Doing deals in Thailand

A dealmaker's perspective

KPMG in Thailand

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Contents

Foreword

KPMG's perspective

M&A activity in Thailand has risen consistently over recent years. As an established destination for inbound foreign investment, Thailand's M&A will remain strong due to a number of tailwinds including the government's 'Thailand 4.0 Economic Plan', the ongoing integration of the ASEAN Economic Community and the country's continued development from an emerging economy to a stronger regional and global player. The significant increase in outbound M&A by a variety of Thai conglomerates is a further testament to the strength and opportunities of businesses in Thailand, which remains attractive to multinational corporations from developed economies seeking growth, along with Private Equity funds who see Southeast Asia as an increasingly attractive destination.

The underlying macro-economic fundamentals are relatively healthy supported by low inflation, strong current account position, healthy international reserves and low external debt. The banking system is well capitalized, unemployment rate remains very low although there are shortages of skilled labor in some sectors especially as we move towards 'Thailand 4.0 Economic Plan' and public infrastructure investment and government spending are also accelerating.

About this publication

In this publication, KPMG in Thailand's senior Deal Advisory experts share their perspectives on the M&A market and its outlook. We have also incorporated the valuable insights of many of KPMG's leading domestic and international clients who have recently undertaken M&A projects in Thailand – both successfully and unsuccessfully – who shared their insights on the process, challenges and opportunities via a survey and interviews. We express our sincere gratitude to all survey participants, for their time and valuable contributions to the study.

1. Executive summary

Executive summary

Thailand remains an attractive investment destination

The Thai economy is expected to continue to grow at a faster pace than the global average. Thailand's ranking improved to 26th in 2018 in the World Bank's Ease of Doing Business Report.

The government's 'Thailand 4.0 Economic Plan' provides incentives for investments in renewable energy along with targeted industries called the S-curves, including next-generation automotive, smart electronics, affluent/medical and wellness tourism, agriculture and biotechnology, food for the future, robotics, aviation & logistics, biofuels & biochemicals, and digital & medical hub. Investors in these areas will enjoy import duty exemptions, corporate income tax deductions and deductions for transportation, electricity, water and infrastructure costs.

The Investment Promotion Act gives authority to the Board of Investment (BOI) to grant tax and non-tax incentives (e.g. exemption/reduction of import duties, corporate income tax on net profits and dividends derived from promoted activities, ability to take 100% foreign ownership of certain businesses and/or land, etc.) to foreign and Thai investors who are engaged in promoted activities. Furthermore, the BOI can approve additional incentives on a project-by-project basis.

The Eastern Economic Corridor (EEC), under the scheme of 'Thailand 4.0', is one of the main projects initiated by the Government to attract investments in advanced technology in the targeted new wave industries, mainly digital, robotics, healthcare, biofuel and aviation logistics. The EEC will create plenty of opportunities for investors to participate in, for instance, the Public-Private Partnership (PPP) to develop utilities, infrastructure and public transportation.

According to survey participants, political instability was cited by investors as being a key concern when considering future investments, with 58% of respondents highlighting this. Workforce availability, capacity to innovate, legal/regulatory framework as well as a perception of corruption were also seen as concerns with approximately 40%of respondents citing each of these areas. Access to financing and currency volatility appear to be the least two concerns for future investments.

Attractiveness compared with other ASEAN/CLMV countries

88% of the survey respondents expected to make at least one more acquistion in Thailand within the next five years, with 65% expecting to do at least two, and almost a quarter expecting to do more than six. Food & Beverages, industrial products and FMCG were the key sectors of interest.

Based on the survey, Thailand appears to be more attractive than three of the 'CLMV' countries (Cambodia, Laos and Myanmar), with Vietnam the only emerging ASEAN country seeming to compete with Thailand on overall attractiveness.

Investors typically screen a large number of potential targets before securing a deal.

Finding investable targets can be a challenge in Thailand, with limitations on the availability and quality of public information. According to survey participants, 46% of investors leveraged existing relationships or their knowledge of the market to identify targets. Market analysis performed internally to identify potential targets which were previously unknown to management came in second with 31%. Use of brokers, consultants and advisors in this process came in third with 23%, according to survey participants.

Discounted Cash Flows was the most common valuation method, used by 52% of respondents.

According to our survey, Discounted Cash Flow (DCF), based on the actual business plan and expected financial performance of the Target, was chosen by more than half of respondents. While forecasts are necessarily subjective in nature and based on expectations of future events, as is the determination of appropriate discount and terminal growth rates (albeit to a lesser extent), we believe that the DCF approach, based on robust and well considered business plans provides more reliable valuation outcomes than solely relying on the market approach.

This places a greater importance on performing a robust due diligence and aligning strategies so that projections are founded on a realistic understanding of the business, market and value drivers.

The next most popular valuation method used was an earnings multiple. The selection of an appropriate multiple in Thailand as in any emerging market is necessarily highly judgmental due to lack of available comparable data and subjective adjustments, and it is similarly important to ensure that the earnings are based on the sustainable, underlying performance of the target business.

Existing cash and new debt raised inside Thailand were the most common methods of financing deals.

Financing for deals in Thailand are driven by 31 commercial banks which include domestic institutions, subsidiaries of foreign banks and foreign bank branches. Together, these entities account for 50% of the total assets of the financial sector and have been a key source of funds in acquisitions. Larger listed corporates have also tapped the public debenture markets to raise capital for large deals, usually converting bridging funds to debentures which are lower cost. The largest local banks have leveraged their strong balance sheets and public market access to lead the financing on most deals. Fund raising outside Thailand is only seen on large inbound acquisitions which in many cases are arranged through branches or subsidiaries of foreign banks.

One of the main reasons for failed deals was an inability to mitigate and/or negotiate due diligence findings.

Over 45% of respondents cited that due diligence findings also created issues and delays in completing successful deals. Willingness to negotiate, communication issues and then finalizing the SPA and other contractual arrangements and aligning expectations around business plans were also identified as key factors impacting the closure of completed deals. Similarly, a lack of willingness to negotiate and issues around communication were cited as key reasons for failure on unsuccessful deals.

In our experience, it is important to align on the strategic priorities and key deal framework (e.g. minority/majority stake; the role of existing management post-deal; valuation basis and expected adjustments for debt, working capital, etc.) as early as possible in the deal discussions to avoid surprises when it comes to the SPA.

Deal times in Thailand may be quicker than expected

For the vast majority of respondents, it took six months to one year to convert an investment idea to a completed deal. While the detailed execution phase of many transactions in Thailand (as in any emerging market) can be a drawn out and frustrating process, overall deal timeframes are not prohibitive and, in our view, will only improve over time. Patience and understanding are nonetheless critical to negotiating any deal in Thailand.

Advanced planning for integration can mitigate the main post-deal challenges

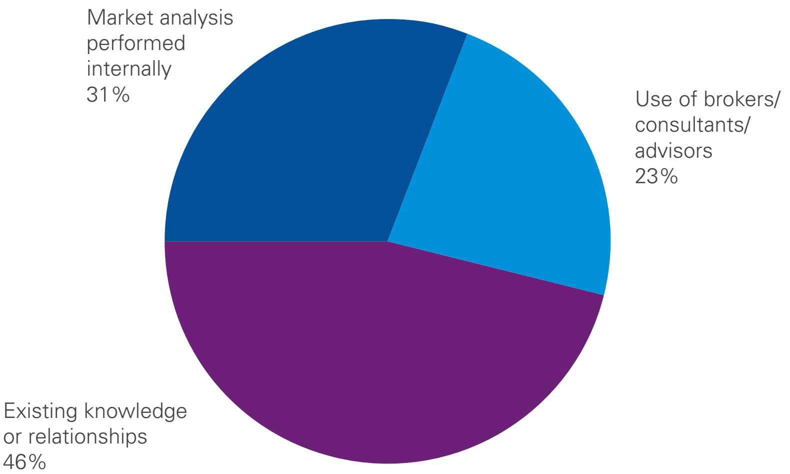
Cultural and management differences (71%) and aligning business plan and/or strategies (54%) were the most common post-deal challenges identified by respondents. Followed by change management (43%) and the realization of synergies (32%), this highlights the importance of thinking about and planning for day one and integration plans earlier in the process. More than half of acquirers either did no integration planning or took only a very light touch approach.

In our experience, an early consideration of the post-deal arrangements, early alignment of strategic goals, and the development of at least an integration blueprint prior to completion, make deals much more likely to be successful.

