

M&A Trends in Thailand

Q4 2021

KPMG in Thailand | Deal Advisory

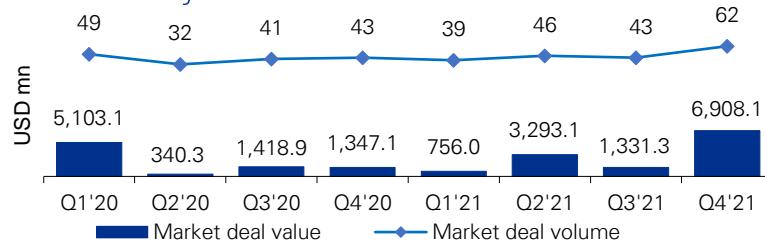
Despite slow economic growth and widespread COVID-19 cases, M&A activities in 2021 soared above 2020 levels in line with the record-breaking year globally for M&A. Thai corporations have been taking advantage of greater access to capital to invest in high growth opportunities in a low growth environment. The pandemic has been a catalyst to invest in enhancing digital capabilities, in line with a post-pandemic world as consumers noticeably grew their reliance on technology.

Positive sentiments of an economic recovery were underpinned by Q4's surge in inbound tourism, however, this was quickly subdued by the government's measures to contain the Omicron variant. Continued expansion of the "sandbox" initiative is expected to sustain the lagging tourism sector. COVID-19 continues to pose a threat to 2022's overall economic outlook as higher household debt, a weakened labor market and supply-side inflationary pressures may dampen consumption.

Q4 2021 saw a significant increase in deal volume with 62 deals that amounted to nearly USD 7 billion. The Telco, Media and Technology sector accounted for 62% of total Q4 2021 deal value, mainly due to True Corporation and DTAC's planned merger to consolidate the Telecom market. A notable deal in the Financial Services sector was SCB's acquisition of Bitkub, highlighting the proliferation of digital asset investments in Thailand.

Thailand's strong external and public finances, macroeconomic framework together with rising exports has led the BoT to forecast GDP growth at 3.4% and 4.7% in 2022 and 2023, respectively. This supports the expectation of continued robust M&A activities, with major themes being digital transformation, divestments and diversification, synergy capture, economies of scale and the continued rise of private equity & venture capital.

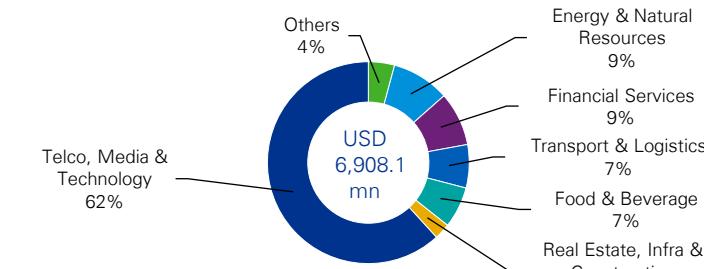
M&A activity in Thailand



Q4 2021 Thailand M&A transaction value and volume

USD 6,908.1 mn
62 Deals

Q4 2021 M&A Transaction value by industry



Source: S&P Capital IQ
Note: Others include Automotive, Commercial & Professional Services, Consumer & Retail, Healthcare & Lifesciences and Industrial Manufacturing

Top Sectors by transaction volume	No. of Transactions
Automotive	2
Commercial & Professional Services	3
Consumer & Retail	3
Energy & Natural Resources	6
Financial Services	6
Food & Beverage	5
Healthcare & Lifesciences	4
Industrial Manufacturing	3
Real Estate, Infra & Construction	11
Telco, Media & Technology	13
Transport & Logistics	6
Total	62

Source: S&P Capital IQ

Selected transactions

No.	Deal value (USD mn)	Percent sought (%)	Announced date	Target name	Target industry	Buyer name
1	4,205.3	100%	22-Nov-21	Total Access Communication PCL.	Telco, Media & Technology	True Corporation PCL.
2	536.6	51.0%	2-Nov-21	Bitkub Online Co., Ltd.	Financial Services	SCB Securities Co., Ltd.
3	434.8	3.4%	26-Oct-21	Siam Makro PCL. ¹⁾	Food & Beverage	CP Merchandising Co., Ltd.; Charoen Pokphand Holding Co., Ltd.
4	373.6	100%	28-Oct-21	Eastern Cogeneration Co., Ltd.	Energy & Natural Resources	Univenture BGP Co., Ltd.
5	329.7	n/a	19-Oct-21	Asia Aviation PCL.	Transport & Logistics	Morgan Stanley Private Equity Asia Ltd.
6	193.6	100%	28-Oct-21 14-Dec-21	Sahacogen (Chonburi) PCL. ²⁾	Energy & Natural Resources	Ratch Group PCL.
7	35.1	50.0%	9-Nov-21	Platt Finserve Co., Ltd.	Financial Services	Sabuy Technology PCL.
8	80.4	49.0%	28-Dec-21	Urban Resort Hotel Co., Ltd./Waterfront Hotel Co., Ltd.	Real Estate, Infra & Construction	Bound and Beyond PCL.
9	72.9	n/a	17-Nov-21	Dr. Jill Laboratory Co., Ltd.	Consumer & Retail	Hatton Equity Partners (Thailand) Co., Ltd.
10	56.7	47.6%	20-Oct-21	TAC Energy Co., Ltd.	Energy & Natural Resources	Eastern Cogeneration Co., Ltd.

