

# M&A Trends in Thailand

Q1 2020

KPMG in Thailand | Deal Advisory

M&A activity was strong at the beginning of 2020 with numerous transactions, including the acquisition of the Ninth Towers office building and Unilever House office building projects (USD 186.2 million and USD 50.4 million) by CPN Retail Growth Leasehold REIT. In Q1 2020, the real estate, infrastructure and construction sector contributed up to 83.5% of the USD 1,367 million M&A transaction value. This is largely driven by Asset World Corp Plc's acquisition of 12 hotels and mixed-use projects from the family's TCC Group as part of an internal reorganization (USD 870.0 million), the largest deal in Q1 2020.

On March 9, 2020, CP Group won the competitive auction for the acquisition of Tesco's Asian operations in Thailand and Malaysia for approximately USD 10.6 billion in cash, which will result in one of Thailand's largest ever acquisitions.<sup>1)</sup>

The M&A outlook is driven by the economic uncertainty around COVID-19. The general pace of new M&A activities will slow down, and planned transactions put on hold. Deal flow is expected to decelerate, however distressed deal making could see an uptick as opportunistic buyers aim to find value-based targets impacted by the economic downturn. Based on our discussions with various clients, we expect the deal market to rebound end of this year, with possible catch-up effects.

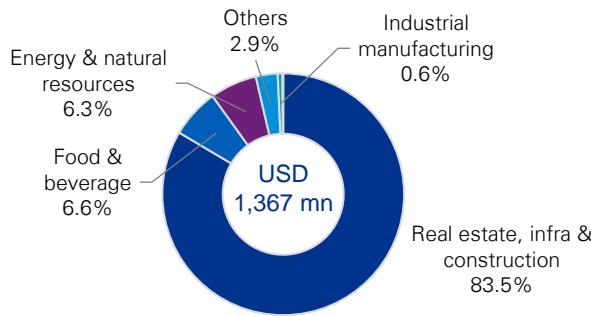
## M&A activity in Thailand



Q1 2020 M&A value and volume in Thailand

USD 1,367 million  
29 Deals

## Q1 2020 M&A Transaction value by industry



Source: S&P Capital IQ

Top Sectors by transaction volume	No. of Transactions
Automotive	2
Consumer & retail	3
Energy & natural resources	6
Financial services	2
Food & beverage	5
Industrial manufacturing	1
Real estate, infra & construction	5
Telco, media & technology	1
Transport & logistics	2
Others	2
<b>Total</b>	<b>29</b>