2. Finding a suitable target

Finding a suitable target

Figure 2.1
Deal strategy — sourcing a target



Note: Some respondents selected more than one option.

There are almost 700,000 registered companies in Thailand. So how do buyers originate investment opportunities?

46% of our respondents leveraged existing relationships or their knowledge of the market. Market analysis performed internally to identify potential targets which were previously unknown to management came in second with 31%.

Use of brokers, consultants and advisors came a distant third, with 23%.

Figure 2.2
Number of targets considered before investing

Most buyers considered two to five targets before investing implying that buyers spend considerable time in identifying investable targets.

Sellers seeking investors should also note the importance of effectively marketing their business to maximize exposure to potential investors and to stand out from the crowd.

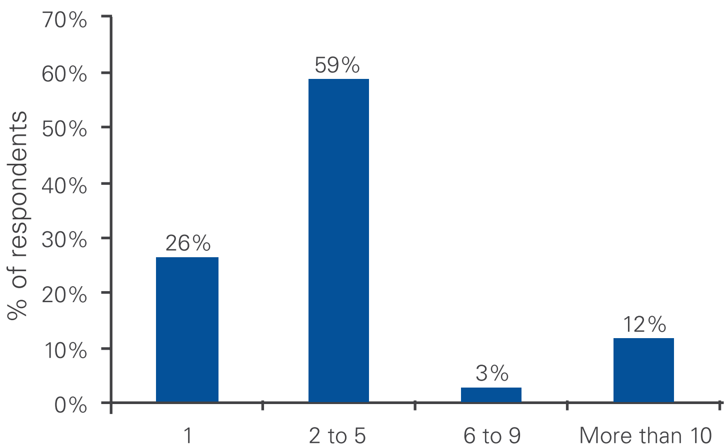
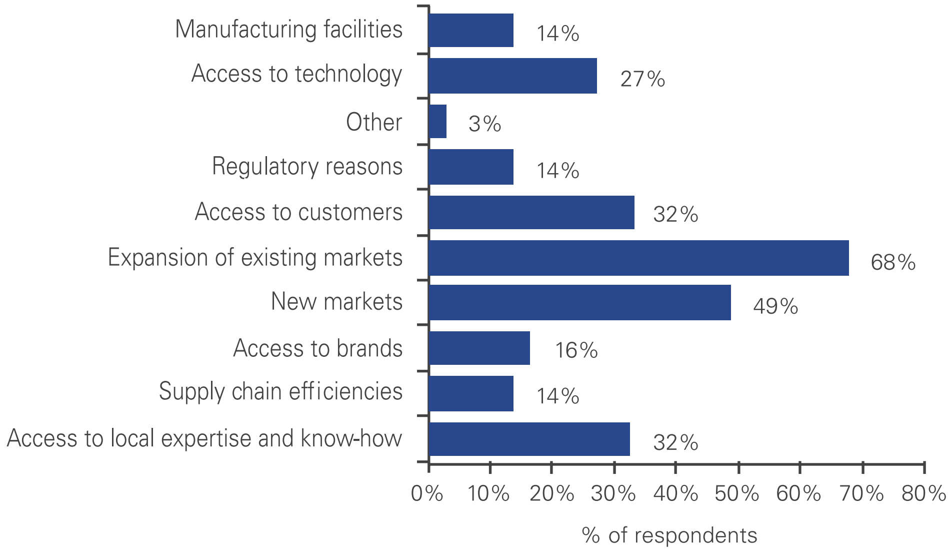


Figure 2.3
Key motivations for pursuing the deal



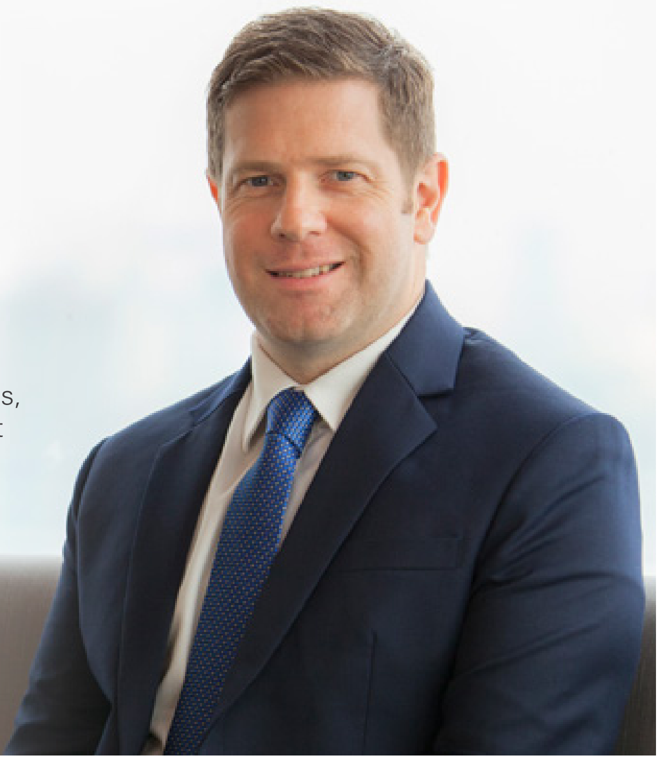
Note: Some respondents selected more than one option.

There is a broad range of motivations for pursuing deals in Thailand, which highlights the country's attractiveness as an investment destination given the breadth of growth drivers identified.

Expansion of existing markets and entrance into new markets appear to be the key strategic objectives, followed by access to local customers, expertise and technology.

Considerations for foreign investors originating deals
Foreign investors often face significant challenges in identifying suitable targets in Thailand, primarily driven by lack of local know-how and relationships. Purchasers may also find it difficult to approach potential targets, access to the right people can often be restricted, and language and cultural barriers can be significant.

We are increasingly working with buyers earlier in the process on their overall deal strategy, including market research and commercial due diligence, leveraging our extensive local knowledge and relationships, in addition to helping navigate the regulatory environment and market dynamics. In our experience, this has without doubt increased our clients' success.



Ian Thornhill
Partner, Head of Deal Advisory
KPMG in Thailand

3. Valuation and due diligence

Valuation and due diligence

Valuing a business

Valuing a business is one of the most crucial parts in the deal process and this will be a key negotiation issue in most deals. Based on our experience, we have identified some observations in Thailand:

- Valuing a business often revolves around income approach and market approach, while market approach commonly applies EV/EBITDA and P/E, income approach focuses on Discounted Cash Flow (DCF).

- While DCF is the most commonly used to determine business value in transactions, local sellers of family-owned businesses are likely to benchmark their businesses against what they consider to be comparable listed companies. P/E multiple is widely adopted by these sellers but valuation expectations are often more emotionally driven than formula-based. This can create an expectation gap, particularly with large multinational corporate buyers which need to adhere to certain internal metrics in approving investments.

- Such price gaps between buyers and sellers are common, thus, bridging the gap is a crucial part of the negotiation. The terms and conditions of the SPA create another layer of complexity to the transaction and underlines the importance of advisors to coordinate with the lawyers and principals to bridge these gaps.

- The expectation of synergies is an integral part in the scenario analysis to determine the price boundary during the negotiation process. Scenario analysis provides different perspectives to the transaction in order to allow the valuer to evaluate risks related to the transactions.

Surayos Chuephanich
Partner, Deal Advisory
M&A and Infrastructure specialist
KPMG in Thailand

Figure 3.1
Primary basis of valuation

One valuation approach, chosen by 52% of respondents, was to use Discounted Cash Flow, based on the expected financial performance of the Target. While forecasts are necessarily subjective in nature based on expectations of future events, as is the determination of appropriate discount and terminal growth rates (albeit to a lesser extent), we believe the DCF approach, based on robust and well considered business plans provides more reliable valuation outcomes than solely relying on the market approach.

Other valuation approach used by 36% of respondents was an earnings multiple, reflecting company and market specific factors. The selection of an appropriate multiple in Thailand or in any emerging market is necessarily highly judgmental due to lack of available comparable data and subjectivity associated with adjusting multiples.