Source: S&P Capital IQ

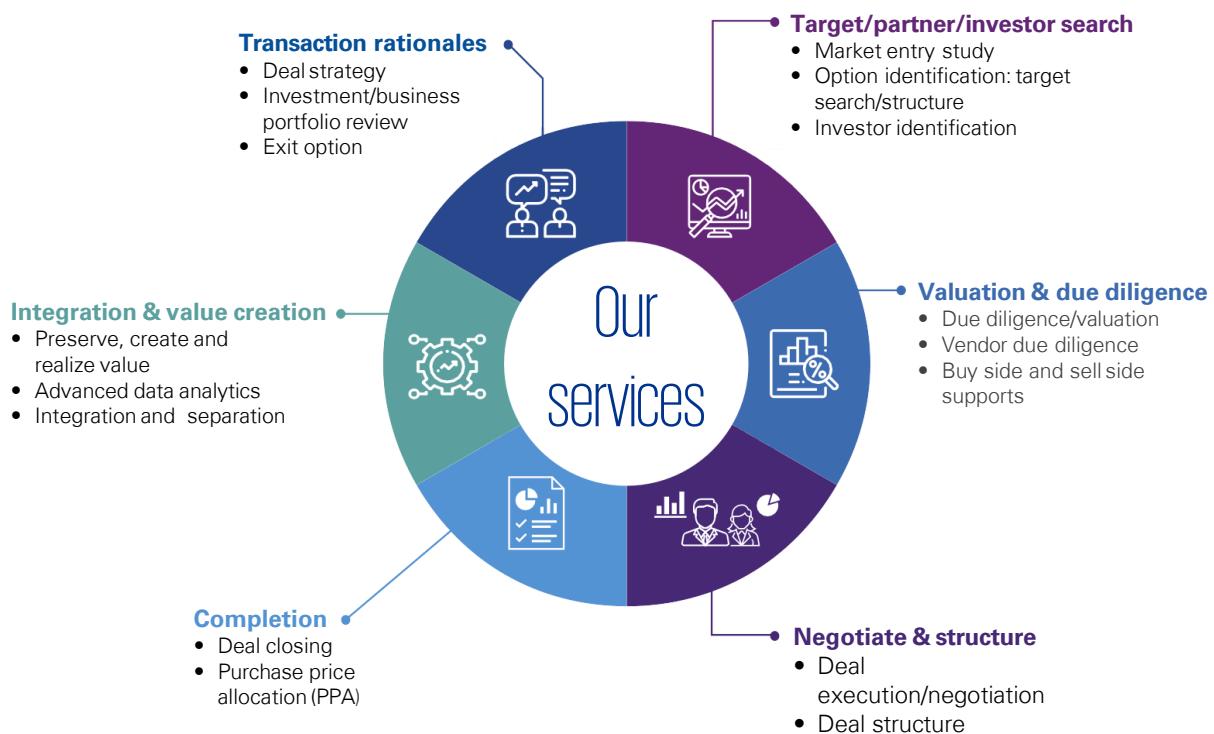
Note: 1) An internal restructuring within CP Group involving Siam Makro resulted in the Tender Offer of the remaining 3.4% stake from minority shareholders (free float), 2) Initial transaction occurred in October 2021 for a 51% stake and Tender Offer in December 2021 for the remaining 49% stake

Data criterion

- Value data provided in the various charts represent the aggregate value of the deals for which a value was stated. Please note that values are disclosed for approximately 50% of all deals
- Deals are included where a stake of 30% or more has been acquired in the target. If the stake acquired is less than 30% then the deal is included if the value is equal to or exceeds the equivalent of USD 100 million
- All deals included have been announced but may not necessarily have closed
- Activities excluded from the data include restructurings where ultimate shareholders' interests are not affected

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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