Source: S&P Capital IQ

## Selected transactions

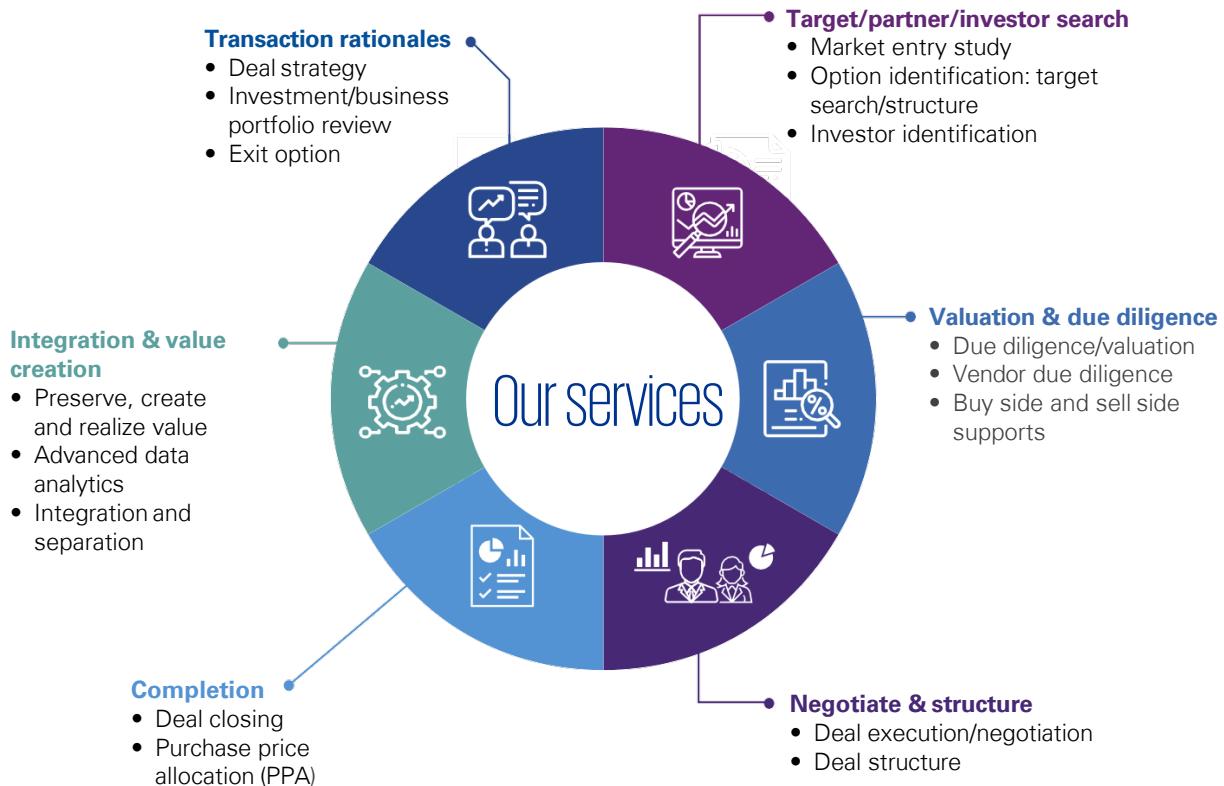
No.	Deal value (USD mn)	Announced date	Target name	Target industry	Buyer name
1	870.0	02-Jan-20	12 hotels and mixed-use projects	Real estate, infra & construction	Asset World Corp Plc
2	186.2	02-Mar-20	The Ninth Towers Office Building	Real estate, infra & construction	CPN Retail Growth Leasehold REIT
3	78.6	05-Mar-20	Spoonful Pte. Ltd., Spoonful (Thailand) Co., Ltd. (Master franchise rights of Bonchon in Thailand)	Food & beverage	Minor Food Group Plc, Primacy Investment Ltd.
4	78.3	17-Mar-20	Angthong Power Co., Ltd.	Energy & natural resources	B.Grimm Power (Chonburi) 2 Ltd.
5	50.4	02-Mar-20	Unilever House Office Building Project	Real estate, infra & construction	CPN Retail Growth Leasehold REIT
6	39.8	31-Jan-20	Fuji Seal Packaging (Thailand) Co., Ltd.	Others	Fuji Seal International, Inc.
7	33.1	06-Feb-20	Sub Permoon 8 Co., Ltd.	Real estate, infra & construction	Luckchai Liquor Trading Co., Ltd., Red Bull Distillery (1988) Co., Ltd., Simathurakij Co., Ltd.
8	8.8	28-Jan-20	Calpis Osotspa Co., Ltd.	Food & beverage	Osotspa Plc
9	8.7	29-Jan-20	IGEN Engineering Co., Ltd.	Industrial manufacturing	ISC Co., Ltd.
10	4.0	17-Jan-20	Burapa Power Generation Co., Ltd.	Energy & natural resources	Gulf Energy Development Plc

Note: 1) The statistics presented above do not include the Tesco transaction as the deal has not yet closed and is subject to regulatory review by the Thai authorities.

Source: S&P Capital IQ

# KPMG Deal Advisory

Whether you need to buy, sell, partner, fund or fix a business, our Deal Advisory team works to help you find, secure, and drive value throughout the business life cycle.



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