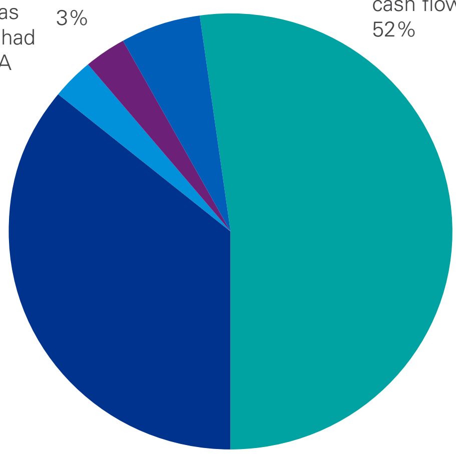
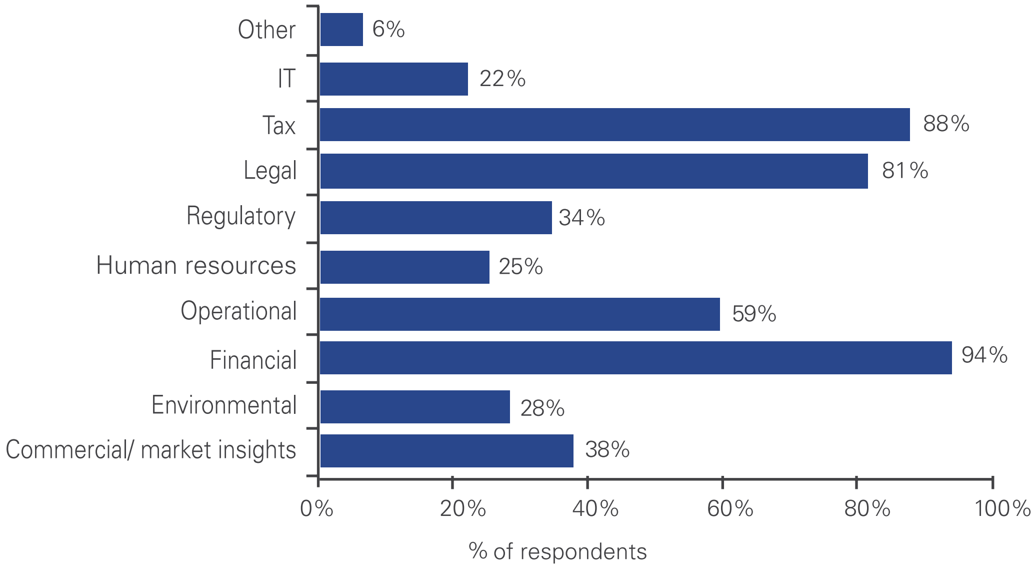


Figure 3.2
What types of due diligence were performed?



Note: Some respondents selected more than one option.

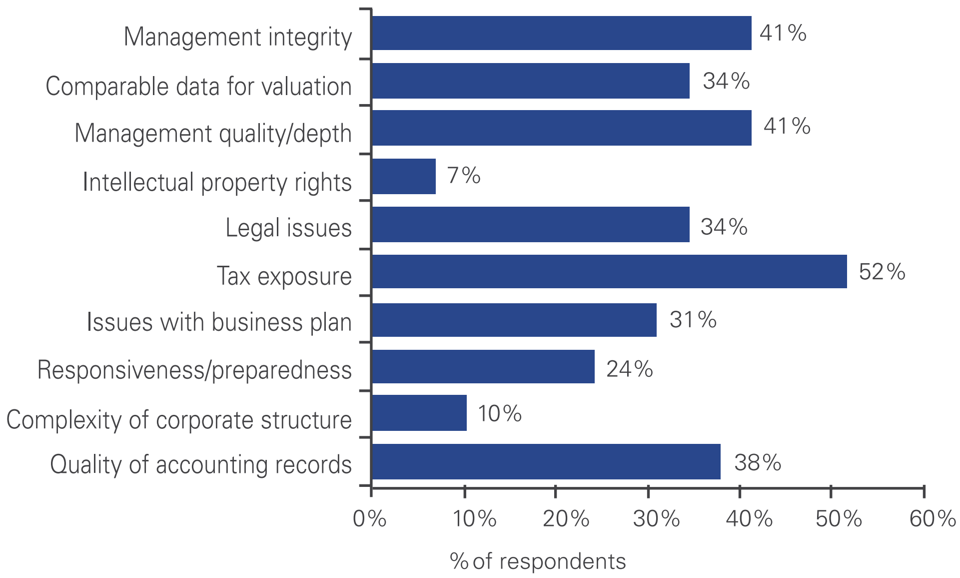
Due diligence

For a large proportion of transactions in our survey, the purchaser performed detailed Financial, Tax, Legal, and Operational due diligence. This highlights an awareness of the importance of thorough scrutiny of targets.

The survey is consistent with our regular discussions with clients – when robust due diligence is performed the post-deal integration, synergy realization and overall success of the deals increases significantly.

Commercial/market insights, regulatory, environment and IT due diligence will increasingly become more important in Thailand.

Figure 3.3.1
What were the key due diligence and valuation challenges you faced? (Completed deals)

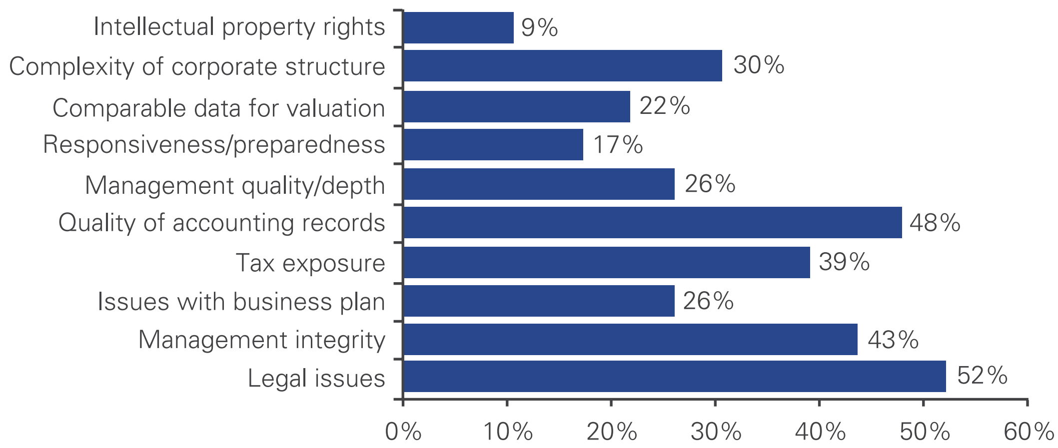


Note: Some respondents selected more than one option.

The key challenge survey participants faced during due diligence is related to tax exposure. Similarly, concerns over management integrity was also highlighted. Management quality/depth concerns were more common for completed deals, perhaps reflecting unrealistic expectations placed on local teams operating in business and cultural environments quite different to the buyer's home market.

Figure 3.3.2

What were the key due diligence and valuation challenges you faced? — Deals that were unsuccessful



Note: Some respondents selected more than one option.

The key challenges faced on unsuccessful deals were relating to legal issues and the quality of accounting records. Management integrity and tax exposure came as the other key challenges in unsuccessful deals.

A robust due diligence is key to corroborating the investment thesis, valuation inputs and focus areas for the post-deal integration plan

A buy-side due diligence is a key step in corroborating the investment thesis. Our experience and survey results suggest that buyers are increasingly employing a more sophisticated suite of due diligence services to supplement traditional financial and tax due diligence services. Valuation and downside risk focused exercises are being supplemented by synergy and opportunity assessments that are feeding into the post-merger integration plans of sophisticated buyers.

Traditional challenges of obtaining good quality financial information and access to finance and accounting staff are being compounded by requests for more holistic access to the target business. Advisors are key to navigating the restrictions imposed by non-disclosure agreements and fierce protection of commercially sensitive information in deals involving competitors/potential competitors.

Transparently agreeing the objective and scope of the due diligence and integrating the team of advisors are key factors in ensuring a robust due diligence and consequently gaining a good understanding of value creation opportunities.

Chortip Varutbangkul
Partner, Deal Advisory
KPMG in Thailand

Preparing your business for sale - how taking an active approach can bring rewards

Selling all or a part of your business, or taking on a strategic partner are very significant milestones, and are increasingly seen as avenues to achieve rapid growth. Strategic goals include economies of scale, expansion of product portfolios, penetration into new markets, getting access to advanced technologies and know-how. The number of M&A deals in Thailand has grown at a fast pace, but many attempted deals fail or become delayed, often because of insufficient preparation and planning by the sellers, especially in the eyes of foreign investors and private equity funds.

