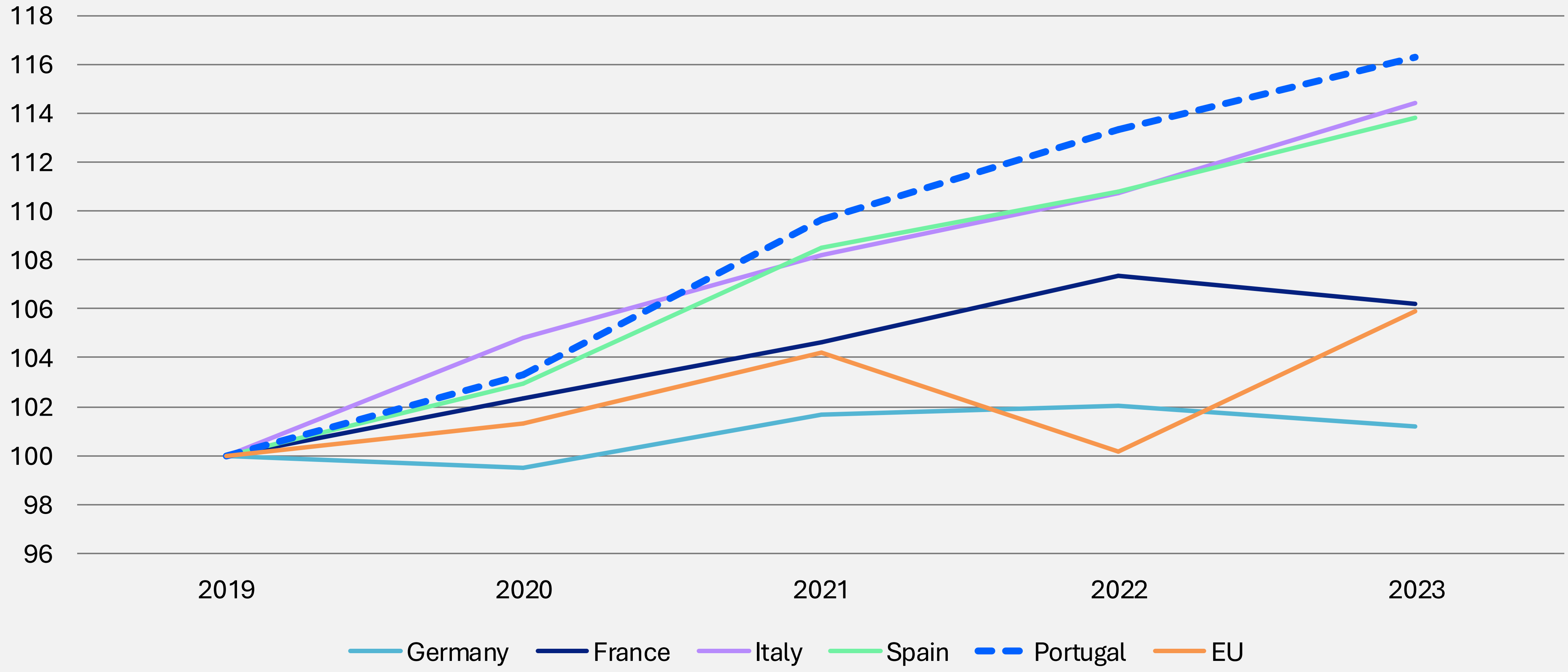
SOURCE: EUROSTAT



Top Quality University System attracting international students and scientists
(Business, Engineering, Sciences)

Students enrolled in tertiary education (2019 = 100), 2019-2023

SOURCE: EUROSTAT



Portugal is Winning the Global Battle for Talent and Wealth

TALENT

- 13^{th} most attractive country in the world for young talent - jumping from 24^{th} in a decade (Footlose Index 2024)
- Top of the League in Expats Rankings

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Portugal is Winning the Global Battle for Talent and Wealth

TALENT

WEALTH

- 7^{th} most attractive country in the world for Millionaires aiming to relocate (1400 new millionaires expected in 2025)

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Portugal is now Multipolar Innovation Country

Lisbon:

(12th Metropolitan Area)

EPICENTER OF THE PORTUGUESE INNOVATION ECOSYSTEM

Porto

(23rd Metropolitan Area)

MANUFACTURING HUB OF PORTUGAL

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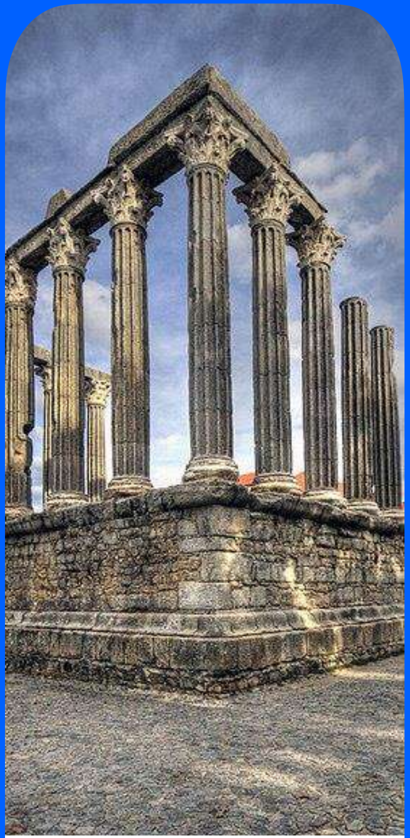
Mid-size cities as Specialized Innovation Hubs

Braga (Industrial IT)

Aveiro (Telecom and Materials)

Coimbra (Software, Robotics)



Évora (Aeronautics Cluster)

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Investment Opportunities Aligned with EU Industrial Policy

Health, Pharma and Biotech

MNC Centers of Competence

Digital/Cloud Industries

Defense and Drones

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Healthcare, Pharma and Biotechnology

World class companies, research centers & unicorn ventures

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High-Value Services Competence Centers of Multinationals

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Digital and Cloud Industries

Datacenters, renewables, cybersecurity

feedzai

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Industrial and Defense Capabilities

Aeronautics and Drone Technology

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Conclusion:
The Future Portugal

- 20 years of adjustment to global competitiveness (agriculture, manufacturing, high-end services).
- A decade of macroeconomic surpluses and investments in human capital, science and innovation.
- 3 years of strong economic performance demonstrating ability to attract people, talent and capital.

A modern country, well-positioned to thrive in challenging geo-political environment, supporting Europe's Digital, Competitive and Sustainable Future

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Thank You!