

PORTUGUESE INSIGHTS

THE PRIVATISATION OF TAP AIR PORTUGAL

12.02.2025

In a statement issued on 21 January 2025, the Portuguese Government announced the completion of the reorganisation measures necessary to carry out its intention to privatise TAP, which was nationalised by the Portuguese Government following the turbulent time of Covid19.

TAP is the Portuguese flag carrier airline company that operates an extensive international network, primarily connecting Europe to Africa, North America and South America, with a strong focus on Brazil. In 2024, TAP flew 16.1 million passengers, an increase of 1.6% compared to 2023. The largest percentage growth in the number of passengers carried was seen on North American routes, which reached a total of 1.59 million passengers, 8.9% more than in the previous year. TAP was recently considered the safest airline in Europe and ranks 11th in the world ranking.

Incorporated nearly 80 years ago, TAP became state-owned in the 1970s. In 2016, the Portuguese government sold a 50% stake in TAP and gave operational control of the airline to Atlantic Gateway, a joint venture between HPGB and DNG Corporation.

In 2020, amidst the Covid-19 pandemic, the Government took full control of TAP and injected over €3 billion following negotiations with the EU Commission DGCom, as required by law. By January 2025, TAP completed the final reorganisation measures outlined in the restructuring plan, which included acquiring Portugália, UCS - Integrated Health Care, and Cateringpor. The approval from the Court of Auditors is still pending for the acquisition of Cateringpor.

On 26 January 2025, in an interview given to Portuguese media the Minister of Infrastructure reaffirmed the government's intention to privatise TAP through direct negotiation, selling 100% of the company's capital while selecting a strategic partner that ensures strategic conditions, such as the continuity of the hub and TAP's headquarters in Lisbon, as well as the preservation of routes to North America and Brazil.

Potential buyers include companies such as Lufthansa, Air France-KLM, and the IAG Group, which reportedly are already engaged in discussions with the Government. However, the possibility of interest from other players should not be ruled out.

KEY INFORMATION

Ownership

100% owned by the Republic of Portugal (Directorate-General for Treasury and Finance)

Subsidiaries

TAP has the following subsidiaries:

- Portugália - Companhia Portuguesa de Transportes Aéreos S.A.
- UCS – Cuidados Integrados de Saúde, S.A.
- Cateringpor - Catering de Portugal S.A.

Key Financial Data

- Net profit: €177.3 million
- Revenues: €4,200 million (+21%)
- Recurring EBITDA: €872 million
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- Flight Load Factor (2024): 80.8% (+1.5%)
- Supply of seats measured in ASK (2024): +1.6%
- Revenue per seat measured in RPK (2024): +3.4%.
- Net debt: €2.452 million
- Credit ratings: BB- from S&P, B1 from Moody's, and BBB from Fitch.

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SOURCES

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[FY-23-Results-presentation \(3\).pdf](#)

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