We are seeing more divestments in Thailand from family-owned businesses which have grown into successful medium-to-large size operations, but which by their nature are often inexperienced in the M&A process and don't have accounting and governance policies designed for multinational corporations. When M&A proceeds without adequate planning and preparation, we see that the process can be slowed down significantly and sellers can be at a significant disadvantage to sophisticated investors due to their limited understanding of technical deal considerations. These sell-side pitfalls can be mitigated by:

- A thorough review of your business in the early stages before going to market to determine areas that may be critical and need improvement and take corrective action to resolve issues before engaging with potential buyers;
- Understanding of various bidders' agendas (e.g. How do they view the business/market? What will their concerns be? What kind of futures do they want to see? How will they justify the valuation? What can be the alternative options to buying the business?) and being well-prepared in addressing their questions; and
- Assessing exit options and deal structure which may provide you with the most leverage and maximize your shareholder value.

Once issues are remedied or addressed, sellers may choose to conduct Vendor Due Diligence which has two main benefits: firstly, the sellers have an opportunity to mitigate significant issues which may be red flags to investors; secondly, it minimizes disruption to the business whilst allowing the due diligence report to be shared with a wider pool of investors.

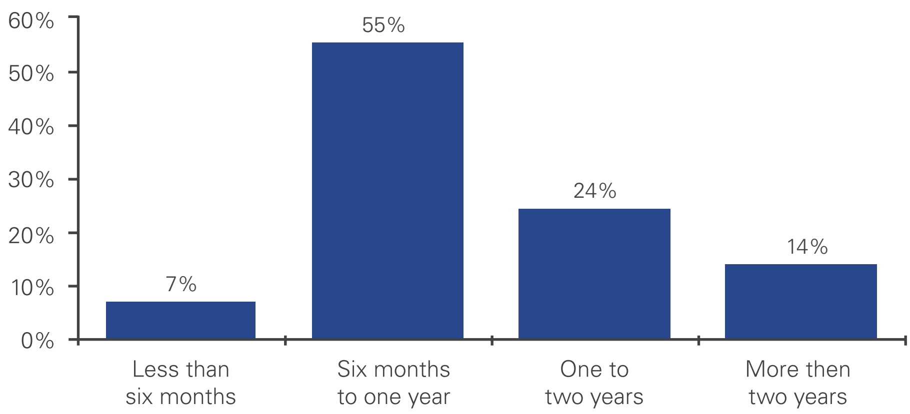
The demand for vendor due diligence in Thailand has increased in recent years as both buyers and sellers realize the value in this process. Particularly for sellers who want to be aggressive in their sale strategy, the vendor due diligence exercise can make a significant difference to these elements of a deal, as it helps improve their chance of impressing buyers, increasing sale price and reducing the potential for delays in the transaction.

A divestiture is surely a complex process and often time consuming, stressful and unpredictable. Engaging the right advisors at each stage of the sale process is therefore key for your divestment journey.

4. Closing the deal

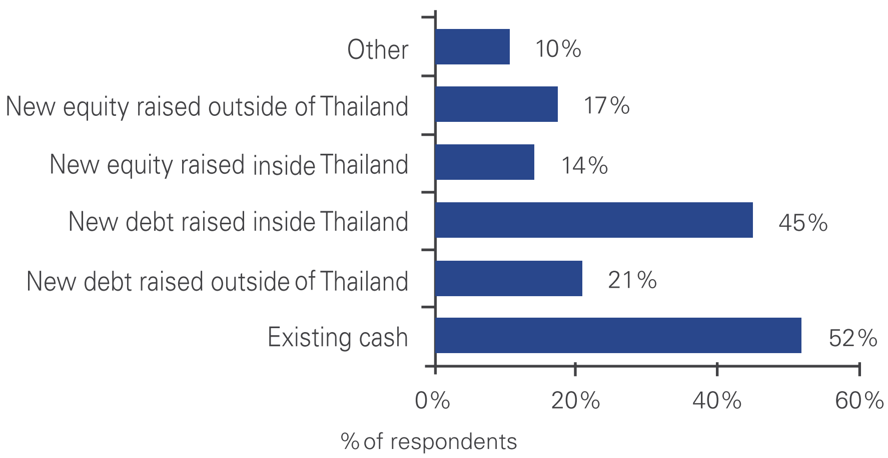
Closing the deal

Figure 4.1
How long was it before an investment idea translated into a completed deal?



For the vast majority of respondents, it took six months to one year to convert an investment idea to a completed deal. While the detailed execution phase of many transactions in Thailand (or in any emerging market) can be a drawn out and frustrating process, overall deal timeframes are not prohibitive and in our view will only improve over time. Patience and understanding are nonetheless a must.

Figure 4.2
How was the deal financed?

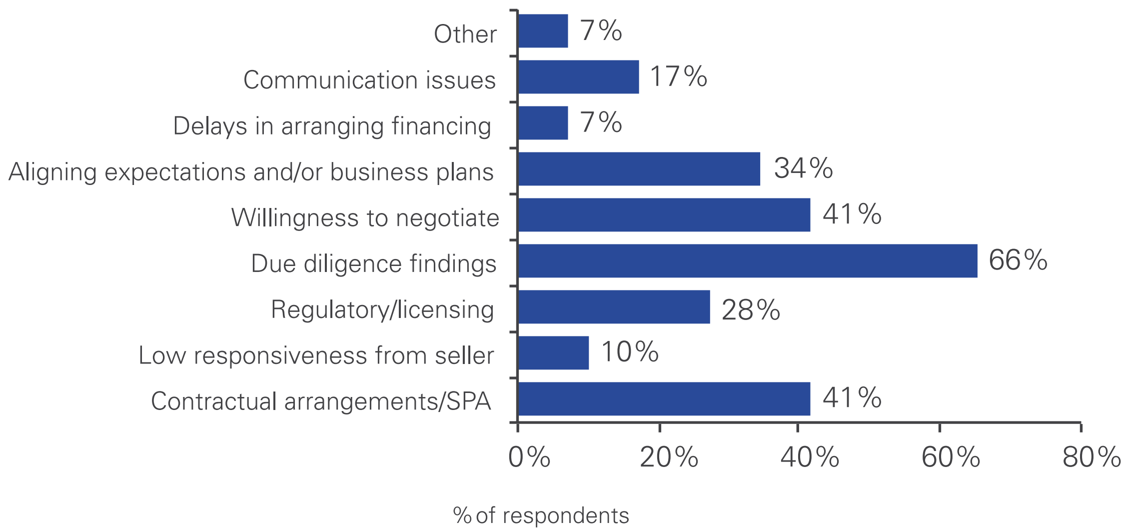


Note: Some respondents selected more than one option.

For the majority of respondents, existing cash and new debt raised inside Thailand appear to be the most widely used methods of financing the deal. These methods are also jointly used to raise financing.

Figure 4.3.1

Key factors impacting the closure of transactions – Successful deals



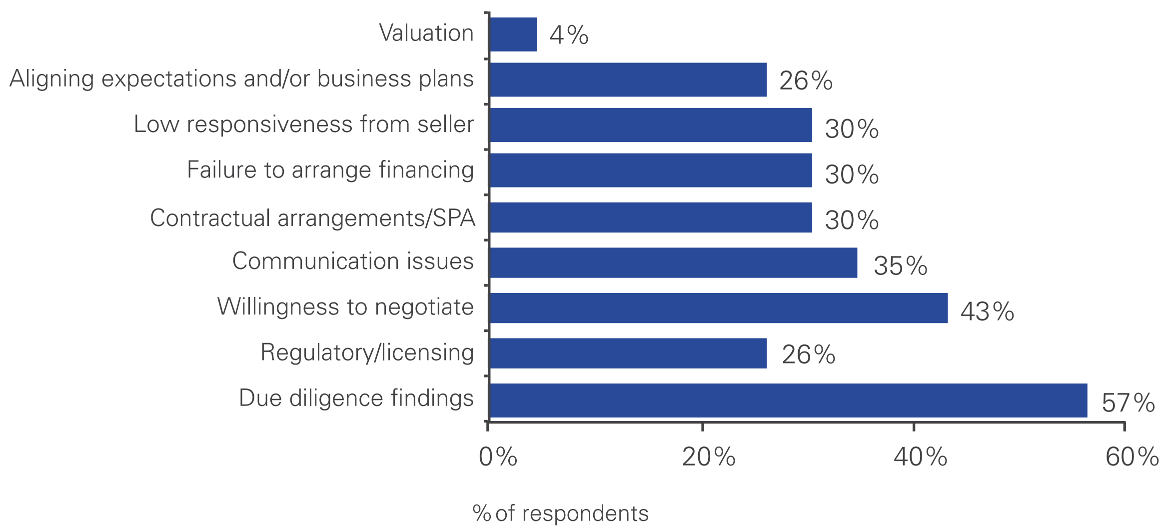
Note: Some respondents selected more than one option.

The inability to mitigate and/or negotiate due diligence findings was a major factor impacting the closure of transactions (66% of respondents). Due diligence findings also created issues and delays in successful deals, although the parties were able to overcome these and complete the transaction.

Willingness to negotiate, contractual arrangement/SPA and aligning expectations and business plans were also identified as key factors impacting the closure of successful deals.

Figure 4.3.2

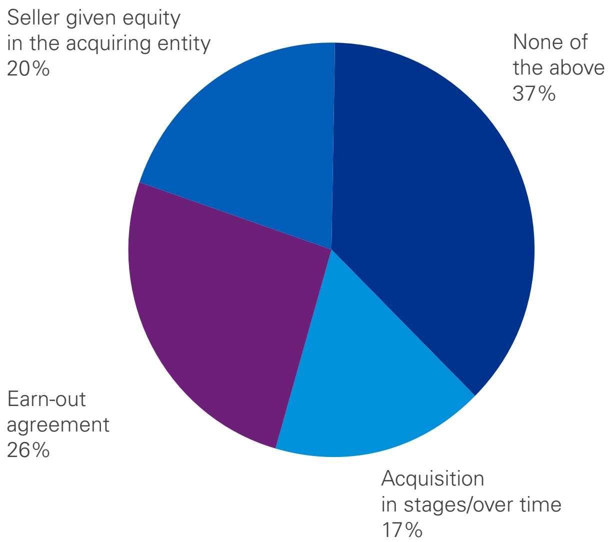
Key factors impacting the closure of transactions – Unsuccessful deals



Note: Some respondents selected more than one option.

Similarly due diligence findings, willingness to negotiate and communication issues were apparent on unsuccessful deals.

Figure 4.4
Methods used in transaction structure



We are increasingly seeing the use of more sophisticated deal structures, for example the use of earn-out arrangements to bridge valuation gaps, partial share swaps, and stepped transactions. We expect such structures to continue to be more commonly used in the future.

Figure 4.5
Key learning points from the M&A process shared by respondents

"Advance preparation and gap analysis are the key for successful deals."

Director of a Thai conglomerate

"Complicated ownership structures, with different shareholders having different objectives – compound on top of the language barrier to make deals difficult."

Group CFO of a Petrochemical Company

"Talent is very expensive for what you get."

Chief Investment Officer of a Food and Beverage Company

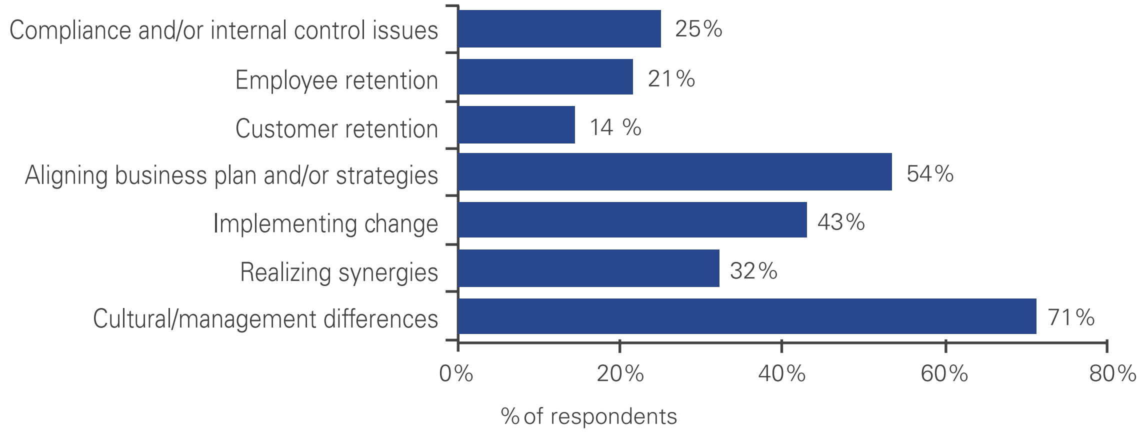
"Due diligence, in many areas, should be done carefully."

Senior Vice President of an upstream Oil and Gas company

5. Post deal

Post deal

Figure 5.1
Key challenges in successfully transitioning and/or integrating new businesses



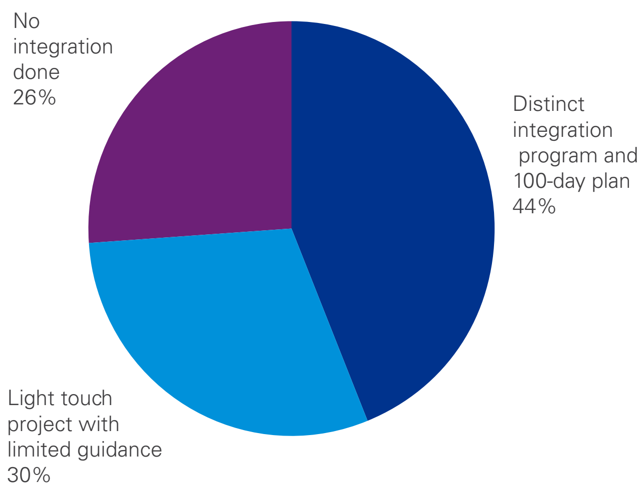
Note: Some respondents selected more than one option.

Whether the intention is to integrate the target into the acquirer's business or allow it to continue to operate on a standalone basis, it is important that ownership/investment transition is well planned prior to day one and is executed in an efficient and effective manner to minimize disruption, preserve value and realize any synergy opportunities.

71% of survey respondents indicated that the biggest challenge was cultural and management differences. Aligning business plan and strategies came as the second key challenge with 54% of respondents.

Customer and employee retention was the least of the concerns that respondents identified during integration.

Figure 5.2
Integration and transition of business plan



In terms of managing the integration and transition of their business plan, based on the survey respondents, only 44% used a structured integration plan and 30% used only a light touch approach with limited guidance.

On the other hand, 26% of respondents said that they did not perform any integration at all.

An early start on developing the integration blueprint greatly improves the realization of post-deal ambitions – make the first 100 days matter.

Your business and integration teams should focus on synergy realization, problem resolution, and value creation – all while minimizing disruption to the business. Be ready to make some adjustments if they help continuity.

A good blueprint provides momentum for the process of generating the Target Operating Model (TOM), day one readiness and a quick win delivery plan. A flawed/inconsistent approach significantly hinders the integration process. Synergy goals that the buyer determined in the framework of the investment proposal must be validated as early as possible.

Inclusion of the target management in an ‘off-site’ alignment workshop with developers of the investment case at the buyer’s end normally proves invaluable.

In this way, erroneous outside-in assumptions on the organizational structure, processes and products are avoided. In addition, the acceptance of the blueprint by the target is improved.

When appointing work stream sponsors and leads, it is key to ensure that the correct individuals and responsibilities are selected. This is an involved process and mistakes here can be very costly. The importance of adequate planning should not be underestimated in protecting the value of acquired businesses and delivering the upside ambition, and making deals successful.

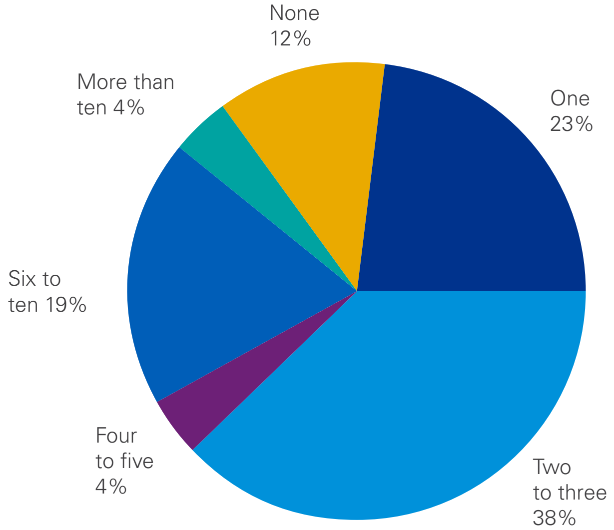
Ian Thornhill
Partner, Head of Deal Advisory
KPMG in Thailand

6. What does the future hold for M&A in Thailand?

What does the future hold for M&A in Thailand?

Figure 6.1.1

How many transactions do you expect to complete within Thailand over the next five years?



Our survey findings suggest that the majority of respondents expect to complete two to three transactions both within Thailand and outside of Thailand in next five years.

Figure 6.1.2

How many transactions investors expect to complete outside Thailand over the next five years

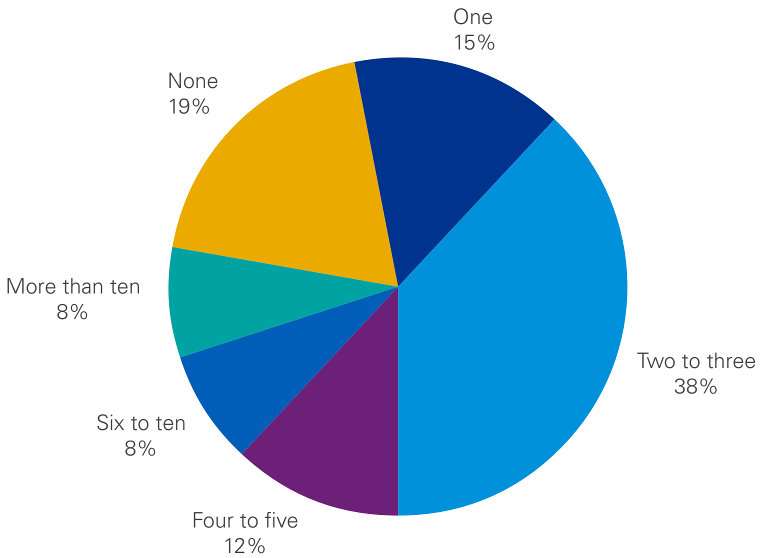
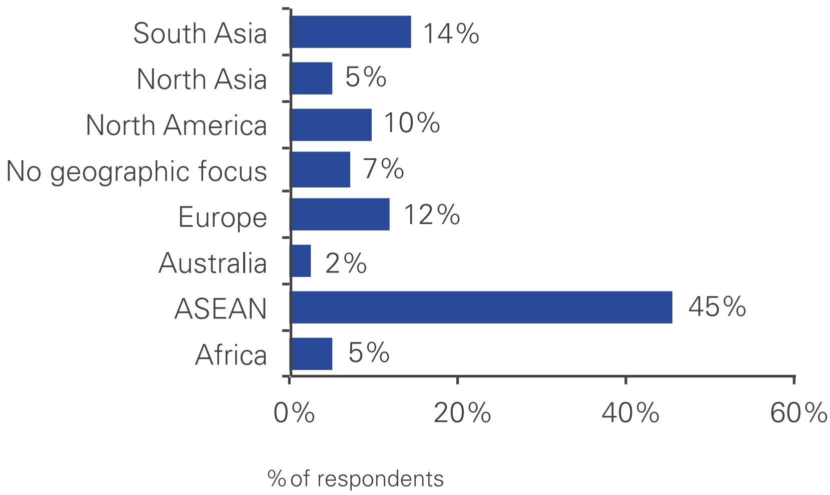


Figure 6.1.3

What are the geographic areas of interest when pursuing deals outside Thailand?

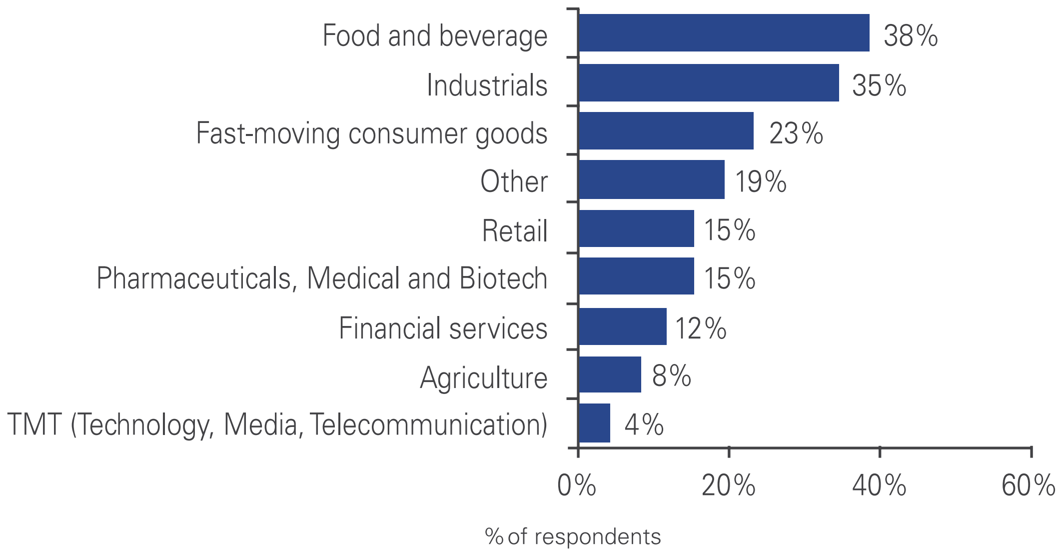


Note: Some respondents selected more than one option.

45% of respondents replied that ASEAN is the top priority geography for investment outside Thailand, followed by South Asia and North America.

Figure 6.2

Expected key sectors of interest for M&A over the next five years



Note: Some respondents selected more than one option.

The survey also indicated that interest will continue to remain in food and beverage, industrials, and fast-moving consumer goods.

Notable low ranking sectors are technology, media and telecommunications and agriculture. These sectors are currently challenging sectors due to the relative scarcity of available quality deals and/or concerns over valuations.

Tax non-compliance while common in smaller deals in the Thai market need not derail an M&A process

The two key considerations when seeking to purchase a historically tax non-compliant business are: 1. Impact to the earnings from tax compliance; 2. Historical tax exposures.

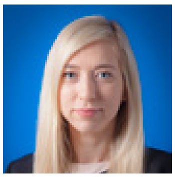
A key output of a robust due diligence is an analysis of expected future tax burden based on historical analysis of tax compliance. Another potential impact to consider is the prospect of lost business from being tax compliant (e.g. previously unrecorded sales to non-compliant businesses). These should be incorporated into the valuation model and adjusted in the purchase price.

Historical liabilities can be left with the seller through an asset deal. However, in instances where this is not possible (e.g. due to buyer resistance, licensing, etc.), seeking appropriate tax indemnities that are backed by a deferment of purchase considerations is an often used structure. Estimating a magnitude of the exposure is a key step in sizing the deferment. The acquirer needs to also include a tax compliance plan as part of its overall integration plan for the business.

For sellers, an early understanding of tax compliance problems inherent in the business can help plan mitigation strategies as well as drive a more productive conversation with the buyer throughout the process and contribute to a successful deal outcome.

Various investment incentives such as The Board of Investment of Thailand (BOI) tax holidays, and various benefits of using Thailand as a regional or international hub under the International Business Centre (IBC) arrangements may apply to your investment if structured appropriately.

John Andes
Partner, Deal Advisory
M&A Tax
KPMG in Thailand

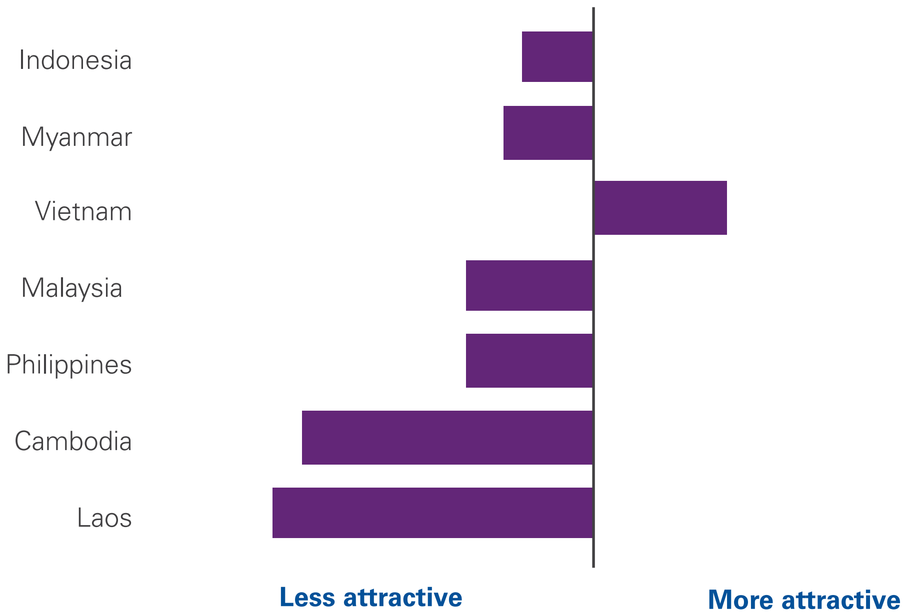


Tatiana Bespalova
Partner, Deal Advisory
M&A Tax
KPMG in Thailand

Auaychai Sukawong
Director, Deal Advisory
M&A Tax
KPMG in Thailand

Figure 6.3

How does Thailand compare to other emerging Southeast Asian countries with respect to M&A activity?



How does Thailand compare to other emerging Southeast Asian countries with respect to M&A activity?

M&A outlook

Although regulations, particularly foreign ownership restrictions, are key concerns for inbound investors, Thailand's strategic location, favorable macroeconomic climate, the government's 'Thailand 4.0' economic transformation plan and relative political stability combined, still keep Thailand as an attractive stage for domestic and inbound M&A deals.

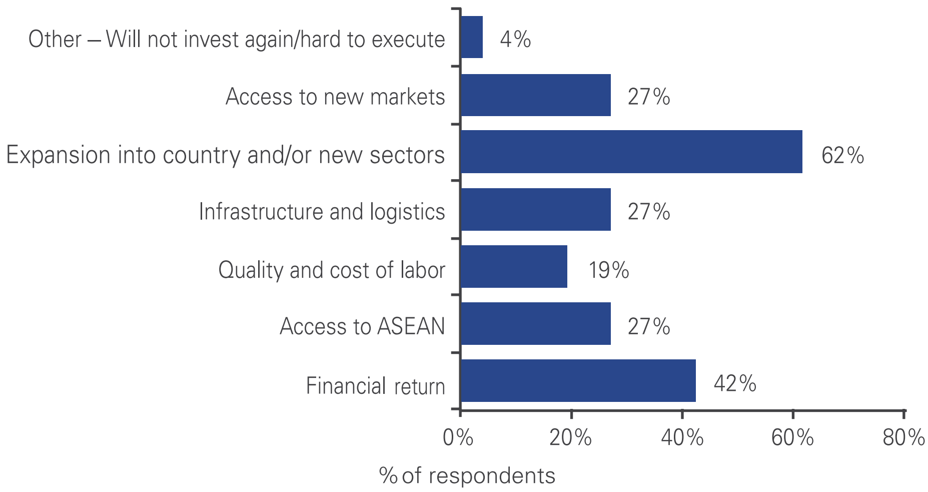
One new challenge is from the Trade Competition Act of 2017 which is designed to prevent a merger that creates a dominant player/monopoly in any particular market. Such transactions will require approval from the Office of Trade Competition Commission (OTCC).

We expect to see continued strong deal flows in financial services (driven by consolidation in the banking and insurance sectors and increased adoption of fintech), consumer and retail, technology, industrial markets and infrastructure. Inbound investments are likely to continue driven by private equity and Venture Capital (VC) funds, along with strategic corporates and other global initiatives such as China's Belt and Road initiative.

At the same time, we expect that the trend of outbound M&A by large Thai corporates will continue to expand in terms of value, volume and geographic reach, as these conglomerates continue to transform into truly global players.

Tanate Kasemsarn
Partner, Deal Advisory
M&A Specialist
KPMG in Thailand

Figure 6.4
Key reasons to invest in Thailand in the future



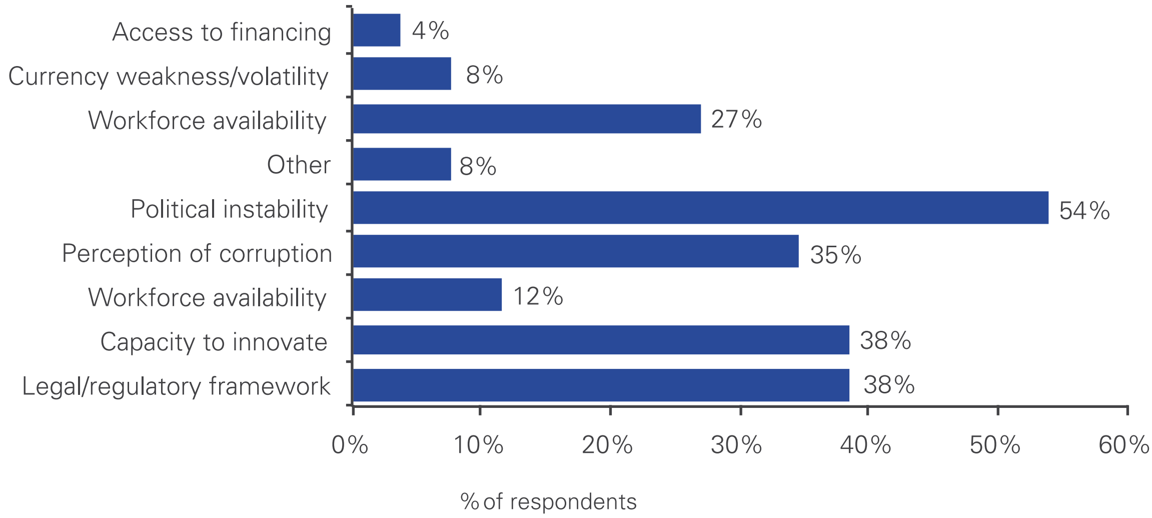
Note: Some respondents selected more than one option.

Expansion into country and/or new sectors was cited by the investors as the major reason to invest in Thailand in the future, with 62% of respondents.

Financial return came as second, with 42% of respondents.

Figure 6.5

Key risks and concerns connected to investing in Thailand in the future



Note: Some respondents selected more than one option.

Political instability was cited by investors as being of major concern when considering future investments, with 54% of respondents.

Capacity to innovate, legal/regulatory framework and perception of corruption were also perceived as concerns by more than a third of respondents.

Access to financing appears to be the least concern for investing in the future.

7.1 Appendix

Methodology and respondent information

Figure 7.1
Positions of respondents

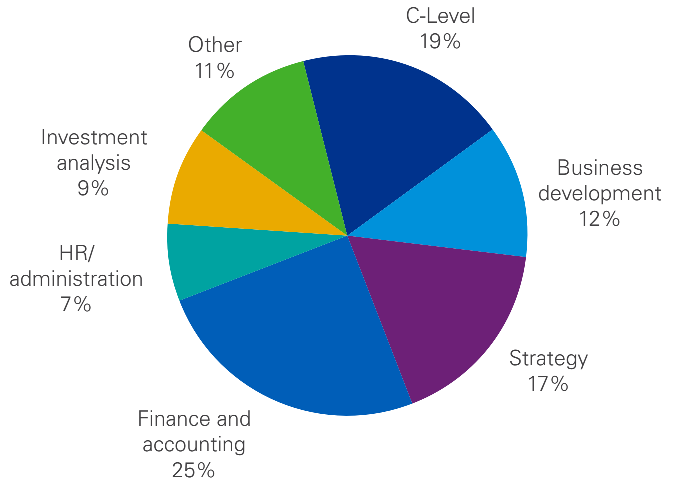
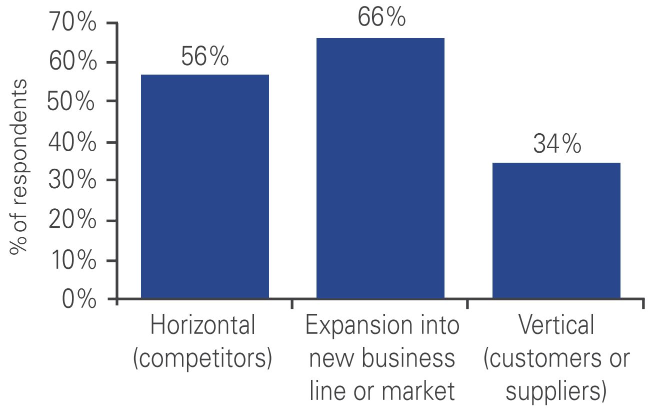


Figure 7.2
Type of acquisitions that respondents pursued or intend to pursue



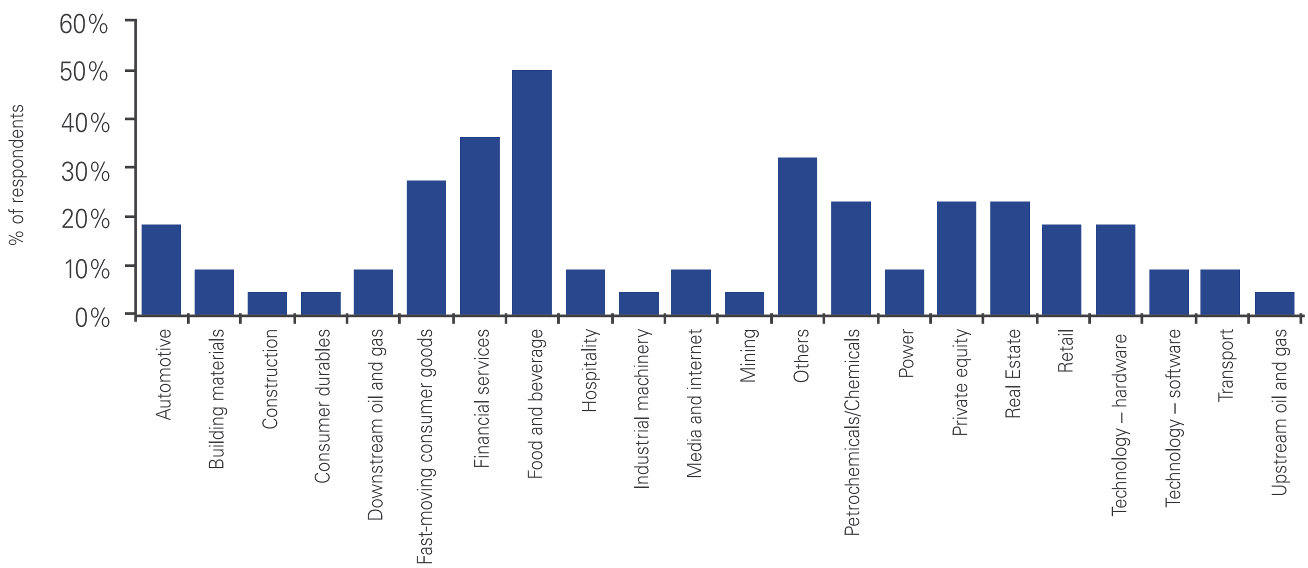
Note: Some respondents selected more than one option.

Among the respondents, 73% had completed an M&A/JV deal in Thailand.

As would be expected, respondents based in Thailand (working for international or domestic companies) are highly represented in our survey.

With regard to sector representation, the majority of respondents operate within the food and beverage, financial services, fast-moving consumer goods, real estate and private equity.

Figure 7.3
Sectors of operations of respondents



Note: Some respondents selected more than one option.

7.2 Appendix

About KPMG and our deal advisory services

KPMG Deal Advisory offers a holistic and integrated approach to drive value when our clients are looking to buy, sell, fund, fix or partner. We look beyond the engagement and take a long-term, sustainable view; helping identify how a transaction will impact areas across the organization and think strategically about the client's entire business. We seek to become a true partner to the client by providing a well-rounded perspective on the client portfolio – identifying underperforming assets, areas with growth potential, upsides, risks, and where the portfolio does and does not align with the business strategy.

At KPMG we

Anticipate

Anticipating tomorrow to deliver the best results today is our philosophy. Ongoing economic uncertainty, the evolving role of government in the marketplace, prospects of a more complex regulatory environment, combined with rapid changes in industries, huge strides in the advancement of digital technology and consumers' rising expectations mean that to be at the forefront of each industry, companies must constantly anticipate change.

In such a fluid economic climate, we believe in anticipating and understanding the changes before they take place. We are ready for tomorrow, and our goal is to make our clients find the best solutions today.

Innovate

At KPMG, we believe that despite the recent advances in technology, ultimately what still makes the difference to our clients is the experience of working with KPMG people. We work hard to develop and retain the best professionals in the field to best serve our clients. Our people understand both the local and global contexts of business and have a deep understanding of our clients' diverse industries and the complex environment in which they operate.

This, combined with a conscious and calculated expansion of innovation and technology in our Audit, Tax and Advisory services, allows us to make the best decisions for our clients. We tailor our services and solutions to suit each client's unique needs and businesses.

Deliver

What we do is simple. We understand the business climate and industries, we know our clients and we deliver tailor-made services to best serve each client's individual needs using experts in the field and innovative tools.

We are constantly expanding our capabilities as a firm, developing our people and innovating our tools to allow us to stay ahead. We bring long term added value through our real world experience and technical know-how. Our forward looking vision and deep expertise ultimately lead to one goal: Delivering real results to you.

Anticipate. Innovate. Deliver.

Deal advisory services offerings

Buying a business
- Deal strategy
- Market entry study
- Option Identification: target search/structure
- Deal evaluation: due diligence/valuation
- Deal execution/negotiation/closing
- Integration
- Purchase price allocation (PPA)

Selling a business
- Investment/business portfolio review
- Exit option
- Investor identification
- Vendor due diligence
- Pricing support
- Deal structure
- Deal execution/negotiation/closing
- Separation

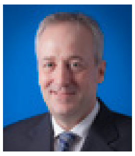
Funding a business
- Business plan review/assistance
- Capital structure assessment
- Financial strategy
- Financing assistance
- IPO preparation
- Deal execution/negotiation/closing

Fixing a business
- Business turnaround plan
- Financial restructuring
- Solvency strategy
- Working capital management
- Cash flows monitoring
- Operational restructuring
- Loan portfolio assistance

Partnering
- Opportunity evaluation
- JV/Alliance assessment
- JV/Alliance formation and structure
- Deal execution/negotiation/closing

Contact us

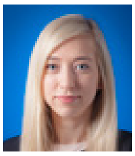
Winid Silamongkol
CEO and Head of Advisory
T: 02-677-2000 ext. 2124
E: winid@kpmg.co.th



Bob Ellis
Partner, Deal Advisory
Funding specialist
T: 02-677-2000 ext. 2118
E: bellis1@kpmg.co.th

Chortip Varutbangkul
Partner, Deal Advisory
Due Diligence specialist
T: 02-677-2000 ext. 2749
E: chortip@kpmg.co.th

Christopher Saunders
Partner, Advisory
Head of Financial Services
T: 02-677-2000 ext. 2359
E: csaunders2@kpmg.co.th



Tatiana Bespalova
Partner, Deal Advisory M&A Tax
T: 02-677-2000 ext. 2697
E: tbespalova1@kpmg.co.th

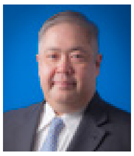
Canopus Safdar
Director, Deal Advisory
T: 02-677-2000 ext. 2603
E: csafdar1@kpmg.co.th

Chakri Boonyakiat
Director, Deal Advisory
T: 02-677-2000 ext. 2271
E: chakri@kpmg.co.th

Ian Thornhill
Head of Deal Advisory
T: 02-677-2000 ext. 2297
E: ithornhill@kpmg.co.th

Tanate Kasemsarn
Partner, Deal Advisory
M&A specialist
T: 02-677-2000 ext. 2750
E: tanate@kpmg.co.th

Surayos Chuephanich
Partner, Deal Advisory
M&A and Infrastructure specialist
T: 02-677-2000 ext. 2752
E: surayos@kpmg.co.th



John Andes
Partner, Deal Advisory M&A Tax
T: 02-677-2000 ext. 2430
E: jandes@kpmg.co.th

Auaychai Sukawong
Director, Deal Advisory M&A Tax
T: 02-677-2000 ext. 2644
E: auaychai@kpmg.co.th

Songpon Kiatlertpongsa
Director, Deal Advisory
T: 02-677-2000 ext. 2774
E: songpon@kpmg.co.th

KPMG Phoomchai Business Advisory Ltd.
48th Floor, Empire Tower, 1 South Sathorn Rd.,
Yannawa, Sathorn, Bangkok 10120,
Thailand

home.kpmg/th

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